



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Meeting Agenda City Council

**THE FORT BRAGG CITY COUNCIL MEETS CONCURRENTLY
AS THE FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT
NO. 1 AND THE FORT BRAGG REDEVELOPMENT SUCCESSOR
AGENCY**

Monday, August 14, 2023

6:00 PM

Town Hall, 363 N. Main Street and Via Video
Conference

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

COUNCILMEMBERS PLEASE TAKE NOTICE

Councilmembers are reminded that pursuant to the Council policy regarding use of electronic devices during public meetings adopted on November 28, 2022, all cell phones are to be turned off and there shall be no electronic communications during the meeting. All e-communications such as texts or emails from members of the public received during a meeting are to be forwarded to the City Clerk after the meeting is adjourned.

ZOOM WEBINAR INVITATION

This meeting is being presented in a hybrid format, both in person at Town Hall and via Zoom.

You are invited to a Zoom webinar.

When: Aug 14, 2023 06:00 PM Pacific Time (US and Canada)

Topic: City Council Meeting

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/86739618937>

*Or Telephone: +1 669 444 9171 or +1 719 359 4580 (*6 mute/unmute, *9 raise hand)*

Webinar ID: 867 3961 8937

To speak during public comment portions of the agenda via zoom, please join the meeting and use the raise hand feature when the Mayor or Acting Mayor calls for public comment on the item you wish to address.

AGENDA REVIEW

1. MAYOR'S RECOGNITIONS AND ANNOUNCEMENTS

1A. [23-243](#) Receive Presentation from Redwood Waste Solutions

Attachments: [Redwood Waste Solutions Presentation](#)

2. PUBLIC COMMENTS ON: (1) NON-AGENDA, (2) CONSENT CALENDAR & (3) CLOSED SESSION ITEMS

MANNER OF ADDRESSING THE CITY COUNCIL: All remarks and questions shall be addressed to the City Council; no discussion or action will be taken pursuant to the Brown Act. No person shall speak without being recognized by the Mayor or Acting Mayor. Public comments are restricted to three (3) minutes per speaker.

TIME ALLOTMENT FOR PUBLIC COMMENT ON NON-AGENDA ITEMS: Thirty (30) minutes shall be allotted to receiving public comments. If necessary, the Mayor or Acting Mayor may allot an additional 30 minutes to public comments after Conduct of Business to allow those who have not yet spoken to do so. Any citizen, after being recognized by the Mayor or Acting Mayor, may speak on any topic that may be a proper subject for discussion before the City Council for such period of time as the Mayor or Acting Mayor may determine is appropriate under the circumstances of the particular meeting, including number of persons wishing to speak or the complexity of a particular topic. Time limitations shall be set without regard to a speaker's point of view or the content of the speech, as long as the speaker's comments are not disruptive of the meeting.

BROWN ACT REQUIREMENTS: The Brown Act does not allow action or discussion on items not on the agenda (subject to narrow exceptions). This will limit the Council's response to questions and requests made during this comment period.

WRITTEN PUBLIC COMMENTS: Written public comments received after agenda publication are forwarded to the Councilmembers as soon as possible after receipt and are available for inspection at City Hall, 416 N. Franklin Street, Fort Bragg, during normal business hours. All comments will become a permanent part of the agenda packet on the day after the meeting or as soon thereafter as possible, except comments that are in an unrecognized file type or too large to be uploaded to the City's agenda software application. Public comments may be submitted to Administrative Analyst Diana Sanchez, dsanchez@fortbragg.com.

3. STAFF COMMENTS

4. MATTERS FROM COUNCILMEMBERS

5. CONSENT CALENDAR

All items under the Consent Calendar will be acted upon in one motion unless a Councilmember requests that an individual item be taken up under Conduct of Business.

- 5A. [023-235](#)** Adopt City Council Resolution Approving an Update to the City of Fort Bragg Personnel Rules and Regulations Regarding Catastrophic Leave Program

Attachments: [RESO Personnel Rules Update-Catastrophic Leave](#)
[Exhibit A - Catastrophic Leave Program Redline](#)
[Att 1 - Personnel Rules-Catastrophic Leave Update Redline](#)
[Public Comment -- 8_14_23 CC Mtg., Item No. 5A](#)

- 5B. [23-239](#)** Adopt City Council Resolution Approving Community Development Block Grant Coronavirus Relief (CDBG-CV) Business Assistance Loan Program Guidelines

Attachments: [RESO BALP CV PG Update 08142023](#)
[Fort Bragg BALP PGs 2020-CV FINAL DRAFT 08142023](#)
[Fort Bragg BALP PGs 2020-CV FINAL DRAFT REDLINE 08142023](#)

- 5C. [23-240](#) Receive Report Regarding Update to 2023 Community Development Block Grant (CDBG) Funding Schedule
Attachments: [08142023 Report CDBG Design Phase](#)
[Public Comment 8 14 23 CC mtg., Item No. 5C](#)
- 5D. [23-267](#) Adopt Joint City Council/Improvement District/Redevelopment Successor Agency Resolution Approving a Professional Services Agreement with JJACPA, Inc. for Auditing Services and Authorizing City/District Manager/Executive Director to Execute Same (Amount Not to Exceed \$49,550; Split Among the Agencies)
Attachments: [JJACPA Auditing Services](#)
[RESO JJACPA Contract](#)
- 5E. [23-272](#) Accept Certificate of Facilities Lighting Improvement Project, City Project No. PWP-00125, and Direct City Clerk to File Notice of Completion
Attachments: [Notice of Completion - 00125](#)
[Att 1 - Exhibit A - Certificate of Completion](#)
[Att 2 - PWP-00125 Price Comparison](#)
- 5F. [23-270](#) Approve Scope of Work for a Request for Proposals for a Comprehensive Review of the City's Cost Allocation Plan and Develop an Indirect Administration Cost Rate for Federal, State Grants and Reimbursements From Other Governmental Agencies
Attachments: [RFP Overhead Cost Allocation Study](#)
[Public Comment -- 8 14 23 CC mtg. Item No. 5F](#)
- 5G. [23-269](#) Approve Minutes of July 10, 2023
Attachments: [CCM20230710](#)
- 5H. [23-273](#) Approve Minutes of July 24, 2023
Attachments: [CCM20230724](#)

6. DISCLOSURE OF EX PARTE COMMUNICATIONS ON AGENDA ITEMS

7. PUBLIC HEARING

When a Public Hearing has been underway for a period of 60 minutes, the Council must vote on whether to continue with the hearing or to continue the hearing to another meeting.

8. CONDUCT OF BUSINESS

ADA NOTICE AND HEARING IMPAIRED PROVISIONS:

It is the policy of the City of Fort Bragg to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including those with disabilities. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities.

If you need assistance to ensure your full participation, please contact the City Clerk at (707) 961-2823. Notification 48 hours in advance of any need for assistance will enable the City to make reasonable arrangements to ensure accessibility.

This notice is in compliance with the Americans with Disabilities Act (28 CFR, 35.102-35.104 ADA Title II).



City of Fort Bragg

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Text File

File Number: 23-243

Agenda Date: 8/14/2023

Version: 1

Status: Business

In Control: City Council

File Type:
Recognition/Announcements

Agenda Number: 1A.

Receive Presentation from Redwood Waste Solutions



Presented by: Michelle Goodman
Education and Outreach Manager

About Us

Who is Redwood Waste Solutions?

- C&S Waste Solutions has been servicing Lake and Mendocino County for nearly 15 years
- Redwood Waste Solutions began servicing Fort Bragg on July 1st, 2022
- C&S Waste Solutions was recently acquired by Waste Connections
- Waste Connections is the 3rd largest solid waste company in North America



Customer Service Locations

Come visit us!

Fort Bragg and Coastal County

- There is a Customer Service office opening in Fort Bragg.
 - 325A E. Redwood Ave. Fort Bragg, CA 95437
 - Open Monday- Friday from 8:00AM-4:30PM



Residential Service Offerings

- Curbside sizes are 20-, 32-, 64-, or 96-Gallon Carts
- Grey lids are trash, blue lids are recycling, and green lids will be organic waste per SB1383 requirements.
- We utilize Split Body Collection Trucks



Commercial Service Offerings

- Cart and dumpster sizes will remain the same. Carts: 20-, 32-, 64-, or 96-
Dumpsters: 1-6yds
- Collection days are up to 5x per week
- Organics collection is available



Special Service Offerings

- Bulky Item and Electronic Waste collection. (2 Items per year)
 - Changed a bit for City customers through the switch over to RWS
- Holiday Tree Collection
- Paper Shredding Event (1 event annually)



Mobile CRV Redemption Center

- 1 of 10 Pilot Projects allowed in the state
- Mendocino Middle School & Caspar Community Center
- Fort Bragg Food Bank
 - Designed with individuals on foot or bike in mind
 - Takes place in a corner of the food bank lot

Mobile CRV Buy Back Recycling

Redeem Your CRV Eligible Recyclables

Sundays

8:30 a.m. - 5:00 p.m.

Closed from 12:00 - 12:30 p.m. for lunch.

MENDOCINO K-8 SCHOOL

44261 Little Lake Road
Mendocino, CA 95460

Mondays

8:30 a.m. - 5:00 p.m.

Closed from 12:00 - 12:30 p.m. for lunch.

CASPAR COMMUNITY CENTER

15051 Caspar Road
Caspar, California 95420



The Mobile Buy Back at these two locations is a Drive-Through event. All items must have their original labels and be empty, clean, and dry. Please do not crush cans. A valid California ID is required.

Customers are limited to 100 pounds of aluminum maximum, 100 pounds of plastic maximum, and 1,000 pounds of glass maximum. Customers exceeding the daily limit will be turned away.

Eligible CRV container items include:

- Beer and malt beverages
- Wine coolers and distilled spirit coolers
- Carbonated fruit drinks, water or soft drinks
- Non-carbonated fruit drinks, water or soft drinks
- Coffee and tea beverages
- 100% fruit juice less than 46 oz.
- Vegetable juice 16 oz. or less
- Sports drinks

Starting January 1, 2024, Distilled Spirits and Wine (including sparkling and alcohol removed wine) in any container material, including box, bladder, or pouch, will also be eligible.



How Does The Pilot Project Work?

- We show up & leave all in the same day
- No trace should be left behind
- Mobile Scales are utilized on-site
- Payment is offered via check, which is the same form of payment provided by the previous CRV Redemption Center
- Benefits of the mobile program

Where does the Coast's Waste Go?

Solid Waste of Willits & Cold Creek Compost

Landfill: Solid Waste of Willits

Recycle: Solid Waste of Willits

Organics: Cold Creek Compost

LANDFILL

PLACE THESE ITEMS IN YOUR GRAY CART

Paper waste & liners
Desechos de papelería y papeles

Syringes
Esquemas de jeringas

Clothing
Ropa

Plastic bags, gloves & linens
Bolsas de plástico, guantes y servilletas de plástico

Paper coffee cups, receipts, hard cover books
Tazas de café de papel, recibos, libros de tapa dura

Full food plastic, cartons & wrappers
Cajas de cartón llenas con papel de aluminio envolturas de plástico

Ceramics, dishes, glassware with no lead or broken glass
Vajilla, vajillas, vajillas de vidrio y vidrio roto

COLOQUE ESTOS ARTÍCULOS EN SU CARRITO GRIS

<ul style="list-style-type: none"> • Food scraps • Food soiled paper • Yard/garden waste, wood • Metal, aluminum cans, tin, tin • Recyclable plastic bottles, milk/jug/gallon containers • Recyclable paper: newspaper, magazines, colorbacks 	<ul style="list-style-type: none"> • Pizza boxes • Cardboard • Paper • Light bulbs • Syringes • Batteries • Electronics • Household Waste 	<ul style="list-style-type: none"> • Hoses de correa • Paper menor que 10 cm x 10 cm • Residuos de paño, madera • Cables, meta y papel de aluminio, estado • Acumulador de pilas recargables • Cables recargables, auto, auto, auto • Paper, residuos, residuos, residuos, meta de bronce 	<ul style="list-style-type: none"> • Cables de punto • Cables • Pilas • Bombillas • Acumulador • Acumulador • Electrónica • Residuos peligrosos
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C&S WASTE SOLUTIONS
www.CandSwaste.com

RECYCLING

ALL ITEMS EMPTY & CLEAN • TODO VACÍO Y LIMPIO

Plastic
Plásticos

Aluminum & Household Metal
Latón y Aluminio

Glass
Vidrio

Cartons
Cartones de Aque y Leche

Paper & Cardboard
Papel y Carton

Shredded Paper
Papel y Carton

Recyclables should be loose in cart, not in plastic bags, except for shredded paper, and must fit inside cart with lid closed. Place cart at curb with front of cart facing the street. Cart must be within 3 feet of the street to be serviced.

<ul style="list-style-type: none"> • Garbage • Batteries • Ceramics • Clothing • Syringes 	<ul style="list-style-type: none"> • Hazardous Waste • CDs/DVDs/Videos • Light Bulbs • Tents & Hoses • Styrofoam 	<ul style="list-style-type: none"> • Basura • Baterías • Cerámicas • Ropa • Jeringas 	<ul style="list-style-type: none"> • Residuos Peligrosos • CDs / DVDs / Videos • Bombillas • Lonas y Mangueras • Espuma de Poliestireno
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C&S WASTE SOLUTIONS
www.CandSwaste.com

MIXED ORGANIC WASTE

LID MUST BE CLOSED • TAPADERA CERADA

Food Scraps
Basura de comida

Coffee grounds & filters
Residuo de café

Straw - less than 4" in diameter
Pajitas

Garden & Houseplants
Plantas de Interior y Exterior

Meat, poultry, fish & bones
Carne, pollo, pescado y huesos

Food soiled paper
Papel sucio

Grass Clippings & Weeds
Hierba

Limbs
Patas

Food soiled paper plates, cups, aluminum foil, paper towels, serviettes & toilet paper

Pizza boxes
Cajas de pizza

Brush & Prunings
Ramones de árbol

Small Lumber - Unretreated
Madera de tablarde

Mixed organic waste should be loose in cart, not in plastic bags and must fit inside cart with lid closed. Place cart at curb with front of cart facing the street. Cart must be within 3 feet of the street to be serviced.

<ul style="list-style-type: none"> • Poison Oak • Greases or Oil • Metals or Metal • Hot Airflow • Hazardous Waste • Palm Fronds 	<ul style="list-style-type: none"> • Garbage/Recyclables • Bricks/Concrete/Block • Painted/Treated Wood • Tree Stumps • Pet Waste/Liter • Plastic Bags or Pots 	<ul style="list-style-type: none"> • Holes • Green or Acids • Carcinogenic • Corrosive • Flammable • Toxic • Volatile 	<ul style="list-style-type: none"> • Benches/Deckchairs • Ladders/Concrete/Pipes • Mattress/Pillow/Toy • Tires or Auto Parts • Dishwashers or A/C Units • Bikes or Motorcycles
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C&S WASTE SOLUTIONS
www.CandSwaste.com

What goes in the Landfill Cart?

- Styrofoam
- Compostable Bags
- Plastic cutlery
- Plastic Bags
- Pet Waste



LANDFILL

PLACE THESE ITEMS IN YOUR GRAY CART

Pet waste & diapers
Desechos de mascotas y pañales

Styrofoam
Espuma de poliestireno

Clothing
Ropa

Plastic bags, straws & utensils
Bolsas, pajitas y utensilios de plástico

Paper coffee cups, receipts, hard cover books
Tazas de café de papel, ingresos, libros de tapa dura

Foil lined plastic cartons & wrappers
Cajas de cartón forradas con papel de aluminio y envoltorios de plástico

Ceramics, dish/ glassware window & broken glass
Vajilla, cristalería, ventana de vidrio y vidrio roto

COLOQUE ESTOS ARTÍCULOS EN SU CARRITO GRIS

<ul style="list-style-type: none"> • Food scraps • Food soiled paper • Yard/garden waste, wood • Metal, aluminum cans, foil, tin • Recyclable plastic bottles, milk/soup/juice cartons • Recyclable paper: newspaper, magazines, paperbacks 	<ul style="list-style-type: none"> • Pizza boxes • Cardboard • Paint • Light bulbs • Syringes • Batteries • Electronics • Hazardous Waste 	<ul style="list-style-type: none"> • Residuos de comida • Papel manchado de comida • Residuos de jardín, madera • Chalarra, latas y papel de aluminio, estaño • Botellas de plástico reciclables • Cartones reciclables: leche, sopa, jugo • Papel reciclable: periódicos, revistas, libros de bolsillo 	<ul style="list-style-type: none"> • Cajas de pizza • Cartón • Pintura • Bombillas • Jeringas • Baterías • Electrónica • Residuos peligrosos
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NO

C&S WASTE SOLUTIONS
www.CandSwaste.com

What goes in the Recycle Cart?

- Cardboard
- Plastic
- Glass
- Cartons
- Aluminum



RECYCLING



ALL ITEMS EMPTY & CLEAN • TODO VACÍO Y LIMPIO



Plastic ♻️ to ♻️
Plásticos



Aluminum & Household Metal
Latas y Aluminio



Glass
Vidrio



Cartons
Cartones de Jugo y Leche



Paper & Cardboard
Papel y Carton



Shredded Paper
Papel y Carton

Recyclables should be loose in cart, not in plastic bags, except for shredded paper, and must fit inside cart with lid closed. Place cart at curb with front of cart facing the street. Cart must be within 3 feet of the street to be serviced.

- Garbage
- Batteries
- Ceramics
- Clothing
- Syringes



- Hazardous Waste
- CDs/DVDs/Videos
- Light Bulbs
- Tarps & Hoses
- Styrofoam

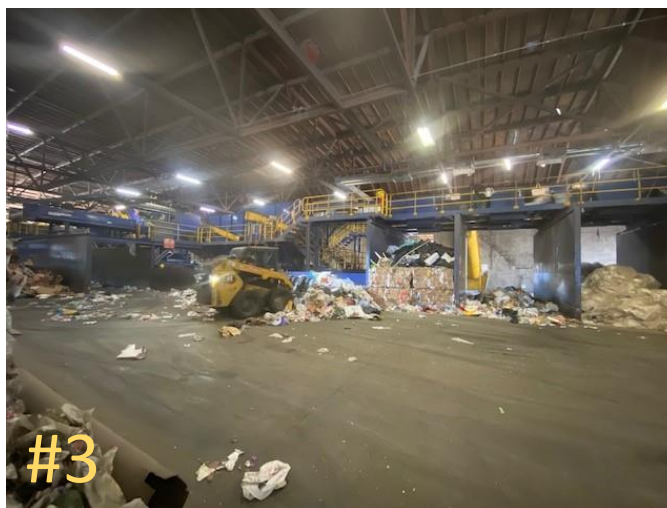
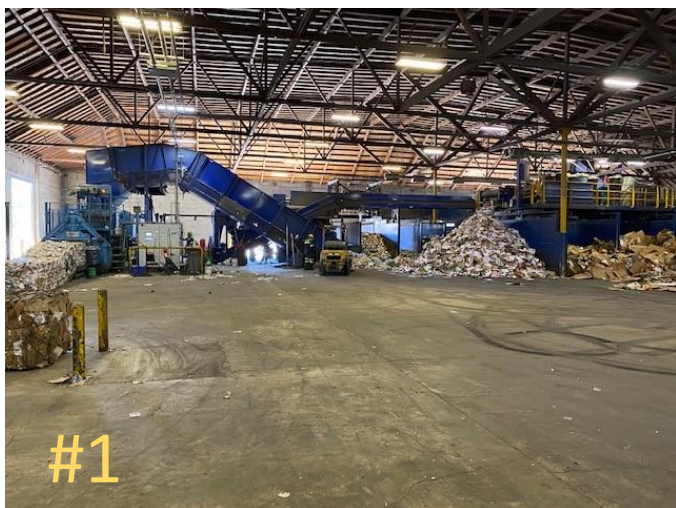
- Basura
- Baterías
- Cerámica
- Ropa
- Jeringas

- Residuos Peligrosos
- CDs / DVDs / Vídeos
- Bombillas
- Lonas y Mangueras
- Espuma de Poliestireno

C&S WASTE SOLUTIONS

www.CandSwaste.com

What does a “mrf” look like?



***This is NOT Solid Waste of Willit's MRF. This is our MRF in Ukiah

1. Bailer, Paper sort, Cardboard Sort
2. Paper Sort & Cardboard Sort
3. Pre-sort (Contamination)
4. Aluminum, Tin, Beverage Plastics, and milk jugs

What goes in the Organics Cart?

- Food Waste
- Coffee Grounds
- Yard Waste
- Food Soiled Paper
- Pizza Boxes



MIXED ORGANIC WASTE

LID MUST BE CLOSED • TAPADERA CERADA

 Food Scraps Basuras de comida	 Coffee grounds & filters Filtros de café	 Branches - less than 4\" Ramas de Árbol Pajonales	 Garden & Houseplants Plantas de Exterior y Interior
 Meat, poultry, fish & bones Carne, pascado y huesos	 Food soiled paper Papel manchado de alimentos	 Grass Clippings & Weeds Hierba	 Leaves Hojas
 Food soiled paper plates, cups, napkins & paper towels Alimentos papel sucio platos, vasos, servilletas & toallas de papel	 Pizza boxes Cajas de pizza	 Brush & Prunings Bramas de Poda	 Small Lumber - Untreated Madera no Tratada

Mixed organic waste should be loose in cart, not in plastic bags and must fit inside cart with lid closed. Place cart at curb with front of cart facing the street. Cart must be within 3 feet of the street to be serviced.

• Poison Oak	• Garbage/Recyclables	• Nails	• Burns/Reddables
• Grease or Oil	• Brick/Concrete/Rock	• Grass o Asfalto	• Ladrillo/Concrete/Plastra
• Nails or Metal	• Painted/Treated Wood	• Claves o Metal	• Madera Pintada/Tratada
• Hot Ashes	• Tree Stumps	• Cenizas Calientes	• Troncos de Árboles
• Hazardous Waste	• Pet Waste/Litter	• Material Peligroso	• Desechos de Animales
• Palm Fronds	• Plastic Bags or Pots	• Hojas de Palma	• Bolsas o Macetas de Plásticos

NO

What's Up With Compostable Plastics?

- They DO decompose, but not at the same rate as other organic material
 - We are looking into BPI certified bags right now, but there are no guarantees at the moment of acceptability
 - Paper Bags can be used as an immediate alternative to compostable plastic bags
- They jeopardize the organic certification, and Cold Creek is Organic Certified
- How does the processor know if the item is truly compostable or not when sorting through the large loads?



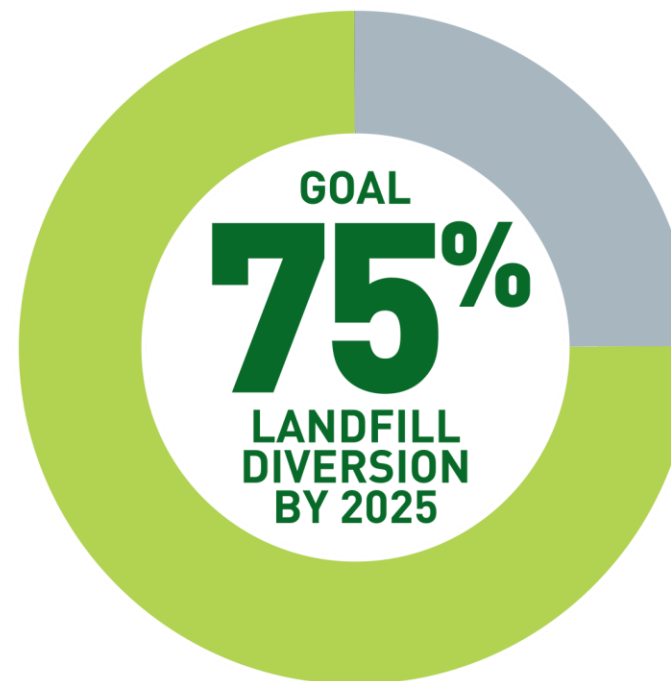
What Does An Organic Facility Look Like?

***This is NOT Cold Creek
Compost's Facility



SB1383 Implementation

- Required color and labeling of carts
- Organic waste collection-Commercial
- Route Audits
- Waivers
- Education and Outreach
 - School Outreach
 - Newsletters
 - Commercial Customer Education
 - Multi-Family Education
- Edible Food Recovery Program
 - In collaboration with the City & County



What is Hazardous Waste?

- Chemicals
- Sharps
- Medications
- Propane Tanks
- Batteries

HOUSEHOLD HAZARDOUS WASTE

STOP! IT'S TOO **TOXIC** TO TRASH!

Household hazardous waste (HHW) includes products that contain ingredients that are harmful or dangerous to humans, animals, and the environment. HHW DOES NOT GO IN THE TRASH. It must be taken to a facility for proper disposal. Below are various types of HHW.

CORROSIVES: acids, bases, batteries, drain or pipe clog remover



IGNITABLE: paints (dry or wet), petroleum-based products, polishes, gasoline



REACTIVE: pool chemicals, hydrogen peroxide, iodine, perchlorates



TOXICS: poisons, pesticides, gardening chemicals, ammonia, solvents



MISCELLANEOUS: propane tanks, smoke detectors, fluorescent lamps



PLEASE DO NOT DISPOSE OF THESE ITEMS IN THE TRASH
FOR PROPER DISPOSAL, PLEASE TAKE THEM TO THE FACILITIES LISTED ON THE REVERSE

HHW in Mendocino County

- Mobile Event took place at Caspar Transfer Station on August 3rd & 4th from 9am-1pm for residential customers
- Transfer Station Collection is available for certain items
- There is a 15 Gallon HHW Limit
- Maximum 60 Linear feet of Fluorescent bulbs

HOUSEHOLD HAZARDOUS WASTE DISPOSAL LOCATIONS

Household Hazardous Waste is strictly prohibited in all garbage, recycling, and organic waste.
The locations listed below accept the following household hazardous wastes materials.

UKIAH TRANSFER STATION

3151 Taylor Drive, Ukiah | (707) 462-8621

- Light Bulbs
- Latex Paint
- Batteries
- Electronic Waste
- Used Motor Oil
- Used Oil Filters
- Appliances
- Treated Wood Waste

BOONVILLE TRANSFER STATION

18851 Mountain View Road, Boonville
(707) 895-3569

- Latex Paint
- Batteries
- Sharps
- Used Motor Oil
- Treated Wood Waste

WESTPORT TRANSFER STATION

37551 N. Hwy 1, Westport
(707) 972-4687

- Latex Paint
- Batteries
- Sharps

ALBION TRANSFER STATION

30180 Albion Ridge Road, Albion
(707) 937-3918

- Latex Paint
- Batteries
- Sharps
- Electronic Waste
- Used Motor Oil
- Treated Wood

COVELO TRANSFER STATION

90500 Refusa Road, Covelo | (707) 489-2062

- Latex Paint
- Batteries
- Sharps
- Electronic Waste
- Used Motor Oil
- Treated Wood

LAYTONVILLE TRANSFER STATION

1825 Branscomb Road, Laytonville | (707) 984-8303

- Latex Paint
- Batteries
- Sharps
- Electronic Waste
- Used Motor Oil
- Treated Wood

POTTER VALLEY TRANSFER STATION

8923 Main Street, Potter Valley | (707) 489-8012

- Latex Paint
- Batteries
- Sharps
- Used Motor Oil
- Electronic Waste
- Treated Wood Waste

SOUTH COAST TRANSFER STATION

40855 Fish Rock Road, Gualala | (707) 489-8018

- Latex Paint
- Batteries
- Sharps
- Used Motor Oil
- Appliances
- Treated Wood Waste

CASPAR TRANSFER STATION

15000 Prairie Way, Mendocino
(707) 964-3781

- Light Bulbs
- Fluorescent Tubes
- Latex Paint
- Batteries
- Sharps
- Used Motor Oil
- Electronic Waste
- Appliances
- Treated Wood Waste

WILLITS TRANSFER STATION

351 Franklin Avenue, Willits
(707) 459-4778

- Light Bulbs
- Fluorescent Tubes
- Latex Paint
- Batteries
- Sharps
- Electronic Waste
- Used Motor Oil
- Used Oil Filters
- Appliances
- Treated Wood Waste

Customers are limited to a maximum of 15 gallons of combined HHW items.

For items not listed here, please visit the MendoRecycle website at www.MendoRecycle.com, visit in person at 3200 Taylor Drive in Ukiah, or check the Haz-Mobile event schedule.

STOP! IT'S TOO TOXIC TO TRASH

We Offer Lots of Free Public Education!

Call us at 707-234-6400 if you are interested



Facility Tours



School Presentations & Trainings



Group Presentations



Bilingual On-Site trainings at commercial businesses and apartment complexes



Bilingual flyers, posters, magnets, newsletters, and more



Public Education Booths at Events



Redwood Recycles



REDWOOD RECYCLES



- RECYCLING GUIDE
- COLLECTION REMINDERS
- RESIDENTS
- BUSINESS & SCHOOLS
- TIPS, NEWS & EVENTS
- CLEAN WATER
- FAQ

What do you need to recycle today?

www.redwoodrecycles.com

Follow Us On Facebook!



Topics we post about:

- Service delays
- Fun sustainability facts
- Updates on different service offerings
- Job Opportunities
- You can message us with questions
- Stay up to date on community involvement



Redwood Waste Solutions

@redwoodwastesolutions · Waste Management Company



City of Fort Bragg

416 N Franklin Street
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Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 023-235

Agenda Date: 8/14/2023

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Consent Calendar

Agenda Number: 5A.

Adopt City Council Resolution Approving an Update to the City of Fort Bragg Personnel Rules and Regulations Regarding Catastrophic Leave Program

The City's Catastrophic Leave Program requires updating to better serve employees who have exhausted all forms of paid leave due to a serious, catastrophic illness or injury.

RESOLUTION NO. ____-2023

**RESOLUTION OF THE FORT BRAGG CITY COUNCIL
REVISING THE CITY’S PERSONNEL RULES AND REGULATIONS**

WHEREAS, the Fort Bragg Municipal Code provides that the City Manager shall "prescribe such rules, regulations, and policies, as they deem necessary or expedient for the conduct of administrative services;" and

WHEREAS, on January 11, 2021, the City Council adopted Resolution No. 4341-2021, approving updates to the City’s Personnel Rules and Regulations; and

WHEREAS, the City wishes to revise the Catastrophic Leave Program that permits employees experiencing a serious health condition or injury as defined by the City’s Catastrophic Leave policy (Section 18, City of Fort Bragg Personnel Rules and Regulations) to more easily utilize the Catastrophic Leave Program; and

WHEREAS, the updated Catastrophic Leave Program will permit employees to voluntarily donate leave to an employee needing additional leave because of a serious health condition or injury; and

WHEREAS, the update would foster increased camaraderie and employee morale.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Fort Bragg does hereby adopt the updates to the City of Fort Bragg Personnel Rules and Regulations as presented in Exhibit A effective July 30, 2023.

The above and foregoing Resolution was introduced by Councilmember _____, seconded by Councilmember _____, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 14th day of August 2023, by the following vote:

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAIN:**
- RECUSED:**

BERNIE NORVELL

Mayor

ATTEST:

**Cristal Munoz
Acting City Clerk**

Section 18. CATASTROPHIC LEAVE PROGRAM

18.1. Policy

This policy is designed to assist ~~regular~~—employees who have exhausted all forms of paid leave due to a serious, catastrophic illness or injury. The Catastrophic Leave Program allows other City employees to voluntarily donate sick leave to an employee who meets the eligibility requirements so that the recipient will be able to remain on a paid status for a longer period of time, or until the employee is receiving short or long term disability, or is able to retire.

Donation and use of catastrophic leave is at the City Manager's discretion. ~~Donation and use of catastrophic leave and~~ requires the approval of the City Manager or their designee.

18.2. Eligibility for Personal Catastrophic Leave

18.2.1. The employee must meet the following requirements to be eligible for leave under this policy:

- (1) The employee must have ~~been employed with the City, passed probation, be in a regular position with the City for at least eighteen (18) full months,~~ and be considered actively employed by the City.
- (2) The employee must have a verifiable serious or catastrophic illness or injury ~~which requires~~ an extended period of treatment or recuperation. Serious or catastrophic illness or injury is one in which the employee is incapacitated and unable to work as certified by their physician for at least four (4) full workweeks. In addition, the employee must provide medical ~~certification documenting the employee's serious or catastrophic illness or injury requiring an extended period of treatment or recuperation for at least (4) full workweeks. that includes a reasonable expectation that, with proper care and rehabilitation, the employee will be able to return to full duty within six (6) months of the absence from work.~~
- (3) The employee must have exhausted all paid leave balances.
- (4) The employee may not be concurrently receiving short or long-term disability or similar benefit, ~~including State Disability Insurance.-~~

18.3. Conditions for Donating Leave.

18.3.1. The following are the conditions for donating leave:

- (1) To be eligible to donate leave, an employee must have ~~passed probation~~ ~~been employed for six months on and be in a regular position with the City for at least eighteen (18) full months.~~

- (2) All donations of leave are voluntary. No employee shall be required to donate leave.
- (3) Vacation and sick leave are the only types of leave allowed for donation and shall be donated on the basis of 1 hour received for each hour donated. If an employee wishes to donate sick vacation or sick leave, the employee must retain a minimum balance of eighty (80) sick leave hours after donating. If donating vacation leave, the employee must retain a balance of 40 hours after donating.
- ~~(4) Employees must donate a minimum of four (4) hours and a maximum of ten (10) hours per pay period.~~
- ~~(5)~~(4) A donating employee may donate a maximum of 80-100 hours total to a recipient employee per catastrophic event. Recipient employees may receive a maximum of 460-520 donated hours (3 months/13 weeks) per catastrophic event.
- ~~(6)~~ Donated leave will be credited to the receiving employee's _____ balance on an hour-for-hour basis and shall be paid at the rate of pay of the receiving employee.
- ~~(7)~~(5) Once the leave is donated and posted to the receiving employee, the employee donating such leave shall irrevocably lose all rights and privileges to the donated leave hours.

18.4. **Procedures For Donating and Receiving Leave**

18.4.1. For donating employees:

- (1) A donating employee shall complete the donation form and submit it to the Human Resources Office.
- (2) The Human Resources Office will review the request and forward to the City Manager for approval.
- (3) After approval by the City Manager, the Human Resources Office will submit the donation request to payroll for processing.
- (4) Donated leave will be used only as needed.
- (5) Donated leave will be credited to the receiving employee from the donating employee in chronological order by the date approved by the City Manager.

18.4.2. For receiving employees:

- (1) Once the receiving employee's own paid leave balances have been exhausted consistent with this policy, the employee may collect donated leave.

- (2) The receiving employee must be eligible for leave (meeting the requirements of Section 18.2.1 above) and willing to receive the donated leave.
- (3) The medical reasons for the need for the donated leave will only be disclosed to City employees if the employee agrees to such disclosure, either verbally or in writing.
- (4) The receiving employee will continue to be provided City-provided health and welfare benefits consistent with the City's Family and Medical Leave Policy.
- (5) All donated hours must be used on a continuous and uninterrupted basis until the earliest of the following occurs:
 - a. All donated leave balances are exhausted; or
 - b. The employee returns to work; or
 - c. The employee begins receiving long-term disability benefits; or
 - d. The employee's employment terminates.

Section 19. LAYOFF AND RECALL POLICY

- 19.1. Whenever, in the sole judgment of the City Council, it becomes necessary to abolish any position due to a reorganization, lack of work or funds, or abandonment of activities, the employee holding said position may be laid off or demoted without the right of appeal. Whenever possible, employees will be given at least thirty (30) days notice of any layoff or demotion.
- 19.2. Order of Layoff.
 - 19.2.1. When a position has been abolished, any seasonal, emergency, probationary or temporary employee in that position classification shall be laid off first.
 - 19.2.2. The order of layoff of full-time regular employees shall be determined based on seniority and the employee's overall performance as a City employee. Any full-time regular employee who holds a position which will be abolished shall first be considered for reassignment to an existing vacancy in a lower or equal class, provided the employee is qualified for the vacant position and such vacancy exists. If reassignment is not feasible, and the layoff involves a position classification held by more than one person, layoffs will be made based on the following criteria. Selection for retention shall be based equally upon performance as determined and supported in writing by each supervisory level involved and upon seniority of service. Therefore, this policy does not preclude the retention of employees who have less seniority in the position classification which is the subject of reduction in force action. Seniority will be determined by including all periods of full time regular service at or above the classification level where the layoff is to occur.

CITY OF FORT BRAGG

Personnel Rules and Regulations



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Section 1. INTRODUCTION

- 1.1. These Personnel Rules and Regulations (hereafter "Rules") generally describe the employment relationship between the City of Fort Bragg and its employees. These Rules apply to all City employees, except where otherwise indicated in these Rules or where an applicable memorandum of understanding ("MOU") specifically conflicts with a Rule, in which case the MOU provision shall govern. As specified herein, some Rules apply only to employees in the "Classified Service." The "Classified Service" consists of all full-time employees of the City, but does not include elected officials, Council appointees, the City Manager, members of the executive management group, appointive officers serving without compensation, or part-time, temporary, provisional, seasonal or emergency employees.
- 1.2. These Rules were established to conform and be complementary to the City's Municipal Code. In cases where there is deemed to be a conflict between a Rule and the Municipal Code, the Municipal Code shall prevail.
- 1.3. Department managers may issue additional rules or policies as deemed necessary for the efficient administration of the department. However, such departmental rules or policies shall not conflict with these Rules. In cases where there is deemed to be a conflict between a department rule and these Rules, these Rules shall prevail.
- 1.4. These Rules may be amended from time to time. However, in order to be effective, the amendment must be in writing and approved by City Council. Whenever such amendments affect the wages, hours or other terms or conditions of employment, they shall be subject to the meet and confer process as established by State law and the City's Employer-Employee Organization Relations Resolution.
- 1.5. Each employee will be given a copy of these Rules and is responsible for reading and complying with these Rules.

Section 2. EMPLOYER/EMPLOYEE RELATIONS

- 2.1. The City's labor relations policies are governed by the Meyers-Milias-Brown Act (MMBA), Government Code section 3500 et seq. The City has in place an Employer-Employee Organization Relations Resolution which specifies the City's local rules, rights and obligations regarding labor relations.
- 2.2. Under the City's Employer-Employee Organization Relations Resolution and the MMBA, the City recognizes certain employee organizations as the exclusive representative for purposes of labor negotiations. For represented employees, the City meets and confers with employee labor representatives regarding wages, hours and others terms and conditions of employment, and provides advance notice of certain matters as specified by the City's labor relations resolution. Employee pay schedules and various benefits are set forth in memoranda of understanding (known as "MOUs") agreed upon by the City and the recognized labor representatives.

- 2.3. Employees having questions concerning matters included in their MOUs may contact their labor representative or the City's Human Resources Department directly.

Section 3. POSITION CLASSIFICATION

- 3.1. The City Manager or their designee shall prepare a Position Classification Plan which sets forth all the positions in the classified service of the City including position title and a general description of the duties and responsibilities of each position. The Position Classification Plan shall also group all positions in the classified service into classes. Positions within the same class will be approximately of equal difficulty and responsibility, require the same general qualifications, and can be equitably compensated within the same range of pay under comparable working conditions.
- 3.2. The classification or position descriptions may be abolished or amended from time to time by the City Manager as deemed in the best interest of the City service. In addition, new classification or position descriptions may be added to the City's Position Classification Plan. If new positions are added to the City service, such positions shall be allocated to an appropriate class by the City Manager or their designee.
- 3.3. If employees believe they are performing work outside the scope of the classification description covering their position, they should report the information, in writing, immediately to the City Manager. If deemed appropriate by the City Manager, a review of the employee's duties will be conducted, in consultation with the employee and the employee's department manager. The City Manager or their designee will notify the employee and department manager of the final determination. If appropriate, the employee's position may be reallocated to a different classification. The City Manager, in their discretion, may require the employee to successfully complete a promotional examination before being reallocated to a higher classification, and shall may require the employee to serve a probationary period in the new classification. Request of such a classification review shall be limited to once per calendar year.
- 3.4. Promotion without Examination. If the scope of duties which a regular employee is performing is determined to be in a higher classification, the City Manager or their designee may approve the employee's reclassification to the higher classification without examination; provided, however, that all of the following conditions are met:
- (1) The employee has been performing such higher duties for a period of not less than six (6) months prior to the date the position was reviewed;
 - (2) The higher duties have been assigned to the employee as part of the natural growth of the position within the department involved and there appears to be no evidence of evasion of the compensation plan relating to promotions;

- (3) The employee so promoted shall serve a probationary period in the higher classification for the time as specified in Section 5.2.2 of these Rules;
- (4) Said employee shall receive the salary assigned to the higher position from the date of probationary appointment to the higher position.

Section 4. RECRUITMENT, SELECTION AND APPOINTMENT FOR CLASSIFIED EMPLOYEES.

4.1. Recruitment.

- 4.1.1. The City may utilize any legitimate recruitment procedure for attracting qualified applicants. Recruitments may be “open” or may be limited to City employees, depending on the City’s needs. While it is the City’s policy to recruit the best qualified applicants for City positions, the City will make efforts to promote persons already employed by the City.
- 4.1.2. The City will give reasonable notice to all of its employees concerning the City’s employment opportunities. Announcements of promotional selection processes shall be supplied to City employees via email and/or posting on the City’s website. Department managers may call such announcements to the attention of employees in the department who might be interested.

4.2. Applications for Employment.

- 4.2.1. Each candidate for City employment shall complete those applications forms designated by the City. An applicant’s failure to provide complete and accurate information on all application materials shall be grounds for immediate disqualification in the application process, and may result in dismissal from employment. Once submitted to the City, applications shall not be returned.
- 4.2.2. The City provides employment-related reasonable accommodations to qualified individuals with disabilities within the meaning of the California Fair Employment and Housing Act and the Americans with Disabilities Act. If an applicant desires a reasonable accommodation in order to participate in the application or selection process, the applicant should submit a written request to the Human Resources office
- 4.2.3. Applicants must submit applications on or before the filing deadline stated in the job announcement. However, the Human Resources Department may permit a letter, resume or other indication of interest to be accepted, pending timely receipt of a properly completed application.
- 4.2.4. When necessary to meet continued requirements for filling positions due to non-availability of applicants for a class or position, or due to a high turnover rate, the closing date for any selection process may be indefinite and applicants may be tested continuously in such manner and at such times and places as may be provided by the City. Applicants who fail to achieve a passing score in such an open continuous examination may not compete again until the lapse of ninety (90) days between the first and second testing and one hundred and twenty

(120) days between the second and third such testing, unless stipulated to the contrary on the job announcement. The City may exclude such applicants from further testing at its discretion.

- 4.2.5. As part of the pre-employment procedure, applicants may be required to supply references, and submit to a thorough background check by the City. In addition, all employees must be physically and mentally capable of performing the essential functions of their jobs with or without reasonable accommodation. The City shall have the right to conduct a complete and exhaustive background investigation on all applicants seeking employment in the City of Fort Bragg, including a criminal background check, where applicable, and a medical and/or psychological examination by City-retained medical practitioners, where deemed appropriate by the City. Any medical or psychological examination shall be conducted only after a conditional job offer has been made and, in accordance with applicable law.
- 4.2.6. If an applicant is disqualified from appointment to a position for failing to meet the medical and psychological standards for the job class, the applicant may file a written request to review the disqualification. Such request must be submitted to the Human Resources Office no later than five (5) working days after the postmarked date of the notification of disqualification. The applicant may submit medical evidence supporting their claim that they should not have been disqualified. The City Manager will review submitted documents and make a final determination. If the disqualification is upheld, the applicant has no further right to appeal.
- 4.3. **Disqualification or Rejection of Application.**
- 4.3.1. The City may reject or disqualify the application of any person for admission to a selection process, or decline to examine an applicant, or withhold a person from the eligible list for certification for any legitimate reason. An applicant who is not already employed by the City has no right to grieve or appeal any such actions by the City.
- 4.4. **Selection and Examination/Assessment Process.**
- 4.4.1. All hiring, including promotions, to positions in the classified service shall be made according to merit and fitness. The City may utilize any legitimate objective method to determine the qualifications of applicants, including without limitation, written tests, physical agility tests, oral examinations, panel interviews assessment centers and oral interviews. The City may rate the candidates and list successful applicants on a "list of eligibles."
- 4.4.2. If candidates fail to qualify as eligibles for the class for which the selection process was instituted, those candidates may, with the approval of the Human Resources Office, be rated with reference to their eligibility for a lower position class for which a selection process is in progress, in case any of the candidates have indicated willingness to accept appointment to positions in any such lower class.

- 4.4.3. Candidates shall be given written notice of whether they passed or failed the examination/assessment process. Within five (5) working days of the postmarked date of this notice, candidates may inspect their examination papers and request to have ratings reviewed and corrected if the candidate believes any error in the testing has occurred. Such corrections so made will be evaluated by the Human Resources Office and appropriate action taken. To make an inspection of examinations papers, the candidate must schedule an appointment during regular business hours in the Human Resources Department. Candidates may be prohibited from inspecting examination papers if review of such materials is prohibited by the consulting agency that prepared the examination. Candidates cannot have access to the rating sheets of the individual raters, but may have access to a composite description of the rating sheets, upon request.
- 4.4.4. Candidates who fail the examination/assessment process may not reapply for the same position for 12 months from the date of initial application. Such candidates are not barred from applying for any other City position during the 12-month waiting period.
- 4.4.5. When deemed appropriate by the City Manager or their designee, vacancies within the classified service may be filled by promotion of employees. Such promotion shall be based on an internal competitive selection process, taking into consideration the employees' performance evaluations and past City service and other legitimate criteria as determined by the City Manager or their designee.
- 4.4.6. The City Manager or their designee may authorize a noncompetitive promotional selection process to establish eligibility for appointment to a higher class as a result of a reclassification or creation of a new classification.
- 4.5. **Eligible Lists.**
- 4.5.1. An eligible list shall be prepared indicating the names of those candidates qualifying for appointment, ranked based on the selection process. New names may be added to the list from time to time upon obtaining additional qualified candidates pursuant to the selection process. Names of eligibles accepting other than regular full-time appointment shall remain on the eligible list during the life of said list, unless removed for other reasons.
- 4.5.2. The eligible list shall be maintained for the duration specified by the Human Resources Office.
- 4.5.3. The Human Resources Office may remove or withhold from certification the name of an eligible on an eligible list for any legitimate reason. Whenever the name of an eligible on a list is removed or withheld from certification, the person whose name is removed shall be informed of the action and the reasons therefore, via letter forwarded to the last address of record.
- 4.5.4. When vacancies in the classified service occur, the department manager may submit a request for a list of eligibles to fill the vacancy. Upon receipt of this request, the Human Resources Office shall certify in writing the names of eligibles on the appropriate eligible list who are willing to accept the position for which certification is requested. Eligibles may be required to submit to additional

objective methods to determine the qualifications of applicants, including without limitation, written tests, physical agility tests, oral examinations, panel interviews, assessment center and oral interviews.

- 4.5.5. Whenever an eligible list contains fewer than three (3) qualified candidates, the department manager may request that a new eligible list be prepared. The City may in its discretion cause a new list of eligibles to be generated in the event the City believes the circumstances warrant a new list. Such circumstances include but are not limited to: the age of the eligible list, an inadequate number of candidates, and changing job requirements.

4.6. **Appointment.**

- 4.6.1. The City Manager is the only City employee authorized to hire. All candidates recommended for appointment by a department head may be interviewed by the City Manager or their designee prior to appointment. This includes part-time, temporary, seasonal and promotional appointments.

- 4.6.2. The City Manager may appoint any qualified applicant from the list of eligibles to a regular position in the classification for which the applicant is qualified. Positions may be full-time or part-time, depending on the needs of the City. In the absence of a list of eligibles, the City Manager may make temporary appointments pending development of a new list.

4.7. **Oath of Office.**

Every employee of the City, before entering upon their duties shall take the constitutional oath, with said oath to be filed with the Human Resources Department.

4.8 **Police Officer Recruitment Bonus.**

Any member of the Police Department (PD) staff, excluding the Police Chief, is eligible to receive a Recruitment Bonus, if they successfully recruits an applicant who is offered and accepts employment with the City of Fort Bragg, as a Police Officer. The recruiting PD staff member seeking the bonus must submit an acknowledgment of recruitment efforts and a letter of recommendation for the Police Officer applicant on or before the last day the position is open or if the recruitment is continuous, prior to any contact by Human Resource or PD staff for an interview. If more than one PD staff member submits a timely acknowledgement-recommendation letter for a successful recruit, the employees will split the bonus amount equally. PD staff who attend job fairs or other recruitment events representing the City of Fort Bragg are not eligible for the recruitment bonus for any applicant who attended the same event.

The bonus will be paid in two payments. The first payment of \$2,000 will be paid to the PD employee after the successful recruit has signed the final offer letter. A second payment of \$2,000 will be paid upon successful completion of the Field Training program by the recruit. Both payments will be subject to payroll withholding taxes, including FICA, Medicare, and State and Federal Income Tax.

This bonus program may be rescinded by City Administration, if and when it is determined unnecessary based on market conditions for hiring police officers.

4.9 **Police Officer Hiring Bonus**

Candidates for Police Officer are eligible for a hiring bonus upon signing a final offer of employment from the City. Successful Candidates will receive the bonus in their first paycheck, subject to repayment of 50% or half the total bonus if the new hire does not successfully complete the 18-month probationary period. For lateral candidates, those with experience and a Basic POST certificate, the bonus is \$6,000. For recruit candidates, those without experience and/or no POST certificate, the bonus is \$5,000. The bonus will be subject payroll withholding taxes, including FICA, Medicare, and State and Federal Income Tax.

This bonus program may be rescinded by City Administration, if and when it is determined unnecessary based on market conditions for hiring police officers.

Section 5. PROBATIONARY PERIOD

5.1. **Purpose.**

The probationary period shall be an integral part of the examination process and shall be utilized as an opportunity to observe the employee's work, to provide special training, to assist the employee in adjusting to the new position, and reject any employee whose work performance, adaptation or personal conduct fails to meet required standards. A probationary employee shall have no rights of tenure and may be terminated without cause, without notice, and without any right of appeal. Probationary periods do not apply to "at-will" employment, which can be terminated at any time with or without cause.

5.2. **Duration.**

5.2.1. Initial Probationary Period. All regular employee initial appointments to regular full-time positions in the classified service shall be subject to a 12-month probationary period. All Police Department employee (sworn and nonsworn) initial appointments to regular full-time positions in the classified service shall be subject to an 18-month probationary period.

5.2.2. Promotional Probationary Period. All regular employee promotional appointments a new classification of employment shall be subject to a six-month probationary period. All Police Department employee (sworn and nonsworn) promotional appointments a new classification of employment shall be subject to a 12-month probationary period.

5.3. **Extension.**

An employee's probationary period may be extended for a period of up to six (6) months by the department manager upon approval by the Human Resources Office to allow further observation of an employee's work performance or as otherwise appropriate. Upon such extension, the employee shall be notified in writing. Periods of time during unpaid absences shall automatically extend the

probationary period by the number of days of the absence. Further, periods of time on paid leave exceeding ten (10) working days shall automatically extend the probationary period by the number of days that the employee is on leave.

5.4. **Promotional Probationary Period.**

When a regular employee is promoted, a promotional probationary period shall begin on the effective date of the promotion. During the probationary period of a promoted employee, the department manager may recommend that the employee be demoted to the former position, range and salary if the employee's performance and/or conduct do not meet the standards set for the position to which the employee was promoted. Such recommendation shall be made in writing and shall be approved by the Human Resources Office. An employee on promotional probation shall have no rights of tenure in the promotional position and may be returned to their former position without cause, without notice and without any right of appeal.

5.5. **Probationary Period after Demotion.**

If an employee has not attained regular status in the class to which demoted, the employee shall then be required to complete the normal probationary period, less any service previously accrued in such lower class.

5.6. **Action at End of Probationary Period.**

Prior to the end of the employee's probationary period the department manager shall take any one of the following recommendations to the City Manager:

- (1) Affirm in writing that the services and conduct of the employee have been found to be satisfactory and recommend that the employee be given regular status.
- (2) Recommend termination of the services of the employee serving an initial probationary period.
- (3) Recommend demotion and/or transfer of a promoted employee. Demotion shall be made to the employee's former class and pay step.
- (4) Recommend an extension of the employee's probationary period, as provided herein.

Section 6. NON-CLASSIFIED APPOINTMENTS

6.1. The City may make appointments which are provisional, seasonal, temporary, or emergency or on a transitional basis whenever it has a legitimate need to do so. Such appointments shall not attain regular status. Such positions shall be deemed "at will."

6.2. At will positions are not subject to the job protections described in these Rules, including process and rules for recruitment, discipline, termination, probationary periods, testing and appointment from eligible lists. The employment of at will

personnel may be terminated at any time, for any legal reasons, and without any requirement of demonstrating “good cause.” At will employees have no right to appeal any discipline or termination.

Section 7. MANAGEMENT AND CONFIDENTIAL APPOINTMENTS

- 7.1. Appointments to management and confidential positions reporting directly to the City Council or City Manager are not subject to the Rules regarding recruitment, selection, testing and eligible lists.
- 7.2. Confidential positions are those positions which are privy to information that affects employee relations.
- 7.3. Management positions may be designated as “at will” (consistent with the Municipal Code).

Section 8. TRANSFERS, REASSIGNMENTS AND REALLOCATIONS

- 8.1. Whenever it is found necessary to transfer or reassign an employee from a position in one class to a position in another class, such transfer or reassignment may be made provided both positions are of the same rank, there is no increase or decrease in compensation, and the employee has demonstrated that they possesses the skills and aptitudes required for the position to which they is to be reassigned. Such transfers or reassignments may be initiated by an employee's request, department manager's request or by City management. Such transfer or reassignment may be made only when approved or recommended by both department managers involved (if more than one is involved), reviewed by the Human Resources Office and approved by the City Manager. The employee requesting a transfer must meet the minimum qualifications for the position.
- 8.2. In the event of a reallocation of a part-time position to a full-time position, the City Manager may reclassify the incumbent part-time employee to full-time or utilize the selection process to fill the reallocated position.
- 8.3. Depending on the circumstances, transferring an employee to another vacant position may be a reasonable accommodation, as defined by applicable laws.

Section 9. REINSTATEMENT AFTER RESIGNATION

- 9.1. An employee who has resigned in good standing from City employment may be eligible for reinstatement to a former position or a position of the same class in another department without reexamination. To be eligible for reinstatement, the employee must make a request for reinstatement. The City, in its discretion, may refuse a request for reinstatement for any reason. Such reinstatement and the conditions of reinstatement must be approved by the City Manager.
- 9.2. Probationary Period. A reinstated employee shall be required to complete a full probationary period after reinstatement.

Section 10. PERFORMANCE EVALUATION PROGRAM

- 10.1. The City may require employees to undergo performance evaluations every 12 months after the probationary evaluation, throughout their employment. This policy is to be used as a guideline, and failure to receive performance evaluations at 12-month intervals does not create a right of appeal. The City shall prescribe appropriate forms for completing performance evaluations. The City's performance evaluation program includes an opportunity for employees to discuss their concerns with department managers, upon request.
- 10.2. Where appropriate, performance evaluations may include an evaluation of the employees which addresses the criteria for merit salary advancements as set forth in Section 12.4.1.
- 10.3. Probationary Evaluation. Upon completion of six months probation (whether initial or promotional) the department manager shall report in writing an evaluation of the employee's work performance and conduct. The probationary employee shall be advised by the appropriate supervisor of that evaluation.
- 10.4. Performance evaluations shall be maintained in employee personnel files. Employees may submit rebuttals to their performance evaluations, and the rebuttals shall also be maintained in the personnel files with the performance evaluations.

Section 11. FITNESS FOR DUTY EVALUATIONS

- 11.1. The City, at its expense, may require an employee to undergo a fitness for duty evaluation for any reasonable cause.

Section 12. COMPENSATION

- 12.1. The City has prepared a Merit Salary and Compensation Plan, approved by the City Council. In accordance with the City's Municipal Code, the City Manager administers and maintains this Plan and may request appropriate revisions to the Plan as often as necessary to assure that the Plan provides uniform and equitable compensation rates and policies.
- 12.2. The official wage rates for all employees shall be calculated on the basis of the biweekly rates applicable and comparable to the salary range established for each class in the Merit Salary and Compensation Plan.
- 12.3. A newly hired employee shall be compensated at the base or minimum rate on the salary range to which the employee's class is allocated. If exceptional recruitment difficulties are encountered, or exceptional qualifications of a candidate for employment indicate that a higher hiring rate would be in the City's best interest, appointment at a higher rate in the salary range may be authorized by the City Manager.
- 12.4. Merit Salary Advancements. Salary ranges are intended to furnish administrative flexibility in recognizing individual differences among positions allocated to the same class, in providing employees incentive, in rewarding

employees for meritorious service, and in meeting emergency conditions requiring pay adjustments.

12.4.1. Merit salary advancements shall be made in accordance with the provisions of this section and in accordance with the following criteria:

- (1) Unsatisfactory Performance means that on an overall basis, the employee has, during the review period, performed in a manner significantly below the level to be expected considering the employee's previous experience, tenure in the class and the employee's duties and responsibilities, and that it appears to be reasonably certain that the employee is either unwilling or unable to perform satisfactorily. Employee requires excessive supervisory guidance and direction.
- (2) Needs Improvement means that over significant periods of time during the review period, the employee has not performed up to the level to be expected, considering the employee's tenure in the class and job duties and responsibilities and that the employee has failed to meet certain job requirements standards. The employee's potential for satisfactory performance appears to be good.
- (3) Satisfactory Performance means that the employee's overall performance during the review period has been at the level expected considering the employee's previous experience, tenure in the class and job duties and responsibilities. The employee is generally meeting position standards in a steady and reliable manner.
- (4) Above Satisfactory Performance means that the employees overall performance, during the review period, consistently met all minimum standards and often exceeded expected levels of performance considering the employee's previous experience, tenure in the class and job duties and responsibilities.
- (5) Exceptional Performance means that an employee's overall performance during the review period has consistently exceeded expected levels of performance considering the employee's previous experience, tenure in the class, and job duties and responsibilities.

12.4.2. Salary advancements within an established range shall not be automatic, but shall be based upon satisfactory job performance as determined, and supported in writing, by the employee's supervisor, the recommendation of the department manager, review by the Human Resources Office and approval of the City Manager.

12.4.3. Merit salary advancements shall occur in accordance with the following procedures:

- (1) Initial Probationary Employees. Probationary (both initial and promotional) employees shall be eligible for merit salary advancement upon the completion of six (6) months of service within that class. Such employees shall be eligible for subsequent merit salary advancements

upon the completion of subsequent twelve 12 month service intervals, except as otherwise provided in these Rules.

- (2) Single Step Increments. Merit salary advancements shall be granted in single step increments within the salary range for a particular class based upon performance. An employee may receive a merit salary adjustment in excess of one step, a maximum of one (1) time during such employee's tenure in a given class in recognition of outstanding service.
- (3) Reduction Increments. An employee who is being paid at a salary rate higher than the base rate established for the class may be reduced in increments of two and one-half percent (2-1/2%) upon the recommendation of the department manager and approval of the City Manager. Such action shall cause the employee to receive a new merit review date. The new date shall be based upon the effective date of their reduction. Such salary reduction shall be consistent with the Rules pertaining to disciplinary actions contained herein.

- 12.5. These Rules do not preclude the creation of separate management pay plans which, if adopted by the City Council, must be administered as separate compensation plans in accordance with the procedures adopted for such plan(s) by the City Council.
- 12.6. Salary on Promotion. An employee who is promoted to a position in a class allocated to a higher salary range than the class to which the employee was formerly assigned shall receive the nearest higher monthly salary in the higher salary range. The employee shall be given a new merit review date for future merit salary advancement purposes. The new date shall be based upon the effective date of the promotion.
- 12.7. Salary on Transfer. An employee who is transferred from one position to another in the same class or to another position in a class having the same salary range shall be compensated at the same step in the salary range as previously received. The employee's merit review and anniversary date shall not change.
- 12.8. Salary on Suspension without Pay. Any employee who has been suspended for disciplinary reasons shall not receive pay for the duration of the suspension; nor shall any benefits which are calculated based on hours worked be credited to the employee, including, but not limited to, sick leave, vacation, retirement, or disability insurance, during the period of suspension. Should such suspension be later modified or revoked, the employee shall be entitled to receive payment to compensate for loss of income and benefits during the period of suspension.
- 12.9. Salary on Demotion.
- 12.9.1. Involuntary. An employee who is involuntarily demoted shall receive a salary adjustment as determined by the Human Resources Office. The employee shall be assigned a new merit review date based upon the effective date of the demotion.

- 12.9.2. Voluntary. An employee who is demoted upon personal request shall receive a salary reduction to the nearest lower monthly salary in the salary range for the class to which demoted if the maximum salary for the class to which demoted is less than the employee's current salary rate; or shall continue to earn the current rate of pay if the current rate is the same or less than the maximum rate of the class to which demoted. The employee shall retain the merit review date applicable to the higher position.
- 12.10. Salary on Position Reclassification. When a regular or probationary employee's position is reclassified and the employee is appointed to the new position, the salary rate shall be determined as follows:
- 12.10.1. Higher Range. If the position is reclassified to a class with a higher salary range than the previous class, the salary and merit review date shall be set in the same manner as if the employee had been promoted.
- 12.10.2. Equal or Lower Range. If the salary of the employee is the same or less than the maximum of the new class, the salary and merit increase eligibility date of the employee shall not change. If the salary of the employee is more than the maximum of the new class, the salary of the employee shall not change, and the compensation rate shall be frozen until such time as the maximum rate for the classification exceeds the salary of the employee.
- 12.11. Salary for Portion of Pay Period. A non-exempt employee serving on a full-time basis who works less than a full pay period, except when on authorized leave of absence with pay, shall receive as compensation for such period an amount equal to the number of hours worked times the employee's hourly rate. For exempt employees absent from work for a period of less than one day duration, the amount of compensation paid to said employee shall not be subject to a deduction even though the absence cannot be covered or paid through accumulated vacation, sick leave or compensatory time off (unless it is determined in accordance with law that such deduction will not result in the loss of exempt status of the employee).
- 12.12. Adjustment Effective Date. Salary adjustments specified above shall be given at the beginning of the payroll period immediately following the employee's merit review date.
- 12.13. Travel and Other Business Expenses. Prescribed rates of pay do not include allowances for official travel or other expenses incurred on City business, or allowances made to employees for the official use of personally owned automotive equipment. Employees shall be reimbursed for such expenses as approved by the City in such amounts as designated by City Council policy regarding reimbursement of such expenses.
- 12.14. Pay for Part-Time Work. Employees who work on less than a full-time basis shall be paid on an hourly basis at an hourly rate prescribed in the Compensation Plan.
- 12.15. Temporary Assignment. If an employee is temporarily required to perform the duties of a higher-paid position for a period in excess of four (4) work days, said

employee shall receive additional compensation equal to five percent (5%) of their current salary or the salary of the employee so replaced, whichever is less, for the entire period of such assignment. The Human Resources Office shall be notified in writing by the department head prior to each such temporary assignment. The Human Resources Office will prepare a Personnel Action Form for approval by the Department Head and City Manager.

Section 13. WAGE AND HOUR BENEFITS / OVERTIME

- 13.1. The City is committed to observing all of its obligations under the Fair Labor Standards Act ("FLSA"). These rules, as well as all applicable provisions in the Memoranda of Understanding and all City pay practices, shall comport with, and shall be interpreted to ensure the minimum requirements of the FLSA.
- 13.2. The City designates as "FLSA Exempt" those employees who work in professional, executive or administrative capacities and who are therefore not entitled to overtime compensation under the FLSA. Except when necessary to address an emergency or special circumstances, employees who are entitled to overtime compensation under the law may not work outside of regularly scheduled working hours, or during unpaid meal periods, without the prior authorization of a supervisor. In any event, employees shall report overtime work as soon as possible after the work is performed. Violations of this Rule may result in discipline, up to and including termination of employment.

Section 14. ATTENDANCE / MEAL PERIODS / REST PERIODS

- 14.1. Workweek.
- 14.1.1. The basic workweek for full time employees shall be forty (40) hours per week, in a seven-day period. The workweek commences at 12:01 a.m. every Sunday a.m., and is a regularly recurring seven (7) day period ending at 12 Midnight every Saturday p.m.
- 14.1.2. The City shall establish and may modify regular working hours for its employees. The City may require employees to work overtime and to perform standby responsibilities. Employees shall be responsible for reporting to work on time, and observing the work schedule established for their department.
- 14.2. Meal Periods. Unless otherwise established for a department or particular employees, employees shall receive a thirty (30) to sixty (60) minute meal period that shall not be compensated. During the meal period, the employee shall be completely relieved of duties. If the employee is authorized in advance and performs work during the meal period, the employee shall be compensated for such time. Meal periods may not be used to shorten the workday unless the employee obtains express prior approval from their supervisor.
- 14.3. Rest Periods. Unless otherwise established for a department or particular employees, employees shall have a fifteen (15) minute rest period for each half of their shift, as scheduled by the department director. The rest period may be interrupted or cancelled if necessary to complete work and shall be compensated

time. The rest periods may not be combined or used to shorten the workday – e.g., by taking a break at the beginning or end of the workday.

Section 15. LEAVES

15.1. General Provisions

- 15.1.1. Employees are expected to be at work at scheduled times. To ensure public accountability and the integrity of public service, all employees are expected to account for their absences from work. Unless otherwise specified, leave time is chargeable in increments of one-fourth (.25) hours.
- 15.1.2. Leaves shall be subject to approval by the Department Head (or designee), and scheduled in advance whenever possible, with due regard for the City's service needs.
- 15.1.3. The City may employ any reasonable measure to ensure employees are properly accounting for leaves, including requiring reasonable proof that the basis for the leave is legitimate. Employees may be required to submit a medical certification of sickness supporting a request for sick leave. The City may require a fitness for duty certification from any employee returning from medical leave. Abuse of leave privileges, including working for a secondary employer while on sick leave, may subject an employee to disciplinary action, up to and including termination of employment.
- 15.1.4. Leave benefits are available only to regular, or probationary, employees, but are not available to seasonal, temporary or emergency employees. Regular part-time employees working more than 21 hours per week on average are eligible for the same leave benefits as regular full-time employees based on a proration of average hours worked (in accordance with Section 22).
- 15.1.5. Employees eligible for leave shall accumulate leave from the date of the employee's initial appointment to a full-time, regular or probationary position.

15.2. Available Leave Categories

The City provides the following leave categories: (a) sick leave with pay; (b) sick leave without pay; (c) jury duty leave; (d) administrative leave with pay; (e) personal leave without pay; (f) bereavement leave; (g) vacation leave; (h) holiday; (i) compensatory time off; (j) family medical leave; (k) pregnancy disability leave/parental leave; (l) service-connected injury or illness leave; (m) military leave; and (n) school activity leave.

- 15.2.1. Sick Leave with pay: Full time employees generally accrue sick leave at the rate of eight (8) hours monthly/ninety-six (96) hours annually. An employee shall begin to accrue sick leave on the date of commencement of employment, and shall be eligible to use leave ninety (90) days after the commencement of employment.
- 15.2.2. Sick leave may only be used in cases of actual sickness or disability, unless otherwise provided below. Employees unable to report to work must notify their

immediate supervisors not later than one hour before work is scheduled to begin, if possible, or by whatever method is established by the supervisor.

- 15.2.3. An employee may use a maximum of forty-eight (48) hours of sick leave per calendar year to attend to an illness of a child, parent, sibling, spouse or domestic partner, grandparent or grandchild of the employee. An employee who is a victim of domestic violence, sexual assault, or stalking may use a maximum of twenty-four (24) hours of sick leave per calendar year to tend to any related issues, including leave and court appearances.
- 15.2.3.1. Integration of Benefits. If an employee is on sick leave and is receiving SDI payments, the employee may continue to receive full pay from the City by requesting that the maximum weekly disability benefits be supplemented by the use of sick leave benefits. Under this option, the employee would tender their SDI payments to the City and the City would then continue to issue paychecks and deduct the value difference between the SDI payments and the employee's regular pay from the employee's sick leave allotment.
- 15.2.3.2. If an employee is determined to be eligible for disability retirement, the employee shall not be permitted to exhaust paid sick leave balances prior to retiring.
- 15.2.3.3. Sick Leave with pay for employees other than full-time employees: Employees other than full-time employees (e.g. part-time, seasonal, and/ or temporary workers) shall accrue and be able to use sick leave consistent with the requirements of the Healthy Families Act of 2014 (California Government Code Sections 245-249.) These employees shall begin to accrue sick leave on the date of commencement of employment, and shall accrue one hour for every thirty (30) hours worked. Employees shall be eligible to use paid sick leave no sooner than ninety (90) days after commencement of employment. Employees may use a maximum of three (3) sick leave days in one calendar year. These employees shall be able to use paid sick leave for the same reasons for which full time employees shall be able to use paid sick leave.
- 15.2.3.4. Employees may carry over up to six (6) days of sick leave to the following calendar year. If an employee is subject to a memorandum of understanding (MOU) provision or resolution provision that is more generous than this provision, the MOU or resolution will govern.
- 15.2.3.5. Sick leave shall not be paid out upon an employee's separation from the City. If an employee is subject to a MOU or resolution provision that is more generous than this provision, the MOU or resolution will govern.
- 15.2.4. Sick Leave without Pay. In the event paid balances are exhausted, and at the employee's request and the City's discretion, employees may be placed on sick leave without pay. Employees in such status do not accrue vacation or other benefits, or receive service credit and may be required to pay for all fringe benefits, such as health plan premiums, during the period of their leave without pay (unless the leave qualifies for Family and Medical Leave as set forth in these Rules). When the employee seeks to return to work from such leave, the City may require that the employee provide medical certification of their fitness to perform their duties. The City may require the employee to undergo a fitness for

duty examination before returning to work. If the employee is not fit to perform their duties, the City may consider placing the employee in another position, if available or separate the employee in accordance with applicable law.

- 15.2.5. Jury Duty. Employees summoned by state or federal court to jury duty shall be entitled to full pay during the period of jury service. Employees must keep their supervisors informed of their jury service schedule, and shall provide proof of jury service to the City upon request. Employees may retain such payment as may be allowed for travel, lodging and meal expenses. The employee is not required to submit to the City compensation received from the court for jury duty.
- 15.2.6. Administrative Leave with Pay: The City in its discretion may place an employee on administrative leave with pay. Employees on such leave shall be subject to the City's instructions during the employee's normal working hours.
- 15.2.7. Personal Leave without Pay. The City in its discretion may permit employees to be on personal leave without pay for a maximum of ninety (90) working days. Permission for such leave must be obtained in writing. Employees in such status do not accrue vacation or other benefits, or receive service credit and may be required to pay for all fringe benefits, such as health plan premiums, during the period of their leave without pay. Employees shall be entitled to take personal leave without pay when required by applicable law.
- 15.2.8. Bereavement Leave. The City shall grant leaves of absence with pay up to three (3) days when a member of the employee's or employee's spouse or domestic partner's immediate family dies. "Immediate family" means parent, current spouse or domestic partner, child, stepchild, grandparent, grandchild, brother, sister, step-siblings, current mother-in-law or current father-in-law, current son-in-law, daughter-in-law, sister-in-law or brother-in-law. The City, in its discretion, may require some proof that a death in the family has occurred. Bereavement leave is available only within seven (7) days of the death or funeral, unless the employee has made arrangements with the City regarding its use at a later date. In the event of unusual travel requirements, the City Manager may approve a total of five (5) total working days leave.
- 15.2.9. Vacation Leave.
 - 15.2.9.1. Earned and accrued vacation leave may be taken as it accrues.
 - 15.2.9.2. Employees accrue vacation at the following rates:
 - (1) 3.39 hours per pay period for less than three consecutive years of service i.e. 0-36 months;
 - (2) 4.62 hours per pay period for three or more consecutive years of service and less than 10 years of service i.e. 37-120 months;
 - (3) 6.16 hours per pay period for 10 or more consecutive years of service i.e. more than 120 months.

- 15.2.9.3. Scheduling of vacations must be made in consideration of departmental workload.
- 15.2.9.4. Employees who separate from service shall be cashed out of their accrued but unused vacation at the employee's hourly rate at the time of separation from City service.
- 15.2.10. Holidays.
- 15.2.10.1. The City observes the following legal holidays, which are available to those employed at least thirty (30) days prior to the date of the holiday:
- (1) New Year's Day
 - (2) Martin Luther King Jr. Birthday
 - (3) President's Day
 - (4) Memorial Day
 - (5) Independence Day
 - (6) Labor Day
 - (7) Indigenous Peoples' Day
 - (8) Veteran's Day
 - (9) Thanksgiving Day
 - (10) Day After Thanksgiving
 - (11) Day before Christmas
 - (12) Christmas
- 15.2.10.2. Legal holidays falling on a Saturday are observed on Friday. Legal holidays falling on a Sunday are observed on Monday. To qualify for holiday pay, employees must have completed thirty (30) days of service, be on paid status on the regularly scheduled workday before and after the legal holiday, unless the absence is with the written permission of the City, or due to illness. Holidays occurring during an employee's vacation will be treated as a paid holiday. In recognition of differing work scheduled for safety and non-safety shift work employees, holidays may be specified to occur on the actual legal date.
- 15.2.10.3. Employees working on a holiday with City approval will be entitled to an "in lieu" holiday that may be taken on another date, within the fiscal year, subject to supervisory approval. In lieu holidays may not be carried over to another fiscal year, and are lost unless used prior to the end of the fiscal year.
- 15.2.10.4. Management employees who are required to work an established holiday may take equivalent time off on a subsequent regular work day with the approval of the department manager or City Manager.
- 15.2.11. Compensatory Time Off. Represented employees with agreements between the City and labor associations may be entitled to compensatory time off (CTO). Employees should consult their MOU, or contact the Human Resources Office regarding CTO.
- 15.2.12. Family and Medical Leave. The City will provide family and medical care leave for eligible employees in accordance with the requirements of the Family and

Medical Leave Act ("FMLA"), and the California Family Rights Act ("CFRA"). The City's policy on Family and Medical Leave is set forth in Section 16.

- 15.2.13. Pregnancy Disability Leave/Parental Leave.
- 15.2.13.1. Pregnancy Disability Leave. The City shall provide pregnancy disability leave to eligible employees in accordance with applicable law. An employee who is disabled by pregnancy may take a maximum of four months off work for pregnancy disability, childbirth or related medical conditions. The employee also may be eligible for intermittent leave or a reduced work schedule during their pregnancy if medically necessary. Employees must notify their immediate supervisor of any medical restrictions caused by the pregnancy. The City may require that the employee provide a medical certification indicating there is a medical need for the employee to take the time off or receive accommodation while continuing to work. Pregnancy disability leave qualifies for leave under the FMLA but not under CFRA. During pregnancy disability leave, employees are entitled to FMLA benefits in accordance with the Family and Medical Leave policy.
- 15.2.13.2. Parental Leave. After the employee's pregnancy disability ends, the employee is eligible for CFRA leave, in accordance with the Family and Medical Care Leave policy, to care for a newborn. The City may require that the employee provide a medical certification indicating when the pregnancy disability ended. In addition, employees may request leave without pay to care for the newborn. Such requests may be granted within the discretion of the Human Resources Office in consultation with the employee and department manager.
- 15.2.14. Service-Connected Injury or Illness Leave. Employees suffering injuries in the course and scope of their work may be entitled to workers' compensation benefits in accordance with state law. Employees having questions should contact the Human Resources Office.
- 15.2.14.1. Integration of Benefits. If an employee is on leave and is receiving workers' compensation payments, the employee may continue to receive full pay from the City by requesting that the maximum weekly disability benefits be supplemented by the use of sick leave benefits. Under this option, the employee would tender their workers' compensation payments to the City and the City would then continue to issue paychecks and deduct the value difference between the workers' compensation payments and the employee's regular pay from the employee's sick leave allotment.
- 15.2.14.2. Fitness for Duty. When an employee seeks to return to work after being on injury or illness leave, the employee must provide medical certification that they are physically able to perform the duties of their position. The City may require the employee to undergo a fitness for duty examination before returning to work. If the employee is not fit to perform their duties, the City may consider placing the employee in another position, seek the employee's retirement or separate the employee in accordance with applicable law.

- 15.2.14.3. **Work Week.** When on service-connected injury or illness leave, the employee's work week shall automatically become Monday through Friday, 8:00 a.m. to 5:00 p.m.
- 15.2.15. **Military Leave.** Military leave shall be granted in accordance with applicable state and federal law. In accordance with Military & Veterans Code section 395.02, employees may be eligible to receive their salary for the first 30 days of military leave. The City may adopt a policy providing pay beyond this 30-day limit. Employees on military leave shall accrue sick leave, vacation leave, holiday privileges and seniority for the first 180 days of military duty, in accordance with state law. After the first 180 days of military duty, employees shall not continue to accrue such benefits unless otherwise expressly provided by City policy.
- 15.2.16. **School Activity Leave.** Employees who are parents, guardians or grandparents of a child in kindergarten through grade 12 may take up to forty (40) hours per year, not exceeding eight (8) hours in a month, to participate in the child's school activities. The employee must use accrued vacation, floating holiday or compensatory time for this leave. Prior notice of the need for this leave must be given to the immediate supervisor.
- 15.2.17. **Voting Time.** Time off with pay to vote in any general, direct primary or presidential primary election shall be granted as provided by state law. Employees must give prior notice to their immediate supervisors of their need to take such time off.
- 15.2.18. **Other Authorized Leaves With Pay.** The City Manager or department manager may authorize employees to take leave with pay for training, conferences or meetings connected with City business. Authorized members of employee organizations may take leave with pay to meet and confer or consult with City representatives, and perform necessary representational functions at times prearranged and approved by their department managers.
- 15.2.19. **Unauthorized Leave of Absence.** Any unauthorized leave of absence by an employee from duty shall be grounds for disciplinary action and/or discharge. When an unauthorized leave of absence is caused by extenuating circumstances, such absence may be approved by the City Manager by a subsequent grant of leave, with or without pay. The subsequent approval is within the discretion of the City Manager. The employee must submit a written request for the retroactive grant of leave and include an adequate explanation of the reason for the leave.
- 15.3. **Accommodation For Employees With Disabilities**
- The City provides employment related reasonable accommodations to qualified individuals with disabilities within the meaning of the California Fair Employment and housing Act and the Americans with Disabilities Act.
- 15.3.1 If an employee believes they has a disability, the employee may request a reasonable accommodation for that disability. Such requests should be submitted to the employee's department manager or Human Resources Office.

15.3.2 After receipt of reasonable documentation of disability and/or fitness for duty, the City will arrange for a discussion, in person or via telephone, with the applicant or employee, and their representative, if any. The purpose of the discussion is to work in good faith to fully consider all potential reasonable accommodations.

15.3.3 The City determines, in its sole discretion, whether reasonable accommodations(s) can be made, and the type of accommodations(s) to provide. The City will not provide accommodations(s) that would pose an undue hardship upon City finances or operations, or that would endanger the health or safety of the employee or others. The City will inform the employee of its decision as to reasonable accommodations(s) in writing.

Section 16. FAMILY AND MEDICAL LEAVE

16.1. Purpose.

The City will provide unpaid family and medical care leave for eligible employees in accordance with the requirements of state and federal law. Rights and obligations which are not specifically set forth below are set forth in the regulations implementing the Family and Medical Leave Act ("FMLA") and the California Family Rights Act ("CFRA"). Unless otherwise provided in this article, "Leave" under this article shall mean leave pursuant to FMLA and CFRA.

16.2. Eligibility.

In order to qualify for Family and Medical Leave, the employee must meet the following conditions:

- (1) The employee must have been employed by the City for twelve (12) months.
- (2) The employee must have actually worked at least 1,250 hours during the twelve (12) month period immediately before the date when the leave begins. Any time spent on leave during the 12 month period shall not count towards the 1,250 hours.

16.3. Type of Leave Covered.

Family and Medical Leave is permitted for the following reasons:

- (1) The birth of a child or to care for a newborn, or for placement of a child with an employee in connection with the adoption or foster care of a child.
- (2) Leave to care for a spouse, domestic partner, child or parent who has a serious health condition, or
- (3) Leave due to a serious health condition that makes the employee unable to perform the functions of the employee's position.

- (4) Leave for a "qualifying exigency" may be taken arising out of the fact that an employee's spouse, son, daughter, or parent is on covered active duty or call to active duty status; or
- (5) Leave to care for a spouse, son, daughter, parent, or "next of kin" who is a covered service member of the United States Armed Forces who has a serious injury or illness incurred in the line of duty while on active military duty or existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces (this leave can run up to 26 weeks of unpaid leave during a single 12-month period) (under the FMLA only, not the CFRA).

16.4. **Definitions for purposes of this policy:**

- (1) "12-Month Period" means a rolling twelve (12)-month period measured backward from the date leave is taken and continuous with each additional leave day taken.
- (2) Single means a 12-month period which begins on the first day the eligible employee takes FMLA leave to take care of a covered service member and ends 12 months after that date.
- (3) The definition of "Child" as it applies to the applicable leave regulation are outlined below.
 - a. FMLA defines a child as under the age of 18 years of age, or 18 years of age or older who is incapable of self-care because of mental or physical disability. An employee's child is one for whom the employee has actual day-to-day responsibility for care and includes a biological or adopted or foster or step-child.
 - b. FMLA provides a child is "incapable of self-care" if they requires active assistance or supervision to provide daily self-care in three or more of the activities of daily living or instrumental activities of daily living-such as, caring for grooming and hygiene and bathing, dressing and eating, cooking, cleaning, shopping, taking public transportation, paying bills, maintaining a residence, and/or using telephones and directories.
 - c. CFRA defines a child as an employee's child for whom the employee has actual day-to-day responsibility for care and includes a biological or adopted or foster or stepchild. CFRA does not differentiate between over/age 18 or in terms of being capable/incapable of self-care because of mental or self-care. The child does not need to reside in the same household as the employee.
- (4) "Grandchild" means a child of the employee's child in CFRA.

- (5) "Parent" means a biological parent of an employee or an individual who stood in *loco parentis* (in place of the parent) to an employee when the employee was a child. This term does not include parents-in-law.
- (6) "Grandparent" means a parent of the employee's parent in CFRA.
- (7) "Sibling" means a person related to another person by blood, adoption, or affinity through a common legal or biological parent in CFRA.
- (8) "Spouse" means a husband or wife as defined or recognized under California State law for purposes of marriage.
- (9) "Domestic partner" means domestic partner as defined under California Family Code section 297 and 299.2, shall have the same meaning as "Spouse" for purposes of CFRA leave.
- (10) "Serious health condition" means an illness, injury or impairment, or physical or mental condition that involves:
 - a. Inpatient care (i.e., overnight stay) in the hospital, hospice, or residential medical care facility, including any period of incapacity (i.e., inability to work, or perform other regular daily activities due to the serious health condition, treatment involved or recovery therefrom); or
 - b. Continuing treatment by a health care provider: A serious health condition involving continuing treatment by a health care provider includes any one of or more of the following:
 - i. A period of incapacity (i.e., inability to work, or perform other regular daily activities due to serious health condition of more than three consecutive calendar days, and any subsequent treatment or period of incapacity relating to the same condition), that also involves:
 - 1. Treatment two or more times within 30 days of the first day of incapacity, unless extenuating circumstances exist, by a health care provider, by a nurse or physician's assistant under direct supervision by a health care provider, or by a provider of health care services (e.g., a physical therapist) under orders of, or on referral by, a health care provider. The first in-person treatment visit must take place within seven days of the first day of incapacity; or
 - 2. Treatment by a health care provider on at least one occasion which must take place within seven days of the first day of incapacity and results in a regimen of continuing treatment under the supervision of the health care provider. This includes for example, a course of prescription medication or therapy requiring special equipment to resolve or alleviate the health condition. If the medication is over the counter, and can be initiated without a visit to a health care provider, it does not constitute a regime of continuing treatment.

- c. Any period of incapacity due to pregnancy or for prenatal care. This entitles the employee to FMLA leave, but not CFRA leave. Under California law, an employee disabled due to pregnancy is entitled to pregnancy disability leave up to a maximum of four months. After the birth of the baby, the employee is entitled to additional CFRA bonding leave up to a maximum of twelve (12) weeks. However, regardless of the length of time an employee takes leave for pregnancy disability and newborn care, under the FMLA and CFRA, the City's obligation to pay for health insurance, as explained below, is limited to a maximum of twelve (12) weeks over a twelve-(12) month period.)
 - d. Any period of incapacity or treatment for such incapacity due to a chronic serious health condition. A chronic serious health condition is one which:
 - i. Requires periodic visits (defined as at least twice a year) for treatment by a health care provider, or by a nurse or physician assistant under direct supervision of a health care provider;
 - ii. Continues over an extended period of time (including recurring episodes of a single underlying condition); and
 - iii. May cause episodic rather than continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.). Absences for such incapacity qualify for leave even if the absence lasts only one day.
 - e. A period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by a health care provider.
 - f. Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive calendar days in the absence of medical intervention or treatment.
- (11) "Health Care Provider" means a doctor of medicine or osteopathy who is authorized to practice medicine or surgery by the State of California; an individual duly licensed as a physician, surgeon, or osteopathic physician or surgeon who directly treats or supervises treatment of a serious health condition; podiatrist, dentist, clinical psychologists, optometrists, and chiropractors, (limited to treatment consisting of manual manipulation of the spine to correct a subluxation. as demonstrated by X-ray to exist) authorized to practice in California and performing within the scope of their practice as defined under California State law; nurse practitioners and nurse-midwives and clinical social workers who are authorized to practice under California State law and who are performing within the scope of their practice as defined under California State law; Christian Science practitioners listed with the First Church of Christ, Scientist in Boston and Massachusetts; and any health care provider from whom an employer or group health plan's benefits manager will accept

certification of the existence of a serious health condition to substantiate a claim of benefits

- (12) "Covered active duty" means: (1) in the case of a member of a regular component of the Armed Forces, duty during the deployment of the member with Armed Forces to a foreign country, or (2) in the case of a member of a reserve component of the Armed Forces, duty during the deployment of a member of the Armed Forces to a foreign country under a call or order to active duty under certain specified provisions.
- (13) "Covered Service member" means (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness incurred in the line of duty on active duty; or (2) a veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces, including a member of the National Guard or Reserves, at any time during the period of five years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy.
- (14) "Outpatient Status" means, with respect to a covered service member, the status of a member of the Armed Forces assigned to either: (1) a military medical treatment facility as an outpatient; or (2) a unit established for the purpose of providing command and control of members of the Armed Forces receiving medical care as outpatients.
- (15) "Next of Kin of a Covered Service member" means the nearest blood relative other than the covered service member's spouse, parent, son, or daughter, in the following order of priority: Blood relatives who have been granted legal custody of the covered service member by court decree or statutory provisions, brothers and sisters, grandparents, aunts and uncles, and first cousins, unless the covered service member has specifically designated in writing another blood relative as their nearest blood relative for purposes of military caregiver leave under the FMLA.
- (16) "Serious Injury or Illness" (1) in the case of a member of the Armed Forces, including a member of the National Guard or Reserves, means an injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces (or existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces) and that may render the member medically unfit to perform the duties of the member's office, grade, rank, or rating; or (2) in the case of a veteran who was a member of the Armed Forces, including a member of the National Guard or Reserves, at any time during the period of five years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy, means a qualifying injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces (or existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces) and that manifested itself before or after the member became a veteran.

16.5. **Amount of Leave**

16.5.1. Eligible employees are entitled to a total of twelve (12) workweeks (or 26 weeks to care for a covered service member) of leave during a twelve (12) month period. Where FMLA leave qualifies as both military caregiver leave and care for a family member with a serious health conditions, the leave will be designated as military caregiver leave first. Twelve (12) weeks means the equivalent of twelve (12) of the employee's normally scheduled work weeks. For eligible employees who work more or less than five (5) days a week or who work alternative work schedules, the number of working days that constitute twelve (12) weeks is calculated on a pro rata or proportional basis.

16.5.2. Minimum Duration of Leave. If leave is requested for the birth, adoption or foster care placement of a child of the employee, basic leave must be concluded within the first year of the birth or placement of the child. In addition, the basic minimum duration of such leave is two weeks. However, an employee is entitled to leave for one of these purposes (e.g. bonding with a newborn) for at least one day, but less than two weeks duration on any two occasions.

If leave is requested to care for a child, sibling, parent, spouse, domestic partner, grandchild, grandparent or the employee with a serious health condition, there is no minimum amount of leave that must be taken. However, the notice and medical certification provisions of this policy must be complied with.

16.5.3. Spouses Both Employed by the City. In any case in which a connubial couple are both employed by the City and are both entitled to leave, each employee is entitled to twelve (12) workweeks during a twelve (12) month period if leave is taken for the birth or placement for adoption or foster care of the employee's child (i.e., bonding leave.) This limitation does not apply to any other type of leave under this policy.

In any case in which a connubial couple are both employed by the City are entitled to leave, the aggregate number of workweeks of leave to which both may be entitled may be limited to 26 workweeks during any 12-month period if leave is taken to care for a covered service member.

16.6. **Intermittent Leave or Leave on a Reduced Work Schedule**

If an employee requests leave intermittently (a few days or hours at a time) or on a reduced leave schedule to care for an immediate family member with a serious health condition, the employee must provide medical certification that such leave is medically necessary. "Medically necessary" means there must be a medical need for the leave and that the leave can best be accomplished through an intermittent or reduced leave schedule. The leave may not exceed a total of twelve (12) weeks over a twelve (12) month period.

16.7. **Substitution of Paid Accrued Leaves**

16.7.1. Leave under this policy is unpaid. If an employee is on an unpaid FMLA/CFRA leave, they is required to use their accrued sick leave or vacation leave concurrently with FMLA/CFRA leave. Employees must use accrued sick leave

concurrently with the leave if the leave is for Pregnancy Disability or the employee's own serious health condition. .

- 16.7.2. If an employee is on a paid leave such as Workers Compensation, disability, Paid Family Leave, etc., employees may elect to use vacation, accrued sick leave and/or accumulated compensatory time to substitute for all or part of the otherwise unpaid leave under this policy. However, the City shall not require peace officers or firefighters to use Labor Code section 4850 leave concurrently with Family and Medical Leave.
- 16.7.3. If an employee takes a leave of absence for any reason which is FMLA/CFRA qualifying, the City may designate that leave as running concurrently with the employee's 12-week FMLA/CFRA leave entitlement, provided the City will notify the employee at the time of the designation, and the designation will not be made retroactively except as provided by law.
- 16.8. **Payment of Health Insurance Premiums While on Leave**
- 16.8.1. While an employee is on Family and Medical Leave and Pregnancy Disability Leave, the City shall maintain the employee's health insurance coverage on the same conditions as if the employee has been continuously employed during the entire leave period. If the employee's FMLA leave is unpaid, the City shall maintain the employee's health coverage for a maximum of twelve (12) weeks in a twelve-month period. If the employee's PDL is unpaid, the City shall maintain the employee's health coverage for a maximum of four months over the course of a 12 month period, beginning on the date of pregnancy disability leave begins.
- 16.8.2. In the event the an employee is disabled by pregnancy and also uses leave under the CFRA, the City will maintain the employee's health benefits while the employee is disabled by pregnancy (up to four months or 17 weeks) and during the employee's CFRA leave (up to 12 weeks).
- 16.8.3. If the employee would normally pay health insurance premiums, the City shall require payment from the employee while the employee is on leave.
- 16.8.4. Employees will not continue to be covered under the City's long-term disability and other non-health benefit plans unless employees make the appropriate contributions for continued coverage and said continued coverage is permitted by the particular plan(s).
- 16.8.5. An employee must return to work for a continuous period of at least one (1) month, otherwise they will not be classified as having returned to work. The City may recover its share of the health care premiums paid on behalf of the employee while the employee was on the leave. See Section 16.17
- 16.9. **Medical Certification**
- 16.9.1. Employees who request leave for their own serious health condition, or to care for a child, parent, or spouse or domestic partner who has a serious health condition, must provide written certification from a health care provider of the individual requiring care.

- 16.9.2. If the leave is requested because of the employee's own serious health condition, the certification must include a statement that the employee is unable to work at all or is unable to perform the essential functions of their position. In cases where employees request intermittent leave, employees must submit medical certification which states that such intermittent leave is needed due to the employee's serious health condition.
- 16.9.3. Employees who request leave to care for a covered service member who is a child, spouse, parent, or "next of kin" of the employee must provide written certification from a health care provider regarding the injured service member's serious injury or illness. The first time an employee requests leave because of a qualifying exigency, the City may require the employee to provide a copy of the covered military member's active duty orders or other documentation issued by the military which indicates that the covered military member is on active duty or call to active duty status in support of a contingency operation, and the dates of the covered military member's active duty service. A copy of new active duty orders or similar documentation shall be provided to the City if the need for leave because of a qualifying exigency arises out of a different active duty or call to active duty status of the same or a different covered military member.
- 16.10. **Time to Provide a Certification.**
- 16.10.1. When an employee's leave is foreseeable, the employee must provide the medical certification within thirty (30) days before the leave begins. When this is not possible, the employee must provide the requested certification within the time frame requested by the City.
- 16.10.2. Consequences for Failure to Provide an Adequate or Timely Certification. If an employee fails to provide a medical certification with the timeframe established in 16.10.1, the City may delay the taking of FMLA/CFRA leave until the required certification is provided. If an employee provides an incomplete medical certification the employee will be given a reasonable opportunity to cure any such deficiency. If the City does not receive a adequately completed medical certification in a timely manner, the City may deny the request for FMLA
- 16.10.3. **Second and Third Medical Opinions**
- If the City has reason to doubt the validity of a certification, the City may require a medical opinion of a second health care provider chosen and paid for by the City. If the second opinion is different from the first, City may require the opinion of a third provider jointly approved by the City and the employee, but paid for by the City. The opinion of the third provider will be binding. An employee may request a copy of the health care provider's opinions when there is a second or third medical opinion sought.
- 16.11. **Recertification**
- 16.11.1. If the City has reason to doubt the validity of a medical certification provided by an employee, the City may require a medical opinion of a second health care provider chosen and paid for by the City. If the second opinion is different from the first, the City may require the opinion of a third provider jointly approved by

the City and the employee, but paid for by the City. The opinion of the third provider will be binding. An employee may request a copy of the health care provider's opinions when there is recertification.

16.11.2. Recertification may be requested under the following conditions:

- (1) When the basis for FMLA request has changed;
- (2) When the employee requests an extension of leave; or
- (3) At reasonable intervals requested by the City, but not to be more than every thirty (30) days, unless one of the aforementioned criteria also applies.

16.12. **Procedures for Requesting Leave.**

All employees requesting leave under this policy must submit proper Family and Medical Leave forms to the Human Resources Office. Although the City recognizes that emergencies arise which may require employees to request immediate leave, employees are required to give as much notice as possible of their need for leave. If leave is foreseeable, at least thirty (30) days notice is required. In addition, if any employee knows that they will need a leave in the future, but does not know the exact date(s) (e.g., for the birth of a child or to take care of a newborn), the employee shall inform their supervisor as soon as possible that such leave is needed. Such notice must be submitted in writing. If the City determines the notice of the employee is inadequate or the employee knew about the requested leave in advance of the request, the City may delay the granting of the leave until it can, in its discretion, adequately cover the position with a substitute.

16.13. **Accrual of Benefits While on Leave.**

Employees will not accrue benefits while in an unpaid leave status, including seniority rights, vacation and sick leave accrual.

16.14. **Reinstatement Upon Return From Leave**

16.14.1. Right to Reinstatement. Upon the expiration of leave, an employee is entitled to be reinstated to the position of employment held when the leave commenced, or to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment. Employees have no greater rights to reinstatement, benefits and other conditions of employment than if the employee had been continuously employed during the Family and Medical Leave period.

If a definite date of reinstatement has been agreed upon at the beginning of the leave, the employee will be reinstated on the date agreed upon. If the reinstatement date differs from the original agreement of the employee and City, the employee will be reinstated within two business days, where feasible, after the employee notifies the employer of their readiness to return.

16.15. **Employee's Obligation to Periodically Report on Their Condition**

Employees may be required to periodically report on their status and intent to return to work. This will avoid any delays in reinstatement when the employee is ready to return.

16.16. **Fitness for Duty Certification**

As a condition of reinstatement of an employee whose leave was due to the employee's own serious health condition, which made the employee unable to perform their job, the employee must obtain and present a fitness-for-duty certification from the health care provider that the employee is able to resume work. Failure to provide such certification may result in denial of reinstatement.

16.17. **Failure to Return From Leave.**

If an employee uses Family and Medical Leave and fails to return to work for the City, for a continuous period of at least one (1) month, the City may recover its share of health care premiums paid on behalf of the employee while the employee was on leave. The City reserves the right to seek reimbursement from the employee by any legal means.

16.18. **Reinstatement of "Key Employees"**

The City may deny reinstatement to a "key" employee (i.e., an employee who is among the highest paid 10 percent of all employed by the City within 75 miles of the work site) if such denial is necessary to prevent substantial and grievous economic injury to the operations of the City, and the employee is notified of the City intent to deny reinstatement on such basis at the time the employer determines that such injury would occur. This applies to FMLA only.

Section 17. PAID FAMILY LEAVE

17.1. **Eligibility.**

17.1.1. Employees who are covered by State Disability Insurance (SDI) are eligible for Family Temporary Disability Insurance (FTDI) benefits while taking care of family member(s). These benefits are paid by the State Employment Development Department. There is no requirement that the employee have worked for the City any particular length of time before being entitled to this leave. However, no employee can receive more FTDI benefits than they earned in wages during the base period for calculating benefits. Employees are not eligible if they are receiving State Disability Insurance (SDI), workers' compensation or private insurance payments in lieu of such payments.

17.1.2. Employees are eligible for this leave under the following circumstances:

- (1) For the birth and care of a newborn child, or the placement and initial care of an adopted or foster care child, or

- (2) To care for an employee's spouse, child, parent or registered domestic partner with a serious health condition. However, an employee is not eligible to receive FTDI benefits for any day that another family member is able and available for the same period of time that the employee is providing care.

17.1.3. Definitions of all applicable terms will be in accordance with state law relating to Family Temporary Disability Insurance (California Unemployment Insurance Code section 3300 et seq.).

17.2. **Request for Leave**

Requests for paid family leave must be approved in advance by the employee's supervisor and Human Resources Office. Since the need for the family leave is included within the need for Family Care and Medical Leave, the same procedures for making requests for Family Care and Medical Leave and scheduling of leave shall apply to requests for Paid Family Leave. As with Family Care and Medical Leave, the employee must submit medical certification to the City to justify the request for such leave.

17.3. **Duration of Paid Family Leave**

According to law, employees are entitled to a maximum of six (6) weeks paid family leave in a twelve-(12) month period. Such leave runs concurrently with Family and Medical Leave. An employee is not entitled to more than a maximum of twelve (12) weeks leave in a twelve (12) month period to care for a family member.

17.4. **Compensation During Leave**

According to law, employees are entitled to be paid FTDI benefits while on family leave, replacing approximately fifty-five percent (55%) of an employee's wages. Payment for these benefits is funded through employee contributions to SDI. The employee is solely responsible to apply for this compensation from the State Employment Development Department (EDD). The City has no obligation to ensure that employees receive FTDI payments.

17.5. **Integration of Benefits**

If an employee is on Paid Family Leave and is receiving FTDI benefits, the employee may continue to receive full pay from the City by requesting that the maximum weekly FTDI benefits be supplemented by the use of accrued paid leave benefits. Under this option, the employee would tender their FTDI payments to the City and the City would then continue to issue paychecks and deduct the value difference between the FTDI payments and the employee's regular pay from the employee's sick leave allotment.

17.6. **Waiting Period and Use of Vacation**

The law requires that there be a seven (7) day "waiting period" before an employee on family leave may begin receiving FTDI payments. If available,

employees must use two (2) weeks of earned and unused vacation before receiving FTDI benefits. The first week of vacation shall count as the “waiting period” before the employee may begin receiving FTDI payments.

Section 18. CATASTROPHIC LEAVE PROGRAM

18.1. Policy

This policy is designed to assist ~~regular~~—employees who have exhausted all forms of paid leave due to a serious, catastrophic illness or injury. The Catastrophic Leave Program allows other City employees to voluntarily donate sick leave to an employee who meets the eligibility requirements so that the recipient will be able to remain on a paid status for a longer period of time, or until the employee is receiving short or long term disability, or is able to retire.

Donation and use of catastrophic leave is at the City Manager's discretion. ~~Donation and use of catastrophic leave and~~ requires the approval of the City Manager or their designee.

18.2. Eligibility for Personal Catastrophic Leave

18.2.1. The employee must meet the following requirements to be eligible for leave under this policy:

- (1) The employee must have ~~been employed with the City, passed probation, be in a regular position with the City for at least eighteen (18) full months,~~ and be considered actively employed by the City.
- (2) The employee must have a verifiable serious or catastrophic illness or injury ~~which requires~~ an extended period of treatment or recuperation. Serious or catastrophic illness or injury is one in which the employee is incapacitated and unable to work as certified by their physician for at least four (4) full workweeks. In addition, the employee must provide medical ~~certification~~ certification documenting the employee's serious or catastrophic illness or injury requiring an extended period of treatment or recuperation for at least (4) full workweeks. that includes a reasonable expectation that, with proper care and rehabilitation, the employee will be able to return to full duty within six (6) months of the absence from work.
- (3) The employee must have exhausted all paid leave balances.
- (4) The employee may not be concurrently receiving short or long-term disability or similar benefit, ~~including State Disability Insurance.~~

18.3. Conditions for Donating Leave.

18.3.1. The following are the conditions for donating leave:

- (1) To be eligible to donate leave, an employee must have ~~passed probation~~ been employed for six months on and be in a regular position with the City for at least eighteen (18) full months.

- (2) All donations of leave are voluntary. No employee shall be required to donate leave.
- (3) Vacation and sick leave are the only types of leave allowed for donation and shall be donated on the basis of 1 hour received for each hour donated. If an employee wishes to donate sick vacation or sick leave, the employee must retain a minimum balance of eighty (80) sick leave hours after donating. If donating vacation leave, the employee must retain a balance of 40 hours after donating.
- ~~(4)~~ Employees must donate a minimum of four (4) hours and a maximum of ten (10) hours per pay period.
- ~~(5)~~(4) A donating employee may donate a maximum of 80-100 hours total to a recipient employee per catastrophic event. Recipient employees may receive a maximum of 460-520 donated hours (3 months/13 weeks) per catastrophic event.
- ~~(6)~~ Donated leave will be credited to the receiving employee's ~~sick-leave~~ balance on an hour-for-hour basis and shall be paid at the rate of pay of the receiving employee.
- ~~(7)~~(5) Once the leave is donated and posted to the receiving employee, the employee donating such leave shall irrevocably lose all rights and privileges to the donated leave hours.

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18.4. **Procedures For Donating and Receiving Leave**

18.4.1. For donating employees:

- (1) A donating employee shall complete the donation form and submit it to the Human Resources Office.
- (2) The Human Resources Office will review the request and forward to the City Manager for approval.
- (3) After approval by the City Manager, the Human Resources Office will submit the donation request to payroll for processing.
- (4) Donated leave will be used only as needed.
- (5) Donated leave will be credited to the receiving employee from the donating employee in chronological order by the date approved by the City Manager.

18.4.2. For receiving employees:

- (1) Once the receiving employee's own paid leave balances have been exhausted consistent with this policy, the employee may collect donated leave.

- (2) The receiving employee must be eligible for leave (meeting the requirements of Section 18.2.1 above) and willing to receive the donated leave.
- (3) The medical reasons for the need for the donated leave will only be disclosed to City employees if the employee agrees to such disclosure, either verbally or in writing.
- (4) The receiving employee will continue to be provided City-provided health and welfare benefits consistent with the City's Family and Medical Leave Policy.
- (5) All donated hours must be used on a continuous and uninterrupted basis until the earliest of the following occurs:
 - a. All donated leave balances are exhausted; or
 - b. The employee returns to work; or
 - c. The employee begins receiving long-term disability benefits; or
 - d. The employee's employment terminates.

Section 19. LAYOFF AND RECALL POLICY

- 19.1. Whenever, in the sole judgment of the City Council, it becomes necessary to abolish any position due to a reorganization, lack of work or funds, or abandonment of activities, the employee holding said position may be laid off or demoted without the right of appeal. Whenever possible, employees will be given at least thirty (30) days notice of any layoff or demotion.
- 19.2. Order of Layoff.
 - 19.2.1. When a position has been abolished, any seasonal, emergency, probationary or temporary employee in that position classification shall be laid off first.
 - 19.2.2. The order of layoff of full-time regular employees shall be determined based on seniority and the employee's overall performance as a City employee. Any full-time regular employee who holds a position which will be abolished shall first be considered for reassignment to an existing vacancy in a lower or equal class, provided the employee is qualified for the vacant position and such vacancy exists. If reassignment is not feasible, and the layoff involves a position classification held by more than one person, layoffs will be made based on the following criteria. Selection for retention shall be based equally upon performance as determined and supported in writing by each supervisory level involved and upon seniority of service. Therefore, this policy does not preclude the retention of employees who have less seniority in the position classification which is the subject of reduction in force action. Seniority will be determined by including all periods of full time regular service at or above the classification level where the layoff is to occur.

- 19.2.3. The following criteria shall be considered in evaluating performance:
- (1) The employee's last four (4) written performance evaluations, if in existence.
 - (2) The history of an employee's written disciplinary actions during the last three (3) years.
 - (3) The employee's written record of attendance including patterns of sick leave usage, tardiness and unexcused absences during the last three (3) years.
 - (4) If there are no performance evaluations, dated within the last year, the employee's current and past supervisors' evaluation of the employee's performance.
- 19.3. Re-employment List. Full-time regular employees who are laid off will have their names kept on a re-employment list for one (1) year from the date of layoff. Names shall be placed on the re-employment list in order of date of layoff. The re-employment list will be used by the City when a vacancy arises in the same or lower classification of position in the department where the layoff originally occurred. The City shall use this list before any other eligible list and before seeking general applications from others. The City, in its discretion, may extend the active period of the re-employment list.
- 19.4. This policy does not apply to at-will employees.

Section 20. DISCIPLINE / GENERAL RULES OF CONDUCT

20.1. General Rules of Conduct

It is expected that all employees shall render the best possible service and reflect credit on the City. Therefore, the highest standards of professional conduct are essential and expected of all employees.

20.2. Disciplinary Actions

20.2.1. The City may invoke the following types of disciplinary actions:

- (1) Oral Reprimand;
- (2) Written Reprimand;
- (3) Suspension Without Pay;
- (4) Reduction in Pay;
- (5) Demotion;
- (6) Disciplinary Probation; and
- (7) Discharge/Termination

20.2.2. Employees who are FLSA-exempt shall not be subject to disciplinary action that results in loss of pay unless the discipline reduces the salary in full work-week increments only.

20.2.3. Removal of a Written Reprimand from Personnel Records: At the request of the employee, records of written reprimand shall be removed from the employee's personnel file two (2) years after the date of the written reprimand, provided that the employee has received a satisfactory performance review for the subsequent two (2) years period from the date of the written reprimand and no further discipline (related or unrelated to the reprimand) has been initiated

20.3. **Grounds for Discipline**

20.3.1. Any employee holding a regular appointment in the Classified Service may be disciplined for good cause. City employees who are employed "at-will," or who are seasonal, temporary or probationary, are not subject to the requirement of good cause, and are not entitled to pre-discipline procedures or appeals. Such employees may be disciplined without reference to these provisions.

20.3.2. Good cause exists, not only when there has been an improper act or omission by an employee in the employee's official capacity, but when any conduct by an employee brings discredit to the City, affects the employee's ability to perform their duties, causes other employees not to be able to perform their duties, or involves any improper use of their position for personal advantage or the advantage of others. The type of disciplinary action shall depend on the seriousness of the offense and the relevant employment history of the employee. Causes for disciplinary action against an employee may include, but shall not be limited to, the following:

- (1) Misstatements or omissions of fact in completion of the employment application or to secure appointment to a position with the City;
- (2) Furnishing knowingly false information in the course of the employee's duties and responsibilities;
- (3) Inefficiency, incompetence, carelessness or negligence in the performance of duties;
- (4) Violation of safety rules;
- (5) Violation of any of the provisions of these personnel rules and regulations, department rules and regulations, City policies, ordinances or resolutions;
- (6) Inattention to duty;
- (7) Tardiness or overstaying lunch periods;
- (8) Excessive use of sick leave or use of sick leave that indicates an abuse of leave time (i.e. consistent use of leave on a Monday and Friday);

- (9) Being under the influence of an intoxicating beverage or non-prescription drug, or prescription drugs not authorized by the employee's physician, while on duty or on City property;
- (10) Disobedience to proper authority, refusal or failure to perform assigned work, to comply with a lawful order, or to accept a reasonable and proper assignment from an authorized supervisor;
- (11) Any violation of the City's Nondiscrimination Policy;
- (12) Unauthorized soliciting on City property;
- (13) Unauthorized absence without leave; failure to report after leave of absence has expired or after a requested leave of absence has been disapproved, revoked or canceled; or any other unauthorized absence from work;
- (14) Conviction of a felony, or a misdemeanor involving moral turpitude, or a violation of a federal, state or local law which negatively impacts the employee's ability to effectively perform their job or brings discredit to the City. (For purposes of this section, a misdemeanor conviction does not include a conviction based on a plea of *nolo contendere*);
- (15) Discourteous or offensive treatment of the public or other employees;
- (16) Falsifying any City document or record;
- (17) Misuse of City property; improper or unauthorized use of City equipment or supplies; damage to or negligence in the care and handling of City property;
- (18) Fighting, assault and/or battery;
- (19) Theft or sabotage of City property;
- (20) Sleeping on the job, except as specifically authorized for twenty-four (24) hour duty personnel;
- (21) Accepting bribes or kickbacks;
- (22) Engaging in outside employment which conflicts with an employee's responsibilities;
- (23) Intimidation or interference with the rights of any employee;
- (24) Outside work or any other activity or conduct which creates a conflict of interest with City work, which causes discredit to the City, negatively impacts the effective performance of City functions or is not compatible with good public service or interests of the City service;
- (25) Abusive or intemperate language toward or in the presence of others in the workplace;

- (26) Failure to obtain and/or maintain minimum qualifications for a position, including required licenses or certificates;
- (27) Any other conduct of equal gravity to the reasons enumerated above as determined by the City.

20.4. **Authority to Discipline**

Any authorized supervisory employee may institute disciplinary action for cause against an employee under their supervision in accordance with the procedures outlined in these Rules.

20.5. **Procedures for Disciplinary Actions**

In the absence of a process in a MOU, employees covered by this policy shall be governed by the following provisions:

20.5.1. Oral and Written Reprimand

- 20.5.1.1. In the case oral or written reprimand, the employee may respond by submitting a written rebuttal to be filed in the employee's personnel file. No oral response or appeal shall be permitted.

20.5.2. Notice of Intent to Discipline

- 20.5.2.1. For discipline greater in severity than an oral or written reprimand, the responsible Department Manager shall issue a written Notice of Intent to Discipline, describing the intended discipline, the basis for the discipline, and attaching any documents upon which the discipline is based. The Notice of Intent to Discipline shall state that the employee has a right to respond, either orally or in writing, before discipline is imposed.

20.5.3. Discipline in Severity of Five Working Days or Less

- 20.5.3.1. The responsible Department Manager shall set the pre-discipline meeting approximately one (1) week from the date of the Notice of Intent to Discipline, unless a different time and date is set by mutual agreement. The employee shall be entitled to a representative of their choice; provided, however, that the inability of a particular representative to attend the meeting shall not be a cause requiring a postponement of the meeting. At the meeting, the employee shall be provided the opportunity to respond to the charges and to present any new information for consideration by the Department Manager. Following the informal meeting, the responsible Department Manager shall provide the City Manager with a report of the pre-disciplinary meeting including a recommendation of discipline.

- 20.5.3.2. At some reasonable time after the employee has been provided an opportunity to respond to the charges, the City Manager shall issue a final notice of discipline. The notice shall include the final disposition, the effective date of the discipline and the facts upon which the discipline is based. No further appeal shall be permitted.

20.5.3.3. If the employee chooses to respond in writing rather than attend the pre-discipline meeting, the written response shall be reviewed and filed in the employee's personnel file. No further appeal shall be permitted.

20.5.4. Discipline in Severity of More than Five Working Days

20.5.4.1. For discipline that is greater in severity than a suspension of five (5) working days, a reduction in pay of five (5) working days or other more severe form of discipline as enumerated in Section 20.2.1, the City shall issue a Notice of Intent to Discipline, describing the intended discipline, the basis for the discipline and attaching any documents upon which the discipline is based. The Notice of Intent to Discipline shall state that the employee has a right to respond, either orally or in writing, before discipline is imposed. The City shall set the pre-discipline meeting approximately one (1) week from the date of the notice, unless a different time and date is set by mutual agreement.

20.5.4.2. For discipline that is greater in severity than a suspension of five (5) working days, the City Manager shall designate a City official who is uninvolved in the matter who shall convene a meeting to review the employee's response and position before imposing discipline. The employee shall be entitled to a representative of their choice; provided, however, that the inability of a particular representative to attend the meeting shall not be a cause requiring a continuance of the meeting. At the meeting, the employee shall be provided the opportunity to respond to the charges and to present any new information for consideration by the City.

20.5.4.3. At some reasonable time after the employee has been provided an opportunity to respond to the charges, the City shall issue a final notice of discipline. The notice shall include the final decision, the effective date of the discipline and the facts upon which the discipline is based.

20.6. **Appeal of Disciplinary Action**

20.6.1. For a suspension in severity of more than five (5) working days, a reduction in pay of five (5) working days or other more severe form of discipline as enumerated in Section 20.2.1, employees shall have the right to appeal from the final notice of discipline. The notice of appeal must be received within seven (7) calendar days from the date of the final notice of discipline, or the right to proceed to the next appeal level under these Rules shall be forfeited and the discipline shall become final.

20.6.2. The appeal shall be heard by an independent hearing officer to be selected by the City.

20.6.3. The costs of the hearing officer shall be borne by the City. Either party may request that the matter be transcribed, and the requesting party shall bear the expense of the transcript and court reporter's fees. If the transcript is jointly requested by both parties, both parties will share equally in the expense of the transcript and court reporter's fees.

- 20.6.4. The hearing officer shall have the authority to convene the hearing, receive evidence through testimony and documents and to make findings of fact and conclusions about the discipline. Within two (2) months of the close of the hearing, the hearing officer shall serve a recommended decision on the City Manager and the employee. The hearing officer's decisions must contain detailed findings of fact relating to the disciplinary charges. The decision may include a recommendation regarding outcome, but the final decision regarding discipline rests with the City Manager. After consideration of the hearing officer's recommended decision, the City Manager shall issue a final decision in writing. The City Manager's decision is reviewable by administrative writ of mandamus within the timeframes established by law.

Section 21. APPEAL PROCEDURE FOR NON-DISCIPLINARY GRIEVANCES

- 21.1. This appeal procedure is intended to provide an avenue only for redress of complaints that the City has violated these Rules. Exhaustion of this appeal procedure is intended to provide an informal avenue for redress of complaints relating to these Rules, and to give the City an opportunity to investigate the complaint and correct any problems before they become more serious. However, this appeal procedure may not be used for any of the following: to appeal discipline, change wages, hours or working conditions; to challenge the content of employee evaluations; or to challenge a reclassification, layoff, transfer, denial of reinstatement or denial of salary increase.
- 21.2. Only regular employees in the Classified Service who have completed probation have access to this entire appeal procedure. At will and provisional employees do not have access to this procedure. Part time, seasonal and temporary employees may utilize this procedure up to the Human Resources Director/City Manager level only. The Human Resources Director/City Manager's decision regarding the grievance shall be final and binding.
- 21.3. Every effort should be made to resolve a grievance regarding these Rules at the point the grievance arises, through informal discussion between the grievant and their supervisor.
- 21.4. If the grievant is not satisfied with resolution of the matter after speaking with their supervisor, the grievant may present a formal written grievance to the Human Resources Office. The written grievance must be presented within fifteen (15) calendar days of the facts giving rise to the appeal. However, this time limit may be waived if agreed to by the City. The Human Resources Director/City Manager may, in their discretion, submit the grievance for response as the first step to a directly involved supervisor or other department representative.
- 21.5. Grievance appeals must be in writing, signed by the affected employee(s) and allege that the City has violated a specific provision of these Rules. Appeals must contain the specific facts upon which they are based. Appeals that fail to include these elements may be rejected on that basis.
- 21.6. The City Manager, or designee, will review the appeal and shall serve notice of a written response within fifteen (15) calendar days of receipt of the appeal.

- 21.7. If the appellant is dissatisfied with the City's first response, the appellant may submit a written appeal to the City Manager. The appeal must be received by the City Manager within fifteen (15) calendar days of the Human Resource Office's response.
- 21.8. The City Manager, or the Manager's designee, will review the appeal and shall serve notice of a written response within fifteen (15) calendar days of receipt of the appeal. The City Manager's decision shall be final.
- 21.9. No other grievance or appeal procedure may be used for matters within the scope of this appeal procedure.
- 21.10. The City shall not take any adverse employment action against an employee because the employee filed a grievance regarding alleged violation of these Rules.

Section 22. PART TIME SEASONAL AND TEMPORARY EMPLOYEES

- 22.1. Part-time, seasonal and temporary employees are employed on an at-will basis and may be terminated at any time with or without cause and without right of appeal.
- 22.2. All part time, seasonal and temporary employees shall be compensated on a straight hourly basis for the actual number of hours worked. The rate of pay shall be determined by the City Manager within the salary range then in effect, specified for the position occupied by the employee.
- 22.3. No seasonal or temporary employee shall be eligible for participation in any benefit program established by the City, except as required by state and/or federal law. Part time employees who do not work for the City on a temporary basis and who work more than twenty-one (21) hours per week on average shall be entitled to the same benefits enjoyed by regular full time employees based upon a proration of average hours worked. EXAMPLE: An employee who works an average of thirty (30) hours per week shall receive holiday compensation in an amount equal to three (3)-quarters of the benefit provided to regular full time employees. Holiday, vacation, sick leave, city payment of health premiums and other similar benefits shall be prorated on this same basis.
- 22.4. Part time, seasonal and temporary employees shall work on a schedule determined by the City. Part time, seasonal and temporary positions may be abolished and/or replaced with full time positions as determined by the City.
- 22.5. No part time, seasonal or temporary employee shall be eligible for a salary adjustment except as approved by the City Manager upon the recommendation of the department manager, based on the employee's performance evaluation. Performance evaluations of such employees may be completed in accordance with the procedure set forth for full time employees, except for seasonal employees who may be presented with a performance appraisal report shortly after the completion of the season for which they are appointed. In general, no part time, seasonal or temporary employee shall be eligible for a salary adjustment except upon the satisfactory completion of one of the following

conditions: (a) Completion of one thousand (1,000) hours of service from date of appointment or previous review and a minimum of one (1) year service; or (b) completion of a minimum of three hundred (300) hours of continuous service on a seasonal basis and the elapse of one (1) year from the date of appointment or previous review. However, the City may make salary adjustments at an earlier date if circumstances warrant such adjustment.

- 22.6. An employee serving in a temporary or seasonal appointment shall serve the City only for such time-limited period as is determined by the City. However, if an employee serving in such appointment works more time or is retained in excess of this time period, the employee does not acquire regular status.

Section 23. PERSONNEL FILES

- 23.1. The City shall maintain an official personnel file for each of its employees. Personnel files contain such personnel records as may be deemed necessary for the administration of human resources in the City.
- 23.2. Personnel files shall be made available for inspection by employees within a reasonable time after an employee's written request and without loss of pay, provided that employees must make arrangements with their supervisor if the inspection occurs on duty. Upon written request, employees may obtain copies of the materials subject to inspection at the employee's expense. The City may preclude inspection of certain information in accordance with the law, such as background and other pre-employment information, and materials relating to confidential investigations.
- 23.3. The City maintains injury reports and confidential medical records in separate files.
- 23.4. The City shall designate the area used for the inspection and shall have an official monitor the employee's inspection of the employee's personnel file while it is being reviewed. Under no circumstances shall the employee remove the personnel file or any of its contents from the area designated for the inspection.

Section 24. RESIGNATIONS AND EXIT INTERVIEWS

- 24.1. Employees are free to resign from their employment, but are encouraged to give at least two (2) weeks notice. A resignation becomes effective upon the City's receipt of a written notice of resignation. If no written resignation is tendered, but a resignation is indicated orally, a resignation becomes effective upon the City's notice of acceptance of the resignation. Once a resignation becomes effective, it is irrevocable except that the City Manager may, in their discretion, permit a resignation to be rescinded.
- 24.2. Automatic Resignation. Employees are deemed to have resigned when absent from work for three (3) consecutive workdays without prior authorization. The City shall give notice of such automatic resignation. Except for at-will or probationary employees, regular employees who are separated from the City's service by automatic resignation may utilize the appeal procedure in Section 21 of these Rules.

- 24.3. Exit Interviews. The City may, in its discretion, require employees separating from City employment to undergo an exit interview with the Human Resources Office.

Section 25. HARASSMENT, DISCRIMINATION AND RETALIATION PREVENTION POLICY

- 25.1. The purpose of this policy is:
- (1) To reaffirm the City's commitment to prohibit and prevent unlawful discrimination, harassment, and retaliation in employment;
 - (2) To define discrimination and harassment prohibited under this policy;
 - (3) To set forth a procedure for resolving complaints of prohibited discrimination and harassment.
- 25.2. This policy shall not be construed to create a private or independent right of action. Although this policy is intended to prohibit discrimination consistently with Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act, the California Fair Employment and Housing Act and California Labor Code Section 1102.1, the City reserves the right to interpret and apply this policy to provide greater protection than what is afforded under those laws.
- 25.3. Statement of Policy. The City is committed to providing an environment that is free from harassment and discrimination of any kind, including sexual harassment and harassment based on race, color, religion, color, sex (including gender, gender identity, gender expression, transgender, pregnancy and breastfeeding), national origin, ancestry, citizenship status, physical or mental disability, medical condition, genetic characteristics or information, marital status, age, sexual orientation (including homosexuality, bisexuality, or heterosexuality), or any other basis protected by law. The City will afford equal employment opportunity to all qualified employees and applicants as to all terms and conditions of employment, including compensation, hiring, training, promotion, transfer, discipline and termination. Employees, applicants, officers, officials or contractors who believe that they have experienced any form of employment discrimination are encouraged to report this immediately, using the complaint procedures provided in Section 25.8 of these Personnel Rules and Regulations. Therefore, it is important that the City maintain an atmosphere characterized by mutual respect in order to assure fair, courteous treatment for employees and the public.
- 25.4. The City strongly disapproves of and will not tolerate any conduct that violates this policy. Conduct need not arise to the level of violation of law to violate this policy. Harassment or discrimination against employees, unpaid interns, volunteers or applicants by elected or appointed officials, coworkers, members of the public, or contractors on the basis of a protected classification will not be tolerated..
- 25.5. Employees who violate this policy and engage in acts of sexual harassment or illegal discrimination of any type, for any duration, shall be subject to severe disciplinary action, up to and including termination.
- 25.6. Retaliation against individuals who complain of sexual harassment or any type of prohibited discrimination or who participate in an investigation into sexual

harassment or discrimination shall not be tolerated. Employees who engage in such acts of retaliation shall be subject to serious disciplinary action, up to and including termination.

25.7. Definitions

(1) **Protected Classification:** This policy prohibits harassment or discrimination because of an individual's protected classification. "Protected Classification" includes race, color, religion, color, sex (including gender, gender identity, gender expression, transgender, pregnancy and breastfeeding), national origin, ancestry, citizenship status, physical or mental disability, medical condition, genetic characteristics or information, marital status, age, sexual orientation (including homosexuality, bisexuality, or heterosexuality), or any other basis protected by law.

(2) Harassment may include, but is not limited to the following types of behavior that is taken because of a person's protected classification.

Speech: Such as epithets, derogatory comments or slurs, and lewd propositions on the basis of protected classification. This includes, without limitation, comments regarding an individual's appearance, including dress or physical features, or dress consistent with gender identification, , or race or ethnicity-oriented stories and jokes.

Physical Acts: Such as assault, impeding or blocking movement, offensive touching, or physical interference with normal work or movement. This includes pinching, grabbing, patting, propositioning, leering, or making explicit or implied threats or promises in return for submission to physical acts.

Visual Insult: Such as derogatory pictures, posters, cartoons, or drawings related to a protected classification. This includes, without limitation, sending inappropriate emails to employees, or viewing pornography either in magazines or on the internet in view of other employees, displaying pictures or objects depicting nude or scantily-clad or suggestively posed men or women; circulating derogatory or obscene notes, letters, emails or other literature.

(3) **Unwanted sexual advances:** Requests for sexual favors and other acts of a sexual nature, where submission is made a term or condition of employment, where submission to or rejection of the conduct is used as the basis for employment decisions, or where the conduct is intended to or actually does unreasonably interfere with an individual's work performance or create an intimidating, hostile, or offensive working environment.

25.7.1. Harassment on the basis of a protected classification is prohibited. Verbal or physical conduct relating to these categories constitutes harassment when it:

- (1) Has the purpose or effect of creating an intimidating, hostile or offensive working environment;
- (2) Has the purpose or effect of unreasonably interfering with an individual's work performance; or
- (3) Otherwise adversely affects an individual's employment opportunities.

25.7.2. Retaliation: Any adverse conduct taken because an applicant, employee, or contractor has reported harassment or discrimination, or has participated in the complaint and investigation process described herein, is prohibited. Adverse conduct includes but is not limited to: taking sides because an individual has reported harassment or discrimination, spreading rumors about a complaint, shunning and avoiding an individual who reports harassment or discrimination, or real or implied threats of intimidation to prevent an individual from reporting harassment or discrimination. The following individuals are protected from retaliation: those who make good faith reports of harassment or discrimination, and those who associate with an individual who is involved in reporting harassment or discrimination or who participates in the complaint or investigation process.

25.8. Reporting Unlawful Harassment or Discrimination.

25.8.1. Any employee, job applicant, or contractor who believes they have been unlawfully harassed or discriminated against should promptly report it orally or in writing to: the employee's supervisor, the Human Resources Office or the City Manager. There is no need to follow the chain of command.

25.8.2. Any supervisor or manager who receives a complaint, or who observes or otherwise learns about harassing conduct, as defined by this policy, is required to notify the Human Resources Office immediately. Failure to do so may result in disciplinary action.

25.9. Remedial Action

25.9.1. Upon receiving complaints of discrimination or harassment, the City will take immediate and appropriate corrective action, which may include an investigation of the complaints. Any investigation and investigation report prepared relating to the complaint shall be kept confidential except as required by law. If harassment or discrimination is found to have occurred in violation of this policy, the City shall report a summary of the determination as to whether harassment occurred to appropriate persons, including the complainant, the alleged harasser, the supervisor and or department head. If discipline is imposed the level of discipline will not be disclosed to the complainant.

25.9.2. If conduct in violation of this policy occurred, take action or recommend to the City Manager prompt and effective remedial action.

25.9.3. Take reasonable steps to protect the complainant from further harassment, discrimination, or retaliation..

- 25.9.4. Employees found to have engaged in discrimination or harassment covered by this policy may be subject to disciplinary action up to and including termination of employment. First-time violations of this policy, depending on the severity of the conduct, may lead to termination.
- 25.9.5. Employees found to have been dishonest or uncooperative during an investigation into allegations of unlawful harassment may be subject to disciplinary action up to and including termination of employment.
- 25.10. No Retaliation. Employees should feel free to report claims of unlawful harassment without fear of retaliation of any kind.
- 25.11. Dissemination of Policy. Copies of the City's Nondiscrimination Policy, and of these complaint procedures, shall be provided to all employees of the City, and to all new employees at the time of hiring. From time to time, the City may also conduct training for its employees to assist them in learning how to recognize, avoid and correct discriminatory behavior.
- 25.12. Confidentiality
- Every possible effort will be made to assure the confidentiality of complaints made under this policy. An individual who is interviewed during the course of an investigation is prohibited from discussing the substance of the interview, except as otherwise directed by a department manager or the Human Resources Director. Any individual who discusses the content of an investigatory interview may be subject to discipline or other appropriate sanction. The employer will not disclose a completed investigation report except as it deems necessary to support a disciplinary action, to take remedial action, to defend itself in adversarial proceedings, or to comply with the law or court order
- 25.13. Responsibilities of Management and Employees
- 25.13.1. Managers and Supervisors are responsible for being familiar with the City's policy on harassment, discrimination and retaliation, modeling appropriate behavior, treating all employees and contractors with respect and consideration, taking all steps necessary to prevent harassment, discrimination, or retaliation from occurring; receiving complaints in a fair and serious manner, and documenting steps taken to resolve complaints, reporting incidents of discrimination in a timely fashion; cooperating in any investigation concerning allegations of discrimination; and to the extent possible maintaining confidentiality concerning any investigation that is conducted.
- 25.13.2. Employees are responsible for being familiar with the City's policy on harassment, discrimination and retaliation; modeling appropriate behavior, treating all employees and contractors with respect and consideration, refraining from discriminatory behavior, including harassment; reporting incidents of discrimination in a timely fashion; cooperating in any investigation concerning allegations of discrimination; *and* maintaining confidentiality concerning any investigation that is conducted.

Section 26. All employees are also encouraged to communicate with one another to assist co-employees to avoid harassing, discriminatory, or otherwise offensive behavior. **EMPLOYEE SAFETY / VIOLENCE IN THE WORKPLACE POLICY**

26.1. **General Safety Rules**

- 26.1.1. Safety is everyone's responsibility. All employees must use safe work practices and report any unsafe conditions that may occur. The City also recognizes its responsibility to maintain safe workplaces.
- 26.1.2. All work-related injuries must be reported to the responsible supervisor. If there is any question regarding the appropriate supervisor, the report should be made immediately to the Human Resources Office.
- 26.1.3. If a reported work-related injury may result in lost work time, the employee should be provided with a workers' compensation claim form within one (1) working day of the injury.
- 26.1.4. Individual departments may adopt specific safety rules applicable to their operations.

26.2. **Violence in the Workplace Policy**

- 26.2.1. Acts of violence, whether threatened, gestured, or carried out will not be tolerated in any City workplace. Anyone witnessing or becoming the subject or victim of such behavior shall immediately report it to the proper authorities for investigation. Minimizing the threat of violence is a duty of all employees to ensure a safe workplace.
- 26.2.2. It is the responsibility of all employees to notify a supervisor, the Human Resources Office, or the City Manager immediately of any violent act or a threat, or if a violent act or threat against themselves or any other City employee occurs in the workplace or is directly associated with their employment with the City. Notification may be made to any of these persons as appropriate and shall be as soon as practicable. Retaliation or the threat of retaliation against a person who reports such an incident is unlawful and shall not be tolerated.
- 26.2.3. City employees shall not possess the following instruments at a City worksite or on City property, including City parking lots, unless there is a work-related purpose and written approval has been obtained from the employee's department manager:
 - (1) Firearms;
 - (2) Explosives or ammunition;
 - (3) Fixed blade knives;
 - (4) Folding knives with blades over 3.5 inches;

- (5) Illegal weapons such as defined in Section 12020 of the California Penal Code.

26.2.4. The City shall take appropriate disciplinary action, up to and including termination of employment, against employees who violate this policy.

26.2.5. On a case by case basis, or as needed, the City will offer incident-related counseling services through the City's Employee Assistance Program (EAP), or any other resource or program made available by the City, to employees who are the victims of violence or are subjects of threats of violence or intimidation at the workplace. The City administration will work with public safety, the courts and other authorities necessary to assure employee safety.

26.3. **Procedures - Imminent or Actual Violent Acts**

26.3.1. Employee Responsibilities. An employee who is in immediate apparent danger of a violent act, or another employee who witnesses a violent act or the threat of a violent act shall, whenever possible:

- (1) Place themselves in a safe location.
- (2) Call 911 and request the immediate response of a police officer. Be prepared to inform the police dispatcher of the circumstances and exact location of where an officer is needed.
- (3) Inform a supervisor or manager of the circumstances.
- (4) Refer media inquiries to the City Manager's Office.
- (5) Cooperate fully in any administrative or criminal investigation which shall be conducted within this policy and the laws.

26.3.2. Supervisor/Manager Responsibilities:

- (1) Place themselves in a safe location.
- (2) A supervisor or manager who is informed of a violent act or the threat of a violent act shall whenever possible ensure the immediate safety of employees and the worksite by calling 911, and notify the department manager and Human Resources Office.
- (3) If feasible, the supervisor/manager shall have the involved individuals wait in separate rooms or locations until the police take control or remove them from the premises.
- (4) In consultation with the City Manager, determine if it is appropriate to obtain a restraining order or other appropriate injunctive and/or other legal and/or equitable relief.
- (5) Reassign/relocate personnel or job duties, if required.
- (6) Terminate any business relationship.

- (7) Any other action deemed by the City to be necessary or required under the circumstances.
- (8) Supervisors shall obtain basic information from the employee and provide this to responding police personnel.
- (9) Refer media inquiries to the City Manager's Office.

26.3.3. Procedures – Future Violence:

- (1) Employees who have reason to believe they, or another City employee, may be victimized by a violent act sometime in the future, at the workplace or as a direct result of their employment with the City, shall inform their supervisor immediately so appropriate action may be taken. The supervisor shall inform their department manager.
- (2) Employees who have signed and filed a restraining order, temporary or regular, against an individual due to a potential act of violence, who would be in violation of the order by coming near them at work, shall immediately supply a copy of the signed order to their supervisor and the Human Resources Office.

26.3.4. Post-Incident Review:

- (1) The City Manager's Office, the Human Resources Office and the affected department may conduct a post-incident review and use the review to evaluate this policy and procedure.
- (2) The City may determine what continuing support systems are needed and oversee post-incident activities.

Section 27. OUTSIDE EMPLOYMENT

- 27.1. City employees may not engage in any outside employment, enterprise or activity that the City determines is in conflict with or impairs the employee's ability to perform their duties and responsibilities, or any aspect of City operations. All outside employment must be authorized by the City Manager.
- 27.2. During the workday, employees are expected to devote their full time in the performance of their assigned duties as City employees. Any outside work, part time job, hobbies or personal business must be performed during off duty hours. Off duty hours include unpaid lunch break periods, but do not include other rest or break periods during which the employee continues to receive pay.
- 27.3. Employee shall not perform work for compensation outside of their City employment where any part of their efforts will be subject to approval by any officer, employee, board or commission of the City, unless the employee obtains the approval of their department head.

Section 28. VOLUNTEERS

- 28.1. The City may utilize volunteers for the delivery of City services. The use of volunteers shall be subject to approval by the City Manager.
- 28.2. Volunteers shall not be eligible for salaries, benefits or other compensation unless specifically provided for by the City. Subject to approval by the City Manager, necessary equipment or uniforms and reimbursement for approved actual expenses and mileage may be provided.
- 28.3. Employee Volunteers. Subject to approval by the City Manager, employees may volunteer to provide services to the City outside of their normal duties, provided they are not performing the same or similar duties for which they or any other City employee are normally compensated and the responsibilities are occasional and sporadic. Employees engaging in such volunteer assignments shall not be entitled to compensation.

Section 29. DRUG AND ALCOHOL FREE WORKPLACE

- 29.1. The City's workplace shall be drug and alcohol-free. The City has established a Drug Free Awareness Program to inform employees about City policy with respect to drug abuse in the workplace.
- 29.2. No employee shall unlawfully manufacture, distribute, dispense, possess, use or be under the influence of any alcoholic beverage, drug or controlled substance as defined in the Controlled Substances Act and Code of Federal Regulations during work hours or in any City designated workplace. Alcoholic beverages may only be served on City property at events expressly approved by the City Manager.
- 29.3. Upon reasonable suspicion of an employee being under the influence while on duty, the City may require the employee to submit to drug and alcohol testing, at the City's expense. Employees who decline to submit to such testing may be subject to discipline, up to and including termination of employment.
- 29.4. The City shall distribute at initial appointment and periodically thereafter the following Notice to employees.

NOTICE TO EMPLOYEES

YOU ARE HEREBY NOTIFIED that it is a violation of City policy for any employee at a City work site to unlawfully manufacture, distribute, dispense, possess, use or be under the influence of any alcoholic beverage, drug or controlled substance as defined in the Controlled Substances Act and Code of Federal Regulations.

City work site is defined as any place where City work is performed, including a City owned building or other premises and any City owned or approved vehicle used in the conduct of City business.

As a condition of your continued employment with the City, you will comply with the City's policy on Drug and Alcohol-Free Workplace and will, any time you are convicted of any criminal drug or alcohol statute violation occurring in the workplace, notify your supervisor of this conviction no later than five days after such conviction.

The following drug and alcohol counseling, rehabilitation, and/or employee assistance programs are available locally:

CIGNA Behavioral Health Plan, California – Telephone toll-free 1-888-371-1125

(Employee Signature)

(Date)

Section 30. NEPOTISM POLICY

- 30.1. No employee, prospective employee, or applicant shall be improperly denied employment or benefits of employment on the basis of marital status with another employee or official of the City.

- 30.2. Notwithstanding the above, the City retains the right to take appropriate steps to avoid inappropriate working relationships among relatives, including married persons. For administrative purposes, a relative shall be defined as a spouse or domestic partner, child, step-child, parent, grandparent, grandchild, brother, sister, half-brother, half-sister, aunt, uncle, cousin, niece, nephew, parent-in-law, brother-in-law, sister-in-law or any other individual related by blood or marriage. The City retains its rights to:
 - (1) Refuse to place one party to a relationship under the direct or indirect supervision of the other party of a relationship.
 - (2) Refuse to place both parties to a relationship in the same department, division, or facility when such action has the potential for creating adverse impact on supervision, safety, security, or morale, or involves potential conflicts of interest.
 - (3) Disqualify one party to a relationship for a position privy to confidential personnel matters who has a relative already in the City's employment when the relationship may compromise confidential information.
 - (4) Effect a transfer in the event the City learns of circumstances described above.

Section 31. GIFTS AND GRATUITIES

- 31.1. No officer or employee of the City shall solicit or accept, for self or family, favors, benefits, gifts or gratuities under circumstances which might be construed as influencing the performance of the employee's governmental duties.

Section 32. USE OF INFORMATION AND ELECTRONIC SYSTEMS

- 32.1. General. For purposes of this policy, electronic systems are defined as all hardware, software, and other electronic communication or data processing devices owned, leased, or contracted for by the City and available for official use, by the City's employees. This use includes, but is not limited to, electronic mail, voice mail, calendaring, and systems such as the internet. The City's Administrative Regulation: Mobile Computing Devices is incorporated by reference.

- 32.2. Public Disclosure. Employees who use electronic systems and/or tools provided by the City cannot be guaranteed privacy. Under the Public Records Act, e-mail messages and information stored in computers and other electronic systems of the City are public records subject to disclosure to the public or may be subpoenaed. In addition, the City reserves the right to review, audit, and disclose

all matters sent over and/or stored in the City's electronic system or on a City issued device at any time without advance notice. The City Manager, or their designee, retain the right to enter and/or retrieve an employee's electronic communication system, data files, logs and programs used on City owned electronic systems. Security features provided by the electronic communication system, such as, passwords, access codes, or delete functions, shall not prevent authorized City personnel from accessing stored electronic communications. Deletion of e-mail messages or files may not fully eliminate the message from the system.

- 32.3. Serial Meetings. In accordance with the Brown Act (Govt. Code Section 54950 et seq.), City employees must take care to ensure that electronic systems are not used to transmit, either all-at-once or serially, City legislative officials' positions on matters of City business to a majority of any City body of elected officials.
- 32.4. Use During Normal Business Hours. The City's electronic systems are provided for the purposes of conducting business. Except for brief, occasional, necessary or emergency use, the City's electronic systems shall not be used for personal use during normal business hours. Use of non-City business software including games or entertainment software is considered an improper use of these electronic systems. Employees shall not conduct personal or private business, including purchase of goods or services via the City's internet connection. Such uses are prohibited at all times during normal business hours or outside normal business hours.
- 32.5. Account Access. Employees shall not attempt to gain access to another City employees' personal file of electronic mail messages without the latter's express written permission or permission from the City Manager or designee.
- 32.6. Prohibited Use.
 - 32.6.1. The electronic mail and other electronic systems of the City shall not be used in a way that may be disruptive, offensive to others, harmful to morale or violate City policies and procedures or laws. These electronic systems shall not be used to solicit or proselytize others for commercial venture, religious or political causes, outside organizations, or other non-job-related solicitations. Improper use includes any display or messages that are derogatory, defamatory, obscene, violent, or offensive to employees or the public and/or any messages that are of a sexual or discriminatory nature, including, but not limited to, slurs, offensive jokes, or other offensive language of disparagement of others based on their race, national origin, sex, sexual orientation, age, disability, or religious beliefs.
 - 32.6.2. Employees are required to comply with all operational guidelines developed by the City. Such guidelines will address operational standards such as: message retention, schedule, copyright issues, use of passwords, system availability, back-up procedures, etc.
 - 32.6.3. Incidental and occasional personal use of electronic mail is permitted within the City, but the messages will be treated no differently from other messages and will remain the property of the City as to review and auditing techniques. All

personal use shall be done outside of normal working hours and not during provided morning and afternoon breaks or lunch periods.

32.6.4. Occasional personal access to the internet may be permitted. However, such personal use shall only be permitted if it does not interfere with or delay the employee's work or interfere with regular City business and shall comply with all provisions herein. All use of the internet may be periodically reviewed by the City Manager or designee.

32.6.5. In addition to other prohibited uses, employees shall not: Install programs on the City computer system (including but not limited to virus checking and screen savers) without the prior written consent of the Department Head or Human Resources Office, or each of their designees; copy City Programs for personal use; disclose an account password or otherwise make the account available to others; or infringe on others' access and use of the City's computers, including but not limited to:

- (1) The sending of excessive messages, either locally or offsite;
- (2) Unauthorized modification of system facilities, operating systems or disk partitions;
- (3) Attempting to crash or tie up a City computer or network;
- (4) Damaging or vandalizing City computing facilities, equipment, software, or computer files;
- (5) Intentionally developing or using programs which disrupt other computer users or which access private or restriction portions of the system and/or damage the software or hardware components of the system;
- (6) Installing or using a modem on City owned or leased computers without the prior written consent of the Department Head or Human Resources Office, or each of their designees;
- (7) Forwarding or reproducing communications marked attorney-client privileged or confidential without the prior consent of the City Manager and/or City Attorney; or violating any federal, state or local law in the use of City information systems.

32.7. Public Records.

32.7.1. All City records, including those stored on paper and electronic media, may be governed by the mandatory public disclosure requirements of the Public Records Act (Government Code section 6250 et seq.), and the limited exceptions thereto. If a draft record is retained, it may become a public record subject to disclosure unless it is subject to an exception under the Public Records Act.

32.7.2. All records, whether stored on paper or electronic media, shall not be destroyed unless prior written authorization is obtained pursuant to Government Code Section 34090 or applicable City resolution.

- 32.7.3. Public Records requests shall be handled in accordance with Government Code section 6250 et seq.
- 32.7.4. The City reserves the right for any reason to access and disclose all messages and other information sent or received by electronic means or stored on electronic media.
- 32.7.5. The City has the right to delete or retain any or all messages or other information sent or received by electronic means or stored on electronic media by a City employee who is no longer employed by the City.
- 32.8. Intellectual Property Rights. No employee shall violate any copyright or license to software or other online information (including, but not limited to, text images, icons, programs, etc.) whether created by the City or any other person or entity.
- 32.9. Failure to Comply. City employees who fail to comply with the terms and conditions of this policy shall be subject to disciplinary procedures that may be informal and/or formal actions depending upon the severity of the offense. Discipline may result in termination of employment with the City.

Section 33. DRESS CODE

- 33.1. Employees of the City are required to dress appropriately for the jobs they are performing. Therefore, the dress regulations contained in this section shall be followed.
 - (1) Prescribed uniforms and safety equipment must be worn where applicable. City uniforms shall be worn in a professional manner.
 - (2) Footwear must be appropriate for the work environment and functions being performed.
 - (3) Jewelry is acceptable except in areas where it constitutes a health or safety hazard.
 - (4) Employees shall be mindful of other employees' sensitivity to perfume and other fragrances, and employees shall refrain from wearing fragrances that are offensive or harmful to others.

Section 34. USE OF CITY EQUIPMENT / AUTOMOBILE USE

- 34.1. No City owned equipment, autos, trucks, instruments, tools, supplies, machines, or any other item that is the property of the City shall be used by an employee other than for City business, unless the City Manager approves in advance. No employee shall allow any unauthorized person to rent, borrow, or use any City property, except upon prior approval of the City Manager.
- 34.2. Automobile Use. City owned vehicles are to be used for travel on City business by City employees. City employees who utilize City-owned vehicles or their own personal vehicle in the performance of their duties must maintain a valid California driver's license at all times. In those instances where a City vehicle is

not available for use and the employee is required to use their private vehicle on City business, employee shall be compensated for such use as provided in the relevant Wage and Compensation Plan or Memorandum of Understanding as adopted by Council resolution. Prior to using a private vehicle on City business, employee must obtain and provide City with a Certificate of Insurance on the form provided by the City which evidences that employee has comprehensive automobile liability insurance or business automobile liability insurance in an amount of at least \$300,000.

- 34.3. Use of Vehicle Safety Belts. Motor vehicles purchased by the City for use by city personnel are equipped with safety belts. All city personnel who drive city vehicles shall use and ensure that all passengers use available safety belts in the vehicles being operated. The police department may adopt rules and regulations which supersede this provision which will govern the use of seat belts by police officers and persons taken into custody. Employees will inspect the serviceability of the safety belts at the start of each work day. Passengers shall ride only in those positions of a city vehicle designed for the carrying of passengers.
- 34.4. The City will verify with the DMV the validity of each employees' driver license on an as needed basis. City DMV Program:
- 34.5. The City complies with the drug and alcohol testing regulations of the Department of Transportation (DOT) (49 CFR part 40) and the Federal Aviation Administration (FAA) (14 CFR part 120). All persons performing any of the following safety-sensitive functions are subject to the DOT/FAA drug and alcohol testing program:

Maintenance Worker II

Maintenance Worker III

Maintenance Worker IV

Maintenance Worker Lead

For more information relating to the DOT program, visit the following website:
<http://www.dot.gov/ost/dapc/>

Section 35. TRAVEL AND TRAINING POLICY

- 35.1. The City is committed to ensuring that its employees receive adequate training to perform their jobs. Training and travel are subject to department approval. Training opportunities that occur outside normal work hours require approval by the Department Head. Overnight travel also requires approval by the Department Head.
- 35.2. The City generally requires that training, and attendant travel, be scheduled in a way that will minimize the City's overtime liability

35.3. City business travel shall be carried out in an efficient, cost-effective manner resulting in the best value to the City. Telecommunications instead of travel should be considered when possible. The City will pay or reimburse all business travel related expenses based on reasonableness and on the actual amount of expense incurred by the employee. Receipts when available are required for all travel expenses. Reimbursement of personal expenses and alcoholic beverages shall not be authorized for payment at any time. Department directors are responsible for determining the necessity, the available resources, and the justification for the method of employee business travel.

Section 36. GARNISHMENT FEES

36.1. City will to deduct the maximum allowed by state law from the employee's earnings for each payment made under a wage garnishment or earnings withholding order to reimburse the City for administrative costs.

Section 37. MISCELLANEOUS

37.1. These rules and regulations shall only become effective when they are adopted by the City Council. Upon adoption they shall supersede any and all City-wide and/or departmental personnel management policies, rules, regulations, and procedures previously adopted, except those adopted by order of a department manager which are not in conflict with these Rules.

37.2. Any and all provisions contained in a Memorandum of Understanding (MOU) in effect at the time of adoption of these Rules, and which may be in conflict with the provisions of these Rules, shall remain in effect and supersede these Rules until such time as the conflicting provisions of the MOU may be modified, through the meet and confer process, to conform to these Rules. No existing MOU shall be modified, and no new MOU shall be entered into, which would establish provisions which would be in conflict with these Rules unless expressly identified by the City Manager and recommended to the City Council for review and approval.

37.3. No Contract. These policies do not create a "contract" of employment between the City and any employee. Public employment is statutory, not contractual.

37.4. Severability. If any part of these Rules is determined to be unconstitutional or illegal, such part shall be severed from these rules and the remaining Rules shall be given full force and effect.

37.5. Word Usage. The term "City" as used in these rules refers to the City of Fort Bragg. Responsibilities and rights of the City under these rules are exercised by the City Manager, and may be delegated by the Manager in their discretion.

Section 38. DEFINITION OF TERMS

Allocation	Assignment of a position to a class on the basis of the kind, difficulty and responsibility of work of the position.
Anniversary Date	Date an employee is appointed, promoted, demoted, or reinstated to a position within the classified service.
Applicant	Any person submitting a formal, completed application for employment with the City.
Appointing Authority	City Manager.
Appointment	Placement of a certified candidate from an eligible list to a position within the classified service. For employees rehired after a resignation or reinstatement from layoff, the appointment date is the re-hire or reinstatement date.
At-Will	At-will employees serve at the pleasure of the City Manager, who retains the authority to terminate any such employee at any time with or without notice or cause.
City	As used in these rules refers to the City of Fort Bragg. Responsibilities and rights of the City under these rules are exercised by the City Manager, and may be delegated by the Manager in their discretion.
Class	A position or group of allocated positions sufficiently similar in duties performed, degree of supervision exercised or required, desirable requirements of training, and other qualifications such that each position allocated to the class may have the same descriptive title, tests of fitness to determine qualified employees, schedule of compensation, or same basic desirable qualification requirements.
Classified Service	All full-time employees of the City of Fort Bragg, except elected officials, Council appointees, the City Manager, appointive officers serving without compensation, and all temporary, provisional seasonal, transitional, emergency and part-time employees as defined herein.
Class Specification	The written description of a class, including the title; a statement of the nature of the work, examples of duties and responsibilities, and the requirements that are desirable for the satisfactory performance of the duties of the class.
Class Title	The title assigned to any particular class and used for reference to that class.
Compensation	Salary, wages, fees, benefits, allowances, or monies paid to, or on behalf of, an employee for personal services.

Compensatory Time Off	Time off in lieu of pay for overtime worked.
Continuous Examination	An open competitive examination which is administered periodically, resulting in the placement of names on an employment eligible list.
Continuous Service	Employment without interruption. Includes approved leaves of absence to serve in the armed forces of the United States, as provided by Section 395 of the Military and Veterans Code, as amended.
Demotion	The involuntary movement of an employee from a position in one class to a position in another class having a lower maximum salary rate than the employee's class.
Discharge	Dismissal and/or involuntary separation of an employee for cause from the classified service.
Eligible	A person whose name is on an active reemployment, promotional, or initial appointment list and who may, under these rules, be certified for consideration of appointment to a position in the classified service.
Emergency Employee	An individual appointed to a classified or non-classified position for a period not to exceed thirty (30) days.
Employee	An individual appropriately appointed to a position within the classified service.
Employment Date	For retirement, sick leave, and other benefit purposes, the effective date of an employee's initial appointment to a full-time or regular part-time position within the classified service.
Grievance	A statement by a grievant that a controversy, dispute, or disagreement of any kind or character exists arising out of, or in any way involving, interpretation or application of the terms of these Rules or of any existing (City and/or department) rule, policy, MOU, or practice, or that an employee has been treated unfairly or inequitably, or that there exists a condition which jeopardizes employee health and safety, which is beyond the control of the grievant. Grievances must relate specifically to actions or conduct affecting the employee filing the grievance.
Grievance Procedure	The systematic means by which an employee may obtain consideration of a grievance.
Grievant	An employee or group of employees or the recognized employee organization filing a grievance.

Initial Appointment The appointment of a person to a position in the classified service. Initial appointment does not include employees who are present probationary or regular employees of the City or persons who are being reinstated or reemployed from a reemployment list.

Layoff The separation of an employee from the classified service made necessary by lack of work, appropriation of monies, or other reasons not related to the fault, delinquency, or misconduct of the employee.

Management The management group is comprised of the following full time, at-will appointments (positions may be vacant and/or currently unauthorized for budgetary purposes):

- Director of Public Works
- Director of Finance
- Director of Community Development
- Chief of Police
- City Clerk/Assistant to the City Manager
- City Engineer
- Assistant City Manager

Such employees are so distinguished as they: 1) have as their primary duty the management of an enterprise or recognized department or subdivision; 2) have authority to hire and fire, or to render suggestions as to those decisions; 3) customarily and regularly exercise discretionary powers; 4) have as their primary duty the function as a manager, and 5) do not devote more than 20 percent of their weekly work time to non-management activities.

Meet and Confer Process The procedures established by Section 3500, et seq., of the California Government Code, as amended.

Merit and Salary Advancement A salary increase from one salary step to a higher salary step in the same pay range.

Mid-Management The mid-management group is comprised of the following full-time, regular classifications (positions may be vacant and/or currently unauthorized for budgetary purposes):

- Assistant Finance Director
- Associate City Engineer
- Engineering Technician
- Human Resources Analyst
- Planner
- Police Lieutenant
- Public Works Supervisor
- Treatment Plant Superintendent

Miscellaneous Employee An employee of the classified service other than a sworn safety officer or management employee.

Non-Classified Employee	All officers and employees of the City not within the classified service as defined above.
Open Competitive Examination	An examination open to qualified applicants either within or outside the classified service.
Part-Time Position	A budgeted position of less than forty (40) hours per week during each year.
Pay Range	The range of salary rates or steps for a position class.
Position	Group of current duties and responsibilities assigned or delegated by competent authority and requiring full or part-time services of one (1) employee.
Probationary Employee	An individual in a regular classified position who has been appointed or promoted from any eligible list, but who has not yet completed the probationary period.
Probationary Period	A designated period of employment in a regular classified position following appointment from an appropriate eligible list. The appointment may be original or promotional.
Promotion	The movement of an employee from a position of one class to a position of another class having a higher maximum salary rate with an increase in duties and responsibilities over the employee's present class.
Provisional Appointment	The appointment of a person possessing the minimum qualifications last established for a particular class other than eligibility by examination and who has been appointed to a position in that class in the absence of available eligibles.
Provisional Employee	An employee appointed to fill a full time position vacancy for a maximum six (6) month period of time when no valid employment eligible list exists.
Reallocation	The official determination that a position be assigned to a class different from the one to which it was previously assigned.
Recognized Employee Organization	An employee organization which has been formally acknowledged by the City as the employee organization that represents the employees in an appropriate representation unit pursuant to Article I(J) of the Employer-Employee Resolution of the City of Fort Bragg.

Reemployment List	List of former probationary or regular classified employees of particular class who were separated due to reduction in force and are entitled to have their names certified for appointment to vacant position in that class.
Regular Employee	An employee having satisfactorily completed the required probationary period.
Regular Full-Time Position	A classified position requiring a minimum of forty hours of work per week.
Rehire Date	Date of reinstatement.
Reinstatement	Reappointment without examination after a break in service to a specified regular classified position.
Resignation	Voluntary termination of employment by an employee.
Safety Employee	A fire or police employee, as defined by California Public Employees' Retirement System statutes.
Seasonal Employee	An individual appointed to a position established on a recurring basis of forty (40) hours per week, or less, for a specified season of six (6) consecutive months or less.
Selection Process	The process of testing, evaluating, investigating, and determining the fitness and qualification of applicants.
Seniority	Status, priority or precedence based on total amount of actual continuous service in the classified service or a specific class, excluding approved leaves of absence without pay in excess of thirty (30) days, but including leaves of absence for service in the armed forces of the United States.
Separation	Leaving the classified service for any reason.
Suspension	The temporary removal of the employee from their duties, with or without pay, for disciplinary or pre-disciplinary investigation purposes.
Temporary Employee	Those employees who work an average of less than twenty (20) hours per week or 1,000 hours per year over a fifty-two (52) week period.
Termination	The separation from City service with the action initiated by the employee voluntarily or by the City within the provisions of these Rules which state the causes and procedures for such action.
Transfer	The movement of an employee within a department or between departments from one position to another position in the same class or

another class having the same maximum salary, involving the performance of similar duties and requiring substantially the same basic qualifications.

Transitional Employee

A person appointed to a position within an existing or new class which is created for a specific purpose and/or program which will terminate within a given period of time established for the program, and for which special rules and procedures concerning working conditions, compensation, selection and appointment may be established as needed by the City Manager and/or City Council.

Vacancy

A duly created position which is not occupied and for which monies have been appropriated.

Y-Rating

An action to freeze an employee's salary at the current salary until such time that the top step of the salary range for such position equals or exceeds the employee's salary at the time of the Y-Rating action.

Sanchez, Diana

From: Jacob Patterson <jacob.patterson.esq@gmail.com>
Sent: Friday, August 11, 2023 1:08 PM
To: City Clerk
Subject: Public Comment -- 8/14/23 CC Mtg., Item No. 5A

City Council,

As you know, I think the City is currently in a downward spiral of dysfunction. Item 5A, which is oddly included in the consent calendar even though it is a significant change that hasn't to my knowledge been reviewed by the Finance & Admin Committee (or any committee) and certainly shouldn't be called non-controversial because the changes are very significant and potentially costly for the City to implement when our budgets are tight and getting tighter. I suspect there might even be some self-serving impetus behind these recommendations based on the dramatically reduced requirements for employees to be eligible (e.g., dropping the employment term from at least 18 months to only 6 months, when an employee hasn't even gotten out of their probationary period). In the very least, this item should have been a conduct of business item or it should be referred to the Finance & admin Committee for review and public input.

The redlines show the very significant revisions and there has been no public discussion concerning why this is merited or even desirable. The City doesn't exist simply to serve the employees working here, we also need to worry about the City's finances and the public's interest. What is the justification for extending this extremely generous benefit to brand new employees? Is it because the City Manager herself hasn't been employed here long enough to benefit herself yet but she would if you make these changes?

Based on recent circumstances, the City Clerk was well past her probationary period so people could already donate to her if her state short term disability has already been exhausted and she needed additional benefits until she retired (and so she could maintain the City insurance at the public's expense rather than her own through COBRA or by transitioning to her retirement medical benefits).

I don't support all these changes--some are fine--but this should at least be discussed and evaluated rather than rubber stamped through the consent calendar. The City, and more importantly, the public, deserves better.

Regards,

--Jacob



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 23-239

Agenda Date: 8/14/2023

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Consent Calendar

Agenda Number: 5B.

Adopt City Council Resolution Approving Community Development Block Grant Coronavirus Relief (CDBG-CV) Business Assistance Loan Program Guidelines

At the time contract #20-CDBG-CV2-3-00235 was awarded, the City intended to operate the program using the existing CDBG Business Assistance Loan Program Guidelines. HCD is now requiring all CDBG-CV grantees operating a CV Business Assistance Loan Program to update Program Guidelines for the CDBG-CV awards with CDBG-CV-required language.

RESOLUTION NO. ____-2023

**RESOLUTION OF THE FORT BRAGG CITY COUNCIL
APPROVING COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS
RELIEF (CDBG-CV) BUSINESS ASSISTANCE LOAN PROGRAM
GUIDELINES**

WHEREAS, on December 18, 2020, the California State Housing and Community Development Department (HCD) released a Notice of Funding Availability (NOFA) for Rounds 2 and 3 of the Community Development Block Grant Program Coronavirus, Aid, Relief, Economic Security (CARES) Act funding; and

WHEREAS, the City of Fort Bragg applied under this NOFA for funding for a Business Assistance Loan Program and was awarded \$237,610.65 for activity, activity delivery, and general administration of the Program as per contract/award # 20-CDBG-CV2-3-00235, executed between HCD and the City on October 13, 2021; and

WHEREAS, at the time of application and award, the City intended to operate the program using the existing CDBG-compliant Business Assistance Loan Program Guidelines, adopted by Resolution No. 4360-2021 on March 8, 2021; and

WHEREAS, HCD staff have requested that all grantees operating a Business Assistance Loan Program with CDBG-CV funds retroactively update their Program Guidelines to include language specific to CDBG-CV; and

WHEREAS, City staff have worked with HCD staff to ensure that the updated program guidelines satisfy all CDBG-CV requirements; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fort Bragg does hereby approve the Community Development Block Grant Coronavirus Relief (CDBG-CV) Business Assistance Loan Program Guidelines.

The above and foregoing Resolution was introduced by Councilmember _____, seconded by Councilmember _____, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 14th day of August 2023, by the following vote:

**AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:**

BERNIE NORVELL
Mayor

ATTEST:

Cristal Munoz
Acting City Clerk

Guidelines

For

Business Assistance Loan Program

Operated By

City of Fort Bragg

With

Community Development Block Grant
(CDBG-CV) Funding

Adopted:

08/14/2023

Resolution: XXXX-2023

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List of Attachments with Support Documents

ATTACHMENT A: Grantee's Executed Resolution Adopting Guidelines

ATTACHMENT B: Sample Business Assistance Loan Application

ATTACHMENT C: Lender Required Forms:

- 1) Jobs Tracking Form
- 2) Self Certification of Income Form
- 3) Loan Disbursement Schedule
- 4) Certification of No Conflict of Interest
- 5) Certification of No Job Pirating
- 6) Certification of Federal Regulatory Compliance.

ATTACHMENT D: Lender Adopted Business Loan Servicing Policies

ATTACHMENT E: CDBG Business Assistance Loan Certification Form

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG-CV)
BUSINESS ASSISTANCE (BA) LOAN PROGRAM GUIDELINES**

1.0 INTRODUCTION

The City of Fort Bragg, here after called “Lender”, has established a Business Assistance Loan Program, here after called “the Program”. The Program is designed to use public tax payer dollars to stimulate economic growth and improve living conditions of low-moderate income residents in Lender’s community, while preparing for, preventing, or responding to coronavirus (“COVID-19 nexus”). The Program provides low cost loans to eligible for-profit businesses with a COVID-19 nexus. In return, businesses are required to provide documentation of public benefit (normally creating new job positions) and meeting a national objective (normally filling most of the new job positions with persons qualified as low-moderate income and living in the jurisdiction). These Program Guidelines describe policies and procedures required for award of loan funds to eligible borrowers. The Guidelines have been adopted via resolution by the Lender and conform to guidelines established by the California Department of Housing and Community Development, here after called “Department”.

2.0 BUSINESS ASSISTANCE PROGRAM OVERVIEW

2.1 PROGRAM ADMINISTRATOR AND PROGRAM OPERATOR

The Lender provides administrative services for the Program and is the liaison between the Program Operator and the loan applicant. These services are provided by Community Development Department staff. Current contact information is as follows:

Staff contact name: Lacy Peterson
Agency: City of Fort Bragg
Address: 416 N. Franklin Street, Fort Bragg, CA 95437
Phone Number: (707) 961-2823
Email Address: lpeterson@fortbragg.com

In addition, Lender has secured the services of a qualified Program Operator here after called “Program Operator”. The Program Operator will be charged with originating business assistance loans and documenting compliance with CDBG-CV regulations and these Program Guidelines. Current contact information for the Program Operator is:

Name: Jeff Lucas, Principal
Agency: Community Development Services
Address: 3895 Main St., Kelseyville, CA 95451
Phone Number: 707-279-1540
E: Mail Address: jeff@cds.consulting

2.2 PROGRAM SERVICE AREA

Financing under this Program is available to all eligible businesses physically located within the jurisdictional limits of the Lender that have a COVID-19 nexus. These funds may not be

used in jurisdictions that receive CDBG funds from the federal Department of Housing and Urban Development (HUD) entitlement program. This Program is subject to CDBG service area requirement of substantially benefiting residents in the service area.

2.3 SOURCE OF PROGRAM FUNDS

The Program is capitalized with CDBG-CV federal funds provided by the federal Department of Housing and Urban Development (HUD) to the Department, who in turn provides the CDBG-CV funds to the Lender. As such, CDBG-CV funds are federal money administered by the Department, so both federal and state laws and regulatory requirements must be followed.

CDBG-CV funds come to the Lender from an active grant contract agreement between the Department and Lender originating from the Department's competitive application process. CDBG-CV funds are made available through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law March 27, 2020 and are governed by the Federal Registrar Notice FR-6218-N-01-CDBG-CV, dated August 7, 2020.

The Program will comply with Federal procurement regulations in 2 CFR 200.318 – 200.326 when procuring goods or services. Grantee will maintain procurement documentation files, including Pre-award independent cost estimate, documentation on procurement method, and copies of procurement documents.

2.4 PURPOSE

The purpose of this Special Economic Development Activity loan program is to respond to the disruption and impacts of the coronavirus pandemic by providing flexible financing to for-profit businesses. Loan activities implemented through this program are designed to meet the Community Development Block Grant National Objective of Public Benefit to low-moderate income persons. The program is designed to satisfy the Special Economic Development two part test (24CFR 570.203):

1. **Eligibility** -To be eligible for this program business applicants must demonstrate the need for financial assistance to prevent, prepare for, and respond to COVID-19 due to financial income impacts as measured by pre and post COVID-19 financial and tax statements or impacts of COVID-19 on their business which require improvements or modifications. Loans will be made to businesses that had less than 25 FTE's prior to March 2020. Businesses with more employees at that time are not eligible. For this program, eligible financial assistance to private for-profit businesses includes operating expenses and working capital; furniture fixtures and equipment that support operational needs to address COVID-19 requirements for opening and operating; and capital improvements required to address COVID-19 related impacts.
2. **Public Benefit** - Public Benefit will be measured by providing jobs to low-moderate income persons (LMJ). This LMJ activity is one which creates or retains permanent jobs, at least 51% of which, on a full-time basis equivalent, are either held by low-moderate income persons or considered to be available to low-moderate income persons. The

program will utilize the revised individual standard (24 CFR 570.209(b)(3) and (4) which requires the activity must create or retain at least one full time permanent job per \$85,000 of CDBG-CV funds invested.

3.0 CDBG-CV PROGRAM REQUIREMENTS

3.1 ELIGIBLE LOAN APPLICANTS

CDBG-CV funds under this Program can only be expended on the eligible activity authorized under Title I of the Housing and Community Development Act of 1974 (hereafter called “Act”), section 105(a)(17): special economic development providing direct financial assistance to private for-profit businesses. This program is designed specifically to mitigate the impacts of COVID-19 on local businesses.

For this loan program, the tie-back to coronavirus is directly related to the impacts of COVID-19 measured by the downturn in income or increase in expenses during the COVID-19 period. Eligibility for these funds is based on the business demonstrating a loss of income caused by the COVID-19-induced economic downturn, the impacts of COVID-19, and required improvements necessary for the business to prevent, prepare for, and respond to the disruption and impacts. Such improvements could include new equipment to protect employees from COVID-19 exposure or new software and professional assistance with expanded marketing and social media development.

An eligible applicant is:

- an existing business legally operating, with any required local business license, insurance, permits per local, state and federal requirements, that was operating in 2019 prior to the COVID-19 period.
- a business leasing tenant space or owner occupied business in the service area.

The loan applicant must provide documentation that the proposed project will meet CDBG-CV eligibility criteria of national objective and public benefit per Sections 3.4 and 3.5. The loan applicant must provide documentation of meeting standard commercial underwriting criteria outlined in Section 6 of these guidelines as well as HUD CDBG mandated six underwriting standards described in Section 3.6. An eligible loan applicant must document compliance with all CDBG regulations listed in Section 3.7.

Specific ineligible loan applicants include:

- a business with an existing CDBG Business Assistance loan that has not been closed-out with the Department;
- a business operating a private “exclusive” recreational facility;
- non-profit businesses are not eligible under this program;
- a businesses or person(s) with unresolved state / federal tax liens;
- a business or person in bankruptcy process is not eligible until bankruptcy process is complete;
- a business without a COVID-19 nexus.

- a business that was not operating in 2019 prior to the COVID-19 period.

3.2 ELIGIBLE PROJECT COSTS

CDBG funds are non-discretionary and restricted to certain eligible costs. These eligible costs cover most costs associated with successful Business Assistance projects. CDBG funds are used for actual costs incurred; they ARE NOT to be used to pay for lost revenue. Specifically, CDBG-CV BA activity eligible costs are:

- operating capital and inventory;
- furniture fixtures and equipment (FF&E), with or without installation costs;
- project site improvements, new construction or rehabilitation of leased space or owned building;
- engineering and architectural plans and required permits or fees;
- purchase of manufacturing equipment (with or without installation costs);
- purchase of real property, when it provides positive cash flow for new jobs;
- relocation grants for persons displaced due to funding of the project;
- purchase of an existing business, including documented value of good will.

These eligible costs must be connected to the business's ability to meet an eligible CDBG national objective per section 3.4 of these guidelines. Lender will only use CDBG-CV loan funds to reimburse borrower for actual eligible / approved project costs.

3.3 INELIGIBLE PROJECT COSTS

CDBG funds are non-discretionary, limited to certain eligible costs described in Section 3.2 above, and there are also a number of ineligible costs. Some ineligible costs are:

- costs incurred prior to submittal of BA loan application and environmental review completion;
- costs associated with residential housing development, i.e. on mixed use project;
- costs associated with supporting "other" businesses the applicant owns;
- costs on a funded project NOT meeting a national objective;
- personal expenses such as cars, home repairs, not directly associated with the business;
- costs of paying off credit cards (personal);
- costs of paying off any personal debt not directly associated with business;
- providing CDBG loan as a revolving line of credit (LOC) is not eligible;
- cash payments of any kind made directly to the assisted business owner(s) (wages or draws) from loan proceeds;
- costs associated with a funded project when the owner(s) or business is found to be on federal debarred list;
- public infrastructure in support of the business;
- research and development costs for future production (speculative).

Once approved, loan funds cannot be shifted from one approved type of cost to another without formal written approval of Lender. If there is a substantial change in the project scope of work or underwriting, then the loan must be re-evaluated and re-approved by

Lender, per state and federal regulations, prior to loan closing or disbursement of CDBG-CV funds.

3.4 MEETING NATIONAL OBJECTIVE STANDARDS

All eligible activities funded under this program must meet a CDBG “National Objective” as described in the Act, Section 104(b)(3), and federal regulations 24 CFR Part 570.483. Detail on documenting the meeting of national objective standard for a project is contained in Chapter 2 of the Department’s CDBG Grant Management Manual (GMM), and in the GMM’s Appendix D: CDBG Economic Development Manual, available at the HCD website. Projects not documented as meeting a national objective are an ineligible activity. Below is a general description of documenting how a BA project meets the national objective of benefit to low-moderate income (LMI) persons. The Lender will use Department-specific guidance for ensuring each eligible project funded is documented as meeting a national objective.

BA projects normally meet a national objective standard when they create jobs and provide over half, that is, at least fifty one percent (51%), of the new job positions are filled by LMI qualified persons. BA projects proposing to provide most of newly created jobs to LMI persons must agree to allow the Lender or Lender’s designated representative, to meet with each job applicant prior to hiring and complete a Department Self Certification of Income Form, see **Attachment C**. After all new hires are made, payrolls must be collected by the Lender and compared to the job applicant Income Certification forms to prove over half of all newly created job positions were provided to low-moderate income persons. This will prove the project’s job creation met the national objective of principally benefiting LMI persons and allow the Lender to close out the project with the Department and HUD. All documentation of national objective for jobs falls under Section 4.5 on confidentiality.

Some BA projects may require CDBG funding to retain jobs. In this case, CDBG loan funds will assist in keeping the business from closing or to avoid terminating some staff. This type of project must document that at the time of application, over half of existing employee positions to be eliminated are held by LMI persons. As such, the business must agree to allow the Lender or their designated representative to interview existing employees and help them complete the Department’s Self Certification of Income Form. The business must also provide financial documentation that if not for CDBG funding, the job positions will be lost and staff laid off. The business must also document that with the investment of CDBG funds, the business will continue operations and jobs can be retained. If approved and funded, the business employees must have Self-Certification of Income completed again, prior to Lender closing out the project. By verifying that, at the time of loan application and after loan disbursements, over half of the retained positions were LMI, then the project will have LMI national objective met and it can be closed out with the Department and HUD. All documentation of national objective for jobs falls under Section 4.5 on confidentiality.

A few BA projects may meet the LMI national objective by documenting that the BA loan applicant provides goods or services to the local community, and the business service area is primarily within the Lender’s jurisdiction, and the service area is primarily residential, and the area is primarily occupied by low – moderate income persons. Thus the BA loan

applicant must provide documentation of the business's service area. The Lender will use zoning maps to document the business's service area as primarily residential and located within the Program service area. The Lender will confirm the LMI status of the BA loan applicant's service area from American Communities Survey data, in accordance with HUD low - moderate area (LMA) benefit standard. Lender will require business to provide documentation of the goods or services they provide and justify the need for CDBG funds as part of providing goods and services. This documentation must be provided prior to loan approval. After expenditure of CDBG loan funds and documentation that the business continues to provide goods and services, then the project can be closed out with the Department and HUD. LMA national objective standard guidance is provided on Department's GMM Chapter 2 and Appendix D webpages.

3.5 MEETING PUBLIC BENEFIT STANDARDS

All eligible project activities funded under this program must meet a minimum CDBG "Public Benefit Standard" as described in the Act, section 104(b)(17) and federal regulations; 24 CFR Part 570.483(f)(g). Public Benefit is provided by the BA loan recipient in return for use of subsidized federal funds, and provides a funding limit or "cap". Meeting Public Benefit Standard is very different than meeting National Objective Standard and should not be confused. Lender will use detailed guidance on meeting Public Benefit Standards provided in Department's GMM Chapter 2 and Appendix D webpages.

The purpose of this Special Economic Development Activity loan program is to respond to the disruption and impacts of the coronavirus pandemic by providing flexible financing to for-profit businesses. Loan activities implemented through this program are designed to meet the Community Development Block Grant National Objective of Public Benefit to low-moderate income persons.

The CDBG Special Economic Development Standards require that,

Loans will be made to businesses that have less than 25 FTE's prior to March 2020. Eligible use of funds includes operating expenses and working capital; furniture, fixtures, and equipment that support operational needs that address COVID-19 requirements for opening and operating; and capital improvements required to address COVID-19 related impacts.

Public Benefit will be measured by providing jobs to low-moderate income persons. This Low Mod Jobs (LMJ) activity is one which creates or retains permanent jobs, at least 51% of which, on a full-time basis equivalent, are either held by low-moderate income persons or considered to be available to low-moderate income persons. The program will utilize the revised individual standard (24 CFR 570.209(b)(3) and (4) which requires the activity must create or retain at least one full time permanent job per \$85,000 of CDBG-CV funds invested.

In order to meet the LMJ requirement, businesses proposing to retain or create jobs for LMI persons must agree to allow the program consultant to meet with each job applicant prior to hiring or returning to work and complete a Self-Certification of Income Form. Payrolls must

be collected and compared before and after the loan closing to prove over half of the job positions are provided to low-moderate income persons. This will prove the project's job retention or job creation met the national objective of principally benefiting LMI persons.

CDBG public benefit requirements of the program will be disclosed by the Lender at the start of the application process. Lender will use financial underwriting to identify the need for BA loan subsidies and determine reasonable public benefit that will be generated from the project, i.e. the number of jobs created from proposed project. Projects with small amounts of public benefit may be required to bring in other sources of funding because of CDBG funding limits imposed by this standard.

3.6 MEETING SIX UNDERWRITING STANDARDS

In addition to documenting that the project meets CDBG public benefit standard, the project must also be documented as meeting six HUD underwriting standards, per federal regulation 24 CFR Part 570.483(e). These underwriting standards are required to document a minimum "due diligence" of the Lender and ensure projects are financially sound enough to meet public benefit and national objective standards, i.e. create new or retain existing job positions. The six HUD underwriting standards are general, qualitative, and are supported by commercial underwriting standards in Section 6 of these guidelines. See Department GMM, Appendix D, webpages for detailed guidance on compliance with each of the six HUD underwriting standards.

The six HUD Underwriting Standards are:

- project costs are documented as reasonable (typically, third party cost estimates);
- all sources of funding for the project are documented with final commitments;
- to the extent practicable, CDBG funds are not substituted for private (non-federal) funds;
- documentation that project is financially feasible (based on cash flow projections to support jobs and debt service, etc.);
- to the extent practicable, the return of the owner's equity investment is not unreasonable (based on level of equity and proposed CDBG loan terms);
- to the extent practicable, CDBG funds are disbursed on a pro-rata basis with other financing provided for the project.

3.7 MEETING OTHER FEDERAL REGULATORY REQUIREMENTS

Since these CDBG-CV BA loans are from a federal funding source, there are a number of federal laws and requirements that are triggered by their use. The Lender and Administrator will require BA loan applicants to provide project information, which allows them to make a determination of required project compliance. BA applicants are required to sign loan disclosures and work with Lender to ensure each project is in compliance with any of the triggered applicable regulations listed below.

National Environmental Policy Act (NEPA): Every project funded under the Program must be reviewed under HUD NEPA regulations 24 CFR Part 58, and the Lender must sign and certify an Environmental Review Record (ERR) for each project prior to approval or

disbursement of loan funds. The Lender is required to sign and certify the correct NEPA ERR, per current Environmental Review Requirements Chapter of Department's Grant Management Manual (GMM), along with any state review under California's Environmental Quality Act (CEQA).

The ERR level of review is based on the project's "aggregated" scope of work, which includes all proposed project funding. Any construction or equipment installation proposed will require more review work on the ERR. The ERR will be done early in application process, as soon as the project is deemed eligible and scope of work is finalized. No costs will be charged to the Borrower for this process. Applicants must sign Department certification form that no "choice limiting action" under NEPA regulations has or will take place. The form is included in **Attachment C**.

Prevailing Wage Compliance: If a project proposes to use CDBG funds to pay costs for any construction, then federal and state labor standards compliance must be documented. Davis-Bacon Act (40 USC 276a - 276a-5) and related laws are "triggered" when any CDBG funding is used to pay for any project construction costs. Lender will follow Department guidance in current Labor Standards Chapter of the GMM for prevailing wage compliance on funded projects.

Due to prevailing wage requirements, additional labor costs will be added to projects proposing to use CDBG to pay for new construction, rehabilitation, or equipment installation. The Administrator and Lender will work with loan applicants to ensure project compliance. The additional time and work required by prevailing wage regulations will be disclosed to the borrower as soon as possible. Any additional costs resulting from this regulation will be incorporated into the CDBG loan approval.

Acquisition and Relocation Laws: All BA applicants proposing to use CDBG funds for purchase of real property must comply with 49 CFR Part 24 Acquisition laws. Lender will provide required Seller Disclosure for execution as part of meeting this requirement.

All BA applicants proposing projects which trigger relocation compliance i.e. result in displacement of persons per Uniform Relocation Act (URA), must work with Lender to ensure compliance with this law. Additional costs associated with relocation compliance will be disclosed to the applicant prior to CDBG loan approval and included in project loan approval.

Required Prohibition of Job Pirating Certification: All BA applicants must sign a Certification of No Job Pirating. Job pirating is prohibited per CDBG federal regulation 24CFR 570.482 (h). Job pirating is defined as using CDBG public funds to facilitate the moving of a business and associated jobs from one jurisdiction to another (business attraction). As such, CDBG federal funds cannot be used to attract / subsidize a business to move from one labor market area to another or keep a business from moving out of a labor market by making a retention argument. Lender will require all applicants to sign a non- job pirating certification

form (see **Attachment C**). Any questions regarding possible job pirating will be submitted to the Department for final determination.

Conflict of Interest Certification: BA loan applicants will sign a Certification of No Conflict of Interest. In accordance state and federal regulations, no member of the governing body and no official, employee, or agent of the local government, nor any other person who exercises policy or decision-making responsibilities (including members of the loan committee and officers, employees, and agents of the loan committee, the administrative agent, contractors and similar agencies) in connection with the planning and implementation of the CDBG BA program shall directly or indirectly be eligible for this program. Lender will require all applicants to sign a non- conflict of interest certification, **Attachment C**. Any questions regarding possible federal conflict of interest will be submitted to the Department for final determination. Any questions about state conflict of interest laws will be referred to Lender’s legal council for final determination.

Required SAM Unique Entity Identifier , federal debarred verification and demographic data: All BA program applicants must obtain a Unique Entity Identifier generated by SAM.gov if they do not already have one. On April 4, 2022, the unique entity identifier used across the federal government changed from the DUNS Number (Date Universal Numbering System) to the Unique Entity ID (UEI), generated by SAM.gov. The UEI is a 12-character alphanumeric ID assigned to an entity by SAM.gov. The UEI is free and can be obtained on line. In addition, prior to loan approval, the Lender will document that the business being assisted and all owners and affiliated businesses are verified as NOT on the federal debarred contractors list. HUD also requires that the Department and the Lender collect certain income and demographic data from the business and any beneficiaries of CDBG funds.

Required Benefit to Citizens of the Jurisdiction: Applicant must work with Lender to document that substantial benefit to residents in the Program service area is obtained. This requirement does not apply to job retention. For projects proposing to document providing goods or services, the service area of the business must be within the jurisdictional limits.

4.0 LOAN PROCESSING AND APPROVAL

4.1 FAIR LENDING COMPLIANCE

The Program will be implemented in ways consistent with the Lender’s commitment to fair lending laws. No person or business shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with Program funds on the basis of his or her religion or religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status (number or ages of children), physical or mental disability, sexual orientation, or other arbitrary cause. All personal information of loan applicants will be kept confidential, per Section 4.4.

4.2 LOAN APPLICATION PROCESSING

Loan applications will be processed on a first come, first served basis. The Program Operator will accept loan applications and review them for initial eligibility per Section 6.1. Applicants that do not meet basic CDBG requirements of the program will be sent a letter of explanation. All BA applications received will be kept on file to document fair lending standards. Applicants that meet basic eligibility requirements will be contacted for a site visit and collection of additional information.

Loan files will be set up as applications are received and compliance information gathered. The business will be required to provide accurate financials for past, current and future projection of the business operations. All owners will have credit checks conducted as part of loan underwriting per Section 6.0. The Program Operator may provide sample financial Excel forms (balance / cash flow sheets, profit and loss, personal financial statements, and proforma) but in no instance will the Program Operator's or Lender's staff generate financial numbers for an applicant. The applicant may be referred to local business support organizations to assist applicants in producing proper financial statements, developing a business plan, conducting a market study or developing industry accounting practices.

Loan applicants are responsible for providing accurate and timely information to the Program Operator as part of the loan process. Applicants may be required to:

- disclose all business owners with twenty percent or more ownership;
- disclose all other businesses the owners have an ownership interest of twenty percent (20%) or more;
- provide current personal financial statements for each owner;
- provide duplication of benefits information;
- disclose sources of collateral and security;
- provide business historic financial information, including year to date;
- disclose sources of cash for any equity investment proposed;
- provide third party documentation of eligible project costs;
- provide market study or document basis of future sales projections;
- provide management capacity documentation for ability to execute;
- provide necessary information to clear federal overlays in Section 3.7;
- provide proof of COVID-19 nexus;
- provide proof that business was operating in 2019 prior to the COVID-19 period.

If the loan applicant does not provide required information and documentation to the Program Operator in a timely fashion, then there will be delays in the loan approval process.

Once the Program Operator has compiled a complete loan file with all the credit, financial, and underwriting information needed to show loan is eligible under these guidelines, then a loan approval memo will be drafted by the Program Operator. The memo will be submitted to Lender for approval. Once approved, the Program Operator and Lender will submit a Project Set-Up report to Department and craft loan documents for signing at closing with the Borrower.

4.3 DUPLICATION OF BENEFITS PROCESS

A CDBG-CV grantee is required to develop and maintain adequate procedures to prevent a duplication of benefits that address (individually or collectively) each activity or program. A grantee's policies and procedures are not adequate unless they include, at a minimum: (1) a requirement that any person or entity receiving CDBG-CV assistance must agree to repay assistance that is determined to be duplicative; and (2) a method of assessing whether the use of CDBG-CV funds will duplicate financial assistance that is already received or is likely to be received by acting reasonably by evaluating need and the resources available to meet that need. It is the intent of the section below to present the Lender policy to uphold, enforce and document conformance with the duplication of benefits requirements which cover use of its CDBG-CV funds when providing business assistance loan funding, in compliance with Federal Register Notice FR-6218-N-01-CDBG-CV.

All applications to the Business Assistance Loan Program are required to complete a Duplication of Benefits Affidavit as part of the application process. This affidavit acknowledges the Lender's requirement that any person or entity receiving CDBG-CV assistance must agree to repay assistance that is determined to be duplicative.

To meet HUD's requirements, the Lender has developed a method of assessing whether the use of CDBG-CV funds will duplicate financial assistance that is already received or is likely to be received by acting reasonably in evaluating need and the resources available to meet that need.

This assessment process is as follows:

1. Upon receipt of the completed application packet, Program Operator and/or Lender reviews the Duplication of Benefits Affidavit to determine if the applicant has reported receiving any potentially duplicative assistance.
2. If so, the Lender may request additional information from the applicant, including:
 - a. Dates funds were received
 - b. Specific uses of funds received, including receipts and dates as appropriate.
3. Based on a review of this information, the Program Operator and/or Lender may:
 - a. Determine that there is no duplication and proceed with consideration of the application for the full amount requested.
 - b. Determine that there is a partial duplication and proceed with consideration of the application for an amount that reduces the request by the DOB amount
 - i. Amount Requested – Amount of DOB = Eligible Amount
 - c. Determine that there is a complete duplication and deny the application
4. In the event that an application moves forward and is approved, in whole or in part, the applicant will be required to sign a Subrogation Agreement to address concerns around the potential for future duplication (for example a PPP application was made, and was not denied but the applicant has not heard back).
5. In the event that an application is approved in part, the City will also include in the funding documents specific information around what the funds may be spent on so as to avoid duplication of benefits.

6. City will require all successful applicants to provide documentation as to how funds are actually expended, and will review this documentation to ensure no duplication has taken place.

All application documents, including the Affidavit and Subrogation Agreement, shall be retained in compliance with HUD's record retention requirements.

4.4 PROGRAM LOAN APPROVAL PROCESS

Program loans are presented by the Program Operator to Lender's Loan Advisory Committee (LAC) for review and recommendations for approval or rejection. The LAC's recommendations are forwarded to the City of Fort Bragg City Manager for final approval or rejection.

The LAC will include the City of Fort Bragg Finance Director or designee; the City of Fort Bragg Community Development Director or designee, and up to three members of the community to be appointed by Lender staff.

LAC meetings will be scheduled by Lender staff in conjunction with Program Operator once a loan has been underwritten and is ready for review and approval. Committee members may request additional information and or attach contingencies on closing or funding of the loan. If the loan is approved by the City Manager, then the project can move forward with loan closing.

If Lender approval is not obtained, then the BA loan applicant can take dispute resolution actions, per Section 4.5 of these guidelines.

4.5 LOAN APPLICANT CONFIDENTIALITY

Program Operator or Lender or any persons involved in the loan process for this Program will not disclose any of applicant's business or personal confidential information as part of loan review and approval process. All confidential information of businesses will only be disclosed to persons required to view the information as part of loan review and approval. All personal and business confidential information of loan applicants will be kept in a locked secured storage facility and is not available to persons outside of the program. If the Lender or Program Operator or Department receives a formal public records request for a loan applicant file, then only non-confidential information as verified by legal counsel will be provided.

4.6 APPLICANT DISPUTE RESOLUTION/APEALS PROCEDURE

Any business applying for assistance through this CDBG program has the right to appeal, if their application is denied. The appeal must be made in writing to the Program Operator or the Lender. The Lender will schedule a meeting for the appeal to be heard by the City Manager. If the application is denied a second time, the applicant may ask to have their appeal presented to the Lender's governing body for a final decision.

4.7 EXCEPTIONS / SPECIAL CIRCUMSTANCES

Exceptions are defined as any action which would depart from policy and procedures stated in the guidelines. The Lender or Program Operator staff may initiate consideration of an exceptional/special circumstance to the policies in these guidelines as long as it does not violate CDBG federal / state requirements. A written analysis of the exception will be prepared and submitted with loan approval request. This analysis shall contain a narrative, including the Program Operator's recommended course of action and any written or verbal information supplied by the applicant. The loan approval shall be made after review and acceptance of the exceptional/special circumstances request.

4.8 LOAN CLOSING PROCESS

After Lender approval and submittal of BA Loan Certification and Project Set Up Report to Department, the Program Operator and Lender will prepare for the loan closing with Escrow Company. The Program Operator will prepare the loan closing documents, title and lien searches, and UCC-1 filings, if appropriate. Lender legal counsel will review all agreements and documents, as necessary.

The Borrower will sign all the necessary documents and agreements. The Lender will request reimbursement of eligible costs from the Department after Borrower has submitted documentation of eligible expenditures and Lender has paid for those costs.

5.0 DESCRIPTION OF LOANS

5.1 DETERMINATION OF LOAN AMOUNT

The Program has no minimum loan amount. The maximum loan amount is \$300,000.

Actual loan amounts will be based on the business's need for capital to conduct the proposed project's scope of work and meet public benefit standards. Most often the amount of CDBG funding is limited based on "gap" in project financing or ability of business to support new debt or pay for required jobs from business future cash flow projections or by the amount of collateral that the business can provide as security for the CDBG debt. If there are not sufficient CDBG funds for the project, then the Lender or Program Operator may assist in finding other project funding.

5.2 DETERMINATION OF LOAN TERM

The BA loan term is tied directly to what project costs CDBG funds and what security is being pledged for the loan. If a business only wants operating capital then the term of the loan is normally five years. If a business wants to pay for equipment and supplies, then the term of the loan can be extended out to 10 years. If the loan is for real property improvements and can be secured on real property, then the terms can be extended out to 20 or 30 years. A loan amortization term can be longer than the loan term, so an equipment loan may have a term of ten years but an amortization term of fifteen years, which will create a lump sum payment at year ten. Forgivable loans will not be allowed. Program Operator will confirm that the proper term is given based on the use of the CDBG funds and loan security / collateral being provided.

5.3 DETERMINATION OF LOAN INTEREST RATE

Loan interest rates will start with one percent (1%). This rate will be increased if the investment of CDBG funds at the one percent level causes the business to have an excessive profit or return on investment (ROI). See HUD underwriting standards discussion of undue enrichment on Department's GMM Appendix D webpages for direction on how the interest rate should be calculated to comply with this standard. By allowing the interest rate to move and not be fixed, the Lender can best tailor the loans under this program to meet the cash flow needs of different businesses in the community and ensure public benefit and national objective standards are met.

5.4 LOAN PROCESSING FEES

The CDBG program provides administration funds to pay for all loan processing and servicing costs. No direct loan fees will be charged to the borrower. Also, there is no prepayment penalty on the loans under this Program.

6.0 LOAN UNDERWRITING STANDARDS

6.1 INITIAL LOAN EVALUATION

Each project / business will be evaluated based on the how it has performed in the past and on its future financial forecasts. Specifically, the following questions will be asked upon receipt of a loan application:

- Is business an eligible applicant, per Section 3.1?
- Are the proposed project costs eligible, per Section 3.2 & 3.3?
- Will project meet a CDBG national objective, per Section 3.4?
- Will business meet public benefit jobs required in Section 3.5?
- Does project appear to meet the six HUD underwriting standards, per Section 3.6?
- Are federal overlays triggered that will adversely impact project development?
- Are the business and all owners credit worthy?
- Does the business and owner(s) pay bills on time, collect on time?
- Does owner have a detailed "business plan"?
- Does owner have documented market demand for projected sales?
- Does owner have management capacity to operate the business?
- Does owner have financial accounting capacity to operate the business?
- Is the owner contributing a reasonable amount of equity?
- Is the owner able to get conventional bank financing, if not, why not?
- Was the business financially viable in the past (net income covers debt)?
- Are there reasonable financial assumptions for future viability/success?
- Is there enough collateral available to secure the proposed loan?
- Is the owner's personal financial status stable?
- Is there a COVID-19 nexus?
- Was the business operating in 2019 prior to the COVID-19 period?

By collecting enough initial application information to answer the above list of questions, the Program Operator will have a good sense of how strong a borrower is, and how successful they will be, if assisted with a CDBG loan. Most of this information is collected on the loan application form and verified verbally at the initial site visit with the owner. By meeting the borrower and asking these questions the Program Operator will know what additional information/documentation needs to be collected to provide a clear picture of how CDBG funds can be used to assist the BA loan applicant. These questions demonstrate the need for CDBG funds and business eligibility.

After the initial review, the Program Operator will collect the proper information required for loan underwriting. The required documentation is listed in the CDBG underwriting guidance document provided in Department's GMM Appendix D webpages. At this same time, Program Operator and Lender will begin regulatory compliance documentation, per Section 3.5. The amount of documentation and detailed underwriting is based on size of the loan and type of business (existing or start up) and what LMI national objective is used. Additional documentation may be required for a business with special circumstances.

6.2 PERSONAL AND BUSINESS CREDIT REQUIREMENTS

Each applicant will have third party credit reports obtained showing credit scores and payment history. Credit reports will be reviewed for all owners and their spouses with twenty percent (20%) or more interest in the business. If a personal credit reporting service provides low credit scores or shows poor credit history, applicants must provide a written explanation and justification for allowing the loan to go forward.

A Dunn and Bradstreet report, if available, will also be reviewed for the primary applicant business and all associated businesses of the owners (20% or more ownership). If it is not available, the Program Operator will call vendors or suppliers of the business to inquire as to the business payment history. This same narrative process will be used for the business credit reports to demonstrate the good standing or poor standing of the business being evaluated, when no third party business credit report is available.

6.3 PERSONAL AND BUSINESS FINANCIAL INFORMATION

Personal financial statements will be required for each person who owns 20% or more of the business. Financial statements need to show all assets and liabilities of the person. In addition to these statements, federal tax returns for owners and the business for the past three years are needed to give a historic perspective of income.

For the business fiscal year, historic as well as current year-to-date financial statements will be required. Historic financials will consist of past three year's, or longer, to include the period before COVID-19, balance sheets, income statements, and cash flow statements. In addition, full current year to date financial statements will be required. These statements should be put together by the person responsible for doing the bookkeeping and financial management for the business. The past three years tax returns must also be provided to support the financial statements provided. Based on the financial statements, the Lender / Program Operator can develop ratios for debt service and payment history, etc.

The business will also need to provide future projected financials. These will consist of pro formas showing projected revenue and costs for the business on a monthly basis for each fiscal year for a minimum of three years from application date. Start-ups may need to provide up to five years of projection statements to show “break even” point of business. Two sets of pro formas need to be completed: one showing the business projections with CDBG financing; and a second set showing the business with conventional financing. This will provide evidence of the benefit / increased profit the business is receiving by using the more affordable CDBG loan. These pro formas must also show the increased costs to the business from adding the new job positions and the CDBG debt service.

A project sources and uses form must be provided to show all funding required for completing all project activities. This form will show the owner’s equity as well as private bank financing and any other investments from other sources. The sources and uses form gives a clear idea of what costs the CDBG loan will cover and its information must be reflected in the pro formas as described above.

Using the information in these financial documents, along with any back up documentation required, will allow the Program Operator to do the project’s underwriting analysis. This analysis will include both the conventional lending underwriting and HUD required underwriting. This analysis will be provided to the Loan Advisory Committee and City Manager for use in the loan approval process.

6.4 COLLATERAL REQUIREMENTS

All loans under this program will be collateralized using normal commercial lending standards. Collateral coverage will be assessed based on assets available as security and the level at which they are already liened. CDBG funding is typically in a subordinate position to banks and other lenders.

It is the goal of the Program to get the best lien position possible to ensure loan repayments. Types of collateral may include:

- Secured liens on real property,
- UCC liens on machinery, equipment, or other fixtures,
- Lease assignments, as appropriate,
- Personal and corporate guarantees, as appropriate, and
- Life insurance assignment and other collateral, as appropriate.

Appraisal of assets may be required as part of determining how to obtain the best lien positions for the CDBG loan. Combined loan to value ratio on collateral for the typical CDBG loan should not exceed ninety percent (90%). Equipment and inventory secured should be properly discounted to reflect actual resale value when doing loan to value calculations.

6.5 BUSINESS EXPERIENCE AND MANAGEMENT CAPACITY

The BA loan applicant will provide resumes and management histories to show the experience of business owners and their management staff in successful operation of the existing business or something comparable. Existing businesses proposing to use CDBG BA funds to create jobs must have at least an updated business plan if not a new plan.

For BA loan applicants proposing to use CDBG funds for a non-operational start-up businesses; or for applicants that wish to use CDBG funds to purchase an existing business; or for applicants that wish to use CDBG funds for job retention (to keep the business from closing), a comprehensive business plan will be required. The comprehensive business plan will include a detailed analysis of what management capacity is need for the business to be successful and identify resources that the business will utilize to meet the identified capacity needs.

7.0 LOAN SERVICING

7.1 LOAN SERVICING RESPONISBILITIES

Borrower will be provided loan servicing information from the Lender. The Lender will retain all original project files within locked storage. Original legal documents will be kept in locked fire proof filing system for future loan servicing. Lender will provide annual income tax interest statements to the borrower for their tax purposes.

BA loan repayments will be collected by Lender's loan servicing department:

Name: Finance Department
Agency: City of Fort Bragg
Address: 416 N Franklin Street
Phone Number: (707) 961-2825

All loan payment will be made directly to the Lender and deposited into current CDBG Program Income accounts. If payments are collected by a third party, all gross collected CDBG BA loan payments will be provided to the Lender on a monthly basis for deposit into the proper CDBG program income account.

The borrower may be required to provide the Lender / loan servicing agent with periodic financial statements of the business and proof of insurance annually. Upon reviewing the borrower's financial statements, the Lender may require the business to take actions that improve the business cash flows. Borrower may be required to meet with business development staff to assist in stabilizing or building capacity.

Borrower must disclose any sale of equipment or assets that are used as loan security by the Lender. The borrower may submit a written request to the Lender to change the CDBG loan terms, if the business is not able to fully service CDBG debt repayments or if they wish to pre-pay the loan by making one or more larger payments.

7.2 LOAN SERVICING POLICIES

The Lender has adopted a set of loan servicing policies that outline how the Lender or loan servicing agent will proceed if payments are late or no payments are received. The policies also outline how loan files will be set up and protected. A copy of these adopted loan servicing policies will be provided to each BA loan recipient at loan closing.

8.0 PROGRAM OVERSIGHT BY LENDER

8.1 OVERSIGHT OF PROGRAM ADMINISTRATOR

The Lender is ultimately the responsible entity for the CDBG-CV BA loan program. Lender will oversee the Program Operator and communicate with the loan applicants and borrowers as needed to explain CDBG compliance.

The Program Operator is responsible to the Lender and loan applicants to assure that the Program is implemented in compliance with these program guidelines and state and federal regulations. In addition, Program Operator will ensure loan applicant projects are underwritten in a timely and responsible manner. This includes working closely with BA loan applicants to ensure they provide accurate financial statements through documenting BA project compliance for project close-out with Department and HUD. Program Operator will review all loan documents with borrowers prior to loan closing.

ATTACHMENT A
GRANTEE'S EXECUTED RESOLUTION ADOPTING GUIDELINES

ATTACHMENT B
SAMPLE BUSINESS ASSISTANCE LOAN PROGRAM APPLICATION FORMS

City of Fort Bragg
SAMPLE BUSINESS LOAN APPLICATION

1. Applicant Name: _____
Name of Business: _____
Sole Proprietorship: _____ S Corporation: _____
Partnership: _____ C Corporation: _____
LLC/LLP: _____
Mailing Address: _____
Street Address: _____
Business Telephone: _____ **Email:** _____
Home Telephone: _____
Cell Phone: _____
Fax: _____

Project Address: _____

Federal Employer Identification Number: _____

Assessor's Parcel Number for Business and/or Project Site: _____

(Needed for ALL businesses no matter if renting or owning)

DUNS # _____ (see last page of application for instructions)

2. Loan Amount Requested: \$ _____

Uses of Funds:

Purchase of Real Estate	\$ _____
Purchase of Existing Business	_____
Furniture, Fixtures & Equipment	_____
Inventory	_____
Advertising & Promotion	_____
Operating Capital	_____
Other (specify)	_____

Construction Uses

Renovation/New Construction	_____
Leasehold Improvements	_____
Infrastructure (curbs, gutter, sidewalks, etc.)	_____

TOTAL \$ _____

3. Ownership

All owners of 20% or more of the applicant business are listed below:

Name _____
 Home Address _____
 City, State, Zip _____
 Phone _____
 Social Security # _____
 % of Ownership _____
 U.S. Citizen Yes _____ No _____

Name _____
 Home Address _____
 City, State, Zip _____
 Phone _____
 Social Security # _____
 % of Ownership _____
 U.S. Citizen Yes _____ No _____

For corporations, please list corporate officers, titles and who will be signing loan documents.

Name	Corporate Title	Signing Loan Documents (Yes or No)

(If additional space is needed, please use reverse side of this page.)

4. Have any of the persons listed above ever been charged with, or convicted of any criminal offenses, other than a minor motor vehicle violation?

Yes No

If yes, please explain:

5. Has the applicant or any person listed above been in receivership or filed bankruptcy?

Yes No

If yes, please explain:

- ___ 4. Current personal financial statements of principals. These must be dated no more than 90 days prior to the application. **(Attachment “C”)**
- ___ 5. Three (3) years of personal tax returns for the proprietor, partners, and stockholders with 20% or more ownership in the business.
- ___ 6. Start-up businesses must provide three (3) years of monthly income and expense projections. Existing businesses must provide two (2) years of monthly income and expense projections. Also, a detailed description of how the projections were determined is required. **(Attachment “D”)**
- ___ 7. All start-up businesses must provide a Business Plan.
- ___ 8. Business tax returns for the three (3) most recent years.
- ___ 9. Business financial statements for the applicant's three (3) most recent fiscal years, where applicable, and a current financial statement dated no more than 90 days prior to the application.
- ___ 10. Current Aging of Accounts Receivable and Accounts Payable.
- ___ 11. Copy of Business License, if applicable.
- ___ 12. Copy of all Corporate Filings or Partnership Agreements (in the case of Corporations – copies of Corporate Resolution authorizing the borrowing request).
- ___ 13. Breakdown of proposed cost with written estimates from contractors or suppliers. Purchase agreements, when applicable.
- ___ 14. Such non-financial information or supporting information necessary to substantiate the application, including, but not limited to: estimates, quotations, receipts, contracts, orders, invoices, leases, sales agreements, documentation from architects, engineers, contractors, suppliers, or others involved in the sale, lease, or construction of fixed assets, if any, for applicant's project including schedules of implementation.

Duplication of Benefits Affidavit

I/We, _____ affirm the following:

1. I/We is/are executing this Affidavit in connection with assistance that we are receiving to help us prevent, prepare for, or respond to the coronavirus by providing us with a small business assistance loan (“BALP”) for the purpose of avoiding job loss caused by business closures related to social distancing (“Need”) in the amount of _____ (“Amount of Assistance or Total Need”) from the City of Fort Bragg (“Organization”) through a program administered by the City of Fort Bragg with funding from the U.S. Department of Housing and Urban Development (the “Program”).
2. The Organization and I/We believe the **Amount of Assistance/Total Need** is _____
3. In addition, I/We have received or will receive the following amounts and types of assistance from the sources listed below (“Duplicative Assistance”):

(a) Source of Funds #1

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan	<input type="checkbox"/> Government Grant	<input type="checkbox"/> Government Forgivable Loan
<input type="checkbox"/> Nonprofit Grant	<input type="checkbox"/> Nonprofit Loan	<input type="checkbox"/> Nonprofit Forgivable Loan
<input type="checkbox"/> Private Loan	<input type="checkbox"/> Other: _____	

(b) Source of Funds #2

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan	<input type="checkbox"/> Government Grant	<input type="checkbox"/> Government Forgivable Loan
<input type="checkbox"/> Nonprofit Grant	<input type="checkbox"/> Nonprofit Loan	<input type="checkbox"/> Nonprofit Forgivable Loan
<input type="checkbox"/> Private Loan	<input type="checkbox"/> Other: _____	

(c) Source of Funds #3

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan	<input type="checkbox"/> Government Grant	<input type="checkbox"/> Government Forgivable Loan
<input type="checkbox"/> Nonprofit Grant	<input type="checkbox"/> Nonprofit Loan	<input type="checkbox"/> Nonprofit Forgivable Loan
<input type="checkbox"/> Private Loan	<input type="checkbox"/> Other: _____	

(d) Source of Funds #4

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan	<input type="checkbox"/> Government Grant	<input type="checkbox"/> Government Forgivable Loan
<input type="checkbox"/> Nonprofit Grant	<input type="checkbox"/> Nonprofit Loan	<input type="checkbox"/> Nonprofit Forgivable Loan
<input type="checkbox"/> Private Loan	<input type="checkbox"/> Other: _____	

(e) Source of Funds #5

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan	<input type="checkbox"/> Government Grant	<input type="checkbox"/> Government Forgivable Loan

<input type="checkbox"/> Nonprofit Grant	<input type="checkbox"/> Nonprofit Loan	<input type="checkbox"/> Nonprofit Forgivable Loan
<input type="checkbox"/> Private Loan	<input type="checkbox"/> Other: _____	

4. Total Unmet Need (2- (3(a) + 3(b) + 3(c) + 3(d) + 3(e))) \$_____.
5. I/We have received no other assistance funds for the Need listed in Paragraph 1 other than that set forth above in paragraph 3.
6. Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155), as amended by section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115–2 254; 132 Stat. 3442). prohibits federal agencies from providing assistance to any person for “any part of such loss” as to which he has received financial assistance under any other program or from insurance or any other source (such as, FEMA, SBA, the Red Cross, the City, business owner’s Insurance, etc.).
7. I/We understand that the amount of assistance received by I/We from City of Fort Bragg must be reduced by the amount of Duplicative Assistance received or that will be received for the Need, from other sources (such as, FEMA, SBA, the Red Cross, the City homeowner’s insurance, etc.) for the same purpose.
8. Therefore, I/We understand that if I/We receive assistance from a source other than the City of Fort Bragg (such as, FEMA, SBA, the Red Cross, the City, homeowner’s insurance, etc.) for the Need for the same purpose, I/We must repay the assistance received from the City of Fort Bragg.
9. I/We certify under State and Federal penalties for perjury and fraud that the information provided above is true and accurate and acknowledge that repayment of all assistance received by Me/Us from the City of Fort Bragg, payment of fines and/or imprisonment may be required in the event that I/We provide false, incomplete or misleading information in this Affidavit or during the rest of this process. **By executing this Affidavit, Applicant(s) acknowledge and understand that Title 18 United States Code Section 1001: (1) makes it a violation of federal law for a person to knowingly and willfully (a) falsify, conceal, or cover up a material fact; (b) make any materially false, fictitious, or fraudulent statement or representation; OR (c) make or use any false writing or document knowing it contains a materially false, fictitious, or fraudulent statement or representation, to any branch of the United States Government; and (2) requires a fine, imprisonment for not more than five (5) years, or both, which may be ruled a felony, for any violation of such Section.**

Participant _____

Signature of Participant _____ Date _____

Participant _____

Signature of Participant _____ Date _____

APPLICANT'S CERTIFICATION/AUTHORIZATION

I/We certify that all information in this application and all information furnished in support of this application are true and complete to the best of my/our knowledge and belief.

I/We authorize the lending agency to verify all information furnished in connection with the loan application. The information that may be verified includes, but is not limited to, the following: employment, pensions, mortgages, deposits, and any other income; personal or business loans; insurance; and further, to obtain a credit report.

I/We also authorize the lending agency to disclose any financial information on income tax returns or on my personal or business financial statements, for the purpose of obtaining a loan on my behalf. I understand the information would be made available to loan committee members and other lenders that may be involved in the funding of my loan request.

I/We also acknowledge that this is an application for public funds and, therefore, the information provided may be made available for review.

I/We acknowledge that there is a \$250.00 non-refundable application fee due at the time this application is submitted, and that there is a closing fee of 1.5% of the total loan amount.

Signature

Date

Signature

Date

ATTACHMENT "A"

RESUME OF

Note: This form is not required if another format is provided in its place.

EMPLOYMENT HISTORY (most recent first):

Dates Employed - From: _____ To: _____

Name of Company: _____

Address: _____

Position and Responsibilities: _____

Dates Employed - From: _____ To: _____

Name of Company: _____

Address: _____

Position and Responsibilities: _____

EDUCATION:

Dates Enrolled: From: _____ To: _____

Name of School: _____

Address: _____

Degree Received: _____ Date Graduated: _____

Dates Enrolled: From: _____ To: _____

Name of School: _____

Address: _____

Degree Received: _____ Date Graduated: _____

OTHER RELATED TRAINING OR EXPERIENCE:

References will be furnished upon request.

Signature: _____ Date: _____

ATTACHMENT "B"

BUSINESS INDEBTEDNESS: Furnish the following information on **all** business debts owed -- **vendors, credit cards, payroll taxes, income taxes, sales tax, contracts, notes, and mortgages.** (Current balances should agree with the latest balance sheet submitted.) Use reverse side or another sheet to list additional information.

To Whom Payable	Original Amount	Original Date	Present Balance	Rate of Interest	Maturity Date	Monthly Payment	Security	Current = C Past Due = P

AFFIDAVIT OF CURRENT TAX STATUS

I hereby certify that any and all of the applicable real property taxes, personal property taxes, Federal & State income taxes, Federal and State payroll withholding taxes, State Sales Tax, insurance premiums, and any other assessment or public charges are current.

Business Owner / Applicant

Date



ATTACHMENT "C"
PERSONAL FINANCIAL STATEMENT

OMB APPROVAL NO. 3245-0188
EXPIRATION DATE:11/30/2004

U.S. SMALL BUSINESS ADMINISTRATION

As of _____, _____

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock, or (4) any person or entity providing a guaranty on the loan.

Name Business Phone _____

Residence Address Residence Phone _____

City, State, & Zip Code _____

Business Name of Applicant/Borrower _____

ASSETS	(Omit Cents)	LIABILITIES	(Omit Cents)
Cash on hand & in Banks	\$ _____	Accounts Payable.....	\$ _____
Savings	\$ _____	Notes Payable to Banks and Others	\$ _____
Accounts.....	\$ _____	(Describe in Section 2)	
IRA or Other Retirement Account	\$ _____	Installment Account (Auto)	\$ _____
		Mo. Payments _____	
Accounts & Notes Receivable	\$ _____	Installment Account	
		(Other).....	\$ _____
Life Insurance-Cash Surrender Value Only	\$ _____	Mo. Payments _____	
(Complete Section 8)		Loan on Life Insurance.....	\$ _____
Stocks and Bonds	\$ _____	Mortgages on Real Estate	\$ _____
(Describe in Section 3)		(Describe in Section 4)	
Real Estate	\$ _____	Unpaid Taxes	
(Describe in Section 4)		(Describe in Section 6)	\$ _____
Automobile-Present Value	\$ _____	Other Liabilities	
		(Describe in Section 7)	\$ _____
Other Personal Property	\$ _____	Total Liabilities	\$ _____
(Describe in Section 5)		Net Worth	\$ _____
Other Assets	\$ _____		
(Describe in Section 5)			
Total	\$ _____	Total	\$ _____

Section 1. Source of Income		Contingent Liabilities	
Salary	\$ _____	As Endorser or Co-Maker	\$ _____
Net Investment Income	\$ _____	Legal Claims & Judgments	\$ _____
Real Estate Income	\$ _____	Provision for Federal Income Tax	\$ _____
Other Income (Describe below)*	\$ _____	Other Special Debt	\$ _____

Description of Other Income in Section 1.

*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed).					
Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value
Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)					
	Property A	Property B	Property C		
Type of Property					
Address					
Assessor Parcel Number (APN)					
Date Purchased					
Original Cost					
Present Market Value					
Name & Address of Mortgage Holder					
Mortgage Account Number					
Mortgage Balance					
Amount of Payment per Month/Year					
Status of Mortgage					
Section 5. Other Personal Property and Other Assets. (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency)					
Section 6. Unpaid Taxes. (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)					
Section 7. Other Liabilities. (Describe in detail.)					
Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies - name of insurance company and beneficiaries)					
I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).					
Signature:		Date:	Social Security Number:		
Signature:		Date:	Social Security Number:		
PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance Officer, Paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. PLEASE DO NOT SEND FORMS TO OMB.					

This form was electronically produced by Elite Federal Forms, Inc.

ATTACHMENT "D" INCOME AND EXPENSE PROJECTIONS

Instructions

This is a worksheet designed to help determine monthly projected business income and expenses for a twelve month period. This will also help assess the feasibility of a project by determining if the projected income will cover the projected expenses, including owners draw and loan payments. This is just a worksheet, so fill it out in pencil. You will be making a lot of changes to it.

MONTHS: Fill in the month you anticipate opening your business, or start with "Month #1".

TOTAL SALES: All income from the sale of products or services for the month.

COST OF GOODS SOLD: Direct cost of the products sold. (Example: for a restaurant, the cost of goods sold is the food; for a clothing store, the clothing; for the manufacturing of tables, the cost of the wood, metal, varnish.) Service businesses do not have a cost of goods sold.

GROSS PROFIT: Subtract the **Cost of Goods Sold** from the **Total Sales** to determine the **Gross Profit**.

OPERATING EXPENSES: Listed here are some examples of monthly expenses. You may have some additional or different expenses that are specific to your business, just write them in.

TOTAL OPERATING EXPENSES: Add up all **Operating Expenses** for the month.

NET PROFIT: Subtract the **Total Operating Expenses** from the **Gross Profit**.

OWNER'S DRAW: This is the money the business owner will draw from the business for personal living expenses. When there is another monthly source of income, owner's draw may not apply. If the business owner will be paying personal living expenses from the business sales, owners draw will need to be determined. There is no owners draw under a corporate legal structure; all wages should be shown in the wages and payroll line items.

AVAILABLE FOR LOAN PAYMENT: Subtract **Owner's Draw** from **Net Profit**.

LOAN PAYMENT: This is the monthly payment of principal and interest based on the amount of the loan needed. This amount can be obtained from the Financial Consultant.

MARGIN: Subtract the **Loan Payment** from the **Available for Loan Payment**. This is the projected amount left after all expenses have been paid. If the **Loan Payment** amount is larger than the **Available for Loan Payment**, you are losing money at the end of the month.

ATTACHMENT "D" INCOME AND EXPENSE PROJECTIONS WORKSHEET

MONTHS													TOTAL
Total Sales													
Less Cost of Goods Sold													
Gross Profit													
OPERATING EXPENSES													
Accounting													
Advertising													
Auto & Vehicles													
Freight/Postage													
Insurance													
Leases (Equipment)													
Office Expenses													
Rent													
Repairs & Maintenance													
Supplies													
Taxes (Sales)													
Travel and Entertainment													
Utilities/Telephone													
Wages & Payroll Taxes													
Other													
TOTAL OPERATING EXPENSES													
Net Profit													
Owner's Draw (not for corps)													
Available for Loan Payment													
Loan Payments													
MARGIN													

AUTHORIZATION AND RELEASE FOR CREDIT REPORT

Dear Requestor:

Prior to a credit report request, you must understand the following:

- 1) Access to your credit file is limited to yourself and your agents acting on your behalf.
- 2) Your consent in writing is required before a report may be provided.
- 3) You are entitled to a copy of the credit report and a copy of the FTC's "Consumer Rights Notice".

Based on the above information, I hereby authorize (**Consultant**) to obtain my credit report for the purposes of **applying for a business loan**.

PLEASE PRINT THE BELOW INFORMATION NEATLY

Applicant

Name: _____
(Full name including Jr., Sr., etc.)

SSN#: _____

Date of Birth: _____

Address: _____

City, State, Zip: _____

Previous Address: _____

City, State, Zip: _____

Signature

Spouse/Partner

Name: _____
(Full name including Jr., Sr., etc.)

SSN#: _____

Date of Birth: _____

Address: _____

City, State, Zip: _____

Previous Address: _____

City, State, Zip: _____

Signature

How to Get a DUNS

Please follow the below steps and read the attached document to assist you with your new D-U-N-S Number request:

1. Click or copy the following link to your browser <http://fedgov.dnb.com/webform>
2. Click on “Begin D-U-N-S Search / Request Process” at the top of the left hand tool bar
3. In the “Search” screen select “United States of America” (It will be at the top of the list) from the drop down list and click “Continue”
4. In the “iUpdate – Webform Page” click on “Continue to iUpdate” arrow at the bottom of the screen
5. In iUpdate, locate the center box titled “Find DUNS or Request new DUNS” and click on the “Start Now” button
6. Read the attachment “Step-by-Step Process for Customers” document. This will assist you in the process.
7. You must first make sure we do not already have your company on file. In the “Company Look-up” screen, please enter your Business Name, City and State and click the “Search” button.
 - A. Utilize the attached “Step-by-Step Process for Customers” document to assist you through the process
8. If you do not locate your company, click on the “Request a D-U-N-S Number” arrow at the bottom of the screen
9. You will now be in the New D-U-N-S Registration Process. Two **IMPORTANT NOTES**
 - A. This **PERSONAL** information is required at this step to validate your **PERSONAL** identity and eliminate fraudulent activity. **Do not** enter your **company address** as your registration will **fail**.
 - B. Please ensure you see the ReCaptcha box at the bottom of the screen (see below screen shot) If you do not have the ReCaptcha box, you will need to return to Step 8. When you get the box “Do you want to view only the webpage content that was delivered securely?” Click the “No” button.



10. Now complete the process.
11. Once you have completed the entire process, you will receive a confirmation email. It will take **24 to 48 hours to receive your D-U-N-S Number**, which you will receive via email for your records.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

DIVISION OF FEDERAL FINANCIAL ASSISTANCE

2020 W. El Camino Avenue, Suite 200
P.O. Box 952054
Sacramento, CA 95833
(916) 263-2771 / FAX (916) 263-2763 www.hcd.ca.gov



View and Save Debarments



HCD requires that applicants for federal funding upload debarment checks from Sam.gov in eCivis Grants Management Network. The information from Sam.gov showing “no exclusions” and that registration is not expired is required for applicants and their contractors and subrecipients. ,

Recently, SAM.gov changed their website interface and this guide is to assist with viewing and saving the debarment information in the new interface.

To review Entity Registrations a login is required.

If a New User, follow the steps to creating an account and access SAM below:

Step 1: Go to www.sam.gov.

Step 2: Click on Sign In, Select the Green Accept box, and then “Create an Account”.

Step 3: Complete the requested information, and then click “Submit”.

Step 4: Select “Individual User Account”.

Step 5: You will receive an email confirming you have created a user account in SAM.

Login:

Go to: www.sam.gov

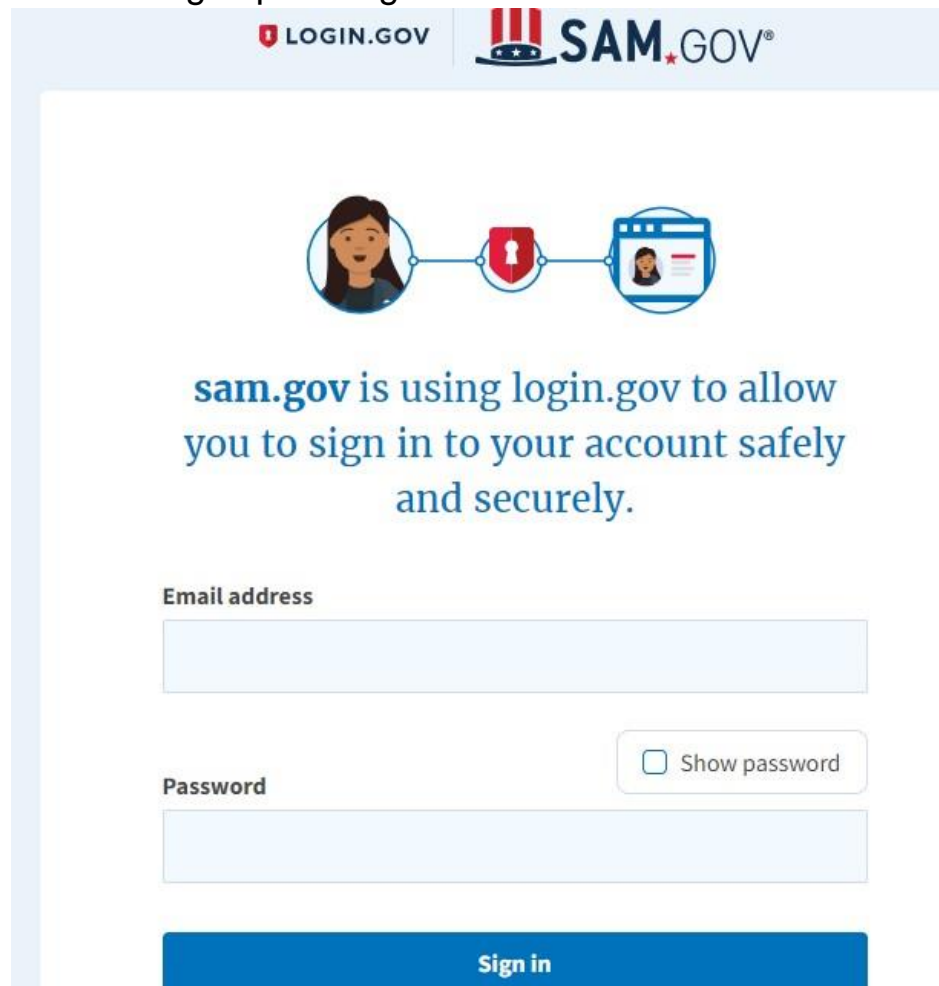
Select Sign In – located at the far top right of the screen:



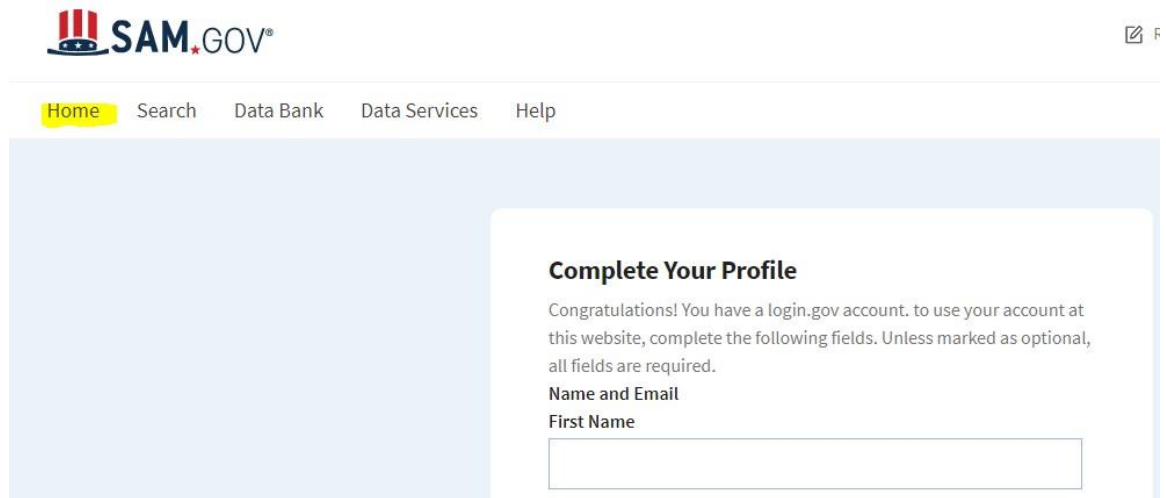
Select the green accept box:



The accept button brings up the login screen:



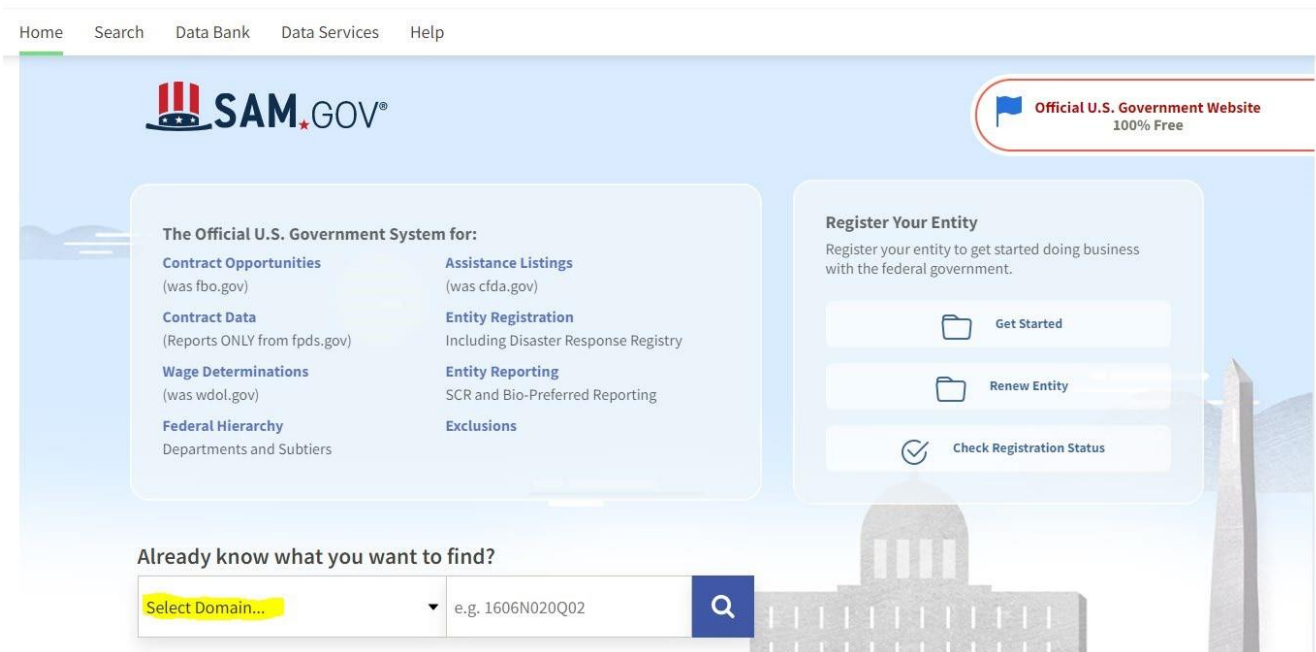
Once logged in, you may get a screen as shown below to Complete Your Profile. This was already done when you created the account and is unnecessary. Just select Home as highlighted below:



This will pop up a box as shown below, choose Leave:



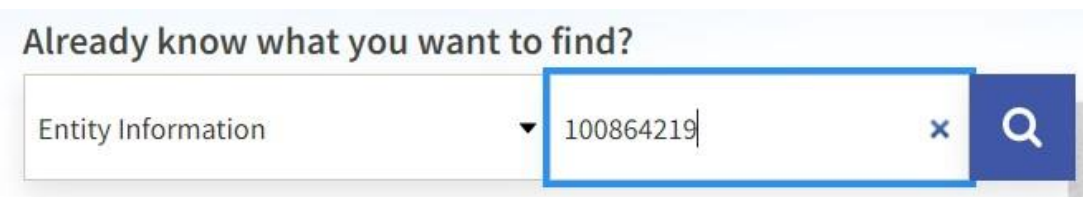
The Home page is shown below. Go to the Select Domain arrow down (highlighted below), which is located under the “Already know what you want to find?” Section:



Select Entity Information from the arrow down key:



You can search using the entity's name or DUNS number. It is recommended to use the DUNS Number:



Then select the search box with the eyeglass.

Below is what is shown if there are “no exclusions”. Note the highlighted box that states, “Entity Registration”. If it states this, then there are no exclusions.

The example below is what you will copy, save as a pdf and upload to the eCivis Grants Management software as a debarment.

Search

Showing 1 - 1 of 1 results Sort by Relevance

YUBA, COUNTY OF ● Active

DUNS Unique Entity ID 100864219	CAGE Code 7PKL8	Physical Address 915 8th St Ste 123, MARYSVILLE, CA 95901 USA	Entity Registration Expiration Date Sep 14, 2021 Purpose of Registration Federal Assistance Awards
SAM Unique Entity ID UWBNA7K4QWJ1			

If there are exclusions, it will have the word “Exclusion” in the box, where Entity Registration was in the first example:

YUBA, COUNTY OF ● Active

DUNS Unique Entity ID (blank)	CAGE Code (blank)	Physical Address MILLBURY, MA 01527 USA	Exclusion Classification Individual Activation Date Feb 13, 2010 Termination Date Indefinite
SAM Unique Entity ID (blank)			

If a search comes up with no results or no matches found, then the entity is not registered with Sam.gov and needs to register using the link below:

<https://sam.gov/content/entity-registration>

Instructions for registering can be located at the link as follows:

https://www.fsd.gov/gsafsd_sp?id=kb_article&sys_id=11bfc64d1b1cb8909ac5ddb6bc4bcb62

Note: HCD will not accept “no results” PDF as no exclusions debarment documentation.



Update: Planned Maintenance Schedule Show Details
Jul 29, 2021



See All Alerts

Recognize and Avoid Phishing Emails Show Details
Aug 25, 2020



Download Follow

- Entity Registration
- Core Data
- Business Information
- Entity Types
- Financial Information
- Points of Contact
- Assertions
- Reps and Certs
- Exclusions
- Responsibility / Qualification

COMMUNITY DEVELOPMENT SERVICES

DUNS Unique Entity ID 879513	Registration Status Active	Expiration Date Nov 15, 2022
SAM Unique Entity ID KCJWHUXHW	Purpose of Registration All Awards	
CAGE/NCAGE 62M		
Physical Address 3895 Main ST Kelseyville, California 95451-7430, United States	Mailing Address 3895 Main Street Kelseyville, California 95451, United States	

*The DUNS number is currently the official Unique Entity ID

Version Current Record

BUSINESS INFORMATION

Doing Business As

Division Name



ATTACHMENT C
CDBG AND LENDER REQUIRED DOCUMENTS

ATTACHMENT C-1 Jobs Tracking Form

CDBG Jobs Tracking Form for Proposed Project							
Company Name: _____							
List all current employee positions on payroll as of the CDBG loan approval and all proposed new job positions.							
Project is Proposing	<input type="checkbox"/> JOB CREATION Or <input type="checkbox"/> JOB RETENTION		Annual Hours	Annual Wages	Full/Part Time	LMI	Date of Hire
Job Position Title	New, Existing, or Retained Job						
1							
2							
3							
4							
5							
6							
7							
8							
9							
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29							
30							
31							
32							
33							
34							

EXISTING JOB POSITIONS	PROPOSED NEW HIRE OR RETAINED JOB POSITIONS	LMI	% LMI
Total Full Time	Total Full Time		
Total Part Time	Total Part Time		
Grand Total Full Time	Grand Total Full Time		#DIV/0!

I hereby certify under the penalty of perjury that all the information contained in this request for funds (including all supportive documentation) is true and correct. I understand and acknowledge that making false statement on this certification, including any documents submitted in support of it, may result in denial of application for funding.

Signature of Business Owner: _____ Date: _____

Signature of Jurisdiction Staff: _____ Date: _____

Note: Multiple forms may be required for businesses with lots of employees.

ATTACHMENT C-1 Jobs Tracking Form

CDBG Jobs Tracking Form for Completed Project							
Company Name:							
List all employee positions on payroll, both existing and new hires as a result of CDBG loan.							
Date of Project Approval:				Date of Project Completion:			
Job Position Title	New or Existing Job	Annual Hours	Annual Wages	Full/Part Time	LMI	Income Self Cert. Date	
1							
2							
3							
4							
5							
6							
7							
8							
9							
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33							
34							

EXISTING JOB POSITIONS		ACTUAL NEW HIRE OR RETAINED JOB POSITIONS		LMI	%LMI
Total Full Time		Total Full Time			
Total Part Time		Total Part Time			
Grand Total Full Time		Grand Total Full Time			#DIV/0!

I hereby certify under the penalty of perjury that all the information contained in this form (including all supportive documentation) is true and correct. I understand and acknowledge that making false statement on this certification, including any documents submitted in support of it, may result in repayment of loan funds.

Signature of Jurisdiction Staff: _____ Date: _____

ATTACHMENT C-2
Self Certification of Income Form

Business Assistance Project SELF-CERTIFICATION of Income for	
<input type="checkbox"/> City of / <input type="checkbox"/> Town of / <input type="checkbox"/> County of _____	CDBG Funded Activity

Page 1 to be filled out by Applicant/Employee

Status: Job Applicant (Creation) Current Employee (Retention)

Business Name: _____

Business Physical Address: _____, _____ (City)

Part I: Confidential Job Applicant / Employee HUD Demographic Data (This section is voluntary.)

Ethnicity (Select One)		<input type="checkbox"/> Not Hispanic	<input type="checkbox"/> Hispanic
Race (Select One)			
<input type="checkbox"/> White	<input type="checkbox"/> Am. Indian/Alaskan Nat. & White		
<input type="checkbox"/> Black/African American	<input type="checkbox"/> Asian & White		
<input type="checkbox"/> Asian	<input type="checkbox"/> Black/African American & White		
<input type="checkbox"/> American Indian/Alaskan Native	<input type="checkbox"/> Am. Indian/Alaskan & Black/African		
<input type="checkbox"/> Nat. Hawaiian/Other Pacific Isl.	<input type="checkbox"/> Other Multi-Racial		
Other Demographic Data (Select each that Applies)			
<input type="checkbox"/> Female Head of Household	<input type="checkbox"/> Single / Non Elderly		
<input type="checkbox"/> Participant Disable	<input type="checkbox"/> Related/Single Parent		
<input type="checkbox"/> Veteran	<input type="checkbox"/> Related/Two Parent		
<input type="checkbox"/> Elderly	<input type="checkbox"/> Other (_____)		
<input type="checkbox"/> Unemployed prior to Employment			

Part II: Confidential Job Applicant / Employee Income Certification (Certification process may not be administered by business receiving CDBG funds.)

My total family size consists of _____ members, and the total gross annual income* for all adult members is \$_____.

*Gross annual income must include all sources of income (wages, child support, SSI, unemployment, pension, income from assets, etc., but does not include the income of live-in aids, per 24 CFR 5.403).

I certify that the information given on this form is true and accurate to the best of my knowledge. I am aware that there are penalties for willfully and knowingly giving false information on an application for Federal or State funds, which may include immediate repayment of all Federal or State funds received and/or prosecution under the law. I understand that the information on this form is subject to verification by state or federal personnel as part of compliance monitoring.

Job Applicant / Employee Signature: _____ Date: _____

Applicant / Employee Name (print): _____

Job Applicant / Employee Physical Home Address: _____, _____ (City)

ATTACHMENT C-2
Self Certification of Income Form

CDBG Business Assistance Project Verification by <input type="checkbox"/> City of / <input type="checkbox"/> Town of / <input type="checkbox"/> County of _____ for CDBG Funded Activity
--

Page 2 to be filled out by Program Operator

Project Information:

Business Name: _____

Job Applicant / Employee Name: _____

Public Benefit Type: Job Creation Job Retention

Project funded by: Grant #: _____ - Or - PI Fiscal Year: _____

Business and Job Applicant / Employee Location Verification:

Business Physical Address: _____ In Jurisdiction Limits

Job Applicant / Employee Physical Home Address: _____ In Jurisdiction Limits

NOTE: Business must be located in Jurisdiction. Significant number of Job Applicants should reside in Jurisdiction (does not apply to retention).

Job Applicant / Employee Income Verification:

Effective Date of the Income Limit Chart being used: _____

- Family is: 30% or less (Extremely Low Income)
 31%-50% (Low Income)
 51%- 80% (Moderate Income)
 Over 80% of median income: **NOT ELIGIBLE AS LOW /MOD JOB**

Program Operator must:

- 1) Must complete confidential demographic data on cert. form if applicant / employee leaves blank.
- 2) Must complete business project information and business & applicant / employee location verification.
- 3) Must complete the applicant/employee income verification by:
Print the current HCD Income limits from the HCD website (NOT HUD's), and
Circle the applicable family size and annual income on HCD limit printout, and
Include the copy of the circled printout with these certification forms.

Program Operator Certification: I certify that Applicant / Employee demographic data provided is true and correct, to the best of my knowledge. I certify that, using the current HCD annual income publication compared to stated family size and gross income, the income level indicated above is true and correct. I certify that residency of the Applicant / Employee and the business address is true and correct per the requirements of 24 CFR 570.480(b) and/or (c) as applicable.

Note: This completed certification, whether Job Applicant / Employee benefited (was hired) or not, must be maintained in the Confidential Project file for review at time of monitoring. Certification of Job Creation cannot be done prior to CDBG funding approval.

Program Operator Name (print)

Job Title

Signature:

Date:

HCD Revised: August, 2015

Page 2 of 2

ATTACHMENT C-4
Certification of No Conflict of Interest Form

**BORROWER CERTIFICATION OF NO CONFLICT OF INTEREST
IN RECEIVING COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

The City of Fort Bragg, hereafter called Grantee, will use federal CDBG funds to provide financial assistance to eligible program participants, hereafter called Participants. These CDBG funds are administered by the State Department of Housing and Community Development hereafter called Department. As part of receiving CDBG funds from the Department, the Grantee is required to ensure there is no conflict of interest created when using these funds on eligible CDBG activities. As such, all Participants must certify that no conflict of interest has been created.

State Conflict of Interest: Pursuant to California Government Code 87100, et seq. CDBG financial assistance is not available if there is a conflict of interest. Any person / business loan participant that is an employee of the Grantee, an elected official, or consultant involved in administering a business assistance activity would not be eligible to receive CDBG funds due to a conflict of interest. If there is a real or perceived conflict of interest, the Grantee must have a legal determination that will be placed in the Participant's file.

Federal Conflict of Interest: Pursuant to the Code of Federal Regulations, Section 24 CFR 570.489 (h) a conflict of interest is not allowed when using CDBG funds as follows:

Conflicts prohibited. Except for eligible administrative or personnel costs, the general rule is that no persons described in paragraph (h)(3) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this subpart or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

Persons covered. The conflict of interest provisions for paragraph (h)(2) of this section apply to any person who is an employee, agent, consultant, officer, elected official or appointed official of the state, or of a unit of general local government, or of any designated public agencies, or subrecipients which are receiving CDBG funds.

If there is a real or perceived conflict of interest relative to the federal language above, the Grantee must submit a request to the Department for an exception to the Conflict of Interest determination. The Department will render a written decision that will be placed in the Participant's file.

By signing below, I certify that no conflict of interest, as prohibited by California Government Code Section 87100 et seq. and/or by the Code of Federal Regulations Section 24 CFR 489 (h), is created.

Signature of Borrower

Print Name and Title

Date: _____

Date: _____

**ATTACHMENT C-5
Borrower Certification of No Job Pirating Form**

**BORROWER'S CERTIFICATION CONCERNING NO JOB PIRATING
IN CONNECTION WITH COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ECONOMIC
DEVELOPMENT (ED) FINANCING**

The City of Fort Bragg will use federal CDBG economic development (ED) funds to make loans to eligible projects. These federal funds are available from local program income funds or from grant contracts issued by the State Department of Housing and Community Development. These CDBG ED loans cannot be used if their use supports job pirating. Job pirating is not allowed under 24 CFR 570.482(f) of federal regulations. CDBG ED activities trigger this prohibition of funds as follows, and responses must be provided to document non-pirating:

1. Statement of Job Pirating Provisions:

Use of CDBG funds to directly assist the relocation of any industrial or commercial plant, facility or operations, from one labor market area to another labor market area.

Yes No

If yes, what is the total number of jobs to be relocated: _____.

2. Certification of no Job Pirating:

Will a significant loss of jobs take place due to the relocation of the business operations (Definition of significant is 25 or more full time positions.).

Yes No

If yes, CDBG assistance is prohibited.

If no, business must certify that neither it nor any of its subsidiaries has plans to relocate jobs, as of the date of the CDBG loan agreement.

3. Consequences of Job Pirating Violation:

Use of CDBG funds to directly assist the relocation of any industrial or commercial plant, facility or operations, from one labor market area to another labor market area will result in the required repayment of all CDBG funding invested in the project.

I hereby certify under the penalty of perjury that all the information contained in my CDBG request for funding (including all supporting documentation) is true and correct. I understand and acknowledge that making false statement on this certification, including any documents submitted in support of it, is a crime under federal and California state laws, which may result in criminal prosecution.

Signature of Borrower

Print Name and Title

Date

ATTACHMENT C-6
Certification of Federal Regulatory Compliance Form

**BORROWER'S CERTIFICATION OF COMPLIANCE WITH FEDERAL OVERLAYS RELATED
TO COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
ECONOMIC DEVELOPMENT (ED) FINANCING**

The City of Fort Bragg, here after referred to as Responsible Entity (RE), is being requested to use federal CDBG ED funds for a project located at: _____, CA _____. The RE received a CDBG application for funding from the Business Assistance (BA) loan applicant on: _____ date.

There are three (3) significant federal overlay laws that must be adhered to as part of receiving CDBG ED BA funding: 1) federal environmental regulations; 2) federal relocation and real property acquisition laws; and 3) federal prevailing wage laws. All projects proposing to use CDBG federal funding must be documented as being in compliance with these laws.

ENVIRONMENTAL REVIEW: To be in compliance with federal environmental review law, National Environmental Policy Act (NEPA), an Environmental Review Record (ERR) must be completed and executed by the RE prior to awarding the project any CDBG funds. The ERR must also be completed prior to any additional work being done on the project after the date of application submittal, as shown above.

Any site work or legal agreements associated with the project, after the date of the CDBG application, could trigger a "choice limiting" action under NEPA regulations. Such an action will prohibit the RE from awarding CDBG funds to the project. Specific choice limiting actions to be avoided by the applicant after BA application date are: 1) signing any contracts for any work on the project; 2) signing any real property purchase agreements or leases; 3) conducting any construction / maintenance work at the site.

Loan applicant does hereby acknowledge and certify that there is and will be no choice limiting actions taking place at the site until the RE has completed an ERR for the project. Applicant agrees to disclose the existing conditions of the project and will not proceed with any development work until such time as the RE has provided written permission to do so.

4. Statement of Project's Site Control.

Full site control, i.e. fee simple interest ownership of the property **or** executed lease agreement, was in place prior to BA loan application submittal date.

Yes No

If no, what is proposed date will site control to be in place: _____.

5. Statement of Project's Construction Status.

Construction was started on the project prior to BA loan application submittal date stated above.

Yes No

If yes, construction must stop at the date of application, or CDBG is prohibited.

If no, business certifies NO construction contracts will be executed and no work at the site will start until RE provides written approval.

6. Consequences of Choice Limiting Action.

Any changes which trigger NEPA violation will force the RE to cancel the application.

RELOCATION AND ACQUISITION REVIEW: To be in compliance with federal acquisition and relocation law, the RE must verify that no “persons” have been displaced because of the use of CDBG funding AND that if CDBG funds are being used, in whole or in part to acquire real property, that federal laws are being complied with prior to award of funds.

Projects using CDBG funding for acquisition of real property are required to provide the seller with a proper disclosure of no use of eminent domain as part of the transaction.

Projects using CDBG funding that cause a person (resident of a housing unit, business or non-profit) to move as a direct result of the project’s activity must follow federal relocation process and provide those affected persons with permanent relocation benefits.

1. Statement of Project’s Use of Funds for Acquisition.

CDBG funds are being used to assist in purchase of real property.

Yes No

If yes, what date was seller provided Acquisition Notice? _____.

2. Statement of Project’s Relocation Compliance.

Persons were or will be displaced because of the proposed CDBG funding project activity / scope of work.

Yes No

If yes, RE must evaluate relocation benefits required for the project to move forward and disclose the costs of the relocation to the BA applicant.

If no, business certifies NO persons are displaced by the project.

3. Consequences of Non-Compliance with Relocation or Acquisition Laws.

Any miss-representations that result in these federal laws being triggered will force the RE to cancel the application.

Loan applicant does hereby acknowledge and certify that there will be no relocation of persons taking place at the site until the RE has completed its review and analysis of any required relocation benefits. Applicant agrees to disclose the existing conditions of the project and will not proceed with any property purchase or development work until such time as the RE has provided written permission to do so.

FEDERAL PREVAILING WAGE REVIEW: To be in compliance with federal prevailing wage laws (Davis Bacon and associated legislation), the RE must verify that no CDBG funds are being utilized for project construction costs. If any CDBG funds are used for construction, then RE must ensure federal prevailing wage rates will be paid by contractors. These wages will increase the project’s costs.

1. Statement of Project's Use of Funds for Construction.

CDBG funds will pay for project construction costs.

Yes No

If yes, what date was RE labor standards monitoring certification submitted to the Department? _____.

If no, federal prevailing wage compliance is not required.

2. Consequences of Non-Compliance with Davis Bacon and Related Acts.

Any miss-representations that result in these federal laws being triggered can require the RE to pay wage compensation to workers doing the construction.

Loan applicant does hereby acknowledge and certify that there will be no signing of construction contracts for any work taking place at the project site until the RE has completed its review and analysis of required labor standards compliance. Applicant agrees to disclose the existing conditions of the project and will not proceed with any property development work until such time as the RE has provided written permission to do so.

I hereby certify under the penalty of perjury that all the information contained in the CDBG request for funding (including all supporting documentation) is true and correct. I understand and acknowledge that making false statement on this certification, including any documents submitted in support of it, is a crime under federal and California state laws, which may result in criminal prosecution.

Signature of Borrower(s)

Print Name and Title

Date

ATTACHMENT D
Business Loan Servicing Policies
City of Fort Bragg
CDBG Business Loan Programs

LOAN SERVICING POLICIES AND PROCEDURES

The City of Fort Bragg, here after called “Lender”, has adopted these policies and procedures in order to preserve its financial interest in properties whose “Borrowers” have been assisted with public funds. The Lender will, to the greatest extent possible, follow these policies and procedures, but each loan will be evaluated and handled on a case-by-case basis. The Lender has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions that are associated with them.

The policies and procedures are broken down into the follow areas 1) loan repayments; 2) required payment of taxes, assessments, liens and insurance; 3) required Request for Notice of Default; 4) required noticing and limitations on any changes in title, occupancy, use, or location of property; 5) requests for subordination; 6) process for loan foreclosure in case of default on the loan.

1. Loan Repayments

The Lender will collect monthly payments from those borrowers who are obligated to do so under Installment Notes that are amortized promissory notes, or Lender may use a designated loan collection company to collect payments. Late fees will be charged for payments received after the assigned monthly date as described in loan documents. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower’s obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower’s making fewer payments.

For Notes that are deferred payment loans, the Lender may accept voluntary payments on the loan. Loan payments will be credited to interest first and then to principal. The borrower may repay the loan balance at any time with no penalty.

2. Payment of Taxes, Assessments, Liens and Insurance

In general, as part of keeping a CDBG loan from going into default, borrower must maintain all-risks insurance coverage with respect to collateral or other property as designated in the loan documents and related commercial security agreements, naming the Lender as loss payee in first position or as additional insured if the loan is a junior lien. Lender may file a UCC financing statement to perfect Lender’s security interest. If borrower fails to maintain the necessary insurance, the Lender may take out forced place insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower’s new insurance.

When real property is located in a 100 year flood plain, the Borrower will be required to carry flood insurance. A certificate of insurance for flood insurance, if applicable, and for any other insurance required per terms of the loan will be required at close of escrow. The Lender will request verification of insurance coverage on an annual basis as long as the debt is outstanding.

Property taxes must be kept current during the term of the loan for property acquired with loan proceeds or for property designated as security for the CDBG loan or other activity debt, as

described in the loan documents. If the Borrower fails to maintain payment of property taxes, then the Lender may pay the taxes and add the balance of the tax payment plus any penalties to the balance of the loan.

3. Request for Notice of Default

When the Borrower's CDBG loan is in second position behind an existing first mortgage, it is the Lender's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Lender's loan. This document requires any senior lien holder listed in the notice to notify the Lender of initiation of a foreclosure action. The Lender will then have time to contact the Borrower and assist the Borrower in bringing the first loan current. The Lender can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Lender is in a third position and receives notification of foreclosure from only one senior lien holder, Lender may contact any other senior lien holders regarding the status of loans.

4. Required Noticing and Restrictions on Any Changes of Title, Occupancy, Use, or Location of Collateralized or Secured Property

In all cases where there is a change in title or occupancy or use or location of property that directly or indirectly relates to any agreements between Lender and Borrower, the Borrower must notify the Lender in writing of any change. No change in Borrower's name or principal residence will take effect until after Lender has received notice. All such changes are subject to the review and approval of the Lender's Loan Committee and may also require City Manager approval.

5. Requests for Subordination

When a Borrower wishes to refinance property financed in whole or in part with CDBG funds, Borrower must make a subordination request to the Lender. The Lender may consider subordination of the loan when there is no "cash out" as part of the refinance. Cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third-party debt pay-offs or additional encumbrance on the property above traditional refinance transaction costs. Furthermore, the refinance should lower the debt costs of the business with a lower interest rate, and the total indebtedness on the property should not exceed the current market value.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the Loan Committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Lender.

6. Process for Loan Foreclosure

Upon any condition of loan default, including: 1) non-payment; 2) failure to comply with or perform other terms, obligations, covenants or conditions contained in the Note or related documents; 3) false statements; 4) death or insolvency of borrower; 5) creditor or forfeiture proceedings; or 6) any other event of default as described in the promissory note, Lender may declare the entire unpaid principal and interest balance immediately due. Upon loan default, Lender will send a letter to Borrower notify Borrower of the default situation.

When a senior lien holder starts a foreclosure process and the Lender is notified via a Request for Notice of Default, the Lender as the junior lien holder may cancel the foreclosure proceedings by "reinstating" the senior lien holder. The reinstatement amount or payoff amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments,

late charges and fees to date. Lender must confer with Borrower to determine if, upon paying the senior lien holder current, Borrower can provide future payments. If this is the case, then the Lender may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Lender determines, based on information on the reinstatement amount and status of Borrower, that bringing the loan current will not preserve the loan, then Lender must determine if it is cost effective to protect the Lender's position by paying off the senior lien holder in total and restructuring the debt. If the Lender does not have sufficient funds to pay the senior lien holder in full, then the Lender may choose to cure the senior lien holder and foreclose on the property. As long as there is sufficient value in the property, the Lender may be able to pay for the foreclosure process and pay off the senior lien holder and retain some or all of the Lender's investment.

If the Lender decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up until five days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four to six months from the date of recording of the "Notice of Default." If the Lender fails to reinstate the senior lien holder before five days prior to the foreclosure sale date, the senior lien holder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Lender determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lien holder to complete foreclosure, the Lender's lien may be eliminated due to insufficient sales proceeds.

ATTACHMENT D
CDBG Business Assistance Loan Certification Form

**STATE OF CALIFORNIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) LOAN CERTIFICATION
FOR BUSINESS ASSISTANCE (BA) PROJECT**

DATE OF JURISDICTION'S LOAN APPROVAL:

JURISDICTION AND CDBG REPRESENTATIVES		
JURISDICTION:	NAME OF JURISDICTION STAFF REVIEWING THE LOAN:	
JURISDICTION STAFF TITLE:	PHONE:	EMAIL:
HCD CONTRACT REP. NAME:	PHONE:	EMAIL:

UNDERWRITER / BA PROGRAM ADMINISTRATOR		
ORGANIZATION NAME:	NAME OF UNDERWRITER PROCESSING THE LOAN:	
CONTACT NAME:	PHONE:	EMAIL:

BUSINESS AND BUSINESS OWNER	
BUSINESS NAME with DBA:	BUSINESS PHYSIAL ADDRESS:
NATURE OF BUSINESS (<i>restaurant, manufacturing, service provider</i>):	
NAMES OF BUSINESS OWNER(S) / BORROWER(S):	

BUSINESS LEGAL STRUCTURE	PURPOSE OF LOAN
SOLE PROPRIETORSHIP: <input type="checkbox"/> Yes <input type="checkbox"/> No	START UP: <input type="checkbox"/> Yes <input type="checkbox"/> No
PARTNERSHIP: <input type="checkbox"/> Yes <input type="checkbox"/> No	EXPANSION: <input type="checkbox"/> Yes <input type="checkbox"/> No
COMPANY: <input type="checkbox"/> Yes <input type="checkbox"/> No	RETENSION: <input type="checkbox"/> Yes <input type="checkbox"/> No
CORPORATION: <input type="checkbox"/> Yes <input type="checkbox"/> No	TOTAL PROJECT COSTS: \$

PROJECT SOURCES AND USES INFORMATION	
FUNDING SOURCE	USE OF FUNDING
Equity <input type="checkbox"/> CDBG <input type="checkbox"/> Private / Bank <input type="checkbox"/>	PURCHASE OF REAL PROPERTY
Equity <input type="checkbox"/> CDBG <input type="checkbox"/> Private / Bank <input type="checkbox"/>	FURNITURE FIXTURES & EQUIPMENT
Equity <input type="checkbox"/> CDBG <input type="checkbox"/> Private / Bank <input type="checkbox"/>	CONSTRUCTION / TENANT IMPROVEMENTS
Equity <input type="checkbox"/> CDBG <input type="checkbox"/> Private / Bank <input type="checkbox"/>	OPERATONS COSTS (MONTHLY)
Equity <input type="checkbox"/> CDBG <input type="checkbox"/> Private / Bank <input type="checkbox"/>	INVENTORY / SUPPLIES
Equity <input type="checkbox"/> CDBG <input type="checkbox"/> Private / Bank <input type="checkbox"/>	DEBT REFINANCE
Equity <input type="checkbox"/> CDBG <input type="checkbox"/> Private / Bank <input type="checkbox"/>	OTHER: _____

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**STATE OF CALIFORNIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) LOAN CERTIFICATION
FOR BUSINESS ASSISTANCE (BA) PROJECT**

CDBG LOAN INFORMATION	
LOAN AMOUNT:	LOAN TERM: YEARS
LOAN INTEREST RATE: %	MONTHLY PAYMENT: \$
UNIQUE LOAN STRUCTURE PROVIDED? <input type="checkbox"/> Yes <input type="checkbox"/> No	
If yes, provide brief narrative below.	
CDBG NATIONAL OBJECTIVE (Only Complete A or B)	
A. PROJECT WILL USE CDBG NATIONAL OBJECTIVE OF LOW-MODERATE JOB (LMJ) BENEFIT BY PROVIDING DIRECT ASSISTANCE TO A BUSINESS THAT CREATES / RETAINS JOBS PRIMARILY (OVER 51%) FOR HUD ELIGIBLE LOW-MOD PERSONS. If no, then project must use LMA below, so move onto section B.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Loan documents have language requiring Borrower to allow Jurisdiction Staff or Third party to obtain copy of payrolls and use Department Self- Certification of Income forms for all job applicants on new jobs created <u>OR</u> to existing job positions retained?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Borrower has signed Job Tracking Form, listing the total jobs <u>PROPOSED</u> to be created <u>OR</u> retained and lists the 51% low mod job positions being created <u>OR</u> retained?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Underwriter has included all costs of new / retained jobs in future financial spreadsheets, to clearly document that all jobs, including low-mod jobs, will be created within the term of the grant contract or as stipulated in the CDBG loan agreement for program income?	<input type="checkbox"/> Yes <input type="checkbox"/> No
For job retention, project file contains documentation of business public notice or employment notice of failure / layoffs and over 51% of lost job positions are LMI person? <u>or</u> Underwriter has documentation of "but for" CDBG the business will fail and jobs will be lost and over 51% of those lost job positions are held by LMI persons?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
B. PROJECT WILL USE LOW MODERATE AREA (LMA) NATIONAL OBJECTIVE?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Jurisdiction has documentation of business service area and has HUD data to prove low moderate income area benefit (LMA) status of area? LMA = %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Jurisdiction has documentation that service area of business is primarily residential?	<input type="checkbox"/> Yes <input type="checkbox"/> No
CDBG PUBLIC BENEFIT STANDARD FOR JOBS (When Using LMJ)	
A. VERIFICATION OF JOB POSITIONS CREATED / RETAINED:	
Borrower provided payroll documentation of existing jobs and documents are in project file to verify the number of permanent FTE existing jobs in place prior to investment of CDBG funds?	<input type="checkbox"/> Yes <input type="checkbox"/> No

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**STATE OF CALIFORNIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) LOAN CERTIFICATION
FOR BUSINESS ASSISTANCE (BA) PROJECT**

Borrower signed Job Tracking Form, which will be an attachment to executed loan agreement, listing all new jobs created <u>or</u> existing jobs retained from use of CDBG funds and listing dates when job positions will be added / retained on payroll?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Borrower signed Job Tracking Form lists out part time and full time job positions? Note: per state regulations (part time equivalent (PTE) positions must work at least 875 hours and full time equivalent (FTE) must work at least 1,750 hour annually)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
COST PER JOB CREATED / RETAINED IS EQUAL TO OR LESS THAN \$35,000, AGGREGATE?	<input type="checkbox"/> Yes <input type="checkbox"/> No
COST PER JOB: CDBG PROJECT FUNDING: \$ _____ ÷ TOTAL NUMBER OF PROPOSED FTE JOBS: ____ = COST PER PROPOSED CREATED OR RETAINED FTE JOB \$	
PROJECT FILE VERIFIES THAT NONE OF THE PROPOSED JOBS TO BE CREATED HAVE BEEN HIRED PRIOR TO LOAN APPROVAL?	<input type="checkbox"/> Yes <input type="checkbox"/> No
CDBG PUBLIC BENEFIT STANDARD FOR GOODS OR SERVICES (When Using LMA)	
B. VERIFICATION OF SERVICE AREA AND GOODS OR SERVICES:	
Project file has documentation of service area for Good OR Services, documentation that business is open to all, and that goods or services are needed / available to LMI persons, prior to loan approval?	<input type="checkbox"/> Yes <input type="checkbox"/> No
AMOUNT OF CDBG PER LMI PERSON FOR GOODS OR SERVICES IS EQUAL TO OR LESS THAN \$350 ANNUAL AGGREGATE?	<input type="checkbox"/> Yes <input type="checkbox"/> No
COST PER PERSON: CDBG PROJECT FUNDING: \$ _____ ÷ TOTAL NUMBER OF LMI PERSONS IN SERVICE AREA: ____ = COST PER LMI PERSON \$	
CDBG ELIGIBLE ACTIVITY	
PROJECT COMPLIES WITH LOCAL BA PROGRAM GUIDELINES?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If, NO, project file contains a written special exception justification, per guidelines?	<input type="checkbox"/> Yes <input type="checkbox"/> No
PROJECT FILE VERIFIES BUSINESS IS PHYSICALLY LOCATED WITHIN JURISDICTIONAL BOUNDARY?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If not in county jurisdiction, then county has written approval from non-entitlement city for doing a CDBG BA project within city limits?	<input type="checkbox"/> Yes <input type="checkbox"/> No
ALL CDBG PROJECT COSTS ARE ELIGIBLE PER BA CHAPTER AND GUIDELINES?	<input type="checkbox"/> Yes <input type="checkbox"/> No

**STATE OF CALIFORNIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) LOAN CERTIFICATION
FOR BUSINESS ASSISTANCE (BA) PROJECT**

CDBG FEDERAL OVERLAY REQUIREMENTS	
<p>HAS A CORRECT CDBG NEPA REVIEW BEEN COMPLETED ON FULL SCOPE OF PROJECT?</p> <p>Is Original signed Environmental Review Record (ERR) in the project file?</p> <p>Was Department Authorization to use grant funds required for ERR?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>DOES THE PROJECT TRIGGER FEDERAL LABOR STANDARDS MONITORING?</p> <p><i>If YES, Jurisdiction has designated staff as a labor standard compliance officer, who will submit request for federal wage determination to the Department?</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>DOES THE PROJECT TRIGGER FEDERAL RELOCATION REQUIREMENTS?</p> <p><i>If YES, did Jurisdiction hire Relocation Specialist and submit draft relocation plan to Department?</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>DOES THE PROJECT TRIGGER FEDERAL ACQUISITION REQUIREMENTS?</p> <p><i>If YES, has the proper seller acquisition disclosure been executed for project file?</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>PROJECT FILE CONTAINS DOCUMENTATION OF COMPLIANCE WITH FEDERAL DEBARRED REQUIREMENTS?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>PROJECT FILE CONTAINS BUSINESS OWNER CERTIFY THAT THERE IS NO CONFLICT OF INTEREST?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>DOES THE BUSINESS' PROPOSED PROJECT INCLUDE ANY JOB PRIATING?</p> <p><i>Is Signed Certification of No Job Pirating in Project file?</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

CDBG / HUD SIX UNDERWRITING STANDARDS	
<p><i>CDBG business assistance loans must document that they meet the six CDBG HUD underwriting standards below. See BA Chapter in Department's Current On-Line Grant Management Manual for further guidance or contact HCD Rep.</i></p>	
<p>1) PROJECT FILE HAS VERIFICATIONS OF THE REASONABLENESS OF ALL PROJECT COSTS?</p> <p><i>If NO, a special condition must be in loan approval to not allow CDBG loan closing until all costs are verified as reasonable.</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>2) PROJECT FILE HAS VERIFICATION OF ALL PROJECT FUNDING COMMITTED?</p> <p><i>If NO, a special condition must be in loan approval to not allow CDBG loan closing until full funding is in place.</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>3) PROJECT FILE HAS VERIFICATION THAT, TO THE EXTENT PRACTICABLE, THERE IS NO SUBSTITUTION OF PUBLIC FUNDING?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

**STATE OF CALIFORNIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) LOAN CERTIFICATION
FOR BUSINESS ASSISTANCE (BA) PROJECT**

4) PROJECT FILE HAS VERIFICATION OF UNIVERSAL CASH FLOWS EXPECTED AFTER INVESTMENT OF CDBG FUNDS SHOWING FINANCIAL FEASIBILITY?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5) PROJECT FILE HAS VERIFICATION THAT, TO THE EXTENT PRACTICABLE, THE CDBG LOAN FUNDS DO NOT PROVIDE UNDUE ENRICHMENT TO THE BUSINESS OWNER(S)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6) PROJECT FILE HAS VERIFICATION THAT, TO THE EXTENT PRACTICABLE, DISBURSEMENT OF CDBG FUNDS WILL BE ON A PRO-RATA BASIS WITH OTHER PROJECT FUNDS?	<input type="checkbox"/> Yes <input type="checkbox"/> No
LOAN DISBURSMENT SCHEDULE IS IN PROJECT FILE?	<input type="checkbox"/> Yes <input type="checkbox"/> No

BUSINESS OWNER UNDERWRITING AND PROJECT COLLATERAL ANALYSIS	
IS A PERSONAL FINANCIAL ANALYSIS DONE FOR EACH OF THE BUSINESS OWNERS, WITH 20% OR MORE INTEREST IN THE BUSINESS OR WITH MATERIAL CONTROL OF BUSINESS?	<input type="checkbox"/> Yes <input type="checkbox"/> No
DOCUMENTATION OF CDBG LOAN COLLATERAL IS IN PROJECT FILE?	<input type="checkbox"/> Yes <input type="checkbox"/> No
LOAN DOCUMENTS SECURITIZE COLLATERAL, NATIONAL OBJECTIVE AND OTHER CDBG REQUIRED COMPLIANCE?	<input type="checkbox"/> Yes <input type="checkbox"/> No

SIGNATURE OF JURISDICTION AUTHORIZED REPRESENTATIVE	
Authorized Representative has read and certifies all information in this loan memo is true and correct, to the best of their ability.	
<p>I hereby certify under the penalty of perjury that all the information contained in this request for funds (including all supporting documentation) is true and correct. I understand and acknowledge that making false statement on this certification, including any documents submitted in support of it, is a crime under federal and California state laws, which may result in criminal prosecution.</p> <p>PRINT NAME OF AUTHORIZED REPRESENTATIVE: _____</p> <p>TITLE: _____</p> <p>SIGNATURE: _____</p>	<p>DATE: _____</p>

Guidelines

For

Business Assistance Loan Program

Operated By

City of Fort Bragg

With

Community Development Block Grant
(CDBG-CV) Funding

Adopted:

08/14/2023

Resolution: XXXX-2023

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List of Attachments with Support Documents

ATTACHMENT A: Grantee's Executed Resolution Adopting Guidelines

ATTACHMENT B: Sample Business Assistance Loan Application

ATTACHMENT C: Lender Required Forms:

- 1) Jobs Tracking Form
- 2) Self Certification of Income Form
- 3) Loan Disbursement Schedule
- 4) Certification of No Conflict of Interest
- 5) Certification of No Job Pirating
- 6) Certification of Federal Regulatory Compliance.

ATTACHMENT D: Lender Adopted Business Loan Servicing Policies

ATTACHMENT E: CDBG Business Assistance Loan Certification Form

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG-CV) BUSINESS ASSISTANCE (BA) LOAN PROGRAM GUIDELINES

1.0 INTRODUCTION

The City of Fort Bragg, here after called “Lender”, has established a Business Assistance Loan Program, here after called “the Program”. The Program is designed to use public tax payer dollars to stimulate economic growth and improve living conditions of low-moderate income residents in Lender’s community, while preparing for, preventing, or responding to coronavirus (“COVID-19 nexus”). The Program provides low cost loans to eligible for-profit businesses with a COVID-19 nexus. In return, businesses are required to provide documentation of public benefit (normally creating new job positions) and meeting a national objective (normally filling most of the new job positions with persons qualified as low-moderate income and living in the jurisdiction). These Program Guidelines describe policies and procedures required for award of loan funds to eligible borrowers. The Guidelines have been adopted via resolution by the Lender and conform to guidelines established by the California Department of Housing and Community Development, here after called “Department”.

2.0 BUSINESS ASSISTANCE PROGRAM OVERVIEW

2.1 PROGRAM ADMINISTRATOR AND PROGRAM OPERATOR

The Lender provides administrative services for the Program and is the liaison between the Program Operator and the loan applicant. These services are provided by Community Development Department staff. Current contact information is as follows:

Staff contact name: Lacy Peterson
Agency: City of Fort Bragg
Address: 416 N. Franklin Street, Fort Bragg, CA 95437
Phone Number: (707) 961-2823
Email Address: lpeterson@fortbragg.com

In addition, Lender has secured the services of a qualified Program Operator here after called “Program Operator”. The Program Operator will be charged with originating business assistance loans and documenting compliance with CDBG-CV regulations and these Program Guidelines. Current contact information for the Program Operator is:

Name: Jeff Lucas, Principal
Agency: Community Development Services
Address: 3895 Main St., Kelseyville, CA 95451
Phone Number: 707-279-1540
E: Mail Address: jeff@cds.consulting

2.2 PROGRAM SERVICE AREA

Financing under this Program is available to all eligible businesses physically located within the jurisdictional limits of the Lender that have a COVID-19 nexus. These funds may not be used in jurisdictions that receive CDBG funds from the federal Department of Housing and Urban Development (HUD) entitlement program. This Program is subject to CDBG service area requirement of substantially benefiting residents in the service area.

2.3 SOURCE OF PROGRAM FUNDS

The Program is capitalized with CDBG-CV federal funds provided by the federal Department of Housing and Urban Development (HUD) to the Department, who in turn provides the CDBG-CV funds to the Lender. As such, CDBG-CV funds are federal money administered by the Department, so both federal and state laws and regulatory requirements must be followed.

CDBG-CV funds come to the Lender from an active grant contract agreement between the Department and Lender originating from the Department's competitive application process. CDBG-CV funds are made available through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law March 27, 2020 and are governed by the Federal Registrar Notice FR-6218-N-01-CDBG-CV, dated August 7, 2020.

The Program will comply with Federal procurement regulations in 2 CFR 200.318 – 200.326 when procuring goods or services. Grantee will maintain procurement documentation files, including Pre-award independent cost estimate, documentation on procurement method, and copies of procurement documents.

2.4 PURPOSE

The purpose of this Special Economic Development Activity loan program is to respond to the disruption and impacts of the coronavirus pandemic by providing flexible financing to for-profit businesses. Loan activities implemented through this program are designed to meet the Community Development Block Grant National Objective of Public Benefit to low-moderate income persons. The program is designed to satisfy the Special Economic Development two part test (24CFR 570.203):

1. **Eligibility** -To be eligible for this program business applicants must demonstrate the need for financial assistance to prevent, prepare for, and respond to COVID-19 due to financial income impacts as measured by pre and post COVID-19 financial and tax statements or impacts of COVID-19 on their business which require improvements or modifications. Loans will be made to businesses that had less than 25 FTE's prior to March 2020. Businesses with more employees at that time are not eligible. For this program, eligible financial assistance to private for-profit businesses includes operating expenses and working capital; furniture fixtures and equipment that support operational needs to address COVID-19 requirements for opening and operating; and capital improvements required to address COVID-19 related impacts.

2. **Public Benefit** - Public Benefit will be measured by providing jobs to low-moderate income persons (LMJ). This LMJ activity is one which creates or retains permanent jobs, at least 51% of which, on a full-time basis equivalent, are either held by low-moderate income persons or considered to be available to low-moderate income persons. The program will utilize the revised individual standard (24 CFR 570.209(b)(3) and (4) which requires the activity must create or retain at least one full time permanent job per \$85,000 of CDBG-CV funds invested.

3.0 CDBG-CV PROGRAM REQUIREMENTS

3.1 ELIGIBLE LOAN APPLICANTS

CDBG-CV funds under this Program can only be expended on the eligible activity authorized under Title I of the Housing and Community Development Act of 1974 (hereafter called “Act”), section 105(a)(17): special economic development providing direct financial assistance to private for-profit businesses. This program is designed specifically to mitigate the impacts of COVID-19 on local businesses.

For this loan program, the tie-back to coronavirus is directly related to the impacts of COVID-19 measured by the downturn in income or increase in expenses during the COVID-19 period. Eligibility for these funds is based on the business demonstrating a loss of income caused by the COVID-19-induced economic downturn, the impacts of COVID-19, and required improvements necessary for the business to prevent, prepare for, and respond to the disruption and impacts. Such improvements could include new equipment to protect employees from COVID-19 exposure or new software and professional assistance with expanded marketing and social media development.

An eligible applicant is:

- an existing business legally operating, with any required local business license, insurance, permits per local, state and federal requirements, that was operating in 2019 prior to the COVID-19 period.
- a business leasing tenant space or owner occupied business in the service area.

The loan applicant must provide documentation that the proposed project will meet CDBG-CV eligibility criteria of national objective and public benefit per Sections 3.4 and 3.5. The loan applicant must provide documentation of meeting standard commercial underwriting criteria outlined in Section 6 of these guidelines as well as HUD CDBG mandated six underwriting standards described in Section 3.6. An eligible loan applicant must document compliance with all CDBG regulations listed in Section 3.7.

Specific ineligible loan applicants include:

- a business with an existing CDBG Business Assistance loan that has not been closed-out with the Department;
- a business operating a private “exclusive” recreational facility;
- non-profit businesses are not eligible under this program;

- a businesses or person(s) with unresolved state / federal tax liens;
- a business or person in bankruptcy process is not eligible until bankruptcy process is complete;
- a business without a COVID-19 nexus.
- a business that was not operating in 2019 prior to the COVID-19 period.

3.2 ELIGIBLE PROJECT COSTS

CDBG funds are non-discretionary and restricted to certain eligible costs. These eligible costs cover most costs associated with successful Business Assistance projects. CDBG funds are used for actual costs incurred; they ARE NOT to be used to pay for lost revenue. Specifically, CDBG-CV BA activity eligible costs are:

- operating capital and inventory;
- furniture fixtures and equipment (FF&E), with or without installation costs;
- project site improvements, new construction or rehabilitation of leased space or owned building;
- engineering and architectural plans and required permits or fees;
- purchase of manufacturing equipment (with or without installation costs);
- purchase of real property, when it provides positive cash flow for new jobs;
- relocation grants for persons displaced due to funding of the project;
- purchase of an existing business, including documented value of good will.

These eligible costs must be connected to the business's ability to meet an eligible CDBG national objective per section 3.4 of these guidelines. Lender will only use CDBG-CV loan funds to reimburse borrower for actual eligible / approved project costs.

3.3 INELIGIBLE PROJECT COSTS

CDBG funds are non-discretionary, limited to certain eligible costs described in Section 3.2 above, and there are also a number of ineligible costs. Some ineligible costs are:

- costs incurred prior to submittal of BA loan application and environmental review completion;
- costs associated with residential housing development, i.e. on mixed use project;
- costs associated with supporting "other" businesses the applicant owns;
- costs on a funded project NOT meeting a national objective;
- personal expenses such as cars, home repairs, not directly associated with the business;
- costs of paying off credit cards (personal);
- costs of paying off any personal debt not directly associated with business;
- providing CDBG loan as a revolving line of credit (LOC) is not eligible;
- cash payments of any kind made directly to the assisted business owner(s) (wages or draws) from loan proceeds;
- costs associated with a funded project when the owner(s) or business is found to be on federal debarred list;
- public infrastructure in support of the business;
- research and development costs for future production (speculative).

Once approved, loan funds cannot be shifted from one approved type of cost to another without formal written approval of Lender. If there is a substantial change in the project scope of work or underwriting, then the loan must be re-evaluated and re-approved by Lender, per state and federal regulations, prior to loan closing or disbursement of CDBG-CV funds.

3.4 MEETING NATIONAL OBJECTIVE STANDARDS

All eligible activities funded under this program must meet a CDBG “National Objective” as described in the Act, Section 104(b)(3), and federal regulations 24 CFR Part 570.483. Detail on documenting the meeting of national objective standard for a project is contained in Chapter 2 of the Department’s CDBG Grant Management Manual (GMM), and in the GMM’s Appendix D: CDBG Economic Development Manual, available at the HCD website. Projects not documented as meeting a national objective are an ineligible activity. Below is a general description of documenting how a BA project meets the national objective of benefit to low-moderate income (LMI) persons. The Lender will use Department-specific guidance for ensuring each eligible project funded is documented as meeting a national objective.

BA projects normally meet a national objective standard when they create jobs and provide over half, that is, at least fifty one percent (51%), of the new job positions are filled by LMI qualified persons. BA projects proposing to provide most of newly created jobs to LMI persons must agree to allow the Lender or Lender’s designated representative, to meet with each job applicant prior to hiring and complete a Department Self Certification of Income Form, see **Attachment C**. After all new hires are made, payrolls must be collected by the Lender and compared to the job applicant Income Certification forms to prove over half of all newly created job positions were provided to low-moderate income persons. This will prove the project’s job creation met the national objective of principally benefiting LMI persons and allow the Lender to close out the project with the Department and HUD. All documentation of national objective for jobs falls under Section 4.5 on confidentiality.

Some BA projects may require CDBG funding to retain jobs. In this case, CDBG loan funds will assist in keeping the business from closing or to avoid terminating some staff. This type of project must document that at the time of application, over half of existing employee positions to be eliminated are held by LMI persons. As such, the business must agree to allow the Lender or their designated representative to interview existing employees and help them complete the Department’s Self Certification of Income Form. The business must also provide financial documentation that if not for CDBG funding, the job positions will be lost and staff laid off. The business must also document that with the investment of CDBG funds, the business will continue operations and jobs can be retained. If approved and funded, the business employees must have Self-Certification of Income completed again, prior to Lender closing out the project. By verifying that, at the time of loan application and after loan disbursements, over half of the retained positions were LMI, then the project will have LMI national objective met and it can be closed out with the Department and HUD. All documentation of national objective for jobs falls under Section 4.5 on confidentiality.

A few BA projects may meet the LMI national objective by documenting that the BA loan applicant provides goods or services to the local community, and the business service area is primarily within the Lender's jurisdiction, and the service area is primarily residential, and the area is primarily occupied by low – moderate income persons. Thus the BA loan applicant must provide documentation of the business's service area. The Lender will use zoning maps to document the business's service area as primarily residential and located within the Program service area. The Lender will confirm the LMI status of the BA loan applicant's service area from American Communities Survey data, in accordance with HUD low - moderate area (LMA) benefit standard. Lender will require business to provide documentation of the goods or services they provide and justify the need for CDBG funds as part of providing goods and services. This documentation must be provided prior to loan approval. After expenditure of CDBG loan funds and documentation that the business continues to provide goods and services, then the project can be closed out with the Department and HUD. LMA national objective standard guidance is provided on Department's GMM Chapter 2 and Appendix D webpages.

3.5 MEETING PUBLIC BENEFIT STANDARDS

All eligible project activities funded under this program must meet a minimum CDBG "Public Benefit Standard" as described in the Act, section 104(b)(17) and federal regulations; 24 CFR Part 570.483(f)(g). Public Benefit is provided by the BA loan recipient in return for use of subsidized federal funds, and provides a funding limit or "cap". Meeting Public Benefit Standard is very different than meeting National Objective Standard and should not be confused. Lender will use detailed guidance on meeting Public Benefit Standards provided in Department's GMM Chapter 2 and Appendix D webpages.

The purpose of this Special Economic Development Activity loan program is to respond to the disruption and impacts of the coronavirus pandemic by providing flexible financing to for-profit businesses. Loan activities implemented through this program are designed to meet the Community Development Block Grant National Objective of Public Benefit to low-moderate income persons.

The CDBG Special Economic Development Standards require that,

Loans will be made to businesses that have less than 25 FTE's prior to March 2020. Eligible use of funds includes operating expenses and working capital; furniture, fixtures, and equipment that support operational needs that address COVID-19 requirements for opening and operating; and capital improvements required to address COVID-19 related impacts.

Public Benefit will be measured by providing jobs to low-moderate income persons. This Low Mod Jobs (LMJ) activity is one which creates or retains permanent jobs, at least 51% of which, on a full-time basis equivalent, are either held by low-moderate income persons or considered to be available to low-moderate income persons. The program will utilize the revised individual

standard (24 CFR 570.209(b)(3) and (4) which requires the activity must create or retain at least one full time permanent job per \$85,000 of CDBG-CV funds invested.

In order to meet the LMJ requirement, businesses proposing to retain or create jobs for LMI persons must agree to allow the program consultant to meet with each job applicant prior to hiring or returning to work and complete a Self-Certification of Income Form. Payrolls must be collected and compared before and after the loan closing to prove over half of the job positions are provided to low-moderate income persons. This will prove the project's job retention or job creation met the national objective of principally benefiting LMI persons.

CDBG public benefit requirements of the program will be disclosed by the Lender at the start of the application process. Lender will use financial underwriting to identify the need for BA loan subsidies and determine reasonable public benefit that will be generated from the project, i.e. the number of jobs created from proposed project. Projects with small amounts of public benefit may be required to bring in other sources of funding because of CDBG funding limits imposed by this standard.

3.6 MEETING SIX UNDERWRITING STANDARDS

In addition to documenting that the project meets CDBG public benefit standard, the project must also be documented as meeting six HUD underwriting standards, per federal regulation 24 CFR Part 570.483(e). These underwriting standards are required to document a minimum "due diligence" of the Lender and ensure projects are financially sound enough to meet public benefit and national objective standards, i.e. create new or retain existing job positions. The six HUD underwriting standards are general, qualitative, and are supported by commercial underwriting standards in Section 6 of these guidelines. See Department GMM, Appendix D, webpages for detailed guidance on compliance with each of the six HUD underwriting standards.

The six HUD Underwriting Standards are:

- project costs are documented as reasonable (typically, third party cost estimates);
- all sources of funding for the project are documented with final commitments;
- to the extent practicable, CDBG funds are not substituted for private (non-federal) funds;
- documentation that project is financially feasible (based on cash flow projections to support jobs and debt service, etc.);
- to the extent practicable, the return of the owner's equity investment is not unreasonable (based on level of equity and proposed CDBG loan terms);
- to the extent practicable, CDBG funds are disbursed on a pro-rata basis with other financing provided for the project.

3.7 MEETING OTHER FEDERAL REGULATORY REQUIREMENTS

Since these CDBG-CV BA loans are from a federal funding source, there are a number of federal laws and requirements that are triggered by their use. The Lender and Administrator will require BA loan applicants to provide project information, which allows them to make a determination of required project compliance. BA applicants are required to sign loan

disclosures and work with Lender to ensure each project is in compliance with any of the triggered applicable regulations listed below.

National Environmental Policy Act (NEPA): Every project funded under the Program must be reviewed under HUD NEPA regulations 24 CFR Part 58, and the Lender must sign and certify an Environmental Review Record (ERR) for each project prior to approval or disbursement of loan funds. The Lender is required to sign and certify the correct NEPA ERR, per current Environmental Review Requirements Chapter of Department's Grant Management Manual (GMM), along with any state review under California's Environmental Quality Act (CEQA).

The ERR level of review is based on the project's "aggregated" scope of work, which includes all proposed project funding. Any construction or equipment installation proposed will require more review work on the ERR. The ERR will be done early in application process, as soon as the project is deemed eligible and scope of work is finalized. No costs will be charged to the Borrower for this process. Applicants must sign Department certification form that no "choice limiting action" under NEPA regulations has or will take place. The form is included in **Attachment C**.

Prevailing Wage Compliance: If a project proposes to use CDBG funds to pay costs for any construction, then federal and state labor standards compliance must be documented. Davis-Bacon Act (40 USC 276a - 276a-5) and related laws are "triggered" when any CDBG funding is used to pay for any project construction costs. Lender will follow Department guidance in current Labor Standards Chapter of the GMM for prevailing wage compliance on funded projects.

Due to prevailing wage requirements, additional labor costs will be added to projects proposing to use CDBG to pay for new construction, rehabilitation, or equipment installation. The Administrator and Lender will work with loan applicants to ensure project compliance. The additional time and work required by prevailing wage regulations will be disclosed to the borrower as soon as possible. Any additional costs resulting from this regulation will be incorporated into the CDBG loan approval.

Acquisition and Relocation Laws: All BA applicants proposing to use CDBG funds for purchase of real property must comply with 49 CFR Part 24 Acquisition laws. Lender will provide required Seller Disclosure for execution as part of meeting this requirement.

All BA applicants proposing projects which trigger relocation compliance i.e. result in displacement of persons per Uniform Relocation Act (URA), must work with Lender to ensure compliance with this law. Additional costs associated with relocation compliance will be disclosed to the applicant prior to CDBG loan approval and included in project loan approval.

Required Prohibition of Job Pirating Certification: All BA applicants must sign a Certification of No Job Pirating. Job pirating is prohibited per CDBG federal regulation 24CFR 570.482

(h). Job pirating is defined as using CDBG public funds to facilitate the moving of a business and associated jobs from one jurisdiction to another (business attraction). As such, CDBG federal funds cannot be used to attract / subsidize a business to move from one labor market area to another or keep a business from moving out of a labor market by making a retention argument. Lender will require all applicants to sign a non- job pirating certification form (see **Attachment C**). Any questions regarding possible job pirating will be submitted to the Department for final determination.

Conflict of Interest Certification: BA loan applicants will sign a Certification of No Conflict of Interest. In accordance state and federal regulations, no member of the governing body and no official, employee, or agent of the local government, nor any other person who exercises policy or decision-making responsibilities (including members of the loan committee and officers, employees, and agents of the loan committee, the administrative agent, contractors and similar agencies) in connection with the planning and implementation of the CDBG BA program shall directly or indirectly be eligible for this program. Lender will require all applicants to sign a non- conflict of interest certification, **Attachment C**. Any questions regarding possible federal conflict of interest will be submitted to the Department for final determination. Any questions about state conflict of interest laws will be referred to Lender's legal council for final determination.

Required SAM Unique Entity Identifier , federal debarred verification and demographic data: All BA program applicants must obtain a Unique Entity Identifier generated by SAM.gov if they do not already have one. On April 4, 2022, the unique entity identifier used across the federal government changed from the DUNS Number (Date Universal Numbering System) to the Unique Entity ID (UEI), generated by SAM.gov. The UEI is a 12-character alphanumeric ID assigned to an entity by SAM.gov. The UEI is free and can be obtained online. In addition, prior to loan approval, the Lender will document that the business being assisted and all owners and affiliated businesses are verified as NOT on the federal debarred contractors list. HUD also requires that the Department and the Lender collect certain income and demographic data from the business and any beneficiaries of CDBG funds.

Required Benefit to Citizens of the Jurisdiction: Applicant must work with Lender to document that substantial benefit to residents in the Program service area is obtained. This requirement does not apply to job retention. For projects proposing to document providing goods or services, the service area of the business must be within the jurisdictional limits.

4.0 LOAN PROCESSING AND APPROVAL

4.1 FAIR LENDING COMPLIANCE

The Program will be implemented in ways consistent with the Lender's commitment to fair lending laws. No person or business shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with Program funds on the basis of his or her religion or religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status (number or ages of

children), physical or mental disability, sexual orientation, or other arbitrary cause. All personal information of loan applicants will be kept confidential, per Section 4.4.

4.2 LOAN APPLICATION PROCESSING

Loan applications will be processed on a first come, first served basis. The Program Operator will accept loan applications and review them for initial eligibility per Section 6.1. Applicants that do not meet basic CDBG requirements of the program will be sent a letter of explanation. All BA applications received will be kept on file to document fair lending standards. Applicants that meet basic eligibility requirements will be contacted for a site visit and collection of additional information.

Loan files will be set up as applications are received and compliance information gathered. The business will be required to provide accurate financials for past, current and future projection of the business operations. All owners will have credit checks conducted as part of loan underwriting per Section 6.0. The Program Operator may provide sample financial Excel forms (balance / cash flow sheets, profit and loss, personal financial statements, and proforma) but in no instance will the Program Operator's or Lender's staff generate financial numbers for an applicant. The applicant may be referred to local business support organizations to assist applicants in producing proper financial statements, developing a business plan, conducting a market study or developing industry accounting practices.

Loan applicants are responsible for providing accurate and timely information to the Program Operator as part of the loan process. Applicants may be required to:

- disclose all business owners with twenty percent or more ownership;
- disclose all other businesses the owners have an ownership interest of twenty percent (20%) or more;
- provide current personal financial statements for each owner;
- provide duplication of benefits information;
- disclose sources of collateral and security;
- provide business historic financial information, including year to date;
- disclose sources of cash for any equity investment proposed;
- provide third party documentation of eligible project costs;
- provide market study or document basis of future sales projections;
- provide management capacity documentation for ability to execute;
- provide necessary information to clear federal overlays in Section 3.7;
- provide proof of COVID-19 nexus;
- provide proof that business was operating in 2019 prior to the COVID-19 period.

If the loan applicant does not provide required information and documentation to the Program Operator in a timely fashion, then there will be delays in the loan approval process.

Once the Program Operator has compiled a complete loan file with all the credit, financial, and underwriting information needed to show loan is eligible under these guidelines, then a loan approval memo will be drafted by the Program Operator. The memo will be submitted to Lender for approval. Once approved, the Program Operator and Lender will submit a

Project Set-Up report to Department and craft loan documents for signing at closing with the Borrower.

4.3 DUPLICATION OF BENEFITS PROCESS

A CDBG-CV grantee is required to develop and maintain adequate procedures to prevent a duplication of benefits that address (individually or collectively) each activity or program. A grantee's policies and procedures are not adequate unless they include, at a minimum: (1) a requirement that any person or entity receiving CDBG-CV assistance must agree to repay assistance that is determined to be duplicative; and (2) a method of assessing whether the use of CDBG-CV funds will duplicate financial assistance that is already received or is likely to be received by acting reasonably by evaluating need and the resources available to meet that need. It is the intent of the section below to present the Lender policy to uphold, enforce and document conformance with the duplication of benefits requirements which cover use of its CDBG-CV funds when providing business assistance loan funding, in compliance with Federal Register Notice FR-6218-N-01-CDBG-CV.

All applications to the Business Assistance Loan Program are required to complete a Duplication of Benefits Affidavit as part of the application process. This affidavit acknowledges the Lender's requirement that any person or entity receiving CDBG-CV assistance must agree to repay assistance that is determined to be duplicative.

To meet HUD's requirements, the Lender has developed a method of assessing whether the use of CDBG-CV funds will duplicate financial assistance that is already received or is likely to be received by acting reasonably in evaluating need and the resources available to meet that need.

This assessment process is as follows:

1. Upon receipt of the completed application packet, Program Operator and/or Lender reviews the Duplication of Benefits Affidavit to determine if the applicant has reported receiving any potentially duplicative assistance.
2. If so, the Lender may request additional information from the applicant, including:
 - a. Dates funds were received
 - b. Specific uses of funds received, including receipts and dates as appropriate.
3. Based on a review of this information, the Program Operator and/or Lender may:
 - a. Determine that there is no duplication and proceed with consideration of the application for the full amount requested.
 - b. Determine that there is a partial duplication and proceed with consideration of the application for an amount that reduces the request by the DOB amount
 - i. Amount Requested – Amount of DOB = Eligible Amount
 - c. Determine that there is a complete duplication and deny the application
4. In the event that an application moves forward and is approved, in whole or in part, the applicant will be required to sign a Subrogation Agreement to address concerns

around the potential for future duplication (for example a PPP application was made, and was not denied but the applicant has not heard back).

5. In the event that an application is approved in part, the City will also include in the funding documents specific information around what the funds may be spent on so as to avoid duplication of benefits.
6. City will require all successful applicants to provide documentation as to how funds are actually expended, and will review this documentation to ensure no duplication has taken place.

All application documents, including the Affidavit and Subrogation Agreement, shall be retained in compliance with HUD's record retention requirements.

4.4 PROGRAM LOAN APPROVAL PROCESS

Program loans are presented by the Program Operator to Lender's Loan Advisory Committee (LAC) for review and recommendations for approval or rejection. The LAC's recommendations are forwarded to the City of Fort Bragg City Manager for final approval or rejection.

The LAC will include the City of Fort Bragg Finance Director or designee; the City of Fort Bragg Community Development Director or designee, and up to three members of the community to be appointed by Lender staff.

LAC meetings will be scheduled by Lender staff in conjunction with Program Operator once a loan has been underwritten and is ready for review and approval. Committee members may request additional information and or attach contingencies on closing or funding of the loan. If the loan is approved by the City Manager, then the project can move forward with loan closing.

If Lender approval is not obtained, then the BA loan applicant can take dispute resolution actions, per Section 4.5 of these guidelines.

4.5 LOAN APPLICANT CONFIDENTIALITY

Program Operator or Lender or any persons involved in the loan process for this Program will not disclose any of applicant's business or personal confidential information as part of loan review and approval process. All confidential information of businesses will only be disclosed to persons required to view the information as part of loan review and approval. All personal and business confidential information of loan applicants will be kept in a locked secured storage facility and is not available to persons outside of the program. If the Lender or Program Operator or Department receives a formal public records request for a loan applicant file, then only non-confidential information as verified by legal counsel will be provided.

4.6 APPLICANT DISPUTE RESOLUTION/APPEALS PROCEDURE

Any business applying for assistance through this CDBG program has the right to appeal, if their application is denied. The appeal must be made in writing to the Program Operator or the Lender. The Lender will schedule a meeting for the appeal to be heard by the City

Manager. If the application is denied a second time, the applicant may ask to have their appeal presented to the Lender's governing body for a final decision.

4.7 EXCEPTIONS / SPECIAL CIRCUMSTANCES

Exceptions are defined as any action which would depart from policy and procedures stated in the guidelines. The Lender or Program Operator staff may initiate consideration of an exceptional/special circumstance to the policies in these guidelines as long as it does not violate CDBG federal / state requirements. A written analysis of the exception will be prepared and submitted with loan approval request. This analysis shall contain a narrative, including the Program Operator's recommended course of action and any written or verbal information supplied by the applicant. The loan approval shall be made after review and acceptance of the exceptional/special circumstances request.

4.8 LOAN CLOSING PROCESS

After Lender approval and submittal of BA Loan Certification and Project Set Up Report to Department, the Program Operator and Lender will prepare for the loan closing with Escrow Company. The Program Operator will prepare the loan closing documents, title and lien searches, and UCC-1 filings, if appropriate. Lender legal counsel will review all agreements and documents, as necessary.

The Borrower will sign all the necessary documents and agreements. The Lender will request reimbursement of eligible costs from the Department after Borrower has submitted documentation of eligible expenditures and Lender has paid for those costs.

5.0 DESCRIPTION OF LOANS

5.1 DETERMINATION OF LOAN AMOUNT

The Program has no minimum loan amount. The maximum loan amount is \$300,000.

Actual loan amounts will be based on the business's need for capital to conduct the proposed project's scope of work and meet public benefit standards. Most often the amount of CDBG funding is limited based on "gap" in project financing or ability of business to support new debt or pay for required jobs from business future cash flow projections or by the amount of collateral that the business can provide as security for the CDBG debt. If there are not sufficient CDBG funds for the project, then the Lender or Program Operator may assist in finding other project funding.

5.2 DETERMINATION OF LOAN TERM

The BA loan term is tied directly to what project costs CDBG funds and what security is being pledged for the loan. If a business only wants operating capital then the term of the loan is normally five years. If a business wants to pay for equipment and supplies, then the term of the loan can be extended out to 10 years. If the loan is for real property improvements and can be secured on real property, then the terms can be extended out to 20 or 30 years. A loan amortization term can be longer than the loan term, so an equipment loan may have a term of ten years but an amortization term of fifteen years, which will create

a lump sum payment at year ten. Forgivable loans will not be allowed. Program Operator will confirm that the proper term is given based on the use of the CDBG funds and loan security / collateral being provided.

5.3 DETERMINATION OF LOAN INTEREST RATE

Loan interest rates will start with one percent (1%). This rate will be increased if the investment of CDBG funds at the one percent level causes the business to have an excessive profit or return on investment (ROI). See HUD underwriting standards discussion of undue enrichment on Department's GMM Appendix D webpages for direction on how the interest rate should be calculated to comply with this standard. By allowing the interest rate to move and not be fixed, the Lender can best tailor the loans under this program to meet the cash flow needs of different businesses in the community and ensure public benefit and national objective standards are met.

5.4 LOAN PROCESSING FEES

The CDBG program provides administration funds to pay for all loan processing and servicing costs. No direct loan fees will be charged to the borrower. Also, there is no pre-payment penalty on the loans under this Program.

6.0 LOAN UNDERWRITING STANDARDS

6.1 INITIAL LOAN EVALUATION

Each project / business will be evaluated based on the how it has performed in the past and on its future financial forecasts. Specifically, the following questions will be asked upon receipt of a loan application:

- Is business an eligible applicant, per Section 3.1?
- Are the proposed project costs eligible, per Section 3.2 & 3.3?
- Will project meet a CDBG national objective, per Section 3.4?
- Will business meet public benefit jobs required in Section 3.5?
- Does project appear to meet the six HUD underwriting standards, per Section 3.6?
- Are federal overlays triggered that will adversely impact project development?
- Are the business and all owners credit worthy?
- Does the business and owner(s) pay bills on time, collect on time?
- Does owner have a detailed "business plan"?
- Does owner have documented market demand for projected sales?
- Does owner have management capacity to operate the business?
- Does owner have financial accounting capacity to operate the business?
- Is the owner contributing a reasonable amount of equity?
- Is the owner able to get conventional bank financing, if not, why not?
- Was the business financially viable in the past (net income covers debt)?
- Are there reasonable financial assumptions for future viability/success?
- Is there enough collateral available to secure the proposed loan?
- Is the owner's personal financial status stable?

- Is there a COVID-19 nexus?
- Was the business operating in 2019 prior to the COVID-19 period?

By collecting enough initial application information to answer the above list of questions, the Program Operator will have a good sense of how strong a borrower is, and how successful they will be, if assisted with a CDBG loan. Most of this information is collected on the loan application form and verified verbally at the initial site visit with the owner. By meeting the borrower and asking these questions the Program Operator will know what additional information/documentation needs to be collected to provide a clear picture of how CDBG funds can be used to assist the BA loan applicant. These questions demonstrate the need for CDBG funds and business eligibility.

After the initial review, the Program Operator will collect the proper information required for loan underwriting. The required documentation is listed in the CDBG underwriting guidance document provided in Department's GMM Appendix D webpages. At this same time, Program Operator and Lender will begin regulatory compliance documentation, per Section 3.5. The amount of documentation and detailed underwriting is based on size of the loan and type of business (existing or start up) and what LMI national objective is used. Additional documentation may be required for a business with special circumstances.

6.2 PERSONAL AND BUSINESS CREDIT REQUIREMENTS

Each applicant will have third party credit reports obtained showing credit scores and payment history. Credit reports will be reviewed for all owners and their spouses with twenty percent (20%) or more interest in the business. If a personal credit reporting service provides low credit scores or shows poor credit history, applicants must provide a written explanation and justification for allowing the loan to go forward.

A Dunn and Bradstreet report, if available, will also be reviewed for the primary applicant business and all associated businesses of the owners (20% or more ownership). If it is not available, the Program Operator will call vendors or suppliers of the business to inquire as to the business payment history. This same narrative process will be used for the business credit reports to demonstrate the good standing or poor standing of the business being evaluated, when no third party business credit report is available.

6.3 PERSONAL AND BUSINESS FINANCIAL INFORMATION

Personal financial statements will be required for each person who owns 20% or more of the business. Financial statements need to show all assets and liabilities of the person. In addition to these statements, federal tax returns for owners and the business for the past three years are needed to give a historic perspective of income.

For the business fiscal year, historic as well as current year-to-date financial statements will be required. Historic financials will consist of past three year's, or longer, to include the period before COVID-19, balance sheets, income statements, and cash flow statements. In addition, full current year to date financial statements will be required. These statements should be put together by the person responsible for doing the bookkeeping and financial

management for the business. The past three years tax returns must also be provided to support the financial statements provided. Based on the financial statements, the Lender / Program Operator can develop ratios for debt service and payment history, etc.

The business will also need to provide future projected financials. These will consist of pro formas showing projected revenue and costs for the business on a monthly basis for each fiscal year for a minimum of three years from application date. Start-ups may need to provide up to five years of projection statements to show “break even” point of business. Two sets of pro formas need to be completed: one showing the business projections with CDBG financing; and a second set showing the business with conventional financing. This will provide evidence of the benefit / increased profit the business is receiving by using the more affordable CDBG loan. These pro formas must also show the increased costs to the business from adding the new job positions and the CDBG debt service.

A project sources and uses form must be provided to show all funding required for completing all project activities. This form will show the owner’s equity as well as private bank financing and any other investments from other sources. The sources and uses form gives a clear idea of what costs the CDBG loan will cover and its information must be reflected in the pro formas as described above.

Using the information in these financial documents, along with any back up documentation required, will allow the Program Operator to do the project’s underwriting analysis. This analysis will include both the conventional lending underwriting and HUD required underwriting. This analysis will be provided to the Loan Advisory Committee and City Manager for use in the loan approval process.

6.4 COLLATERAL REQUIREMENTS

All loans under this program will be collateralized using normal commercial lending standards. Collateral coverage will be assessed based on assets available as security and the level at which they are already liened. CDBG funding is typically in a subordinate position to banks and other lenders.

It is the goal of the Program to get the best lien position possible to ensure loan repayments.

Types of collateral may include:

- Secured liens on real property,
- UCC liens on machinery, equipment, or other fixtures,
- Lease assignments, as appropriate,
- Personal and corporate guarantees, as appropriate, and
- Life insurance assignment and other collateral, as appropriate.

Appraisal of assets may be required as part of determining how to obtain the best lien positions for the CDBG loan. Combined loan to value ratio on collateral for the typical CDBG loan should not exceed ninety percent (90%). Equipment and inventory secured should be properly discounted to reflect actual resale value when doing loan to value calculations.

6.5 BUSINESS EXPERIENCE AND MANAGEMENT CAPACITY

The BA loan applicant will provide resumes and management histories to show the experience of business owners and their management staff in successful operation of the existing business or something comparable. Existing businesses proposing to use CDBG BA funds to create jobs must have at least an updated business plan if not a new plan.

For BA loan applicants proposing to use CDBG funds for a non-operational start-up businesses; or for applicants that wish to use CDBG funds to purchase an existing business; or for applicants that wish to use CDBG funds for job retention (to keep the business from closing), a comprehensive business plan will be required. The comprehensive business plan will include a detailed analysis of what management capacity is need for the business to be successful and identify resources that the business will utilize to meet the identified capacity needs.

7.0 LOAN SERVICING

7.1 LOAN SERVICING RESPONSIBILITIES

Borrower will be provided loan servicing information from the Lender. The Lender will retain all original project files within locked storage. Original legal documents will be kept in locked fire proof filing system for future loan servicing. Lender will provide annual income tax interest statements to the borrower for their tax purposes.

BA loan repayments will be collected by Lender's loan servicing department:

Name: Finance Department
Agency: City of Fort Bragg
Address: 416 N Franklin Street
Phone Number: (707) 961-2825

All loan payment will be made directly to the Lender and deposited into current CDBG Program Income accounts. If payments are collected by a third party, all gross collected CDBG BA loan payments will be provided to the Lender on a monthly basis for deposit into the proper CDBG program income account.

The borrower may be required to provide the Lender / loan servicing agent with periodic financial statements of the business and proof of insurance annually. Upon reviewing the borrower's financial statements, the Lender may require the business to take actions that improve the business cash flows. Borrower may be required to meet with business development staff to assist in stabilizing or building capacity.

Borrower must disclose any sale of equipment or assets that are used as loan security by the Lender. The borrower may submit a written request to the Lender to change the CDBG loan terms, if the business is not able to fully service CDBG debt repayments or if they wish to pre-pay the loan by making one or more larger payments.

7.2 LOAN SERVICING POLICIES

The Lender has adopted a set of loan servicing policies that outline how the Lender or loan servicing agent will proceed if payments are late or no payments are received. The policies also outline how loan files will be set up and protected. A copy of these adopted loan servicing policies will be provided to each BA loan recipient at loan closing.

8.0 PROGRAM OVERSIGHT BY LENDER

8.1 OVERSIGHT OF PROGRAM ADMINISTRATOR

The Lender is ultimately the responsible entity for the CDBG-CV BA loan program. Lender will oversee the Program Operator and communicate with the loan applicants and borrowers as needed to explain CDBG compliance.

The Program Operator is responsible to the Lender and loan applicants to assure that the Program is implemented in compliance with these program guidelines and state and federal regulations. In addition, Program Operator will ensure loan applicant projects are underwritten in a timely and responsible manner. This includes working closely with BA loan applicants to ensure they provide accurate financial statements through documenting BA project compliance for project close-out with Department and HUD. Program Operator will review all loan documents with borrowers prior to loan closing.

ATTACHMENT A
GRANTEE'S EXECUTED RESOLUTION ADOPTING GUIDELINES

ATTACHMENT B
SAMPLE BUSINESS ASSISTANCE LOAN PROGRAM APPLICATION FORMS

City of Fort Bragg
SAMPLE BUSINESS LOAN APPLICATION

1. Applicant Name: _____
Name of Business: _____
Sole Proprietorship: _____ S Corporation: _____
Partnership: _____ C Corporation: _____
LLC/LLP: _____
Mailing Address: _____
Street Address: _____
Business Telephone: _____ **Email:** _____
Home Telephone: _____
Cell Phone: _____
Fax: _____

Project Address: _____

Federal Employer Identification Number: _____

Assessor's Parcel Number for Business and/or Project Site: _____

(Needed for ALL businesses no matter if renting or owning)

DUNS # _____ (see last page of application for instructions)

2. Loan Amount Requested: \$ _____

Uses of Funds:

Purchase of Real Estate	\$ _____
Purchase of Existing Business	_____
Furniture, Fixtures & Equipment	_____
Inventory	_____
Advertising & Promotion	_____
Operating Capital	_____
Other (specify)	_____

Construction Uses

Renovation/New Construction	_____
Leasehold Improvements	_____
Infrastructure (curbs, gutter, sidewalks, etc.)	_____

TOTAL \$ _____

3. Ownership

All owners of 20% or more of the applicant business are listed below:

Name _____
 Home Address _____
 City, State, Zip _____
 Phone _____
 Social Security # _____
 % of Ownership _____
 U.S. Citizen Yes _____ No _____

Name _____
 Home Address _____
 City, State, Zip _____
 Phone _____
 Social Security # _____
 % of Ownership _____
 U.S. Citizen Yes _____ No _____

For corporations, please list corporate officers, titles and who will be signing loan documents.

Name	Corporate Title	Signing Loan Documents (Yes or No)

(If additional space is needed, please use reverse side of this page.)

4. Have any of the persons listed above ever been charged with, or convicted of any criminal offenses, other than a minor motor vehicle violation?

Yes No

If yes, please explain:

5. Has the applicant or any person listed above been in receivership or filed bankruptcy?

Yes No

If yes, please explain:

- ___ 4. Current personal financial statements of principals. These must be dated no more than 90 days prior to the application. **(Attachment “C”)**
- ___ 5. Three (3) years of personal tax returns for the proprietor, partners, and stockholders with 20% or more ownership in the business.
- ___ 6. Start-up businesses must provide three (3) years of monthly income and expense projections. Existing businesses must provide two (2) years of monthly income and expense projections. Also, a detailed description of how the projections were determined is required. **(Attachment “D”)**
- ___ 7. All start-up businesses must provide a Business Plan.
- ___ 8. Business tax returns for the three (3) most recent years.
- ___ 9. Business financial statements for the applicant's three (3) most recent fiscal years, where applicable, and a current financial statement dated no more than 90 days prior to the application.
- ___ 10. Current Aging of Accounts Receivable and Accounts Payable.
- ___ 11. Copy of Business License, if applicable.
- ___ 12. Copy of all Corporate Filings or Partnership Agreements (in the case of Corporations – copies of Corporate Resolution authorizing the borrowing request).
- ___ 13. Breakdown of proposed cost with written estimates from contractors or suppliers. Purchase agreements, when applicable.
- ___ 14. Such non-financial information or supporting information necessary to substantiate the application, including, but not limited to: estimates, quotations, receipts, contracts, orders, invoices, leases, sales agreements, documentation from architects, engineers, contractors, suppliers, or others involved in the sale, lease, or construction of fixed assets, if any, for applicant's project including schedules of implementation.

Duplication of Benefits Affidavit

I/We, _____ affirm the following:

1. I/We is/are executing this Affidavit in connection with assistance that we are receiving to help us prevent, prepare for, or respond to the coronavirus by providing us with a small business assistance loan (“BALP”) for the purpose of avoiding job loss caused by business closures related to social distancing (“Need”) in the amount of _____ (“Amount of Assistance or Total Need”) from the City of Fort Bragg (“Organization”) through a program administered by the City of Fort Bragg with funding from the U.S. Department of Housing and Urban Development (the “Program”).
2. The Organization and I/We believe the **Amount of Assistance/Total Need** is _____
3. In addition, I/We have received or will receive the following amounts and types of assistance from the sources listed below (“Duplicative Assistance”):

(a) Source of Funds #1

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan	<input type="checkbox"/> Government Grant	<input type="checkbox"/> Government Forgivable Loan
<input type="checkbox"/> Nonprofit Grant	<input type="checkbox"/> Nonprofit Loan	<input type="checkbox"/> Nonprofit Forgivable Loan
<input type="checkbox"/> Private Loan	<input type="checkbox"/> Other: _____	

(b) Source of Funds #2

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan	<input type="checkbox"/> Government Grant	<input type="checkbox"/> Government Forgivable Loan
<input type="checkbox"/> Nonprofit Grant	<input type="checkbox"/> Nonprofit Loan	<input type="checkbox"/> Nonprofit Forgivable Loan
<input type="checkbox"/> Private Loan	<input type="checkbox"/> Other: _____	

(c) Source of Funds #3

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan	<input type="checkbox"/> Government Grant	<input type="checkbox"/> Government Forgivable Loan
<input type="checkbox"/> Nonprofit Grant	<input type="checkbox"/> Nonprofit Loan	<input type="checkbox"/> Nonprofit Forgivable Loan
<input type="checkbox"/> Private Loan	<input type="checkbox"/> Other: _____	

(d) Source of Funds #4

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan	<input type="checkbox"/> Government Grant	<input type="checkbox"/> Government Forgivable Loan
<input type="checkbox"/> Nonprofit Grant	<input type="checkbox"/> Nonprofit Loan	<input type="checkbox"/> Nonprofit Forgivable Loan
<input type="checkbox"/> Private Loan	<input type="checkbox"/> Other: _____	

(e) Source of Funds #5

Lender/Grant Provider Name		
Purpose		
Amount		

<input type="checkbox"/> Government Loan	<input type="checkbox"/> Government Grant	<input type="checkbox"/> Government Forgivable Loan
<input type="checkbox"/> Nonprofit Grant	<input type="checkbox"/> Nonprofit Loan	<input type="checkbox"/> Nonprofit Forgivable Loan
<input type="checkbox"/> Private Loan	<input type="checkbox"/> Other: _____	

4. Total Unmet Need (2- (3(a) + 3(b) + 3(c) + 3(d) + 3(e))) \$ _____.
5. I/We have received no other assistance funds for the Need listed in Paragraph 1 other than that set forth above in paragraph 3.
6. Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155), as amended by section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115–2 254; 132 Stat. 3442). prohibits federal agencies from providing assistance to any person for “any part of such loss” as to which he has received financial assistance under any other program or from insurance or any other source (such as, FEMA, SBA, the Red Cross, the City, business owner’s Insurance, etc.).
7. I/We understand that the amount of assistance received by I/We from City of Fort Bragg must be reduced by the amount of Duplicative Assistance received or that will be received for the Need, from other sources (such as, FEMA, SBA, the Red Cross, the City homeowner’s insurance, etc.) for the same purpose.
8. Therefore, I/We understand that if I/We receive assistance from a source other than the City of Fort Bragg (such as, FEMA, SBA, the Red Cross, the City, homeowner’s insurance, etc.) for the Need for the same purpose, I/We must repay the assistance received from the City of Fort Bragg.
9. I/We certify under State and Federal penalties for perjury and fraud that the information provided above is true and accurate and acknowledge that repayment of all assistance received by Me/Us from the City of Fort Bragg, payment of fines and/or imprisonment may be required in the event that I/We provide false, incomplete or misleading information in this Affidavit or during the rest of this process. **By executing this Affidavit, Applicant(s) acknowledge and understand that Title 18 United States Code Section 1001: (1) makes it a violation of federal law for a person to knowingly and willfully (a) falsify, conceal, or cover up a material fact; (b) make any materially false, fictitious, or fraudulent statement or representation; OR (c) make or use any false writing or document knowing it contains a materially false, fictitious, or fraudulent statement or representation, to any branch of the United States Government; and (2) requires a fine, imprisonment for not more than five (5) years, or both, which may be ruled a felony, for any violation of such Section.**

Participant _____

Signature of Participant _____ Date _____

Participant _____

Signature of Participant _____ Date _____

APPLICANT'S CERTIFICATION/AUTHORIZATION

I/We certify that all information in this application and all information furnished in support of this application are true and complete to the best of my/our knowledge and belief.

I/We authorize the lending agency to verify all information furnished in connection with the loan application. The information that may be verified includes, but is not limited to, the following: employment, pensions, mortgages, deposits, and any other income; personal or business loans; insurance; and further, to obtain a credit report.

I/We also authorize the lending agency to disclose any financial information on income tax returns or on my personal or business financial statements, for the purpose of obtaining a loan on my behalf. I understand the information would be made available to loan committee members and other lenders that may be involved in the funding of my loan request.

I/We also acknowledge that this is an application for public funds and, therefore, the information provided may be made available for review.

I/We acknowledge that there is a \$250.00 non-refundable application fee due at the time this application is submitted, and that there is a closing fee of 1.5% of the total loan amount.

Signature

Date

Signature

Date

ATTACHMENT "A"

RESUME OF

Note: This form is not required if another format is provided in its place.

EMPLOYMENT HISTORY (most recent first):

Dates Employed - From: _____ To: _____

Name of Company: _____

Address: _____

Position and Responsibilities: _____

Dates Employed - From: _____ To: _____

Name of Company: _____

Address: _____

Position and Responsibilities: _____

EDUCATION:

Dates Enrolled: From: _____ To: _____

Name of School: _____

Address: _____

Degree Received: _____ Date Graduated: _____

Dates Enrolled: From: _____ To: _____

Name of School: _____

Address: _____

Degree Received: _____ Date Graduated: _____

OTHER RELATED TRAINING OR EXPERIENCE:

References will be furnished upon request.

Signature: _____ Date: _____

ATTACHMENT "B"

BUSINESS INDEBTEDNESS: Furnish the following information on **all** business debts owed -- **vendors, credit cards, payroll taxes, income taxes, sales tax, contracts, notes, and mortgages.** (Current balances should agree with the latest balance sheet submitted.) Use reverse side or another sheet to list additional information.

To Whom Payable	Original Amount	Original Date	Present Balance	Rate of Interest	Maturity Date	Monthly Payment	Security	Current = C Past Due = P

AFFIDAVIT OF CURRENT TAX STATUS

I hereby certify that any and all of the applicable real property taxes, personal property taxes, Federal & State income taxes, Federal and State payroll withholding taxes, State Sales Tax, insurance premiums, and any other assessment or public charges are current.

Business Owner / Applicant

Date



ATTACHMENT "C"
PERSONAL FINANCIAL STATEMENT

OMB APPROVAL NO. 3245-0188
EXPIRATION DATE:11/30/2004

U.S. SMALL BUSINESS ADMINISTRATION

As of _____, _____

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock, or (4) any person or entity providing a guaranty on the loan.

Name Business Phone _____

Residence Address Residence Phone _____

City, State, & Zip Code _____

Business Name of Applicant/Borrower _____

ASSETS	(Omit Cents)	LIABILITIES	(Omit Cents)
Cash on hand & in Banks	\$ _____	Accounts Payable.....	\$ _____
Savings Accounts.....	\$ _____	Notes Payable to Banks and Others	\$ _____
IRA or Other Retirement Account	\$ _____	(Describe in Section 2)	
Accounts & Notes Receivable	\$ _____	Installment Account (Auto)	\$ _____
Life Insurance-Cash Surrender Value Only	\$ _____	Mo. Payments _____	
(Complete Section 8)		Installment Account (Other).....	\$ _____
Stocks and Bonds	\$ _____	Mo. Payments _____	
(Describe in Section 3)		Loan on Life Insurance.....	\$ _____
Real Estate	\$ _____	Mortgages on Real Estate	\$ _____
(Describe in Section 4)		(Describe in Section 4)	
Automobile-Present Value	\$ _____	Unpaid Taxes	\$ _____
Other Personal Property	\$ _____	(Describe in Section 6)	
(Describe in Section 5)		Other Liabilities	\$ _____
Other Assets	\$ _____	(Describe in Section 7)	
(Describe in Section 5)		Total Liabilities	\$ _____
Total \$ _____		Net Worth	\$ _____
		Total \$ _____	

Section 1. Source of Income		Contingent Liabilities	
Salary	\$ _____	As Endorser or Co-Maker	\$ _____
Net Investment Income	\$ _____	Legal Claims & Judgments	\$ _____
Real Estate Income	\$ _____	Provision for Federal Income Tax	\$ _____
Other Income (Describe below)*	\$ _____	Other Special Debt	\$ _____

Description of Other Income in Section 1.

*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly,etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed).					
Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value
Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)					
	Property A	Property B	Property C		
Type of Property					
Address					
Assessor Parcel Number (APN)					
Date Purchased					
Original Cost					
Present Market Value					
Name & Address of Mortgage Holder					
Mortgage Account Number					
Mortgage Balance					
Amount of Payment per Month/Year					
Status of Mortgage					
Section 5. Other Personal Property and Other Assets. (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency)					
Section 6. Unpaid Taxes. (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)					
Section 7. Other Liabilities. (Describe in detail.)					
Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies - name of insurance company and beneficiaries)					
I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).					
Signature:		Date:	Social Security Number:		
Signature:		Date:	Social Security Number:		
PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance Officer, Paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. PLEASE DO NOT SEND FORMS TO OMB.					

This form was electronically produced by Elite Federal Forms, Inc.

ATTACHMENT "D" INCOME AND EXPENSE PROJECTIONS

Instructions

This is a worksheet designed to help determine monthly projected business income and expenses for a twelve month period. This will also help assess the feasibility of a project by determining if the projected income will cover the projected expenses, including owners draw and loan payments. This is just a worksheet, so fill it out in pencil. You will be making a lot of changes to it.

MONTHS: Fill in the month you anticipate opening your business, or start with "Month #1".

TOTAL SALES: All income from the sale of products or services for the month.

COST OF GOODS SOLD: Direct cost of the products sold. (Example: for a restaurant, the cost of goods sold is the food; for a clothing store, the clothing; for the manufacturing of tables, the cost of the wood, metal, varnish.) Service businesses do not have a cost of goods sold.

GROSS PROFIT: Subtract the **Cost of Goods Sold** from the **Total Sales** to determine the **Gross Profit**.

OPERATING EXPENSES: Listed here are some examples of monthly expenses. You may have some additional or different expenses that are specific to your business, just write them in.

TOTAL OPERATING EXPENSES: Add up all **Operating Expenses** for the month.

NET PROFIT: Subtract the **Total Operating Expenses** from the **Gross Profit**.

OWNER'S DRAW: This is the money the business owner will draw from the business for personal living expenses. When there is another monthly source of income, owner's draw may not apply. If the business owner will be paying personal living expenses from the business sales, owners draw will need to be determined. There is no owners draw under a corporate legal structure; all wages should be shown in the wages and payroll line items.

AVAILABLE FOR LOAN PAYMENT: Subtract **Owner's Draw** from **Net Profit**.

LOAN PAYMENT: This is the monthly payment of principal and interest based on the amount of the loan needed. This amount can be obtained from the Financial Consultant.

MARGIN: Subtract the **Loan Payment** from the **Available for Loan Payment**. This is the projected amount left after all expenses have been paid. If the **Loan Payment** amount is larger than the **Available for Loan Payment**, you are losing money at the end of the month.

ATTACHMENT "D" INCOME AND EXPENSE PROJECTIONS WORKSHEET

MONTHS													TOTAL
Total Sales													
Less Cost of Goods Sold													
Gross Profit													
OPERATING EXPENSES													
Accounting													
Advertising													
Auto & Vehicles													
Freight/Postage													
Insurance													
Leases (Equipment)													
Office Expenses													
Rent													
Repairs & Maintenance													
Supplies													
Taxes (Sales)													
Travel and Entertainment													
Utilities/Telephone													
Wages & Payroll Taxes													
Other													
TOTAL OPERATING EXPENSES													
Net Profit													
Owner's Draw (not for corps)													
Available for Loan Payment													
Loan Payments													
MARGIN													

AUTHORIZATION AND RELEASE FOR CREDIT REPORT

Dear Requestor:

Prior to a credit report request, you must understand the following:

- 1) Access to your credit file is limited to yourself and your agents acting on your behalf.
- 2) Your consent in writing is required before a report may be provided.
- 3) You are entitled to a copy of the credit report and a copy of the FTC's "Consumer Rights Notice".

Based on the above information, I hereby authorize (**Consultant**) to obtain my credit report for the purposes of **applying for a business loan**.

PLEASE PRINT THE BELOW INFORMATION NEATLY

Applicant

Name: _____
(Full name including Jr., Sr., etc.)

SSN#: _____

Date of Birth: _____

Address: _____

City, State, Zip: _____

Previous Address: _____

City, State, Zip: _____

Signature

Spouse/Partner

Name: _____
(Full name including Jr., Sr., etc.)

SSN#: _____

Date of Birth: _____

Address: _____

City, State, Zip: _____

Previous Address: _____

City, State, Zip: _____

Signature

How to Get a DUNS

Please follow the below steps and read the attached document to assist you with your new D-U-N-S Number request:

1. Click or copy the following link to your browser <http://fedgov.dnb.com/webform>
2. Click on “Begin D-U-N-S Search / Request Process” at the top of the left hand tool bar
3. In the “Search” screen select “United States of America” (It will be at the top of the list) from the drop down list and click “Continue”
4. In the “iUpdate – Webform Page” click on “Continue to iUpdate” arrow at the bottom of the screen
5. In iUpdate, locate the center box titled “Find DUNS or Request new DUNS” and click on the “Start Now” button
6. Read the attachment “Step-by-Step Process for Customers” document. This will assist you in the process.
7. You must first make sure we do not already have your company on file. In the “Company Look-up” screen, please enter your Business Name, City and State and click the “Search” button.
 - A. Utilize the attached “Step-by-Step Process for Customers” document to assist you through the process
8. If you do not locate your company, click on the “Request a D-U-N-S Number” arrow at the bottom of the screen
9. You will now be in the New D-U-N-S Registration Process. Two **IMPORTANT NOTES**
 - A. This **PERSONAL** information is required at this step to validate your **PERSONAL** identity and eliminate fraudulent activity. **Do not** enter your **company address** as your registration will **fail**.
 - B. Please ensure you see the ReCaptcha box at the bottom of the screen (see below screen shot) If you do not have the ReCaptcha box, you will need to return to Step 8. When you get the box “Do you want to view only the webpage content that was delivered securely?” Click the “No” button.



10. Now complete the process.
11. Once you have completed the entire process, you will receive a confirmation email. It will take **24 to 48 hours to receive your D-U-N-S Number**, which you will receive via email for your records.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

DIVISION OF FEDERAL FINANCIAL ASSISTANCE

2020 W. El Camino Avenue, Suite 200
P.O. Box 952054
Sacramento, CA 95833
(916) 263-2771 / FAX (916) 263-2763 www.hcd.ca.gov



View and Save Debarments



HCD requires that applicants for federal funding upload debarment checks from Sam.gov in eCivis Grants Management Network. The information from Sam.gov showing “no exclusions” and that registration is not expired is required for applicants and their contractors and subrecipients. ,

Recently, SAM.gov changed their website interface and this guide is to assist with viewing and saving the debarment information in the new interface.

To review Entity Registrations a login is required.

If a New User, follow the steps to creating an account and access SAM below:

Step 1: Go to www.sam.gov.

Step 2: Click on Sign In, Select the Green Accept box, and then “Create an Account”.

Step 3: Complete the requested information, and then click “Submit”.

Step 4: Select “Individual User Account”.

Step 5: You will receive an email confirming you have created a user account in SAM.

Login:

Go to: www.sam.gov

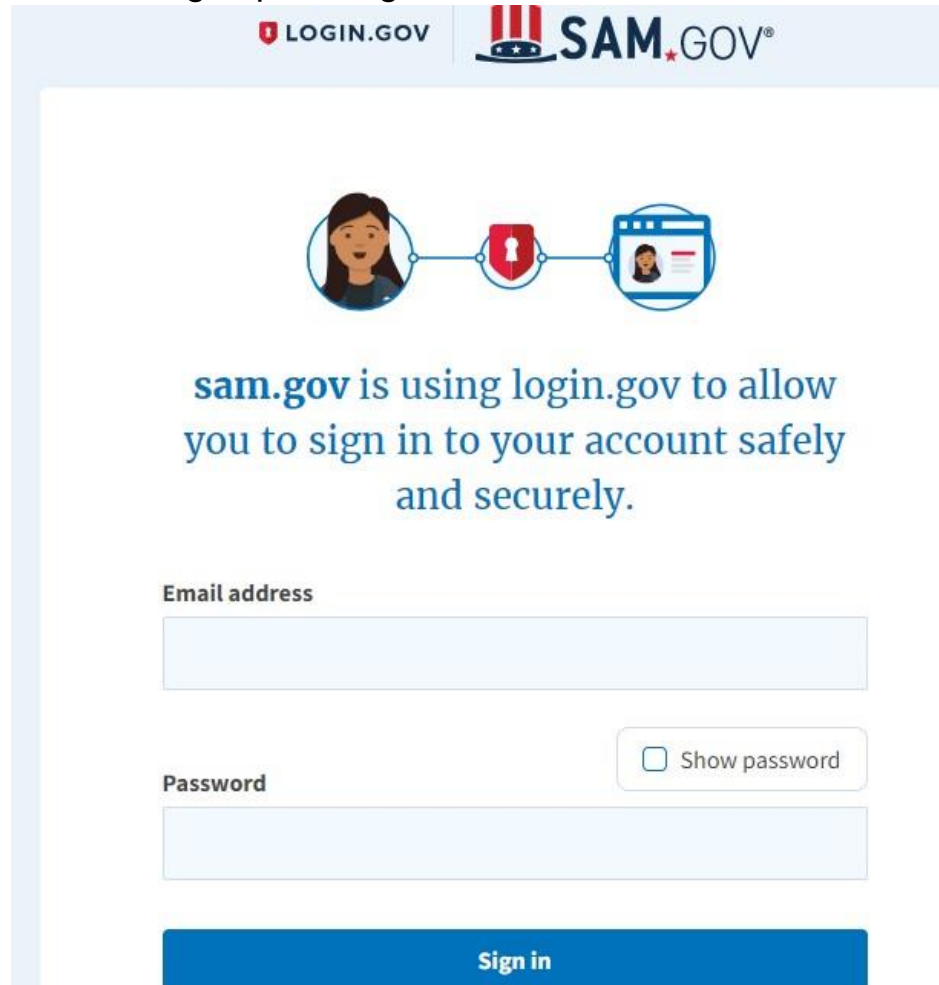
Select Sign In – located at the far top right of the screen:



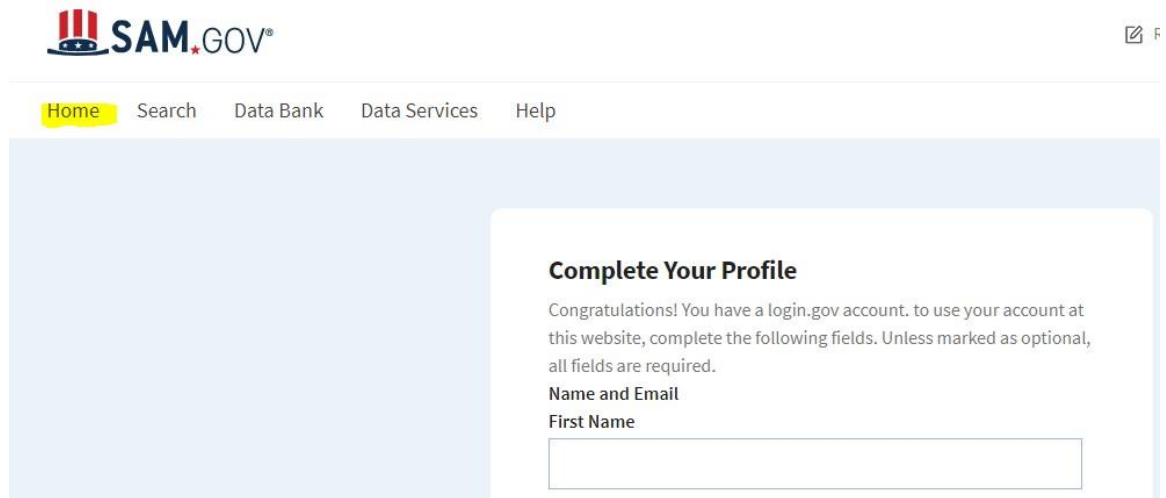
Select the green accept box:



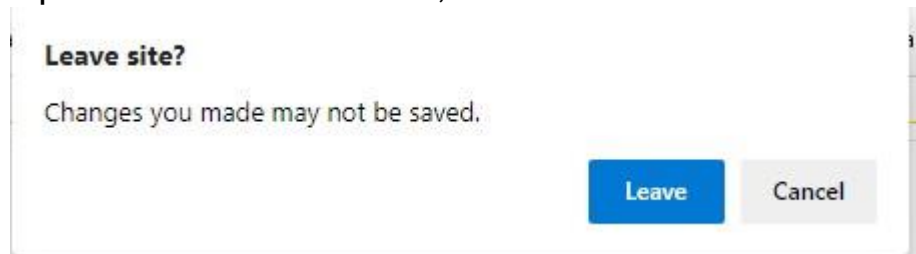
The accept button brings up the login screen:



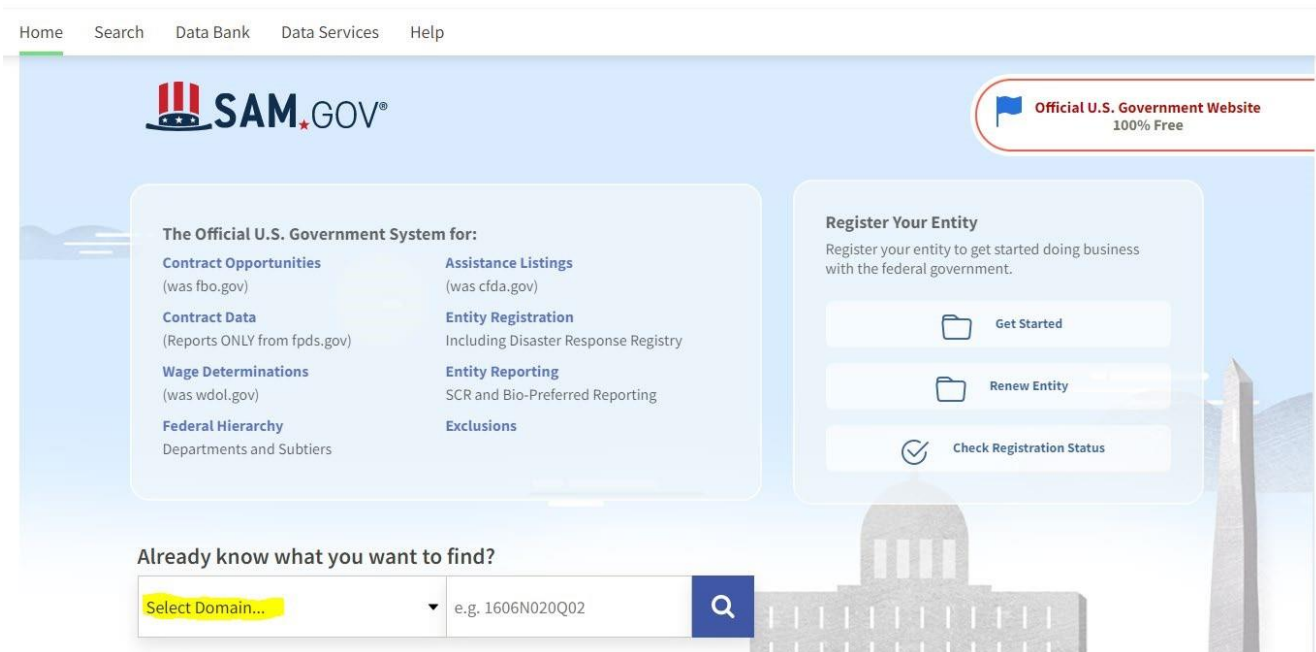
Once logged in, you may get a screen as shown below to Complete Your Profile. This was already done when you created the account and is unnecessary. Just select Home as highlighted below:



This will pop up a box as shown below, choose Leave:



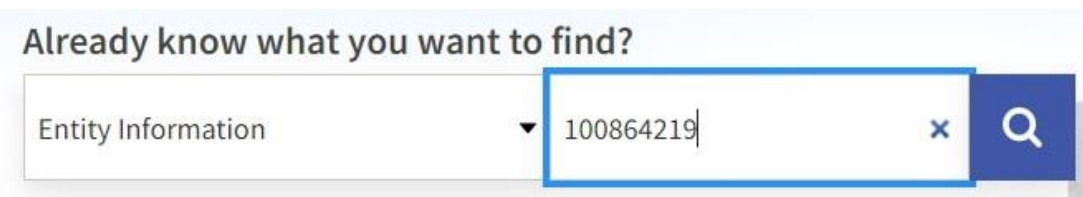
The Home page is shown below. Go to the Select Domain arrow down (highlighted below), which is located under the “Already know what you want to find?” Section:



Select Entity Information from the arrow down key:



You can search using the entity's name or DUNS number. It is recommended to use the DUNS Number:



Then select the search box with the eyeglass.

Below is what is shown if there are “no exclusions”. Note the highlighted box that states, “Entity Registration”. If it states this, then there are no exclusions.

The example below is what you will copy, save as a pdf and upload to the eCivis Grants Management software as a debarment.

Search

Showing 1 - 1 of 1 results

Sort by: Relevance

YUBA, COUNTY OF ● Active

DUNS Unique Entity ID 100864219	CAGE Code 7PKL8	Physical Address 915 8th St Ste 123, MARYSVILLE, CA 95901 USA	Entity Registration Expiration Date Sep 14, 2021 Purpose of Registration Federal Assistance Awards
SAM Unique Entity ID UWBNA7K4QWJ1			

If there are exclusions, it will have the word “Exclusion” in the box, where Entity Registration was in the first example:

Showing 1 - 1 of 1 results

Sort by: Relevance

YUBA, COUNTY OF ● Active

DUNS Unique Entity ID (blank)	CAGE Code (blank)	Physical Address MILLBURY, MA 01527 USA	Exclusion Classification Individual Activation Date Feb 13, 2010 Termination Date Indefinite
SAM Unique Entity ID (blank)			

If a search comes up with no results or no matches found, then the entity is not registered with Sam.gov and needs to register using the link below:

<https://sam.gov/content/entity-registration>

Instructions for registering can be located at the link as follows:

https://www.fsd.gov/gsafsd_sp?id=kb_article&sys_id=11bfc64d1b1cb8909ac5ddb6bc4bcb62

Note: HCD will not accept “no results” PDF as no exclusions debarment documentation.



Update: Planned Maintenance Schedule Show Details
Jul 29, 2021



See All Alerts

Recognize and Avoid Phishing Emails Show Details
Aug 25, 2020



Download Follow

- Entity Registration
- Core Data
- Business Information
- Entity Types
- Financial Information
- Points of Contact
- Assertions
- Reps and Certs
- Exclusions
- Responsibility / Qualification

COMMUNITY DEVELOPMENT SERVICES

DUNS Unique Entity ID 879513	Registration Status Active	Expiration Date Nov 15, 2022
SAM Unique Entity ID KCJWHUXHW	Purpose of Registration All Awards	
CAGE/NCAGE 62M		
Physical Address 3895 Main ST Kelseyville, California 95451-7430, United States	Mailing Address 3895 Main Street Kelseyville, California 95451, United States	

*The DUNS number is currently the official Unique Entity ID

Version Current Record

BUSINESS INFORMATION

Doing Business As

Division Name



ATTACHMENT C
CDBG AND LENDER REQUIRED DOCUMENTS

ATTACHMENT C-1 Jobs Tracking Form

CDBG Jobs Tracking Form for Proposed Project						
Company Name: _____						
List all current employee positions on payroll as of the CDBG loan approval and all proposed new job positions.						
Project is Proposing		<input type="checkbox"/> JOB CREATION Or <input type="checkbox"/> JOB RETENTION				
	Job Position Title	New, Existing, or Retained Job	Annual Hours	Annual Wages	Full/Part Time	LMI
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
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15						
16						
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21						
22						
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26						
27						
28						
29						
30						
31						
32						
33						
34						

EXISTING JOB POSITIONS	PROPOSED NEW HIRE OR RETAINED JOB POSITIONS	LMI	% LMI
Total Full Time	Total Full Time		
Total Part Time	Total Part Time		
Grand Total Full Time	Grand Total Full Time		#DIV/0!

I hereby certify under the penalty of perjury that all the information contained in this request for funds (including all supportive documentation) is true and correct. I understand and acknowledge that making false statement on this certification, including any documents submitted in support of it, may result in denial of application for funding.

Signature of Business Owner: _____ Date: _____

Signature of Jurisdiction Staff: _____ Date: _____

Note: Multiple forms may be required for businesses with lots of employees.

ATTACHMENT C-1 Jobs Tracking Form

CDBG Jobs Tracking Form for Completed Project							
Company Name:							
List all employee positions on payroll, both existing and new hires as a result of CDBG loan.							
Date of Project Approval:				Date of Project Completion:			
Job Position Title	New or Existing Job	Annual Hours	Annual Wages	Full/Part Time	LMI	Income Self Cert. Date	
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
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30							
31							
32							
33							
34							

EXISTING JOB POSITIONS		ACTUAL NEW HIRE OR RETAINED JOB POSITIONS		LMI	%LMI
Total Full Time		Total Full Time			
Total Part Time		Total Part Time			
Grand Total Full Time		Grand Total Full Time			#DIV/0!

I hereby certify under the penalty of perjury that all the information contained in this form (including all supportive documentation) is true and correct. I understand and acknowledge that making false statement on this certification, including any documents submitted in support of it, may result in repayment of loan funds.

Signature of Jurisdiction Staff: _____ Date: _____

ATTACHMENT C-2
Self Certification of Income Form

Business Assistance Project SELF-CERTIFICATION of Income for	
<input type="checkbox"/> City of / <input type="checkbox"/> Town of / <input type="checkbox"/> County of _____	CDBG Funded Activity

Page 1 to be filled out by Applicant/Employee

Status: Job Applicant (Creation) Current Employee (Retention)

Business Name: _____

Business Physical Address: _____, _____ (City)

Part I: Confidential Job Applicant / Employee HUD Demographic Data <small>(This section is voluntary.)</small>
--

Ethnicity (Select One)		<input type="checkbox"/> Not Hispanic	<input type="checkbox"/> Hispanic
Race (Select One)			
<input type="checkbox"/> White	<input type="checkbox"/> Am. Indian/Alaskan Nat. & White		
<input type="checkbox"/> Black/African American	<input type="checkbox"/> Asian & White		
<input type="checkbox"/> Asian	<input type="checkbox"/> Black/African American & White		
<input type="checkbox"/> American Indian/Alaskan Native	<input type="checkbox"/> Am. Indian/Alaskan & Black/African		
<input type="checkbox"/> Nat. Hawaiian/Other Pacific Isl.	<input type="checkbox"/> Other Multi-Racial		
Other Demographic Data (Select each that Applies)			
<input type="checkbox"/> Female Head of Household	<input type="checkbox"/> Single / Non Elderly		
<input type="checkbox"/> Participant Disable	<input type="checkbox"/> Related/Single Parent		
<input type="checkbox"/> Veteran	<input type="checkbox"/> Related/Two Parent		
<input type="checkbox"/> Elderly	<input type="checkbox"/> Other (_____)		
<input type="checkbox"/> Unemployed prior to Employment			

Part II: Confidential Job Applicant / Employee Income Certification <small>(Certification process may not be administered by business receiving CDBG funds.)</small>
--

My total family size consists of _____ members, and the total gross annual income* for all adult members is \$_____.

*Gross annual income must include all sources of income (wages, child support, SSI, unemployment, pension, income from assets, etc., but does not include the income of live-in aids, per 24 CFR 5.403).

I certify that the information given on this form is true and accurate to the best of my knowledge. I am aware that there are penalties for willfully and knowingly giving false information on an application for Federal or State funds, which may include immediate repayment of all Federal or State funds received and/or prosecution under the law. I understand that the information on this form is subject to verification by state or federal personnel as part of compliance monitoring.

Job Applicant / Employee Signature: _____ Date: _____

Applicant / Employee Name (print): _____

Job Applicant / Employee Physical Home Address: _____, _____ (City)

ATTACHMENT C-2
Self Certification of Income Form

CDBG Business Assistance Project Verification by <input type="checkbox"/> City of / <input type="checkbox"/> Town of / <input type="checkbox"/> County of _____ for CDBG Funded Activity
--

Page 2 to be filled out by Program Operator

Project Information:

Business Name: _____

Job Applicant / Employee Name: _____

Public Benefit Type: Job Creation Job Retention

Project funded by: Grant #: _____ - Or - PI Fiscal Year: _____

Business and Job Applicant / Employee Location Verification:

Business Physical Address: _____ In Jurisdiction Limits

Job Applicant / Employee Physical Home Address: _____ In Jurisdiction Limits

NOTE: Business must be located in Jurisdiction. Significant number of Job Applicants should reside in Jurisdiction (does not apply to retention).

Job Applicant / Employee Income Verification:

Effective Date of the Income Limit Chart being used: _____

- Family is: 30% or less (Extremely Low Income)
 31%-50% (Low Income)
 51%- 80% (Moderate Income)
 Over 80% of median income: **NOT ELIGIBLE AS LOW /MOD JOB**

Program Operator must:

- 1) Must complete confidential demographic data on cert. form if applicant / employee leaves blank.
- 2) Must complete business project information and business & applicant / employee location verification.
- 3) Must complete the applicant/employee income verification by:
Print the current HCD Income limits from the HCD website (NOT HUD's), and
Circle the applicable family size and annual income on HCD limit printout, and
Include the copy of the circled printout with these certification forms.

Program Operator Certification: I certify that Applicant / Employee demographic data provided is true and correct, to the best of my knowledge. I certify that, using the current HCD annual income publication compared to stated family size and gross income, the income level indicated above is true and correct. I certify that residency of the Applicant / Employee and the business address is true and correct per the requirements of 24 CFR 570.480(b) and/or (c) as applicable.

Note: This completed certification, whether Job Applicant / Employee benefited (was hired) or not, must be maintained in the Confidential Project file for review at time of monitoring. Certification of Job Creation cannot be done prior to CDBG funding approval.

Program Operator Name (print)

Job Title

Signature:

Date:

HCD Revised: August, 2015

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ATTACHMENT C-4
Certification of No Conflict of Interest Form

**BORROWER CERTIFICATION OF NO CONFLICT OF INTEREST
IN RECEIVING COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

The City of Fort Bragg, hereafter called Grantee, will use federal CDBG funds to provide financial assistance to eligible program participants, hereafter called Participants. These CDBG funds are administered by the State Department of Housing and Community Development hereafter called Department. As part of receiving CDBG funds from the Department, the Grantee is required to ensure there is no conflict of interest created when using these funds on eligible CDBG activities. As such, all Participants must certify that no conflict of interest has been created.

State Conflict of Interest: Pursuant to California Government Code 87100, et seq. CDBG financial assistance is not available if there is a conflict of interest. Any person / business loan participant that is an employee of the Grantee, an elected official, or consultant involved in administering a business assistance activity would not be eligible to receive CDBG funds due to a conflict of interest. If there is a real or perceived conflict of interest, the Grantee must have a legal determination that will be placed in the Participant's file.

Federal Conflict of Interest: Pursuant to the Code of Federal Regulations, Section 24 CFR 570.489 (h) a conflict of interest is not allowed when using CDBG funds as follows:

Conflicts prohibited. Except for eligible administrative or personnel costs, the general rule is that no persons described in paragraph (h)(3) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this subpart or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

Persons covered. The conflict of interest provisions for paragraph (h)(2) of this section apply to any person who is an employee, agent, consultant, officer, elected official or appointed official of the state, or of a unit of general local government, or of any designated public agencies, or subrecipients which are receiving CDBG funds.

If there is a real or perceived conflict of interest relative to the federal language above, the Grantee must submit a request to the Department for an exception to the Conflict of Interest determination. The Department will render a written decision that will be placed in the Participant's file.

By signing below, I certify that no conflict of interest, as prohibited by California Government Code Section 87100 et seq. and/or by the Code of Federal Regulations Section 24 CFR 489 (h), is created.

Signature of Borrower

Print Name and Title

Date: _____

Date: _____

**ATTACHMENT C-5
Borrower Certification of No Job Pirating Form**

**BORROWER'S CERTIFICATION CONCERNING NO JOB PIRATING
IN CONNECTION WITH COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ECONOMIC
DEVELOPMENT (ED) FINANCING**

The City of Fort Bragg will use federal CDBG economic development (ED) funds to make loans to eligible projects. These federal funds are available from local program income funds or from grant contracts issued by the State Department of Housing and Community Development. These CDBG ED loans cannot be used if their use supports job pirating. Job pirating is not allowed under 24 CFR 570.482(f) of federal regulations. CDBG ED activities trigger this prohibition of funds as follows, and responses must be provided to document non-pirating:

1. Statement of Job Pirating Provisions:

Use of CDBG funds to directly assist the relocation of any industrial or commercial plant, facility or operations, from one labor market area to another labor market area.

Yes No

If yes, what is the total number of jobs to be relocated: _____.

2. Certification of no Job Pirating:

Will a significant loss of jobs take place due to the relocation of the business operations (Definition of significant is 25 or more full time positions.).

Yes No

If yes, CDBG assistance is prohibited.

If no, business must certify that neither it nor any of its subsidiaries has plans to relocate jobs, as of the date of the CDBG loan agreement.

3. Consequences of Job Pirating Violation:

Use of CDBG funds to directly assist the relocation of any industrial or commercial plant, facility or operations, from one labor market area to another labor market area will result in the required repayment of all CDBG funding invested in the project.

I hereby certify under the penalty of perjury that all the information contained in my CDBG request for funding (including all supporting documentation) is true and correct. I understand and acknowledge that making false statement on this certification, including any documents submitted in support of it, is a crime under federal and California state laws, which may result in criminal prosecution.

Signature of Borrower

Print Name and Title

Date

**ATTACHMENT C-6
Certification of Federal Regulatory Compliance Form**

**BORROWER'S CERTIFICATION OF COMPLIANCE WITH FEDERAL OVERLAYS RELATED
TO COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
ECONOMIC DEVELOPMENT (ED) FINANCING**

The City of Fort Bragg, here after referred to as Responsible Entity (RE), is being requested to use federal CDBG ED funds for a project located at: _____, CA _____. The RE received a CDBG application for funding from the Business Assistance (BA) loan applicant on: _____ date.

There are three (3) significant federal overlay laws that must be adhered to as part of receiving CDBG ED BA funding: 1) federal environmental regulations; 2) federal relocation and real property acquisition laws; and 3) federal prevailing wage laws. All projects proposing to use CDBG federal funding must be documented as being in compliance with these laws.

ENVIRONMENTAL REVIEW: To be in compliance with federal environmental review law, National Environmental Policy Act (NEPA), an Environmental Review Record (ERR) must be completed and executed by the RE prior to awarding the project any CDBG funds. The ERR must also be completed prior to any additional work being done on the project after the date of application submittal, as shown above.

Any site work or legal agreements associated with the project, after the date of the CDBG application, could trigger a "choice limiting" action under NEPA regulations. Such an action will prohibit the RE from awarding CDBG funds to the project. Specific choice limiting actions to be avoided by the applicant after BA application date are: 1) signing any contracts for any work on the project; 2) signing any real property purchase agreements or leases; 3) conducting any construction / maintenance work at the site.

Loan applicant does hereby acknowledge and certify that there is and will be no choice limiting actions taking place at the site until the RE has completed an ERR for the project. Applicant agrees to disclose the existing conditions of the project and will not proceed with any development work until such time as the RE has provided written permission to do so.

4. Statement of Project's Site Control.

Full site control, i.e. fee simple interest ownership of the property **or** executed lease agreement, was in place prior to BA loan application submittal date.

Yes No

If no, what is proposed date will site control to be in place: _____.

5. Statement of Project's Construction Status.

Construction was started on the project prior to BA loan application submittal date stated above.

Yes No

If yes, construction must stop at the date of application, or CDBG is prohibited.

If no, business certifies NO construction contracts will be executed and no work at the site will start until RE provides written approval.

6. Consequences of Choice Limiting Action.

Any changes which trigger NEPA violation will force the RE to cancel the application.

RELOCATION AND ACQUISITION REVIEW: To be in compliance with federal acquisition and relocation law, the RE must verify that no “persons” have been displaced because of the use of CDBG funding AND that if CDBG funds are being used, in whole or in part to acquire real property, that federal laws are being complied with prior to award of funds.

Projects using CDBG funding for acquisition of real property are required to provide the seller with a proper disclosure of no use of eminent domain as part of the transaction.

Projects using CDBG funding that cause a person (resident of a housing unit, business or non-profit) to move as a direct result of the project’s activity must follow federal relocation process and provide those affected persons with permanent relocation benefits.

1. Statement of Project’s Use of Funds for Acquisition.

CDBG funds are being used to assist in purchase of real property.

Yes No

If yes, what date was seller provided Acquisition Notice? _____.

2. Statement of Project’s Relocation Compliance.

Persons were or will be displaced because of the proposed CDBG funding project activity / scope of work.

Yes No

If yes, RE must evaluate relocation benefits required for the project to move forward and disclose the costs of the relocation to the BA applicant.

If no, business certifies NO persons are displaced by the project.

3. Consequences of Non-Compliance with Relocation or Acquisition Laws.

Any miss-representations that result in these federal laws being triggered will force the RE to cancel the application.

Loan applicant does hereby acknowledge and certify that there will be no relocation of persons taking place at the site until the RE has completed its review and analysis of any required relocation benefits. Applicant agrees to disclose the existing conditions of the project and will not proceed with any property purchase or development work until such time as the RE has provided written permission to do so.

FEDERAL PREVAILING WAGE REVIEW: To be in compliance with federal prevailing wage laws (Davis Bacon and associated legislation), the RE must verify that no CDBG funds are being utilized for project construction costs. If any CDBG funds are used for construction, then RE must ensure federal prevailing wage rates will be paid by contractors. These wages will increase the project’s costs.

1. Statement of Project's Use of Funds for Construction.

CDBG funds will pay for project construction costs.

Yes No

If yes, what date was RE labor standards monitoring certification submitted to the Department? _____.

If no, federal prevailing wage compliance is not required.

2. Consequences of Non-Compliance with Davis Bacon and Related Acts.

Any miss-representations that result in these federal laws being triggered can require the RE to pay wage compensation to workers doing the construction.

Loan applicant does hereby acknowledge and certify that there will be no signing of construction contracts for any work taking place at the project site until the RE has completed its review and analysis of required labor standards compliance. Applicant agrees to disclose the existing conditions of the project and will not proceed with any property development work until such time as the RE has provided written permission to do so.

I hereby certify under the penalty of perjury that all the information contained in the CDBG request for funding (including all supporting documentation) is true and correct. I understand and acknowledge that making false statement on this certification, including any documents submitted in support of it, is a crime under federal and California state laws, which may result in criminal prosecution.

Signature of Borrower(s)

Print Name and Title

Date

ATTACHMENT D
Business Loan Servicing Policies
City of Fort Bragg
CDBG Business Loan Programs

LOAN SERVICING POLICIES AND PROCEDURES

The City of Fort Bragg, here after called “Lender”, has adopted these policies and procedures in order to preserve its financial interest in properties whose “Borrowers” have been assisted with public funds. The Lender will, to the greatest extent possible, follow these policies and procedures, but each loan will be evaluated and handled on a case-by-case basis. The Lender has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions that are associated with them.

The policies and procedures are broken down into the follow areas 1) loan repayments; 2) required payment of taxes, assessments, liens and insurance; 3) required Request for Notice of Default; 4) required noticing and limitations on any changes in title, occupancy, use, or location of property; 5) requests for subordination; 6) process for loan foreclosure in case of default on the loan.

1. Loan Repayments

The Lender will collect monthly payments from those borrowers who are obligated to do so under Installment Notes that are amortized promissory notes, or Lender may use a designated loan collection company to collect payments. Late fees will be charged for payments received after the assigned monthly date as described in loan documents. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower’s obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower’s making fewer payments.

For Notes that are deferred payment loans, the Lender may accept voluntary payments on the loan. Loan payments will be credited to interest first and then to principal. The borrower may repay the loan balance at any time with no penalty.

2. Payment of Taxes, Assessments, Liens and Insurance

In general, as part of keeping a CDBG loan from going into default, borrower must maintain all-risks insurance coverage with respect to collateral or other property as designated in the loan documents and related commercial security agreements, naming the Lender as loss payee in first position or as additional insured if the loan is a junior lien. Lender may file a UCC financing statement to perfect Lender’s security interest. If borrower fails to maintain the necessary insurance, the Lender may take out forced place insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower’s new insurance.

When real property is located in a 100 year flood plain, the Borrower will be required to carry flood insurance. A certificate of insurance for flood insurance, if applicable, and for any other insurance required per terms of the loan will be required at close of escrow. The Lender will request verification of insurance coverage on an annual basis as long as the debt is outstanding.

Property taxes must be kept current during the term of the loan for property acquired with loan proceeds or for property designated as security for the CDBG loan or other activity debt, as

described in the loan documents. If the Borrower fails to maintain payment of property taxes, then the Lender may pay the taxes and add the balance of the tax payment plus any penalties to the balance of the loan.

3. Request for Notice of Default

When the Borrower's CDBG loan is in second position behind an existing first mortgage, it is the Lender's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Lender's loan. This document requires any senior lien holder listed in the notice to notify the Lender of initiation of a foreclosure action. The Lender will then have time to contact the Borrower and assist the Borrower in bringing the first loan current. The Lender can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Lender is in a third position and receives notification of foreclosure from only one senior lien holder, Lender may contact any other senior lien holders regarding the status of loans.

4. Required Noticing and Restrictions on Any Changes of Title, Occupancy, Use, or Location of Collateralized or Secured Property

In all cases where there is a change in title or occupancy or use or location of property that directly or indirectly relates to any agreements between Lender and Borrower, the Borrower must notify the Lender in writing of any change. No change in Borrower's name or principal residence will take effect until after Lender has received notice. All such changes are subject to the review and approval of the Lender's Loan Committee and may also require City Manager approval.

5. Requests for Subordination

When a Borrower wishes to refinance property financed in whole or in part with CDBG funds, Borrower must make a subordination request to the Lender. The Lender may consider subordination of the loan when there is no "cash out" as part of the refinance. Cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third-party debt pay-offs or additional encumbrance on the property above traditional refinance transaction costs. Furthermore, the refinance should lower the debt costs of the business with a lower interest rate, and the total indebtedness on the property should not exceed the current market value.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the Loan Committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Lender.

6. Process for Loan Foreclosure

Upon any condition of loan default, including: 1) non-payment; 2) failure to comply with or perform other terms, obligations, covenants or conditions contained in the Note or related documents; 3) false statements; 4) death or insolvency of borrower; 5) creditor or forfeiture proceedings; or 6) any other event of default as described in the promissory note, Lender may declare the entire unpaid principal and interest balance immediately due. Upon loan default, Lender will send a letter to Borrower notify Borrower of the default situation.

When a senior lien holder starts a foreclosure process and the Lender is notified via a Request for Notice of Default, the Lender as the junior lien holder may cancel the foreclosure proceedings by "reinstating" the senior lien holder. The reinstatement amount or payoff amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments,

late charges and fees to date. Lender must confer with Borrower to determine if, upon paying the senior lien holder current, Borrower can provide future payments. If this is the case, then the Lender may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Lender determines, based on information on the reinstatement amount and status of Borrower, that bringing the loan current will not preserve the loan, then Lender must determine if it is cost effective to protect the Lender's position by paying off the senior lien holder in total and restructuring the debt. If the Lender does not have sufficient funds to pay the senior lien holder in full, then the Lender may choose to cure the senior lien holder and foreclose on the property. As long as there is sufficient value in the property, the Lender may be able to pay for the foreclosure process and pay off the senior lien holder and retain some or all of the Lender's investment.

If the Lender decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up until five days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four to six months from the date of recording of the "Notice of Default." If the Lender fails to reinstate the senior lien holder before five days prior to the foreclosure sale date, the senior lien holder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Lender determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lien holder to complete foreclosure, the Lender's lien may be eliminated due to insufficient sales proceeds.

ATTACHMENT D
CDBG Business Assistance Loan Certification Form

**STATE OF CALIFORNIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) LOAN CERTIFICATION
FOR BUSINESS ASSISTANCE (BA) PROJECT**

DATE OF JURISDICTION'S LOAN APPROVAL:

JURISDICTION AND CDBG REPRESENTATIVES		
JURISDICTION:	NAME OF JURISDICTION STAFF REVIEWING THE LOAN:	
JURISDICTION STAFF TITLE:	PHONE:	EMAIL:
HCD CONTRACT REP. NAME:	PHONE:	EMAIL:

UNDERWRITER / BA PROGRAM ADMINISTRATOR		
ORGANIZATION NAME:	NAME OF UNDERWRITER PROCESSING THE LOAN:	
CONTACT NAME:	PHONE:	EMAIL:

BUSINESS AND BUSINESS OWNER	
BUSINESS NAME with DBA:	BUSINESS PHYSIAL ADDRESS:
NATURE OF BUSINESS (<i>restaurant, manufacturing, service provider</i>):	
NAMES OF BUSINESS OWNER(S) / BORROWER(S):	

BUSINESS LEGAL STRUCTURE	PURPOSE OF LOAN
SOLE PROPRIETORSHIP: <input type="checkbox"/> Yes <input type="checkbox"/> No	START UP: <input type="checkbox"/> Yes <input type="checkbox"/> No
PARTNERSHIP: <input type="checkbox"/> Yes <input type="checkbox"/> No	EXPANSION: <input type="checkbox"/> Yes <input type="checkbox"/> No
COMPANY: <input type="checkbox"/> Yes <input type="checkbox"/> No	RETENSION: <input type="checkbox"/> Yes <input type="checkbox"/> No
CORPORATION: <input type="checkbox"/> Yes <input type="checkbox"/> No	TOTAL PROJECT COSTS: \$

PROJECT SOURCES AND USES INFORMATION	
FUNDING SOURCE	USE OF FUNDING
Equity <input type="checkbox"/> CDBG <input type="checkbox"/> Private / Bank <input type="checkbox"/>	PURCHASE OF REAL PROPERTY
Equity <input type="checkbox"/> CDBG <input type="checkbox"/> Private / Bank <input type="checkbox"/>	FURNITURE FIXTURES & EQUIPMENT
Equity <input type="checkbox"/> CDBG <input type="checkbox"/> Private / Bank <input type="checkbox"/>	CONSTRUCTION / TENANT IMPROVEMENTS
Equity <input type="checkbox"/> CDBG <input type="checkbox"/> Private / Bank <input type="checkbox"/>	OPERATONS COSTS (MONTHLY)
Equity <input type="checkbox"/> CDBG <input type="checkbox"/> Private / Bank <input type="checkbox"/>	INVENTORY / SUPPLIES
Equity <input type="checkbox"/> CDBG <input type="checkbox"/> Private / Bank <input type="checkbox"/>	DEBT REFINANCE
Equity <input type="checkbox"/> CDBG <input type="checkbox"/> Private / Bank <input type="checkbox"/>	OTHER: _____

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**STATE OF CALIFORNIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) LOAN CERTIFICATION
FOR BUSINESS ASSISTANCE (BA) PROJECT**

CDBG LOAN INFORMATION	
LOAN AMOUNT:	LOAN TERM: YEARS
LOAN INTEREST RATE: %	MONTHLY PAYMENT: \$
UNIQUE LOAN STRUCTURE PROVIDED? <input type="checkbox"/> Yes <input type="checkbox"/> No	
If yes, provide brief narrative below.	
CDBG NATIONAL OBJECTIVE (Only Complete A or B)	
A. PROJECT WILL USE CDBG NATIONAL OBJECTIVE OF LOW-MODERATE JOB (LMJ) BENEFIT BY PROVIDING DIRECT ASSISTANCE TO A BUSINESS THAT CREATES / RETAINS JOBS PRIMARILY (OVER 51%) FOR HUD ELIGIBLE LOW-MOD PERSONS. If no, then project must use LMA below, so move onto section B.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Loan documents have language requiring Borrower to allow Jurisdiction Staff or Third party to obtain copy of payrolls and use Department Self- Certification of Income forms for all job applicants on new jobs created <u>OR</u> to existing job positions retained?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Borrower has signed Job Tracking Form, listing the total jobs <u>PROPOSED</u> to be created <u>OR</u> retained and lists the 51% low mod job positions being created <u>OR</u> retained?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Underwriter has included all costs of new / retained jobs in future financial spreadsheets, to clearly document that all jobs, including low-mod jobs, will be created within the term of the grant contract or as stipulated in the CDBG loan agreement for program income?	<input type="checkbox"/> Yes <input type="checkbox"/> No
For job retention, project file contains documentation of business public notice or employment notice of failure / layoffs and over 51% of lost job positions are LMI person?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>or</u> Underwriter has documentation of "but for" CDBG the business will fail and jobs will be lost and over 51% of those lost job positions are held by LMI persons?	<input type="checkbox"/> Yes <input type="checkbox"/> No
B. PROJECT WILL USE LOW MODERATE AREA (LMA) NATIONAL OBJECTIVE?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Jurisdiction has documentation of business service area and has HUD data to prove low moderate income area benefit (LMA) status of area? LMA = %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Jurisdiction has documentation that service area of business is primarily residential?	<input type="checkbox"/> Yes <input type="checkbox"/> No
CDBG PUBLIC BENEFIT STANDARD FOR JOBS (When Using LMJ)	
A. VERIFICATION OF JOB POSITIONS CREATED / RETAINED:	
Borrower provided payroll documentation of existing jobs and documents are in project file to verify the number of permanent FTE existing jobs in place prior to investment of CDBG funds?	<input type="checkbox"/> Yes <input type="checkbox"/> No

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**STATE OF CALIFORNIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) LOAN CERTIFICATION
FOR BUSINESS ASSISTANCE (BA) PROJECT**

Borrower signed Job Tracking Form, which will be an attachment to executed loan agreement, listing all new jobs created <u>or</u> existing jobs retained from use of CDBG funds and listing dates when job positions will be added / retained on payroll?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Borrower signed Job Tracking Form lists out part time and full time job positions? Note: per state regulations (part time equivalent (PTE) positions must work at least 875 hours and full time equivalent (FTE) must work at least 1,750 hour annually)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
COST PER JOB CREATED / RETAINED IS EQUAL TO OR LESS THAN \$35,000, AGGREGATE?	<input type="checkbox"/> Yes <input type="checkbox"/> No
COST PER JOB: CDBG PROJECT FUNDING: \$ _____ ÷ TOTAL NUMBER OF PROPOSED FTE JOBS: ____ = COST PER PROPOSED CREATED OR RETAINED FTE JOB \$	
PROJECT FILE VERIFIES THAT NONE OF THE PROPOSED JOBS TO BE CREATED HAVE BEEN HIRED PRIOR TO LOAN APPROVAL?	<input type="checkbox"/> Yes <input type="checkbox"/> No
CDBG PUBLIC BENEFIT STANDARD FOR GOODS OR SERVICES (When Using LMA)	
B. VERIFICATION OF SERVICE AREA AND GOODS OR SERVICES:	
Project file has documentation of service area for Good OR Services, documentation that business is open to all, and that goods or services are needed / available to LMI persons, prior to loan approval?	<input type="checkbox"/> Yes <input type="checkbox"/> No
AMOUNT OF CDBG PER LMI PERSON FOR GOODS OR SERVICES IS EQUAL TO OR LESS THAN \$350 ANNUAL AGGREGATE?	<input type="checkbox"/> Yes <input type="checkbox"/> No
COST PER PERSON: CDBG PROJECT FUNDING: \$ _____ ÷ TOTAL NUMBER OF LMI PERSONS IN SERVICE AREA: ____ = COST PER LMI PERSON \$	
CDBG ELIGIBLE ACTIVITY	
PROJECT COMPLIES WITH LOCAL BA PROGRAM GUIDELINES? If, NO, project file contains a written special exception justification, per guidelines?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
PROJECT FILE VERIFIES BUSINESS IS PHYSICALLY LOCATED WITHIN JURISDICTIONAL BOUNDARY? If not in county jurisdiction, then county has written approval from non-entitlement city for doing a CDBG BA project within city limits?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
ALL CDBG PROJECT COSTS ARE ELIGIBLE PER BA CHAPTER AND GUIDELINES?	<input type="checkbox"/> Yes <input type="checkbox"/> No

**STATE OF CALIFORNIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) LOAN CERTIFICATION
FOR BUSINESS ASSISTANCE (BA) PROJECT**

CDBG FEDERAL OVERLAY REQUIREMENTS	
<p>HAS A CORRECT CDBG NEPA REVIEW BEEN COMPLETED ON FULL SCOPE OF PROJECT?</p> <p>Is Original signed Environmental Review Record (ERR) in the project file?</p> <p>Was Department Authorization to use grant funds required for ERR?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>DOES THE PROJECT TRIGGER FEDERAL LABOR STANDARDS MONITORING?</p> <p><i>If YES, Jurisdiction has designated staff as a labor standard compliance officer, who will submit request for federal wage determination to the Department?</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>DOES THE PROJECT TRIGGER FEDERAL RELOCATION REQUIREMENTS?</p> <p><i>If YES, did Jurisdiction hire Relocation Specialist and submit draft relocation plan to Department?</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>DOES THE PROJECT TRIGGER FEDERAL ACQUISITION REQUIREMENTS?</p> <p><i>If YES, has the proper seller acquisition disclosure been executed for project file?</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>PROJECT FILE CONTAINS DOCUMENTATION OF COMPLIANCE WITH FEDERAL DEBARRED REQUIREMENTS?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>PROJECT FILE CONTAINS BUSINESS OWNER CERTIFY THAT THERE IS NO CONFLICT OF INTEREST?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>DOES THE BUSINESS' PROPOSED PROJECT INCLUDE ANY JOB PRIATING?</p> <p><i>Is Signed Certification of No Job Pirating in Project file?</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

CDBG / HUD SIX UNDERWRITING STANDARDS	
<p><i>CDBG business assistance loans must document that they meet the six CDBG HUD underwriting standards below. See BA Chapter in Department's Current On-Line Grant Management Manual for further guidance or contact HCD Rep.</i></p>	
<p>1) PROJECT FILE HAS VERIFICATIONS OF THE REASONABLENESS OF ALL PROJECT COSTS?</p> <p><i>If NO, a special condition must be in loan approval to not allow CDBG loan closing until all costs are verified as reasonable.</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>2) PROJECT FILE HAS VERIFICATION OF ALL PROJECT FUNDING COMMITTED?</p> <p><i>If NO, a special condition must be in loan approval to not allow CDBG loan closing until full funding is in place.</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>3) PROJECT FILE HAS VERIFICATION THAT, TO THE EXTENT PRACTICABLE, THERE IS NO SUBSTITUTION OF PUBLIC FUNDING?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

**STATE OF CALIFORNIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) LOAN CERTIFICATION
FOR BUSINESS ASSISTANCE (BA) PROJECT**

4) PROJECT FILE HAS VERIFICATION OF UNIVERSAL CASH FLOWS EXPECTED AFTER INVESTMENT OF CDBG FUNDS SHOWING FINANCIAL FEASIBILITY?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5) PROJECT FILE HAS VERIFICATION THAT, TO THE EXTENT PRACTICABLE, THE CDBG LOAN FUNDS DO NOT PROVIDE UNDUE ENRICHMENT TO THE BUSINESS OWNER(S)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6) PROJECT FILE HAS VERIFICATION THAT, TO THE EXTENT PRACTICABLE, DISBURSEMENT OF CDBG FUNDS WILL BE ON A PRO-RATA BASIS WITH OTHER PROJECT FUNDS?	<input type="checkbox"/> Yes <input type="checkbox"/> No
LOAN DISBURSMENT SCHEDULE IS IN PROJECT FILE?	<input type="checkbox"/> Yes <input type="checkbox"/> No

BUSINESS OWNER UNDERWRITING AND PROJECT COLLATERAL ANALYSIS	
IS A PERSONAL FINANCIAL ANALYSIS DONE FOR EACH OF THE BUSINESS OWNERS, WITH 20% OR MORE INTEREST IN THE BUSINESS OR WITH MATERIAL CONTROL OF BUSINESS?	<input type="checkbox"/> Yes <input type="checkbox"/> No
DOCUMENTATION OF CDBG LOAN COLLATERAL IS IN PROJECT FILE?	<input type="checkbox"/> Yes <input type="checkbox"/> No
LOAN DOCUMENTS SECURITIZE COLLATERAL, NATIONAL OBJECTIVE AND OTHER CDBG REQUIRED COMPLIANCE?	<input type="checkbox"/> Yes <input type="checkbox"/> No

SIGNATURE OF JURISDICTION AUTHORIZED REPRESENTATIVE	
Authorized Representative has read and certifies all information in this loan memo is true and correct, to the best of their ability.	
<p>I hereby certify under the penalty of perjury that all the information contained in this request for funds (including all supporting documentation) is true and correct. I understand and acknowledge that making false statement on this certification, including any documents submitted in support of it, is a crime under federal and California state laws, which may result in criminal prosecution.</p> <p>PRINT NAME OF AUTHORIZED REPRESENTATIVE: _____</p> <p>TITLE: _____</p> <p>SIGNATURE: _____</p>	<p>DATE: _____</p>



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 23-240

Agenda Date: 8/14/2023

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Consent Calendar

Agenda Number: 5C.

Receive Report Regarding Update to 2023 Community Development Block Grant (CDBG) Funding Schedule

The 2023 Community Development Block Grant (CDBG) Notice of Funding Availability (NOFA) release schedule has been changed. A NOFA will be released for waitlisted projects only in September 2023. A NOFA with the remaining 2023 funding and 2024 funding combined will be released in January 2024. Staff will continue to develop the Over-the-Counter (OTC) application and return to Council for further discussion and direction regarding competitive applications once the NOFA has been released.



AGENCY:	City Council
MEETING DATE:	August 14, 2023
DEPARTMENT:	Community Development Dept.
PRESENTED BY:	L. Peterson
EMAIL ADDRESS:	lpeterson@fortbragg.com

AGENDA ITEM SUMMARY

TITLE:
RECEIVE REPORT REGARDING UPDATE TO 2023 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING SCHEDULE

ISSUE:

Every year, the California Department of Housing and Community Development (HCD) releases a funding opportunity under the Community Development Block Grant (CDBG) program. Funds for the program are made available to HCD from the United States Department of Housing and Urban Development (HUD). As a non-entitlement jurisdiction, the City is eligible to apply for grants through the CDBG program.

In order to be eligible to receive CDBG funding, the City must hold at least two public hearings to solicit public input: one during the design phase and one before submitting an application to HCD. The first public hearing was held on July 24, 2023, and Council gave direction to staff regarding potential activities. Since that date, staff has been made aware of changes to the projected NOFA schedule; those changes are outlined in this report in order to keep Council and the public aware and informed of the timeframe for potential funding under the CDBG program.

ANALYSIS:

The 2023 Notice of Funding Availability (NOFA) was originally expected to be released near the end of July 2023. During HCD’s CDBG Office Hours on July 26, 2023, CDBG staff announced that the NOFA schedule would be changed. A NOFA will be released in September 2023 for waitlisted projects only. The City does not have a waitlisted project and will not be eligible under this NOFA. Following this, there will be no future waitlists. A NOFA combining unused 2023 funding and 2024 funding will be released in January 2024. The City will be eligible to apply under January’s NOFA.

The updated projected schedule is as follows:

NOFA Release	January 2024
Application Portal Opens	February 2024
Application Portal Closes	April 2024
Executed Standard Agreements	October – December 2024

HCD staff have indicated that, other than the delayed schedule and separation of waitlisted projects into a separate NOFA, the January 2024 NOFA will remain similar to what was previously anticipated. The number of applications and funding cap per jurisdiction is not expected to change, though HCD will hold a listening session in October 2023 that may result in changes. HCD staff also stated that Public Hearings conducted by applicants in 2023 will satisfy the requirement for the 2024 NOFA.

On July 24, 2023, City Council held the required Design Phase Public Hearing to solicit citizen feedback regarding potential applications. After discussion, Council directed staff to prepare a

AGENDA ITEM NO. ____

Housing Programs Over-the-Counter (OTC) application for a combination of Code Enforcement, Housing Rehabilitation, and Homebuyer Assistance. Staff confirmed that all three programs may be combined under one Housing Programs application. If the City's 2024 OTC application is successful, the City's current Code Enforcement Program will be unfunded between April 2024 and October 2024. Staff may request a time extension for the current Code Enforcement Program with the intent of keeping the program continuously funded, though there is no guarantee of HCD approval.

On July 24, 2023, Council also directed staff to research Competitive Public Services applications for (1) Youth / Job Training, (2) Crisis Response Unit (CRU) program, and (3) Utility Assistance Program. The discussion was conducted with the assumption that the City would be ineligible for Planning applications because the Fire Station Planning grant would not meet the 50% expenditure requirement before the application deadline. Due to the delayed NOFA schedule, the City may be eligible for Planning activities by the time applications are due. Staff will return to Council once the NOFA has been released to report on the efficacy of the proposed Public Services activities and to discuss the eligibility status for potential Planning applications. A Public Hearing will be scheduled to receive and consider citizen input regarding proposed activities prior to Council approval of applications via resolution.

RECOMMENDED ACTION:

No action is required. The report is for informational and planning purposes only.

ALTERNATIVE ACTION(S):

None.

FISCAL IMPACT:

CDBG funds allow the City to conduct activities and complete projects to benefit the community, in particular the City's low-and moderate-income residents, for which funding would otherwise be unavailable. CDBG activities also create job opportunities in the community. CDBG grant administration requires significant commitment of staff time, but CDBG provides funding for administrative activities that is generally adequate to service the program.

CONSISTENCY:

The State CDBG mission is to improve the lives of low-and moderate-income residents through the creation and expansion of community and economic development opportunities, which supports livable communities for all residents. This mission is consistent with City Priority Areas established in City Council's April 2019 Goal Setting process including Priority Area "Jobs/Industry" (Economic Development loans and grants, Business Assistance Program); Priority Area "Quality of Life" (public improvements projects); and Priority Area "Infrastructure" (community development capital projects).

IMPLEMENTATION/TIMEFRAMES:

Staff will return for discussion and further direction after the NOFA release in January 2024. OTC applications should be submitted as soon as the application portal opens in February 2024. Competitive applications should be submitted between application portal opening in February 2024 and closing in April 2024. Contracts for successful applications will likely be executed between October 2024 and December 2024.

ATTACHMENTS:

None.

NOTIFICATION:

1. CDBG "Notify Me" Subscribers

From: [Jacob Patterson](#)
To: [City Clerk](#)
Subject: Public Comment 8/14/23 CC mtg., Item No. 5C
Date: Friday, August 11, 2023 4:03:32 PM

City Council & Staff,

I want to comment on this not to ask any questions or raise any objections but simply to say that I think this is an excellent and informative memo. It includes some bad and good news. Regardless, it was clear and concise and very informative.

My takeaway is we need to work on a plan to address the code enforcement program funding gap but this really highlights why it isn't usually a good thing to fund operational expenses, particularly salaries and benefits, from one-time grant funds. It is also not a best practice to hire the employees funded by grants as regular permanent positions rather than term-limited positions. When they are regular employees, we either have to find alternative funding sources or lay people off when the grants go away or even when there are breaks in the funding as appears will be the case for this CDBG grant funding.

Thanks,

--Jacob



City of Fort Bragg

416 N Franklin Street
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Text File

File Number: 23-267

Agenda Date: 8/14/2023

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Staff Report

Agenda Number: 5D.

Adopt Joint City Council/Improvement District/Redevelopment Successor Agency Resolution Approving a Professional Services Agreement with JJACPA, Inc. for Auditing Services and Authorizing City/District Manager/Executive Director to Execute Same (Amount Not to Exceed \$49,550; Split Among the Agencies)

**CITY OF FORT BRAGG
PROFESSIONAL SERVICES AGREEMENT
WITH
JJACPA, INC.**

THIS AGREEMENT is made and entered into this _____ day of August 2023 (“Effective Date”), by and between the CITY OF FORT BRAGG, a municipal corporation, 416 N. Franklin Street, Fort Bragg, California 95437 (“City”), and JJACPA, INC., a California Corporation, 7080 Donlon Way, Suite 204, Dublin, California 94568 (“Consultant”).

WITNESSETH:

A. WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to provide financial auditing services for the City of Fort Bragg, Fort Bragg Redevelopment Successor Agency, Fort Bragg Municipal Improvement District No. 1, and C.V. Starr Community and Aquatic Center as more fully described herein; and

B. WHEREAS, City and Consultant desire to contract for the specific services described in **Exhibit A** (the “Project”) and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. WHEREAS, no official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

E. WHEREAS, the legislative body of the City on August 14, 2023 by Resolution No. _____ authorized execution of this Agreement on behalf of the City in accordance with Chapter 3.20 of the City Municipal Code and/or other applicable law;

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Work. Consultant shall provide the professional services described in the Consultant’s Proposal (“Proposal”), attached hereto as **Exhibit A** and incorporated herein by this reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence, and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant’s performance of this Agreement. Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. City officers and employees shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

1.3. Performance to Satisfaction of City. Consultant agrees to perform all the work to the complete satisfaction of the City as hereinafter specified. Evaluations of the work will be done

by the City Manager or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the matters of concern;
- (b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement. To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Consultant and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

1.5. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender, sexual orientation, or disability except as permitted pursuant to Section 12940 of the Government Code. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. Consultant agrees to post in conspicuous places, available to employees and applicants for employment, a notice setting forth provisions of this non-discrimination clause.

Consultant shall, in all solicitations and advertisements for employees placed by, or on behalf of Consultant, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender, sexual orientation, or disability. Consultant shall cause the paragraphs contained in this Section to be inserted in all subcontracts for any work covered by the Agreement, provided that the foregoing provisions shall not apply to subcontracts for standard commercial supplies or raw materials.

1.6. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense. All insurance requirements contained in this Agreement are independently

applicable to any and all subcontractors that Consultant may engage during the term of this Agreement.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Consultant's total compensation shall not exceed **Forty-nine Thousand Five Hundred Fifty Dollars (\$ 49,550.00)**.

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of work specified in the Consultant's Proposal or which is inconsistent with or in violation of the provisions of this Agreement unless the City or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable. Should the City request in writing additional services that increase the hereinabove described "Scope of Work," an additional fee based upon the Consultant's standard hourly rates shall be paid to the Consultant for such additional services. The City Manager may approve contract change orders not exceeding a total of 10% of the approved contract or up to the contingency amount whichever amount is less for any one project.

2.3. Method of Billing. Consultant may submit invoices to the City for approval on a progress basis, but not more often than monthly. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times for a period of three (3) years from the date of final payment.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the issuance of Notice to Proceed. Said services shall be performed in strict compliance with the schedule set forth in the Scope of Work attached hereto as **Exhibit A**. Consultant will complete the services in accordance with this Agreement by **February 28, 2024**. The Time of Completion may only be modified by a written amendment of the Agreement signed by both the City and the Consultant and in accordance with its terms.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party. If a delay beyond the control of the Consultant is encountered, a time extension may be mutually agreed upon in writing by the City and the Consultant. The Consultant shall present documentation satisfactory to the City to substantiate any request for a time extension.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and expire on **May 31, 2024** unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing at least ten (10) days prior written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City. If the City suspends, terminates or abandons a portion of this Agreement, such suspension, termination or abandonment shall not make void or invalidate the remainder of this Agreement.

If the Consultant defaults in the performance of any of the terms or conditions of this Agreement, it shall have ten (10) days after service upon it of written notice of such default in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

The City shall have the right, notwithstanding any other provisions of this Agreement, to terminate this Agreement, at its option and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement, immediately upon service of written notice of termination on the Consultant, if the latter should:

- a. Be adjudged a bankrupt;
- b. Become insolvent or have a receiver of its assets or property appointed because of insolvency;
- c. Make a general assignment for the benefit of creditors;
- d. Default in the performance of any obligation or payment of any indebtedness under this Agreement;
- e. Suffer any judgment against it to remain unsatisfied or unbonded of record for thirty (30) days or longer; or
- f. Institute or suffer to be instituted any procedures for reorganization or rearrangement of its affairs.

4.3. Compensation. In the event of termination, City shall pay Consultant for

reasonable costs incurred and professional services satisfactorily performed up to and including the date of City's written notice of termination within thirty-five (35) days after service of the notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant. City shall not be liable for any claim of lost profits.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Broad-form commercial general liability, in a form at least as broad as ISO form #CG 20 01 04 13, including premises-operations, products/ completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00) per occurrence, Two Million Dollars (\$2,000,000.00) aggregate, combined single limits. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit. If Consultant maintains higher limits than the specified minimum limits, City requires and shall be entitled to coverage for the high limits maintained by the Consultant.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, each incident for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California and Employers Liability Insurance with a minimum limit of \$1,000,000 per accident for any employee or employees of Consultant. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officials, officers, agents, employees, and volunteers for losses arising from work performed by Consultant for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

Before execution of this Agreement by the City, the Consultant shall file with the City Clerk the following signed certification:

I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work.

The Consultant shall also comply with Section 3800 of the Labor Code by securing, paying for and maintaining in full force and effect for the duration of this Agreement, complete Workers' Compensation Insurance, and shall furnish a Certificate of Insurance to the City Clerk before execution of this Agreement by the City. The City, its officers and employees shall not be responsible for any claims in law or equity occasioned by failure of the consultant to comply with this section.

- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than Two Million Dollars (\$2,000,000.00), combined single limits, per occurrence and aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. Consultant shall obtain and maintain said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

Neither the City nor any of its elected or appointed officials, officers, agents, employees, or volunteers makes any representation that the types of insurance and the limits specified to be carried by Consultant under this Agreement are adequate to protect Consultant. If Consultant believes that any such insurance coverage is insufficient, Consultant shall provide, at its own expense, such additional insurance as Consultant deems adequate.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Fort Bragg and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the City; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant."
- (b) Notice: "Consultant shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, Consultant shall forthwith obtain and submit proof of substitute insurance. Should Consultant fail to immediately procure other insurance, as specified, to substitute for any canceled policy, the City may procure such insurance at Consultant's sole cost and expense."
- (c) Other insurance: "The Consultant's insurance coverage shall be primary insurance as respects the City of Fort Bragg, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Fort Bragg shall be excess and not contributing with the insurance provided by this policy."
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Fort Bragg, its officers, officials, agents, employees, and volunteers.

- (e) The Consultant'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.

5.3. Deductible or Self-Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement. The certificates of insurance and endorsements shall be attached hereto as **Exhibit B** and incorporated herein by this reference.

5.5. Non-limiting. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. The Project Manager designated to work directly with Consultant in the performance of this Agreement will be **Brett Jones, CPA**. It shall be the Consultant's responsibility to assure that the Project Manager is kept informed of the progress of the performance of the services and the Consultant shall refer any decision, which must be made by City, to the Project Manager. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Project Manager.

Consultant designates **Isaac Whippy, Finance Director**, as it's Project Manager, who shall represent it and be its agent in all consultations with City during the term of this Agreement and who shall not be changed by Consultant without the express written approval by the City. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications

concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or if mailed, shall be addressed as set forth below and placed in a sealed envelope, postage prepaid, and deposited in the United States Postal Service. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 72 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:
Joseph Arch, President
JJACPA, Inc.
7080 Donlon Way, Suite 204
Dublin, CA 94568-2787
Tel: (925) 556-6200
Fax: (707) 232-6226

IF TO CITY:
City Clerk
City of Fort Bragg
416 N. Franklin St.
Fort Bragg, CA 95437
Tel: (707) 961-2823
Fax: (707) 961-2802

6.5. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.6. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Mendocino County, California. Consultant agrees to submit to the personal jurisdiction of such court in the event of such action.

6.7. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.8. Indemnification and Hold Harmless. If Consultant is not a design professional performing "design professional" services under this Agreement, as that term is defined in Civil Code Section 2782.8, Consultant agrees to defend, indemnify, hold free and harmless the City, its elected and appointed officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, demands, actions, suits or other legal proceedings brought against the City, its elected and appointed officials, officers, agents and employees arising out of the performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply whenever any claim, action, complaint or suit asserts liability against the City, its elected and appointed officials, officers, agents and employees based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and

replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

6.9. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its or employees are in any manner agents or employees of City. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.10. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.11. Cooperation. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

6.12. Ownership of Documents. All findings, reports, documents, information, and data including, but not limited to, computer tapes or discs, preliminary notes, working documents, files, and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of Consultant. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City, but shall be made available to the City within ten (10) days of request or within ten (10) days of termination. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to

City any findings, reports, documents, information, data, preliminary notes and working documents, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.13. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code Section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.14. Conflict of Interest. Consultant and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and subconsultants shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subconsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.15. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.16. Prohibited Employment. Consultant will not employ any regular employee of City while this Agreement is in effect.

6.17. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, the conflict shall be resolved by giving precedence in the following order, if applicable: This Agreement, the City's Request for Proposals, the Consultant's Proposal.

6.18. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.19. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental

beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.20. Headings. Paragraph and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.21. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.22. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.23. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.24. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.25. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.26. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY

CONSULTANT

By: _____

By: _____

Peggy Ducey
Its: City Manager

Joseph Arch, CPA
Its: President

ATTEST:

By: _____
Cristal Munoz
Acting City Clerk

APPROVED AS TO FORM:

By: _____
Keith F. Collins
City Attorney

EXHIBIT A

CONSULTANT'S PROPOSAL
(Scope of Work, Fee Schedule and Time Table)

EXHIBIT B
CERTIFICATES OF INSURANCE AND ENDORSEMENTS

RESOLUTION NO. ____-2023

RESOLUTION OF THE FORT BRAGG CITY COUNCIL

and

RESOLUTION NO. ID ____-2023

RESOLUTION OF THE FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT BOARD

and

RESOLUTION NO. RS __-2023

RESOLUTION OF THE FORT BRAGG REDEVELOPMENT SUCCESSOR AGENCY

APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH JJACPA, INC. FOR FISCAL YEAR 2022/23 AUDITING SERVICES AND AUTHORIZING CITY/DISTRICT MANAGER/EXECUTIVE DIRECTOR TO EXECUTE SAME (AMOUNT NOT TO EXCEED \$49,550; SPLIT AMONG THE AGENCIES)

WHEREAS, the City of Fort Bragg, Fort Bragg Redevelopment Successor Agency, Fort Bragg Municipal Improvement District No. 1, and C.V. Starr Community and Aquatic Center (collectively “the City”) maintain financial information which is reported in year-end financial statements which must be filed with the State of California, bond rating agencies, and various regulatory oversight bodies all of whom require that the statements be audited by independent certified public accountants; and

WHEREAS, the City has engaged JJACPA, Inc. to provide auditing services since 2015; and

WHEREAS, A Professional Services Agreement is proposed to engage JJACPA, Inc. to audit the fiscal year ending June 30, 2023; and

WHEREAS, total annual costs pursuant to the Professional Services Agreement are \$49,550; and

WHEREAS, based on all the evidence presented, the City Council/District Board/ Agency Board finds as follows:

1. JJACPA, Inc. is licensed with the California Board of Accountancy, with a clear license status, and has no disciplinary actions or license restrictions.
2. JJACPA, Inc. is qualified, based on previous experience as noted in their proposal and based on their history of providing services to the City.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fort Bragg/District Board of the Fort Bragg Municipal Improvement District No. 1/ and Agency Board of the Fort Bragg Redevelopment Successor Agency do hereby approve a Professional Services Agreement with JJACPA, Inc. for Fiscal Year 2022/23 auditing services and authorizes the City/District Manager/Executive Director to execute same (amount not to exceed \$49,550 split among the agencies).

The above and foregoing Resolution was introduced by _____ seconded by _____ and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg/District Board of the Fort Bragg Municipal Improvement District No. 1/Agency Board of the Fort Bragg Redevelopment Successor Agency held on the 14th day of August 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

BERNIE NORVELL
Mayor/Chair

ATTEST:

June Lemos, CMC
City/District Clerk/Agency Secretary



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 23-272

Agenda Date: 8/14/2023

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Certificate of
Completion

Agenda Number: 5E.

Accept Certificate of Facilities Lighting Improvement Project, City Project No. PWP-00125, and Direct City Clerk to File Notice of Completion

The Facilities Lighting Improvement Project included the removal and replacement of various lighting components at the Fort Bragg City Hall (including City Hall East), Public Works Yard, Water Treatment Facility, Wastewater Treatment Facility, and Police Department for the completion of Energy Saving Recommendations. This project was funded through On-Bill Financing provided by PG&E and designed and performed by Eco-Green Solutions, Inc. The final combined contract cost at close-out was in the amount of \$105,092.60.

Following acceptance of the Certificate of Completion by the City Council, the City Clerk will file a Notice of Completion with the Mendocino County Recorder.

RECORDING REQUESTED BY:

City of Fort Bragg

AND WHEN RECORDED, RETURN TO:

City of Fort Bragg
416 North Franklin Street
Fort Bragg, California 95437
Attention: Cristal Muñoz, Acting City Clerk

The City is exempt from recordation fees per Government Code §27383.

NOTICE OF COMPLETION

1. The undersigned is the duly authorized agent of the owner, City of Fort Bragg.
2. The full name of the owner is City of Fort Bragg, a municipal corporation.
3. The nature of the interest of the owner is a fee interest.
4. This project was constructed in accordance with the Contract entitled **Facilities Lighting Improvement Project, PWP-00125** dated May 1, 2023.
5. The name of the contractor of the improvement work is **EcoGreen Solutions, Inc.**, a California Corporation, and 2767 La Paz Road Suite 100, Laguna Niguel, California 92677. The contract was awarded to this firm on April 10, 2023, pursuant to Resolution 4675-2023 by the Fort Bragg City Council.
6. The address of the owner is the City of Fort Bragg, 416 North Franklin Street, Fort Bragg, California 95437.
7. On August 09, 2023, Alfredo Huerta, Assistant City Engineer, Public Works, executed a Certificate of Completion for the above-referenced project indicating that this project was completed as of that date. See Certificate of Completion attached hereto as Exhibit A.

State of California)

County of Mendocino)

I hereby certify under penalty of perjury that the foregoing is true and correct:

City Council Approval

CITY OF FORT BRAGG

August 14, 2023
(Date)

By: _____
Cristal Muñoz
Acting City Clerk

PROOF OF SERVICE BY MAIL
(Code of Civil Procedure Sections 1013a, 2015.5)

I am over the age of 18 years, employed in the County of Mendocino, and not a party to the within action; my business address is Fort Bragg City Hall, 416 North Franklin Street, Fort Bragg, California 95437.

On August ____, 2023, I served the attached document by placing a true copy thereof enclosed in a sealed envelope, with postage thereon fully prepaid, via Certified Mail, Return Receipt Requested, in the United States mail at Fort Bragg, California addressed as follows:

EcoGreen Solutions, Inc.
27671 La Paz Road Suite 100
Laguna Niguel, CA 92677

Executed on August ____, 2023, at Fort Bragg, Mendocino County, California.

I declare, under penalty of perjury, that the foregoing is true and correct.

ATTEST:

Cristal Muñoz
Acting City Clerk



CITY OF FORT BRAGG

Incorporated August 5, 1889

416 N. Franklin Street, Fort Bragg, CA 95437

Phone: (707) 961-2823 Fax: (707) 961-2802

www.FortBragg.com

CERTIFICATE OF COMPLETION

All items of work and the provisions of the contract executed with EcoGreen Solutions, Inc., for labor, materials, equipment, and supervision for the Facilities Lighting Improvement Project, as shown in the Plans and Specifications for the Facilities Lighting Improvement Project, City Project PWP-00125 dated dated May 1, 2023, have been completed.

This project as described above was awarded by the Fort Bragg City Council by resolution at their meeting of April 10, 2023.

It is recommended that the completed project be accepted by the City Council.

Alfredo Huerta

Assistant City Engineer

DATED: August 09, 2023.

EXHIBIT "A"

Price Comparison - Facilities Lighting Improvement Project

Facility	Original Quote	Final Cost	Summary of Changes
Police Station	\$43,020.78	\$33,305.04	Switched from fixtures to tubes and didn't install 6 area lights on neighboring property
City Hall	\$29,584.46	\$31,844.39	Added (1) wrap, (4) 4in can lights, (3) 8' linears, and (1) 4' tube
Public Works and WTP	\$12,204.12	\$15,829.87	Added (3) highbays, (2) vapor tight linears, (3) 4' linears, (4) 4' wraps
WWTP	\$21,361.64	\$24,113.30	Added (10) 4' vapor tight linears, (1) 4' linear, (1) 4' wrap
	\$106,171.00	\$105,092.60	-\$1,078.40



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 23-270

Agenda Date: 8/14/2023

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Consent Calendar

Agenda Number: 5F.

Approve Scope of Work for a Request for Proposals for a Comprehensive Review of the City's Cost Allocation Plan and Develop an Indirect Administration Cost Rate for Federal, State Grants and Reimbursements From Other Governmental Agencies



REQUEST FOR PROPOSALS (RFP)

**OVERHEAD & ADMINISTRATIVE COST
STUDY & A REVIEW OF THE CITY'S
COST ALLOCATION PLAN**

**City of Fort Bragg, California
Finance Department**

**416 N. Franklin Street
Fort Bragg, CA 95437
(707) 961-2825**

Proposals due September 6, 2023 3:00 p.m. (PST)

I. REQUEST SUMMARY

The City of Fort Bragg is seeking proposals from qualified firms to review the City's current Cost Allocation Plan and develop an approved Indirect/Overhead rate. The City is seeking to engage the services of a qualified professional firm experienced in cost recovery to prepare both reports. The study is anticipated to commence on August 14, 2023, with final reports completed by September 6, 2023.

II. INTRODUCTION

A. Background

The City of Fort Bragg is a general law city incorporated in 1889 with a Council-Manager form of government. Fort Bragg is located approximately 165 miles north of San Francisco and 185 miles west of Sacramento on the scenic coast of Mendocino County. The City occupies 2.7 square miles. Census 2020 places the City's population at 6,973. Although it is quite small, Fort Bragg is the largest City on the coast between San Francisco and Eureka. The largest employment categories in the City include services, wholesale and retail trade, local government, public education, health care, tourism, and fishing. The mild climate and picturesque coastline make Fort Bragg a popular tourist and recreational area.

The City has approximately 60 full-time equivalent (FTE) employees who deliver quality municipal services to its approximately 7,000 citizens. The City provides a full range of municipal services, including police, public works, planning, and economic development.

The City utilizes an annual budget. The Fiscal Year 2023-24 adopted budget was \$46,021,735, including General Fund appropriations of \$11.5 million to support the main operations of the City.

B. Objective

Review of Cost Allocation Plan

This project aims to ensure that the City of Fort Bragg has a basis for applying comprehensive overhead rates and accurately accounts for the true cost of providing various services by each department. Furthermore, best practices and accounting standards make it necessary for the City to maintain a well-documented cost allocation plan that will help it appropriately allocate general and administrative costs in the budget.

Indirect Cost Rate Plan

The City wishes to develop an indirect cost rate for certain allocable expenses. Indirect costs are not readily identifiable with a direct operating program but are incurred for a joint purpose that benefits more than one cost objective. Indirect costs include accounting, management staff costs, utilities, street maintenance, and police protection. The identified indirect rates can be used in to recover overhead rates from federal and state grants, user fees, and reimbursements from other governmental agencies.

C. General RFP Submittal Information

The City's designated staff will evaluate proposals received. During the review process, the

Cost Allocation Plan Study and Develop an Indirect Cost Rate

City reserves the right, where it may serve the City's best interest, to request additional information or clarification from those that submit proposals, or allow corrections of errors or omissions. Any and all changes in the RFP will be made by written addendum.

The City reserves the right to retain all proposals submitted. Submission of a proposal indicates the firm's acceptance of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the contractor selected.

The preparation of the RFP will be at the total expense of the Proposer. There is no expressed or implied obligation for the City to reimburse responding proposers for any expense incurred in the preparation of proposals in response to this request. All proposals submitted to the City shall become property of the City and will not be returned.

The City reserves the right to reject any or all proposals, in whole or part, to waive any informality in any proposal, and to accept the proposal, which, in its discretion, is in the best interest of the City.

To be considered, proposers must send **one original and three (3) hard copies of their proposal** in a sealed envelope with the name of the company submitting the proposal and the title of "Cost Allocation Study and Indirect Cost Rate" to:

**City of Fort Bragg
Attn: Cristal Munoz, Acting City Clerk
416 North Franklin Street
Fort Bragg, CA 95437**

D. RFP Questions

Questions regarding this RFP should be emailed to Isaac Whippy iwhippy@fortbragg.com by August 31, 2023. All firms sending questions will receive responses to all questions and any other agenda that may be released via e-mail by September 2, 2023.

E. Schedule

The City reserves the right to make changes to the below schedule but plans to adhere to the implementation of this bid process as follows:

RFP released:	August 15, 2023
Deadline for receiving questions:	August 25, 2023
Proposals due:	September 6, 2023 3:00 p.m. (PST)
Interviews (if necessary):	No later than September 8, 2023
Vendor selected:	September 25, 2023

III. SCOPE OF SERVICES

Project tasks shall include, but are not necessarily limited to, the following. If the firm feels that additional tasks are warranted, they must be clearly identified in the firm's proposal.

Review the current Cost Allocation Plan & Develop an Indirect Cost Rate/Overhead Rate.

Review the City's current full Cost Allocation Plan, which may include the following elements. If the consultant feels that additional tasks are warranted, they must be clearly identified in the consultant's proposal.

- A. Work and meet with City staff to refine the project scope, purpose, uses and goals of the City's Cost Allocation Plan to ensure that the study will be both accurate and appropriate to the City's needs. Review project schedule and answer any questions pertaining to the successful development of the study.
- B. Meet with staff and conduct interviews as needed to gain an understanding of the City's processes and operations.
- C. Identify the total cost of providing each City service at the appropriate activity level and in a manner that is consistent with all applicable laws, statutes, rules and regulations governing the collection of fees, rates, and charges by public entities.
- D. Determine the appropriate General and Administrative overhead allocations to City activities and applicable overhead rates for use in calculating the City's Billable Hourly rates. The requirements of the model should allow for:
 - a) Additions, revisions, or removal of direct and overhead costs so that the overhead cost allocation plan can be easily adapted to a range of activities, both simple and complex.
 - b) The ability of the City to continuously update the model and overhead cost allocation plan from year to year as the organization changes.
 - c) The addition of hypothetical service area information for future service enhancements, and the ability to calculate the estimated costs of providing the service under consideration (i.e. ad-hoc analysis).
- E. Develop an Indirect cost rate plan for certain consistent, allocable expenses and plan to submit to a Cognizant agency. Once approved, the same rate could be used for pooled costs for each grant or reimbursable activity.
- F. Report on other matters that come to your attention in the course of your evaluation that in your professional opinion the City should consider.
- G. Present the plan to the City's management group and make necessary adjustments as requested.
- H. If called upon to do so, prepare and deliver presentations to the Council to facilitate their

understanding of the plan and its implications to the City.

- I. Provide the City with an electronic copy of the final comprehensive review, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in cost.
- J. Prepare a final report and provide five bound copies, one unbound copy, and a single Microsoft Word and PDF file of the Overhead Cost Recovery Plan that can be made available to City staff. Models, tables and graphs should be provided in Microsoft Excel as deemed appropriate. Any Cost Allocation Model revisions developed shall also be made available to the City in Microsoft Word and PDF formats, providing the ability to add, delete and/or update information as needed.
- K. Provide a computer based model for adjusting these fees and charges for the City's current and future needs and provide the City with an electronic copy of the final comprehensive study, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in costs.
- L. Consult with City staff should the need arise to defend the cost allocation plan as a result of audits or other challenges.
- M. Update the plan annually and maintain accurate records of all correspondence, work papers, and other relative evidence during the contract period of five years.

The consultant may recommend other tasks that it deems appropriate to achieve the objectives set forth in this RFP.

The successful respondent shall be required to retain all working papers and related supporting documents, including records of professional time spent, for a period of five years after delivery of the required reports, unless notified in writing by the City of the need to extend the retention period. The consultant further agrees to allow City staff to review such documents upon written request at any time during the retention period.

IV. PROPOSAL OUTLINE TO BE SUBMITTED

The proposal shall be organized and submitted with the following elements:

- *Cover page*
- *Table of Contents*
- *Executive Summary*

Provide a brief summary describing the proposer's ability to perform the work requested, a history of the proposer's background and experience providing services, the qualifications of the proposer's personnel to be assigned to this project, any subcontractor, sub consultants, and/or suppliers and a brief history of their background and experience, and any other information called for by this request for proposal which the proposer deems relevant, including restating any exceptions to this request for proposal. This summary should be brief and concise to apprise the reader of the basic services offered, experience and qualifications of the proposer, staff, subcontractors, and/or suppliers.

- *Questionnaire/Response to Scope of Services*

Proposer shall provide responses and information to fully satisfy each item in the Questionnaire. Each question item should be presented before the proposer's response.

- *Attachments*

V. QUESTIONNAIRE

A. Company and General Information

- Company name and address.
- Letter of transmittal signed by an individual authorized to bind the respondent, stating that the respondent has read and will comply with all terms and conditions of the RFP.
- General information about the primary contact who would be able to answer questions about the proposal. Include name, title, telephone number and email address of the individual.

B. Qualifications and Experience of the Firm

- Describe your firm's history and organizational structure. Include the size of the firm, location of offices, years in business, organizational chart, name(s) of owner(s) and principal parties, and number and position titles of staff.
- What is the primary business of the parent company and/or affiliates?
- Which office(s) of your organization will have primary responsibility for managing the cost allocation plan and indirect cost rate study?
- What is your firm's experience conducting Overhead Cost Allocation Plans and Indirect Cost rate? Identify the studies performed by your firm in the last five years.
- Which office(s) of your organization will have primary responsibility for managing the Cost Allocation Plan and indirect cost rate study?
- Comment on other areas that may make your firm different from your competitors.

C. Qualifications and Experience of Proposed Project Team

- Describe the qualifications of staff proposed for the assignment, position(s) in the firm, and types and amount of equivalent experience. Be sure to include any municipal agencies they have worked with in the past three years and their level of involvement.
- Identify and provide the resume(s) of the personnel who will be assigned to this project.

D. Questions/Response to Scope of Services

- Describe the methods by which your firm will fulfill the Overhead Cost Recovery Study and Indirect cost Study requested in the Scope of Services (Section III). In responding to the Scope of Services, please be thorough in describing your firm's methodology for completing addressing all services

identified in the Scope of this request.

- Provide a statement of the service(s) that differentiate your firm from other respondents.

E. Fees (Please provide four copies in a separate envelope marked "Fees.")

- Provide your fees for the proposed service. Fee quotes should be detailed by service.
- The fee should include preparation of the Cost Allocation Plan and Indirect Cost Rate Study.
- Outline billing and payment expectations, including timing and method of payment.
- Describe any remaining fees not already detailed above.

F. Form of Contract

- The City's standard form of contract shall be used (copy attached).

G. References

- Provide a list of the municipal agencies for which the respondent has conducted a Cost Allocation Study and Indirect cost/Overhead Rate Study within the past three years.
- Provide the following information for three projects that are similar in size and scope to the project requested by this proposal:
 - a. Name, address, and telephone number of the agency
 - b. Time period for the project
 - c. Brief description of the scope of the review
 - d. Recommended procedures
 - e. Reference contact name and telephone number

H. Implementation Schedule

Include an implementation schedule with a final report delivery date by September 8, 2023 and note key project milestones and timelines for deliverables. Identify any assumptions used in developing the schedule.

I. Certificate(s) of Insurance

The City will require the successful consultant to provide Certificates of Insurance evidencing required coverage types and the minimum limits as listed in the City's standard contract.

VI. EVALUATION OF PROPOSALS

The project's core implementation team, comprised of City staff, will be responsible for the bid evaluations. This team, in accordance with the criteria listed below, will evaluate all proposals received as specified. The City team members, in applying the major criteria to the proposals, may consider additional criteria beyond those listed. During the evaluation period, the team may elect to interview some or all the proposing firms.

The final selection will be the firm, which, in the City's opinion, is the most responsive and responsible, meets the City's requirements in providing this service, and is in the City's best interest. The City maintains the sole and exclusive right to evaluate the merits of the proposals received.

Consultants will be objectively evaluated based on their responses to the project scope outlined in the RFP. The written proposal should clearly demonstrate how the firm could best satisfy the requirements of City.

Proposals will be evaluated based on the following criteria:

- Thoroughness and understanding of the tasks to be completed.
- Background and experience in organizational analysis evaluation.
- Staff expertise and overall experience of personnel assigned to the work.
- Time required to accomplish the requested services.
- Responsiveness to requirements of the project.
- Recent public sector experience, preferably in a municipal setting, conducting similar studies.
- Costs.

Although price for the services will be an important part of the consideration for award of the project, the City will consider the consultant's qualifications, expertise and level of professional service and advice in the award of the project. Proposals will be reviewed and evaluated by the City of Fort Bragg and a recommendation for award of contract will be presented to the Fort Bragg City Council.

OTHER CONSIDERATIONS

The City of Fort Bragg reserves the right to reject any and all proposals. This Request for Proposals does not commit the City to award contract, pay any costs incurred in the preparation of proposals, or to procure or contract for supplies or services.

The City of Fort Bragg reserves the right to negotiate with any qualified source or to cancel, in part of or in its entirety, this Request for Proposals, if it is in the City's best interest to do so. The City may require the selected consultant to participate in negotiations and submit such price, technical or other revisions of the proposal that may result from negotiations.

From: [Jacob Patterson](#)
To: [City Clerk](#)
Subject: Public Comment -- 8/14/23 CC mtg. Item No. 5F
Date: Friday, August 11, 2023 3:53:31 PM

City Council,

I am troubled by this consent calendar item. In the past, our Finance Department staff prepared our cost allocation plans in-house with the same or fewer staff members. I didn't even identify a lot of significant concerns about the allocation plans we have developed and Isaac was involved with those plans too. Does no one have the capacity to evaluate and develop a new or revised cost allocation plan? If so, does the current department staffing meet the City's needs? With my pre-legal finance background, I could prepare a cost allocation plan and it is not particularly difficult to do so. Anyone with basic financial skills and who knows how to use Excel could craft a cost-allocation plan and it doesn't require a lot of specialized knowledge even though there are legal issues involved too.

I don't understand how a City administration that has more employees than we have ever had can't perform basic job functions that we have traditionally performed in-house without incurring these considerable outside consulting expenses. That said, I don't mind issuing an RFP because it doesn't mean we have to hire any outside consultants to do this but I think we should have the capability and capacity to develop this in-house. I actually think that capacity is already there, although some staff might not be able to take so many days off or they might need to go back to five full work days per week.

There is something wrong at City Hall if we have to contract out so much of the substantive work rather than having the people we are already paying a salary to perform the work as part of their job responsibilities.

Also, why is this on the consent calendar and why hasn't this been brought to the Finance & Admin Committee to review first? Why are so many committee and commission meetings being cancelled when there are clearly items of business they could be reviewing so the public has a meaningful opportunity to chime in rather than being blind-sided by last minute consent calendar items with no public explanation why they are even being proposed. Also, why are our City Council agendas being published on Fridays rather than the prior practice of Wednesday afternoon or Thursday morning? These delays and last-minute postings really make it harder for you but also the public to have time to review and think about the agenda items.

Regards,

--Jacob



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 23-269

Agenda Date: 8/14/2023

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Minutes

Agenda Number: 5G.

Approve Minutes of July 10, 2023



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Meeting Minutes City Council

*THE FORT BRAGG CITY COUNCIL MEETS CONCURRENTLY
AS THE FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT
NO. 1 AND THE FORT BRAGG REDEVELOPMENT
SUCCESSOR AGENCY*

Monday, July 10, 2023

6:00 PM

Town Hall, 363 N. Main Street and
Via Video Conference

CALL TO ORDER

Mayor Norvell called the meeting to order at 6:01 PM.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: 5 - Mayor Bernie Norvell, Vice Mayor Jason Godeke, Councilmember Tess Albin-Smith, Councilmember Lindy Peters and Councilmember Marcia Rafanan

AGENDA REVIEW

Councilmember Lindy Peters, appearing via Zoom, announced that he could not attend the meeting in person at Town Hall due to contracting a contagious disease. He requested Council approval to attend the meeting remotely for "just cause" pursuant to AB 2449. Mayor Norvell called for a voice vote to approve the Councilmembers Peters attendance via Zoom, which was unanimously approved.

1. MAYOR'S RECOGNITIONS AND ANNOUNCEMENTS

2. PUBLIC COMMENTS ON: (1) NON-AGENDA, (2) CONSENT CALENDAR & (3) CLOSED SESSION ITEMS

- (1) None.
- (2) Marcy Snyder.
- (3) None.

3. STAFF COMMENTS

Administrative Analyst Cristal Munoz shared that the next Quarterly Downtown Merchant meeting will be at Town Hall on Saturday, July 15 from 9-11am. Chief Cervenka shared that he and Mayor Norvell attended the Missing and Murdered Indigenous People roundtable event. Where they discussed the new Father Alert, which is similar to the Amber Alert.

4. MATTERS FROM COUNCILMEMBERS

Councilmember Peters expressed his thanks to the Acting City Clerk for helping him attend tonight's City Council meeting via Zoom. He also mentioned that the current temperatures on Earth are the highest they have ever been, and he hopes for his constituents to always being mindful of climate change when council make decisions. Vice Mayor Godeke announced that the next meeting for the Ad Hoc Culture and

Education meeting will be tomorrow at Town Hall at 4:30 pm and via Zoom.

5. CONSENT CALENDAR

Approval of Consent Calendar

A motion was made by Councilmember Albin-Smith, seconded by Councilmember Rafanan, that the Consent Calendar be approved on the Consent Calendar. The motion carried by the following vote:

Aye: 5 - Mayor Norvell, Vice Mayor Godeke, Councilmember Albin-Smith, Councilmember Peters and Councilmember Rafanan

- 5A. [23-209](#)** Adopt by Title Only and Waive the Second Reading of Ordinance 984-2023 Repealing and Replacing Chapter 3.10 (Special Purpose Transactions and Use Tax) of Title 3 (Revenue and Finance) of the Fort Bragg Municipal Code

This Ordinance was adopted on Consent Calendar.

Enactment No: ORD 984-2023

- 5B. [23-215](#)** Adopt Resolution of the Fort Bragg City Council Confirming the Pay Rates/Ranges for All City of Fort Bragg Established Classifications

This Resolution was adopted on the Consent Calendar.

Enactment No: RES 4705-2023

- 5C. [23-219](#)** Consider Adoption of City Council Resolution Approving Grant Funding and Contracting with the Pacific Gas and Electric for Participation in the EV Fleet Electrification Program and Authorizing Budget Amendment 2023/2024-01 Accepting \$32,000 Incentive for the City's Make Ready Infrastructure (Account No. 522-0000-3998)

This Resolution was adopted on Consent Calendar.

Enactment No: RES 4706-2023

- 5D. [23-220](#)** Receive and File Minutes of the December 21, 2022 Public Safety Committee Meeting

This Committee Minutes was received and filed on the Consent Calendar.

- 5E. [23-225](#)** Approve Minutes of June 12, 2023

This Minutes was approved on the Consent Calendar.

6. DISCLOSURE OF EX PARTE COMMUNICATIONS ON AGENDA ITEMS

None.

7. PUBLIC HEARING

8. CONDUCT OF BUSINESS

- 8A. [23-213](#)** Receive Report and Consider Adoption of City Council Resolution Approving Letter of Intent (LOI) with Syserco Energy Solutions (SES) for the Facilities Solar Project and Authorizing City Manager to Execute the Same

Public Works Director John Smith presented the report on this item. He introduced Gabe Johnson from Syserco Energy Solutions who had a presentation via PowerPoint.

Public Comments: Marcy Synder and Jenny Shattuck.

Discussion: There was some discussion on about the warranty issues, malfunctions or damaged equipment. This project will help save money in the long term. There was unanimous support for this project.

A motion was made by Councilmember Peters, seconded by Councilmember Rafanan, that the Resolution be adopted. The motion carried by the following vote:

Aye: 5 - Mayor Norvell, Vice Mayor Godeke, Councilmember Albin-Smith, Councilmember Peters and Councilmember Rafanan

Enactment No: RES 4707-2023

- 8B. [23-218](#)** Resolution of the Fort Bragg City Council Authorizing the Execution of an Employment Agreement for Assistant City Manager/Police Chief with Neil Cervenka

City Manager Peggy Ducey presented on this item. There is the need to secure continuing processes and cover key aspects of the City. This about making sure there is coverage when the City Manager is out of the office. The Police Chiefs contract was also never finalized before he started his started his position.

Public Comment: Jacob Patterson, Jessica Morsell-Haye, Jay Rosenquist, and Jenny Shattuck.

Discussion: There was much discussion about the advantages and disadvantages of approving the item.

A motion was made by Mayor Norvell, seconded by Councilmember Peters, that the Resolution be adopted. The motion carried by the following vote:

Aye: 4 - Mayor Norvell, Vice Mayor Godeke, Councilmember Albin-Smith and Councilmember Peters

No: 1 - Councilmember Rafanan

Enactment No: RES 4708-2023

- 8C. [23-210](#)** Receive Report and Consider Adoption of City Council Resolution Accepting the Bid of Argonaut Constructors as the Lowest Responsive Bid, Awarding the 2022 Street Rehabilitation Project, City Project No. PWP-00120 to Argonaut Constructors and Authorizing City Manager to Execute Contract (Amount Not To Exceed \$3,611,831.45; Account No. 421-4870-0731)

Assistant Director of Engineering O'Neal presented this staff report.

Public Comment: None

Discussion: All Councilmembers were in agreement to support this project.

A motion was made by Vice Mayor Godeke, seconded by Councilmember Rafanan, that the Resolution be adopted. The motion carried by the following vote:

Aye: 5 - Mayor Norvell, Vice Mayor Godeke, Councilmember Albin-Smith, Councilmember Peters and Councilmember Rafanan

Enactment No: RES 4709-2023

8D. [23-214](#) Receive Report and Consider Adoption of City Council Resolution Approving Grant Funding and Contracting with the Department of California Highway Patrol to Conduct Preventative and Proactive Driving Under the Influence Enforcement

Police Chief Cervenka gave the staff report on this agenda item .

Public Comment:Jessica Morsell-Haye, Jenny Shattuck and Jay Rosenquist.

Discussion: All Councilmembers were in agreement to support this project.

A motion was made by Councilmember Peters, seconded by Councilmember Albin-Smith, that the Resolution be adopted. The motion carried by the following vote:

Aye: 5 - Mayor Norvell, Vice Mayor Godeke, Councilmember Albin-Smith, Councilmember Peters and Councilmember Rafanan

Enactment No: RES 4710-2023

9. CLOSED SESSION

ADJOURNMENT

Mayor Norvell adjourned the meeting at 7:57 PM

BERNIE NORVELL, MAYOR

June Lemos, MMC, City Clerk

IMAGED (_____)



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 23-273

Agenda Date: 8/14/2023

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Minutes

Agenda Number: 5H.

Approve Minutes of July 24, 2023



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Meeting Minutes City Council

*THE FORT BRAGG CITY COUNCIL MEETS CONCURRENTLY
AS THE FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT
NO. 1 AND THE FORT BRAGG REDEVELOPMENT
SUCCESSOR AGENCY*

Monday, July 24, 2023

6:00 PM

Town Hall, 363 N. Main Street
and Via Video Conference

CALL TO ORDER

Mayor Norvell called the meeting to order at 6:01 PM.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: 5 - Mayor Bernie Norvell, Vice Mayor Jason Godeke, Councilmember Tess Albin-Smith, Councilmember Lindy Peters and Councilmember Marcia Rafanan

AGENDA REVIEW

1. MAYOR'S RECOGNITIONS AND ANNOUNCEMENTS

Chief Cervenka presented both Officer Beak and Officer Frank their Mothers Against Drink Driving DUI awards and pins. These awards are given to those officers with more than 25 DUI arrests. Officer Frank received the Century award with the second highest DUI arrests in the State.

2. PUBLIC COMMENTS ON: (1) NON-AGENDA, (2) CONSENT CALENDAR & (3) CLOSED SESSION ITEMS

- (1) None.
- (2) Jay Rosenquist and Jacob Patterson
- (3) N/A

3. STAFF COMMENTS

Community Development Director Juliana Cherry announced that the Requests for Proposals for the EIR of the Mill Site received one timely proposal from Integral Consulting. Chief Cervenka shared that next Tuesday, August 1st is National Night Out at Bainbridge Park from 5-8pm. Assistant Director of Engineering O'neal wanted to remind the public of the upcoming Hazardous Waste Event that will be held at the Caspar Transfer Station on August 3rd and 4th from 9-1pm. She also provided an update regarding the rehabilitation of Wiggly Giggly Park, which closed starting August 14th and anticipating reopening by early September.

4. MATTERS FROM COUNCILMEMBERS

Councilmember Peters congratulated both police officers for their awards and efforts. He attended the most recent Fire Board meeting on Tuesday and reported that once again there are delays to receiving the new fire truck engines. He also stated the funds from the tax initiative for the fire departments has gone into the County's General Fund and these funds would not be distributed until January of 2024. He also stated that he's concerned that this potential ballot measure could restrict the City from raising fees because they will need to be named a tax rather than a fee. Vice Mayor Godeke mentioned that the Ad Hoc Culture and Education Committee meeting went well and the recordings are available on the City's website. He also will be attending the next Community Development Committee meeting at 3pm via Zoom or Town Hall, where they will be discussing potential tree planting efforts. Councilmember Albin-Smith shared she attended the Public Works and Facilities meeting on July 13th and C&S Waste Solutions made a recycling and waste presentation that was very informative and would like that presentation to be shared at an upcoming City Council meeting. She also shared that she attended the Finance and Administration meeting on July 17th where they discussed a potential new price structure for CV Starr. Lastly she shared she attended the Blue Zones Project Mendocino Complete Streets meeting on July 21st in Willits. She shared that it was encouraging to see a lot of solutions to make our city a better more livable city.

5. CONSENT CALENDAR

Vice Mayor Godeke requested that Item 5B be pulled to discuss details.

Approval of the Consent Calendar

A motion was made by Councilmember Peters, seconded by Councilmember Albin-Smith, to approve the Consent Calendar with the exception of Items 5B.

The motion carried by the following vote:

Aye: 5 - Mayor Norvell, Vice Mayor Godeke, Councilmember Albin-Smith, Councilmember Peters and Councilmember Rafanan

- 5A. [23-217](#)** Resolution of the Fort Bragg City Council Establishing the Assistant City Manager/Police Chief Classification and Confirming the Pay Rates/Ranges for All of City of Fort Bragg Established Classifications

This Resolution was adopted on the Consent Calendar.

Enactment No: RES 4711-2023

- 5C. [23-234](#)** Approve Scope of Work for the Request for Proposals for Design Services for the Bainbridge Park Enhancement Project

This Scope of Work was approved on the Consent Calendar.

- 5D. [23-236](#)** Approve Revised Scope of Work for a Request for Proposals for Design Services for the Community Development Block Grant Fire Station Rehabilitation Project, Project No. 20-CDBG-12029

This Consent Calendar was approved on the Consent Calendar.

- 5E. [23-244](#) Approve Minutes of June 26, 2023

This Minutes was approved on the Consent Calendar.

ITEMS REMOVED FROM CONSENT CALENDAR

- 5B. [23-228](#) Readopt Master Traffic Resolution

Vice Mayor Godeke wanted some clarification in regards to the redlines updates in the document. He stated that item A1 and Item B3 are no longer needed as Caltrans has removed the no left turn at those intersections. In addition Councilmember Albin-Smith asked informing questions from Assistant Director of Engineering O'Neal and she confirmed those changes.

This Resolution was adopted on the Consent Calendar.

Enactment No: RES 1271-2023/A

6. DISCLOSURE OF EX PARTE COMMUNICATIONS ON AGENDA ITEMS

7. PUBLIC HEARING

- 7A. [23-232](#) Receive Report and Conduct Public Hearing for Disclosure of Accomplishments and Closeout of Activities Funded by Community Development Block Grant (CDBG) 17-CDBG-12020

Mayor Norvell opened the public hearing at 6:35 PM

Grants Coordinator Peterson presented the staff report.

Public Comment: Jacob Patterson

Mayor Norvell closed the public hearing at 6:40 PM.

Discussion: This item was informational only; no action was taken.

This item was informational only.

- 7B. [23-231](#) Receive Report, Conduct Public Hearing and Provide Direction to Staff Regarding 2023 Community Development Block Grant (CDBG) Program Applications

Mayor Norvell opened the public hearing at 6:41 PM

Grants Coordinator Peterson presented the staff report and asked Council to provide direction on which activities to include in the 2023 CDBG grant application. She explained the difference between Over The Counter (OTC) and Competitive Application grant processes.

Public Comment: Jacob Patterson.

Mayor Norvell closed the public hearing at 6:56 PM.

Discussion: Councilmembers discussed the various activities that the City can apply for once the Notice of Funding Availability is open. They provided direction to proceed with the Public Hearings and to apply for Over the Counter Application for a Code Enforcement program, Housing Rehabilitation, CRU, Youth Job Training and Utility Assistant programs.

This Staff Report was referred to staff with the direction to proceed with preparing a grant application for the various activities.

8. CONDUCT OF BUSINESS

- 8A. [23-208](#)** Adopt City Council Resolution Approving a Loan Agreement with Fort Bragg South Street LP, a California Limited Partnership for which Danco Communities Serves as a Co-Administrative General Partner, to Assist with the Development of The Plateau and Authorizing City Manager to Execute Same (Amount Not To Exceed: \$2,280,000; Account No.176-0000-1306)

Special Projects McCorkmick presented the staff report on this item.

Public Comment: None.

Discussion: After some brief discussion, the general consensus of the Council was that this project was good for the community.

A motion was made by Councilmember Peters, seconded by Councilmember Rafanan, that the Staff Report be approved. The motion carried by the following vote:

Aye: 5 - Mayor Norvell, Vice Mayor Godeke, Councilmember Albin-Smith, Councilmember Peters and Councilmember Rafanan

- 8B. [23-233](#)** Receive Report and Consider Adoption of City Council Resolution Approving Professional Services Agreement with SHN Consulting Engineers & Geologists, Inc. to Provide Construction Management Services for the 2022 Streets Rehabilitation Project, City Project No. PWP-00120, Approving Budget Amendment 2023/24-03, and Authorizing City Manager to Execute Contract (Amount Not To Exceed \$196,900; Account No. 421-4870-0731)

Assistant Director of Engineering O'neal presented the staff report for this item.

Public Comment: Jacob Patterson

Discussion: After a brief discussion regarding the project, Council was in agreement with staffs recommendation to proceed with SHN Consulting Engineers and & Geologists Inc.

A motion was made by Councilmember Peters, seconded by Councilmember Rafanan, that the Resolution be adopted. The motion carried by the following vote:

Aye: 5 - Mayor Norvell, Vice Mayor Godeke, Councilmember Albin-Smith, Councilmember Peters and Councilmember Rafanan

Enactment No: RES 4714-2023

9. CLOSED SESSION

ADJOURNMENT

Mayor Norvell adjourned the meeting at 7:33 PM

BERNIE NORVELL, MAYOR

June Lemos, MMC, City Clerk

IMAGED (_____)



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 23-250

Agenda Date: 8/14/2023

Version: 1

Status: Business

In Control: City Council

File Type: Resolution

Agenda Number: 8A.

Receive Report and Consider Adoption of City Council Resolution Approving First Amendment to Existing Professional Services Agreement with Creative Thinking, Inc., DBA The Idea Cooperative, for Authorizing the City Manager to Execute Contract Amendment (for \$180,000 Account No. 110-4321-0319 Total Contract Amount Not to Exceed \$205,000)



AGENCY: City Council
MEETING DATE: August 14, 2023
DEPARTMENT: Administration
PRESENTED BY: Munoz / McCormick
EMAIL ADDRESS: smccormick@fortbragg.com

AGENDA ITEM SUMMARY

TITLE:

Receive Report and Consider Adoption of City Council Resolution Approving First Amendment to Existing Professional Services Agreement with Creative Thinking, Inc., DBA The Idea Cooperative, and Authorizing the City Manager to Execute Contract Amendment (\$180,000 Account No. 110-4321-0319; Total Contract Amount Not to Exceed \$205,000)

ISSUE:

On November 19, 2019, the Visit Fort Bragg Committee (VFB) unanimously recommended that the City Council approve a contract with The Idea Cooperative to implement a marketing strategy for the City. The City approved Resolution 4417-2021 to continue contracting with Idea Cooperative for FY 2021-2022 and approved Resolution 4572-2022 to continue services through FY 2022-2023. The agreement with Idea Cooperative expired on June 30, 2023, and the City wishes to continue services into FY 2023-2024 by amending an existing contract with The Idea Cooperative.

ANALYSIS:

The Idea Cooperative, located in Petaluma, has provided the City with marketing/advertising services, design/creative services, and social media content creation since December 2019. Initially, Idea Cooperative was hired to conduct an audit of existing materials, create a strategic positioning concept and integrated marketing strategy, and oversee a complete overhaul of the Visit Fort Bragg website (www.visitfortbraggca.com).

The Idea Cooperative has proven responsive, nimble, and skilled with marketing and promotional activities for the City. Beginning with a strictly outbound destination marketing strategy, the Idea Cooperative looks for opportunities to weave in community-oriented events that support the local businesses and people that make Fort Bragg unique. And when the City needed to pivot messaging to aid public health orders during the COVID-19 pandemic or to help educate visitors about drought conditions/water conservation – the promotional calendar was adjusted to meet the need.

The Idea Cooperative continues to drive engagement, increasing followers that provide Fort Bragg with a large online community of loyal, regular visitors. The FY 2023-2024 calendar is exciting! It includes strengthening annual traditions such as the Magic Market, while also forging new relationships with Cal Fire, Jackson State Demonstration Forest, and the mountain bikers, both local and visiting, that explore the trails.

The City currently has a \$25,000 contract with The Idea Cooperative, executed under the City Manager's signature authority effective May 30, 2023 for consulting work specifically for the Noyo Harbor grant. Staff recommends that the existing contract be amended to include the consulting work for Visit Fort Bragg.

AGENDA ITEM NO.

RECOMMENDED ACTION:

Adopt Resolution approving the first amendment to the professional services agreement with The Idea Cooperative and authorizing the City Manager to execute the contract.

ALTERNATIVE ACTION(S):

Provide staff additional direction.

FISCAL IMPACT:

The adopted budget for FY 2023-2024 includes \$180,000 for The Idea Cooperative services for Visit Fort Bragg.

GREENHOUSE GAS EMISSIONS IMPACT:

A successful Visit Fort Bragg Campaign will increase travel to and from Fort Bragg, essentially all of which would be by personal vehicle. The additional trips will increase greenhouse gas emissions.

CONSISTENCY:

Hiring a creative firm to continue to build the Visit Fort Bragg brand is consistent with City Council Priority Area: Jobs/Industry and Goal 3 – Foster and help sustain local businesses.

IMPLEMENTATION/TIMEFRAMES:

The Idea Cooperative will begin work as soon as the contract is executed.

ATTACHMENTS:

1. Resolution
2. Contract

NOTIFICATION:

1. Tom Kavanaugh, The Idea Cooperative
2. Notify Me subscriber lists: Economic Development Planning; Tourism and Marketing
3. Visit Fort Bragg Committee Members

RESOLUTION NO. ____-2023

RESOLUTION OF THE FORT BRAGG CITY COUNCIL APPROVING FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH CREATIVE THINKING INC., DBA THE IDEA COOPERATIVE AND AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT (TOTAL CONTRACT AMOUNT NOT TO EXCEED \$205,000: \$180,000 ACCOUNT NO. 110-4321-0319)

WHEREAS, the passage of Measure AA in November 2016 resulted in an increase to the City’s Transient Occupancy Tax rate from 10% to 12%, and the accompanying Measure AB provided nonbinding guidance that one-half of increased tax revenues should be used to support tourism-related projects and promotions; and

WHEREAS, City staff determined that The Idea Cooperative was qualified, located within the region, and able to respond promptly to the City’s needs for: (1) Marketing and Advertising Services; (2) Design /Creative Services; and (3) Social Media Content Creation; and

WHEREAS, on November 19, 2019, at its regular meeting, the Visit Fort Bragg Committee unanimously recommended the City Council approve a contract with The Idea Cooperative; and

WHEREAS, on November 25, 2019, the City Council of the City of Fort Bragg (“City”) adopted Resolution No. 4213-2019 authorizing the execution of a Professional Services Agreement (“Agreement”) with The Idea Cooperative (“Consultant”); and

WHEREAS, the City was pleased with the services provided by Consultant and approved Resolution 4417-2021 to continue contracting services for FY 2021-22; and

WHEREAS, the City continued to be pleased with the services provided by Consultant and approved Resolution 4572-2022 to continue contracting services for FY 2022-23; and

WHEREAS, this Agreement with Consultant expired on June 30, 2023, and a contract is required to cover the period of July 1, 2023, to June 30, 2024; and

WHEREAS, the City appropriated funds in the FY 2023-24 budget for this activity and sufficient funds are available for this contract.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fort Bragg does hereby approve the First Amendment to Professional Services Agreement with Creative Thinking Inc., DBA The Idea Cooperative and authorizes the City Manager to execute the same upon execution by Contractor (Total Contract Amount Not to Exceed \$205,000: \$180,000, Account: 110-4321-0319).

The above and foregoing Resolution was introduced by Councilmember _____, seconded by Councilmember _____, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 14th day of August 2023, by the following vote:

**AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:**

BERNIE NORVELL
Mayor

ATTEST:

Cristal Munoz
Acting City Clerk

**FIRST AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT WITH
CREATIVE THINKING, INC. DBA THE IDEA COOPERATIVE
FOR STRATEGIC AND CREATIVE MARKETING SERVICES**

THIS FIRST AMENDMENT is made and entered into this ___ day of August 2023, by and between the CITY OF FORT BRAGG, a municipal corporation, 416 N. Franklin Street, Fort Bragg, California 95437 (“City”), and CREATIVE THINKING, INC. DBA THE IDEA COOPERATIVE, a California corporation, 100 Fourth Street, Petaluma, California 94952 (“Consultant”).

WHEREAS, the City and Consultant entered into a Professional Services Agreement (“Contract”) on May 30, 2023; and

WHEREAS, the Contract states that Consultant will provide strategic and creative marketing services for Visit Fort Bragg as described in Consultant’s Scope of Work attached to the Contract as Exhibit A; and

WHEREAS, the Contract is set to expire on March 24, 2024; and

WHEREAS, the parties desire to amend the contract to extend the services through June 30, 2024; and

WHEREAS, there are still sufficient funds budgeted for these activities;

NOW, THEREFORE, for the aforementioned reasons and other valuable consideration, the receipt and sufficiency of which is acknowledged, City and Consultant hereby agree that the Professional Services Agreement for marketing and promotion expertise is hereby amended as follows:

1. COMPENSATION

Paragraph 2.1 (Compensation) is hereby amended to state, “Consultant shall be paid in accordance with the fee schedule set forth in **Exhibit A**, for a total amount not to exceed **One Hundred Eighty Thousand Dollars (\$180,000.00, Account No. 110-4321-0319; Contract Not to Exceed \$205,000)**.”

2. TIME OF PERFORMANCE

Paragraph 3.1 (Commencement and Completion of Work) is hereby amended to extend the time of completion of the project to **June 30, 2024**.

3. TERM AND TERMINATION

Paragraph 4.1 (Term) is hereby amended to extend the expiration date of the Contract to **September 30, 2024**.

4. Except as expressly amended herein, the Professional Services Agreement, between the City and Consultant dated May 30, 2023, is hereby reaffirmed.

IN WITNESS WHEREOF, the parties have executed this Amendment the day and year first above written.

CITY

CONSULTANT

By: _____
Peggy Ducey
Its: City Manager

By: _____
Tom Kavanaugh
Its: Principal

ATTEST:

By: _____
Cristal Muñoz
Acting City Clerk

APPROVED AS TO FORM:

By: _____
Keith F. Collins
City Attorney

**CITY OF FORT BRAGG
PROFESSIONAL SERVICES AGREEMENT
WITH
CREATIVE THINKING, INC. DBA THE IDEA COOPERATIVE**

THIS AGREEMENT is made and entered into this 30th day of May, 2023 (“Effective Date”), by and between the CITY OF FORT BRAGG, a municipal corporation, 416 N. Franklin Street, Fort Bragg, California 95437 (“City”), and CREATIVE THINKING, INC. DBA THE IDEA COOPERATIVE, a California corporation, 100 Fourth Street, Petaluma, California 94952 (“Consultant”).

WITNESSETH:

A. WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to provide creative branding and website development for a Communications and Engagement Plan for the Noyo Harbor Blue Economy Visioning, Resiliency and Implementation Plan, as more fully described herein; and

B. WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. WHEREAS, City and Consultant desire to contract for the specific services described in Exhibit “A” (the “Project”) and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. WHEREAS, no official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

E. WHEREAS, the City Manager is authorized by Fort Bragg Municipal Code Section 3.20.040 to negotiate contracts in an amount not to exceed \$25,000.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Work. Consultant shall provide the professional services described in the Consultant’s Proposal (“Proposal”), attached hereto as **Exhibit A** and incorporated herein by this reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant’s performance of this Agreement. Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. City officers and employees shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

1.3. Performance to Satisfaction of City. Consultant agrees to perform all the work to the complete satisfaction of the City as hereinafter specified. Evaluations of the work will be done by the City Manager or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the matters of concern;
- (b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement. To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Consultant and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

1.5. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender, sexual orientation, or disability except as permitted pursuant to Section 12940 of the Government Code. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. Consultant agrees to post in conspicuous places, available to employees and applicants for employment, a notice setting forth provisions of this non-discrimination clause.

Consultant shall, in all solicitations and advertisements for employees placed by, or on behalf of Consultant, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender, sexual orientation, or disability. Consultant shall cause the paragraphs contained in this Section to be inserted in all subcontracts for any work covered by the Agreement, provided that the foregoing provisions shall not apply to subcontracts for standard commercial supplies or raw materials.

1.6. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense. All insurance requirements contained in this Agreement are independently applicable to any and all subcontractors that Consultant may engage during the term of this Agreement.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

2.0. COMPENSATION, BILLING AND PREVAILING WAGES

2.1. Compensation. Consultant's total compensation shall not exceed Twenty Five Thousand Dollars (\$25,000.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of work specified in the Consultant's Proposal or which is inconsistent with or in violation of the provisions of this Agreement unless the City or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable. Should the City request in writing additional services that increase the hereinabove described "Scope of Work," an additional fee based upon the Consultant's standard hourly rates shall be paid to the Consultant for such additional services. The City Manager may approve contract change orders not exceeding a total of 10% of the approved contract or up to the contingency amount whichever amount is less for any one project.

2.3. Method of Billing. Consultant may submit invoices to the City for approval on a progress basis, but not more often than monthly. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times for a period of three (3) years from the date of final payment.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The professional services to be

performed pursuant to this Agreement shall commence within five (5) days from the issuance of Notice to Proceed. Said services shall be performed in strict compliance with the schedule set forth in the Scope of Work attached hereto as **Exhibit A**. Consultant will complete the services in accordance with this Agreement by December 31, 2023. The Time of Completion may only be modified by a written amendment of the Agreement signed by both the City and the Consultant and in accordance with its terms.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party. If a delay beyond the control of the Consultant is encountered, a time extension may be mutually agreed upon in writing by the City and the Consultant. The Consultant shall present documentation satisfactory to the City to substantiate any request for a time extension.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and expire on March 31, 2024 unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing at least ten (10) days prior written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City. If the City suspends, terminates or abandons a portion of this Agreement, such suspension, termination or abandonment shall not make void or invalidate the remainder of this Agreement.

If the Consultant defaults in the performance of any of the terms or conditions of this Agreement, it shall have ten (10) days after service upon it of written notice of such default in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

The City shall have the right, notwithstanding any other provisions of this Agreement, to terminate this Agreement, at its option and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement, immediately upon service of written notice of termination on the Consultant, if the latter should:

- a. Be adjudged a bankrupt;
- b. Become insolvent or have a receiver of its assets or property appointed because of insolvency;
- c. Make a general assignment for the benefit of creditors;
- d. Default in the performance of any obligation or payment of any

indebtedness under this Agreement;

- e. Suffer any judgment against it to remain unsatisfied or unbonded of record for thirty (30) days or longer; or
- f. Institute or suffer to be instituted any procedures for reorganization or rearrangement of its affairs.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City's written notice of termination within thirty-five (35) days after service of the notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant. City shall not be liable for any claim of lost profits.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Broad-form commercial general liability, in a form at least as broad as ISO form #CG 20 01 04 13, including premises-operations, products/ completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00) per occurrence, Two Million Dollars (\$2,000,000.00) aggregate, combined single limits. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit. If Consultant maintains higher limits than the specified minimum limits, City requires and shall be entitled to coverage for the high limits maintained by the Consultant.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, each incident for bodily injury and property damage.

- (c) Workers' compensation insurance as required by the State of California and Employers Liability Insurance with a minimum limit of \$1,000,000 per accident for any employee or employees of Consultant. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officials, officers, agents, employees, and volunteers for losses arising from work performed by Consultant for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

Before execution of this Agreement by the City, the Consultant shall file with the City Clerk the following signed certification:

I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work.

The Consultant shall also comply with Section 3800 of the Labor Code by securing, paying for and maintaining in full force and effect for the duration of this Agreement, complete Workers' Compensation Insurance, and shall furnish a Certificate of Insurance to the City Clerk before execution of this Agreement by the City. The City, its officers and employees shall not be responsible for any claims in law or equity occasioned by failure of the consultant to comply with this section.

- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than Two Million Dollars (\$2,000,000.00), combined single limits, per occurrence and aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. Consultant shall obtain and maintain said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

Neither the City nor any of its elected or appointed officials, officers, agents, employees, or volunteers makes any representation that the types of insurance and the limits specified to be carried by Consultant under this Agreement are adequate to protect Consultant. If Consultant believes that any such insurance coverage is insufficient, Consultant shall provide, at its own expense, such additional insurance as Consultant deems adequate.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Fort Bragg and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the City; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by

the Consultant."

- (b) Notice: "Consultant shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, Consultant shall forthwith obtain and submit proof of substitute insurance. Should Consultant fail to immediately procure other insurance, as specified, to substitute for any canceled policy, the City may procure such insurance at Consultant's sole cost and expense."
- (c) Other insurance: "The Consultant's insurance coverage shall be primary insurance as respects the City of Fort Bragg, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Fort Bragg shall be excess and not contributing with the insurance provided by this policy."
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Fort Bragg, its officers, officials, agents, employees, and volunteers.
- (e) The Consultant'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.

5.3. Deductible or Self-Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement. The certificates of insurance and endorsements shall be attached hereto as **Exhibit B** and incorporated herein by this reference.

5.5. Non-limiting. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his or her designee shall be the

representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. The Project Manager designated to work directly with Consultant in the performance of this Agreement will be **Sarah McCormick, Special Projects Manager**. It shall be the Consultant's responsibility to assure that the Project Manager is kept informed of the progress of the performance of the services and the Consultant shall refer any decision, which must be made by City, to the Project Manager. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Project Manager.

Consultant designates **Tom Kavanaugh, President** as its Project Manager, who shall represent it and be its agent in all consultations with City during the term of this Agreement and who shall not be changed by Consultant without the express written approval by the City. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or if mailed, shall be addressed as set forth below and placed in a sealed envelope, postage prepaid, and deposited in the United States Postal Service. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 72 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:
Tom Kavanaugh, President
The Idea Cooperative
100 Fourth Street
Petaluma, CA 94952
Tel: 415-377-6708

IF TO CITY:
City Clerk
City of Fort Bragg
416 N. Franklin St.
Fort Bragg, CA 95437
Tel: 707-961-2823
Fax: 707-961-2802

6.5. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.6. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Mendocino County, California. Consultant agrees to submit to the personal jurisdiction of such

court in the event of such action.

6.7. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.8. Indemnification and Hold Harmless.

Consultant agrees to defend, indemnify, hold free and harmless the City, its elected and appointed officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, demands, actions, suits or other legal proceedings brought against the City, its elected and appointed officials, officers, agents and employees arising out of the performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply whenever any claim, action, complaint or suit asserts liability against the City, its elected and appointed officials, officers, agents and employees based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

6.9. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its or employees are in any manner agents or employees of City. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.10. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement

System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.11. Cooperation. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

6.12. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, preliminary notes, working documents, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City, but shall be made available to the City within ten (10) days of request or within ten (10) days of termination. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, preliminary notes and working documents, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City. Consultant or Consultant's agents shall execute such documents as may be necessary from time to time to confirm City's ownership of the copyright in such documents.

6.13. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code Section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.14. Conflict of Interest. Consultant and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California

applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and subconsultants shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subconsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.15. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.16. Prohibited Employment. Consultant will not employ any regular employee of City while this Agreement is in effect.

6.17. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, the conflict shall be resolved by giving precedence in the following order, if applicable: This Agreement, the City's Request for Proposals, the Consultant's Proposal.

6.18. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.19. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.20. Headings. Paragraph and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.21. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.22. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.23. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.24. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.25. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

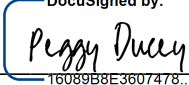
6.26. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

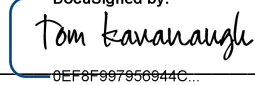
6.27. Use of Recycled Paper Products. In the performance of this Agreement, Consultant shall use paper products and printing and writing paper that meets Federal Trade Commission recyclability standards as defined in 16 CFR 260.12.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

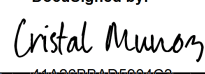
CITY

CONSULTANT

By:  _____
Its: Peggy Ducey
City Manager

By:  _____
Its: Tom Kavanaugh
President

ATTEST:

By:  _____
Cristal Munoz
Acting City Clerk

APPROVED AS TO FORM:

DocuSigned by:
By: Keith Collins
35D0B7A7FB214D4...
Keith F. Collins
City Attorney

EXHIBIT A

CONSULTANT'S PROPOSAL
(Scope of Work, Fee Schedule and Time Table)

EXHIBIT B
CERTIFICATES OF INSURANCE AND ENDORSEMENTS

Overview

The Idea Cooperative will continue as Creative Marketing Agency of Record for the City of Fort Bragg, CA with a new contract covering the period of July 1, 2023 > June 30, 2024. This proposal outlines the scope of work The Idea Cooperative commits to complete during this period based on a 12-month budget of \$180,000.

Scope of Work Summary

The Idea Cooperative will perform creative marketing duties for Fort Bragg with an overall objective of increasing visits through online engagement and supporting local merchants and hoteliers. The following is a list of specific activities and deliverables each month.

- Ongoing Social Media Posting & Monitoring
- Monthly E-marketing Analytics Report Summary
- One Monthly Promotion To Drive Engagement and Visits
 - Creative Theme/Concept
 - One Email
 - Social Media Materials
 - Collateral/Signage If Needed (note: does not include printing costs)
 - Web Development of Custom Landing Page If Needed+
- Regular Local Content Development (Photography, Video, Audio/Podcasts) To Increase Engagement
- Monthly Content E-newsletter – To Increase Engagement and Support Local Merchants
- Monthly Editorial Content Development and Earned Media Initiatives – To Expand Reach and Awareness
- Social Media Expansion and Campaigns To Increase Followers
- Monthly Paid Media Allocation To Increase Impressions/Awareness and Support Local Business Initiatives
- Strategic Messaging and Campaign Development To Support Central Business District Improvements

Budget:

\$12,000/mo. + \$3,000/Mo. for Hard Costs (Paid Media, Printing & Content Creation)
\$180,000 12 Month Total

TOTAL PROJECT COSTS:

Month	Fee	Hard Costs	TOTAL
July, 2023	\$12,000	\$3,000	\$15,000
August, 2023	\$12,000	\$3,000	\$15,000
September, 2023	\$12,000	\$3,000	\$15,000
October, 2023	\$12,000	\$3,000	\$15,000
November, 2023	\$12,000	\$3,000	\$15,000
December, 2023	\$12,000	\$3,000	\$15,000
January, 2024	\$12,000	\$3,000	\$15,000
February, 2024	\$12,000	\$3,000	\$15,000
March, 2024	\$12,000	\$3,000	\$15,000
April, 2024	\$12,000	\$3,000	\$15,000
May, 2024	\$12,000	\$3,000	\$15,000
June, 2024	\$12,000	\$3,000	\$15,000
Totals:	\$144,000	\$36,000	
TOTAL CONTRACT:			\$180,000

Authorization To Proceed: _____ Date: _____

Notes:

Media and content costs may not be allocated evenly each month. A running accounting of all media and content costs will be included with each invoice. The Idea Cooperative will bill \$12,000 at the end of each month to cover work performed during that month, plus applicable media and content costs.

This estimate is based on a preliminary understanding of services to be delivered. If any aspect of the project changes, this estimate will be subject to revision or addendum. This estimate does not include CA sales tax, if applicable.



City of Fort Bragg

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Text File

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Conference With Legal Counsel--Anticipated Litigation Initiation of Litigation Pursuant to Paragraph (4) of Subdivision (d) of Government Code Section 54956.9: (three cases)