

RESOLUTION NO. xxxx-2025
RESOLUTION OF THE FORT BRAGG CITY COUNCIL

**ADOPTING BROADBAND AND MENDOCINO COMMUNITY NETWORK(MCN)
FEES FOR THE CITY’S MUNICIPAL FIBER-OPTIC BROADBAND UTILITY**

WHEREAS, the City of Fort Bragg has acquired the Mendocino Community Network (MCN) as part of its municipal broadband initiative to expand high-speed, reliable, and locally managed internet access to residents and businesses; and

WHEREAS, the City intends to operate MCN as a municipal broadband utility, beginning July 1, 2025; and

WHEREAS, the City proposes to maintain MCN’s existing service rates (dial-up, DSL, and related services) and adopt new fees for municipal fiber-optic broadband services consistent with the financial pro forma, infrastructure investment, and grant requirements associated with the \$17.4 million broadband project; and

WHEREAS, Government Code Section 66016 requires that prior to adopting new or increased fees, the City Council must conduct a duly noticed public hearing and provide supporting documentation at least 10 days in advance; and

WHEREAS, a public hearing was held on June 10, 2025, at which time all interested persons were given the opportunity to be heard concerning the proposed fee schedule; and

WHEREAS, the City Council finds that the proposed service fees:

- Are based on the reasonable cost of providing broadband services;
- Are necessary to fund operations, maintenance, customer service, capital improvements, supplies, equipment and materials, and debt obligations related to the broadband utility;
- Do not exceed the cost of service for which the fees are imposed; and
- Are consistent with the grant funding conditions established by the California Public Utilities Commission’s Federal Funding Account (FFA) program; and

WHEREAS, the City will continue to charge existing MCN customers their current rates without interruption, and these rates are not subject to the 60-day waiting period under Government Code Section 66017 since they are not being increased; and

WHEREAS, a fee study has been completed using reasonable good faith estimates of the costs to the City and the rates imposed herein do not exceed the costs to the City; and

WHEREAS, the fees charged herein are charges for access to and use of city property; and

WHEREAS, all fees collected herein shall be restricted to and used only for the MCN network and broadband and for no other purpose; and

WHEREAS, adoption of this Resolution is statutorily exempt pursuant to 14 Cal Code Reg. 15273 “Rates, Tolls, Fares, and Charges” which provides that CEQA does not apply to the

establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of (i) meeting operating expenses, including employee wage rates and fringe benefits; (ii) purchasing or leasing supplies, equipment, or materials; (iii) meeting financial reserve needs and requirements; (iv) obtaining funds for capital projects, necessary to maintain service within existing service areas; or (v) obtaining funds necessary to maintain such intra-city transfers as are authorized by city charter.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FORT BRAGG FINDS, DETERMINES, AND RESOLVES AS FOLLOWS:

1. The Recitals set forth above are true and correct and are incorporated herein as findings of fact.
2. The City Council of the City of Fort Bragg, do hereby adopts the fees shown on Exhibits "B and C," attached, showing the fees to be charged for the services described therein; and
3. The City Clerk is authorized and directed to update the Consolidated Fee Schedule to reflect the fees described in Exhibits "B and C;" and
4. The Director of Finance is directed to collect and deposit the fees herein into the Broadband enterprise fund and are restricted.
5. The fees imposed by this Resolution shall become effective August 11, 2025.
6. The existing MCN fees are confirmed and shall remain in effect upon the City's assumption of the MCN network on July 1, 2025.

The above and foregoing Resolution was introduced by Council/Board Member _____, seconded by Councilm/Board Member _____, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 9th day of June 2025, by the following vote:

**AYES:
NOES:
ABSENT:
ABSTAIN
RECUSE:**

JASON GODEKE
Mayor

ATTEST:

Diana Paoli
City Clerk