



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, April 28, 2025

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: April 28, 2025 06:00 PM Pacific Time (US and Canada)

Topic: CITY COUNCIL

Join from PC, Mac, iPad, or Android:

<https://us06web.zoom.us/j/85042655693>

Join via audio:

*+1 669 444 9171 US (*6 mute/ unmute, *9 raise hand)*

Webinar ID: 850 4265 5693

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.

CLOSED SESSION REPORT

AGENDA REVIEW

1. MAYOR'S RECOGNITIONS AND ANNOUNCEMENTS

- 1A. [25-119](#) Presentation of Proclamation Honoring the 30th Anniversary of Headlands Coffeehouse
Attachments: [07- Headlands 30th Anniversary](#)
- 1B. [25-131](#) Presentation of Proclamation Declaring April as Sexual Assault Awareness Month
Attachments: [08- Sexual Assault Awareness Week](#)
- 1C. [25-98](#) Receive Presentation on the Noyo Center for Marine Science
Attachments: [Noyo Center for Marine Science 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 City Clerk, cityclerk@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. [25-137](#) Authorize Resolution to Donate Surplus IT Equipment and Supplies of Nominal Value to Registered Non-Profit Organizations Operating within the City of Fort Bragg
- Attachments:** [RESO To Donate IT Surplus](#)
[Ex A Surplus](#)
- 5B. [25-132](#) Adopt City Council Resolution of the Fort Bragg City Council Approving Contract Change Order with Akeff Construction Services, Inc. for City EV Fleet Charging Station Project PWP-00126; Approving Budget Amendment 2024/25-12 and Authorizing City Manager to Execute Contract (Amount Not To Exceed \$181,644.00); CEQA Exemption 15301
- Attachments:** [RESO EV Fleet Change Order](#)
[Att 1 - Budget Amendment 2024/25-12](#)
[Att 2 - Exhibit A Change Order Log](#)
- 5C. [25-128](#) Adopt Resolution of the Fort Bragg City Council Approving First Amendment to Professional Services Agreement with Lumos & Associates for On-Call Engineering & Surveying Services, and Authorizing the City Manager to Execute Contract (Amount Not To Exceed \$72,375.03 for Year 1)
- Attachments:** [RESO On-Call Engineering & Surveying Amend 1](#)
[Ex A -Amendment 1 Quote for Engineer Services](#)
- 5D. [25-126](#) Receive and File Minutes of the Public Works and Facilities Committee Meeting for February 13, 2025
- Attachments:** [PWF 02132025](#)
- 5E. [25-113](#) Receive and File Minutes of the Public Safety Committee Meeting for January 15, 2025.
- Attachments:** [PSCM 2025-01-15](#)
- 5F. [25-134](#) Approve Minutes of January 27, 2025
- Attachments:** [CC MINS 01-27-2025](#)
- 5G. [25-133](#) Approve Minutes of January 13, 2025
- Attachments:** [CC MINS 01-13-2025](#)
- 5H. [25-121](#) Approve Minutes of October 28, 2024
- Attachments:** [CC MINS 10-28-2024](#)

6. DISCLOSURE OF EX PARTE COMMUNICATIONS ON AGENDA ITEMS

7. PUBLIC HEARING

8. CONDUCT OF BUSINESS

- 8A.** [25-138](#) Receive Report and Consider Resolutions Of The City Council Of The City Of Fort Bragg and The Joint Powers Financing Authority Authorizing The Execution And Delivery Of The Installment Purchase Agreement With The City Of Fort Bragg Joint Powers Public Financing Authority And Assignment Of Payments Thereunder To Everbank, N.A., And Related Documents And Official Actions

Attachments: [Staff Report](#)
[Resolution](#)
[Resolution JPA](#)
[EverBank Project Fund Agreement](#)
[Installment Purchase Agreement](#)
[Assignment Agreement](#)
[Good Faith Estimates](#)
[PP Broadband Funding Gap](#)

- 8B.** [25-136](#) Receive Update from the Ad Hoc Culture and Education Committee, and Consider Approval of Land Acknowledgement and City Commitments

Attachments: [Land Acknowledgement and Commitments](#)
[RESO Approval of Land Acknowledgment and City Commitments Ad Hoc Cultu](#)
[PP:Ad Hoc Culture and Education Update](#)

- 8C.** [25-135](#) Receive Presentation on the Annual Comprehensive Financial Report (ACFR) for the Year Ended June 30, 2024 for the City of Fort Bragg and Consider Accepting the ACFR as Presented

Attachments: [Staff Report](#)
[ACFR 2024](#)
[MID Financial Statements](#)
[Communications Letter](#)
[Representation letter](#)

NOTICE TO THE PUBLIC:**DISTRIBUTION OF ADDITIONAL INFORMATION FOLLOWING AGENDA PACKET DISTRIBUTION:**

- *Materials related to an item on this Agenda submitted to the Council/District/Agency after distribution of the agenda packet are available for public inspection upon making reasonable arrangements with the City Clerk for viewing same during normal business hours.*
- *Such documents are also available on the City of Fort Bragg's website at <https://city.fortbragg.com> subject to staff's ability to post the documents before the meeting.*

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

416 N Franklin Street
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Text File

File Number: 25-119

Agenda Date: 4/28/2025

Version: 1

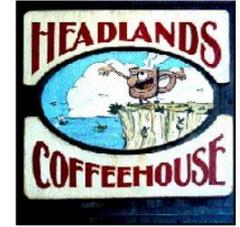
Status: Consent Agenda

In Control: City Council

File Type: Proclamation

Agenda Number: 1A.

Presentation of Proclamation Honoring the 30th Anniversary of Headlands Coffeehouse



Proclamation

Honoring the 30th Anniversary of Headlands Coffeehouse

WHEREAS, Headlands Coffeehouse first opened its doors in 1995 in the heart of Downtown Fort Bragg and has since become a beloved local institution and cornerstone of community life for residents and visitors alike; and

WHEREAS, for 30 years, Headlands Coffeehouse has served as a welcoming gathering place, known not only for its exceptional coffee, fresh fare, and warm atmosphere, but also as a vibrant hub for live music, art, and civic connection; and

WHEREAS, the owners and staff of Headlands have consistently demonstrated their dedication to fostering community spirit, supporting local artists and musicians, and maintaining a space that reflects the unique character and creativity of Fort Bragg; and

WHEREAS, Headlands Coffeehouse has helped shape the cultural and economic vitality of Fort Bragg's downtown district, attracting locals and tourists, strengthening small business pride, and contributing to the City's identity as a place where people gather, connect, and thrive; and

WHEREAS, the City of Fort Bragg is proud to celebrate and recognize Headlands Coffeehouse for three decades of outstanding service, community impact, and entrepreneurial perseverance;

NOW THEREFORE, I, Jason Godeke, Mayor of the City of Fort Bragg, on behalf of the entire City Council, do hereby recognize and congratulate Headlands Coffeehouse on the momentous occasion of its 30th Anniversary, and extend our deepest appreciation for their ongoing contributions to the Fort Bragg community.

SIGNED this 28th day of April, 2025

JASON GODEKE, Mayor

ATTEST:

Diana Paoli, City Clerk
No. 07-2025



City of Fort Bragg

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Text File

File Number: 25-131

Agenda Date: 4/28/2025

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Proclamation

Agenda Number: 1B.

Presentation of Proclamation Declaring April as Sexual Assault Awareness Month

PROCLAMATION
DECLARING APRIL 2025 AS SEXUAL ASSAULT AWARENESS MONTH

WHEREAS, Sexual Assault Awareness Month (SAAM) calls attention to the fact that sexual violence is widespread and impacts every person in the community. SAAM aims to raise public awareness about sexual violence and educate communities about how to prevent it.

WHEREAS, systems of oppression such as racism, sexism, classism, heterosexism, ageism, ableism, etc., contribute to higher rates of sexual harassment, assault, and abuse.

WHEREAS, more than 4 in 5 American Indian and Alaska Native women (84.3%) have experienced violence in their lifetime (Rosay, 2016).

WHEREAS, 1 in 3 Hispanic women (84.3%) reported unwanted sexual contact in their lifetime (Basile et al., 2022).

WHEREAS, 32.9% of adults with intellectual disabilities have experienced sexual violence (Tomsa et al., 2021).

WHEREAS, 47% of all transgender people have been sexually assaulted at some point in their lives (James et al., 2016).

WHEREAS, not one person, organization, agency, or community can eliminate sexual assault on their own—with leadership, dedication, and encouragement, there is compelling evidence that we can be successful in reducing sexual violence in the City of Fort Bragg through prevention education and increased awareness.

WHEREAS, Project Sanctuary’s mission is to provide trauma informed, supportive services, by offering a 24-hour hotline to victims/survivors, responding to emergency calls, offering support and comfort during medical exams, criminal proceedings, and empowering those impacted by sexual assault to chart their own journey for healing.

WHEREAS, ending sexual violence in the City of Fort Bragg means that we must strongly support the efforts of national, state, and local partners and of every citizen to engage in actively public and private efforts, including conversations about what sexual violence is, how to prevent it, and how to help survivors connect with services.

NOW THEREFORE BE IT RESOLVED, that I, Jason Godeke, Mayor of the City of Fort Bragg, join not only Project Sanctuary, but advocates and communities across the country in taking action to prevent sexual violence by proclaiming April as Sexual Assault Awareness Month.

SIGNED this 28th day of April, 2025

ATTEST:

JASON GODEKE, Mayor

DIANA PAOLI; City Clerk

No. 08-2025





City of Fort Bragg

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Text File

File Number: 25-98

Agenda Date: 4/28/2025

Version: 1

Status: Consent Agenda

In Control: City Council

File Type:
Recognition/Announcements

Agenda Number: 1C.

Receive Presentation on the Noyo Center for Marine Science



Sheila Semans

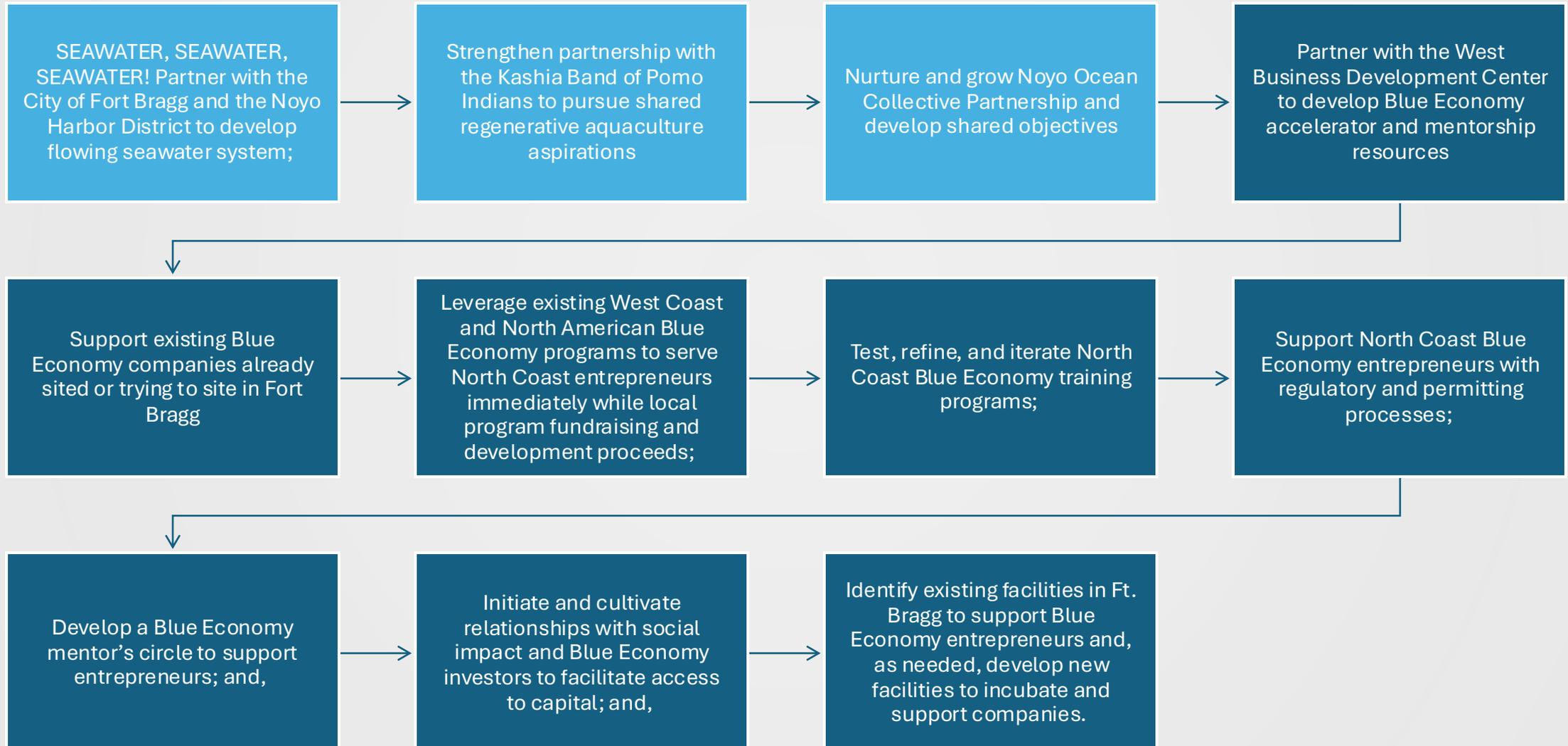
Executive Director

www.noyocenter.org



Mission:
**To advance ocean
conservation through
education, exploration and
experience**

Blue Economy Strategy for Noyo Center



Crow's Nest Interpretive Center

- All volunteer run
- Open 7 days a week
- Hosted over 5,000 people in 2024



Field Station in Noyo Harbor

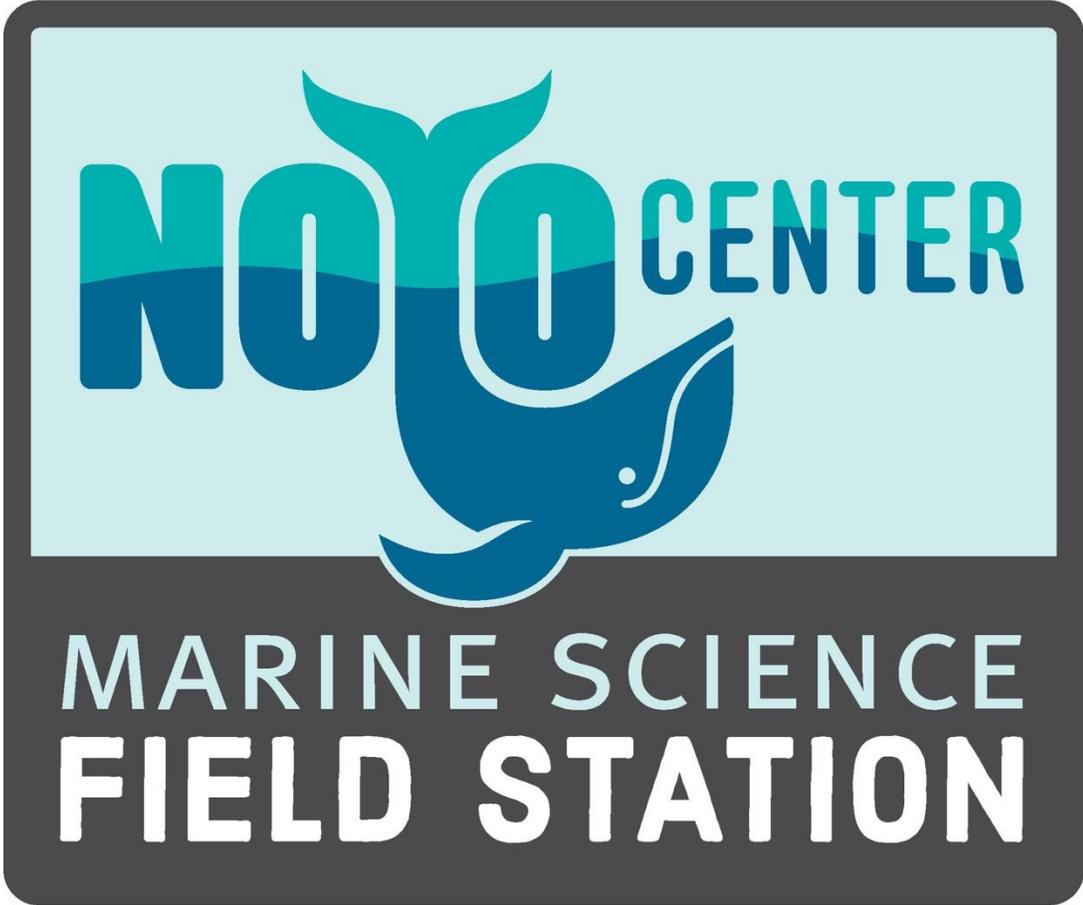


Noyo Center's Three Locations



Discovery Center Science Museum

- Open 5 days a week.
- Over 30,000 visitors in 2024



Acquired in 2022



Regenerative Aquaculture: Seaweed and Urchin



GOALS

- Develop a simple aquaculture system with recirculating seawater that can be easily replicated by others in the harbor and elsewhere in our region.
- Showcase restorative seafood through our commercial kitchen; build local markets
- Determine the economic potential of this effort and whether we can scale to commercial production on the headlands property
- Build education program around this: classroom, research, community science



Regenerative Aquaculture: Abalone and Bull Kelp

Sea Grant
Moss Landing
Kashia Tribe
Bodega Marine Lab
The Nature Conservancy





Field Station: Marine Mammal Science

Restoration: Sonoma and Mendocino





Supporting Local Science

Field Station Assets

- 60ft dock access in Noyo Harbor
- Access to seawater
- Wet/dry lab space
- Meeting/event space

Future Aspirations

- Bull Kelp restoration – seeded lines
- Sunflowers sea star aquaculture



FS: Coastal Inundation and Resiliency Planning:

- Coastal Conservancy funding for FS redesign
- Collaboration with City's BEVRI SLR analysis

Supporting Local Science



- City's BREVI Plan
 - Noyo River water quality assessment
 - In water aquaculture feasibility with Sea Grant: water quality, urchin, abalone, and kelp
 - SLR Planning: June 7th Public Engagement Event
- ONEKA Wave energy:
 - Dome content and public information
 - Science Social at FS with technology
- Mendocino Bay Restoration efforts
- Primitives: Manufactured materials using urchin shells

Field Station: Education



Field Trips, community events, internships

Discovery Center Science Museum

Open since 2019

- Supporting Local Tourism (30,000 visitors)
- Exhibit Partnerships
 - CA Academy of Sciences
 - The Exploratorium
- Community Events
 - Whale Festival
 - Kelp & Urchin Festival
- STEAM Education
 - Exhibit Design: Beaked Whale
- Field Trips / Summer Camps
- Internships: College and HS



Bringing the invisible to life





OCEAN IMMERSION DOME and LIVE EXHIBITS

OCEAN SCIENCE CENTER 2025 Goals

EHDD Architects

- Design completed
- Operational business plan completed
- Funding strategy



OSC Property

- **Rezoning approved by Coastal Commission—thank you City of Fort Bragg!!**
- Property exchange for land between our parcel and the runway
- Create easement for wetland restoration on adjoining Park property
- Pursue funding for site restoration master plan

La-BONE-atory breaking ground this summer!



Photo 3: Looking ESE from Crow's Nest & Jere Melo Dr.



La-BONE-atory: First mill site construction in a generation!!

Jere Melo Drive

La-BONE- atory

- Multi-use space
- Blue whale articulation
- Marine mammal triage
- Science research and education



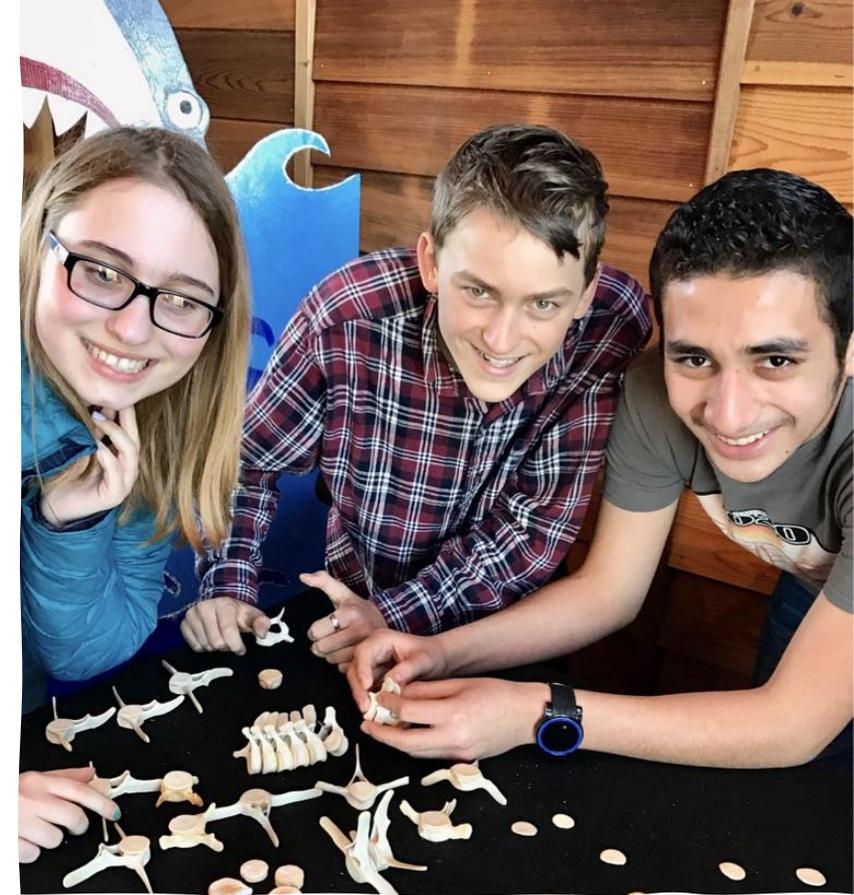
Collaborative Blue Economy Goals for 2025



Flowing seawater is key infrastructure to support the BE: We plan to work with City and Harbor District to determine the best alternative for the community .



Workforce development. Deepening our collaboration with Mendocino College—partnering to design new aquaculture certification program and supporting preservation of their unique and impressive marine specimen collection.



Thank You City of Fort Bragg

- City Council
- Planning Commission
- City Staff and consultants
 - Isaac Whippy, Sarah McCormick, John Smith, Marie Jones

Questions?

www.noyocenter.org

Sheila Semans
Executive Director

sheila@noyocenter.org



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Text File

File Number: 25-137

Agenda Date: 4/28/2025

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Resolution

Agenda Number: 5A.

Authorize Resolution to Donate Surplus IT Equipment and Supplies of Nominal Value to Registered Non-Profit Organizations Operating within the City of Fort Bragg

RESOLUTION NO. XXXX-2025

RESOLUTION OF THE FORT BRAGG CITY COUNCIL AUTHORIZING DONATION OF SURPLUS IT EQUIPMENT AND SUPPLIES OF NOMINAL VALUE TO REGISTERED NON-PROFIT ORGANIZATIONS OPERATING WITHIN THE CITY OF FORT BRAGG

WHEREAS, the City of Fort Bragg has compiled a list of surplus IT equipment and accessories, as listed in the attached Exhibit "A;" and

WHEREAS, the City Manager has assessed the value of the surplus equipment and accessories and has determined the surplus items carry only nominal value and the cost of disposing of the surplus in monetary value and staff time would likely exceed any monetary gains; and

WHEREAS, while the items are of no use to the City they may be of some use to local non-profit organizations serving the City of Fort Bragg and its residents and visitors; and

WHEREAS, it would best serve the public interest in the City avoiding the expense in staff time and expense of seeking to sell the surplus items determined to be of nominal value when local non profit organizations would benefit from them and indirectly benefit the City of Fort Bragg in consideration.

NOW, THEREFORE, BE IT RESOLVED that the City of Fort Bragg City Council, adopts the following:

1. The recitals are held to be true and correct and are incorporated herein.
2. The City Manager is authorized to donate the surplus IT equipment and supplies the Manager determines to be of nominal value to registered non-profit organizations operating within the City of Fort Bragg.

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 28th day of April, 2025, by the following vote:

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

JASON GODEKE
Mayor

ATTEST:

Diana Paoli
City Clerk

EXHIBIT "A"

No.	Item	Approx. Value
1.	Computer Monitors (22" average size) with and without stands	\$0
2.	HP Desktop Printer	\$0
3.	Brother Desktop Printer	\$0
4.	Epson Desktop Printer	\$0
5.	Wired Keyboards	\$0
6.	Dell small external computer speakers	\$0
7.	Creative small external computer speakers	\$0
8.	Small external computer Speakers	\$0
9.	Various small device power supplies	\$0
10.	Various cables (USB, VGA, DVI, phone cables, etc.)	\$0
11.		\$0
12.		\$0



City of Fort Bragg

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Text File

File Number: 25-132

Agenda Date: 4/28/2025

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Resolution

Agenda Number: 5B.

Adopt City Council Resolution of the Fort Bragg City Council Approving Contract Change Order with Akeff Construction Services, Inc. for City EV Fleet Charging Station Project PWP-00126; Approving Budget Amendment 2024/25-12 and Authorizing City Manager to Execute Contract (Amount Not To Exceed \$181,644.00); CEQA Exemption 15301

RESOLUTION NO. _____ -2025

RESOLUTION OF THE FORT BRAGG CITY COUNCIL APPROVING CONTRACT CHANGE ORDER WITH AKEFF CONSTRUCTION SERVICES, INC. FOR CITY EV FLEET CHARGING STATION PROJECT PWP-00126; APPROVING BUDGET AMENDMENT 2024/25-12, AND AUTHORIZING CITY MANAGER TO EXECUTE CONTRACT (AMOUNT NOT TO EXCEED \$181,644.00)

WHEREAS, on December 9, 2024, the City Council awarded the construction contract for the Charging Station Project to Akeff Construction in the amount of \$159,897.00; and

WHEREAS, on March 30, 2025, the City Manager authorized contract change order number 1 (CCO1) for \$9,244.00 to cover the cost of additional electrical hardware and installation;

WHEREAS, since that time, several unforeseeable conditions have been uncovered or become apparent during construction and resulted in the need for an additional change order; and

WHEREAS, Exhibit A details project changes (including CCO 1) which have resulted in an additional \$12,503 of change order work for a total project increase of \$21,747.00; and

WHEREAS, the project is budgeted in the 2024/2025 Capital Improvement Program for \$152,000, and a budget amendment for \$11,000 (BA 2024/25-05) was authorized at the time of contract award to cover the costs of this project and building permits; and

WHEREAS, another budget amendment (attachment 1) for \$23,249.61 (BA 2024/25-12) is necessary to ensure sufficient funds to complete the proposed change order work, cover the additional permitting costs, and the newspaper publication fees; and

WHEREAS, per Fort Bragg Municipal Code Section 3.20.050, the City Manager's signing authority for change orders may not exceed 10% of the approved contract cost; and

NOW, THEREFORE, BE IT RESOLVED that this Project is categorically exempt from CEQA, 14 CCR Section 15301 existing facilities, because the charging stations are features being incorporated into the existing parking area, which will help reduce greenhouse gas emissions; and

BE IT FURTHER RESOLVED that the City Council of the City of Fort Bragg does hereby Approve Budget Amendment No. 2024/25-12 (attachment 1) amending the FY 2024/25 Budget to appropriate \$23,249.61 to cover additional project costs; and

BE IT FURTHER RESOLVED that the City Council of the City of Fort Bragg does hereby approve the Contract Change Order #2 with Akeff Construction Services, Inc. for City EV Fleet Charging Station Project PWP-00126; Approve Budget Amendment 2024/25-12, and Authorizing City Manager to Execute Contract (Amount Not To Exceed \$181,644.00).

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 28th day of April, 2025, by the following vote:

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

**Jason Godeke
Mayor**

ATTEST:

**Diana Paoli
City Clerk**

BUDGET AMENDMENT FY 2022/23

Budget Adjustment #: **2022/23-04**
 Budget FY: **FY 2022/23**

Account Description	Account #		FY 22/23	Current Budget	Increase (+) Budget Amt	Decrease (-) Budget Amt	Revised Total Budget Amt	Description
Expenditures								
1 Salaries & Wages - IT Lead	521	4394	0101	\$ 123,693	\$ 15,915		\$ 139,608	
Medical Premium - CE Officer	521	4394	0211	\$ 26,112	\$ -		\$ 26,112	
Dental Premium - CE Officer	521	4394	0213	\$ 1,928	\$ -		\$ 1,928	
VSP Premium - CE Officer	521	4394	0214	\$ 459	\$ -		\$ 459	
PERS - CE Officer	521	4394	0220	\$ 10,150	\$ 2,829		\$ 12,979	
Worker's Comp - CE Officer	521	4394	0231	\$ 2,037	\$ 749		\$ 2,786	
FICA/Medicare - IT Lead	521	4394	0252	\$ 9,258	\$ 3,434		\$ 12,692	
2 Transfer Code Enforcement Budget from the Community Development Department to the Police Department								
Salaries & Wages -Code Enforcement	110	4320	0101	\$ 299,956	\$ 76,609		\$ 223,347	Transfer of CE Officer Budget to PD
Medical Premium - CE Officer	110	4320	0211	\$ 51,350	\$ 17,674		\$ 33,677	Transfer of CE Officer Budget to PD
Dental Premium - CE Officer	110	4320	0213	\$ 3,733	\$ 1,212		\$ 2,521	Transfer of CE Officer Budget to PD
VSP Premium - CE Officer	110	4320	0214	\$ 917	\$ 229		\$ 688	Transfer of CE Officer Budget to PD
PERS - CE Officer	110	4320	0220	\$ 24,518	\$ 5,946		\$ 18,572	Transfer of CE Officer Budget to PD
Worker's Comp - CE Officer	110	4320	0231		\$ 1,276		\$ (1,276)	Transfer of CE Officer Budget to PD
FICA/Medicare - CE Officer	110	4320	0252	\$ 22,761	\$ 5,861		\$ 16,901	Transfer of CE Officer Budget to PD
Salaries & Wages -Code Enforcement	110	4200	0101	\$ 1,865,705	\$ 76,609		\$ 1,942,314	Transfer of CE Officer Budget to PD
Medical Premium - CE Officer	110	4200	0211	\$ 337,999	\$ 17,674		\$ 355,673	Transfer of CE Officer Budget to PD
Dental Premium - CE Officer	110	4200	0213	\$ 24,765	\$ 1,212		\$ 25,977	Transfer of CE Officer Budget to PD
VSP Premium - CE Officer	110	4200	0214	\$ 4,816	\$ 229		\$ 5,045	Transfer of CE Officer Budget to PD
PERS - CE Officer	110	4200	0220	\$ 374,904	\$ 5,946		\$ 380,850	Transfer of CE Officer Budget to PD
Worker's Comp - CE Officer	110	4200	0231	\$ 123,024	\$ 1,276		\$ 124,301	Transfer of CE Officer Budget to PD
FICA/Medicare - CE Officer	110	4200	0252	\$ 157,175	\$ 5,861		\$ 163,036	Transfer of CE Officer Budget to PD
3 Budget for a 2nd Code Enforcement Officer (November 2021-June 2022)								
Salaries & Wages - 2nd CE Officer	110	4200	0101	\$ 1,865,705	\$ 47,144		\$ 1,912,849	Budget- 2nd CE Officer
Medical Premium - 2nd CE Officer	110	4200	0211	\$ 337,999	\$ 10,876		\$ 348,875	Budget- 2nd CE Officer
Dental Premium - 2nd CE Officer	110	4200	0213	\$ 24,765	\$ 746		\$ 25,511	Budget- 2nd CE Officer
VSP Premium - 2nd CE Officer	110	4200	0214	\$ 4,816	\$ 141		\$ 4,957	Budget- 2nd CE Officer
PERS - 2nd CE Officer	110	4200	0220	\$ 374,904	\$ 3,659		\$ 378,563	Budget- 2nd CE Officer
Worker's Comp - 2nd CE Officer	110	4200	0231	\$ 123,024	\$ 786		\$ 123,810	Budget- 2nd CE Officer
FICA/Medicare - 2nd CE Officer	110	4200	0252	\$ 157,175	\$ 3,607		\$ 160,782	Budget- 2nd CE Officer
4 Revenues								
CDD- Grant Staff Time Reimb	110	4320	3318	\$ 98,000		\$ 98,000	\$ -	Transfer of CDD Grant Revenue-CE
PD- Grant Staff Time Reimb	110	4200	3318	\$ 268,420	\$ 98,000		\$ 366,420	Transfer of CDD Grant Revenue-CE
PD- Grant Staff time Reimb	110	4200	3318	\$ 268,420	\$ 66,958		\$ 335,378	Budget 2nd CE Grant Reimb
				\$ 340,724	\$ 206,807		\$ 6,948,770	

Reason for Amendment: RESOLUTION # : _____

Authorization:

Requested By: Finance/Admin Dept _____ Signature: _____ Date: _____

Approval: Isaac Whippy _____

Finance Use: Adriana Moreno Ramos _____

Attach copies of Resolution or other documentation

Change Order Work for EV Fleet Charging Station Project PWP-00126			
CCO #	Description of work	Ordered by	Cost
1	Order 2x 100 amp breakers and mounting hardware for the switchgear cabinet to connect the E250's	FBE	\$ 9,244.00
	Order 2 50 amp breakers for the C6000 chargers to be installed inside the transformer	FBE	see above
2	Concrete pad for switchgear: adjusted from 7' x 16' to 8' x 16'	Akeff	\$ 1,040.00
	Install a third conduit from the switchgear box to terminate at the west end of the asphalt section for installation of a future Charger.	Owner	\$ 1,225.00
	The splash pad at the building for drainage - differing underground conditions	Owner	\$ 410.00
	Add base rock section to DC Fast Charger parking area. Design Engineering did not include geotech-discovered differing underground condition	Akeff	\$ 6,300.00
	Add three more "Police Vehicle Only" markings so that all stalls on south east side of the parking lot bare the same identification	Owner	\$ 1,080.00
	Trenching and conduit for gate wire and add a utility cover for existing electric at the median island in the new concrete area	Owner	\$ 915.00
	Establish an area for the dumpster (grading and Drain Rock)	Owner	\$ 425.00
	Line Item #5- Sidewalk & Driveway- bid schedule shows 720 sf, where 850 total calculated is (130 @ \$48.00)	Akeff	\$ 6,240.00
	Add two curb stops to north east parking spaces (2@\$250)	Owner	\$ 500.00
Credit for reduced asphalt thickness from 3.75" to 2.5" (11 tons @ \$512.00)	Akeff	\$ (5,632.00)	
Total Contract Changes to date (4/28/25)			\$ 21,747.00

Other Costs		
Additional costs to cover building permit and publication fees		\$ 1,502.61
		\$ 23,249.61



City of Fort Bragg

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

Text File

File Number: 25-128

Agenda Date: 4/28/2025

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Resolution

Agenda Number: 5C.

Adopt Resolution of the Fort Bragg City Council Approving First Amendment to Professional Services Agreement with Lumos & Associates for On-Call Engineering & Surveying Services, and Authorizing the City Manager to Execute Contract (Amount Not To Exceed \$72,375.03 for Year 1)

RESOLUTION NO. XXXX-2025

RESOLUTION OF THE FORT BRAGG CITY COUNCIL APPROVING FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH LUMOS & ASSOCIATES FOR ON-CALL ENGINEERING & SURVEYING SERVICES, AND AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT (AMOUNT NOT TO EXCEED \$77,102.50 FOR YEAR 1-FY 24/25)

WHEREAS, on June 24, 2024, the City Council authorized a contract with Lumos and Associates for On-Call Engineering services over a two-year period; and

WHEREAS, there was \$40,000 budgeted for these activities in the FY 24/25 budget and another \$40,000 budgeted for these activities in the FY 25/26 budget; and

WHEREAS, as of March 28, 2025, the cost of these services is projected to exceed the \$40,000 budget as the utilization of these services has increased substantially and the number of tasks assigned to the On-Call engineer is varied and complex; and

WHEREAS, the tasks and their associated costs are shown in Exhibit A; and

WHEREAS, authorization of this contract is not subject to CEQA because it is not a project (§ 21065. PROJECT), any actions resulting from work performed under this contract in preparation for a project will be evaluated on an individual case basis; and

WHEREAS, sufficient funding to cover the cost increases exists in each project specific account, The Newman Reservoir is part of the Raw Water Line project, Brush Creek roadway repairs are budgeted in Internal Services Funds, Grocery Outlet will be paid for through the developer deposit account, and the stop gap streets design will be paid for with special street sales tax money; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fort Bragg does hereby approve the Professional Services Agreement with Lumos & Associates and authorizes the City Manager to execute the same (Amount Not to Exceed \$77,102.50 for Year 1 – FY 24/25).

The above and foregoing Resolution was introduced by Councilmember _____, seconded by Councilmember _____, and passed and adopted at a regular meeting of the Fort Bragg City Council held on the 28th day of April 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSED:

JASON GODEKE, Mayor

ATTEST:

Diana Paoli, City Clerk



El Dorado Hills
 3840 El Dorado Hills Blvd., Suite 301
 El Dorado Hills, California 95762
 916.980.8228

April 18, 2025

Chantell O'Neal
 Assistant Director; Engineering Division
 Public Works
 City of Fort Bragg
 416 N Franklin St
 Fort Bragg, CA 95437

**Subject: On-Call City Engineering and Surveyor Services
 Amendment 1**

Dear Chantell:

Lumos and Associates, Inc. is pleased to provide you with this summary of costs and request for additional funding for our On-Call City Engineering and Surveyor Services. The request for additional budget accounts for additional engineering support and surveying in excess of the \$40,000 budget allocated for FY 24/25. The services we have performed and our expected costs to complete FY24/25 are shown in the table below.

On-Call Engineering and Surveyor Service Summary:

Description	Cost thru 3/28	Credit	Cost to Complete (F24/25)	Total FY24/25
General Engineering Support	\$ 9,685.65	\$ -	\$ 3,050.00	\$ 12,735.65
Storm Drainage	\$ 14,846.50	\$ -	\$ 2,500.00	\$ 17,346.50
Survey Support	\$ 3,790.38	\$ -	\$ 1,400.00	\$ 5,190.38
Brush Creek	\$ 10,992.00	\$ (4,292.00)	\$ 1,525.00	\$ 8,225.00
Grocery Outlet	\$ 7,077.50	\$ -	\$ 3,000.00	\$ 10,077.50
Stop Gap - Paving Project Support	\$ -	\$ -	\$ 8,500.00	\$ 8,500.00
Specs, Quantity Calculation, Exhibit	\$ -	\$ -	\$ -	\$ -
Newman Reservoir - Value Engineering Budget*	\$ 10,300.00	\$ -	\$ -	\$ 10,300.00

Increased Costs of
\$37,102.50

* Total budgeted On-Call Cost will not exceed \$10,300.
 Separate proposal for design services will be prepared.

If you have any questions, please do not hesitate to contact me at 916.980.8228.

Sincerely,

 Aaron Brusatori, PE
 Group Manager



City of Fort Bragg

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

Text File

File Number: 25-126

Agenda Date: 4/28/2025

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Committee Minutes

Agenda Number: 5D.

Receive and File Minutes of the Public Works and Facilities Committee Meeting for February 13, 2025



City of Fort Bragg

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

Meeting Minutes Public Works and Facilities Committee

Thursday, February 13, 2025

4:00 PM Town Hall, 363 N. Main Street and Via Video Conference

MEETING CALLED TO ORDER

Committee Member Jason Godeke called meeting to order at 4:00 PM

ROLL CALL

Committee Members Jason Godeke and Scott Hockett present. City Staff; Public Works Director John Smith and Administrative Assistant Emily Reno present.

1. APPROVAL OF MINUTES

A. [24-1069](#) Approve Minutes of November 14, 2024

Committee members Godeke and Hockett approved minutes as presented

B. [24-1124](#) Approve Minutes of January 09, 2025

Committee members Godeke and Hockett approved minutes as presented

2. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Public comment was received from Ron White, Bill Mann, and Andrew Jordan.

3. CONDUCT OF BUSINESS

A. [24-1145](#) Director Oral Report on Departmental Activities and Project Updates

Director John Smith provided updates on the following projects and items of interest:

- Broadband Project- Design complete and construction bids to open on February 27th.
- Projects for Facilities - Project out for bid and pre construction walk preformed with potential contractors.
- Police Department Security Retrofit Project- Out for bid soon.
- Fire Station Rehabilitation Project- Did not receive funding match from CDBG.
- Fire Station Roof Replacement- Project complete.
- City Hall Roof Replacement- Project complete.
- Wastewater Treatment Plant Projects- Sodium hypochlorite generators, dryer building rehab, and bio solids storage building.
- EV Fleet Charging Stations- Contract awarded and construction to start soon.
- Facilities Solar Project- Solar will be installed at six City facilities. Only one facility will be under construction at a time. Police Department roof replaced with project.

- Guest House Repointing Brick Project- Pushing project back.
- Cultural Center Paint Project- Working on heating and lighting.
- Veteran's Hall- Emergency operations center. Working with Mendocino County for a three-year lease.
- Cal OES Grant - Applying for grant funds for the City Hall east and Veterans hall projects.
- City Hall Flooring Project.
- Micro Grid Solar- Application denied by PG&E. We expect to reapply in the near future.
- Bainbridge Park- Working on design.
- 2025 Streets Project- Design at 90%. Looking for funding for larger streets projects.
- CV Starr Skylight Replacement.
- CV Starr HVAC System.
- CV Starr Transformer Upgrade- Installed last week.
- Fleet Update- Purchasing more vehicles including one more EV police vehicle.
- Oneka Desal Buoy Project- Environmental documents circulating and hope to get buoy in the water around June.
- Water Treatment Plant Rehabilitation Project- Construction 50% complete. Unexpected work in water tank.
- Raw Water Line Project- Will pick back up in dry season around April.
- Reservoirs Project- Engineering and environmental services under contract.
- Water Distribution System Master Plan- 80% complete.
- Recycled Water Feasibility Study- Awarded \$500,000 grant. Presentation expected in March.
- Wastewater Collection System Assessment.
- Stormwater Trash Capture Devices- Applying for grant funding. Contract awarded.
- CleanCal Art & Recycle Project- Trash cans have been delivered and working on installing cans.

Public Comment was received from Ron White.

Discussion: Committee Member Hocket stated that roadways should be a priority and inquired about the streets projects, raw water line project, and the distribution master plan. Committee Member Godeke inquired about the trash capture devices, town hall project, CalOES grant for veteran's hall, and the reservoir project. Director Smith provided more details on the projects.

4. MATTERS FROM COMMITTEE / STAFF

Committee Member Godeke discussed the CleanCal Art & Recycle Project and a conference hosted by the North Coast Resource Partnership. At this conference, Sonoma Water presented innovative approaches to power and water storage that we could potentially explore through a feasibility study for future projects.

ADJOURNMENT

Committee Member Godeke adjourned the meeting at 4:47 PM



City of Fort Bragg

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Text File

File Number: 25-113

Agenda Date: 4/28/2025

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Committee Minutes

Agenda Number: 5E.

Receive and File Minutes of the Public Safety Committee Meeting for January 15, 2025.



City of Fort Bragg

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

Meeting Minutes Public Safety Committee

Wednesday, January 15, 2025

3:00 PM

Town Hall, 363 N. Main Street

MEETING CALLED TO ORDER

Acting Chair Peters opened the meeting at 3:00 PM.

ROLL CALL

Present are Acting Chair Lindy Peters and Mayor Jason Godeke.

1. APPROVAL OF MINUTES

- 1A. [24-1101](#) Approve Minutes of the Public Safety Committee Meeting December 18, 2024.

Acting Chair Peters approved the minutes as presented.

2. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Public Comments made by:
Jacob Patterson
Jenny Shattuck

3. CONDUCT OF BUSINESS

- 3A. [24-1096](#) Discussion regarding Suicide Deterrent Net on Noyo River Bridge.

Acting Chair Peters began the discussion by introducing the agenda item and providing a background to why this agenda item was brought forward to discuss. The reason was mainly due to a recent tragic suicide event that occurred on the Noyo Bridge. Peters continued by providing a brief history of the current Noyo Bridge.

Police Chief Cervenka reported the number of the calls for services that the Fort Bragg Police Department had responded to the Noyo Bridge since 2011. He states that there have been fifteen calls for services for people having suicidal ideations and threatening to jump over the bridge, along with an additional six calls for services for people that did follow through with their threat and jumped over the bridge. Chief Cervenka made the remark that in addition to suicide concerns, there is also main concerns of pedestrians throwing objects as large as bicycles over the bridge onto the boats below and causing physical and material damages.

Chief Cervenka continued to provide a background regarding the Noyo Bridge. He mentions that the completion of the current bridge occurred in 2005 and it was the first bridge with scenic viewing rails that was built by the California Department of Transportation (CALTRANS). He reports that the rails are 42 inches in height, and the bridge is 110 feet above the surface of the

water at low tide. Lastly Chief Cervenka comments that according to studies done in England, any falls over 90 feet are almost certainly fatal.

Chief Cervenka continued to explain the suicide net that was installed on the Golden Gate Bridge. He discloses that the cost of the net on the Golden Gate Bridge was \$224 million dollars and took 10 years to complete. The net has been effective in reducing the number of deaths from people committing suicide along with reducing the number of people attempting to jump off the bridge. The net was built 20 feet below the deck and 20 feet out from the bridge. The net is made out of stainless steel, which is why it was so costly. This was primarily due to the climate in the Bay Area and wanting to prevent the net from rusting sooner along with cutting maintenance cost and time. The concept behind the net on the Golden Gate Bridge was that if somebody were to attempt to jump off and land on the net, it would cause pain and injury but would save a life.

Police Chief Cervenka went on to explain the problems that the City of Fort Bragg encounters regarding making modification to the Noyo Bridge. One of the several problems the City of Fort Bragg is facing is that the Noyo Bridge belongs to CALTRANS. The City of the Fort Bragg doesn't have any control over the bridge. In the past, the City has made requests to place pieces of equipment or signage by or on the bridge and has been denied permission due to allocated maintenance costs for CALTRANS, along with other rules and regulations they have in place. Chief Cervenka explains that as far as requesting the City of Fort Bragg to place a net on the Noyo Bridge is not possible since the bridge belongs to CALTRANS. Another problem to consider is that there will be additional training and costs placed on our local Fire Department to have the ability to retrieve a person from the net. Lastly, it will take years to build the net and ultimately it will be a decision made by CALTRANS.

Police Chief briefly mentioned that he will be holding a meeting the following day with Assemblymember Chris Rogers, Senator Mike McGuire, and CALTRANS Supervisor for the northern section regarding this crucial topic. Acting Chair Peters commented that there has to be other options to alert the public that are having suicidal thoughts that they can seek help, so that they do not commit the hurtful act. Chief Cervenka stated that they are looking at other possible options in case CALTRANS does not approve any construction or modifications on the Noyo Bridge.

Public comments made by:

Andy Wellspring

Jenny Shattuck

Jacob Patterson

Frank Hartzell

Gowan from Mountain Lion Foundation

Judy Valadao

GrassRoots Institute of Mendocino County

Acting Chair Peters closed his remarks by stating that anything we choose to commit to will take time. He understands the frustration from the community that nothing can be done immediately or without CALTRANS permission. Acting Chair Peters stated that this agenda item was important to him as well to others to in the community and he is glad the committee is taking part

in listening, planning and communicating what can be done. Mayor Jason Godeke stated that he appreciates the community input and also for getting a petition started to get the state representatives attention to place some sort of pressure on them to assist with CALTRANS placing some kind of deterrence.

Chief Cervenka ended the conversation with clarifying some questions and concerns from the public comments made previously.

3B. [24-1097](#) Update on Fentanyl Task Force

Police Captain O'Neal began by the stating the purpose of the agenda was to provide an update for the public on the Fentanyl Task Force as well as getting any feedback from the committee before presenting it to City Council.

Captain O'Neal continued to explain how and why the Fentanyl Task Force began. The main idea behind this was to get a diverse group of stakeholders together and subject matter experts that could come together and brainstorm ideas that would assist with the fentanyl crisis on the coast. There is currently 18 applicants who are on the Fentanyl Task Force that have meet within the last year. Within the Task Force there is three committees which are the Education Committee, Treatment Access Committee, and Youth In Patient Center Committee.

Acting Chair Peters stated that he is glad to see this task force continuing and going strong, so that the fentanyl crisis can be reduced. Mayor Godeke offered his help and also made it clear that if the task force needed more funds he was willing to listen because he wants to contribute to this matter.

Public Comments made by:
Jenny Shattuck

3C. [24-1098](#) Receive Report on Limits of Immigration Enforcement by the Fort Bragg Police Department

Police Chief Cervenka began by stating that many community members have expressed their concerns after the election results, along with all the comments made during the political campaigns regarding immigration actions that were going to occur. Chief Cervenka clarified that the Sate of California has laws in place that restrict law enforcement agencies from participating with I.C.E activities. The laws that restrict law enforcement involvement with federal operations are the: 2013 AB 4 TRUST Act, 2016 AB 2792 TRUTH Act, and the 2017 SB 54 VALUES Act. He continues to summarize each law and what it means for the undocumented community. Lastly, Chief Cervenka specified that the Police Department has Policy 416 that prohibits officers from inquiring the immigrations status from an individual solely for immigration enforcement purposes.

Chief Cervenka went on to inform the committee that the Police Department created an informative video in Spanish for the population that needed this information the most. Chief

Cervenka ended with stating that his vision for the video was to diminish the fear of the undocumented community from in calling the Police Department and reporting crimes due to immigration repercussions.

4. MATTERS FROM COMMITTEE / STAFF

4A. [24-1119](#) Receive Oral Update From Staff on Departmental Activities

Fire Chief Orsi briefly commented and provided an update on the Fire Department.

ADJOURNMENT

Acting Chair Peters adjourned the meeting at 4:25 PM.



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
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Text File

File Number: 25-134

Agenda Date: 4/28/2025

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Minutes

Agenda Number: 5F.

Approve Minutes of January 27, 2025



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, January 27, 2025

6:00 PM Town Hall, 363 N. Main Street and Via Video Conference

CALL TO ORDER

Mayor Godeke called the meeting to order at 6:01 PM.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: 5 - Mayor Jason Godeke, Vice Mayor Marcia Rafanan, Councilmember Tess Albin-Smith, Councilmember Lindy Peters and Councilmember Scott Hockett

CLOSED SESSION REPORT

City Attorney Baron Bettenhausen reports out the council recessed to closed session at 4 p.m. for consideration of three items regarding 2A and 2B no final action was taken and Item 2C Public Employee Appointment Diana Paoli was appointed as City Clerk, Council Albin-Smith, Hockett, Peters and Mayor Pro Tem Rafanan in support and Mayor Godeke opposed.

AGENDA REVIEW

None.

1. MAYOR'S RECOGNITIONS AND ANNOUNCEMENTS

None.

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

- (1) Alison Talbot, Jenny Shattuck, Ron White, Tanda Kashaya, Paul Clark, and David Spaur.
- (2) Jacob Patterson and Domenick Weaver.
- (3) None.

3. STAFF COMMENTS

Chief Cervenka reports on follow-up from the Public Safety Committee meeting regarding Suicide Prevention Barrier on the Noyo Bridge and subsequent meeting with Caltrans and letter sent to Director of Caltrans asking for a barrier and also reached out to Assemblymember Rogers and Senator McGuire for support. Caltrans and City staff had a very productive meeting

the following week and another planned. Work will be done in phases starting quickly with crisis signage, possible AI cameras, and lastly fencing on the bridge extending 42 inches which will take years. Assemblymember Rogers and Chief Cervenka discussed bringing forth a Bill to require Caltrans to install suicide barriers or prevention methods on all bridges over 80 feet in California. There was also discussion regarding ideas to reduce or prevent damage or death to heavy objects being drop from Noyo Bridge on boats below.

4. MATTERS FROM COUNCILMEMBERS

Councilmember Peters reported Fire Protection Board has 32 volunteers and released a video describing Fire Department's functions. Councilmember Hockett is new member on Board and looking forward to working with him and will continue to support Marcia on the council. Councilmember Albin-Smith acknowledges and thanks community for comments. She shares details from attending Q&A community meeting with immigration attorney Grady Gauthier and League of Cities Committee meetings regarding Community Services and Finance and Taxation.

5. CONSENT CALENDAR

Mayor Godeke read the Titles of Ordinance of the City of Fort Bragg Delegating Authority to Appoint the City Clerk to the City Manager and Ordinance of the City of Fort Bragg Amending Chapter 6.12 "Nuisances", of the Fort Bragg Municipal Code Division 6, to Establish and Authorize Code Enforcement Cost Recovery Fees. Councilmember Albin-Smith would like to Pull Item 5K for discussion. Councilmember Peters would like to pull Item 5A.

Approval of the Consent Calendar

A motion was made by Councilman Peters, seconded by Councilmember Albin-Smith, to approve the Consent Calendar with the exception of Items 5A and 5K. The motion carried by the following vote:

Aye: 5 - Mayor Godeke, Vice Mayor Rafanan, Councilmember Albin-Smith, Councilmember Peters and Councilmember Hockett

5B. [24-1127](#) Adopt by Title Only and Waive the Second Reading of the Ordinance of the City of Fort Bragg Delegating Authority to Appoint the City Clerk to the City Manager

This Ordinance was adopted on the Consent Calendar.

Enactment No: ORD 997-2024

5C. [24-1126](#) Adopt by Title Only and Waive the Second Reading of the Ordinance 998-2024 Amending Chapter 6.12 "Nuisances", Of the Fort Bragg Municipal Code Division 6, To Establish And Authorize Code Enforcement Cost Recovery Fees

This Ordinance was adopted on the Consent Calendar.

Enactment No: ORD 998-2024

5D. [24-1058](#) Adopt City Council Resolution Approving Contract with B.T. Mancini Company

Inc. for the City Hall Flooring Update Project and Authorizing City Manager to Execute Same (Amount Not To Exceed \$92,994); Categorical Exemption 15301

This Resolution was adopted on the Consent Calendar.

Enactment No: RES 4890-2025

- 5E.** [24-1024](#) Adopt Resolution Approving Budget Amendment 2024/25-06 (Amount \$26,120.07), for Emergency Repair of a Stormdrain Line on North McPherson Street and Direct City Clerk to File Notice of Completion

This Resolution was adopted on the Consent Calendar.

Enactment No: RES 4891-2025

- 5F.** [24-1129](#) Approve Second Amendment To Professional Services Agreement With Community Development Services

This Agreement was approved on the Consent Calendar.

- 5G.** [24-1134](#) Approve Contract with Connection for Microsoft 365 Tenant Migration from Commercial to Government Cloud Not to Exceed \$18,246

This Contract was approved on Consent Calendar.

- 5H.** [24-1130](#) Approve Lease Contract with Cisco Capital for 3-Yr Endpoint Security Software Not to Exceed \$32,120.46

This Lease Contract was approved on the Consent Calendar.

- 5I.** [24-1125](#) Approve Resolution of the Fort Bragg City Council Authorizing City Manager to Execute Contract with Bartley Pump PM LLC for Maintenance and Emergency Repairs to One of Two Noyo River Pumps (Amount not to Exceed \$67,880.97); and Authorize Budget Amendment 2024/25-04; Categorical Exemption 15301

This Resolution was adopted on the Consent Calendar.

Enactment No: RES 4892-2025

- 5J.** [24-1132](#) Authorize the City Manager to Execute Amendment to the Agreement for Transfer Station Operation and Solid Waste Transportation and Disposal Between the Cities of Fort Bragg and Willits, the county of Mendocino and Redwood Waste Solutions, Inc

This Amendment was approved on the Consent Calendar.

ITEMS REMOVED FROM CONSENT CALENDAR

- 5A.** [24-1131](#) Adoption of City Council Resolution Recommending and Consenting to an

Extension of the Term in the Operating Agreement and Lease for the Caspar Transfer Station Between Mendocino County and Redwood Waste Solutions, Inc

Councilmember Peters discussed with council his desire for a shorter extension on term of Operating Agreement.

Public Comment: Jenny Shattuck, Jacob Patterson, and Paul Clark.

A motion was made by Councilmember Albin-Smith, seconded by Vice Mayor Rafanan, to approve the Consent Item 5A. The motion carried by the following vote:

Aye: 4 - Mayor Godeke, Vice Mayor Rafanan, Councilmember Albin-Smith and Councilmember Hockett

No: 1 - Councilmember Peters

5K. [24-1138](#) Approve letter of Support for Restoring the California Salmon Season for 2025

Councilmember Albin-Smith supports letter and wanted to receive background from Domenick Weaver regarding Restoring the California Salmon Season for 2025 and shares impacts on industry and the community. Council Peters inquired regarding federal issue and asked if any other States supports movement.

Public Comment: Andrew Jordan.

A motion was made by Councilmember Albin-Smith, seconded by Vice Mayor Rafanan, that the letter is approved. The motion carried by the following vote:

Aye: 5 - Mayor Godeke, Vice Mayor Rafanan, Councilmember Albin-Smith, Councilmember Peters and Councilmember Hockett

6. DISCLOSURE OF EX PARTE COMMUNICATIONS ON AGENDA ITEMS

None.

7. PUBLIC HEARING

8. CONDUCT OF BUSINESS

8A. [24-1108](#) Presentation of 2025 Economic Development Department Initiatives

City Manager Isaac Whippy introduced Economic Development Department Initiatives and Economic Development Manager Sarah McCormick presented Initiatives for the Council. She reported new website to review FortBraggBiz.com and looks forward to First Roundtable in February; First Wednesday of month.

Public Comment: Jay McMartin, Paul Clark, Andrew Jordan, Megan Caron.

Discussion: Councilmember Albin-Smith shared details regarding supporting economic development. No direction was needed; informational only.

This Report was accepted.

8B. [24-1133](#) Adopt City Council Resolution Approving a Professional Services Agreement with Economic & Planning Systems, Inc. for Fort Bragg Mill Site Master Development Agreement

City Manager Isaac Whippy shared there is now a 90 day litigation stay until March 4, 2025 to begin collaborative development strategies and obtain community input as directed by Council. Walter Kieser, Principal of EPS has extensive knowledge of Mill Site and can guide community through complicated process. Phase 1 Scope will take multiple years. The Master Development Agreement is a goal to address the Mill Site challenges without solely relying on litigation. No decisions have been made as this is exploratory to find if there is enough common ground to work collaboratively. Upcoming study session and opportunity for community input will be February 25, 2025, at 5:00 PM. Comments were made by City Attorney Baron Bettenhausen to clarify what is before the Council is a Professional Services Agreement, not a decision on the ultimate land use. Everything else will come back for a full and thorough public discussion and public process.

Public Comments: Peter McNamee, George Reinhardt, Jacob Patterson, Marcy Snider, Laura Bianchi Limbird, Paul Clark, George Reinhardt, Shelley Green, Jade Tippett, Jary Stavely, Andrew Jordan and Jay McMartin.

Discussion: Councilmembers asked clarifying questions and discussed next steps and clarified this item before them is for approval of a Professional Services Agreement with Walter Kieser of EPS, Inc.

A motion was made by Councilmember Rafanan, seconded by Councilmember Albin-Smith, that the Resolution be adopted. The motion carried

Aye: 5 - Mayor Godeke, Vice Mayor Rafanan, Councilmember Albin-Smith, Councilmember Peters and Councilmember Hockett

Enactment No: RES 4893-2025

Mayor Godeke recessed the meeting at 8:00 PM; the meeting was reconvened to Open Session at 8:05 PM.

8C. [24-1137](#) Receive Report and Provide Direction on Implementation of Entertainment Zones Relaxing Restrictions on Public Consumption of Alcohol in Certain Limited Situations Pursuant to Authority of SB 969

City Manager Isaac Whippy introduced authority of AB 969 signed into effect January 1, 2025, to allow public consumption of alcohol within an entertainment zone and in certain limited situations. The intent of the legislature is to encourage economic vitality, supporting central business district, encourage tourism and promote local businesses. A city can adopt a Resolution or Ordinance within State guidelines. Chief Cervenka shared public safety considerations and challenges. There were only a few minor physical safety issues that can be addressed.

Public Comment: Jessica Morsell-Hay, Jenny Shattuck, Jacob Patterson, Andrew Jordan, Paul Clark and Jay McMartin.

Direction: Councilmembers asked clarifying questions with zones, any DUI data to verify if increased and if police foot patrol would be anticipated. There were no objections to pursue next steps and send this item to Community Development Committee.

This report was accepted.

8D. [24-1128](#) Fentanyl Task Force - January Update

Captain O'Neal presented a extensive Fentanyl Task Force update and thank City Manager Isaac Whippy and Chief Cervenka for ability to proceed with this work. He reported the continued work with School District and community members on the Task Force to find solutions and bridge gap regarding substance abuse program(s) needed for youth. Project Right Now Grant was a resource that they were able to secure due to work of this group and need in community.

Public Comment: Paul Clark and Andrew Jordan.

Discussion: This item was informational only and Council accepted this report.

This Report was accepted.

8E. [24-1121](#) Receive Report and Consider Adoption of City Council Resolution Approving Budget Amendment No. 2024/25-07 and Authorizing the City Manager to Execute a Contract with Axon Enterprises, Inc. for a Five-Year Contract for In Car Video And License Plate Reader Equipment (Amount Not To Exceed \$118,047.65, Account 167-4216-0381)

Chief Cervenka presented information on the need for upgrading Car Video and License Plate Reader Equipment with Axon Enterprises, Inc. This technology is proven to reduce force and reduce citizen complaints. CIRA Insurance also supports as a risk management tool. With data provided, this is an evidence tool that can convict or exonerate. This Item support Strategic Plan Goal #3 of Council. It was specifically reported that the license plate readers cannot be used for immigration enforcement.

Public Comment: Paul Clark

Discussion: Councilmembers asked clarifying questions, inquired if videos were subject to the Public Record Act of California and when installation would occur.

A Motion was made by Councilmember Peters, seconded by Vice Mayor Rafanan, that this Resolution was adopted. The motion carried by the following vote:

Aye: 5 - Mayor Godeke, Vice Mayor Rafanan, Councilmember Albin-Smith, Councilmember Peters and Councilmember Hockett

Enactment No: RES 4894-2025

ADJOURNMENT

Mayor Godeke adjourned the meeting at 8:53 PM.

JASON GODEKE, MAYOR

Amber Lenore Weaver, Acting 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: 25-133

Agenda Date: 4/28/2025

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Minutes

Agenda Number: 5G.

Approve Minutes of January 13, 2025



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
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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, January 13, 2025

6:00 PM Town Hall, 363 N. Main Street and Via Video Conference

CALL TO ORDER

Mayor Godeke called the meeting to order at 6:00 PM.

PLEDGE OF ALLEGIANCE

ROLL CALL

- Present:** 4 - Vice Mayor Jason Godeke, Councilmember Marcia Rafanan, Councilmember Tess Albin-Smith and Councilmember Lindy Peters
- Absent:** 1 - Councilmember Scott Hockett

CLOSED SESSION REPORT

None.

AGENDA REVIEW

1. MAYOR'S RECOGNITIONS AND ANNOUNCEMENTS

- 1A. [24-1118](#) Proclamation for National Law Enforcement Appreciation Day

Mayor Godeke presented Proclamation for National Law Enforcement Appreciation Day and presented it to Chief Cervenka.

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

CLOSED SESSION ITEMS

- (1) Tabettha Connell, Ross Koski, Jenny Shattuck, Bernadette Rafanan, Ron White, Gabriel Quinn Maroney, Hanna, David Patterson, Judy Valadao.
- (2) Jacob Patterson, Jenny Shattuck, Paul Clark.
- (3) None.

3. STAFF COMMENTS

Chief Cervenka announced Noyo Bridge Safety Measures including Suicide Deterrent Netting which will be discussed at the Public Safety Committee Meeting next Wednesday at 3 p.m. at Town Hall. City Attorney Baron Bettenhausen reported an item of housekeeping on Item 5A on Consent it has been identified as Adopt; it is the First Reading so that should be Introduction. When the Motion is made for Consent Calendar that Motion should include this is an Introduction

of an Ordinance.

4. MATTERS FROM COUNCILMEMBERS

Councilmember Peters echoed what Chief Cervenka reported and he requested this topic be placed on the Public Safety Committee Agenda to discuss further Safety Measures for Noyo Bridge; Next meeting for Fire Protection Board is January 23, 2025; Court Hearing for Grocery Outlet is January 18, 2025; City Planning Department has continued to work on permits while waiting for the court's decision; and requested a moment of Silence for well-known local Attorney Jim Larson. Councilmember Albin-Smith is committed to support all her fellow councilmembers; she requests that council consider going after a LCP Grant for the City not the County, and reports the Mendocino Transit Authority is low on drivers in Fort Bragg and in turn considering cut backs on routes if open positions cannot be filled. Vice Mayor Rafanan, reports Monday, January 20, 2025, immigration Lawyer Grady Gauthier will be at Town Hall at 6 p.m. for Q&A about ICE, Immigration, Deportation and your rights. It is open to everyone, kids, families, and is very important for community to understand their rights and reduce fear. Translation services will be provided. Mayor Godeke is returning "Meet with the Mayor" that Councilmember Peters adopted during his tenure as Mayor and will be present in the Lobby at CV Starr to be available to the public for discussion or answer any questions on January 22, 2025, at 4 p.m. and in the future when weather improves at the Farmer's Market. Mayor Godeke announces his Committee Appointments taking into consideration time commitments and work schedules of Councilmembers as follows:

Standing Committees:

Public Works: Godeke and Hockett

Public Safety: Peters and Hockett

Community Development: Rafanan and Godeke

Finance and Administration: Albin-Smith and Rafanan

Other Committees:

Visit Fort Bragg: Albin-Smith and Peters

2025 Ad Hoc Committees (12 month period, with option of renewal):

Ad Hoc Mill Site: Peters and Godeke

Ad Hoc Broadband: Albin-Smith and Rafanan

Ad Hoc Culture and Education: Rafanan and Godeke

Appointments to other boards and commissions:

Economic Development Financing Corporation (EDFC): Albin-Smith

Sonoma Clean Power: Peters

Fire Protection Board: Peters and Hockett (Public Safety Committee)

Mendocino Transit Authority: Albin-Smith

MSWMA(Mendocino Solid Waste Management Authority): Godeke

League of California Cities Voting Delegates: Peters (primary), Albin-Smith (alternate)

Mendocino Council of Governments (MCOG): Rafanan

5. CONSENT CALENDAR

Mayor Godeke invites comments from Attorney Baron Bettenhausen regarding the Consent Calendar who proceeds to read Titles of the Ordinances for the record and Titles are in the Agenda to be clear and not technically required, since Public Comment was received, he will read into the record, "It is an Ordinance of the City of Fort Bragg Delegating Authority to Appoint the City Clerk to the City Manager." Councilmember Peters asks for clarification regarding Ordinance and City Attorney provides amended motion language and confirms everything else is accurate and substantial compliance has been achieved under the Brown Act so Notice has been provided to the public of what is being contemplated tonight and Title of the Ordinance is written in the Agenda.

A motion was made by Vice Mayor Rafanan, seconded by Councilmember Albin-Smith, to approve the Consent Calendar with amendments. The motion carried by the following vote:

Aye: 4 - Vice Mayor Godeke, Councilmember Rafanan, Councilmember Albin-Smith and Councilmember Peters

Absent: 1 - Councilmember Hockett

- 5A.** [24-1084](#) Adopt by Title Only and Waive the Second Reading of the Ordinance of the City of Fort Bragg Delegating Authority to Appoint the City Clerk to the City Manager

This Ordinance was Introduced on the Consent Calendar.

- 5B.** [24-1106](#) Adopt Resolution of the Fort Bragg Redevelopment Successor Agency Approving Recognized Obligation Payment Schedule (ROPS) 25-26 (FY 25/26; July 1, 2025 - June 30, 2026) Pursuant to Health and Safety Code Section 34177(l)

This Resolution was adopted on the Consent Calendar.

Enactment No: RES RS40-2025

- 5C.** [24-1094](#) Adopt City Council Resolution Approving Maintenance Agreement with California Department of Transportation (Caltrans) for the Installation and Maintenance of Artwork on Trash Receptacles Located Within the Caltrans Right-of-Way as Part of the Fort Bragg Art and Recycling Beautification Project

This Resolution was adopted on the Consent Calendar.

Enactment No: RES 4885-2025

- 5D.** [24-1117](#) Accept and File Development Impact Fee Report, Utility Capacity Fee Reports and General Plan Maintenance Fee Report for Fiscal Year Ending June 30,2024

These Reports were accepted on the Consent Calendar.

- 5E.** [24-1086](#) Receive and File Minutes of the March 19, 2024 Special Public Safety Committee Meeting.
These Committee Minutes were received and filed on the Consent Calendar.
- 5F.** [24-1085](#) Receive and File Minutes of the October 18, 2023 Public Safety Committee Meeting
These Committee Minutes were received and filed on the Consent Calendar.
- 5G.** [24-1071](#) Approve Minutes of Special Closed Session of August 25, 2024
These Special Closed Session Minutes were received and filed on the Consent Calendar.
- 5H.** [24-1110](#) Approve Minutes of Special City Council Meeting on December 16, 2024
These Special City Council Minutes were received and filed on the Consent Calendar.
- 5I.** [24-1112](#) Approve Minutes Special Closed Session on October 28, 2024
These Special Closed Session Minutes were received and filed on the Consent Calendar.

6. DISCLOSURE OF EX PARTE COMMUNICATIONS ON AGENDA ITEMS

None.

7. PUBLIC HEARING

8. CONDUCT OF BUSINESS

- 8A.** [24-1105](#) Receive Oral Report and Consider Adoption of Council Resolution Affirming Commitment to Non-Discrimination and Support for Immigrants in our Community

Councilmember Peters reported he was contacted by many community members after the Presidential election regarding mass deportations and this has created a lot of fear and concern with our local Hispanic community. He recommits and presents this Resolution to current council which was similarly done in 2017.

Public Comment: Hannah-Liegh Bull, Michelle Roberts, Gabriel Quinn Maroney, Jacob Patterson, Marcy Snider and Paul Clark.

Discussion: Councilmember Albin-Smith suggests signage if Resolution is passed and Councilmember Peters says there were some signs created in the past. Mayor Godeke and council supports Resolution.

A motion was made by Councilmember Peters, seconded by Councilmember Albin-Smith that this Resolution be adopted. The motion carried by the following vote:

Aye: 4 - Vice Mayor Godeke, Councilmember Rafanan, Councilmember Albin-Smith and Councilmember Peters

Absent: 1 - Councilmember Hockett

Enactment No: RES 4886-2025

8B. [24-1115](#) Receive Report, Provide Direction on the Visit Fort Bragg Committee Appointments, Adopt New Resolution and Protocols to Formalize Changes

Administrative Analyst Cristal Muñoz presented Report and Requests formalizing changes to Protocols and Align Direction on Visit Fort Bragg Committee Appointments.

Public Comment: Jenny Shattuck and Jacob Patterson.

Discussion: After discussion Councilmembers clarified the current Committee Members would have input on appointments but ultimately the two Councilmembers on Committee would suggest and present appointments for City Council approval and removing Community Development involvement from Protocols. Mayor Godeke supports open application to allow community to apply to be on the Committee and understands it is ultimately the two Councilmembers on the committee who will decide on appointments. Option 3 is supported as depicted in Resolution and the process for establishing the appointment of Visit Fort Bragg Committee members.

A motion was made by Councilmember Peters, seconded by Councilmember Albin-Smith that this Resolution be adopted. The motion carried by the following vote:

Aye: 4 - Vice Mayor Godeke, Councilmember Rafanan, Councilmember Albin-Smith and Councilmember Peters

Absent: 1 - Councilmember Hockett

Enactment No: RES 4887-2025

8C. [24-1093](#) Receive Report and Consider Adoption of City Council Resolution Approving the Contract With Sustainable Living Builders, Inc. for the C.V. Starr Skylight Repair Project, City Project PWP-00140; Authorizing City Manager to Execute Contract (Amount not to Exceed \$273,591.09); Categorically Exemption 15301(d)

Public Works Director John Smith presented report regarding CV Starr Skylight Repair Project PWP-00140.

Public Comment: None.

Discussion: None.

A motion was made by Councilmember Albin-Smith, seconded by Councilmember Peters that this Resolution be adopted. The motion carried by the following vote:

Aye: 4 - Vice Mayor Godeke, Councilmember Rafanan, Councilmember Albin-Smith and Councilmember Peters

Absent: 1 - Councilmember Hockett

Enactment No: RES 4888-2025

9. CLOSED SESSION

ADJOURNMENT

Mayor Godeke adjourned the meeting at 7:22 PM.

JASON GODEKE, MAYOR

Amber Lenore Weaver, Acting City Clerk

IMAGED (_____)



City of Fort Bragg

416 N Franklin Street
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Text File

File Number: 25-121

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In Control: City Council

File Type: Minutes

Agenda Number: 5H.

Approve Minutes of October 28, 2024



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, October 28, 2024

6:00 PM

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

CALL TO ORDER

Mayor Norvell called the meeting to order at 6:07 PM

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: 5 - Mayor Bernie Norvell, Vice Mayor Jason Godeke, Councilmember Marcia Rafanan, Councilmember Lindy Peters and Councilmember Tess Albin-Smith

CLOSED SESSION REPORT

None.

AGENDA REVIEW

Mayor Norvell pulled Item 8B from the agenda and will return in a future agenda.

1. MAYOR'S RECOGNITIONS AND ANNOUNCEMENTS

1A. [24-967](#) Presentation of POST Executive Certificate to Chief Cervenka by California Commission on Peace Officer Standards and Training Law Enforcement Consultant Lisa Holton. (Announcements)

Lisa Holton, representing the California Commission on Peace Officers Standards presented Chief Cervenka with his Executive Certificate by the California Commission on Peace Officer Standards.

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

CLOSED SESSION ITEMS

- (1) Richard Miller.
- (2) Marcy Snyder.
- (3) None.

3. STAFF COMMENTS

City Manager Isaac Whippy expressed gratitude to the community, Visit Fort Bragg, and Administrative Analyst Cristal Munoz for the success of the Magic Market event. He announced that the City is planning an emergency planning tabletop exercise on November 5, which will

involve multiple agencies participating in a mass casualty scenario. Additionally, the CV Starr is hosting an aquathon to support free swim classes for second graders. Whippy also reminded the community that C&S Waste provides two bulky item pickups per year. City Clerk Sanchez noted that this year's mail-in ballot consists of three pages and includes Measures T and U. She emphasized that Measure U is on page three, urging voters not to overlook this important initiative. Chief Cervenka reported that on October 16, the Fentanyl Task Force held its second meeting. This task force includes elected officials, educators, business owners, community leaders, students, and individuals directly impacted by fentanyl. Presentations were made by Mendocino County Probation, New Life Clinic, Mendocino Coast Clinics, Medicated Assisted Treatment, and other organizations that play crucial roles in addressing the opioid crisis. The Task Force participants were divided into three committees, each with specific goals, and they will meet monthly. The city-wide campaign "Fort Bragg Fights Fentanyl" aims to raise awareness of this significant social issue.

4. MATTERS FROM COUNCILMEMBERS

Mayor Norvell expressed his gratitude to all the community members, city staff, and Chief Cervenaka for the kindness they showed to his mother and family over the past week. Councilmember Rafanan shared her experience of doing a ride-along with Officer Beak. Councilmember Peters reminded everyone that Halloween is this Thursday and announced that CV Starr will be hosting a Trunk or Treat event in the parking lot. He also attended a presentation from the Grassroots Institute and reassured the community that rumors about the hospital closing are untrue. Paul Garza, the Chair of the Mendocino Coast Hospital Board, was present at the presentation and affirmed that negotiations are ongoing to ensure Adventist Health remains in our community. Additionally, he attended an American Legion dinner honoring both the boys and girls state attendees. Councilmember Albin-Smith reported on her attendance at the California League of Cities conference in Long Beach, CA. She noted that there were impressive displays showcasing resources available to the city, including solar street lights. Other topics discussed included artificial intelligence, disaster preparedness, cybersecurity, e-bikes, climate resilience, and homelessness. She proposed applying for a Putnam Award for the city's efforts regarding homelessness. Albin-Smith also mentioned a keynote speaker who addressed the issue of partisanship.

5. CONSENT CALENDAR

A motion was made by Councilmember Peters, seconded by Vice Mayor Godeke, to approve the items on the Consent Calendar. The motion carried by the following vote:

Aye: 5 - Mayor Norvell, Vice Mayor Godeke, Councilmember Rafanan, Councilmember Peters and Councilmember Albin-Smith

5A. [24-984](#)

Adopt Resolution of the Fort Bragg City Council Approving Agreements with Pacific Gas & Electric for Electric Relocation and Transformer Upgrade at CV Starr Community Center for the Solar Facilities Project (Collective Amount Not to Exceed \$85,103.14); Exempt from CEQA Pursuant to Public Resource Code PRC § 21080.35

This Resolution was adopted on the Consent Calendar.

Enactment No: RES 4861-2024

- 5B.** [24-985](#) Adopt Resolution of the Fort Bragg City Council Approving Contract Change Orders with Redwood Roofers For The City Hall Roof Replacement Project, City Project No. PWP-00139 and Authorizing the City Manager to Execute (New Amount Not To Exceed \$122,307.00, Account 427-4878-0731). CC

This Resolution was adopted on the Consent Calendar.

Aye: 5 - Mayor Norvell, Vice Mayor Godeke, Councilmember Rafanan, Councilmember Peters and Councilmember Albin-Smith

Enactment No: RES 4862-2024

- 5C.** [24-988](#) Resolution of the Fort Bragg City Council Accepting Federal Funding Account (FFA) Grant Program Funds in the Amount of \$10.3 Million for the Municipal Broadband Project, and Approving Budget Amendment 2024/25-03 for \$8,376,309 Fiscal Year 2024/25

A motion was made by Councilmember Peters, seconded by Vice Mayor Godeke, that the Resolution be adopted. The motion carried by the following vote:

Aye: 5 - Mayor Norvell, Vice Mayor Godeke, Councilmember Rafanan, Councilmember Peters and Councilmember Albin-Smith

Enactment No: RES 4863-2024

- 5D.** [24-989](#) Resolution of the Fort Bragg City Council Approving Professional Services Agreement with Mitch Drake to Assist with Administering the City's Municipal Broadband Project (Amount Not to Exceed \$30,000; Account 421-4875-0310)

This Resolution was adopted on the Consent Calendar.

Enactment No: RES 4864-2024

6. DISCLOSURE OF EX PARTE COMMUNICATIONS ON AGENDA ITEMS

Mayor Norvell stated he spoke with Judy Martin from the Mendocino Coast Humane Society about agenda item 8A.

7. PUBLIC HEARING

8. CONDUCT OF BUSINESS

- 8A.** [24-994](#) Receive Report and Consider Adoption of Resolution Approving Request from the Mendocino Coast Humane Society and Authorizing City Manager to Release Payment (Amount Not to Exceed \$20,000; Account No. 110-4390-0619)

City Manager Whippy presented on this item along with the Mendocino Coast Humane Society Executive Director Judy Martin.

Public Comment: Jacob Patterson, Gabriel Quinn Maroney, and Shelley Green.

Discussion/Direction: There was some discussion. They provided direction to proceed with funding the freezer for the Mendocino Coast Humane Society.

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 Rafanan, Councilmember Peters and Councilmember Albin-Smith

Enactment No: RES 4865-2024

8B. [24-990](#) Update from the Ad-hoc on Culture and Education Committee and Consideration of Approval of the Land Acknowledgement and City of Fort Bragg's Commitments

ITEM REMOVED FROM CONDUCT OF BUSINESS

8C. [24-993](#) Presentation from Pam Bell Events on a Fort Bragg Blues Festival in 2025 and Seek Council Direction

City Manager Whippy presented on this item with Pam Bell from Pam Bell Events.

Public Comment: Debra DeGraw, Jacob Patterson, Richard Miller, Jenny Shattuck, and Shelley Green.

Discussion/Direction: There were some questions and discussion. They provided direction to proceed with the Blues Festival in 2025.

9. CLOSED SESSION

ADJOURNMENT

Mayor Norvell adjourned the meeting at 7:20 PM

BERNIE NORVELL, MAYOR

Diana Sanchez, 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: 25-138

Agenda Date: 4/28/2025

Version: 1

Status: Business

In Control: City Council

File Type: Staff Report

Agenda Number: 8A.

Receive Report and Consider Resolutions Of The City Council Of The City Of Fort Bragg and The Joint Powers Financing Authority Authorizing The Execution And Delivery Of The Installment Purchase Agreement With The City Of Fort Bragg Joint Powers Public Financing Authority And Assignment Of Payments Thereunder To Everbank, N.A., And Related Documents And Official Actions



AGENCY: City Council
MEETING DATE: April 28, 2025
DEPARTMENT: City Manager/Finance Director
PRESENTED BY: I. Whippy/Consultants
EMAIL ADDRESS: iwhippy@fortbragg.com

AGENDA ITEM SUMMARY

TITLE:

CONSIDER ADOPTION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FORT BRAGG, APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE INSTALLMENT PURCHASE AGREEMENT WITH THE CITY OF FORT BRAGG JOINT POWERS PUBLIC FINANCING AUTHORITY AND ASSIGNMENT OF PAYMENTS THEREUNDER TO EVERBANK, N.A., AND RELATED DOCUMENTS AND ADDITIONAL ACTIONS

ISSUE:

Based on guidance from the City Council over the past six months, and per the recommendation of City staff and its financial consultants, the City intends to issue \$7.8 million of debt to fund a portion of the Middle Mile Broadband Initiative (MMBI, or "Project") project costs. Most of the Project costs will be funded through a \$10.3 million grant from the State of California, while the remaining \$6.93 million of Project costs are to be funded through this debt issuance. The debt structure being utilized is an Installment Purchase Agreement between the City and the City of Fort Bragg Joint Powers Public Financing Authority (the "Authority"), as further described below.

To fund the remaining portion of the costs necessary to complete the Project, the City will enter into an Installment Purchase Agreement (the "2025 IPA") with the Authority. Pursuant to the 2025 IPA, the Authority has agreed to purchase the Project from the City with funds provided by EverBank, N.A. (the "Lender") pursuant to an Assignment Agreement (the "Assignment Agreement") by and between the Authority, as assignor, and the Lender, as assignee. Pursuant to the 2025 IPA, the City will acquire the Project from the Authority and obligate itself to make installment payments on a semi-annual basis. Pursuant to the Assignment Agreement, the Authority will assign to the Lender substantially all of the Authority's rights, title and interest under the 2025 IPA. The financial impact of the 2025 IPA is further described in the Analysis section below and the attached Good Faith Estimates.

BACKGROUND:

On November 25, 2024, City Manager, its Municipal Advisor (NHA Advisors) and its Project consultant (Mitch Drake) delivered a comprehensive presentation to City Council related to the Project and various funding options available to the City. Direction was given to explore debt financing mechanisms that didn't require the City to pledge assets to the debt (as it has done previously for its 2021 Lease Revenue Bonds), and attempt to secure financing terms that would allow the debt to be self-supported (no General Fund "backstop") by the City's new Broadband Enterprise Fund once certain operating metrics were achieved. Given the unique start up nature of the enterprise, it was made clear that the City's General Fund

would, at a minimum, need to act as a “co-signor” for the debt for the initial start period of the enterprise to satisfy credit rating requirements from potential lenders and ensure that debt payments could be made if the new enterprise system wasn’t able to, provided, however, that the City must still appropriate from its General Fund in order to comply with state law.

After refining the financing strategy and pro-forma in early 2025, the City’s Broker-Dealer (Oppenheimer) solicited interest from over 10 lenders/banks. The City received interest from four banks who provided their interest rates and borrowing terms for the transaction. EverBank provided the lowest interest rate, and furthermore, it was also the only bank that provide an automatic mechanism to remove the General Fund as a backstop for the maintenance of the system once certain metrics are met. EverBank does require that the City maintain a debt service reserve fund equal to one year’s worth of debt payments, and the City intends to re-allocate current reserves to meet that requirement (as opposed to financing that amount through the 2025 IPA).

Lender = Banner Bank	Lender = EverBank	Lender = Cap One	Lender = Flagstar Bank
<ul style="list-style-type: none"> • Term = 20 years • Rate = 5.03% • Repayment Structure = gross revenue pledge, supported by revenues of broadband utility and backed up by city general fund revenues • Amort Structure = interest only for 2 years • Credit Enhancement = None • 5-Year Call feature 	<ul style="list-style-type: none"> • Term = 20 years • Rate = 4.85% • Repayment Structure = gross revenue pledge, supported by revenues of broadband utility & City GF that springs to a net revenue pledge on the broadband system only • Amort Structure = interest only or Cap-I for 2 years • Credit enhancement = cash funded reserve fund 	<ul style="list-style-type: none"> • Term = 20 years • Rate = 4.95% • Repayment Structure = real property lease purchase financing • Amort Structure = Fully amortizing • Credit Enhancement = Bond insurance 	<ul style="list-style-type: none"> • Term = 20 year amortization 15 year fixed rate • Rate = 5.04% • Repayment Structure = real property lease purchase financing • Amort Structure = Fully amortizing • Credit Enhancement = None

On March 24, 2025, these results were presented to City Council and direction was given to staff and NHA to lock the interest rate with EverBank immediately and move expeditiously to document and close the transaction. Since that time, the team has been working diligently to put together the required legal documentation (drafted by Nixon Peabody, LLP, Special Counsel) and work through credit approval with EverBank. In retrospect, locking the interest rate in late March proved advantageous as significant market volatility emerged shortly after with a spike in interest rates.

It is expected that final credit approval will be obtained during the week of April 28th, with the Authority approval on May 12th, and closing scheduled for May 14th.

ANALYSIS:

The 2025 IPA is being structured to provide the City with \$6.93 million of funds to complete the MMBI Project. After accounting for costs of issuance (\$185,000) and 2-years of pre-funded/capitalized interest (\$749,039), the total loan size is expected to be \$7,864,039. The annual debt requirements are shown below and are amortized over 20 years. As discussed before, the first two years of payments will be funded through capitalized interest to ensure that the City won’t need to make any debt service payments while the enterprise is starting

up. As shown in the table below, the first payment that needs to be made will be \$524,653 in FY 2028 and then \$669,330 annually from FY 2029 to FY 2045.

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	DSR	CIF	Net New D/S
05/01/2026	-	-	367,632.89	367,632.89	-	(367,632.89)	-
05/01/2027	-	-	381,405.88	381,405.88	-	(381,405.88)	-
05/01/2028	145,222.47	4.850%	381,405.88	526,628.35	-	-	526,628.35
05/01/2029	301,095.27	4.850%	370,755.55	671,850.82	-	-	671,850.82
05/01/2030	315,875.45	4.850%	355,975.36	671,850.81	-	-	671,850.81
05/01/2031	331,381.16	4.850%	340,469.65	671,850.81	-	-	671,850.81
05/01/2032	347,648.03	4.850%	324,202.79	671,850.82	-	-	671,850.82
05/01/2033	364,713.39	4.850%	307,137.42	671,850.81	-	-	671,850.81
05/01/2034	382,616.47	4.850%	289,234.35	671,850.82	-	-	671,850.82
05/01/2035	401,398.37	4.850%	270,452.45	671,850.82	-	-	671,850.82
05/01/2036	421,102.24	4.850%	250,748.58	671,850.82	-	-	671,850.82
05/01/2037	441,773.33	4.850%	230,077.49	671,850.82	-	-	671,850.82
05/01/2038	463,459.12	4.850%	208,391.69	671,850.81	-	-	671,850.81
05/01/2039	486,209.44	4.850%	185,641.38	671,850.82	-	-	671,850.82
05/01/2040	510,076.52	4.850%	161,774.30	671,850.82	-	-	671,850.82
05/01/2041	535,115.18	4.850%	136,735.63	671,850.81	-	-	671,850.81
05/01/2042	561,382.95	4.850%	110,467.86	671,850.81	-	-	671,850.81
05/01/2043	588,940.15	4.850%	82,910.66	671,850.81	-	-	671,850.81
05/01/2044	617,850.09	4.850%	54,000.73	671,850.82	-	-	671,850.82
05/01/2045	648,179.14	4.850%	23,671.66	671,850.80	(669,330.64)	-	2,520.16
Total	\$7,864,038.77	-	\$4,833,092.20	\$12,697,130.97	(669,330.64)	(749,038.77)	\$11,278,761.56

SUMMARY OF FINANCING DOCUMENTS:

The subject resolution authorizes and approve the form of all the primary legal documents (the “Financing Documents”) necessary to provide for the successful execution of the 2025 IPA. A brief summary of each of the Financing Documents follows.

1. Installment Purchase Agreement: Pursuant to the IPA, the City and the Authority are entering into an arrangement whereby the Authority has agreed to purchase the Project from the City with funds provided by EverBank, N.A. (the “Lender”), and the City agrees to use the funds to fund the remaining portion of the costs necessary to complete the Project by entering into an Installment Purchase Agreement. The IPA also sets forth the interest rate the Lender is charging, the requirement that the Lender be paid from gross revenues of the broadband system until net revenues are sufficient, and other terms and conditions of the financing.

2. Assignment Agreement: Pursuant to the Assignment Agreement, the Authority assigns certain of its rights under the IPA to the Lender, including its rights to payments under the IPA and enforcement rights under the IPA.

3. Project Fund Agreement: Pursuant to the Project Fund Agreement, the City, EverBank as Lender and EverBank as depository bank agree to establish certain deposit accounts where funds will be held and disbursed by the Bank for the Project and in which has certain security interests in.

RECOMMENDED ACTION:

Staff recommends that, the members of the City Council, adopt the attached resolution.

ALTERNATIVE ACTION(S):

1. Do not adopt the resolutions.
2. Provide alternative direction to staff.

FISCAL IMPACT:

There is no financial impact to the FY 2025 budget. The first debt payment will occur in FY 2028 in an amount of 524,653 and is expected to be paid by revenue of the new Broadband Enterprise. All costs of issuance will be financed through the 2025 IPA.

GREENHOUSE GAS EMISSIONS IMPACT:

There is no impact to greenhouse gas emissions from approving the resolution.

STRATEGIC PLAN/CONSISTENCY:

N/A

IMPLEMENTATION/TIMEFRAMES:

1. INVIGORATE ECONOMIC OPPORTUNITY AND COMMUNITY VIBRANCY

1 (D) Develop and maintain affordable and reliable high-speed fiber-optics infrastructure to support and attract diverse businesses, online education, and remote employment that will connect Fort Bragg to the world.

- Construct, manage, and maintain a municipal broadband utility that provides citywide access to underground networks with industry-leading speeds to provide secondary communications during emergencies and support businesses.

ATTACHMENTS:

1. City Resolution
2. Installment Purchase Agreement
3. Assignment Agreement
4. Project Fund Agreement
5. Good Faith Estimates

NOTIFICATION:

N/A

RESOLUTION NO. XXXX-2025

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FORT BRAGG
APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE
INSTALLMENT PURCHASE AGREEMENT WITH EVERBANK, N.A., AND RELATED
DOCUMENTS AND ADDITIONAL ACTIONS**

WHEREAS, pursuant to the provisions Article 12 (commencing with Section 53167) of Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code, the City of Fort Bragg (the “City”) is authorized to provide broadband internet access service (the “System”); and

WHEREAS, the City has or will receive certain government grants to fund a portion of the costs to design, construct and improve the System (the “Project”); and

WHEREAS, the City desires to fund the remaining portion of the costs necessary to complete the Project by entering into an Installment Purchase Agreement (the “2025 IPA”) with the City of Fort Bragg Joint Powers Public Financing Authority (the “Authority”); and

WHEREAS, pursuant to the 2025 IPA, the Authority has agreed to purchase the Project from the City with funds provided by EverBank, N.A. (the “Lender”) pursuant to an Assignment Agreement (the “Assignment Agreement”) by and between the Authority, as assignor, and the Lender, as assignee; and

WHEREAS, pursuant to the 2025 IPA, the City will acquire the Project from the Authority and obligate itself to make installment payments in the amounts and on the dates set forth in Exhibit B attached to the 2025 IPA (the “Installment Payments”); and

WHEREAS, pursuant to the Assignment Agreement, the Authority will assign to the Lender substantially all of the Authority’s rights, title and interest under the 2025 IPA; and

WHEREAS, in compliance with the requirements of Government Code Section 5852.1, the City has obtained good faith estimates of certain financial terms related to the financing of the Project through the execution and delivery of the 2025 IPA which estimates are disclosed and set forth in Exhibit A to the staff report submitted in connection with the approval of this Resolution and were made available at a public meeting of the City Council; and

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Fort Bragg does hereby RESOLVE, DETERMINE and ORDER as follows:

Section 1. Each of the above recitals is true and correct and is adopted by the City Council as the legislative body of the City.

Section 2. The form of the 2025 IPA is hereby approved and each of the Mayor of the City, the Mayor Pro Tem of the City, the City Manager/Finance Director of the City or any of their written designees (each an “Authorized Officer”), each acting alone, is hereby authorized and directed to execute and deliver the 2025 IPA (subject to the limitations set forth in the following sentence) in the name of and on behalf of the City, in

substantially the form and content now before this meeting, but with such changes, modifications, additions and deletions therein as shall be deemed necessary, desirable or appropriate by the Authorized Officer or Authorized Officers executing the same, such approval to be conclusively evidenced by the execution and delivery thereof by one or more of the Authorized Officers. The 2025 IPA shall be executed only if the interest rate does not exceed 4.85%, assuming no Event of Default or Event of Taxability occurs (as defined in the 2025 IPA).

Section 3. The form of the Project Fund Administration Agreement (the “Project Fund Agreement”) between and among the City and the Lender is hereby approved and each Authorized Officer acting alone, is hereby authorized and directed to execute and deliver the Project Fund Agreement in the name of and on behalf of the City, in substantially the form and content now before this meeting, but with such changes, modifications, additions and deletions therein as shall be deemed necessary, desirable or appropriate by the Authorized Officer or Authorized Officers executing the same, such approval to be conclusively evidenced by the execution and delivery thereof by one or more of the Authorized Officers.

Section 4. The form of the Project Fund Agreement may also be used to create any other agreement necessary to document the holding of funds by the Lender, including, but not limited to, for capitalized interest or for a debt service reserve, and each Authorized Officer is hereby authorized and directed to execute and deliver such fund agreement in the name of and on behalf of the City, in substantially the form and content of the Project Fund Agreement now before this meeting, but with such changes, modifications, additions and deletions therein for such additional holding of funds as shall be deemed necessary, desirable or appropriate by the Authorized Officer or Authorized Officers executing the same, such approval to be conclusively evidenced by the execution and delivery thereof by one or more of the Authorized Officers.

Section 5. The City hereby approves and authorizes the Authority to enter into and assign its rights under the 2025 IPA pursuant to the Assignment Agreement.

Section 6. In accordance with Government Code section 5852.1, good faith estimates of the following have been obtained and are set forth on Exhibit A attached to the staff report relating to the approval of this Resolution: (a) the true interest cost of the 2025 IPA, (b) the sum of all fees and charges to be paid to third parties with respect to the 2025 IPA, including an estimate of the costs of issuance, (c) the amount of proceeds expected to be received in connection with the 2025 IPA net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds received under the 2025 IPA, and (d) the sum total of all debt service payments due on the 2025 IPA calculated through the term of the 2025 IPA plus the fees and charges paid to third parties not paid with the proceeds received under the 2025 IPA. The City Council finds and determines that the provisions of Government Code section 5852.1 have been satisfied with respect to the authorization of the 2025 IPA.

Section 7. Each of the Authorized Officers is hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all

documents necessary or proper for carrying out the transactions contemplated by this Resolution, including, but not limited to, documents required by the Lender, including account control agreements, commitment letter and other documents, and to pay all costs of issuance related to the execution and delivery of the 2025 IPA.

Section 8. This Resolution shall take effect immediately upon its passage.

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 28th day of April, 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

Jason Godeke
Mayor

ATTEST:

Diana Paoli
City Clerk

RESOLUTION NO. JPFA_____ 2025

RESOLUTION OF THE CITY OF FORT BRAGG JOINT POWERS FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF THE INSTALLMENT PURCHASE AGREEMENT WITH EVERBANK, N.A., AND RELATED DOCUMENTS AND OFFICIAL ACTIONS

RESOLVED, by the Board of Directors (the “Board”) of the City of Fort Bragg Joint Powers Financing Authority (the “Authority”), that:

WHEREAS, pursuant to the provisions Article 12 (commencing with Section 53167) of Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code, the City of Fort Bragg (the “City”) is authorized to provide broadband internet access service (the “System”); and

WHEREAS, the City has or will receive certain government grants to fund a portion of the costs to design, construct and improve the System (the “Project”); and

WHEREAS, the City desires to fund the remaining portion of the costs necessary to complete the Project by entering into an Installment Purchase Agreement (the “2025 IPA”) with the City of Fort Bragg Joint Powers Public Financing Authority (the “Authority”); and

WHEREAS, pursuant to the 2025 IPA, the Authority has agreed to purchase the Project from the City with funds provided by EverBank, N.A. (the “Lender”) pursuant to an Assignment Agreement (the “Assignment Agreement”) by and between the Authority, as assignor, and the Lender, as assignee; and

WHEREAS, pursuant to the 2025 IPA, the City will acquire the Project from the Authority and obligate itself to make installment payments in the amounts and on the dates set forth in Exhibit B attached to the 2025 IPA (the “Installment Payments”); and

WHEREAS, pursuant to the Assignment Agreement, the Authority will assign to the Lender substantially all of the Authority’s rights, title and interest under the 2025 IPA; and

WHEREAS, in compliance with the requirements of Government Code Section 5852.1, the City has obtained good faith estimates of certain financial terms related to the financing of the Project through the execution and delivery of the 2025 IPA which estimates are disclosed and set forth in Exhibit A to the staff report submitted in connection with the approval of this Resolution and were made available at a public meeting of the City Board; and

NOW, THEREFORE, BE IT RESOLVED the City Board of the City of Fort Bragg does hereby RESOLVE, DETERMINE and ORDER as follows:

Section 1. Each of the above recitals is true and correct and is adopted by the City Board as the legislative body of the City.

Section 2. The form of the 2025 IPA is hereby approved and each of the Mayor of the City, the Mayor Pro Tem of the City, the City Manager/Finance Director of the City or any of their written designees and the Executive Director of the Authority (each an

“Authorized Officer”), each acting alone, is hereby authorized and directed to execute and deliver the 2025 IPA (subject to the limitations set forth in the following sentence) in the name of and on behalf of the City, in substantially the form and content now before this meeting, but with such changes, modifications, additions and deletions therein as shall be deemed necessary, desirable or appropriate by the Authorized Officer or Authorized Officers executing the same, such approval to be conclusively evidenced by the execution and delivery thereof by one or more of the Authorized Officers. The 2025 IPA shall be executed only if the interest rate does not exceed 4.85%, assuming no Event of Default or Event of Taxability occurs (as defined in the 2025 IPA).

Section 3. The form of the Project Fund Administration Agreement (the “Project Fund Agreement”) between and among the City and the Lender is hereby approved and each Authorized Officer acting alone, is hereby authorized and directed to execute and deliver the Project Fund Agreement in the name of and on behalf of the City, in substantially the form and content now before this meeting, but with such changes, modifications, additions and deletions therein as shall be deemed necessary, desirable or appropriate by the Authorized Officer or Authorized Officers executing the same, such approval to be conclusively evidenced by the execution and delivery thereof by one or more of the Authorized Officers.

Section 4. The form of the Project Fund Agreement may also be used to create any other agreement necessary to document the holding of funds by the Lender, including, but not limited to, for capitalized interest or for a debt service reserve, and each Authorized Officer is hereby authorized and directed to execute and deliver such fund agreement in the name of and on behalf of the City, in substantially the form and content of the Project Fund Agreement now before this meeting, but with such changes, modifications, additions and deletions therein for such additional holding of funds as shall be deemed necessary, desirable or appropriate by the Authorized Officer or Authorized Officers executing the same, such approval to be conclusively evidenced by the execution and delivery thereof by one or more of the Authorized Officers.

Section 5. The City hereby approves and authorizes the Authority to enter into and assign its rights under the 2025 IPA pursuant to the Assignment Agreement.

Section 6. In accordance with Government Code section 5852.1, good faith estimates of the following have been obtained and are set forth on Exhibit A attached to the staff report relating to the approval of this Resolution: (a) the true interest cost of the 2025 IPA, (b) the sum of all fees and charges to be paid to third parties with respect to the 2025 IPA, including an estimate of the costs of issuance, (c) the amount of proceeds expected to be received in connection with the 2025 IPA net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds received under the 2025 IPA, and (d) the sum total of all debt service payments due on the 2025 IPA calculated through the term of the 2025 IPA plus the fees and charges paid to third parties not paid with the proceeds received under the 2025 IPA. The City Board finds and determines that the provisions of Government Code section 5852.1 have been satisfied with respect to the authorization of the 2025 IPA.

Section 7. Each of the Authorized Officers is hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents necessary or proper for carrying out the transactions contemplated by this Resolution, including, but not limited to, documents required by the Lender, including account control agreements, commitment letter and other documents, and to pay all costs of issuance related to the execution and delivery of the 2025 IPA.

Section 8. This Resolution shall take effect immediately upon its passage.

The above and foregoing Resolution was introduced by Board Member _____, seconded by Board Member _____, and passed and adopted at a regular meeting of the Board of Directors of the City of Fort Bragg Joint Powers Financing Authority held on the 28th day of April, 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

Jason Godeke
President

ATTEST:

Diana Paoli
Secretary

PROJECT FUND ADMINISTRATION AGREEMENT

This PROJECT FUND ADMINISTRATION AGREEMENT (as amended and supplemented hereafter, this “Agreement”), dated as of May __, 2025 (“Effective Date”), is entered into by and among the CITY OF FORT BRAGG, a local agency duly organized and existing under the laws of the State of California (the “City”), EVERBANK, N.A., a national banking association (“Secured Party”) and EVERBANK, N.A., a national banking association (“Bank”), and sets forth the rights of Secured Party and the obligations of Bank with respect to the deposit accounts of City at Bank identified below as the Project Fund Collateral Account (each hereinafter referred to individually as a “Collateral Account” and collectively as the “Project Fund Collateral Account”) [and the disbursement requirements thereto].

1. **Project Fund Collateral Account.** Pursuant to that certain Installment Purchase Agreement (as amended and supplemented, the “Installment Purchase Agreement”), dated as of May 1, 2025, by and between City and the City of Fort Bragg Joint Powers Public Financing Authority, a joint powers authority duly organized and existing under the laws of the State of California (“Authority”), City has agreed to establish a Project Fund with Bank, and pursuant to the Installment Purchase Agreement City has also agreed to grant Secured Party, as lender to City and the assignee of certain rights and other obligations of City under the Installment Purchase Agreement that Authority has assigned to Secured Party pursuant to the Assignment Agreement, dated as of May 1, 2025, between Authority and Secured Party, a security interest in all rights of City with respect to the following accounts located at Bank and subject to the terms of the Deposit Agreements (as hereinafter defined):

Account Number	Account Title
----------------	---------------

Each such account, together with all substitutions and replacements therefor, the “Project Fund Collateral Account”. The terms and conditions of this Agreement are in addition to any deposit account agreements and other related agreements that City has with Bank, including without limitation the Business and Non-Personal Account Terms, Disclosures, and Agreements Booklet, and all agreements concerning banking products and services, treasury management documentation, account booklets containing the terms and conditions of the Project Fund Collateral Account, signature cards, fee schedules, disclosures, specification sheets and change of terms notices (collectively, the "Deposit Agreements"). The provisions of this Agreement shall supersede the provisions of the Deposit Agreements only to the extent the provisions herein are inconsistent with the Deposit Agreements, and in all other respects, the Deposit Agreements shall remain in full force and effect. All items deposited into the Project Fund Collateral Account shall be processed according to the provisions of the Deposit Agreements, as amended by this Agreement. [Funds in the Project Fund Collateral Account shall remain [uninvested][invested in Authorized Investments as defined in the Installment Purchase Agreement], subject to Bank’s customary business practices.]

2. **Secured Party's Interest in Project Fund Collateral Account.** Secured Party represents that it is either (i) a lender who has extended credit to City and has been granted a security interest in the Project Fund Collateral Account or (ii) such a lender and the agent for a group of such lenders. City hereby confirms the security interest granted by City to Secured Party in all of City's right, title and interest in and to the Project Fund Collateral Account and all sums now or hereafter on deposit in or payable or withdrawable from the Project Fund Collateral Account (the "Collateral Account Funds").
3. **Disbursements.** Bank, Secured Party and City each agree that Bank will comply with instructions given to Bank by authorized agents of City, identified in Exhibit A hereto, directing disposition of funds in the Project Fund Collateral Account ("Instructions"). City agrees that City will not have access to any Project Fund Collateral Account or Collateral Account Funds, and City irrevocably authorizes Bank to comply with any Instructions. Except as otherwise required by law, Bank will not agree with any third party to comply with instructions for disposition of funds in the Project Fund Collateral Account originated by such third party.
4. **Transfers in Response to Instructions.** Any disposition of funds which Bank makes in response to Instructions is subject to Bank's standard policies, procedures and documentation governing the type of disposition made; provided, however, that in no circumstances will any such disposition require City's consent. To the extent any Collateral Account is a certificate of deposit or time deposit, Bank will be entitled to deduct any applicable early withdrawal penalty prior to disbursing funds from such account in response to Instructions.
5. **Balance Reports and Bank Statements.** Bank agrees, at the request of Secured Party on any day on which Bank is open to conduct its regular banking business, other than a Saturday, Sunday or public holiday (each a "Business Day"), to make available to Secured Party a report ("Balance Report") showing the opening available balance in the Project Fund Collateral Account as of the beginning of such Business Day, by a transmission method determined by Bank, in Bank's sole discretion. City expressly consents to this transmission of information. Bank will, on receiving a written request from Secured Party, send to Secured Party by United States mail, at the address indicated for Secured Party after its signature to this Agreement, duplicate copies of all periodic statements on the Project Fund Collateral Account which are sent to City.
6. **Returned Items.** Secured Party and City understand and agree that the face amount ("Returned Item Amount") of each Returned Item will be paid by Bank debiting the Collateral Account to which the Returned Item was originally credited, without prior notice to Secured Party or City. As used in this Agreement, the term "Returned Item" means (i) any item deposited to a Collateral Account and returned unpaid, whether for insufficient funds or for any other reason, and without regard to timeliness of the return or the occurrence or timeliness of any drawee's notice of non-payment; (ii) any item subject to a claim against Bank of breach of transfer or presentment warranty under the Uniform Commercial Code (as adopted in the applicable state) or Regulation CC (12

C.F.R. §229), as in effect from time to time; (iii) any automated clearing house (“ACH”) entry credited to a Collateral Account and returned unpaid or subject to an adjustment entry under applicable clearing house rules, whether for insufficient funds or for any other reason, and without regard to timeliness of the return or adjustment; (iv) any credit to a Collateral Account from a merchant card transaction, against which a contractual demand for chargeback has been made; and (v) any credit to a Collateral Account made in error. City agrees to pay all Returned Item Amounts immediately on demand, without setoff or counterclaim, to the extent there are not sufficient funds in the applicable Collateral Account to cover the Returned Item Amounts on the day Bank attempts to debit them from the Collateral Account. Secured Party agrees to pay all Returned Item Amounts within fifteen (15) calendar days after demand, without setoff or counterclaim, to the extent that (i) the Returned Item Amounts are not paid in full by City within five (5) calendar days after demand on City by Bank, and (ii) Secured Party has received proceeds from the corresponding Returned Items under this Agreement.

7. **Settlement Items.** Secured Party and City understand and agree that the face amount (“Settlement Item Amount”) of each Settlement Item will be paid by Bank debiting the applicable Collateral Account, without prior notice to Secured Party or City. As used in this Agreement, the term “Settlement Item” means (i) each check or other payment order drawn on or payable against any controlled disbursement account or other deposit account at any time linked to any Collateral Account by a zero balance account connection or other automated funding mechanism (each a “Linked Account”), which Bank cashes or exchanges for a cashier’s check or official check in the ordinary course of business and which is presented for settlement against the Collateral Account (after having been presented against the Linked Account), (ii) each check or other payment order drawn on or payable against a Collateral Account, which Bank cashes or exchanges for a cashier’s check or official check in the ordinary course of business after Bank’s cutoff time for posting, (iii) each ACH credit entry initiated by Bank, as originating depository financial institution, on behalf of City, as originator, and (iv) any other payment order drawn on or payable against a Collateral Account or any Linked Account, which Bank has paid or funded. City agrees to pay all Settlement Item Amounts immediately on demand, without setoff or counterclaim, to the extent there are not sufficient funds in the applicable Collateral Account to cover the Settlement Item Amounts on the day they are to be debited from the Collateral Account. Secured Party agrees to pay all Settlement Item Amounts within fifteen (15) calendar days after demand, without setoff or counterclaim, to the extent that (i) the Settlement Item Amounts are not paid in full by City within five (5) calendar days after demand on City by Bank, and (ii) Secured Party has received Collateral Account Funds under this Agreement.
8. **Bank Fees.** City agrees to pay all Bank’s fees and charges for the maintenance and administration of the Project Fund Collateral Account and for the treasury management and other account services provided with respect to the Project Fund Collateral Account and any Lockboxes (collectively “Bank Fees”), including, but not limited to, the fees for (a) Balance Reports provided on the Project Fund Collateral Account, (b) funds transfer services received with respect to the Project Fund Collateral Account, (c) lockbox

processing services, (d) Returned Items, (e) funds advanced to cover overdrafts in the Project Fund Collateral Account (but without Bank being in any way obligated to make any such advances), and (f) duplicate bank statements. The Bank Fees will be paid by Bank debiting one or more of the Project Fund Collateral Account on the Business Day that the Bank Fees are due, without notice to Secured Party or City. If there are not sufficient funds in the Project Fund Collateral Account to cover fully the Bank Fees on the Business Day Bank attempts to debit them from the Project Fund Collateral Account, such shortfall or the amount of such Bank Fees will be paid by City to Bank, without setoff or counterclaim, within five (5) calendar days after demand from Bank. Secured Party agrees to pay any Bank Fees within fifteen (15) calendar days after demand, without setoff or counterclaim, to the extent such Bank Fees are not paid in full by City within five (5) calendar days after demand on City by Bank.

9. **Deposit Agreements.** Except as specifically provided in this Agreement, Secured Party and City agree that the Project Fund Collateral Account will be subject to, and Bank's operation of the Project Fund Collateral Account will be in accordance with, the Deposit Agreements.
10. **Partial Subordination of Bank's Rights.** Bank hereby subordinates to the security interest of Secured Party in the Project Fund Collateral Account (i) any security interest which Bank may have or acquire in the Project Fund Collateral Account, and (ii) any right which Bank may have or acquire to set off or otherwise apply any Collateral Account Funds against the payment of any indebtedness from time to time owing to Bank from City, except for debits to the Project Fund Collateral Account permitted under this Agreement for the payment of Returned Item Amounts, Settlement Item Amounts or Bank Fees.
11. **Bankruptcy Notice; Effect of Filing.** If Bank at any time receives notice of the commencement of a bankruptcy case or other insolvency or liquidation proceeding by or against City, Bank will continue to comply with its obligations under this Agreement, except to the extent that any action required of Bank under this Agreement is prohibited under applicable bankruptcy laws or regulations or is stayed pursuant to the automatic stay imposed under the United States Bankruptcy Code or by order of any court or agency. With respect to any obligation of Secured Party hereunder which requires prior demand on City, the commencement of a bankruptcy case or other insolvency or liquidation proceeding by or against City will automatically eliminate the necessity of such demand on City by Bank, and will immediately entitle Bank to make demand on Secured Party with the same effect as if demand had been made on City and the time for City's performance had expired.
12. **Legal Process, Legal Notices and Court Orders.** Bank will comply with any legal process, legal notice or court order it receives in relation to a Collateral Account if Bank determines in its sole discretion that the legal process, legal notice or court order is legally binding on it.

13. **Indemnification.** City will indemnify, defend and hold harmless Bank, its officers, directors, employees, and agents (collectively, the “Indemnified Parties”) from and against any and all claims, demands, losses, liabilities, damages, costs and expenses (including reasonable attorneys’ fees) (collectively “Losses and Liabilities”) Bank may suffer or incur as a result of or in connection with (a) Bank complying with any binding legal process, legal notice or court order referred to in the immediately preceding section of this Agreement, (b) Bank following any instruction or request of Secured Party, including but not limited to any Instructions, or (c) Bank complying with its obligations under this Agreement, except to the extent such Losses and Liabilities are caused by Bank’s gross negligence or willful misconduct. To the extent such obligations of indemnity are not satisfied by City within five (5) days after demand on City by Bank, Secured Party will indemnify, defend and hold harmless Bank and the other Indemnified Parties against any and all Losses and Liabilities Bank may suffer or incur as a result of or in connection with Bank following any instruction or request of Secured Party, except to the extent such Losses and Liabilities are caused by Bank’s gross negligence or willful misconduct.
14. **Bank’s Responsibility.** This Agreement does not create any obligations of Bank, and Bank makes no express or implied representations or warranties with respect to its obligations under this Agreement, except for those expressly set forth herein. In particular, Bank need not investigate whether Secured Party is entitled under Secured Party’s agreements with City to give an Instructions. Bank may rely on any and all notices and communications it believes are given by the appropriate party. Bank will not be liable to City, Secured Party or any other party for any Losses and Liabilities caused by (i) circumstances beyond Bank’s reasonable control (including, without limitation, computer malfunctions, interruptions of communication facilities, labor difficulties, acts of God, wars, or terrorist attacks) or (ii) any other circumstances, except to the extent that such Losses and Liabilities are directly caused by Bank’s gross negligence or willful misconduct. In no event will Bank be liable for any indirect, special, consequential or punitive damages, whether or not the likelihood of such damages was known to Bank, and regardless of the form of the claim or action, or the legal theory on which it is based. Any action against Bank by City or Secured Party under or related to this Agreement must be brought within twelve (12) months after the cause of action accrues.
15. **Termination.** This Agreement may be terminated by Secured Party or Bank at any time by either of them giving thirty (30) calendar days prior written notice of such termination to the other parties to this Agreement; provided, however, that this Agreement may be terminated immediately upon written notice (i) from Bank to City and Secured Party should City or Secured Party fail to make any payment when due to Bank from City or Secured Party under the terms of this Agreement, or (ii) from Secured Party to Bank on termination or release of Secured Party’s security interest in the Project Fund Collateral Account; provided that any notice from Secured Party under clause (ii) of this sentence must contain Secured Party’s acknowledgement of the termination or release of its security interest in the Project Fund Collateral Account, as shown in the form of termination notice attached hereto as Exhibit B. City’s and Secured Party’s respective obligations to report errors in funds transfers and bank statements and to pay Returned

Items Amounts, Settlement Item Amounts, and Bank Fees, as well as the indemnifications made, and the limitations on the liability of Bank accepted, by City and Secured Party under this Agreement will continue after the termination of this Agreement with respect to all the circumstances to which they are applicable, existing or occurring before such termination, and any liability of any party to this Agreement, as determined under the provisions of this Agreement, with respect to acts or omissions of such party prior to such termination will also survive such termination.

16. **Modifications, Amendments, and Waivers.** This Agreement may not be modified or amended, or any provision thereof waived, except in a writing signed by all the parties to this Agreement.
17. **Notices.** All notices from one party to another must be in writing, which includes electronically via e-mail, and be delivered to City, Secured Party and/or Bank at their contact addresses specified after their signatures to this Agreement, or any other address of any party communicated to the other parties in writing. Unless otherwise described above, notices will be effective on receipt. Any notice sent by a party to this Agreement to another party must also be sent to all other parties to this Agreement. Bank is authorized by City and Secured Party to act on any instructions or notices received by Bank if (a) such instructions or notices purport to be made in the name of Secured Party, (b) Bank reasonably believes that they are so made, and (c) they do not conflict with the terms of this Agreement as such terms may be amended from time to time, unless such conflicting instructions or notices are supported by a court order.
18. **Successors and Assigns.** Neither City nor Secured Party may assign or transfer its rights or obligations under this Agreement to any person or entity without the prior written consent of Bank, which consent will not be unreasonably withheld or delayed. Notwithstanding the foregoing, Secured Party may transfer its rights and duties under this Agreement to (i) a transferee to which, by contract or operation of law, Secured Party transfers substantially all of its rights and duties under the financing or other arrangements between Secured Party and City, or (ii) if Secured Party is acting as a representative in whose favor a security interest is created or provided for, a transferee that is a successor representative; provided that as between Bank and Secured Party, Secured Party will not be released from its obligations under this Agreement unless and until Bank receives any such transferee's binding written agreement to assume all of Secured Party's obligations hereunder. Bank may not assign or transfer its rights or obligations under this Agreement to any person or entity without the prior written consent of Secured Party, which consent will not be unreasonably withheld or delayed; provided, however, that no such consent will be required if such assignment or transfer takes place as part of a merger, acquisition or corporate reorganization affecting Bank.
19. **Governing Law.** [This Agreement will be governed by and be construed in accordance with the laws of the state of Florida, without regard to conflict of laws principles. This state will also be deemed to be Bank's jurisdiction, for purposes of Article 9 of the Uniform Commercial Code as it applies to this Agreement.][**TO BE CONFIRMED**]

20. **Severability.** To the extent that the terms of this Agreement are inconsistent with, or prohibited or unenforceable under, any applicable law or regulation, they will be deemed ineffective only to the extent of such prohibition or unenforceability, and will be deemed modified and applied in a manner consistent with such law or regulation. Any provision of this Agreement which is deemed unenforceable or invalid in any jurisdiction will not affect the enforceability or validity of the remaining provisions of this Agreement or the same provision in any other jurisdiction.
21. **Counterparts.** This Agreement may be executed in any number of counterparts each of which will be an original with the same effect as if the signatures were on the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by telecopier or electronic image scan transmission (such as a “pdf” file) will be effective as delivery of a manually executed counterpart of the Agreement.
22. **Entire Agreement.** This Agreement, together with the Deposit Agreements, contains the entire and only agreement among all the parties to this Agreement and between Bank and City, on the one hand, and Bank and Secured Party, on the other hand, with respect to (a) the interest of Secured Party in the Project Fund Collateral Account and Collateral Account Funds, and (b) Bank’s obligations to Secured Party in connection with the Project Fund Collateral Account and Collateral Account Funds.

[SIGNATURE PAGES FOLLOW]

This Agreement has been signed by the duly authorized officers or representatives of City, Secured Party and Bank and is deemed to be effective as of the Effective Date stated above.

CITY OF FORT BRAGG

EVERBANK, N.A.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Address for City Notices:

Address for Secured Party Notices:

Attn: _____

Attn: _____

[SIGNATURE PAGES CONTINUE]

EVERBANK, N.A.

By: _____

Name: _____

Title: _____

Addresses for Bank Notices:

EverBank – Commercial Client Services
Attn: CCS Manager
18100 Von Karmen Ave., Suite 450
Irvine, CA 92612
E-mail: ccservices@everbank.com

Exhibit A
PROJECT FUND DISBURSEMENT REQUEST

The undersigned, the [TITLE] of the City of Fort Bragg, California (the “City”), is familiar with the facts herein certified is authorized and qualified to certify the same, and hereby requests that the EverBank, N.A., as administrator (the “Administrator” under the Project Fund Administration Agreement, dated May __, 2025, by and among the City, the Administrator and EverBank, N.A. as secured party), make a disbursement from the Project Fund held by the Administrator, and disburse such funds as set forth in #4 below (the “Proposed Disbursement”):

1. The Business Day of the Proposed Disbursement is _____, 20__ (the “Disbursement Date”).

2. The principal amount of the Proposed Disbursement is \$_____, which, when added to any other prior Proposed Disbursements, such amount shall not exceed the amount initially deposited into the Project Fund on the Closing Date.

3. The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the Issuance Date, before and after giving effect to the Proposed Disbursement is:

(a) The representations and warranties of the City set forth in the Installment Purchase Agreement of the Installment Purchase Agreement (as amended and supplemented, the “Installment Purchase Agreement”), dated as of May 1, 2025, by and between City and the City of Fort Bragg Joint Powers Public Financing Authority, a joint powers authority duly organized and existing under the laws of the State of California, are true and correct in all material respects (or in the case of any representation qualified by materiality, in all respects) on the date hereof, as if made on the date hereof;

(b) No Event of Default (as defined in the Installment Purchase Agreement) has occurred and is continuing;

(c) The Proposed Disbursement are being used for Project Costs, as defined in the Installment Purchase Agreement; and

(d) The City is in compliance with all [Government Grants Agreements].

4. The Proposed Disbursement shall be made by the Administrator by wire transfer from the Project Fund on behalf of the City in accordance with the instructions set forth below and the City hereby confirms that the Administrator is authorized to make said disbursements:

[Insert wire instructions and amounts]

Capitalized terms used and not defined herein shall have the meanings given the in the Project Fund Administration Agreement.

Dated: _____

CITY OF FORT BRAG

By _____
[TITLE]

Exhibit B
Form of Deposit Account Control Agreement Termination

[DATE]

EverBank – Commercial Client Services
Attn: CCS Manager
18100 Von Karmen Avenue, Suite 450
Irvine, CA 92612

RE: Deposit Account Control Agreement Termination

To whom it may concern:

This termination notice is delivered to EverBank, National Association (“Bank”) pursuant to the Project Fund Administration Agreement (as amended and supplemented, the “Agreement”), dated as of [DATE], entered into by and among the CITY OF FORT BRAGG, a local agency duly organized and existing under the laws of the State of California (the “City”), **EverBank, National Association**, a national banking association (“Secured Party”) and Bank. All capitalized terms used but not defined in this notice have the meanings given to them in the Agreement.

In accordance with Section 15 of the Agreement, this termination notice is sent by Secured Party to notify Bank that (i) Secured Party has terminated or released its secured interest in the Collateral Account(s) and (ii) by virtue of the termination or release of its secured interest, Secured Party wishes to terminate the Agreement.

Secured Party confirms that it has sent a copy of this termination notice to City.

Secured Party understands that Bank shall have a reasonable time to act upon this termination notice and that all rights, obligations, and duties of each party under the Agreement shall be terminated except for those that are explicitly stated in the Agreement to survive termination.

Sincerely,

EVERBANK, N.A.

cc: CITY OF FORT BRAGG, CALIFORNIA

INSTALLMENT PURCHASE AGREEMENT

Dated as of May 1, 2025

by and between

CITY OF FORT BRAGG JOINT POWERS PUBLIC FINANCING AUTHORITY

and

CITY OF FORT BRAGG

Relating To

CITY OF FORT BRAGG
\$ _____
2025 INSTALLMENT FINANCING
([BROADBAND SYSTEM])

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INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT (this “Installment Purchase Agreement”), dated for convenience as of May 1, 2025, is by and between the CITY OF FORT BRAGG JOINT POWERS AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the “Authority”), and the CITY OF FORT BRAGG, a local agency duly organized and existing under the laws of the State of California (the “City”).

WITNESSETH:

WHEREAS, pursuant to the provisions Article 12 (commencing with Section 53167) of Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code, the City is authorized to provide broadband internet access service (the “System”); and

WHEREAS, the City has or will receive a grant(s) (as described further herein) to fund a portion of the costs to acquire, design, construct and improve the System as identified in Exhibit A attached hereto and incorporated herein by reference (the “Project”); and

WHEREAS, the City desires to fund the remaining portion of the costs necessary to complete the Project by entering into this Installment Purchase Agreement pursuant to which the Authority will sell the Project to the City as provided herein for \$_____ and the City will acquire the Project from the Authority and obligate itself to make installment payments in the amounts and on the dates set forth in Exhibit B attached hereto (the “Installment Payments”); and

WHEREAS, each of the Authority and the City have duly authorized the execution of this Installment Purchase Agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Installment Purchase Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Installment Purchase Agreement;

NOW, THEREFORE, in consideration of the above premises and of the mutual agreements and covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS AND EXHIBITS

SECTION 1.1. Definitions. All capitalized terms used in this Section 1.1 shall for all purposes of this Installment Purchase Agreement have the meanings herein specified or as hereinafter defined.

“Acquisition Amount” means \$_____.

“Annual Debt Service” means, for any Fiscal Year, the sum of (1) the interest accruing on the Installment Payments and any other Parity Obligations during such Fiscal Year, assuming that all principal payments required to be made hereunder and under such other Parity Obligations are made as scheduled, plus (2) the principal component of the Installment Payments and principal amount due under any other Parity Obligations in such Fiscal Year, calculated as if such principal amounts were deemed to accrue daily during such Fiscal Year in equal amounts from, in each case, each date principal is to be paid under this Installment Purchase Agreement and under such other Parity Obligations to the next succeeding date that a principal payment is due hereunder and under such other Parity Obligations; provided, that the amount on deposit in a debt service reserve fund for any Parity Obligations on any date of calculation of Annual Debt Service shall be deducted from the amount of principal due at the final maturity of such Parity Obligations and in each preceding year until such amount is exhausted.

“Assignee” means EverBank, N.A., a national banking association, and its successors and assigns.

“Assignment Agreement” means the Assignment Agreement dated as of May 1, 2025, by and between the Authority and the Assignee.

“Authorized Investments” means any of the following, but only to the extent that the same are acquired at fair market value, which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

(a) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America;

(b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: (i) Export-Import Authority; (ii) Farm Credit System Financial Assistance Authority, (iii) Farmers Home Administration; (iv) General Services Administration; (v) U.S. Maritime Administration; (vi) Small Business Administration; (vii) Government National Mortgage Association (GNMA); (viii) U.S. Department of Housing & Urban Development (PHA’s); (ix) Federal Housing Administration and (x) Federal Financing Authority;

(c) senior debt obligations rated “Aaa” by Moody’s and “AAA” by S&P issued by the Federal National Mortgage Association or the Federal Home Financing Mortgage Authority, senior debt obligations of other government-sponsored agencies, obligations of the Resolution Funding Authority (REFCORP) and senior debt obligations of other government sponsored agencies;

(d) U.S. dollar denominated deposit accounts, federal funds and banker’s acceptances with domestic commercial banks (including the Assignee and its affiliates) which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody’s and “A-1” or “A-1+” by S&P and maturing no more than 360 days after the date of purchase, provided that ratings on holding companies are not considered as the rating of the bank;

(e) commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s and “A-1+” by S&P, and which matures not more than 270 days after the date of purchase;

(f) pre-refunded municipal obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based upon an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Moody’s and S&P or any successors thereto; or (ii)(A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (a) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

(g) the Local Agency Investment Fund maintained by the State of California;

(h) the California Asset Management Program; and

(i) any other investments permitted by the California Government Code.

“Broadband” means communications network facilities that enable high-speed Internet access.

“Business Day” means any day other than a Saturday or Sunday or a day on which (i) banks located in Jacksonville, Florida or San Francisco, California are not required or authorized to remain closed, and (ii) the New York Stock Exchange is not closed; and (iii) the Authority and Federal Reserve Banks are not closed.

“Capitalized Interest Fund” means the fund or account established and held by the Assignee for the benefit of the City into which certain proceeds of this Installment Purchase Agreement shall be deposited and administered pursuant to the Capitalized Interest Fund Agreement as described further in Section 3.10(b) hereof.

“Capitalized Interest Fund Agreement” means the Capitalized Interest Fund Administration Agreement dated as of May ___, 2025, among the City, EverBank, N.A. and the Assignee, relating to the administration of the Capitalized Interest Fund.

“City” means the City of Fort Bragg, a local agency duly organized and existing under the laws of the State of California.

“Closing Date” means May __, 2025.

“Contract(s)” means any instrument pursuant to which a Parity Obligation is issued.

“Contract Payment Date” means any date on which Contract Payments are scheduled to be paid by the City under and pursuant to the Parity Obligations.

“Contract Payments” means the payments scheduled to be paid by the City under a Contract and pursuant to the Parity Obligations, which payments are secured by a pledge of Pledged Revenues.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the City and related to the authorization, execution, sale and delivery of this Installment Purchase Agreement any Parity Obligations, including but not limited to any costs, fees and charges for preparation and execution of this Installment Purchase Agreement or any Parity Obligations and any other cost, charge or fee incurred in connection with the delivery of this Installment Purchase Agreement or such Parity Obligations.

“Date of Taxability” means the date from and for the interest component of the Installment Payments is subject to federal or State income taxation as a result of a Determination of Taxability.

“Debt Service Reserve Fund” means the fund or account established and held by the Assignee for the benefit of the City into which [the proceeds of this Installment Purchase Agreement][funds transferred by the City] shall be deposited and administered pursuant to the DSRF Agreement as described further in Section 3.10 hereof. **[TO BE DETERMINED]**

“Debt Service Reserve Requirement” means, initially, an amount equal to the least of (a) Maximum Annual Debt Service; (b) 10% of the Acquisition Amount; and (c) 125% of the average annual principal and interest requirements of the Installment Payments hereunder.

“Default” means any event or circumstance which, following the applicable cure period or notice or both, results in an Event of Default.

“Default Rate” means a rate of interest equal to the Interest Rate set forth herein, plus 3.0%.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

- (i) on the date when the City files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have occurred;
- (ii) on the date when the Assignee notifies the City that it has received a written opinion from Special Counsel to the effect that an Event of Taxability has occurred, which notice shall be accompanied by a copy of such opinion of Special Counsel, unless, within 180 days after receipt by the City of such notification and copy of such opinion from the Assignee, the City shall deliver to the Assignee a ruling or determination letter issued to or on behalf of the City by the Commissioner or any

City Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

- (iii) on the date when the City shall be advised in writing by the Commissioner or any City Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon any review or audit or upon any other ground whatsoever, an Event of Taxability has occurred; or
- (iv) on that date when the City shall receive notice from the Assignee that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed the interest component of the Installment Payments as includable in the gross income of the Assignee due to the occurrence of an Event of Taxability;

provided, however, that no Determination of Taxability shall occur under subparagraph (iii) or subparagraph (iv) above unless the City has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from the Assignee, the City shall reimburse the Assignee for any payments, including any taxes, interest, penalties or other charges, such Assignee shall be obligated to make as a result of the Determination of Taxability.

[“DSRF Agreement” means the Debt Service Reserve Fund Administration Agreement dated as of May __, 2025, among the City, EverBank, N.A. and the Assignee, relating to the administration of the Debt Service Reserve Fund.][**TBD**]

“End User” means any individual or entity in California that uses a broadband Internet access service that is provided by the City.

“Event of Default” means any of the events of default as defined in Section 5.1.

“Event of Taxability” means a change in law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the City, or the failure to take any action by the City, or the making by the City of any misrepresentation in this Installment Purchase Agreement or the certificate regarding federal arbitrage which has been executed and delivered by the City in connection with this Installment Purchase Agreement) which has the effect of causing the interest component of the Installment Payments to be includable, in whole or in part, in the gross income of the Assignee for federal income tax purposes.

“Environmental Laws” means any federal, state, or local law, rule or regulation now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, relating to health, safety, or the environment.

“Federal Securities” means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

“Finance Director” means the City’s finance director.

“Financial Consultant” means a person having the experience and qualifications necessary to review and make recommendations regarding the operation, management, marketing, improvement, condition or use of the System.

“Financing Documents” means this Installment Purchase Agreement and any and all other documents from time to time evidencing, securing, or delivered to the Authority in connection with, this Installment Purchase Agreement, including, but not limited to, the Project Fund Administration Agreement, the Capitalized Interest Fund Agreement[and the DSRF Agreement].

“Fiscal Year” means each twelve-month period during the Term of this Installment Purchase Agreement, commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the City as its fiscal year period.

“Generally Accepted Accounting Principles” means United States generally accepted accounting principles, or those required of the regulatory agency having jurisdiction over the City.

“Governmental Authority” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

“Government Grant” means the Last Mile Federal Funding Account funding as more particularly described in that certain letter from the California Public Utilities Commission dated October 11, 2024.

“Gross Revenues” means all revenues, fees, income, rents, sale proceeds, and receipts received or earned by the City from or attributable to the ownership or operation of the System, including moneys received from the imposition of fees and charges to providers and end users, together with all interest earned by and profits derived from the sale of investments in the related funds thereof.

“Independent Certified Public Accountant” means an independent certified public accountant or any firm of certified public accountants appointed by the City.

“Installment Payment Date” means each date upon which Installment Payments are due and payable as set forth on Exhibit B hereto.

“Installment Payments” means all payments required to be paid by the City on any date under this Installment Purchase Agreement and pursuant to Section 3.2 and 3.5, including any prepayment thereof pursuant to Section 6.1 or 6.2.

“Installment Purchase Agreement” means this Installment Purchase Agreement, dated as of May 1, 2025, between the Authority and the City, as amended and supplemented.

“Interest Rate” means 4.85%, so long as no Event of Default or Event of Taxability has occurred and is continuing.

“Maintenance and Operation Costs” means the reasonable and necessary costs paid or incurred by the City for maintaining and operating the System, determined in accordance with Generally Accepted Accounting Principles, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the System in good repair and working order, and including all administrative costs of the City that are charged directly or apportioned to the operation of the System, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums (including payments required to be paid into any self-insurance funds), and including all other reasonable and necessary costs of the City or charges required to be paid by it to comply with the terms of this Installment Purchase Agreement or of any resolution authorizing the execution of any Parity Obligation or of such Parity Obligation, and fees and expenses of Independent Certified Public Accountants; but excluding in all cases (1) the principal of and interest on Installment Payments and Contract Payments, and payment of Subordinate Obligations, (ii) costs of capital additions, replacements, betterments, extensions or improvements which under Generally Accepted Accounting Principles are chargeable to a capital account, and (iii) depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles.

“Material Adverse Change” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the City or the System, (b) the ability of the City to carry out its business in the manner conducted as of the date of this Installment Purchase Agreement or Parity Obligations or to meet or perform its obligations under this Installment Purchase Agreement or Parity Obligations on a timely basis, (c) the validity or enforceability of this Installment Purchase Agreement or Parity Obligations, or (d) the exclusion of the interest component of the Installment Payments or Parity Obligations, as applicable, from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes.

“Maximum Annual Debt Service” means, as of any date of calculation, the largest Annual Debt Service during the period from the date of such calculation through the final Installment Payment Date of this Installment Purchase Agreement and all Parity Obligations.

“Maximum Rate” means the maximum non-usurious interest rate that may, under applicable federal law and applicable state law, be contracted for, charged or received under such laws.

“Net Revenue Conversion Date” means the date on which the City files with the Assignee a Certificate of the City pursuant to Section 3.10(d) stating that the Coverage Test has been met.

“Net Revenues” means, for any period, an amount equal to all of the Gross Revenues received during such period, minus the amount required to pay all Maintenance and Operation Costs becoming payable during such period.

“Parity Obligations” means all other bonds, notes, Financings, installment sale agreements, leases, or other obligations of the City payable from and secured by a pledge of and lien upon any of the Pledged Revenues incurred on a parity with the Installment Payments, issued in accordance with Section 4.14 hereof.

“Pledged Revenues” means (a) prior to the Net Revenue Conversion Date, the Gross Revenues of the System, and (b) from and after the Net Revenue Conversion Date, the Net Revenues of the System.

“Project” means the acquisition, design and construction of certain improvements to the System, as more particularly described on Exhibit A attached hereto.

“Project Costs” means, with respect to the Project, all costs of the acquisition and construction thereof which are paid from moneys on deposit in the Project Fund, including but not limited to:

(a) all costs required to be paid to any person under the terms of any agreement for or relating to the acquisition and construction of the Project;

(b) obligations incurred for labor and materials in connection with the acquisition and construction of the Project;

(c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the acquisition and construction of the Project;

(d) all costs of engineering, architectural services and other preliminary investigation expenses, including the actual out-of-pocket costs for site investigations, surveys, hazardous materials investigations, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper acquisition and construction of the Project;

(e) any sums required to reimburse the Authority or the City for advances made for any of the above items or for any other costs incurred and for work done, including but not limited to administrative costs of the Authority or the City, which are properly chargeable to the acquisition and construction of the Project; and

(f) all financing costs incurred in connection with the acquisition and construction of the Project, including but not limited to delivery costs and other costs incurred in connection with this Installment Purchase Agreement and the financing of the Project.

“Project Fund” means the fund or account established and held by the Assignee for the benefit of the City into which the proceeds of this Installment Purchase Agreement shall be deposited and administered pursuant to the Project Fund Agreement.

“Project Fund Agreement” means the Project Fund Administration Agreement dated as of May ___, 2025, among the City, EverBank, N.A. and the Assignee, relating to the administration of the Project Fund.

“Resolution of Issuance” means Resolution No. ___ adopted on April [28], 2025.

“Revenue Fund” means the fund established under Section 3.9 and held by the City for the receipt and deposit of Revenues.

“Revenues” means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the System, including, without limiting the generality of the foregoing, (1) all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by City from the sale, furnishing and supplying of Broadband or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the System, plus (2) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, or other moneys, plus (3) the proceeds of any charges collected by City, but excluding in all cases customer deposits, connection fees, development impact fees or any other deposits or advances subject to refund until such deposits or advances have become the property of City.

“Special Counsel” means (a) Nixon Peabody LLP, or (b) any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income for purposes of federal income taxation under Section 103 of the Tax Code.

“Subordinate Obligations” means all obligations of the City that are subordinate in priority and payment to the Installment Payments and payments required under Parity Obligations.

“System” means the facilities and property owned or to be owned or operated by the City in connection with the Broadband services of the City, together with all extensions thereof and improvements thereto hereafter acquired, constructed or installed by the City.

“Taxable Date” means the date as of which the interest components of the Installment Payments are first includable in gross income of the recipient thereof as a result of the occurrence of an Event of Taxability, as such date is established pursuant to either (a) a Determination of Taxability, or (b) an opinion of Special Counsel.

“Taxable Period” means the period for which the interest components of the Installment Payments become includable in the gross income of the recipient thereof, commencing on the Taxable Date.

“Taxable Rate” means 6.65%.

“Tax Code” means the Internal Revenue Code of 1986, as amended. Any reference herein to a provision of the Tax Code shall include all applicable temporary and permanent regulations promulgated under the Tax Code.

“Term of this Installment Purchase Agreement” or “Term” means the time during which this Installment Purchase Agreement is in effect, as provided in Section 3.4.

“Written Certificate” of the Authority or the City means, respectively, a written certificate, request or requisition signed in the name of the Authority or the City by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

SECTION 1.2. Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the City and the Authority any right, remedy or claim under or pursuant hereto. Any agreement or covenant required herein to be performed by or on behalf of the City shall be for the sole and exclusive benefit of the Authority.

SECTION 1.3. Successor Is Deemed Included in all References to Predecessor. Whenever the City is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the City, and all agreements and covenants required hereby to be performed by or on behalf of the City shall be assumed fully by and will bind and inure to the benefit of the successors thereof whether so expressed or not.

SECTION 1.4. Waiver of Personal Liability. No member of the City Council of the City and no officer, agent, or employee of the City, or of any department or agency thereof, shall be individually or personally liable for the payment of the principal of or interest on this Installment Purchase Agreement, but nothing contained herein shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or hereby.

SECTION 1.5. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. Words of any gender shall be deemed and construed to include all genders. All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith” and other words of similar import refer to this Installment Purchase Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 1.6. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the City shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof; but the Authority shall retain all the rights and benefits accorded to it under any applicable provisions of law.

SECTION 1.7. Exhibits. The following Exhibits are attached to, and by reference made a part of this Installment Purchase Agreement:

Exhibit A: Description of the Project.

Exhibit B: Schedule of Installment Payments.

Exhibit C: Form of Assignee Letter.

Exhibit D: Form of Compliance Certificate of the City.

ARTICLE 2

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1. Representations, Covenants and Warranties of the City. The City represents, covenants and warrants to the Authority as follows:

(a) Installment Purchase Agreement. Each representation and warranty and all information set forth in this Installment Purchase Agreement and/or any other document submitted in connection with, or to induce the Authority to enter into this Installment Purchase Agreement, and the other Financing Documents is correct in all material respects as of the Closing Date.

(b) Due Organization and Existence. The City is a local agency and political subdivision of the State of California, duly organized and existing under the laws of the State of California, with full power and authority to enter into this Installment Purchase Agreement and the other Financing Documents and to conduct its business.

(c) Authorization. The laws of the State of California authorize the City to enter into this Installment Purchase Agreement and the other Financing Documents and to enter into the transactions contemplated hereby, and to carry out its obligations under this Installment Purchase Agreement and the other Financing Documents, and the City Council of the City has duly authorized the execution and delivery of this Installment Purchase Agreement and the other Financing Documents. This Installment Purchase Agreement and the other Financing Documents have been duly authorized, executed and delivered by the City and constitute legal, valid and binding agreements of the City enforceable against the City in accordance with their respective terms.

(d) Conflicting Agreements. Neither the execution and delivery of this Installment Purchase Agreement or the other Financing Documents nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrances whatsoever upon any of the property or assets of the City, other than as set forth herein.

(e) Consents and Approvals. All consents, approvals, authorizations, orders, licenses or permits of any Governmental Authority, legislative body, board, agency or commission having jurisdiction of the matter, that are required for the due authorization by, or that would constitute a condition precedent to or the absence of which would materially adversely affect the making or accepting of this Installment Purchase Agreement and the execution, delivery of and performance of any Financing Document by the City have been duly obtained (except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of this Installment Purchase Agreement, as to which no representation is made).

(f) Budgets; Full Disclosure. All budgets, projections, feasibility studies, and other documentation submitted by the City to the Authority in connection with, or to induce the Authority to enter into, this Installment Purchase Agreement are based upon assumptions that are true and correct, and as of the Closing Date, no fact has come to light, and no event has occurred, that would cause any assumption made therein to be misleading or untrue. Neither this Installment Purchase Agreement nor other certificate, statement, agreement, or document furnished to the Authority in connection with this Installment Purchase Agreement (a) contains any untrue statement of a material fact, or (b) fails to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading. The City is not aware of any Material Adverse Change that has not been disclosed in writing to the Authority.

(g) Accurate Financial Information. Each submission of financial information or documents relating to the City will constitute a representation and warranty by the City that such information and documents (a) are true and accurate in all material respects, and (b) do not fail to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(h) System Condition. The System is anticipated to (i) reasonably meet present demand in all material respects, (ii) be constructed in a good and professional manner, (iii) be in good working order and condition, and (iv) comply in all material respects with all applicable law, including, but not limited to, all Environmental Laws and the Government Grant.

(i) Rate Matters. The City's rates for the provision of Broadband have been approved, if applicable, by any and all necessary governmental regulatory authorities, including, without limitation, each public service commission or public utilities commission that may have jurisdiction over the operations and rates of the City. Further, to the City's actual knowledge there is no pending or threatened proceeding before any Governmental Authority, the objective or result of which is or could be to materially reduce or otherwise materially adversely change any of the City's rates for the provision of Broadband services, or otherwise have a material adverse effect on the condition, financial or otherwise, operations, properties, or business of the System.

(j) Litigation. There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, government agency, public board or body, is pending for which the City has been served or, to the City's actual current knowledge, threatened against the City: (i) in any way affecting the existence of the City or in any way challenging the respective powers of the several offices or the titles of the officials of the City to such offices; (ii) affecting or seeking

to prohibit, restrain or enjoin the making, execution or delivery of this Installment Purchase Agreement of the other Financing Documents or the application of the proceeds of this Installment Purchase Agreement or the other Financing Documents; (iii) in any way contesting or affecting, as to the City, the validity or enforceability of this Installment Purchase Agreement or the other Financing Documents; (iv) in any way contesting the powers of the City or its authority with respect to the adoption of Resolution of Issuance, or the execution and delivery of this Installment Purchase Agreement or the other Financing Documents; or (v) in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby or that might materially adversely affect the ability of the City to perform and satisfy its obligations under this Installment Purchase Agreement; nor to the best of the City's knowledge is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the proceedings authorizing this Installment Purchase Agreement or the performance by the City of its obligations thereunder, or the authorization, execution, delivery or performance by the City of this Installment Purchase Agreement or the other Financing Documents.

(k) Valid and Binding Obligation. This Installment Purchase Agreement and each of the Financing Documents is a valid and binding obligation of the City enforceable in accordance with its terms.

(l) Pledge and Other Liens. The pledge in Section 3.10 of this Installment Purchase Agreement constitutes a lien on and a pledge of all Pledged Revenues and there are no other liens on the Pledged Revenues as of the Closing Date.

(m) Due Execution. The City has duly authorized and executed this Installment Purchase Agreement and the other Financing Documents in accordance with the laws of the State.

(n) No Default or Event of Non-Appropriation. The City is not in default and has not failed to appropriate funds required under the terms, conditions or provisions of any agreement or instrument to which the City has issued debt in the past ten years.

(o) Outstanding Parity Obligations. As of the date of this Installment Purchase Agreement, there are no Parity Obligations.

(p) Environmental. The Project and the System are anticipated to be in full compliance with all applicable Environmental Laws.

(q) Sufficient Funds. The City reasonably believes that sufficient funds can be obtained to make all Installment Payments and all other amounts required to be paid pursuant to this Installment Purchase Agreement.

(r) Financial Statements. The City's audited financial statements for the period ended June 30, 20[23/24], fairly present the financial condition of the City as of the dates thereof and the results of operation for the period covered thereby. Except as has been otherwise disclosed to the Assignee as of the Closing Date, there has been no material change in the financial condition of the City since the dates of said statements and reports, that will in the reasonable opinion of the City materially impair its ability to perform its obligations under this Installment Purchase Agreement.

(s) Information. All information, reports and other papers and data furnished by the City to the Assignee were, at the time the same were so furnished, complete and accurate in all material respects, to the best of the City's knowledge, and were provided with the expectation that Assignee would rely thereon in entering into the transaction. No fact is known to the City which has had or, so far as the City can now reasonably foresee, may in the future impair the City's ability to perform its obligations under this Installment Purchase Agreement, which has not been set forth in the financial statements previously furnished to the Assignee or in other such other information, reports, papers and data or otherwise disclosed in writing to the Assignee prior to the Closing Date. Any financial, budget and other projections furnished to the Assignee by the City or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the City's best estimate of the City's future financial performance. To the best of the City's knowledge, no document furnished nor any representation, warranty or other written statement made to the Assignee in connection with the negotiation, preparation or execution of this Installment Purchase Agreement contains any untrue or misleading statement of a material fact.

(t) Role of Assignee. The City acknowledges that (i) the Assignee, as the assignee of the Authority under the Assignment Agreement, is acting solely for its own loan account and not as a fiduciary for the City or in the capacity of broker, dealer, placement agent, municipal securities underwriter or municipal advisor, (ii) the Assignee has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the City or with respect to this Installment Purchase Agreement and the financing related thereto, and (iii) the Assignee has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, or the correctness of any legal interpretation made by counsel to any other party with respect to any such matters.

(u) OFAC Status. The City is not listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control, and any successor thereto, the Secretary of the Treasury, or included in any Executive Orders, that prohibits or limits the Assignee from making any advance or extension of credit to the City or from otherwise conducting business with the City.

SECTION 2.2. Representations, Covenants and Warranties of the Authority. The Authority represents, covenants and warrants to the City as follows:

(a) Due Organization and Existence. The Authority is a joint powers authority duly organized and existing under California law.

(b) Authorization. The Authority is authorized to enter into this Installment Purchase Agreement and the transactions contemplated hereby, and the Authority has duly authorized the execution and delivery of this Installment Purchase Agreement.

(c) No Violations. Neither the execution and delivery of this Installment Purchase Agreement nor the fulfillment of or compliance with the terms and conditions hereof, nor the

consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Authority.

(d) Litigation. To the best knowledge of the Authority, there is no pending or threatened action or proceeding against the Authority or for which the Authority has received actual notice before any court or administrative agency which will materially adversely affect the ability of the Authority to perform its obligations under this Installment Purchase Agreement.

(e) Assignee Letter. The Authority will cause the Assignee to deliver to the City a certificate or letter substantially in the form set forth in Exhibit C attached hereto, and will abide by all transfer restrictions herein and therein.

ARTICLE 3

TERMS OF AGREEMENT

SECTION 3.1. Purchase of Project and City. The Authority agrees to provide funds on the Closing Date solely through proceeds received from the Assignee pursuant to the Assignment Agreement (the initial deposits of which are more particularly described in Section 3.9 hereof) in the Acquisition Amount for the City to acquire property and easements which are necessary for the acquisition, construction and/or installation of the Project and for the acquisition, construction and/or installation of the Project. The Authority hereby appoints the City as its agent to carry out all phases of the acquisition, design construction, installation and/or equipping of the Project and the City, as agent of the Authority, assumes all rights, duties, responsibilities and liabilities of the Authority regarding the acquisition, design, construction, installation and/or equipping of the Project. Title to the Project, and each and every portion thereof shall vest in the City upon the acquisition, design and construction thereof; provided, however, the City shall be subject to the payment of Installment Payments as described under this Installment Purchase Agreement and any other amounts due hereunder, to the remedies of the Authority in the Event of Default as provided in Article 5 hereof. The City, as agent of the Authority, may enter into any purchase order, construction management agreement, architecture or engineering contract or construction contract required for the design, acquisition, construction, installation and completion of the Project. The Authority hereby assigns to the City all rights and powers to enforce such purchase orders or contracts as are required for design, acquisition, construction, installation, purchase and completion of the Project, which enforcement may be by auction at law or in equity; provided that the assignment made by the Authority herein shall not prevent the Authority, or its assignee, from asserting any rights or remedies legally available to it. Any appointment of the City as agent of the Authority is limited solely to the extent required under applicable law to render enforceable this Installment Purchase Agreement and to enable the City to acquire, construct, own and operate the Project, but shall not operate to bind or obligate the Authority for any purpose whatsoever. The City shall not represent to any person that it is acting as agent for the Authority.

SECTION 3.2. Repayment of the Project by the City.

(a) Obligation to Pay. The City hereby agrees to purchase from the Authority the Project at a purchase price equal to the Acquisition Amount together with interest on the unpaid principal balance of the Acquisition Amount, payable in Installment Payments, payable on each Installment Payment Date as set forth in Exhibit B.

(b) Rate on Overdue Payments. If the City fails to make any of the payments required in this Section on or before the due date therefor, the Installment Payment in default shall continue as an obligation of the City until the amount in default shall have been fully paid and the City agrees to pay the same with interest thereon, to the extent permitted by law, from the due date thereof at the Default Rate, or, if lower, the maximum rate then permitted by law.

(c) Gross Up of Interest Rate Upon Determination of Taxability. Notwithstanding the foregoing provisions of this Section, in the event a Determination of Taxability occurs, the City shall pay the Taxable Rate, as interest components of the Installment Payments, to the Assignee on demand therefor.

(d) Maximum Rate. Anything herein to the contrary notwithstanding, the amount of interest payable hereunder for any Interest period shall not exceed the Maximum Rate.

SECTION 3.3. Substitution of the Project. The City may substitute other property or components of the Project, but only if the City first obtains the consent of the Authority and the Assignee, and files with the Authority and the Assignee a statement of the City which:

(a) identifies the property, facilities or combination thereof, to be substituted and the components of the Project that they will replace; and

(b) states that the estimated costs of the substituted property, facilities or combination thereof is not less than the cost of the components of the Project being replaced;

(c) states that such substitution will not adversely affect Pledged Revenues or otherwise result in a Material Adverse Change; and

(d) an opinion of Special Counsel shall be provided that confirms that such substitution shall not, in and of itself, cause the interest component of any Installment Payment to be federally taxable.

SECTION 3.4. Term. The Term of this Installment Purchase Agreement shall commence on the Closing Date, and shall end on the earlier of [May 1, 2045] or the date upon which all Installment Payments and all other sums due to the Authority hereunder shall be paid in full or provision for such payment shall be made as provided in Section 6.1.

SECTION 3.5. Payments Generally. The Authority has assigned its right to receive payments hereunder to the Assignee pursuant to the Assignment Agreement. Payments shall be made on or prior to each Installment Payment Date by wire to the Assignee in accordance with written instructions provided by the Assignee to the City. Any such written instructions shall be provided by the Assignee to the City at least five days prior to the first Interest Payment Date.

SECTION 3.6. Taxes. Any payment by the City to the Authority will be made net of any taxes (other than income and similar taxes imposed on or measured by the Authority's overall net income). The City shall be responsible for the payment of all such taxes.

SECTION 3.7. Conditions Precedent. The Authority's obligation to extend financing under this Installment Purchase Agreement is subject to the condition precedent that the Authority receive, in form and substance satisfactory to the Authority, each of the following:

(a) Installment Purchase Agreement. A duly executed copy of this Installment Purchase Agreement and all instruments and documents contemplated hereby and thereby, including the Project Fund Agreement, the Capitalized Interest Fund Agreement [and the DSRF Agreement].

(b) Evidence of Authority. Such certified board resolutions, certificates of incumbency, and other evidence that the Authority may require that this Installment Purchase Agreement, all instruments and documents executed in connection herewith have been duly authorized and executed.

(c) Insurance. Such evidence as the Authority may require that the City is in compliance with Section 4.5 below.

(d) Consents and Approvals. Evidence as the Authority may require that all regulatory and other consents and approvals referred to in Section 2.1 have been obtained and are in full force and effect.

(e) Opinions of Counsel. The City shall provide an opinion of special counsel regarding the tax-exempt status of interest on the interest component of Installment Payments under federal tax laws (and, to the extent applicable, State laws).

(f) Opinion of City Attorney. [An opinion of the City Attorney to the City to the effect that (A) the City is duly organized, validly existing, and in good standing under the laws of the State, (B) the City has duly received all requisite approvals and has the legal power to enter into and perform under the Financing Documents, (C) all proceedings of the City necessary to be taken in connection with the authorization, execution, delivery and performance of the Financing Documents have been duly taken and all such authorizations are presently in effect, (D) the Financing Documents have been duly executed and delivered by the City and constitutes the valid and binding obligation of the City enforceable against the City in accordance with its terms, except as enforceability may be limited: by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the rights of creditors generally and by general equitable principles which may limit the right to obtain the remedy of specific performance of obligation other than the obligation to pay money, and (E) the execution, delivery, and performance by the City of the Financing Documents does not and will not: (i) violate any provision of any law, rule or regulation, any judgment, order or ruling of any court or governmental agency, articles of organization, articles of incorporation, other charter documents, bylaws or operating agreement, as applicable, of the City, or any agreement, indenture, mortgage, or other instrument to which the City is a party or by which the City or any of its properties

is bound; or (ii) be in conflict with, result in a breach of, or constitute with the giving of notice or passage of time, or both, a default under any such agreement, indenture, mortgage, or other instrument; and (f) no consent, permission, authorization, order or license of any governmental authority is necessary in connection with the execution, delivery, performance, or enforcement of the Financing Documents, except such as have been obtained and are in full force and effect; and (G) to the best of such counsel's knowledge, there are no actions, suits, or proceedings affecting the City or any of its assets pending or threatened before any governmental entity which: (i) if adversely decided could have a material adverse effect on the City's condition, financial or otherwise, operations, properties or business, or on its ability to perform its obligations under the Financing Documents; or (ii) seeks to rescind, terminate, modify, or suspend any consent, permission, authorization, order or license of any governmental authority referred to above.][**UNDER REVIEW**]

(g) The City has provided a certificate certifying that on the Closing Date each representation and warranty on the part of the City contained in this Installment Purchase Agreement is true and correct and no Event of Default, or event which would, with the passage of time or the giving of notice, constitute an Event of Default, has occurred and is continuing and no default exists under any other Parity Obligations, or under any other agreements by and between the City and the Assignee and certifying as to such other matters as the Assignee might reasonably request.

(h) All proceedings taken in connection with the transactions contemplated by this Installment Purchase Agreement, and all instruments, authorizations and other documents applicable thereto, are satisfactory to the Assignee and its counsel.

(i) No law, regulation, ruling or other action of the United States, the State of California or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the City from fulfilling its obligations under this Installment Purchase Agreement or the other Contracts.

(j) The Assignee shall have been provided with the opportunity to review all pertinent financial information regarding the City, agreements, documents, and any other material information relating to the City or the Gross Revenues or any other component of the collateral securing the obligations of the City hereunder.

(k) All information provided by the City to the Assignee is accurate in all material respects based on the best knowledge of the City, after due inquiry.

(l) The Assignee shall have received such other certificates, approvals, filings, opinions and documents as shall be reasonably requested by the Assignee.

(m) All other legal matters pertaining to the execution and delivery of this Installment Purchase Agreement shall be reasonably satisfactory to the Assignee.

SECTION 3.8. Nature of City's Obligations.

(a) Special Obligation. The City's obligation to pay the Installment Payments is a special obligation of the City limited solely to the Pledged Revenues. Under no circumstances is the City required to advance moneys derived from any source of income other than the Pledged Revenues and other sources specifically identified herein for the payment of the Installment Payments, and no other funds or property of the City are liable for the payment of the Installment Payments.

(b) Obligations Absolute. The obligations of the City to pay the Installment Payments from the Pledged Revenues and to perform and observe the other agreements contained herein are absolute and unconditional and are not subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the City or the Authority of any obligation to the City or otherwise with respect to the System, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the City by the Authority. Until such time as all of the Installment Payments have been fully paid or prepaid, the City:

(i) will not suspend or discontinue payment of any Installment Payments;

(ii) will perform and observe all other agreements contained in this Installment Purchase Agreement; and

(iii) will not terminate this Installment Purchase Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the System, sale of the System, the taking by eminent domain of title to or temporary use of any component of the System, commercial frustration of purpose, any change in the tax or other laws of the United States of America or the State of California or any political subdivision of either thereof or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Installment Purchase Agreement.

(c) Protection of Rights. If the Authority fails to perform any such agreements on its part, the City may institute such action against the Authority as the City deems necessary to compel performance so long as such action does not abrogate the obligations of the City contained in the preceding subsection (b). The City may, however, at the City's own cost and expense and in the City's own name or in the name of the Authority prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect the City's rights hereunder, and in such event the Authority will (upon reasonable notice, and at the sole expense of the City) cooperate fully with the City to the extent reasonably necessary and take such action reasonably necessary to effect the substitution of the City for the Authority in such action or proceeding if the City shall so request.

SECTION 3.9. Deposit of and Application of Funds. On the Closing Date, the Authority shall cause the Acquisition Amount to be deposited as follows:

(a) \$ _____ shall be held by the Assignee for deposit in the Project Fund established by the Assignee to be applied by the City for Project Costs, pursuant to the Project

Fund Agreement [and shall be invested in Authorized Investments or as otherwise set forth in the Project Fund Agreement.].

(b) \$_____ shall be applied by the Assignee for the payment of Costs of Issuance on the Closing Date, pursuant to a cost of issuance requisition [and shall be held uninvested discharged pursuant to invoices received by the Assignee].

(c) \$_____ shall be held by the Assignee for deposit in the Capitalized Interest Fund established by the Assignee to be applied by the Bank pursuant to Section 3.10(b) and the Capitalized Interest Fund Agreement[and shall be invested in Authorized Investments or as otherwise set forth in the Capitalized Interest Fund Agreement.]

(d) [\$_____ shall be held by the Assignee for deposit in the Debt Service Reserve Fund established by the Assignee and to be administered pursuant to the DSRF Agreement [and shall be invested in Authorized Investments or as otherwise set forth in the DSRF Agreement.]] [TO BE DELETED IF THE FUNDS ARE BEING SENT FROM THE CITY RATHER THAN FUNDED WITH PROCEEDS].

SECTION 3.10. Revenue Fund; Pledge of Pledged Revenues; Debt Service Reserve Fund.

(a) Revenue Fund; Receipt and Deposit of Pledged Revenues. There is hereby established a special fund known as the “City of Fort Bragg Broadband System Revenue Fund,” which fund shall be held and maintained by the City so long as this Installment Purchase Agreement and any Parity Obligations are outstanding. The City shall deposit all Gross Revenues in the Revenue Fund promptly upon the receipt thereof, and shall apply amounts in the Revenue Fund solely for the uses and purposes set forth herein and in the Parity Obligation Documents. The City shall withdraw amounts on deposit in the Revenue Fund and apply such amounts at the times and for the purposes, and in the priority, as follows:

(i) following the Net Revenue Conversion Date (but only following the Net Revenue Conversion Date), all Maintenance and Operation Costs;

(ii) all Installment Payments and any Parity Obligations;

(iii) prior to the Net Revenue Conversion Date, all Maintenance and Operation Costs;

(iv) to the Assignee the amount of any deficiency in the Debt Service Reserve Fund or in any reserve fund established for any Parity Obligations held by the Assignee, the notice of which deficiency has been given to the City in accordance with this Agreement, [the DSRF Agreement] and the related Parity Obligation Documents, as applicable;

(iv) any other payments required to comply with the provisions of any Parity Debt Documents, including Maintenance and Operation Costs prior to the Net Revenue Conversion Date; and

(vi) any other purposes authorized under subsection (c) of this Section.

(b) Payment of Installment Payments. At least three (3) Business Days prior to each Installment Payment Date, the City shall withdraw from the Revenue Fund and transfer to the Authority an amount of Pledged Revenues equal to the aggregate amount of the Installment Payment when and as the same becomes due and payable; provided, however, that with respect to the following Payment Dates, the Bank shall transfer moneys from the Capitalized Interest Fund in the amounts set forth below for payment of interest component of Installment Payments due on the dates set forth below:

<u>Payment Date</u>	<u>Amount</u>
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provided, further, however, that with respect to any Payment Date after the exhaustion of the Capitalized Interest Fund, to the extent that the amount of Pledged Revenues are deficient to pay any Installment Payment, [then the City shall notify the Authority and the Assignee immediately (and in any event, at least (2) two Business Days prior to any Installment Payment Date), and the Assignee shall withdraw, pursuant to the terms and provisions in the DSRF Agreement, on the applicable Installment Payment Date, from the Debt Service Reserve Fund the amount necessary to pay the Installment Payment then due.][**TBD IF CITY OR BANK HOLDS THE DSRF**]

(c) Pledge of Pledged Revenues. Prior to the Net Revenue Conversion Date, the Installment Payments shall be secured by a first pledge of and lien on all of the Gross Revenues. From and after the Net Revenue Conversion Date, the Installment Payments shall be secured by a first pledge of and lien on all of the Net Revenues. In addition, the Installment Payments are secured by a pledge of all of the moneys from the investment of such moneys. The Installment Payments and all other Parity Obligations (if any) shall be equally secured by a pledge, charge and lien upon the Pledged Revenues and such other moneys without priority for series, issue, number or date and the payment of the interest on and principal of the Installment Payments shall be and are secured by an exclusive pledge, charge and lien upon the Pledged Revenues and such other moneys. So long as any amounts are due and owing hereunder, the Pledged Revenues and such other moneys may not be used for any other purpose; except as expressly permitted by this Section 3.10.

(d) Determination of Net Revenue Conversion Date. The pledge of and lien on the Gross Revenues for the security hereunder may be converted to a pledge of and lien on the Net Revenues, upon the occurrence of the following events (the "Coverage Test") as follows: the amount of Net Revenues received by the City during any three (3) consecutive Fiscal Years following the completion of the Project based on financial statements of the City for such Fiscal

Years which have been audited in accordance with Section 4.1(a) are at least equal to 125% of the amount of Maximum Annual Debt Service.

In the event the City determines that the Coverage Test has been met at any time following the completion of the Project, the City may file with the Assignee a Certificate of the City which states such determination and identifies the calculations which demonstrate that the Coverage Test has been met. Upon the filing of such Certificate of the City with the Assignee, the pledge of Gross Revenues for the security of the Installment Payments shall be converted to a pledge of Net Revenues. In the event the amount of Gross Revenues in any Fiscal Year following the Net Revenue Conversion Date fails to meet the Coverage Test, amounts due and owing hereunder shall nevertheless remain secured by a pledge of the Net Revenues. The determination by the City that the Coverage Test has been met shall be binding and conclusive.

(e) Other Uses Permitted. The City shall manage, conserve and apply the Pledged Revenues in such a manner that all deposits required to be made under the preceding paragraphs will be made at the times and in the amounts so required. Subject to the foregoing sentence, so long as no Default has occurred and is continuing hereunder or would result therefrom, the City may at any time and from time to time use and apply moneys in the Revenue Fund for (i) the acquisition and construction of improvements to the System; (ii) the prepayment of this Installment Purchase Agreement or Parity Obligations; or (iii) any other lawful purpose of the City.

SECTION 3.11. Project Fund. The Assignee has represented that it will establish a separate fund or account pursuant to the terms and provisions set forth in the Project Fund Agreement, into which the proceeds of this Installment Purchase Agreement shall be deposited as provided in Section 3.9(a). The City covenants that the funds deposited thereunder shall be requisitioned and spent by the City solely on Project Costs. The City shall maintain accurate records showing all requests for disbursements from the Project Fund, including records which show the name and address of each firm or corporation to whom payment is made and the amount and purpose of each payment. Any funds on deposit in the Project Fund and not needed for Project Costs (if any) shall be transferred by the City to pay Installment Payments hereunder.

ARTICLE 4 COVENANTS OF THE CITY

SECTION 4.1. Reports and Notices.

(a) Annual Financial Statements. No later than 270 days after the end of each Fiscal Year commencing with Fiscal Year 20[24/25] the City shall deliver to the Authority audited financial statements of the City prepared in accordance with the accounting standards set forth by the Government Accounting Standard Board. Such financial statements will: (1) be audited by independent certified public accountants selected by the City; and (2) be accompanied by a report of such accountants containing an opinion. Notwithstanding the foregoing, if audited financial statements are not available within such 270 day period, the City shall provide to the Authority a statement to that effect together with unaudited financial statements reasonably acceptable to the Authority, and shall thereafter provide to the Authority its audited financial statements within 30 days of approval of such audited financial statements by the City Council of the City. Included

with such financial statements shall be a compliance certificate which shall be substantially similar to the form set forth in Exhibit D hereto.

(b) Budgets. As soon as available, but in no event more than thirty (30) days after City approval thereof, the City shall provide a copy of its annual budget to the Assignee.

(c) Notice of Default. Promptly after becoming aware thereof, the City shall provide to the Authority and the Assignee notice of the occurrence of an Event of Default, including, without limitation, any error in the City's financial information previously provided to the Authority and the occurrence of any breach, default, event of default or event that, with the giving of notice and/or the passage of time and/or the occurrence of any other condition, would become a breach, default or event of default under this Installment Purchase Agreement.

(d) Notice of Certain Events. The City shall provide to the Authority (1) notice at least 30 days prior thereto, of any change in the principal place of business of the City or of the System or the office where its records concerning its accounts are kept; and (2) all other notices required to be provided hereunder.

(e) Additional Information. The City shall provide the Assignee with any information it may reasonably request, including, but not limited to, information relating to End Users (in compliance with all applicable privacy and security laws), information relating to the System, and any other information so requested by the Assignee.

SECTION 4.2. Existence. The City shall continue to exist as a local agency in compliance with California law.

SECTION 4.3. Change in Business. The City shall not, without the prior notice of the Authority and the Assignee, engage in any business activities or operations substantially different from or unrelated to the City's present business activities or operations.

SECTION 4.4. Liens against the System. With respect to the System, the City shall not, without the prior consent of the Authority and the Assignee, create, incur, assume, or allow to exist any mortgage, deed of trust, pledge, lien (including the lien of an attachment, judgment, or execution), security interest, or other encumbrance of any kind upon any of the System's property, real or personal (collectively, "Liens"). The foregoing restrictions will not apply to:

- (a) [Liens in favor of the Authority;
- (b) Liens for taxes, assessments, or governmental charges that are not past due;
- (c) pledges and deposits under workers' compensation, unemployment insurance, and social security laws;
- (d) pledges and deposits to secure the performance of bids, tenders, contracts (other than contracts for payment of money), and like obligations arising in the ordinary course of business as conducted on the date hereof;

(e) easements, rights-of-way, restrictions, and other similar encumbrances that, in the aggregate, do not materially interfere with the occupation, use, and enjoyment of the property or assets encumbered thereby in the normal course of business or materially impair the value of the property subject thereto;

(f) purchase money Liens to secure indebtedness permitted hereunder; and/or

(g) Liens relating to Parity Obligations issued in compliance with the provisions of Section 4.14 hereof; and/or

(h) existing Liens as of the Closing Date and disclosed to the Authority in writing prior to the Closing Date.]

[CONFIRM NO LIENS OR RELATED MATTERS REQUIRED BY THE GOVERNMENT GRANT]

SECTION 4.5. Insurance. The City shall maintain insurance with reputable and financially sound insurance companies or associations, including self-insurance to the extent customary, acceptable to the Authority in such amounts and covering such risks as are usually carried by companies engaged in the same or similar business and similarly situated, and make such increases in the type or amount of coverage as the Authority may reasonably request. All such policies insuring any collateral for the City's obligations to the Authority will have additional insured, mortgagee and lender's loss payee clauses or endorsements, as applicable, in form and substance satisfactory to the Authority. At the Authority's request, the City agrees to deliver to the Authority such proof of compliance with this section as the Authority may require.

SECTION 4.6. System Maintenance. As provided in Section 3.10(a), prior to the Net Revenue Conversion Date the Gross Revenues shall be applied to make payments of Installment Payments and any Parity Obligations in any Fiscal Year prior to the payment of Maintenance and Operation Costs coming due in such Fiscal Year. In the event and to the extent the amount of Gross Revenues following the payment of Installment Payments and any Parity Obligations in any Fiscal Year is insufficient to pay the Maintenance and Operation Costs coming due and payable in such Fiscal Year in full, the City shall pay the remaining Maintenance and Operation Costs from any source of legally available funds, including the General Fund of the City; provided, however, that such requirement to pay any Maintenance and Operation Costs from the General Fund of the City shall be subject to appropriation by the City.

SECTION 4.7. Against Sale or Other Disposition of the System. The City will not sell or otherwise dispose of the System or any part thereof essential to the proper operation of the System or that would have a Material Adverse Change on the Pledged Revenues received or receivable by the City, unless the Installment Payments and the Parity Obligations have been fully paid or provision has been made therefor. The City will not enter into any lease or agreement which impairs the operation of the System or any part thereof necessary to secure adequate Pledged Revenues for the payment of the interest on and principal of and redemption premiums, if any, on the Installment Payments and the Parity Obligations, or which would otherwise impair the rights of the Authority or the owners of the Parity Obligations with respect to the Pledged Revenues or

the operation of the System or the tax-exempt status of the interest component of Installment Payments.

SECTION 4.8. Eminent Domain Proceeds. If all or any part of the System shall be taken by eminent domain proceedings, the net proceeds shall be used as follows:

(a) If (1) the City files with the Authority a certificate showing (i) the estimated loss of annual Pledged Revenues, if any, suffered or to be suffered by the City by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions or improvements to the System proposed to be acquired and constructed by the City from such Net Proceeds, and (iii) an estimate of the additional annual Pledged Revenues to be derived from such additions, betterments, extensions or improvements, and (2) the City, on the basis of such certificate filed with the Authority, determines that the estimated additional annual Pledged Revenues will sufficiently offset the estimated loss of annual Pledged Revenues resulting from such eminent domain proceedings so that the ability of the City to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive absent manifest error), then the City shall promptly proceed with the acquisition and construction of such additions, betterments, extensions or improvements substantially in accordance with such certificate and such Net Proceeds shall be applied for the payment of the costs of such acquisition and construction, and any balance of such Net Proceeds not required by the City for such purpose shall be deposited in the Revenue Fund.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied in part to the prepayment of the outstanding Installment Payments and the Parity Obligations on a pro rata basis.

SECTION 4.9. Amounts of Rates, Fees and Charges; Financial Covenants.

(a) The City shall, at all times while any of the Installment Payments remain outstanding, fix, prescribe and collect rates, fees and charges and manage the operation of the System for each Fiscal Year so as to yield Revenues at least sufficient, after making reasonable allowances for contingencies and errors in the estimates, to pay the following amounts during such Fiscal Year:

- (i) All current Maintenance and Operation Costs;
- (ii) The interest on and principal of the Installment Payments and the payments for the Parity Obligations without preference or priority;
- (iii) All payments required for compliance with the terms of this Installment Purchase Agreement or any other Parity Obligation, including without limitation, any obligation to maintain a reserve fund at a certain level;
- (iv) All payments to meet any other obligations of the City which are charges, liens or encumbrances upon, or payable from, the Pledged Revenues; and
- (v) Payments with respect to the Subordinate Obligations as they become due and payable.

The provisions of this Section 4.9(a) are not intended to indicate the order in which the Gross Revenues are to be applied. As provided in Section 4.6, prior to the Net Revenue Conversion Date, the Gross Revenues shall first be applied to make payments of the principal of and interest on all Installment Payments and Parity Obligations under subsection (ii) above; and after the Net Revenue Conversion Date the Gross Revenues shall first be applied to pay Maintenance and Operation Costs.

(b) From and after the Net Revenue Conversion Date, the City shall have at the end of each Fiscal Year of the City a Debt Service Coverage Ratio (as defined below) for such year of not less than 1.25 to 1.00.

For purposes hereof, the term “Debt Service Coverage Ratio” means (i) prior to the Net Revenue Conversion Date, the ratio of: (1) gross income (after taxes and after eliminating any gain or loss on sale of assets or other extraordinary gain or loss), plus depreciation expense, amortization expense, and interest expense, minus non-cash patronage, and non-cash income from subsidiaries and/or joint ventures; to (2) all principal payments due within the period on all Long-Term Debt (as defined below) plus interest expense (all as calculated on a consolidated basis for the applicable period in accordance with the Generally Accepted Accounting Principles), and (ii) after the Net Revenue Conversion Date, the ratio of: (1) net income (after taxes and after eliminating any gain or loss on sale of assets or other extraordinary gain or loss), plus depreciation expense, amortization expense, and interest expense, minus non-cash patronage, and non-cash income from subsidiaries and/or joint ventures, and grant income; to (2) all principal payments due within the period on all Long-Term Debt (as defined below) plus interest expense (all as calculated on a consolidated basis for the applicable period in accordance with the Generally Accepted Accounting Principles).

For purposes hereof, “Long-Term Debt” means, for the City, on a consolidated basis, the sum of (1) all indebtedness for borrowed money, (2) obligations that are evidenced by notes, bonds, debentures or similar instruments, and (3) that portion of obligations with respect to capital leases or other capitalized agreements that are properly classified as a liability on the balance sheet in conformity with Generally Accepted Accounting Principles or that are treated as operating leases under regulations applicable to them but that otherwise would be required to be capitalized under Generally Accepted Accounting Principles, in each case having a maturity of more than one year from the date of its creation or having a maturity within one year from such date but that is renewable or extendible, at the City’s option, to a date more than one year from such date or that arises under a revolving credit or similar agreement that obligates the lender(s) to extend credit during a period of more than one year from such date, including all current maturities in respect of such indebtedness whether or not required to be paid within one year from the date of its creation.

(c) (i) From and after the Net Revenue Conversion Date, if the Revenues of the System as of at the end of any Fiscal Year of the City is less than the Debt Service Coverage Ratio, the City shall, within 30 days after delivery of the Certificate disclosing such deficiency, cause and appoint (and, if the City fails to do so, the Assignee shall cause and appoint) with the approval of the Assignee, as applicable, a Financial Consultant to make recommendations with respect to the rates, fees and charges and the City’s methods of operation and other factors affecting the financial condition in order to increase the fees, rates and changes of the System for future periods. A copy

of the Financial Consultant's report and recommendations, if any, shall be filed with the Authority and the Assignee within 90 days after the date such Financial Consultant is retained.

(ii) The person appointing the Financial Consultant shall notify the Authority and the Assignee of such appointment, and the Financial Consultant shall deliver its report and findings to the City, the Authority and the Assignee. The City shall review such report and any written recommendations made by the Financial Consultant. The City shall meet with the Financial Consultant to discuss the Financial Consultant's reports, findings and written recommendations. The City shall promptly implement all of the Financial Consultant's written recommendations except those recommendations that require an expenditure of funds greater than the amount available or projected to be available for such purpose from Revenues under this Installment Purchase Agreement or those written recommendations that could, based upon the written advice of Bond Counsel, cause interest on the Installment Payments to be includible in gross income for federal income tax purposes. The fees and expenses of the Financial Consultant shall be paid as a Maintenance and Operation Cost. Each party shall deliver to the other party at no additional charge copies of any information, correspondence or documents delivered to the Financial Consultant contemporaneously with delivering such information, correspondence or documents to the Financial Consultant.

(iii) Failure to achieve the Debt Service Coverage Ratio shall not constitute an Event of Default under this Installment Purchase Agreement if the City takes all action necessary to comply with the procedures set forth above for retaining a Financial Consultant and follows each recommendation contained in the Financial Consultant's report to the extent permitted by law.

SECTION 4.10. Enforcement of and Performance Under Parity Obligations. The City shall enforce all material provisions of any contracts to which it is a party, an assignee, successor in interest to a party, or third-party beneficiary, in any case where such contracts provide for Broadband services to be produced, transmitted and distributed by the System or provide for payments or services to be rendered to the City. Further, the City will comply with, keep, observe and perform all material agreements, conditions, covenants and terms, express or implied, required to be performed by it, contained in all contracts affecting or involving the System, to the extent that the City is a party thereto.

SECTION 4.11. Collection of Charges, Fees and Rates. The City will have in effect at all times rules and regulations requiring each End User to pay the applicable charges, fees and rates and providing for the billing thereof, including, but not limited to, rules and regulations that comply with the Government Grant. In each case where such bill remains unpaid in whole or in part after it becomes delinquent, the City will take necessary actions to enforce the collection procedures contained in the rules and regulations.

SECTION 4.12. Against Encumbrances. The City will not mortgage or otherwise encumber, pledge or place any charge or lien upon the System or any of the Pledged Revenues except as provided in this Installment Purchase Agreement and will not issue any obligations secured by Pledged Revenues on a parity with, or senior to, the Installment Payments and Parity

Obligations; provided, that the City may at any time issue any Subordinate Obligations with the prior written consent of the Assignee, not to be unreasonably withheld.

SECTION 4.13. Execution of Parity Obligations. The City may at any time execute any Parity Obligations the Contract Payments under which are payable on a parity with the Installment Payments; provided, that such Parity Obligations meet the conditions and requirements for the issuance of Parity Obligations under Section 4.14 below.

SECTION 4.14. Conditions for Entering into Parity Obligations. The City may at any time after the Net Revenue Conversion Date enter into a Parity Obligation payable from Pledged Revenues and secured by a lien and charge upon the Pledged Revenues equal to and on a parity with the lien and charge securing this Installment Purchase Agreement, but only subject to specific conditions precedent, which are summarized below:

(a) The City shall be in compliance with all agreements, conditions, covenants and terms contained in this Installment Purchase Agreement (including, without limitation, the provisions of Sections 4.9 and 4.11) and in any other Parity Obligations required to be observed or performed by it, and a certificate signed by the Finance Director to that effect shall have been filed with the Authority (this condition shall not apply where the purpose of a Parity Obligation proposed to be issued is to cure such non-compliance, provided that the certification shall identify such noncompliance and state that the issuance of such Parity Obligations and application of the proceeds thereof will cure such noncompliance).

(b) The execution of the Parity Obligation shall have been duly authorized pursuant to all applicable laws.

(c) The Pledged Revenues for the most recent Fiscal Year for which audited financial statements are available shall have produced Pledged Revenues equal to at least one hundred twenty-five percent (125%) of the Maximum Annual Debt Service as calculated after the date of such Parity Obligation and a certificate signed by the Finance Director to that effect shall have been filed with the Authority; provided, that in the event that all or a portion of such Parity Obligation being entered into is for the purpose of refunding and retiring any outstanding Parity Obligation, interest and principal payments on the Parity Obligation to be so refunded and retired from the proceeds of such Parity Obligation being issued shall be excluded from the foregoing computation of Maximum Annual Debt Service.

SECTION 4.15. Tax Covenants. The City hereby covenants that, notwithstanding any other provision of this Installment Purchase Agreement, it will make no use of the proceeds of this Installment Purchase Agreement or of any other amounts, regardless of the source, or of any property or take any action, or refrain from taking any action, that would cause this Installment Purchase Agreement to be “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

The City will not use or permit the use of either System or any portion thereof by any person other than a governmental unit as such term is used in Section 141 of the Tax Code, in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of the interest payable pursuant to this Installment Purchase Agreement under Section 103 of the Tax Code.

The City will not make any use of the proceeds from this Installment Purchase Agreement or any other funds of the City, or take or omit to take any other action, that would cause the obligation provided herein to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code or “private activity bonds” within the meaning of Section 141 of the Tax Code. To that end, so long as the Installment Payments are unpaid, the City, with respect to such proceeds and such other funds, will comply with all requirements of such Sections and all regulations of the United States Department of the Treasury issued thereunder and under the Tax Code to the extent such requirements are, at the time, applicable and in effect.

The City shall promptly file or cause to be filed an information report for the Installment Payments in compliance with Section 149(e) of the Tax Code.

The City has complied with the Tax Code, with respect to this Installment Purchase Agreement, and the City shall not knowingly take or omit to take any action that, under existing law which may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable State tax of the interest on Installment Purchase Agreement.

SECTION 4.16. Reconstruction of System; Application of Insurance Proceeds. If any useful portion of the System shall be damaged or destroyed, the City shall, as expeditiously as possible, continuously and diligently pursue or cause to be pursued the reconstruction or replacement thereof, unless the City shall file with the Authority a written certificate of an engineer qualified to render such certificate to the effect that such reconstruction or replacement is not in the best interests of the City and the Authority. The proceeds of any insurance paid on account of such damage or destruction, other than business interruption loss insurance or public liability insurance, shall be deposited by the City in a special account, held in trust by the City, and made available for, and to the extent necessary applied to, the cost of such reconstruction or replacement, if any. Pending such application, such proceeds may be invested by the City in investments permitted by Section 53601 of the California Government Code which mature not later than such times as shall be necessary to provide moneys when needed to pay such cost of reconstruction or replacement. Any balance of such proceeds of insurance not required by the City for the purposes aforesaid shall be deemed Revenues.

SECTION 4.17. Records and Accounts. The City covenants and agrees that it shall keep proper books of record and accounts of the System, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the System, the Revenues and the Pledged Revenues. Said books shall at all reasonable times be subject to the inspection of the Authority.

SECTION 4.18. Collection of Charges. The City covenants and agrees that, except to the extent that the City is required under agreements and/or contracts existing on the effective date of this Installment Purchase Agreement, no Broadband service from the System may be furnished or rendered to the United States of America, the State, or any private corporation or person free of charge, or for consideration lower than that charged other persons for similar service in accordance with the City’s regulations. The City covenants that it shall maintain and enforce valid regulations for the payment of bills by End Users for Broadband service.

SECTION 4.19. Against Competing System. The City will not acquire, construct, operate or maintain, and will not, within the scope of its lawful powers, permit any other private or public corporation, political subdivision, district or agency, or any person whomsoever to acquire, construct, operate or maintain any Broadband system, communication system or similar utility in an area presently served by the System.

SECTION 4.20. Compliance with this Installment Purchase Agreement. The City will faithfully observe and perform or cause to be faithfully observed and performed all the covenants, conditions and requirements of this Installment Purchase Agreement, and will not suffer or permit any default to occur hereunder. The City will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would constitute an Event of Default hereunder. Upon request by the Authority, the City shall provide a written certificate of the City to the effect that it is in compliance with all covenants, conditions and requirements of this Installment Purchase Agreement, other than those expressly waived by Authority.

SECTION 4.21. Observance of Laws and Regulations. The City will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, including, but not limited to, all Environmental Laws, all laws required pursuant to the Government Grant, and the provisions of Article 12 (commencing with Section 53167) of Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code and Section 10001.5 of the Public Utilities Code, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired and enjoyed by the City, including the City's right to exist and carry on business as a Broadband Internet access service provider, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

SECTION 4.22. Budget. The City hereby covenants to take such action as may be necessary to include all Installment Payments and all other amounts due hereunder in its annual budget and to make the necessary annual appropriations for all such Installment Payments and all other amounts due hereunder. The covenants on the part of the City herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of the City to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the City to carry out and perform the covenants and agreements on the part of the City contained in this Installment Purchase Agreement.

SECTION 4.23. Inspection. The City shall permit the Authority or its agents, upon reasonable notice and during normal business hours or at such other times as the parties may agree, to inspect and visit any of its properties, examine and make excerpts from its books and records, and to discuss its business affairs, finances and accounts with its officers, directors, employees, and independent certified public accountants and to conduct reviews of any collateral.

SECTION 4.24. Further Assurances and Other Information. From time to time and at its expense, execute and deliver such documents and do such other acts and things as the

Authority in its sole discretion may deem necessary or advisable from time to time in order to more fully carry out the provisions and purpose of this Installment Purchase Agreement, including delivery of such other information regarding the condition or operations, financial or otherwise, of the City as the Authority may from time to time reasonably request, including, but not limited to, copies of all pleadings, notices and communications referred to in Section 4.1 herein.

SECTION 4.25. Delivery of Original Documents. The City shall deliver to the Authority the original executed versions of this Installment Purchase Agreement, the Financing Documents and the certificates, instruments and documents required to be executed hereunder.

SECTION 4.26. No Public Registration. During any period that the Authority is a party to this Installment Purchase Agreement, this Installment Purchase Agreement shall not be (i) assigned a rating by any credit rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) offered pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

SECTION 4.27. Indemnity for Taxes. At all times the City shall indemnify and hold and save the Authority harmless from and against any and all actions or causes of action, claims, demands, liabilities, loss, damage or expense of whatsoever kind and nature incurred by the Authority as a result of the non-payment of any documentary stamp tax, intangible tax, interest or penalties associated therewith or any other local, state or federal assessment required to be paid, but not paid in conjunction with the indebtedness evidenced by this Installment Purchase Agreement. The City agrees to pay to the Authority, its successors and assigns, all sums of money requested by the Authority hereunder within ten days of such request, which the Authority will or may advance, pay or cause to be paid, or become liable to pay, on account of or in connection with failure to pay as required by the regulations of the Governmental Authority so imposing said payment. The Authority will be entitled to charge for any and all disbursements made by it in good faith, under the reasonable belief that it or the City is or was liable for the amount so assessed. Any default by the City in making any payments required under this covenant will constitute a payment Event of Default under this Installment Purchase Agreement and the Authority may, at its option, declare the entire amount of principal plus accrued interest thereon due and payable without notice or demand.

SECTION 4.28. ERISA. The City and its subsidiaries, for so long as this Installment Purchase Agreement remains outstanding, will remain in compliance in all material respects with the applicable provisions of ERISA, if any, the failure to comply with which has or may have a material adverse effect on the City.

ARTICLE 5

EVENTS OF DEFAULT AND REMEDIES

SECTION 5.1. Events of Default and Acceleration of Installment Purchase Agreement. Any of the following events shall constitute an event of default:

- (a) Events of Default.

(i) If default shall be made in the due and punctual payment of the interest component of Installment Payments payable pursuant to this Installment Purchase Agreement or with respect to any Parity Obligation when and as the same shall become due and payable; or

(ii) If default shall be made in the due and punctual payment of the principal component of Installment Payments of or redemption premium, if any, on or of any sinking fund installment pursuant to this Installment Purchase Agreement or with respect to any Parity Obligation when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(iii) If default shall be made by the City in the observance or performance of any of the other agreements, conditions, covenants or terms on its part contained in this Installment Purchase Agreement (other than as qualified under Section 4.9(c(iii))), and such default shall have continued for a period of thirty (30) days after the City shall have been given notice in writing of such default by the Authority, which may give notice in its discretion; provided, that such default shall not constitute an Event of Default if the City shall commence to cure such default within such thirty (30)-day period and thereafter diligently and in good faith shall proceed to cure such default within a reasonable period of time but not later than an additional thirty (30) days; or

(iv) If the City shall file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the City, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property; or

(v) Any representation or warranty made or deemed to be made by or on behalf of the City in this Installment Purchase Agreement or in any certificate, financial or other statement furnished by or on behalf of the City to the Authority pursuant hereto or thereto shall prove to have been inaccurate, misleading or incomplete in any material respect when made; or

(vi) Any material provision of this Installment Purchase Agreement shall at any time for any reason cease to be the legal, valid and binding obligation of the City or shall cease to be in full force and effect, or shall be declared to be unenforceable, invalid or void, or the validity or enforceability thereof shall be contested by the City, or the City shall renounce the same or deny that it has any further liability hereunder or thereunder; or

(vii) Dissolution, termination of existence, insolvency or business failure of the City or the System; or

(viii) Any court of competent jurisdiction with jurisdiction to rule on the validity of any provision of this Installment Purchase Agreement shall find or rule that this Installment Purchase Agreement is not valid or not binding on the City; or

(ix) The City should, after any applicable grace period, breach or be in default under the terms of this Installment Purchase Agreement or any other agreement between the City and the Authority or any affiliate of the Authority (including as applicable Farm Credit Leasing Services Authority); or

(x) A judgment, decree, or order for the payment of money will have been rendered against the System which has a material adverse effect on the City and either: (1) enforcement proceedings will have been commenced; (2) a lien prohibited by this Installment Purchase Agreement will have been obtained; or (3) such judgment, decree, or order will continue unsatisfied and in effect for a period of 30 consecutive days without being vacated, discharged, satisfied, bonded, or stayed pending appeal; or

(xi) This Installment Purchase Agreement ceases to be legal, valid, binding and enforceable against the City or is in any way terminated (except in accordance with its terms) or becomes or is declared ineffective or inoperative; or

(xii) The City has a Material Adverse Change.

(b) Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Authority shall have the right, at its option upon notice to the City, to (i) apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require officials of the City to charge and collect rates for services provided by the City and the System sufficient to meet all requirements of this Installment Purchase Agreement, and (ii) take whatever action at law or in equity as may appear necessary or desirable to collect the Installment Payments then due or thereafter to become due during the Term of this Installment Purchase Agreement, or enforce performance and observance of any obligation, agreement or covenant of the City under this Installment Purchase Agreement, subject to the following paragraph.

Notwithstanding any provision of this Installment Purchase Agreement, the City's liability to pay the Installment Payments and other amounts hereunder shall be limited solely to Pledged Revenues as provided in Article 3 hereof. In the event that Pledged Revenues shall be insufficient at any time to pay the principal and interest on the Installment Payments in full, the City shall not be liable to pay or prepay such delinquent Installment Payments other than from Pledged Revenues.

In addition to the rights and remedies set forth above, upon the occurrence and during the continuance of an Event of Default, at the Assignee's option in each instance, the entire indebtedness outstanding hereunder will bear interest from the date of such Event of Default until such Event of Default will have been waived or cured in a manner satisfactory to the Authority at the Default Rate. All interest provided for herein will be payable on demand and will be calculated on the basis of a year consisting of 360 days consisting of twelve 30-day months.

SECTION 5.2. Other Remedies of the Authority. The Authority shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the City or any director, officer or employee thereof, and to compel the City or any such director, officer or employee to perform and carry out its or his duties under the agreements and covenants required to be performed by it or him contained herein;

(b) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Authority; or

(c) by suit in equity upon the happening of an Event of Default to require the City and its Board of Directors, officers and employees to account as the trustee of an express trust.

SECTION 5.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Installment Purchase Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article 5 it shall not be necessary to give any notice, other than such notice as may be required, in this Article 5 or by law.

SECTION 5.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Installment Purchase Agreement should default under any of the provisions hereof and the non-defaulting party should employ attorneys (including in-house counsel) or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys (including the allocable cost of in-house counsel) and such other expenses so incurred by the non-defaulting party.

SECTION 5.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Installment Purchase Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

A waiver of any default or breach of duty or contract by the Authority shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Authority to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Authority by law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Authority. If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Authority, the City and the Authority shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

ARTICLE 6

PREPAYMENT OF AGREEMENT

SECTION 6.1. Defeasance. Notwithstanding any other provision of this Installment Purchase Agreement, the City may on any date secure the payment of Installment Payments, in whole, by irrevocably depositing with Authority an amount of cash which is either (a) sufficient to pay all such Installment Payments and any applicable prepayment premium and all other sums due hereunder, including the principal and interest components thereof, when due, or (b) invested in whole or in part in Federal Securities in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient and irrevocably pledged to the Authority to pay all such Installment Payments and any applicable Prepayment Premium and all other sums due hereunder when due or when due on any optional prepayment date pursuant to Section 6.2 as the City shall instruct at the time of said deposit. In the event of a deposit pursuant to this Section for the payment of all remaining Installment Payments, all obligations of the City under this Installment Purchase Agreement, and the pledge of Pledged Revenues and all other security provided by this Installment Purchase Agreement for said obligations, shall cease and terminate, excepting only the obligation of the City to make, or cause to be made, all of Installment Payments from such deposit. Said deposit shall be deemed to be and shall constitute a special fund irrevocably pledged for the payment of such Installment Payments in accordance with the provisions of this Installment Purchase Agreement.

SECTION 6.2. Optional Prepayment. The Installment Payments may be prepaid, in whole but not in part, on any date by paying to the Authority the principal portion of the Installment Payments to be prepaid, together with the Prepayment Premium identified in Section 6.3 hereof.

SECTION 6.3. Prepayment Premium. The City may exercise its option to prepay the principal components of the Installment Payments in whole but not in part on any Installment Payment Date, upon 30 days' notice to the Assignee, by paying a prepayment price equal to the aggregate principal components of the Installment Payments to be prepaid, together with the interest component of the Installment Payment required to be paid on or accrued to such date, plus the following premium:

Prepayment Date	Premium
[November 1], 2025 to November 1, 2027	3%
After [November 1], 2027 to November 1, 2029	2%
After [November 1], 2029 to November 1, 2031	1%
After November 1, 2031	0%

Notwithstanding the above, the City shall have a one-time option to prepay or satisfy up to no more than 10% in the aggregate of the amount of Installment Payments due hereunder from the proceeds of Pledged Revenues or from any other funds of the City that are legally available therefor, upon thirty (30) days written notice to the Authority and the Assignee, at a prepayment price equal to 100% of such Installment Payments, plus interest accrued to the date of prepayment at the Interest Rate. If the City exercises such option to prepay, the Assignee shall provide an updated Schedule of Installment Payments to replace Exhibit B hereto.

SECTION 6.4. Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain. The City shall prepay the unpaid principal components of the Installment Payments in whole on any date or in part, on any Installment Payment Date, from and to the extent the City determines to apply any Net Proceeds of insurance award or condemnation award with respect to the Enterprise for such purpose pursuant to Sections 4.8 at a price equal to the principal components of the Installment Payments to be prepaid. The City and the Authority hereby agree that such proceeds, to the extent remaining after payment of any delinquent Installment Payments, shall be credited towards the City's obligations under this Section 6.3

SECTION 6.5. Effect of Prepayment. In the event that the City prepays the Installment Payments and all other sums due to the Authority hereunder in full pursuant to Article 6, the City's obligations under this Installment Purchase Agreement shall thereupon cease and terminate, including but not limited to the City's obligation to pay Installment Payments under this Installment Purchase Agreement; subject however, to the provisions of Section 6.1 in the case of prepayment by application of a defeasance deposit.

ARTICLE 7 MISCELLANEOUS

SECTION 7.1. Notices. All written notices to be given under this Installment Purchase Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopier or other form of telecommunication or electronic mail, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopier or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person or electronic mail, upon actual receipt. The Authority and the City may, by written notice to the other party, from time to time modify the address or number to which communications are to be given hereunder.

If to the Authority, as follows:

Fort Bragg Joint Powers Public Financing
Authority
c/o City of Fort Bragg
416 N. Franklin Street
Fort Bragg, CA 95437
Attn: Executive Director

If to the City, as follows:

City of Fort Bragg
416 N. Franklin Street
Fort Bragg, CA 95437
Attn: City Manager

If to the Assignee, as follows:

EverBank, N.A.
301 West Bay Street, 8th Floor

Jacksonville, FL 32202
Attention: Director of Public Finance

SECTION 7.2. Assignment by the Authority. The Authority's rights under this Installment Purchase Agreement, including the right to receive and enforce payment of the Installment Payments to be made by the City under this Installment Purchase Agreement may be assigned by the Authority to a Qualified Institutional Buyer upon delivery to the City of a Letter in substantially familiar form as, that set forth in Exhibit C. Upon any assignment the Authority shall provide the City a written notice of such assignment naming the assignee. The City acknowledges and agrees that the Authority has entered into the Assignment Agreement with Assignee concurrently with this Installment Purchase Agreement pursuant to which the Authority has assigned its rights and obligations under this Installment Purchase Agreement to the Assignee.

The Authority or any assignee has the right to make additional assignments of its rights and obligations under this Installment Purchase Agreement, but the City shall not be required to pay more than a single payee, regardless of the number of assignees, and no such assignment will be effective as against the City unless and until the City consents to such assignment. The City shall pay all Installment Payments hereunder under the written direction of the Authority or the assignee named in the most recent assignment or notice of assignment filed with the City. During the Term of this Installment Purchase Agreement, the City shall keep a complete and accurate record of all such notices of assignment.

SECTION 7.3. Assignment by the City. This Installment Purchase Agreement may not be assigned by the City, other than to a public agency which shall succeed to the interests of the City in and to the System and which (by operation of law, by contract or otherwise) becomes legally bound to all of the terms and provisions hereof. The prior written consent of the Authority shall be required in the case of any such assignment. In connection with any such assignment by the City, the City shall provide the Authority with an opinion of bond counsel that the assignee is legally obligated to pay all Installment Payments and other sums hereunder and to satisfy all of the obligations of the City under this Installment Purchase Agreement and the other Financing Documents, and that such assignment shall not adversely affect the exclusion of interest payable pursuant to this Installment Purchase Agreement from gross income for federal income tax purposes and the exemption of such interest for State of California income tax purposes.

SECTION 7.4. Amendment of this Installment Purchase Agreement. This Installment Purchase Agreement may be amended only in writing by the City and the Authority.

SECTION 7.5. Binding Effect. This Installment Purchase Agreement shall inure to the benefit of and shall be binding upon the Authority and the City and their respective successors and assigns.

SECTION 7.6. Severability. In the event any provision of this Installment Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 7.7. Net-Net-Net Parity Obligation. This Installment Purchase Agreement shall be deemed and construed to be a "net-net-net" contract, and the City hereby agrees that the

Installment Payments shall be an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 7.8. Further Assurances and Corrective Instruments. The Authority and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Installment Purchase Agreement.

SECTION 7.9. Execution in Counterparts. This Installment Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 7.10. Applicable Law and Venue. This Installment Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California and venue shall be in the County of Mendocino.

SECTION 7.11. Captions. The captions or headings in this Installment Purchase Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Installment Purchase Agreement.

SECTION 7.12. USA Patriot Act Notice. The Authority hereby notifies the City that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify, and record information that identifies the City in accordance with the USA Patriot Act. The City covenants and agrees it will not, and agrees to cause each of its subsidiaries not to, at any time, directly or indirectly be (a) a person with whom the Authority is restricted from doing business under any Anti-Terrorism Law, (b) engaged in any business involved in making or receiving any contribution of funds, goods or services to or for the benefit of such a person or in any transaction that evades or avoids, or has the purpose of evading or avoiding, the prohibitions set forth in any Anti-Terrorism Law, or (c) otherwise in violation of any Anti-Terrorism Law (the City will and will cause each of its subsidiaries to provide to the Authority any certifications or information that the Authority requests to confirm compliance by the City and its subsidiaries with any Anti-Terrorism Law). "Anti-Terrorism Law" means any law relating to terrorism or money laundering, including Executive Order No. 13224, the USA Patriot Act, the laws comprising or implementing the Authority Secrecy Act, and the Laws administered by the United States Treasury Department's Office of Foreign Asset Control, as any of the foregoing laws may from time to time be amended, renewed, extended, or replaced.

SECTION 7.13. Costs and Expenses. To the extent allowed by law, the City agrees to pay all reasonable out-of-pocket costs and expenses (including the fees and expenses of counsel retained or employed by the Authority) incurred by the Authority and any participants of the Authority in connection with the origination, administration, collection and enforcement of this Installment Purchase Agreement, including, without limitation, all costs and expenses incurred in obtaining, perfecting, maintaining, determining the priority of, and releasing any security for the City's obligations to the Authority, and any stamp, intangible, transfer or like tax incurred in connection with this Installment Purchase Agreement or the recording hereof or thereof.

SECTION 7.14. Indemnification. To the extent allowed by law, the City indemnifies the Authority, its affiliates and its and their respective officers, directors, employees, agents and advisors (each an “Indemnitee”) against, and holds each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including fees and expenses of employed or retained counsel) incurred by any Indemnitee or asserted against any Indemnitee by any third party arising out of or as a result of (a) the execution or delivery of any Financing Document, (b) the acquisition, construction, ownership, operation and all other matters relating to, the acquisition, construction, ownership, operation and all other matters relating to the Project and the System or the grant of agency made by the Authority under Section 3.1 hereunder, the performance or nonperformance by the City of its obligations under any Financing Document or the consummation of the transactions contemplated thereby, including the use of the proceeds therefrom, (c) breach of representations, warranties or covenants of the City under this Installment Purchase Agreement, or (d) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, including any such items or losses relating to or arising under Environmental Laws or pertaining to environmental matters, regardless whether any Indemnitee is a party thereto; provided that such indemnity will not, as to an Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the active negligence or willful misconduct of such Indemnitee.

SECTION 7.15. Waiver of Jury Trial. (a) To the extent allowed by law, the City and the Authority each hereby irrevocably waives any right it may have to a trial by jury in connection with any action directly or indirectly arising out of or relating to this Installment Purchase Agreement. Each party hereto (1) certifies that no representative, administrative agent or attorney of any other person has represented, expressly or otherwise, that such other person would not, in the event of litigation, seek to enforce the foregoing waiver and (2) acknowledges that it and the other parties hereto have been induced to enter into this Installment Purchase Agreement by, among other things, the mutual waivers and certifications in this section.

(b) THE AUTHORITY AND THE ASSIGNEE (BY THEIR ACCEPTANCE HEREOF) HEREBY, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) BETWEEN THE AUTHORITY AND THE ASSIGNEE ARISING OUT OF OR IN ANY WAY RELATED TO THIS INSTALLMENT PURCHASE AGREEMENT, THE NOTE AND THE OTHER RELATED DOCUMENTS. THIS PROVISION IS A MATERIAL INDUCEMENT TO THE ASSIGNEE TO PROVIDE THE FINANCING EVIDENCED BY THIS INSTALLMENT PURCHASE AGREEMENT. IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, THE AUTHORITY AND THE ASSIGNEE HEREBY CONSENT TO THE ADJUDICATION OF ANY AND ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE, WHO SHALL BE A BENCH OFFICER OR RETIRED BENCH OFFICER, SHALL BE EMPOWERED TO HEAR AND DETERMINE ANY AND ALL ISSUES IN SUCH REFERENCE WHETHER FACT OR LAW. THE AUTHORITY AND THE ASSIGNEE REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS

JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL OF ITS CHOICE ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS INSTALLMENT PURCHASE AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

(c) THE AUTHORITY WAIVES, TO THE EXTENT NOT PROHIBITED BY LAW, ANY RIGHT THE UNDERSIGNED MAY HAVE TO CLAIM OR RECOVER FROM THE ASSIGNEE IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

(d) THE ASSIGNEE HEREBY RECOGNIZES THAT THE PROCEDURAL REQUIREMENTS AND REMEDIES APPLICABLE TO COMMENCING AN ACTION AGAINST THE AUTHORITY DIFFER FROM REQUIREMENTS APPLICABLE TO NONGOVERNMENTAL ENTITIES.

(Signature page follows)

IN WITNESS WHEREOF, the Authority has caused this Installment Purchase Agreement to be executed in its corporate name by its duly authorized officer, and the City has caused this Installment Purchase Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

CITY OF FORT BRAGG JOINT POWERS
PUBLIC FINANCING AUTHORITY

By: _____
[Isaac Whippy], Executive Director

ATTEST:

By: _____
[Diana Paoli], Secretary

CITY OF FORT BRAGG

By: _____
Isaac Whippy, City Manager

ATTEST:

By: _____
Diana Paoli, City Clerk

*-Signature Page-
Installment Purchase Agreement*

EXHIBIT A

DESCRIPTION OF THE PROJECT

[Acquisition, design and construction of improvements to the City's Broadband system including but not limited expansion of the existing [Mendocino Community Network, known as MCN] that the City is acquiring with non-Acquisition Costs proceeds from the Mendocino Unified School City.][**UNDER REVIEW**]

EXHIBIT B

SCHEDULE OF INSTALLMENT PAYMENTS

[TO COME WITH NOTATION THAT ASSUMED INTEREST RATE DOESN'T INCLUDE
EVENTS OF DEFAULT OF EVENTS OF TAXABILITY]

EXHIBIT C

FORM OF ASSIGNEE LETTER

CITY OF FORT BRAGG INSTALLMENT PURCHASE AGREEMENT (the “Obligation”)

In connection with that certain Installment Purchase Agreement dated as of May 1, 2025 (the “Obligation”) entered into by the City of Fort Bragg (the “City”) and the City of Fort Bragg Joint Powers Public Financing Authority (the “Authority”), _____, as assignee of the Authority (the “Assignee”), the Assignee hereby states:

1. The Assignee has knowledge and experience in financial and business matters relating to the Obligation and is capable of evaluating the merits and risks of the Obligation and is able to bear the economic risks thereof.

2. The Assignee has made such investigation of the financial information provided by the City as the Assignee, in the exercise of its business judgment, considers appropriate under the circumstances. In making its decision to acquire the Obligation, the Assignee has relied on the accuracy and completeness of information provided by the City. The Assignee has not required the City to deliver any offering document in connection with the issuance of the Obligation.

3. The Assignee is aware that the Obligation involves various risks, that the Obligation is not a general obligation of the City, and that payment of the Obligation is secured only from the sources described in the resolution or ordinance of the City authorizing the Obligation (the “Authorizing Measure”) and the Installment Purchase Agreement and related Financing documents identified therein.

4. Neither the Assignee nor any of its affiliates is acting as a fiduciary for the City or in the capacity of broker, dealer, underwriter, or municipal advisor with respect to the Obligation. Neither the Assignee nor any of its affiliates has provided or will provide any financial, legal, tax, accounting or other advice to the City with respect to the Obligation; it being understood that the City has sought and obtained and will obtain such advice (including as it relates to structure, timing, terms, and similar matters) with respect to the Obligation from its own advisors (and not the Assignee or any of its affiliates) to the extent that the City desired or desires to obtain such advice.

5. The Assignee acknowledges that the Obligation is not being qualified under the Trust Indenture Act of 1939, as amended, and the Obligation is not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, as amended, and that neither the City nor bond counsel shall have any obligation to effect any such registration or qualification.

6. The Assignee is not acting as a broker or other intermediary and is making the Financing and acquiring the Obligation for its own account and not with a present view to a resale or other distribution to the public. The Assignee understands that the Obligation may not be transferred except in compliance with applicable federal and state laws.

7. The Assignee is an (a) “accredited investor” within the meaning of the Securities Act of 1933, as amended, and Regulation D thereunder, or (b) a qualified institutional buyer.

DATED as of _____, 20__

[_____]

By: _____

Name: _____

Title: _____

EXHIBIT D

FORM OF COMPLIANCE CERTIFICATE

CERTIFICATE OF COMPLIANCE

IT IS HEREBY CERTIFIED by the undersigned, the _____ of the City of Fort Bragg (the "City") on _____, 202__ that:

1. To the best of my knowledge, the City is not in default under any documents related to the Installment Purchase Agreement dated as of May 1, 2025 (as amended and supplemented, the "Agreement"; capitalized terms used but not defined herein shall have the meaning set forth in the Agreement), by and between the City and the City of Fort Bragg Joint Powers Public Financing Authority.
2. The City confirms that during the prior Fiscal Year that it has fixed and prescribed rates and charges for the System in compliance with Section 4.9 of the Agreement.

[3. From and after the Net Revenue Conversion Date, as required by Section 4.9(b) of the Agreement, the following is a calculation of Debt Service Coverage Ratio on all Installment Payments and Parity Obligations outstanding during the prior Fiscal Year:

NET REVENUES/TOTAL DEBT SERVICE = _____ coverage]

CITY OF FORT BRAGG

By:

Name:

Title:

ASSIGNMENT AGREEMENT

This ASSIGNMENT AGREEMENT (this “Agreement”), dated as of May 1, 2025, is between the City of Fort Bragg Joint Powers Public Financing Authority, a joint powers authority duly organized and existing under the laws of the State of California (the “Authority”), and EverBank, N.A., a national banking association and existing under the laws of the United States of America, as assignee (including its successors and assigns, the “Assignee”).

BACKGROUND :

1. The City of Fort Bragg (the “City”) desires to finance a portion of the costs of the acquisition, design, construction and improvements to the City’s broadband internet access system (the “System”) as identified in Exhibit A to the Installment Purchase Agreement (as defined below) (the “Project”).

2. The Authority has been formed for the purpose of assisting the City in the financing of public capital improvements, and in order to provide funds to finance the Project, the Authority has entered into an Installment Purchase Agreement dated as of May 1, 2025 (as amended and supplemented, the “Installment Purchase Agreement”) with the City under which the Authority agrees to provide financing for the Project and to sell the completed Project to the City in consideration of the agreement by the City to pay the purchase price of the Project in semiannual installments (the “Installment Payments”).

3. For the purpose of obtaining the moneys required to finance the Project in accordance with the terms of the Installment Purchase Agreement, the Authority has agreed to assign and transfer certain of its rights under the Installment Purchase Agreement to the Assignee, including but not limited to its right to receive and enforce the payment of the Installment Payments, under this Agreement.

AGREEMENT :

In consideration of the material covenants contained in this Agreement, the parties hereto hereby formally covenant, agree and bind themselves as follows:

SECTION 1. *Defined Terms.* All capitalized terms not otherwise defined herein have the respective meanings given those terms in the Installment Purchase Agreement.

SECTION 2. *Assignment.* The Authority hereby assigns to the Assignee all of the Authority’s rights, title and interest under the Installment Purchase Agreement, including but not limited to:

- (a) the right to receive and collect all of the Installment Payments and all of Pledged Revenues from the City under the Installment Purchase Agreement;

- (b) the right to receive and collect any proceeds of any insurance maintained thereunder with respect to the Project, or any eminent domain award (or proceeds of sale under threat of eminent domain) paid with respect to the Project; and
- (c) the right to exercise such rights and remedies conferred on the Authority under the Installment Purchase Agreement as may be necessary or convenient (i) to enforce payment of the Installment Payments, the Pledged Revenues and any amounts required to be credited to the payment or prepayment thereof, or (ii) otherwise to protect the interests of the Authority in the event of a default by the City under the Installment Purchase Agreement.

The assignment made under this Section is absolute and irrevocable, and without recourse to the Authority.

SECTION 3. *Acceptance.* The Assignee hereby accepts the assignments made herein.

SECTION 4. *Representations and Warranties of the Authority.* The Authority hereby represents, warrants and covenants to and with the Assignee as follows:

- (a) The Installment Purchase Agreement is free and clear of all claims, liens, security interests, encumbrances of any kind or character created by, through or under the Authority, except the rights of the City thereunder, and except as contemplated in the Installment Purchase Agreement. The Installment Purchase Agreement is and shall remain free of all claims, liens, security interests and encumbrances arising through any act or omission of the Authority.
- (b) The Authority has complied with and performed all of its obligations under the Installment Purchase Agreement and all related documents and instruments.
- (c) The Installment Purchase Agreement delivered to the Assignee herewith is an original and constitutes the entire writing, obligation and agreement between the Authority and City respecting the Installment Payments and the Pledged Revenues due thereunder.

SECTION 5. *Representations and Warranties of the Assignee.* The Assignee hereby certifies, represents, warrants, acknowledges, and covenants to and with the City and the Authority as follows:

- (a) The Assignee acknowledges that the City will rely on the certifications, representations, warranties, acknowledgements, and covenants contained in this Agreement.

- (b) The Assignee is a national banking association and is authorized to acquire the Installment Purchase Agreement as set forth herein.
- (c) The Assignee is a “qualified institutional buyer” (a “Qualified Institutional Buyer”) within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the “Securities Act”), or an “accredited investor” as described in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act (an “Institutional Accredited Investor”).
- (d) The Assignee is not acquiring the Installment Purchase Agreement for more than one account, has no present intention to re-assign the Installment Purchase Agreement, other than to a subsidiary or affiliate of the Assignee, and is not acquiring the Installment Purchase Agreement with a view to distributing the Installment Purchase Agreement.
- (e) The Assignee has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal obligations and other obligations similar to the Installment Purchase Agreement, to be capable of evaluating the merits and risks of the Installment Purchase Agreement, and the Assignee is able to bear the economic risks of acquiring the Installment Purchase Agreement.
- (f) The Assignee recognizes that the Installment Purchase Agreement involves significant risks, that there is no established market for the Installment Purchase Agreement and that none is likely to develop and, accordingly, that the Assignee must bear the economic risk of acquiring the Installment Purchase Agreement for an indefinite period of time.
- (g) The Assignee is not relying upon the City or any of its employees or agents for advice as to the merits and risks of acquiring the Installment Purchase Agreement. The Assignee has sought such accounting, legal and tax advice as it has considered necessary to make an informed lending decision.
- (h) The Assignee has conducted its own independent examination of, and has had an opportunity to ask questions and receive answers concerning the City, the Project, the System, the Gross Revenues and the Net Revenues, the Installment Purchase Agreement, and the security therefor, and the transactions and documents related to or contemplated by the foregoing.

- (i) The Assignee has been furnished with all documents and information regarding the City, the Project, the System, the Gross Revenues and the Net Revenues, the Installment Purchase Agreement, and the security therefor, and the transactions and documents related to or contemplated by the foregoing, and all matters related thereto required to make its lending decision.
- (j) The Assignee understands that the offering and sale of the Installment Purchase Agreement by the City were exempt from Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, pursuant to Section (d)(1)(i) of said Rule.
- (k) The Assignee understands that the Installment Purchase Agreement carries no rating from any rating service.
- (l) The Assignee understands that the Installment Purchase Agreement is not registered under the Securities Act and is not registered or otherwise qualified for sale under the “blue sky” laws and regulations of any state.
- (m) The officer of the Assignee executing this Agreement on behalf of the Assignee is duly authorized to do so on the Assignee’s behalf.

SECTION 5. *Limitations on Further Assignments.* The Assignee may assign or otherwise transfer all (but not less than all) of its interest in the Installment Purchase Agreement, but only to (i) a subsidiary or affiliate of the Assignee, (ii) an institution that (A) the Assignee reasonably believes is either (x) a Qualified Institutional Buyer, or (y) an Institutional Accredited Investor and is purchasing the Installment Purchase Agreement for its own account, or (ii) the Federal Reserve Bank. Any such transferee must deliver to the City and the Authority an executed Investor Letter containing substantially the representations and warranties set forth in Section 5, and such transfer must otherwise comply in all respects with the provisions of the Installment Purchase Agreement regarding such transfer.

SECTION 6. *Execution in Counterparts.* This Agreement may be executed in any number of counterparts, each of which is an original and all together constitute one and the same agreement. Separate counterparts of this Agreement may be separately executed by the Assignee and the Authority, both with the same force and effect as though the same counterpart had been executed by the Assignee and the Authority.

SECTION 7. *Binding Effect.* This Agreement inures to the benefit of and binds the Authority and the Assignee, and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 8. *Governing Law.* This Agreement is governed by the Constitution and laws of the State of California.

SECTION 9. *Waiver of Jury Trial; Agreement for Judicial Reference; No Sovereign Immunity.* To the fullest extent permitted by law, the Authority hereby waives its right to trial by jury in any action, proceeding and/or hearing on any matter whatsoever arising out of, or in any way connected with, this Agreement or any related documents, or the enforcement of any remedy under any law, statute, or regulation. To the extent such waiver is not enforceable, the Authority hereby consents to the adjudication of any and all such matters pursuant to Judicial Reference as provided in Section 638 of the California Code of Civil Procedure, and the judicial referee shall be empowered to hear and determine any and all issues in such Judicial Reference whether fact or law.

To the extent the foregoing waiver of a jury trial is unenforceable under applicable California law, the Authority agrees to refer, for a complete and final adjudication, any and all issues of fact or law involved in any litigation or proceeding (including all discovery and law and motion matters, pretrial motions, trial matter and post-trial motions up to and including final judgment), brought to resolve any dispute (whether based on contract, tort or otherwise) between the parties hereto arising out of, in connection with or otherwise related or incidental to this Agreement to a judicial referee who shall be appointed under a general reference pursuant to California Code of Civil Procedure Section 638, which referee's decision will stand as the decision of the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. The Authority and the Assignee shall select a single neutral referee, who shall be a retired state or federal judge with at least five years of judicial experience in civil matters; provided that the event the Authority and the Assignee cannot agree upon a referee, the referee will be appointed by the court.

The Authority hereby represents that it does not possess and will not invoke a claim of sovereign immunity for disputes arising out of contractual claims relating to this Agreement. To the extent the Authority has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the Authority hereby waives and agrees not to claim, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Agreement.

SECTION 10. *Arm's Length Transaction.* The transaction described in this Agreement is an arm's length, commercial transaction between the Authority and the Assignee in which: (i) the Assignee is acting solely as a principal (i.e., as an assignee) and for its own interest; (ii) the Assignee is not acting as a municipal advisor or financial advisor to the Authority; (iii) the Assignee has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the City or the Authority with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Assignee or any of its subsidiaries or affiliates has provided other services or is currently providing other services to the Authority on other matters); (iv) the only obligations the Assignee has to the Authority with respect to this transaction are set forth in this Agreement or the Installment Purchase Agreement; and (v) the Assignee is not

recommending that the City or the Authority take an action with respect to the transaction described in this Agreement and the other Financing Documents, and before taking any action with respect to the this transaction, the City or the Authority should discuss the information contained herein with the City's or the Authority's own legal, accounting, tax, financial and other advisors, as the City or the Authority deems appropriate.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized officers as of the day and year first written above.

**CITY OF FORT BRAGG JOINT
POWERS PUBLIC FINANCING
AUTHORITY, *as Assignor***

By _____
Executive Director

EVERBANK N.A., *as Assignee*

By _____
Director of Public Finance

ATTACHMENT 5

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the 2025 Broadband Revenue Loan in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by NHA Advisors, its municipal advisor (the “Municipal Advisor”).

Principal Amount. The Municipal Advisor has informed the City that, based on the City’s financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2025 Broadband Revenue Loan to be sold is \$7,864,039 (the “Estimated Principal Amount”). Based on the Estimated Principal Amount, the following good faith estimates are provided:

(a) True Interest Cost of the 2025 Broadband Revenue Loan. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2025 Broadband Revenue Loan is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the 2025 Broadband Revenue Loan, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2025 Broadband Revenue Loan, is 4.85%

(b) Finance Charge of the 2025 Broadband Revenue Loan. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2025 Broadband Revenue Loan is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2025 Broadband Revenue Loan, which means the sum of all fees and charges paid to third parties, is \$185,000.

(c) Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2025 Broadband Revenue Loan is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the 2025 Broadband Revenue Loan, less the finance charges set forth in (b) above, and any reserves or capitalized interest to be paid or funded with proceeds of the 2025 Broadband Revenue Loan, together with any premium received, is \$6,930,000.

(d) Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2025 Broadband Revenue Loan is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the 2025 Broadband Revenue Loan, plus the finance charge for the 2025 Broadband Revenue Loan as described in (b) above not paid with the proceeds of the 2025 Broadband Revenue Loan, calculated to the final maturity of the 2025 Broadband Revenue Loan, is \$12,697,131 (\$749,039 of which will be paid for from capitalized interest and \$669,331 of which will be paid for from the Debt Service Reserve Fund).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the 2025 Broadband Revenue Loan issued and sold, the true interest cost thereof, the finance charges

thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2025 Broadband Revenue Loan being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2025 Broadband Revenue Loan sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2025 Broadband Revenue Loan being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2025 Broadband Revenue Loan being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the 2025 Broadband Revenue Loan and the actual principal amount of 2025 Broadband Revenue Loan sold will be determined by the City based on the timing of the need for proceeds of the 2025 Broadband Revenue Loan and other factors. The actual interest rates borne by the 2025 Broadband Revenue Loan will depend on market interest rates at the time of sale thereof. The actual amortization of the 2025 Broadband Revenue Loan will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.



FORT BRAGG

DIGITAL INFRASTRUCTURE PLAN "FUNDING GAP" FINANCING APPROVAL

NHA | ADVISORS
Financial & Policy Strategies.
Delivered.

APRIL 28, 2025

EXECUTIVE SUMMARY

- ▶ NHA Advisors (City’s Municipal Advisor) and Staff delivered a comprehensive presentation to City Council outlining the details of the Middle-Mile-Broadband Initiative (MMBI) project on November 25, 2024
 - ▶ Project Costs: \$17.23 Million (up from \$14.8 Million estimated in November)
 - ▶ Identified Funding Sources: \$10.3 Million Grant
 - ▶ **Funding “Gap”: \$6.93 Million**
 - ▶ NHA and Staff were given direction to evaluating financing options for the remaining \$6.93 million
 - Goals: Low interest rate, flexible terms, expeditious closing schedule, and a structure that provides a path towards the new Broadband enterprise to stand on its own without any General Fund backstop on the debt once the business stabilizes
- ▶ Financing team secured several bids for the loan; one of which met all goals
 - ▶ On March 24th, City Council supported staff and the financing team’s recommendation to lock the interest rate with Everbank and move forward with the necessary steps to close the transaction
- ▶ **Tonight’s approval of the Resolution and Financing documents** is the next critical step in the process before the transaction can close



BANK SOLITICATION PROCESS

- ▶ Oppenheimer Bank (Broker-Dealer) solicited over 10 banks
 - ▶ 4 responses given unique nature of start-up Broadband enterprise
 - ▶ **Everbank was selected and the term sheet was signed on March 26, locking the interest rate of 4.85%**

Lender = Banner Bank

- Term = 20 years
- Rate = 5.03%
- Repayment Structure = gross revenue pledge, supported by revenues of broadband utility and backed up by city general fund revenues
- Amort Structure = interest only for 2 years
- Credit Enhancement = None
- 5-Year Call feature



Lender = EverBank

- Term = 20 years
- Rate = 4.85%
- Repayment Structure = gross revenue pledge, supported by revenues of broadband utility & City GF that springs to a net revenue pledge on the broadband system only
- Amort Structure = interest only and/or Capitalized interest for 2 years
- Credit enhancement = cash funded reserve fund

Lender = Cap One

- Term = 20 years
- Rate = 4.95%
- **Repayment Structure = real property lease purchase financing**
- Amort Structure = Fully amortizing
- Credit Enhancement = Bond insurance

Lender = Flagstar Bank

- Term = 20 year amortization 15 year fixed rate
- Rate = 5.04%
- **Repayment Structure = real property lease purchase financing**
- Amort Structure = Fully amortizing
- Credit Enhancement = None

\$7.86 Million Financing - Sources & Uses

SOURCES OF FUNDS

Par Amount of Bonds	\$7,864,038.77
Planned Issuer Equity contribution	669,330.64
Other contributions	10,300,000.00
TOTAL SOURCES	\$18,833,369.41

USES OF FUNDS

Costs of Issuance	175,000.00
Deposit to Debt Service Reserve Fund (DSRF)	669,330.64
Deposit to Capitalized Interest (CIF) Fund	749,038.77
Deposit to Project Construction Fund	17,230,000.00
Additional use of funds 1	10,000.00
TOTAL USES	\$18,833,369.41



DEBT SERVICE SCHEDULE

▶ 2-years of pre-funded interest

▶ First payment of \$527K in FY 2028

▶ \$672K annual payment from FY 2029 to final maturity in FY 2045

Date	Principal	Coupon	Interest	Total P+I	DSR	CIF	Net New D/S
05/01/2026	-	-	367,632.89	367,632.89	-	(367,632.89)	-
05/01/2027	-	-	381,405.88	381,405.88	-	(381,405.88)	-
05/01/2028	145,222.47	4.850%	381,405.88	526,628.35	-	-	526,628.35
05/01/2029	301,095.27	4.850%	370,755.55	671,850.82	-	-	671,850.82
05/01/2030	315,875.45	4.850%	355,975.36	671,850.81	-	-	671,850.81
05/01/2031	331,381.16	4.850%	340,469.65	671,850.81	-	-	671,850.81
05/01/2032	347,648.03	4.850%	324,202.79	671,850.82	-	-	671,850.82
05/01/2033	364,713.39	4.850%	307,137.42	671,850.81	-	-	671,850.81
05/01/2034	382,616.47	4.850%	289,234.35	671,850.82	-	-	671,850.82
05/01/2035	401,398.37	4.850%	270,452.45	671,850.82	-	-	671,850.82
05/01/2036	421,102.24	4.850%	250,748.58	671,850.82	-	-	671,850.82
05/01/2037	441,773.33	4.850%	230,077.49	671,850.82	-	-	671,850.82
05/01/2038	463,459.12	4.850%	208,391.69	671,850.81	-	-	671,850.81
05/01/2039	486,209.44	4.850%	185,641.38	671,850.82	-	-	671,850.82
05/01/2040	510,076.52	4.850%	161,774.30	671,850.82	-	-	671,850.82
05/01/2041	535,115.18	4.850%	136,735.63	671,850.81	-	-	671,850.81
05/01/2042	561,382.95	4.850%	110,467.86	671,850.81	-	-	671,850.81
05/01/2043	588,940.15	4.850%	82,910.66	671,850.81	-	-	671,850.81
05/01/2044	617,850.09	4.850%	54,000.73	671,850.82	-	-	671,850.82
05/01/2045	648,179.14	4.850%	23,671.66	671,850.80	(669,330.64)	-	2,520.16
Total	\$7,864,038.77	-	\$4,833,092.20	\$12,697,130.97	(669,330.64)	(749,038.77)	\$11,278,761.56



BROADBAND ENTERPRISE

Updated Pro-Forma

Fiscal Year End ----->	Transition Period				Normalize	2030	2031	2032	2033
	2025	2026	2027	2028	2029				
Revenues									
FB-BB: 1-10 Gbps Service Offering	\$ 20,111	\$ 382,117	\$ 864,791	\$ 1,347,466	\$ 1,679,304	\$ 1,689,360	\$ 1,689,360	\$ 1,689,360	\$ 1,689,360
FB-BB: Voice Services (w/911)	\$ 547	\$ 10,397	\$ 23,530	\$ 36,662	\$ 45,691	\$ 45,965	\$ 45,965	\$ 45,965	\$ 45,965
FB-BB: Low Income Service Offering 500 Mbps	\$ 2,017	\$ 38,316	\$ 86,715	\$ 135,115	\$ 168,389	\$ 169,398	\$ 169,398	\$ 169,398	\$ 169,398
MCN Revenues:									
MCN: Fusion (Blended view of Res and Bus)	\$ 249,755	\$ 801,844	\$ 486,364	\$ 170,885	\$ (0)	\$ -	\$ -	\$ -	\$ -
MCN: Fusion Equipment	\$ 7,381	\$ 23,696	\$ 14,373	\$ 5,050	\$ (0)	\$ -	\$ -	\$ -	\$ -
MCN: Open Air	\$ 62,809	\$ 227,532	\$ 189,606	\$ 151,681	\$ 134,299	\$ 134,299	\$ 134,299	\$ 134,299	\$ 134,299
MCN: Digital Voice	\$ 53,816	\$ 194,827	\$ 162,129	\$ 129,431	\$ 114,444	\$ 114,444	\$ 114,444	\$ 114,444	\$ 114,444
MCN: Email Hosting	\$ 45,205	\$ 163,653	\$ 136,187	\$ 108,721	\$ 96,132	\$ 96,132	\$ 96,132	\$ 96,132	\$ 96,132
MCN: WebHost Domain	\$ 34,314	\$ 124,226	\$ 103,377	\$ 82,528	\$ 72,972	\$ 72,972	\$ 72,972	\$ 72,972	\$ 72,972
Total revenues	475,955	1,966,609	2,067,074	2,167,538	2,311,231	2,322,569	2,322,569	2,322,569	2,322,569
Expenditures									
Telecom and IT Services	196,456	666,829	444,939	244,049	142,044	142,044	142,044	142,044	142,044
Operations and Maintenance	29,661	106,192	129,491	152,890	168,931	169,397	169,434	169,471	169,510
Personnel and Benefits	251,846	727,280	745,462	764,099	783,201	803,252	824,756	845,375	866,510
General and Administrative	131,144	336,111	284,034	231,957	205,918	203,748	203,748	203,748	203,748
MCN Acquisition Payment (\$50K/YR)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total expenditures	659,106	1,886,413	1,653,926	1,442,994	1,350,094	1,368,441	1,389,983	1,410,639	1,431,812
Revenues over (under) expenditures	(183,152)	80,196	413,147	724,544	961,137	954,128	932,586	911,930	890,757
Estimated debt service payment	-	-	-	526,628	671,851	671,851	671,851	671,851	671,851
Revenues over (under) expenditures less DS	(183,152)	80,196	413,147	197,916	289,286	282,277	260,735	240,080	218,906
Coverage				1.38	1.43	1.42	1.39	1.36	1.33



Debt service coverage above 125% ⁶ ↗

FINANCING DOCUMENTS TO BE APPROVED

▶ Installment Purchase Agreement

- ▶ Pursuant to the IPA, the City and the Authority are entering into an arrangement whereby the Authority has agreed to purchase the Project from the City with funds provided by EverBank, N.A. (the “Lender”), and the City agrees to use the funds to fund the remaining portion of the costs necessary to complete the Project by entering into an Installment Purchase Agreement. The IPA also sets forth the interest rate the Lender is charging, the requirement that the Lender be paid from gross revenues of the broadband system until net revenues are sufficient, and other terms and conditions of the financing.

▶ Assignment Agreement

- ▶ Pursuant to the Assignment Agreement, the Authority assigns certain of its rights under the IPA to the Lender, including its rights to payments under the IPA and enforcement rights under the IPA.

▶ Project Fund Agreement

- ▶ Pursuant to the Project Fund Agreement, the City, EverBank as Lender and EverBank as depository bank agree to establish certain deposit accounts where funds will be held and disbursed by the Bank for the Project and in which has certain security interests in.



NEXT STEPS

City Council
Approval: April 28th

Closing: May 14th



City of Fort Bragg
Joint Powers
Authority Approval:
May 12th





City of Fort Bragg

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

Text File

File Number: 25-136

Agenda Date: 4/28/2025

Version: 1

Status: Business

In Control: City Council

File Type: Resolution

Agenda Number: 8B.

Receive Update from the Ad Hoc Culture and Education Committee, and Consider Approval of Land Acknowledgement and City Commitments

Land Acknowledgement and Commitments

The City of Fort Bragg acknowledges that the land on which we stand today is the unceded traditional territory of the local Indigenous People past and present. We acknowledge the critical importance of traditional Pomo methods of preservation of our land, waters, and sky. We recognize the sovereignty of the Pomo People, who are the original stewards of this land. We value, and seek to support, the many ways in which the Pomo People are working to preserve and revitalize Pomo culture, such as oral histories, dances, songs, regalia, basketry, and the Northern Pomo language.

We resolve to:

- Consult with the governing body of the Sherwood Valley Band of Pomo Indians, as well as other tribal communities, on initiatives, issues, or items of concern.
- Raise visibility and public awareness of the history and contemporary presence of the Native population of our area.
- Collaborate with local Indigenous People, local schools, and State and Regional partners, to enhance education on the history and contemporary lifeways of local Indigenous People.

Follow this button for educational resources and organizations:

Learn
More

RESOLUTION NO. XXXX-2025

RESOLUTION OF THE FORT BRAGG CITY COUNCIL APPROVING LAND ACKNOWLEDGMENT AND CITY COMMITMENTS

WHEREAS, the City of Fort Bragg acknowledges that the land on which we stand today is the unceded traditional territory of the local Indigenous People past and present; and

WHEREAS, the City of Fort Bragg recognizes that acknowledging the land is only a first step toward honoring Indigenous history, culture, and contributions, and that meaningful partnerships and actions are essential to advancing reconciliation; and

WHEREAS, the City of Fort Bragg acknowledges the critical importance of traditional Pomo methods of preservation of our land, waters, and sky; and

WHEREAS, the City of Fort Bragg recognizes the sovereignty of the Pomo People, who are the original stewards of this land; and

WHEREAS, the City of Fort Bragg values and seeks to support, the many ways in which the Pomo People are working to preserve and revitalize Pomo culture, such as oral histories, dances, songs, regalia, basketry, and the Northern Pomo language;

WHEREAS, the City of Fort Bragg affirms its commitment to fostering an inclusive community that supports equity, healing, and justice for Native Peoples and their descendants;

NOW, THEREFORE, BE IT RESOLVED AND PROCLAIMED by the City Council of the City of Fort Bragg that for reasons set forth herein, the City of Fort Bragg commits to:

1. Consult regularly with the governing body of the Sherwood Valley Band of Pomo Indians, as well as other tribal communities, on initiatives, issues, or items of concern; and
2. Raise visibility and public awareness of the history and contemporary presence of the Native population of our area; and
3. Collaborate with local Indigenous People, local schools, and State and Regional partners to enhance education on the history and contemporary lifeways of local Indigenous People.
4. Prioritize meaningful engagement by inviting Indigenous leaders to participate in advisory roles when developing policies or projects that impact the environment, cultural resources, or local heritage; and

The above and foregoing Resolution was introduced by Council member, seconded by Councilmember, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 28th day of April, 2025, by the following vote:

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

JASON GODEKE
Mayor

ATTEST:

Diana Paoli,
City Clerk

Ad Hoc Committee on Culture and Education



CITY OF FORT BRAGG

This committee stems from recommendations made by the Citizens' Commission that met for over 18 months during 2020 and 2021.

A number of those recommendations oriented around how our city government, the school district, the local tribal government, and the Indigenous People of our area could move forward in partnership together. The idea would be for our collaboration to result in educational initiatives, policies or agreements, and especially ongoing communication and consultation.

That effort has been our committee's focus so far.

Fort Building as Learning Center: T-Mobile Grant



Interpretive Panel, Artwork, and Potential Plants for Front Area:

Common Name	Pomo Name	Latin Name	Use
California Spikenard/Elk Clover	kasi' zi tsö	Aralia Californica	Medicinal Tea
White Yarrow	kal' ma-ta	Achillea millefolium	Gastrointestinal Aid, Burn Dressing
Sticky Monkey	kan kan ka-li'	Mimulus aurantiacus	Seeds Food Source, gastrointestinal
Common Rush	tca-ba'	Juncus effusus	Basketry, Ceremony, Cooking, Weaving
Douglas Iris	tsi-lim' ka-li'	Iris douglasiana	Dye, lining for ovens, fiber

Plants Sources/Links:

[Sprouting Valley: Historical Ethnobotany of the Northern Pomo from Potter Valley, California](#)
[Dorothy King Young Chapter CALIFORNIA NATIVE PLANT SOCIETY](#)
[CalScape](#)
[Native American Ethnobotany: A Database of Foods, Drugs, Dyes and Fibers of Native American Peoples, Derived from Plants](#)

Fort Bragg Army Post Building Mendocino Indian Reservation

The building in front of you is the only remaining structure from the Fort Bragg Army Post, which was part of the Mendocino Indian Reservation. On March 3, 1853 (10 Stat.238), Congress authorized five military reservations throughout California. This served as a catalyst to clear the land for non-Indian settlement and land speculation. Here, the United States War Department established Mendocino Reservation and Fort Bragg.

Indian people from Marin County to the Oregon border, over to Modoc County and down through to the Sacramento Valley, would be herded to this place. Many of the able-bodied would return to their homelands. Some of the displaced married into Northern Pomo and Coast Yuki families. Some stayed under duress because their villages no longer existed or their families' lines were extinguished by one of the many renegade militias paid to hunt Indians.

Land speculators would eventually convince the California legislature to pass Joint Resolution 43, "that Mendocino Indian Reservation be abandoned, and the lands be opened for pre-emption." Subsequently, the native people here were force-marched 60 miles inland to the Round Valley Reservation. Those who risked life and limb to remain or return were regarded as squatters on their own land.



This panel was created in collaboration with members of the Sherwood Valley Band of Pomo



QR code placement Spanish language

Our people, called Pomo by ethnographers, are Indigenous to this land. The landscape on which you stand contains thousands of years of memories. Please respect the generations of people that call this place home and the ancestral fabric of this land. We are alive; we are still here.

QR code placement "learn more"

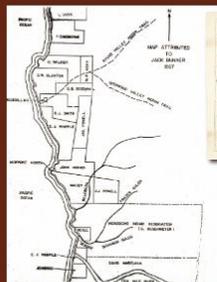


Left: Pomo People at Noyo, 1904

Below: Pomo Women



1856 Map of Mendocino Indian Reservation Natural Resources



Far Left: Parcel Map, 1867

Left: Enoch "E.J." Whipple Title, 1869

After the closure of the Mendocino Reservation, and forced Indian removal to Round Valley, many former soldiers stationed at Fort Bragg would ultimately be the ones gaining title to this coastal homeland.

To own the plot they wanted, the soldiers would only need two witnesses stating there were no competing interests.



Art panel from Pomo artist and educator, Buffie Campbell-Schmidt

Some recent updates

LED track lights have been installed
A new heater has been installed
A hook and cable hanging system has been purchased
TV Monitors have been purchased

Some elements in progress

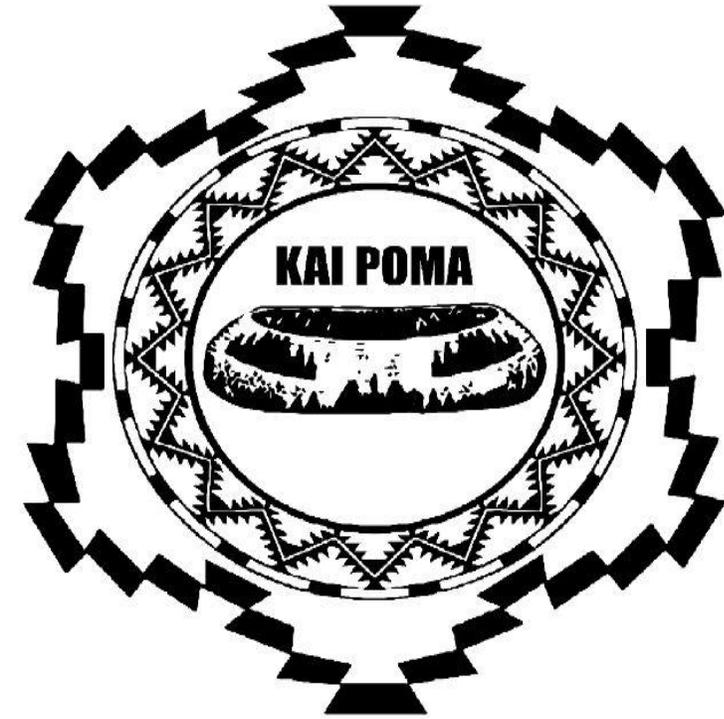
New flooring type
Window coverings
Exhibition furniture (pedestals with vitrines)
Other furniture (bookshelves, meeting/coffee table)



North Room (11x15 feet)



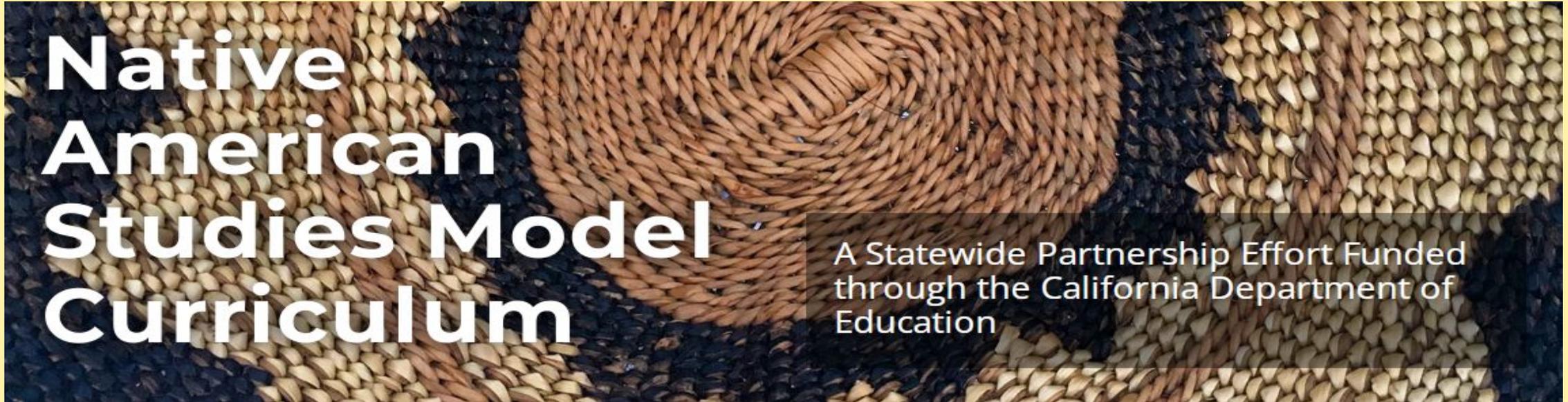
South Room (11x15 feet)



Kai Poma

Kai Poma is a tribally-incorporated nonprofit organization founded by representatives of the Sherwood Valley Band of Pomo Indians, Round Valley Indian Tribes, and Coyote Valley Band of Pomo Indians. It serves as the legal entity for the return of over 130 acres of land along the Pacific coast in Yuki and Pomo lands, south of Westport.

Support local schools in doing more and deeper education related to tribal history, contemporary culture, and governance.



The Native American Studies Model Curriculum (NASMC) is lesson plans, primary source documents, planning resources, teaching strategies, and professional development activities to assist educators in teaching about Native American studies.



Land Acknowledgement and Commitments

The City of Fort Bragg acknowledges that the land on which we stand today is the unceded traditional territory of the local Indigenous People past and present. We acknowledge the critical importance of traditional Pomo methods of preservation of our land, waters, and sky. We recognize the sovereignty of the Pomo People, who are the original stewards of this land. We value, and seek to support, the many ways in which the Pomo People are working to preserve and revitalize Pomo culture, such as oral histories, dances, songs, regalia, basketry, and the Northern Pomo language.

We resolve to:

- Consult with the governing body of the Sherwood Valley Band of Pomo Indians, as well as other tribal communities, on initiatives, issues, or items of concern.
- Raise visibility and public awareness of the history and contemporary presence of the Native population of our area.
- Collaborate with local Indigenous People, local schools, and State and Regional partners, to enhance education on the history and contemporary lifeways of local Indigenous People.

Follow this button for educational resources and organizations:

Learn
More



City of Fort Bragg

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

Text File

File Number: 25-135

Agenda Date: 4/28/2025

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Status: Business

In Control: City Council

File Type: Staff Report

Agenda Number: 8C.

Receive Presentation on the Annual Comprehensive Financial Report (ACFR) for the Year Ended June 30, 2024 for the City of Fort Bragg and Consider Accepting the ACFR as Presented



AGENCY: City Council
MEETING DATE: April 28, 2025
DEPARTMENT: Finance & Admin
PRESENTED BY: Isaac Whippy
EMAIL ADDRESS: iwhippy@fortbragg.com

AGENDA ITEM SUMMARY

TITLE:

RECEIVE PRESENTATION ON THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE YEAR ENDED JUNE 30, 2024, FOR THE CITY OF FORT BRAGG AND CONSIDER ACCEPTING THE ACFR AS PRESENTED

ISSUE:

As required by State and federal law, an independent audit of the City's financial records must be performed on an annual basis. The financial records include those of the City of Fort Bragg ("City") and its component unit, the Fort Bragg Municipal Improvement District No. 1 ("District").

JJACPA, Inc., an independent audit firm, has performed and completed an audit review for the City and District. Copies of the reports will be forwarded to all federal, state, and banking entities as necessary.

The quality of the City's financial reporting and the ACFR are measured in two ways: (1) an unmodified audit report by the independent auditors; and (2) the Certificate of Achievement for Excellence in Financial Reporting, awarded by GFOA. The attainment of the latter is the highest form of recognition in governmental accounting and financial reporting.

Auditors follow audit industry standards established by the American Institute of Certified Public Accountants (AICPA). These standards require auditors to provide an opinion on specific areas of the City's financial statements based on observations, inquiries, testing of transactions, and analysis.

The City's ACFR includes the following major sections and information:

Introductory Section

- Letter of Transmittal – prepared by management and used to communicate information on areas that may impact the City's finances now and in the future. This includes economic factors as well as budget and management factors.

Financial Section (the main body of the ACFR for current-year information)

- Independent Auditors' Report – the City's report card on the content of the ACFR
- Management's Discussion and Analysis (MD&A) – provides an analytical overview of the City's financial status and results for the year.
- Basic Financial Statements – reports finances at a point in time (assets - liabilities) and throughout the year (revenues - expenditures) and cash flows.
- City-Wide Statements – overview of financial information, including all of the City's operations by the financial activity.
- Fund Financial Statements – a detailed look at funds, reporting the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance.
- Notes to the Financial Statements (Notes) – a narrative explanation accompanies the Basic Financial Statements.

Required Supplementary and Supplementary Information Sections

- Budget to Actual Comparisons – for all governmental funds with a legally adopted budget
- Notes to Required Supplementary Information
- Pension Information – schedule of changes in the net pension liability and related ratios; schedule of contributions by plan
- OPEB Information – schedule of changes in the net Other Post-Employment Benefits (OPEB) liability and related ratios; schedule of contributions
- A breakout of individual non-major funds – for funds that were presented cumulatively in the Financial Section

Statistical Section (current and historical information – up to 10 years)

- Financial Trends
- Revenue Capacity Information
- Debt Capacity Information
- Demographic and Economic Information
- Operating Information

The ACFR communicates the City’s financial condition and activity in a transparent and organized manner and compliance with accounting and financial reporting standards established by the Governmental Accounting Standards Board (GASB). The report presents historical and comparative information useful to City staff, elected officials, and external users such as debt rating agencies, businesses, other public agencies, and the City’s residents. The most recent ACFR and over ten years of prior year reports are available at the Library, the City’s Finance Department, and on the City’s Finance website at: <https://city.fortbragg.com/208/Publications>

Discussion

The attached ACFR for FY 2023/24 has received an unmodified opinion from JJACPA. An unmodified opinion communicates that the financial statements are fairly presented and that the information used in the report is reliable. In their written communications to Council, the auditors note that they encountered no significant difficulties with management performing or completing the audit.

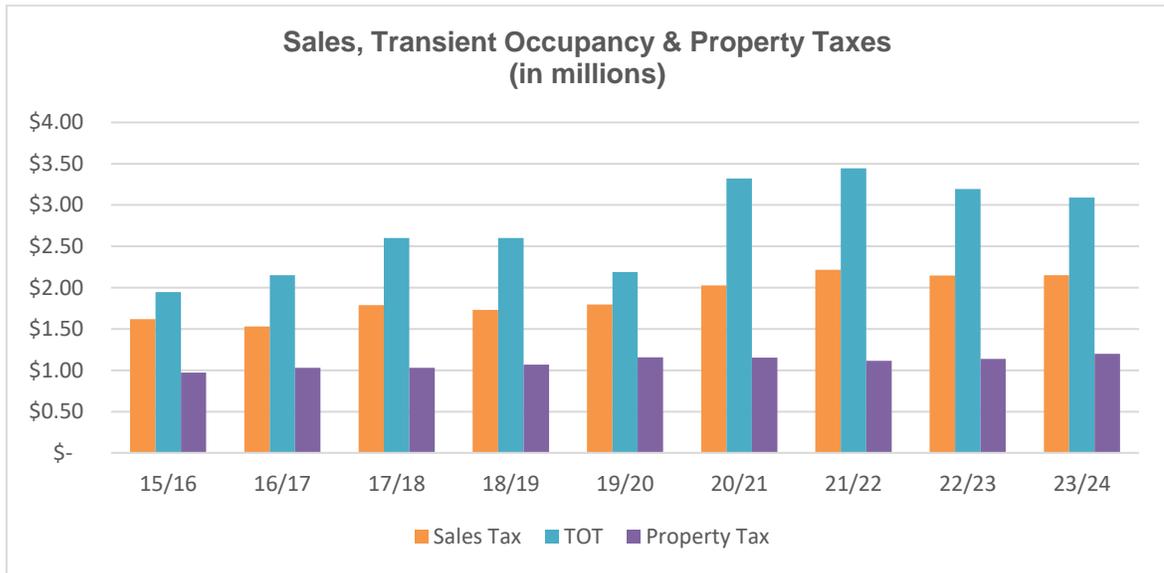
Statement on Auditing Standards (SAS) 114 establishes standards for the auditors’ communication with those charged with governance. SAS 115 provides guidance on communicating matters related to the City’s internal controls over financial reporting that have been identified in an audit of the financial statements. These statements require the auditors to consider and report on internal controls, significant audit findings, and other matters as prescribed in the standards related to the audit of the financial statements. The letters that satisfy the SAS requirements are attached to this report.

Furthermore, the City of Fort Bragg received the certificate of achievement for excellence in financial reporting award from the Government Finance Officers (GFOA) for FY 22/23 financial statements.

Below are some of the financial highlights for the Fiscal Year 2023-24.

- The City's Net Position increased by \$4.7 million (assets and deferred outflows of resources of the City exceed its liabilities and deferred inflows of resources) to \$110 million as of June 30, 2024.

- The Net position for governmental activities ended the year at \$50.3 million, while the net position for business activities was \$59.6 million. Of the \$44.8 million in total governmental net position, a negative \$424,308 was characterized as an unrestricted net position. In FY 2016, GASB 68 required all cities to recognize their pension liability as a deficit in unrestricted net position on their financial statements. The unrestricted position is now \$5.6 million due to restructuring the City's UAL with CALPERS.
- Although the General Fund demonstrated strong revenue performance in FY 21/22, revenues declined in FY 2022/23. In FY 23/24, Transient Occupancy Tax (TOT) revenue decreased by 3% due to a poorly performing, wet winter; Sales Tax revenue remained flat; and Property Tax revenue increased by 5% as the County Assessor's Office worked to catch up on assessments.



- Reimbursement revenue increased by \$618,405 from the prior year, primarily due to higher cost allocation reimbursements from the Water Fund, reflecting work on major Water projects in the Capital Improvement Program (CIP), including the Water Treatment Plant, Raw Water Line, and other improvements.
- Miscellaneous revenues exceeded the budget by \$982,000, largely due to a one-time adjusting journal entry. This adjustment was made to correct the City's book balance during the transition from Excel-based bank reconciliations to the City's integrated ERP system. Identified during the year-end closing process, the correction ensured accurate reporting of the City's financial position.
- General Fund expenditures totaled \$10.5 million, coming in \$450,000 below budget estimates. Expenditures decreased by \$2.5 million from FY 2022/23 to FY 2023/24, largely due to a significant reduction in debt principal payments, partially offset by increases in general government and public safety spending. The positive budget variance was primarily driven by cost savings in personnel expenses, insurance, and retiree medical costs, offset by higher indirect costs paid to Enterprise Funds and Internal Service Funds.
- The City's General Fund recorded a \$2.9 million surplus for FY 2023/24, ending the year with a fund balance of \$9.1 million (net of a \$1.8 million restriction for the Section 115 Trust), reflecting a \$3.2 million increase from the prior year.
- The City's combined fund balance in its governmental funds stands at \$9.1 million, which comprises various committed balances. These committed balances include:
 - Operating Reserve: A total of \$1.9 million is allocated to the Operating Reserve.
 - Recession Reserve: \$489,929 has been set aside for the Recession Reserve.

- Litigation Reserve: holds \$200,000.

Of this amount, \$1.8 million has been invested in a Section 115 Trust. This investment serves as a buffer against potential future volatility with CalPERS.

- The unassigned fund balance increased to \$4.7 million.
- Enterprise revenues for Water and Wastewater remained consistent with the previous year. Additionally, CV Starr's revenue has increased significantly by \$600k since its reopening in 2021.
- The Water Enterprise recorded a net position decrease of \$81,000, while the Wastewater Enterprise saw a decrease of \$36,000. Revenues for both enterprises remained relatively flat, with Water generating \$3 million and Wastewater generating \$3.6 million. The most significant draw on the net position for both enterprises was the non-cash expense of depreciation.
- C.V. Starr enterprise revenues increased by \$100k from an increase in membership fees and property tax increases, offset by depreciation of \$675,919. Resulting in a \$581k deficit. Total Net position is \$20 million.
- Total liabilities decreased by \$512,312 during the fiscal year from scheduled debt payments and the payoff of water enterprise debt.

RECOMMENDED ACTION:

Accept, by motion, the Annual Comprehensive Financial Report as presented.

ALTERNATIVE ACTION(S):

Request for additional information.

ANALYSIS:

The Independent Auditor's Report (pages 1-2) and highlights of Management's Discussion and Analysis (pages 3-19) of the ACFR will be presented.

FISCAL IMPACT:

There is no fiscal impact with the presentation of this item.

IMPLEMENTATION/TIMEFRAMES:

Not applicable.

ATTACHMENTS:

1. City of Fort Bragg Annual Comprehensive Financial Report, Together with Independent Auditors' Report for the Year Ended June 30, 2024
2. Auditor's Communication Letter 2024
3. Representation Letter 2024

NOTIFICATION:

1. Joseph Arch, Brett Jones – JJACPA, Inc.



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended
June 30, 2024



Prepared By:
Isaac Whippy

www.city.fortbragg.com
416 N. Franklin Street,
Fort Bragg, CA 95437

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City of Fort Bragg, California

Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2024



Prepared by City of Fort Bragg City Manager
Isaac Whippy

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City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

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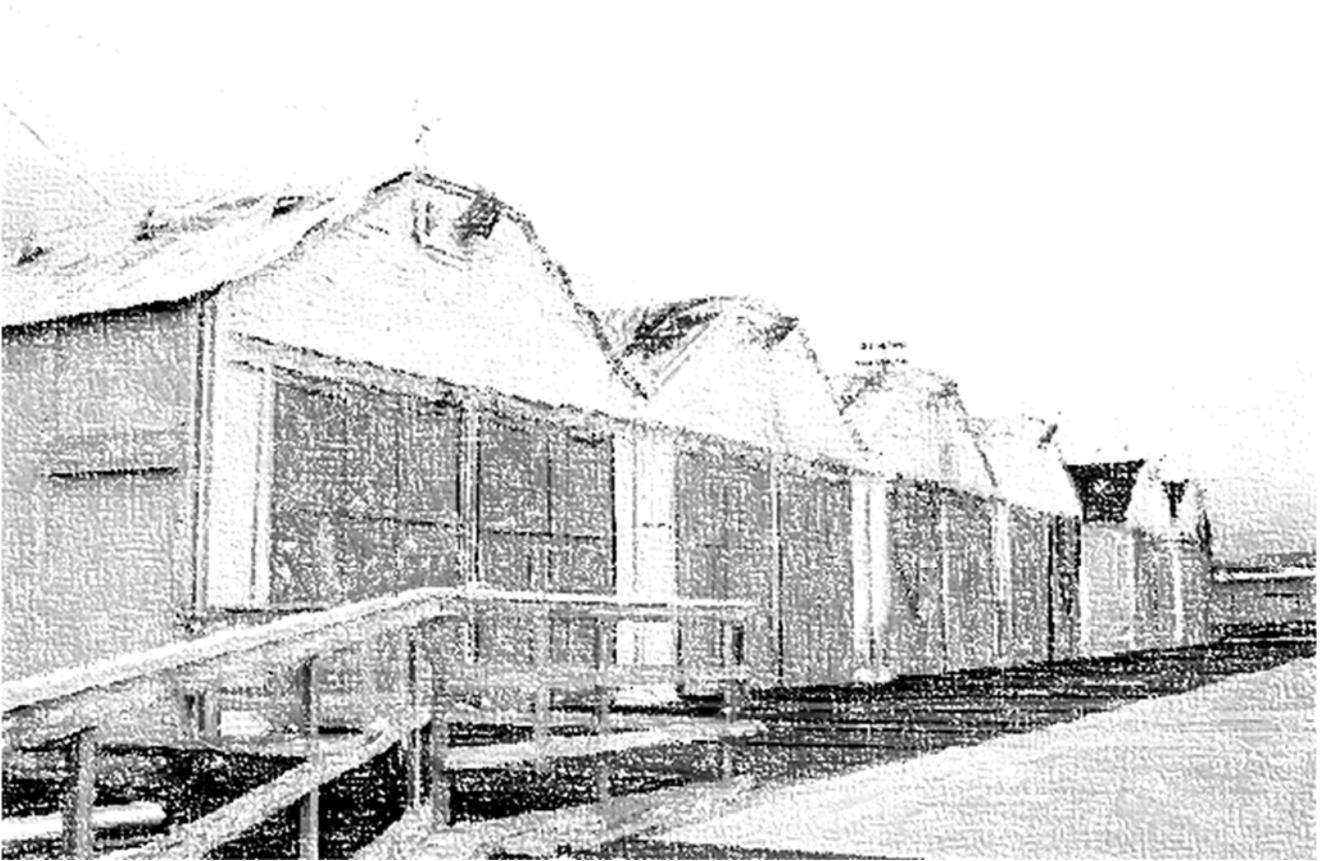
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INTRODUCTORY SECTION

- **Letter of Transmittal**
- **Organizational Chart, Elected and Appointed Officials**

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April 25, 2025

The Honorable City Council
City of Fort Bragg

Transmittal of the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024

To the Citizens of the City of Fort Bragg, Honorable Mayor, and Members of the City Council:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This report has been prepared in accordance with generally accepted accounting principles (GAAP) and the standards established by the Governmental Accounting Standards Board (GASB) to provide a complete and transparent view of the City's financial position and operations.

Management is responsible for the accuracy, completeness, and fairness of the data presented in this report, as well as for establishing and maintaining a system of internal control designed to provide reasonable assurance regarding the integrity of the financial statements. These internal controls are structured to ensure that the City's financial reporting is accurate and that assets are safeguarded from loss or misuse.

The City's financial statements have been audited by JJACPA, Inc., an independent firm of certified public accountants fully licensed and qualified to perform audits of California local governments. The audit was conducted in accordance with generally accepted auditing standards and Government Auditing Standards. The auditors have issued an unmodified ("clean") opinion, stating that the City's financial statements are fairly presented in conformity with U.S. GAAP. Their independent auditor's report is included at the beginning of the Financial Section of this report.

Following the auditor's report, the Management's Discussion and Analysis (MD&A) provides a narrative overview and analysis of the City's financial activities for the year. It is intended to complement this letter of transmittal and should be read in conjunction with the financial statements for a complete understanding of the City's fiscal condition.

This report includes the financial activities of the City of Fort Bragg, the Fort Bragg Redevelopment Successor Agency, and the Fort Bragg Municipal Improvement District No. 1 (MID). Although the Successor Agency and MID are legally separate entities, they are included as blended component units due to the City Council's role as their governing board and the close financial relationship they share with the City. A more detailed description of the City's component units is provided in the MD&A and the Notes to the Financial Statements

Discussion and Analysis (MD&A) and the Notes to the Basic Financial Statements on pages 4-17 and 49-90, respectively.

Profile of the Government

Incorporated in 1889, the City of Fort Bragg is located on the scenic Mendocino Coast, approximately 165 miles north of San Francisco. With a population of 6,983 (Census 2023), it is the largest city along the Northern California coast between San Francisco and Eureka. The City spans 2.7 square miles and is known for its mild climate, historic charm, and oceanfront attractions, making it a popular destination for tourism and recreation.

Fort Bragg is a general law city governed under the Council-Manager system. The five-member City Council is elected at-large to four-year staggered terms, with the Mayor selected by the Council every two years. The City Council appoints the City Manager, who oversees daily operations, enforces City policy, and manages all municipal departments and personnel.

The City provides a broad range of services including police protection, water and wastewater services, street and infrastructure maintenance, community development, and administrative operations. It also operates the C.V. Starr Community Center, supporting recreation and wellness programs. The City participates in various special districts and Joint Powers Authorities (JPAs) that offer services such as wastewater treatment and fire protection. Other regional partners—such as the school district, hospital district, and harbor district—complement the City's service network.

Fort Bragg's annual budget is a key policy and financial tool, aligning City resources with Council priorities. It guides the delivery of services and infrastructure investments, while maintaining compliance with state law and local fiscal policies. The City Manager is responsible for preparing and administering the budget, including capital improvement planning and year-round budget monitoring. Internal controls and regular budget reviews ensure transparency and fiscal responsibility.

Key employment sectors include healthcare, public education, local government, retail, and tourism. The City is actively engaged in strategic initiatives focused on housing, broadband infrastructure, sustainability, and long-term economic resilience.

The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders, contracts, and other commitments for expenditure of money are secured in order to reserve that portion of the applicable appropriation. Total expenditures of each fund may not exceed fund appropriations and total expenditures for each department may not exceed departmental appropriations. Encumbrances outstanding at year-end are reported as committed fund balances. Unencumbered amounts lapse at year-end and may be appropriated as part of the following year's budget.

Spending Limitation

Article XIII B of the California Constitution, also known as the Gann spending limit, restricts the amount of "proceeds of taxes" California governments may spend. As of June 30, 2024, the City was \$4.9 million or 43% under the total Article XIII B (Gann) spending limitation. The City was not impacted by the spending limitation in FY 2023/24.

Economic Conditions and Fiscal Outlook

Tourism plays a pivotal role in fueling Fort Bragg's economy. Much like the broader city economy, Fort Bragg heavily relies on tourism to generate revenues. The City's General Fund, crucial for various initiatives, is predominantly funded by the Transient Occupancy Tax (TOT), commonly referred to as the bed tax and sales tax. In the fiscal year 2024, these two revenue streams collectively constitute 55% of the City's General Fund revenue.

In FY 22, General Fund Tax Revenues continued the strong trends from the prior year beating pre-pandemic numbers. Transient Occupancy Tax recorded a 3.5% increase, and the City's General Fund Bradley Burns sales tax for the fiscal year was up 9% over the prior year. In the first quarter of FY 2024, TOT revenue receipts declined by 10% compared to the prior quarter. Sales tax revenues for the first quarter of FY 2024/23 were also down by 2%.

U.S. Economy Overview

As of early 2025, the U.S. economy continues to demonstrate modest but stable growth. Real GDP grew at an annualized rate of 2.1% in Q4 2024, reflecting continued consumer spending, a gradual recovery in manufacturing, and moderate gains in business investment. Inflation, which had been a key economic pressure in recent years, has cooled, with the Consumer Price Index (CPI) hovering around 2.6% year-over-year—a level more aligned with the Federal Reserve's long-term targets.

Labor markets remain strong, though job growth is beginning to normalize. The national unemployment rate stands at approximately 3.9%, up slightly from earlier lows but still indicative of a healthy employment environment. The Federal Reserve has taken a cautious approach to interest rates, holding the federal funds rate steady at 4.75% as it monitors inflation trends and seeks to avoid triggering a recession.

However, growing uncertainty around international trade policy—particularly the threat of new tariffs on key imported goods—has introduced potential downside risk to the economic outlook. Heightened tensions with major trading partners have raised concerns about supply chain disruptions, cost pressures for businesses, and reduced consumer purchasing power. If implemented, these tariff measures could contribute to a slowdown in economic growth and increase the risk of recession in the latter half of 2025.

Consumer confidence has improved marginally, though household budgets remain tight due to persistent housing and energy costs. Housing affordability remains a top concern nationwide, with impacts felt across both urban and rural communities.

California Economy

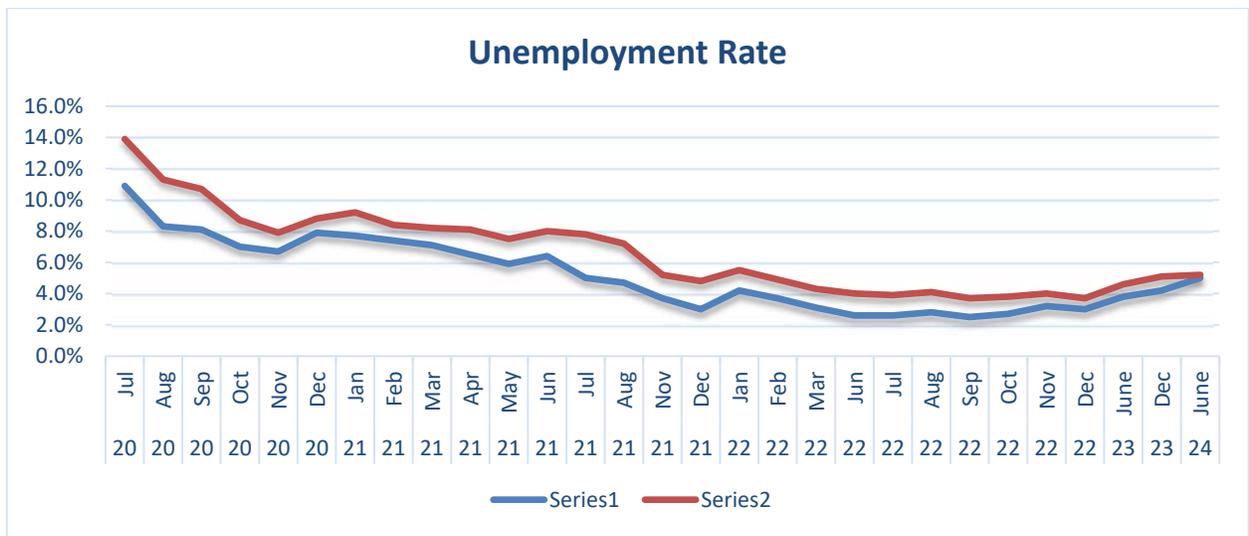
California's economy continues to outperform the national average in key sectors such as technology, entertainment, and clean energy. However, the state also faces several challenges, including high housing costs, a cooling real estate market, and ongoing outmigration from major metro areas. As of Q1 2025, California's unemployment rate stands at approximately 4.6%, slightly above the national average, reflecting a diverse and evolving labor market.

Wage growth remains solid, particularly in the healthcare, logistics, and professional services sectors. However, the state’s fiscal outlook faces moderate pressure due to reduced capital gains tax revenues and the lingering financial impacts of pandemic-era expenditures. Despite these headwinds, state and local investments in climate resilience, infrastructure, and affordable housing are expected to drive regional economic activity and strengthen long-term competitiveness. Retail sales have modestly rebounded following a subdued holiday season, and tourism continues its steady recovery, with domestic travel playing a key role in supporting coastal and rural economies.

A growing area of concern is the impact of potential new federal tariffs, which pose risks to California’s trade-dependent sectors—especially agriculture, technology manufacturing, and port logistics. Escalating trade tensions could disrupt exports, increase input costs, and slow business investment. Given California's status as a global trade hub, these developments could have disproportionate economic effects across the state if such policies are implemented.

While drought conditions have eased compared to recent years, water infrastructure and long-term supply planning remain critical challenges for both urban and agricultural regions.

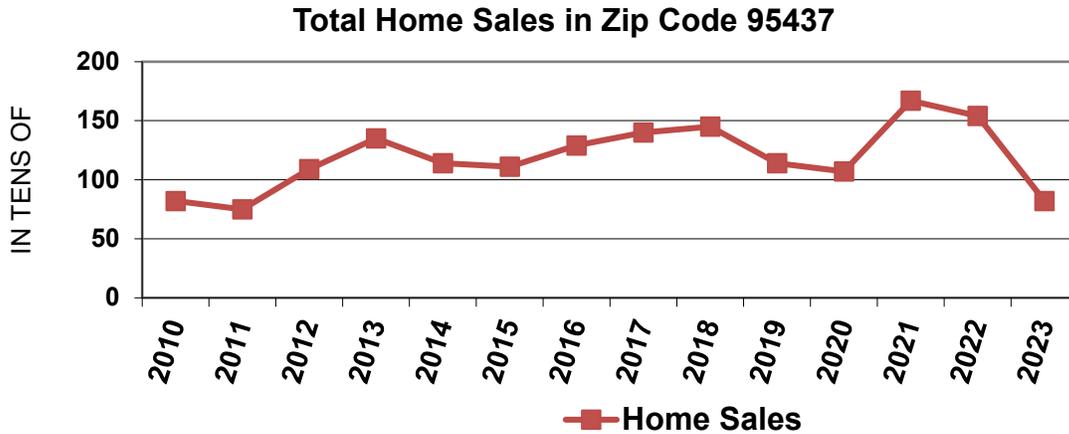
Local Unemployment Rate



Until March 2020, the City experienced five consecutive years of strong employment growth and historically low unemployment rates. However, like much of the nation, Fort Bragg was significantly impacted by the COVID-19 pandemic, with unemployment peaking at 14% in April 2020. Conditions gradually improved through FY 2021 as local businesses and services reopened.

As of January 2025, Fort Bragg's unemployment rate had declined to approximately 4.2%, signaling continued recovery. However, like many communities, Fort Bragg faces ongoing workforce challenges, particularly in maintaining adequate staffing levels across sectors such as hospitality, healthcare, and retail. The statewide unemployment rate for California stood at 5.2%, reflecting broader labor market shifts and regional disparities in job availability and cost of living.

Real- Estate Market



Following a period of post-pandemic highs marked by record median home prices and brisk sales activity, Fort Bragg's real estate market began a noticeable correction in late 2023. That downward trend continued through 2024, with year-over-year transaction volumes declining across most months.

The Federal Reserve's ongoing efforts to curb inflation resulted in sustained higher interest rates throughout 2024, pushing mortgage rates to levels not seen in over a decade. This had a direct impact on buyer affordability and overall market activity.

According to data from the Coastal Mendocino Association of Realtors, as of June 2024, the median single-family home price had declined by 47% compared to June 2023. This sharp drop followed seven consecutive months of year-over-year price decreases, signaling a broader market reset. Additionally, properties are now remaining on the market longer. Whereas homes typically sold within 14 days during the 2021–2023 peak, the average time on market increased to approximately 30 days throughout 2023–2024. Inventory levels have also grown slightly, reflecting more cautious buyer behavior and affordability concerns. As of January 2025, the market remains cool but stable, with some signs of price stabilization emerging. Demand is expected to remain soft until interest rates moderate or broader economic conditions improve.

Economy

The City of Fort Bragg continues to pursue opportunities to diversify and strengthen its local economy through strategic initiatives that support business growth, resilience, and innovation. In July 2024, the City established a dedicated Economic Development Department, a significant step in institutionalizing long-term strategies to attract investment, support local entrepreneurs, and revitalize key commercial corridors. This department now serves as a central hub for business support, coordination of grant and loan programs, and policy development to improve the City's overall economic vitality.

Building on efforts launched in FY 2021 and continuing into FY 2025, the City has expanded economic development incentives for small businesses, particularly in the Central Business District (CBD)—an area heavily impacted by pandemic-related closures. These incentives include waivers for water and sewer capacity fees for food service establishments, façade improvement grants, downtown beautification programs, targeted code enforcement outreach, and curated events and promotions to draw both residents and visitors to the area.

The City has also strengthened its water resiliency through a series of forward-thinking infrastructure investments. These include the innovative Oneka desalination buoy system, construction of three new water reservoirs, and major upgrades to the City’s water treatment plant. These projects help ensure a reliable, drought-resistant water supply for residents, businesses, meet future expansion demands and emergency needs—positioning Fort Bragg as a leader in climate adaptation and resource management on the North Coast.

In addition to physical infrastructure, the City reached a major organizational milestone with the completion of its 2024–2029 Strategic Plan. Developed through extensive community engagement and interdepartmental collaboration, the Strategic Plan outlines clear goals and priorities that will guide City operations, capital investments, and policy decisions over the next five years. This plan reinforces the City’s commitment to transparency, sustainability, fiscal responsibility, and community well-being.

Fort Bragg has also made significant strides in addressing homelessness and mental health challenges through the expansion of its CARE (Community Assistance, Recovery, and Engagement) response unit. This program emphasizes compassionate, trauma-informed care and provides coordinated outreach and support services for individuals experiencing homelessness, behavioral health crises, or substance use issues. The CARE unit works closely with law enforcement, health providers, and local nonprofits to connect individuals to housing, treatment, and long-term support—offering an alternative to traditional emergency response models and helping reduce pressure on police and emergency medical services.

In parallel, the City has made transformative progress in addressing the digital divide through the development of a City-run municipal broadband utility. The COVID-19 pandemic underscored the urgent need for affordable, reliable internet access, particularly in rural communities. Residents, students, and businesses in Fort Bragg faced significant challenges in remote work, distance learning, and business operations due to outdated and underperforming private broadband infrastructure.

In response, the City completed a Broadband Utility Feasibility Study, which confirmed the viability of establishing a publicly owned broadband utility to ensure equitable access to high-speed internet. In FY 2024, the City allocated \$10.3 million in Build Back America Funds through the CPUC toward the development of this critical infrastructure. As of FY 2025, the City has begun implementing the municipal broadband project, including network design, initial construction, purchasing MCN and customer onboarding strategies. Additional funding is being pursued through debt financing, state and federal infrastructure programs that prioritize broadband expansion in underserved areas.

Together, these initiatives reflect Fort Bragg’s commitment to building a resilient, inclusive, and forward-looking economy—one that honors its coastal heritage while embracing sustainability, innovation, and connectivity for the future.

Long-term Financial Planning

A review of the City's Fiscal Policies, including Fund Balance & Reserve Policies, was conducted as part of the FY 2024 budget process. The City Council continued the commitment to the reserve levels established in prior annual budget reviews. The following General Fund reserves comprise committed fund balance; at the Fiscal year-end 2024, these reserves total \$7,381,363.

- **General Fund Operating Reserve:** The City will maintain an unrestricted fund balance of at least 15% to 20% of the annual operating expenditures in the General Fund as an "Operating Reserve" to ensure the General Fund's liquidity and adequate cash flow throughout the year. This reserve is necessary to accommodate fluctuations in the timing of expenditures and the receipt of revenues. With Council authorization, the reserve is a committed fund balance and may be used for unforeseen operating or capital needs. At Fiscal Year-end 2024, the reserve remains funded at \$1,989,419.
- **Litigation Reserve:** The City will maintain a \$200,000 Litigation Reserve to cover unforeseen legal expenses, including unbudgeted settlement costs that are not covered by the City's insurance pool. At Fiscal Year-end 2024, the reserve balance is \$200,000.
- **Recession Reserve:** The General Fund will maintain a Recession Reserve to stabilize the delivery of City services during periods of severe operational budget deficits and mitigate the effects of major unforeseen changes in revenues and/or expenditures as typically experienced during times of recession. The fund is established at an amount equivalent to 5% of the City's annual operating budget. City Council approval is required before expending any portion of this committed fund balance. The reserve was established on July 1, 2019, at \$489,929, and at Fiscal Year-end 2024, the reserve balance remains at \$489,929. In the Fiscal Year 2024 Budget Development, the reserve policy was increased to 10%.

Like many municipalities nationwide, the City of Fort Bragg continues to navigate fiscal challenges while striving to maintain essential services for its residents. Traditional funding sources for parks, public safety, and community development have diminished or disappeared, notably due to the dissolution of the Redevelopment Agency by the State and significant reductions in federal and state grant programs. Pension costs remain a substantial concern for the City's financial planning. In response, the City has implemented several measures to address these fiscal challenges. Notably, in FY 2014/15, the City was able to offer modest salary increases to all employee groups for the first time since the 2008 financial downturn. Labor agreements from FY 2019/20 through FY 2024 have continued these moderate cost-of-living adjustments. The City Council has also established two key financial policies: the "Recession Reserve" and the "Pension Funding Policy," aimed at enhancing the City's fiscal resilience.

Through diligent efforts and fiscal discipline, the City Manager and City Council successfully passed balanced budgets for FY 2018/19 and FY 2019/20, marking the first such achievements in many years. These balanced budgets were attained despite trade-offs, including reductions in services and the elimination or downgrading of certain positions. Meanwhile, the Other Postemployment Benefits (OPEB) trust fund has been consistently pre-funded, positioning the City to begin drawing from it to offset increasing costs in the coming years.

Since the FY 2017/18 budget, the City's Finance Department has prepared a five-year budget forecast for the General Fund, updated annually prior to the mid-year budget review. Beginning with the FY 2019/20 budget, this forecast has been incorporated into the main budget document. The forecast indicates that recent improvements in tax revenues will support balanced budgets in the midterm; however, the General Fund is projected to operate at a deficit starting in FY 2026/27.

The City's General Fund experienced a record surplus in FY 2021, with the fund balance improving by nearly \$1.5 million. This surplus resulted from early pandemic-related budget cuts, which reduced staff and services, and increased transient occupancy tax (TOT) and sales tax revenues as tourism rebounded. In May 2023, the City laid off four full-time employees, froze two positions in the Police Department, and furloughed another twelve employees to 50–75% of their regular hours. Furloughed staff returned to full-time status in August 2023, but several laid-off positions remain vacant. Additionally, the City did not replace two positions (Finance Director and Assistant City Engineer) that became open in late June. As the demand for City services continues to grow, Fort Bragg faces challenges similar to many other employers in recruiting and retaining qualified staff.

In FY 2022, General Fund tax revenues continued their strong performance from the prior year, surpassing previous figures. The accumulated fund balance for the General Fund reached \$5,091,306. The City adopted a balanced General Fund budget for FY 2024, projecting a modest surplus of \$198,000. While the surplus was small, the budget included \$150,000 to pay down pension obligations and was based on relatively conservative revenue projections. Both TOT and sales tax revenues are outpacing FY 2023, which set records for both revenue sources.

A significant initiative in FY 2023 was the development and adoption of a Pension Funding Policy. Like many California cities, Fort Bragg continues to experience substantial increases in its unfunded liability payments with minimal reduction in the overall unfunded liability. As of June 30, 2024, the City's net pension liability stands at \$5.6 million, reduced from \$10.7 million. In 2023, the City issued \$11.4 million in taxable Lease Revenue Bonds, allocating \$7.5 million to reduce the City's unfunded pension liability. The California Public Employees' Retirement System (CalPERS) reported a preliminary net return of 9.3% on its investments for the 12-month period ending June 30, 2024, surpassing the discount rate of 6.8% and improving the overall funded status to an estimated 75%.

To further mitigate pension-related risks, the City Council approved the establishment of a Section 115 Trust in FY 2023, investing over \$2 million to buffer against potential future losses by CalPERS. These proactive measures place the City in a stronger position to manage pension obligations and enhance long-term fiscal stability.

Impact of Fiscal Policies on Financial Statements

The City of Fort Bragg's fiscal policies are established to ensure that the finances of the City and the Municipal Improvement District No. 1 (collectively referred to as "the City") are managed in a manner that will:

- Maintain a financially viable local government that provides adequate levels of municipal services to its citizens.
- Provide financial flexibility in order to adapt to local and regional economic changes.
- Preserve and enhance the sound fiscal condition of the City.

The City's policies are maintained in the annual budget document and are reviewed and approved each year by the City Council. The policies cover: budgeting, budgetary controls, revenues, expenditures, utility rates, capital budgeting, debt management, inter-fund loans, fund balance and reserves, investments, accounting auditing and financial reporting, asset forfeiture expenditures, employment compensation, cost allocations, and debt service. The City's fiscal policies are extensive and followed diligently so that it can be safely said that all of the policies have significantly impacted the current period's financial statements. In some years certain fiscal policies may stand out as having a more significant impact on the financial statements; in other years (such as the current reporting period) they may have a relatively equal impact.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the eleventh year in a row that the City of Fort Bragg has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

Acknowledgments

The timely preparation of this Annual Comprehensive Financial Report would not have been possible without the support and collaboration of many dedicated City of Fort Bragg staff members. Special recognition is extended to the Finance Department staff, whose hard work and commitment have ensured the continued delivery of high-quality financial information to our residents, the City Council, and other stakeholders.

I would also like to express my appreciation to the Mayor and City Council for their leadership, engagement, and consistent support in guiding the City's financial operations with both responsibility and responsiveness.

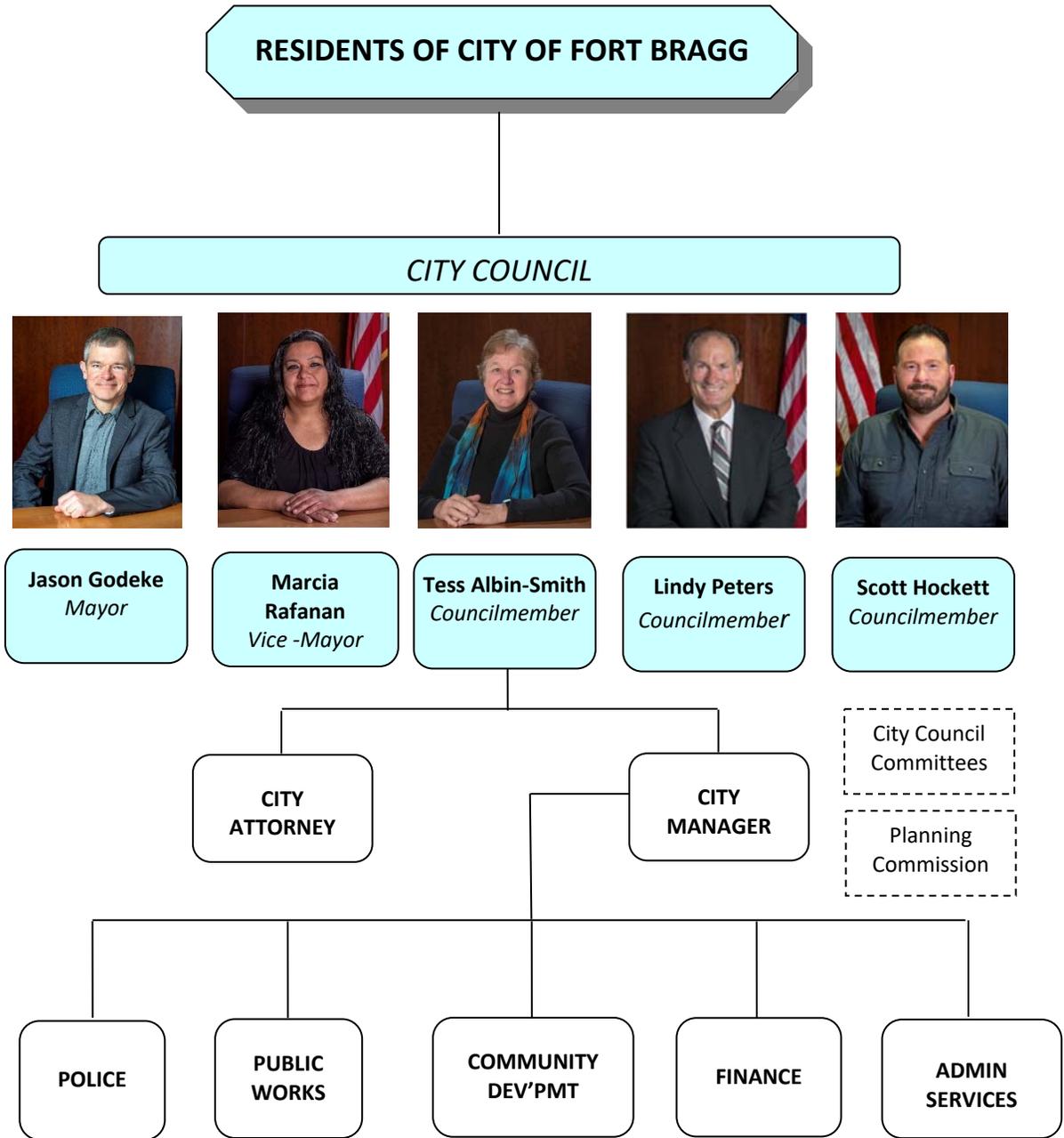
Respectfully submitted,



Isaac Whippy
City Manager

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Organization Chart



Current City Council members and the dates upon which their respective terms expire are as follows:

Mayor Jason Godeke	December 2026
Vice Mayor Marcia Rafanan	December 2026
Councilmember Tess Albin-Smith	December 2026
Councilmember Lindy Peters	December 2028
Councilmember Scott Hockett	December 2028



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fort Bragg
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

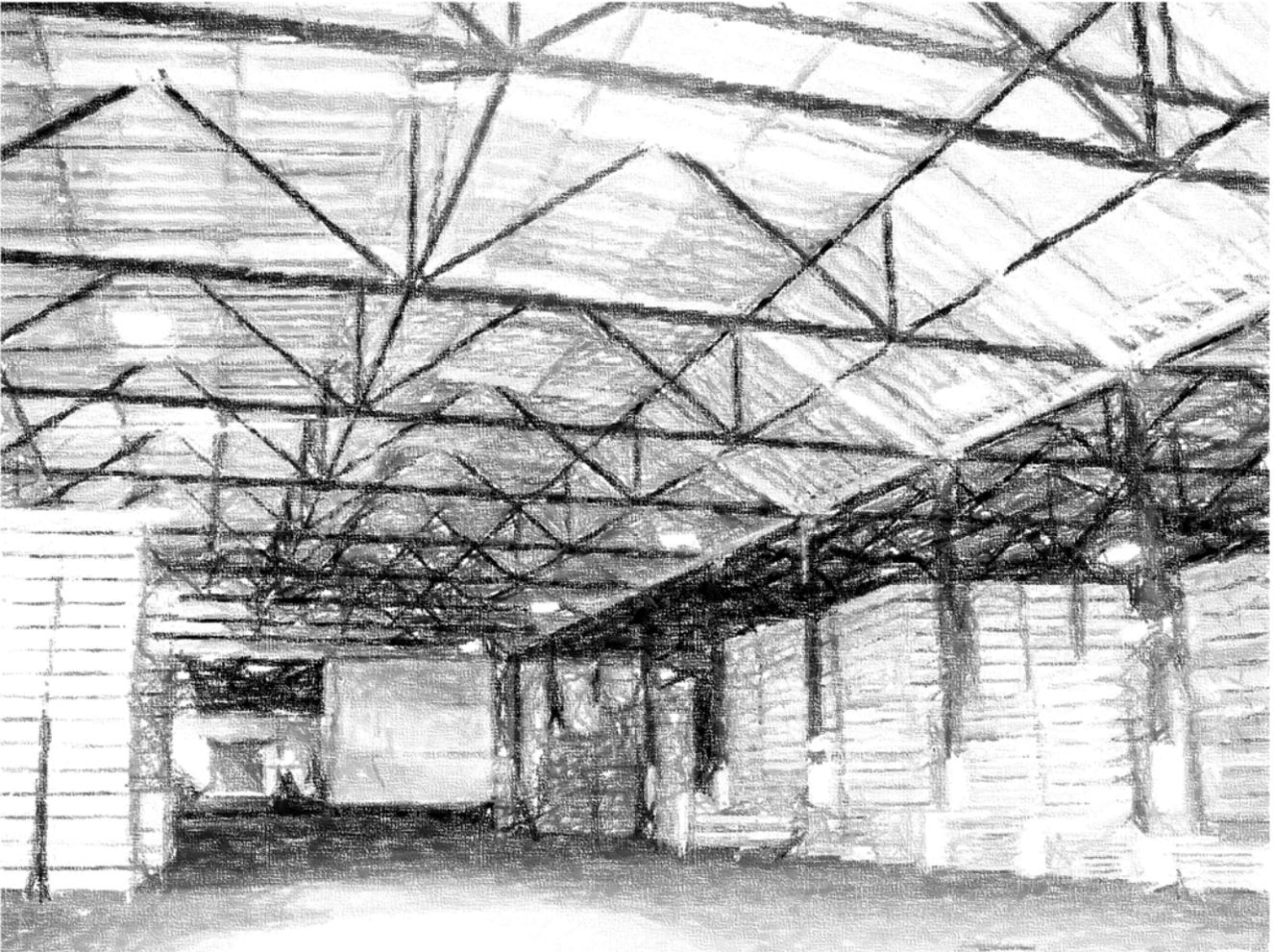
June 30, 2023

Christopher P. Morill

Executive Director/CEO

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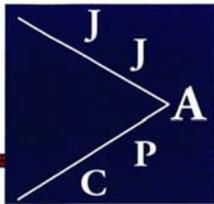


FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City
Council City of Fort Bragg
Fort Bragg, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City of Fort Bragg, California (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparison information of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4–17, the Schedule of Changes in the Net OPEB Liability and Related Ratios on page 92, the Net OPEB Liability Schedule of Contributions on page 93, the City's Schedules of Contributions, Pensions on pages 94-95, and the Schedules of the City's Proportionate Share of the Net Pension Liability on pages 96-97, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

April 25, 2025

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

This section provides a narrative overview and analysis of the financial activities of the City of Fort Bragg (City) for the fiscal year ended June 30, 2024. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- The City's net position increased by \$4.7 million (assets exceeded liabilities) to \$110 million as of June 30, 2024.
- The net position for governmental activities ended the year at \$50.3 million, while the net position for business activities was \$59.6 million. Of the \$44.8 million in total governmental net position, a negative \$424,308 was characterized as an unrestricted net position.
- The City's governmental funds reported a combined fund balance of \$15.5 million. Committed balances include an operating reserve of \$1.9 million, a recession reserve of \$489,929, and a litigation reserve of \$200,000. The unassigned fund balance increased to \$4.6 million.
- General fund revenues grew by \$2.7 million, reflecting positive trends in several key categories including intergovernmental revenue, reimbursements, and use of money and property.
- General fund expenditures decreased by \$2.5 million from 2023 to 2024. This reduction is largely driven by significant decreases in debt principal payments, offset by significant increases in general government and public safety expenditures.

Additional information and analysis on the financial highlights follow in the sections and tables below.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This Annual Comprehensive Financial Report is in three major parts:

- 1) **Introductory section**, which includes the Transmittal Letter and general information; and,
- 2) **Financial section**, which includes the Management's Discussion and Analysis (this part), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements along with the notes to these financial statements, and Combining and Individual Fund Financial Statements and Schedules.
- 3) **Statistical section**, which includes detailed information as a context for understanding what the information in the financial statements, and footnotes says about the City's overall financial health.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

The Basic Financial Statements

The Basic Financial Statements are comprised of the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the City's financial activities and financial position.

Government-wide Financial Statements

The Government-wide Financial Statements provide a broad overview of the City's activities as a whole and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the City's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each the City's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All of the City's activities are grouped into Governmental Activities and Business-type activities, as explained below. All the amounts in the Statement of Net position and the Statement of Activities are separated into Governmental Activities and Business-type Activities in order to provide a summary of these two activities of the City as a whole.

- ◆ **Governmental activities** – All of the City's basic services are considered to be governmental activities, including general government, community development, public safety, public works and administration. These services are supported by general City revenues such as taxes and by specific program revenues such as developer fees.
- ◆ **Business-type activities** – All the City's enterprise activities are reported here, including Water, Wastewater (Sewer), and the C.V. Starr Community Center. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City may be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Because the focus of the Governmental Fund Financial Statements is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Governmental Fund Financial Statements provide detailed information about each of the City's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all non-major funds summarized and presented only in a single column. Subordinate schedules present the detail of these non-major funds. Major funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City's activities.

For the fiscal year ended June 30, 2024, the City's major funds are as follows:

GOVERNMENTAL FUNDS:

- ◆ General Fund
- ◆ CDBG Program Income Special Revenue
- ◆ Special Sales Tax Special Revenue
- ◆ Permanent Local Housing Special Revenue
- ◆ CDBG Super NOFA Special Revenue
- ◆ Street Resurfacing Capital Projects

For the fiscal year ended June 30, 2024, the City adopted annual appropriated budgets for all funds. Budgetary comparison schedules have been provided for the general fund and major governmental funds to demonstrate compliance with this budget and may be found on beginning on page 34.

Proprietary funds. The City maintains enterprise-type and Internal Service proprietary funds. enterprise funds are used to report the same functions presented as business-type activities in the Government-wide Financial Statements. The City uses enterprise funds to account for Water, Wastewater, and C.V. Starr Center activities. Internal service funds are an accounting methodology used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its building maintenance, information technology assets, and its fleet of vehicles. Proprietary funds provide the same type of information as the Government-wide Financial Statements, only in more detail. The proprietary fund financial statements provide separate information for all of these operations.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Fund Financial Statements, Continued

ENTERPRISE-TYPE FUNDS:

- ◆ Water enterprise Fund
- ◆ Wastewater enterprise Fund
- ◆ CV Starr Center enterprise Fund

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements may be found on pages 49-90 of this report. Required Supplementary Information follows the notes on page 92.

Combining and Individual Fund Financial Statements and Schedules

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 101-119 of this report. Combining statements for internal services funds are presented on pages 121-123.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following table represents a comparative analysis of governmental and business-type activities' net assets as of June 30, 2024, and June 30, 2023.

Summary of Net Position

	2024			2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 22,128,295	\$ 10,165,062	\$ 32,293,357	\$ 19,117,548	\$ 12,134,791	\$ 31,252,339
Noncurrent assets	44,879,778	56,606,370	101,486,148	42,156,106	55,382,819	97,538,925
Total assets	67,008,073	66,771,432	133,779,505	61,273,654	67,517,610	128,791,264
Deferred outflows of resources	5,684,493	467,809	6,152,302	7,773,576	145,891	7,919,467
Total assets and deferred outflows of resources	72,692,566	67,239,241	139,931,807	69,047,230	67,663,501	136,710,731
Current and other liabilities	1,386,262	2,130,873	3,517,135	1,796,839	1,422,873	3,219,712
Long-term liabilities	16,395,469	5,075,628	21,471,097	16,412,188	4,844,021	21,256,209
Total liabilities	17,781,731	7,206,501	24,988,232	18,209,027	6,266,894	24,475,921
Deferred inflows of resources	4,615,634	466,995	5,082,629	5,984,579	1,131,938	7,116,517
Total liabilities and deferred inflows of resources	22,397,365	7,673,496	30,070,861	24,193,606	7,398,832	31,592,438
Net position:						
Net investment in						
Capital Assets	44,879,778	52,050,370	96,930,148	42,156,106	50,401,819	92,557,925
Restricted	5,839,731	108,064	5,947,795	6,754,806	108,064	6,862,870
Unrestricted (deficit)	(424,308)	7,407,311	6,983,003	(4,057,288)	9,754,786	5,697,498
Total net position	\$ 50,295,201	\$ 59,565,745	\$ 109,860,946	\$ 44,853,624	\$ 60,264,669	\$ 105,118,293

Analysis of Net Position

As of June 30, 2024, the City's net position was \$110 million, an increase of \$4.7 million. The overall change in net position is largely due to the increase in investment in capital assets for both Governmental and business-type activities, which increased by \$4.4 million. The revenue and expense factors contributing to the year-over-year performance increase are discussed in further detail in this report's ensuing sections.

Net investment in capital assets: The largest portion (88%) of the City of Fort Bragg's net position is invested in capital assets (e.g., land, easements, buildings, machinery, and infrastructure), less related outstanding debt used to acquire those assets. The City uses these capital assets to provide various services to its citizens; consequently, these assets are not available for future spending. The balance in net investment in capital assets increased in FY 2024 by \$4.4 million to a total of \$97 million. The increase reflects capital outlay in multiple projects, including the infrastructure improvements for the Streets Project (\$3.2 million), the Water Treatment Plant Upgrade project (\$1.5 million), the Distribution System Rehabilitation (\$366k).

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

The restricted net position of \$4.1 million primarily comprises revenues held for expenditure for specified purposes (special revenue) and amounts held for debt service. Examples of special revenues are street sales tax and Community Development Block Grants (CDBG) program income.

Unrestricted net position: The Unrestricted net position increased by \$1.3 million over the previous year and now stands at \$7 million, a 23% increase primary due to an increase in Governmental activities total assets.

Analysis of Assets and Liabilities

Total assets & liabilities: Year over year, assets increased by \$5 million, and liabilities increased by \$512,311. The increase in total liabilities \$25 million is mostly due to increases in net OPEB and pension obligations.

Deferred outflows: Deferred outflows are defined as a government's net position consumption that applies to a future reporting period. Although not entirely the same, deferred outflows are similar in nature to assets. The City currently has two deferred outflows: a deferred outflow related to reporting the City's OPEB liability, and a deferred outflow on reporting the City's pension plan liability. The City's deferred outflows decreased by \$1.8.

Deferred inflows: Deferred inflows are defined as an acquisition of a net position by a government applicable to a future reporting period. Although not entirely the same, deferred inflows are similar in nature to liabilities. The City currently has two deferred inflows: a deferred inflow related to reporting the City's OPEB liability and a deferred inflow pertaining to reporting the City's pension plan liability. The City's deferred inflows decreased by \$2 million.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Analysis of Statement of Activities

Change in net position (net revenue) of the Primary Government (governmental and business-type activities) increased 5% to \$110 million from \$105 million in prior year. The increase is largely driven by lower expenses for community development and waste water. The following table shows the revenue, expenses, and changes in net position for governmental and business-type activities:

	Changes in Net Position					
	2024			2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 5,737,381	\$ 7,402,248	\$ 13,139,629	\$ 4,170,768	\$ 7,204,653	\$ 11,375,421
Grants and contributions:						
Operating	2,799,940	-	2,799,940	6,286,672	-	6,286,672
Capital	1,674,319	350	1,674,669	2,400,000	-	2,400,000
General revenues:						
Property taxes and assessments	1,272,386	309,827	1,582,213	1,208,010	305,258	1,513,268
Sales and use tax	3,260,936	1,169,582	4,430,518	3,322,453	1,175,441	4,497,894
Transient occupancy taxes	3,092,214	-	3,092,214	3,192,486	-	3,192,486
Other taxes	974,149	-	974,149	953,025	-	953,025
Unrestricted investment earnings	659,402	495,098	1,154,500	(277,728)	312,426	34,698
Other general	1,172,214	-	1,172,214	831,900	-	831,900
Total revenues	<u>20,642,941</u>	<u>9,377,105</u>	<u>30,020,046</u>	<u>22,087,586</u>	<u>8,997,778</u>	<u>31,085,364</u>
Expenses:						
Governmental activities:						
General government	3,795,646	-	3,795,646	2,999,433	-	2,999,433
Public safety	5,981,475	-	5,981,475	5,646,925	-	5,646,925
Public works	3,927,091	-	3,927,091	3,578,966	-	3,578,966
Community development	1,219,080	-	1,219,080	5,889,971	-	5,889,971
Marketing and promotion	237,178	-	237,178	210,230	-	210,230
Interest and fiscal charges	244,957	-	244,957	532,466	-	532,466
Business-type activities:						
Water	-	3,357,505	3,357,505	-	3,034,244	3,034,244
Wastewater	-	3,639,203	3,639,203	-	4,727,326	4,727,326
C.V. Starr Center	-	2,875,258	2,875,258	-	2,592,705	2,592,705
Total expenses	<u>15,405,427</u>	<u>9,871,966</u>	<u>25,277,393</u>	<u>18,857,991</u>	<u>10,354,275</u>	<u>29,212,266</u>
Excess (Deficiency) of revenues over expenditures before transfers	5,237,514	(494,861)	4,742,653	3,229,595	(1,356,497)	1,873,098
Transfers	204,063	(204,063)	-	150,000	(150,000)	-
Change in net position	5,441,577	(698,924)	4,742,653	3,379,595	(1,506,497)	1,873,098
Net position:						
Beginning of year	44,853,624	60,264,669	105,118,293	41,474,029	61,771,166	103,245,195
End of year	<u>\$ 50,295,201</u>	<u>\$ 59,565,745</u>	<u>\$ 109,860,946</u>	<u>\$ 44,853,624</u>	<u>\$ 60,264,669</u>	<u>\$ 105,118,293</u>

Revenues

The City's total revenues for governmental and business-type activities were \$30 million for the fiscal year that ended June 30, 2024, representing a -3% decrease over the previous fiscal year. Revenues are divided into two categories: program revenues and general.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management’s Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

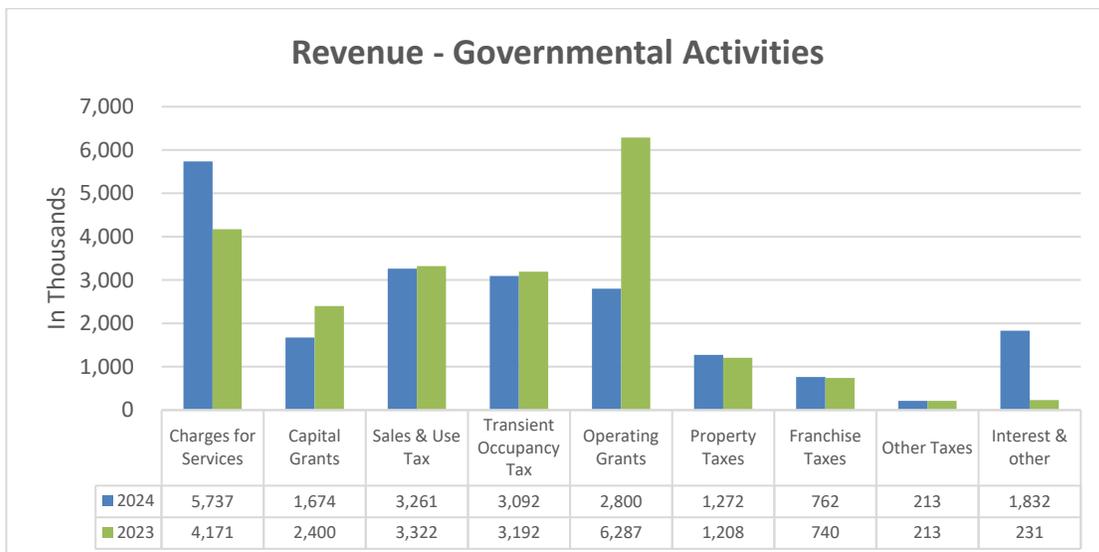
Program revenues had an overall decrease of \$2.5 million or -12%, from the prior year.

- **Charges for services** increased by \$1.8 million or 16% compared to the previous fiscal year, primarily due to governmental activities. Governmental activities charges for services include mostly salary, benefit, and overhead charges to the business-type activities, inter-fund reimbursements, and charges to various grants for staff time and administrative costs reimbursements.
- **Operating grants and contributions** decreased by \$3.5 million, or - 55% largely due to the Community Development Block Grant (CDBG) close out that funded the Parents & Friends Facility project.
- **Capital contributions and grants** decreased by \$725,331 or -30% due to close out of a Permanent Local Housing Allocation (PLHA) grant, offset by new funding for public work from the State Department of Water Resources.

General revenues had an overall increase of \$1.4 million or 13%, from the prior year. This was largely driven by an increase in investment_earnings.

- **Unrestricted investment earnings** increased by \$1,1 million showing a massive 3227% growth. This stemmed from improved investment strategies, and better market performance.
- **Property taxes** increased by \$68,945, which is a 5% growth, which indicate stable and predictable revenue from property taxes.
- **Sales & use tax** decreased by \$67,376, reflecting a -1% decline, suggesting a slight dip in consumer spending or sales activities.
- **Transient occupancy tax (TOT)** decreased by \$100,272, marking a -3% decrease, pointing to a reduction in tourism.
- **Other taxes** increased by \$21,124, or 2%.
- **Other general revenue** increased by \$340,314, or 41%.

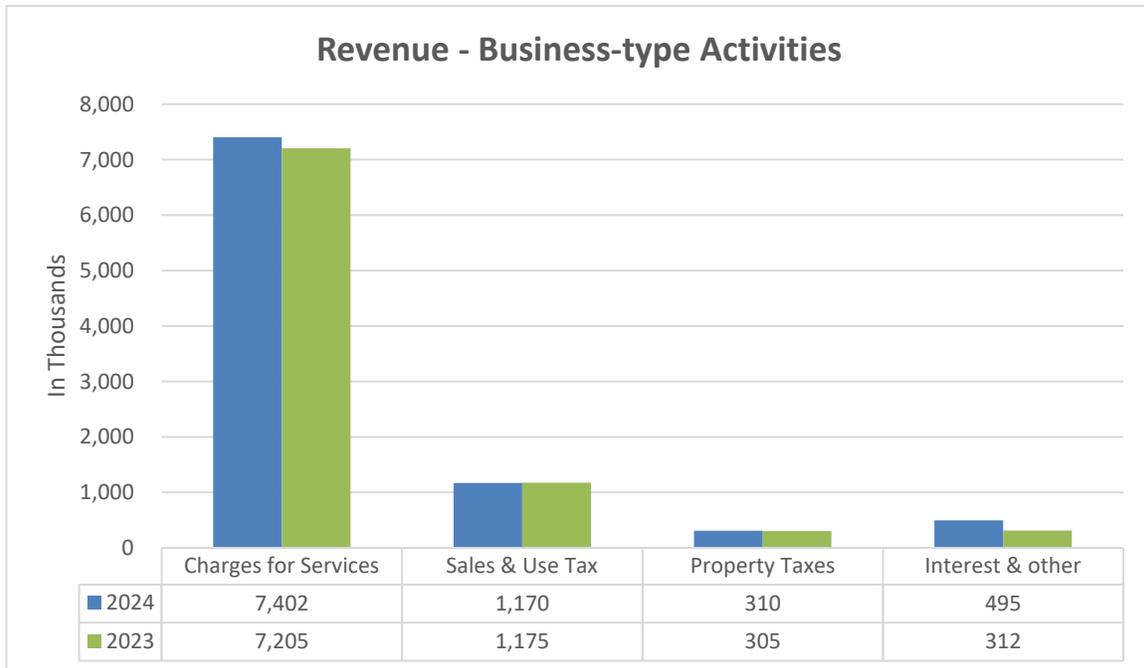
Revenues by source for the fiscal years ended June 30, 2024, and 2023, are as follows:



City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management’s Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued



Expenses

In fiscal year 2024, the City's governmental and business-type activity expenses amounted to \$25.3 million, a 13% or \$3.9 million decrease from the previous fiscal year. The most notable reduction is in Community Development (\$4.7 million) due to the conclusion of Parents & Friends Facility project that was funded by a Community Development Block Grant (CDBG). This decrease, outweighs the increases in general government, public safety, public works, water enterprise and CV Starr enterprise totaling \$2.1 million.

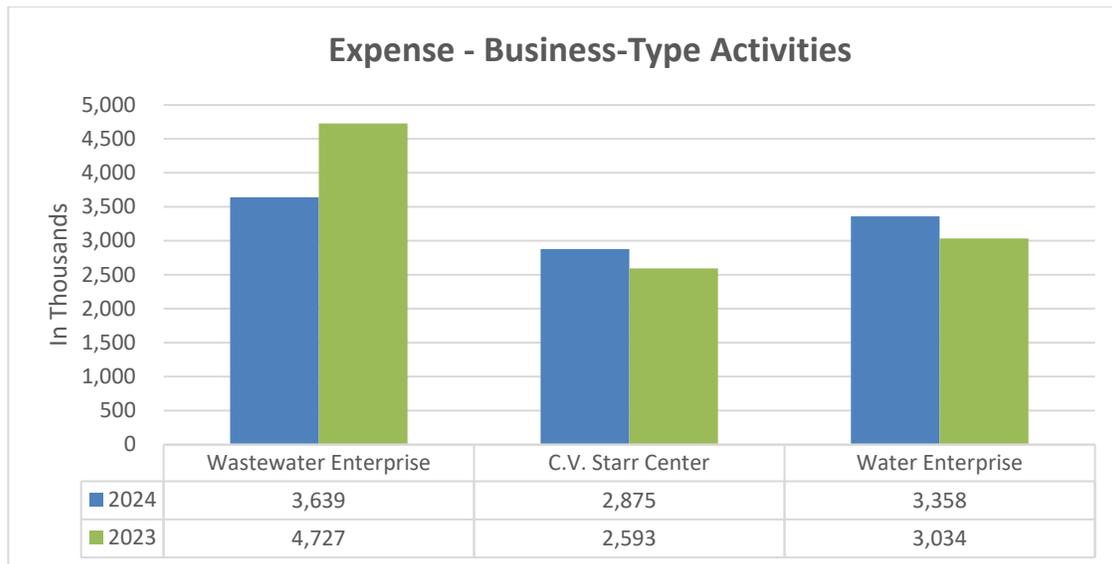
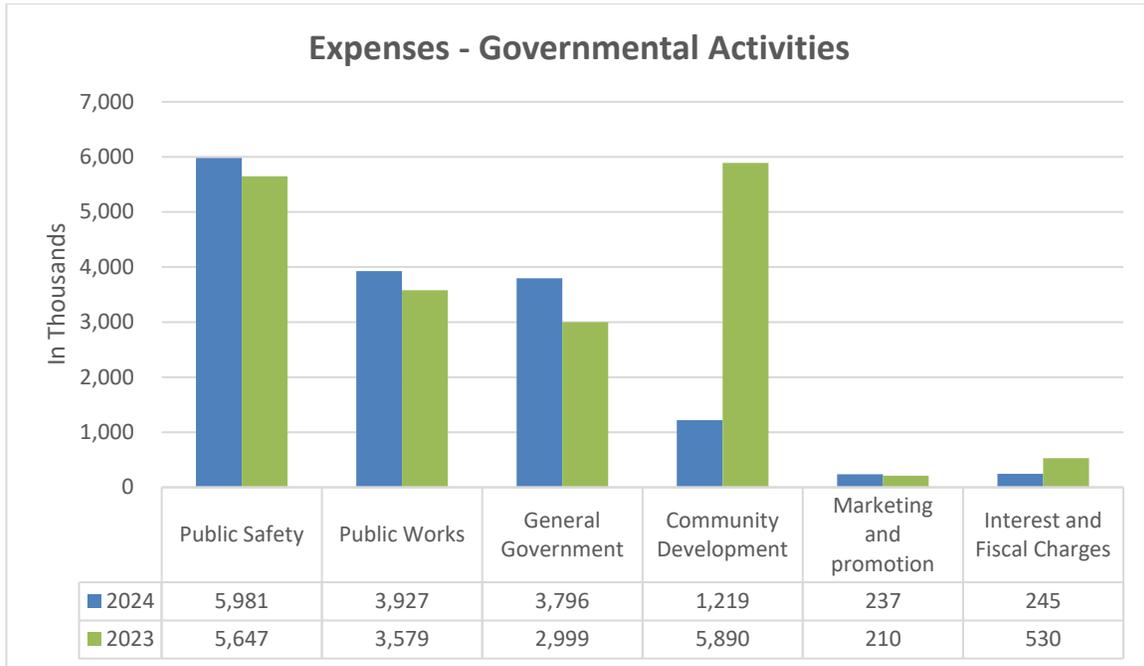
- Governmental expenses made up 61% of the total costs, amounting to \$15.4 million, with public safety and public works being the largest components, followed by general government and community development.
- Business-type activities accounted for \$9.9 million, or 39% of the City's total expenses for the fiscal year.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expense by activity for the fiscal years ended June 30, 2024, and 2023, are as follows:



City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Net Program Costs

The following table shows each of the City's major programs and the programs' net cost. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden placed on the City's taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2024, and 2023 are as follows:

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 3,795,646	\$ 1,477,375	\$ 2,999,433	\$ 229,199
Public safety	5,981,475	5,080,108	5,646,925	5,093,551
Public works	3,927,091	(1,025,345)	3,578,966	904,924
Community development	1,219,080	(820,486)	5,889,971	(969,819)
Marketing and promotions	237,178	237,178	210,230	210,230
Interest and fiscal charges	244,957	244,957	532,466	532,466
Total	\$ 15,405,427	\$ 5,193,787	\$ 18,857,991	\$ 6,000,551

FUND FINANCIAL ANALYSIS

The City of Fort Bragg uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements.

Governmental funds

The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ending June 30, 2024, the City's governmental funds reported combined fund balances of \$15.5 million, an increase of \$781,860 over the previous year due to increases in general fund reimbursement revenues, use of money and property and intergovernmental revenues, offset by the close out of the Permanent Local Housing (PLHA).

General Fund

The general fund is the chief operating fund of the City. Overall, the general fund balance increased by \$3.2 million to \$9.2 million at the end of FY 2024. The general fund unassigned balance totaled \$4.7 million— an increase of \$3.1 million from the previous year. This resulted from revenue growth of \$2.7 million, reflected in several key categories including intergovernmental revenue, reimbursements, and use of money and property. Additionally, expenditures decreased by \$2.5 million from 2023 to 2024. This reduction is largely driven by significant decreases in debt principal payments, offset by significant increases in general government and public safety expenditures.

City of Fort Bragg, California
Annual Comprehensive Financial Report
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Management's Discussion and Analysis

FUND FINANCIAL ANALYSIS, Continued

Special Sales Tax – Streets

In Fiscal Year 2024, the Special Sales Tax allocated for street repairs in the City decreased by \$453k, resulting in a total of \$2.4 million. This decrease follows the funding of the 2022 Street Rehabilitation (\$3.1 million).

Street Resurfacing Capital Projects

The Street Resurfacing Capital Projects fund is at zero. Funding is transferred from the Special Sales Tax for street repairs fund to the Street Resurfacing Capital Projects as projects are undertaken.

Enterprise Funds

The City has three business-type activities: Water, Wastewater, and the C.V. Starr Center. Enterprise funds increased the City's net position by \$698,924.

The Water Enterprise Fund's net position decreased by \$82,000 to \$16.6 million. In contrast, the Wastewater Enterprise Fund saw a decrease of \$36,000, bringing its net position to \$22.8 million. The C.V. Starr Center Enterprise Fund also recorded a decrease of \$581,000, ending the year at \$20 million.

The Water Enterprise capitalized \$1.98 million in construction-in-progress costs, primarily related to the Water Treatment Plant project (\$1.5 million), which is expected to be completed in FY 2024–25. Additional investments included \$283,000 for the Raw Water Line Replacement and \$365,000 for the Distribution System. These costs will be fully capitalized upon project completion. Long-term liabilities declined by \$332,000 due to debt payments, though this was partially offset by increased year-end accounts payable related to contractor invoices. Operating expenditures exceeded revenues by \$65,591, resulting in a modest decrease in net position. Nonetheless, the utility continues to generate sufficient revenue to cover operating expenses, maintain reserves, and fund future capital needs.

The Wastewater Enterprise Fund experienced a net operating loss of \$581,150, with total expenditures, including depreciation, exceeding operating income. The fund's long-term liabilities were reduced due to the payoff of pension obligations. Despite the operating loss, current user fees remain sufficient to cover expenses, support reserves, and fund capital improvements. As with the Water Enterprise, the rate structure is designed to sustain long-term capital funding and is functioning as intended.

The City of Fort Bragg assumed operational responsibility for the C.V. Starr Community Center in 2023, taking over from the Mendocino Coast Recreation and Park District. The Center is funded through a combination of property tax, sales tax, and user fees. During the fiscal year, operating expenses exceeded operating revenues (primarily membership fees) by \$2,155,755. This shortfall was subsidized by non-operating revenues, including the aforementioned tax support, resulting in a net position decrease to \$20 million.

Despite this, operating revenues increased by 23% compared to the prior year, reflecting the highest membership activity to date—a strong indicator of the Center's growing community engagement and recovery.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

FUND FINANCIAL ANALYSIS, Continued

General Fund Budgetary Highlights

The fund financial statements detail a budget-to-actual comparison for the City's major governmental funds, illustrating compliance with City Council-authorized appropriations. Initially, the budget projected revenues of \$11.6 million. The fiscal year concluded with actual revenues of \$11.7 million, surpassing the budget by \$2.7 million. The General Fund, heavily reliant on Transient Occupancy Tax (TOT) and Sales Tax (48% of total revenue), was significantly affected by the 2019/20 pandemic and economic shutdown. However, TOT and Sales Tax revenues rebounded in FY 21-24, with the latter year marking record performance despite a 7.5% decrease in TOT and a 3.2% decrease in Sales Tax from the previous year. Property tax saw a modest 1.2% increase.

Reimbursements from Enterprise Funds to the General Fund increased by \$1.02 million, attributed mainly to the end-of-year Cost Allocation adjustment, which was based on actual staff hours. A significant portion of these hours was allocated to Water Enterprise projects. Additionally, the departments being fully staffed throughout the fiscal year influenced the increase. Reimbursements also included Grant Staff Time reimbursements which included CDBG Grants, CRU reimbursements.

Miscellaneous revenues exceeded the budget by \$982k, largely due to a one-time adjusting journal entry. This entry was made to correct the City's book balance as part of the transition from Excel-based bank reconciliations to the City's integrated ERP system. The correction, identified during the year-end process, ensured accurate reporting of the City's financial position.

Expenditures and Fund Balance

General Fund expenditures came in below the final amended budget of \$11.9 million by \$450,374. Most departments recorded savings, with the exception of the Fire Department, which exceeded its budget by \$106,706 due to the first-quarter annual payment being processed in June 2024. Notable expenditure savings included \$614,000 in Public Safety, \$274,250 in Administrative and Engineering, and \$65,986 in Administrative Services.

The Non-Departmental category accounts for expenses not tied to a specific City department, such as retiree medical costs, insurance premiums, utilities, and OPEB funding. This category ended the fiscal year under budget by \$12,722, primarily due to lower-than-expected CIRA liability and property insurance premiums, as well as reduced retiree medical expenses. Additionally, \$150,000 was budgeted for a contribution to the Section 115 Trust to offset future pension cost increases. As previously noted, the City established this trust during FY 2023–24 with an initial investment of \$1.6 million.

The City of Fort Bragg's Fund Balance and Reserve Policies, adopted by the City Council, require an Operating Reserve of \$1.98 million—representing 15% to 25% of the General Fund's annual operating expenditures. This reserve provides financial stability, ensures adequate liquidity, and helps mitigate economic uncertainties. The City also maintains a Recession Reserve of \$489,000 (5% of the annual operating budget) and a Litigation Reserve of \$200,000.

At the close of the fiscal year, the General Fund's balance stood at \$9.5 million, with \$1.98 million designated in the Section 115 Trust. This reflects a net increase in fund balance of \$3.1 million over the prior year.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

Capital Assets

The City's investment in capital assets for its Governmental and Business-type Activities as of June 30, 2024, amounts to \$101.5 million. This investment in capital assets includes land, construction in progress costs, buildings, machinery and equipment, infrastructure, and land improvements, as shown in the chart below:

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2022
Land	\$ 12,952,262	\$ 12,952,262	\$ 3,210,698	\$ 3,210,698	\$ 16,162,960	\$ 16,162,960
Construction in progress	4,671,669	1,639,441	6,577,339	4,228,017	11,249,008	5,867,458
Buildings	1,370,743	1,061,019	18,716,865	19,165,605	20,087,608	20,226,624
Machinery, equipment and vehicle	2,149,906	1,536,778	1,778,684	1,791,818	3,928,590	3,328,596
Infrastructure	23,735,198	24,966,606	26,322,784	26,986,681	50,057,982	51,953,287
Land improvements	-	-	-	-	-	-
Total	\$ 44,879,778	\$ 42,156,106	\$ 56,606,370	\$ 55,382,819	\$ 101,486,148	\$ 97,538,925

The City's capital assets experienced a net increase of \$3.9 million after accounting for annual depreciation. This includes a decrease in Infrastructure Improvements by \$1.6 million, attributable to depreciation and asset retirements. The total value of assets disposed of from the wastewater fund was \$53,489. The total value of Citywide assets placed in service was \$3.03 million, which is offset by \$931k in depreciation expenses. Additionally, the Water Enterprise's acquisition of Highway 20 land amounted to \$2.5 million, along with ongoing Streets Rehab construction. For more comprehensive details on capital assets and related activities, refer to the Summary of Significant Accounting Policies on page 55 and Note 5 on page 69 in the Capital Assets section of the financial statements.

Debt Administration

As of June 30, 2024, the City's total outstanding debt was \$12.9 million, a decrease from \$13.2 million in the previous year. This reduction includes a \$374,812 decrease in governmental debt. In October 2023, the City issued Lease Revenue Bonds, utilizing \$3.5 million for rehabilitating certain city properties, with this amount returned in the fiscal year 2024. The remaining \$7.5 million from these bonds was allocated to reduce the Unfunded Liability as projected by CALPERS. Business-type debt also decreased by \$425k to \$4.5 million, mainly due to the Water Enterprise paying off the 2014 Water Revenue Refunding Bonds. Detailed information on the City's outstanding debt and long-term liabilities can be found in Note 7, pages 70-72, of the financial statements.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, and government regulators with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Additional information may be found on our website at www.fortbragg.com. Below is the contact address for questions about the report or requests for additional financial information.

City of Fort Bragg
 Finance Department
 416 No. Franklin St.
 Fort Bragg, CA 95437
 707-961-2825

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BASIC FINANCIAL STATEMENTS



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City of Fort Bragg, California

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 11,277,745	\$ 9,101,517	\$ 20,379,262
Restricted cash and investments	1,787,887	108,064	1,895,951
Receivables:			
Accounts	3,870,411	836,918	4,707,329
Loans/Notes receivable	5,185,455	-	5,185,455
Inventory	-	118,563	118,563
Prepaid items	6,797	-	6,797
Total current assets	<u>22,128,295</u>	<u>10,165,062</u>	<u>32,293,357</u>
Capital assets:			
Nondepreciable	14,591,703	7,438,715	22,030,418
Depreciable	30,288,075	49,167,655	79,455,730
Total noncurrent assets	<u>44,879,778</u>	<u>56,606,370</u>	<u>101,486,148</u>
Total assets	<u>67,008,073</u>	<u>66,771,432</u>	<u>133,779,505</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan	4,623,681	467,809	5,091,490
OPEB, deferred outflow	1,060,812	-	1,060,812
Total deferred outflows of resources	<u>5,684,493</u>	<u>467,809</u>	<u>6,152,302</u>
Total assets and deferred outflows	<u>\$ 72,692,566</u>	<u>\$ 67,239,241</u>	<u>\$ 139,931,807</u>
LIABILITIES			
Accounts payable and accrued liabilities	802,856	1,851,499	2,654,355
Interest payable	171,568	-	171,568
Unearned revenue	-	13,844	13,844
Deposits payable	163,369	159,627	322,996
Compensated absences - current portion	58,469	10,903	69,372
Due within one year	190,000	95,000	285,000
Total current liabilities	<u>1,386,262</u>	<u>2,130,873</u>	<u>3,517,135</u>
Long-term liabilities:			
Compensated absences	526,221	97,987	624,208
Due after one year	7,592,501	4,461,000	12,053,501
Net OPEB obligation	3,170,429	-	3,170,429
Net pension liability	5,106,318	516,641	5,622,959
Total noncurrent liabilities	<u>16,395,469</u>	<u>5,075,628</u>	<u>21,471,097</u>
Total liabilities	<u>17,781,731</u>	<u>7,206,501</u>	<u>24,988,232</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan	4,615,634	466,995	5,082,629
Total deferred inflows of resources	<u>4,615,634</u>	<u>466,995</u>	<u>5,082,629</u>
Total liabilities and deferred inflows	<u>22,397,365</u>	<u>7,673,496</u>	<u>30,070,861</u>
NET POSITION			
Net investment in capital assets	44,879,778	52,050,370	96,930,148
Restricted for:			
State and Federal Grants	3,163,592	-	3,163,592
Special Sales Tax	406,770	-	406,770
Asset Forfeiture	481,482	-	481,482
Debt Service	1,787,887	108,064	1,895,951
Unrestricted	(424,308)	7,407,311	6,983,003
Total net position	<u>50,295,201</u>	<u>59,565,745</u>	<u>109,860,946</u>
Total liabilities, deferred inflows and net position	<u>\$ 72,692,566</u>	<u>\$ 67,239,241</u>	<u>\$ 139,931,807</u>

The accompanying notes are an integral part of these basic financial statements.

City of Fort Bragg, California

Statement of Activities

For the year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,795,646	\$ 2,023,972	\$ 153,416	\$ 140,883
Public safety	5,981,475	287,699	613,668	-
Public works	3,927,091	2,857,183	668,673	1,426,580
Community development	1,219,080	568,527	1,364,183	106,856
Marketing and promotions	237,178	-	-	-
Interest and fiscal charges	244,957	-	-	-
Total governmental activities	15,405,427	5,737,381	2,799,940	1,674,319
Business-type activities:				
Water	3,357,505	3,056,505	-	350
Wastewater	3,639,203	3,626,640	-	-
CV Starr Center	2,875,258	719,103	-	-
Total business-type activities	9,871,966	7,402,248	-	350
Total primary government	\$ 25,277,393	\$ 13,139,629	\$ 2,799,940	\$ 1,674,669

General revenues:

Taxes:

Property taxes, levied for general purposes

Sales and use taxes

Transient occupancy tax, levied for general purposes

Franchise taxes

Other taxes

Unrestricted investment earnings

Other general revenues

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position:

Beginning of year

End of year

The accompanying notes are an integral part of these basic financial statements.

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-Type Activities	Totals
\$ (1,477,375)	\$ -	\$ (1,477,375)
(5,080,108)	-	(5,080,108)
1,025,345	-	1,025,345
820,486	-	820,486
(237,178)	-	(237,178)
(244,957)	-	(244,957)
<u>(5,193,787)</u>	<u>-</u>	<u>(5,193,787)</u>
-	(300,650)	(300,650)
-	(12,563)	(12,563)
-	(2,156,155)	(2,156,155)
-	(2,469,368)	(2,469,368)
<u>(5,193,787)</u>	<u>(2,469,368)</u>	<u>(7,663,155)</u>
1,272,386	309,827	1,582,213
3,260,936	1,169,582	4,430,518
3,092,214	-	3,092,214
761,576	-	761,576
212,573	-	212,573
659,402	495,098	1,154,500
1,172,214	-	1,172,214
<u>10,431,301</u>	<u>1,974,507</u>	<u>12,405,808</u>
204,063	(204,063)	-
<u>10,635,364</u>	<u>1,770,444</u>	<u>12,405,808</u>
5,441,577	(698,924)	4,742,653
44,853,624	60,264,669	105,118,293
<u>\$ 50,295,201</u>	<u>\$ 59,565,745</u>	<u>\$ 109,860,946</u>

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FUND FINANCIAL STATEMENTS
MAJOR FUNDS

Fund	Description
Governmental Funds:	Governmental funds are used for taxes and grants.
General	Primary operating fund of the City; accounts for all activities except those legally or administratively required to be accounted for in other funds.
CDBG Program Income Special Revenue	Accounts for activities related to housing rehabilitation and business assistance loans provided with CDBG funding.
Special Sales Tax - Street Repair Special Revenue	Accounts for the City's Special Sales Tax for Street and Alley Repairs.
Permanent Local Housing Special Revenue	Provides funding to local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. The City Council of Fort Bragg approved a resolution in 2021 to authorize the application for PLHA program to support the DANCO project. The City received \$2.4 million for this purpose, of which \$2.28 million is allocated as a loan for the project, while the remaining funds cover the city's administrative expenses.
CDBG Super NOFA Special Revenue	To account for CDBG grants awarded under the 2009 Recovery Act allocation for a housing project rehabilitation and under the 2010 General Allocation for two housing programs, public facility improvements, and a public service program.
Street Resurfacing Capital Projects	Accounts for Street Resurfacing Capital Projects Performed on a Regular Basis with Special Sales Tax for Street and Alley Repairs.

City of Fort Bragg, California
Balance Sheet
Governmental Funds
June 30, 2024

	Major Funds		
	General Fund	CDBG Program Income Special Revenue	Special Sales Tax Special Revenue
ASSETS			
Cash and investments	\$ 5,331,521	\$ 161,944	\$ 201,242
Restricted cash and investments	1,787,887	-	-
Receivables:			
Taxes	1,852	-	-
Interest	-	795	-
Intergovernmental	-	3,892	205,528
Loans/Notes receivable	2,311	2,153,204	-
Other receivable	1,705,048	-	-
Due from other funds	667,821	-	-
Prepaid items	6,797	-	-
Total assets	\$ 9,503,237	\$ 2,319,835	\$ 406,770
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 278,963	\$ -	\$ -
Due to other funds	-	-	-
Deposits payable	45,916	-	-
Total liabilities	324,879	-	-
Deferred inflows of resources:			
Unavailable revenue	-	2,089,363	-
Total deferred inflows of resources:	-	2,089,363	-
Total Liabilities and deferred inflows	324,879	2,089,363	-
Fund balances:			
Nonspendable			
Prepays	6,797	-	-
Loans/Notes receivable	2,311	-	-
Restricted	1,787,887	-	406,770
Committed:			
Operating reserve	1,989,419	-	-
Recession reserve	489,929	-	-
Litigation reserve	200,000	-	-
Assigned	-	230,472	-
Unassigned (deficit)	4,702,015	-	-
Total fund balances	9,178,358	230,472	406,770
Total liabilities, deferred inflows and fund balances	\$ 9,503,237	\$ 2,319,835	\$ 406,770

The accompanying notes are an integral part of these basic financial statements.

Major Funds				
Permanent Local Housing Special Revenue	CDBG Super NOFA Special Revenue	Street Resurfacing Capital Projects	Nonmajor Governmental Funds	Totals
\$ 224,131	\$ 34,496	\$ 41,996	\$ 4,349,812	\$ 10,345,142
-	-	-	-	1,787,887
-	-	-	-	1,852
-	-	-	-	795
-	-	-	1,943,235	2,152,655
-	-	-	3,029,940	5,185,455
-	-	-	10,061	1,715,109
-	-	-	-	667,821
-	-	-	-	6,797
<u>\$ 224,131</u>	<u>\$ 34,496</u>	<u>\$ 41,996</u>	<u>\$ 9,333,048</u>	<u>\$ 21,863,513</u>
\$ -	\$ -	\$ 47,506	\$ 291,048	\$ 617,517
-	23,212	26,132	618,477	667,821
-	-	-	117,453	163,369
-	<u>23,212</u>	<u>73,638</u>	<u>1,026,978</u>	<u>1,448,707</u>
-	-	-	2,808,532	4,897,895
-	-	-	<u>2,808,532</u>	<u>4,897,895</u>
-	<u>23,212</u>	<u>73,638</u>	<u>3,835,510</u>	<u>6,346,602</u>
-	-	-	-	6,797
-	-	-	-	2,311
-	11,284	-	3,633,790	5,839,731
-	-	-	-	1,989,419
-	-	-	-	489,929
-	-	-	-	200,000
224,131	-	-	1,907,417	2,362,020
-	-	(31,642)	(43,669)	4,626,704
<u>224,131</u>	<u>11,284</u>	<u>(31,642)</u>	<u>5,497,538</u>	<u>15,516,911</u>
<u>\$ 224,131</u>	<u>\$ 34,496</u>	<u>\$ 41,996</u>	<u>\$ 9,333,048</u>	<u>\$ 21,863,513</u>

City of Fort Bragg, California
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024

Total fund balances - total governmental funds		\$ 15,516,911
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		42,599,501
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.		
Compensated absences	\$ (584,690)	
Lease payable	(7,782,501)	
Net OPEB obligation	(3,170,429)	
Net pension liability	<u>(5,106,318)</u>	(16,643,938)
Governmental funds notes receivable from various loan programs are deferred under the current financial resources measurement focus. The notes receivable are recognized in the government-wide Statement of Net Position under the accrual basis of accounting.		4,897,895
Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not reported in the governmental funds.		(171,568)
Pension obligations result in deferred outflows and inflows of resources associated with the actuarial value of contributions, assets, and liabilities		
Deferred outflows, Pension	4,623,681	
Deferred inflows, Pension	(4,615,634)	
Deferred outflows, OPEB	1,060,812	
Deferred inflows, OPEB	<u>-</u>	1,068,859
Internal services funds are used by management to charge the costs of certain activities, such as fleet services, to individual funds. The assets and liabilities of the internal service funds are:		
Current assets	932,603	
Noncurrent assets	2,280,277	
Accounts payable and accrued liabilities	<u>(185,339)</u>	3,027,541
Net Position of governmental activities		<u><u>\$ 50,295,201</u></u>

The accompanying notes are an integral part of these basic financial statements.

City of Fort Bragg, California

Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position

Governmental Activities

June 30, 2024

ASSETS	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Internal Services Balances	Statement of Net Position
Current assets:					
Cash and investments	\$ 10,345,142	\$ -	\$ -	\$ 932,603	\$ 11,277,745
Restricted cash and investments	1,787,887	-	-	-	1,787,887
Receivables:					
Taxes	1,852	-	-	-	1,852
Interest	795	-	-	-	795
Intergovernmental	2,152,655	-	-	-	2,152,655
Other receivable	1,715,109	-	-	-	1,715,109
Loans/Notes receivable	5,185,455	-	-	-	5,185,455
Due from other funds	667,821	(667,821)	-	-	-
Internal balances	-	-	-	-	-
Prepaid items	6,797	-	-	-	6,797
Total current assets	<u>21,863,513</u>	<u>(667,821)</u>	<u>-</u>	<u>932,603</u>	<u>22,128,295</u>
Noncurrent assets:					
Capital assets, net	-	-	42,599,501	2,280,277	44,879,778
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>42,599,501</u>	<u>2,280,277</u>	<u>44,879,778</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan	-	-	4,623,681	-	4,623,681
OPEB	-	-	1,060,812	-	1,060,812
Total assets and deferred outflows of resources	<u>\$ 21,863,513</u>	<u>\$ (667,821)</u>	<u>\$ 48,283,994</u>	<u>\$ 3,212,880</u>	<u>\$ 72,692,566</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 617,517	\$ -	\$ -	\$ 185,339	\$ 802,856
Interest payable	-	-	171,568	-	171,568
Due to other funds	667,821	(667,821)	-	-	-
Deposits payable	163,369	-	-	-	163,369
Compensated absences - current portion	-	-	58,469	-	58,469
Due within one year	-	-	190,000	-	190,000
Total current liabilities	<u>1,448,707</u>	<u>(667,821)</u>	<u>420,037</u>	<u>185,339</u>	<u>1,386,262</u>
Noncurrent liabilities:					
Long-term liabilities:					
Compensated absences	-	-	526,221	-	526,221
Due after one year	-	-	7,592,501	-	7,592,501
Landfill post-closure	-	-	-	-	-
Net OPEB obligation	-	-	3,170,429	-	3,170,429
Net pension liability	-	-	5,106,318	-	5,106,318
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>16,395,469</u>	<u>-</u>	<u>16,395,469</u>
Total liabilities	<u>1,448,707</u>	<u>(667,821)</u>	<u>16,815,506</u>	<u>185,339</u>	<u>17,781,731</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	4,897,895	-	(4,897,895)	-	-
Pension Plan	-	-	4,615,634	-	4,615,634
OPEB, deferred inflow	-	-	-	-	-
Total liabilities and deferred inflows:	<u>6,346,602</u>	<u>(667,821)</u>	<u>16,533,245</u>	<u>185,339</u>	<u>22,397,365</u>
FUND BALANCES/NET POSITION					
Fund balances:					
Nonspendable	9,108	(9,108)	-	-	-
Restricted	5,839,731	(5,839,731)	-	-	-
Committed	2,679,348	(2,679,348)	-	-	-
Assigned	2,362,020	(2,362,020)	-	-	-
Unassigned (deficit)	4,626,704	(4,626,704)	-	-	-
Net position:					
Net investment in capital assets	-	-	42,599,501	2,280,277	44,879,778
Restricted	-	-	5,839,731	-	5,839,731
Unrestricted	-	15,516,911	(16,688,483)	747,264	(424,308)
Total fund balances/net position	<u>15,516,911</u>	<u>-</u>	<u>31,750,749</u>	<u>3,027,541</u>	<u>50,295,201</u>
Total liabilities, deferred inflows and net position	<u>\$ 21,863,513</u>	<u>\$ (667,821)</u>	<u>\$ 48,283,994</u>	<u>\$ 3,212,880</u>	<u>\$ 72,692,566</u>

The accompanying notes are an integral part of these basic financial statements.

City of Fort Bragg, California
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2024

	Major Funds		
	General Fund	CDBG Program Income Special Revenue	Special Sales Tax Special Revenue
REVENUES:			
Taxes and assessments	\$ 7,436,640	\$ -	\$ 1,108,102
Licenses and permits	85,223	-	-
Fines and forfeitures	33,690	-	-
Intergovernmental	871,995	-	-
Use of money and property	574,291	304,698	-
Charges for services	87,920	-	-
Reimbursements	4,383,346	-	-
Other revenues	1,002,689	-	-
Total revenues	14,475,794	304,698	1,108,102
EXPENDITURES:			
Current:			
General government	3,234,288	-	-
Public safety	4,510,841	-	-
Public works	1,503,103	-	654,030
Community development	430,664	19,026	-
Marketing and promotions	237,178	-	-
Cost allocations	1,130,070	-	-
Capital outlay	-	-	-
Debt service:			
Principal	195,000	-	-
Interest and fiscal charges	244,957	-	-
Total expenditures	11,486,101	19,026	654,030
REVENUES OVER (UNDER) EXPENDITURES	2,989,693	285,672	454,072
OTHER FINANCING SOURCES (USES):			
Proceeds from sales of assets	25,377	-	-
Transfers in	852,101	-	-
Transfers out	(664,150)	(173,896)	(2,526,604)
Total other financing sources (uses)	213,328	(173,896)	(2,526,604)
Net change in fund balances	3,203,021	111,776	(2,072,532)
FUND BALANCES (DEFICITS):			
Beginning of year	5,975,337	118,696	2,479,302
End of year	<u>\$ 9,178,358</u>	<u>\$ 230,472</u>	<u>\$ 406,770</u>

The accompanying notes are an integral part of these basic financial statements.

Major Funds				
Permanent Local Housing Special Revenue	CDBG Super NOFA Special Revenue	Street Resurfacing Capital Projects	Other Governmental Funds	Totals
\$ -	\$ -	\$ -	\$ 54,943	\$ 8,599,685
-	-	-	-	85,223
-	-	-	38,418	72,108
106,856	-	-	4,261,638	5,240,489
-	-	-	64,474	943,463
-	-	-	75,815	163,735
-	-	-	-	4,383,346
-	152,202	-	-	1,154,891
<u>106,856</u>	<u>152,202</u>	<u>-</u>	<u>4,495,288</u>	<u>20,642,940</u>
-	-	-	10,667	3,244,955
-	-	-	619,809	5,130,650
-	-	-	396,056	2,553,189
-	-	-	2,891,619	3,341,309
-	-	-	-	237,178
-	-	-	-	1,130,070
-	-	244,195	3,770,211	4,014,406
-	-	-	-	195,000
-	-	-	-	244,957
<u>-</u>	<u>-</u>	<u>244,195</u>	<u>7,688,362</u>	<u>20,091,714</u>
<u>106,856</u>	<u>152,202</u>	<u>(244,195)</u>	<u>(3,193,074)</u>	<u>551,226</u>
-	-	-	-	25,377
-	-	293,169	6,419,986	7,565,256
<u>(2,280,000)</u>	<u>-</u>	<u>-</u>	<u>(1,715,349)</u>	<u>(7,359,999)</u>
<u>(2,280,000)</u>	<u>-</u>	<u>293,169</u>	<u>4,704,637</u>	<u>230,634</u>
<u>(2,173,144)</u>	<u>152,202</u>	<u>48,974</u>	<u>1,511,563</u>	<u>781,860</u>
<u>2,397,275</u>	<u>(140,918)</u>	<u>(80,616)</u>	<u>3,985,975</u>	<u>14,735,051</u>
<u>\$ 224,131</u>	<u>\$ 11,284</u>	<u>\$ (31,642)</u>	<u>\$ 5,497,538</u>	<u>\$ 15,516,911</u>

City of Fort Bragg, California

Reconciliation of Fund Basis Statements to Government-wide Statement of Activities

For the year ended June 30, 2024

Functions/Programs	Fund Based Totals	Compensated Absences/ Debt		Internal Service	Depreciation	Capital Asset (Additions)/ Retirements		Cost Allocation	OPEB Obligation	Pension plan	Unavailable Revenue	Government- wide Totals
		Service	Service			Retirements	Allocation					
Governmental activities:												
General government	\$ 3,244,955	\$ 20,097	\$ (179,544)	\$ 177,128	\$ -	\$ 256,973	\$ 63,774	\$ 212,263	\$ -	\$ -	\$ -	\$ 3,795,646
Public safety	5,130,650	-	-	108,908	-	406,304	-	335,613	-	-	-	5,981,475
Public works	2,553,189	-	-	1,270,381	(265,683)	202,191	-	167,013	-	-	-	3,927,091
Community development	3,341,309	(124,500)	-	-	-	264,603	-	218,566	-	(2,480,898)	-	1,219,080
Marketing and promotions	237,178	-	-	-	-	-	-	-	-	-	-	237,178
Cost allocations	1,130,070	-	-	-	-	(1,130,070)	-	-	-	-	-	-
Capital outlay	4,014,406	-	-	-	(4,014,406)	-	-	-	-	-	-	-
Debt service/Interest	439,957	(195,000)	-	-	-	-	-	-	-	-	-	244,957
Total governmental activities	\$ 20,091,714	\$ (299,403)	\$ (179,544)	\$ 1,556,417	\$ (4,280,089)	\$ 1	\$ 63,774	\$ 933,455	\$ (2,480,898)	\$ -	\$ -	\$ 15,405,427

The accompanying notes are an integral part of these basic financial statements.

City of Fort Bragg, California

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the year ended June 30, 2024

Net change in fund balances - total governmental funds	\$	781,860
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	\$ 4,280,089	
Proceeds from sale of capital assets	(25,377)	
Depreciation expense	<u>(1,556,417)</u>	2,698,295

Certain notes receivable are reported in the governmental funds as expenditures and then offset by a deferred revenue as they are not available to pay current expenditures. Likewise, when the note is collected it is reflected in revenue. This is the net change between notes receivable collected and issued. 2,480,898

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Bonds payable		195,000
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Landfill closure liability	124,500	
Change in compensated absences	<u>(20,097)</u>	104,403

Certain employee benefit obligations are recorded on a pay-as-you-go basis in the governmental funds, but are accrued as liabilities in the Statement of Net Position:

Net OPEB obligation	(63,774)	
Net Pension obligation	<u>(933,455)</u>	(997,229)

Internal services funds are used by management to charge the costs of certain activities, such as fleet services, to individual funds. The change in Net Position of the Internal Service Funds net of capital assets are included in the governmental activities in the government-wide Statement of Net Position. 178,350

Change in Net Position of governmental activities	\$	<u><u>5,441,577</u></u>
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The accompanying notes are an integral part of these basic financial statements.

City of Fort Bragg, California

Statement of Revenues, Expenditures, and Changes in Fund Balances -

Budget to Actual - General and Major Special Revenue Funds

For the year ended June 30, 2024

	General Fund			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 7,255,860	\$ 7,255,860	\$ 7,436,640	\$ 180,780
Licenses and permits	94,293	94,293	85,223	(9,070)
Fines and forfeitures	50,100	50,100	33,690	(16,410)
Intergovernmental	742,362	824,262	871,995	47,733
Use of money and property	85,000	85,000	574,291	489,291
Charges for services	85,343	85,343	87,920	2,577
Reimbursements	3,290,622	3,290,622	4,383,346	1,092,724
Other revenues	20,200	20,200	1,002,689	982,489
Total revenues	<u>11,623,780</u>	<u>11,705,680</u>	<u>14,475,794</u>	<u>2,770,114</u>
EXPENDITURES:				
Current:				
General government:				
City Council	185,315	217,203	198,857	18,346
Administrative services	1,037,505	1,127,160	1,061,174	65,986
Finance	635,769	597,769	558,258	39,511
Other - unclassified	1,397,574	1,428,280	1,415,558	12,722
Public safety:				
Police Department	4,483,370	4,564,747	3,950,427	614,320
Fire Department	453,708	453,708	560,414	(106,706)
Public works:				
Administration and engineering	934,011	1,070,406	796,156	274,250
Parks and facilities	40,000	40,000	51,945	(11,945)
Street maintenance	142,000	165,878	172,808	(6,930)
Storm drains	25,500	25,500	14,063	11,437
Corporation yard	380,482	400,482	434,327	(33,845)
Traffic and safety	41,500	42,578	33,804	8,774
Community development	445,897	452,794	430,664	22,130
Marketing and promotions	240,650	252,458	237,178	15,280
Cost allocations	656,999	656,999	1,130,070	(473,071)
Debt service:				
Principal	195,000	195,000	195,000	-
Interest and fiscal charges	245,513	245,513	244,957	556
Total expenditures	<u>11,540,793</u>	<u>11,936,475</u>	<u>11,486,101</u>	<u>450,374</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>82,987</u>	<u>(230,795)</u>	<u>2,989,693</u>	<u>3,220,488</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sales of assets	1,000	1,000	25,377	24,377
Transfers in	664,150	664,150	852,101	187,951
Transfers out	(664,150)	(664,150)	(664,150)	-
Total other financing sources (uses)	<u>1,000</u>	<u>1,000</u>	<u>213,328</u>	<u>212,328</u>
Net change in fund balances	<u>83,987</u>	<u>(229,795)</u>	<u>3,203,021</u>	<u>3,432,816</u>
FUND BALANCES (DEFICITS):				
Beginning of year	5,975,337	5,975,337	5,975,337	-
End of year	<u>\$ 6,059,324</u>	<u>\$ 5,745,542</u>	<u>\$ 9,178,358</u>	<u>\$ 3,432,816</u>

The accompanying notes are an integral part of these basic financial statements.

CDBG Program Income Special Revenue Fund				Special Sales Tax Special Revenue			
Budgeted Amounts		Actual	Variance w/Final	Budgeted Amounts		Actual	Variance w/Final
Original	Final		Positive (Negative)	Original	Final		Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 1,111,100	\$ 1,111,100	\$ 1,108,102	\$ (2,998)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
244,398	244,398	304,698	60,300	10,000	10,000	-	(10,000)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
244,398	244,398	304,698	60,300	1,121,100	1,121,100	1,108,102	(12,998)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	255,219	255,219	654,030	(398,811)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	19,026	(19,026)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	19,026	(19,026)	255,219	255,219	654,030	(398,811)
244,398	244,398	285,672	41,274	865,881	865,881	454,072	(411,809)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(226,398)	(226,398)	(173,896)	52,502	(2,526,604)	(2,707,104)	(2,526,604)	180,500
(226,398)	(226,398)	(173,896)	52,502	(2,526,604)	(2,707,104)	(2,526,604)	180,500
18,000	18,000	111,776	93,776	(1,660,723)	(1,841,223)	(2,072,532)	(231,309)
118,696	118,696	118,696	-	2,479,302	2,479,302	2,479,302	-
\$ 136,696	\$ 136,696	\$ 230,472	\$ 93,776	\$ 818,579	\$ 638,079	\$ 406,770	\$ (231,309)

(continued)

City of Fort Bragg, California

Statement of Revenues, Expenditures, and Changes in Fund Balances -

Budget to Actual - General and Major Special Revenue Funds

For the year ended June 30, 2024

	Permanent Local Housing Special Revenue			
	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	106,856	106,856	106,856	-
Use of money and property	-	-	-	-
Charges for services	-	-	-	-
Reimbursements	-	-	-	-
Other revenues	-	-	-	-
Total revenues	106,856	106,856	106,856	-
EXPENDITURES:				
Current:				
General government:				
City Council	-	-	-	-
Administrative services	-	-	-	-
Finance	-	-	-	-
Other - unclassified	-	-	-	-
Public safety:				
Police Department	-	-	-	-
Fire Department	-	-	-	-
Public works:				
Administration and engineering	-	-	-	-
Parks and facilities	-	-	-	-
Street maintenance	-	-	-	-
Storm drains	-	-	-	-
Corporation yard	-	-	-	-
Traffic and safety	-	-	-	-
Community development	106,856	106,856	-	106,856
Marketing and promotions	-	-	-	-
Cost allocations	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	106,856	106,856	-	106,856
REVENUES OVER (UNDER) EXPENDITURES	-	-	106,856	106,856
OTHER FINANCING SOURCES (USES):				
Proceeds from sales of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(2,280,000)	(2,280,000)
Total other financing sources (uses)	-	-	(2,280,000)	(2,280,000)
Net change in fund balances	-	-	(2,173,144)	(2,173,144)
FUND BALANCES:				
Beginning of year	2,397,275	2,397,275	2,397,275	-
End of year	\$ 2,397,275	\$ 2,397,275	\$ 224,131	\$ (2,173,144)

ENTERPRISE FUNDS

Fund	Description
Major Funds:	
Water Fund	Accounts for the operation and maintenance of the City's water treatment and distribution system.
Sewer Fund	Accounts for the operation and maintenance of the City's wastewater treatment plant and collection facilities.
CV Starr Center	Accounts for activities related to the CV Starr Community Center.

City of Fort Bragg, California
Statement of Net Position
Proprietary Funds
June 30, 2024

	Water Fund	Sewer Fund	CV Starr Center Fund	Totals	Governmental Activities Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 3,566,705	\$ 2,892,740	\$ 2,642,072	\$ 9,101,517	\$ 932,603
Restricted cash and investments	108,064	-	-	108,064	-
Receivables:					
Accounts	327,594	439,612	69,712	836,918	-
Inventory and prepaids	104,750	12,314	1,499	118,563	-
Total current assets	4,107,113	3,344,666	2,713,283	10,165,062	932,603
Noncurrent assets:					
Capital assets, net	14,028,565	24,644,030	17,933,775	56,606,370	2,280,277
Total noncurrent assets	14,028,565	24,644,030	17,933,775	56,606,370	2,280,277
Total Assets	18,135,678	27,988,696	20,647,058	66,771,432	3,212,880
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan	-	414,562	53,247	467,809	-
Total assets and deferred outflows of resources	\$ 18,135,678	\$ 28,403,258	\$ 20,700,305	\$ 67,239,241	\$ 3,212,880
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 1,273,388	\$ 77,823	\$ 497,140	\$ 1,848,351	\$ 184,797
Accrued payroll	-	3,148	-	3,148	542
Unearned revenue	-	6,466	7,378	13,844	-
Deposits payable	153,991	250	5,386	159,627	-
Compensated absences - current portion	4,048	4,659	2,196	10,903	-
Due within one year	-	95,000	-	95,000	-
Total current liabilities	1,431,427	187,346	512,100	2,130,873	185,339
Noncurrent liabilities:					
Compensated absences	36,334	42,030	19,623	97,987	-
Due after one year	-	4,461,000	-	4,461,000	-
Net pension liability	-	457,836	58,805	516,641	-
Total noncurrent liabilities	36,334	4,960,866	78,428	5,075,628	-
Total liabilities	1,467,761	5,148,212	590,528	7,206,501	185,339
DEFERRED INFLOWS OF RESOURCES					
Pension Plan	-	413,841	53,154	466,995	-
Total deferred inflows of resources	-	413,841	53,154	466,995	-
NET POSITION					
Net Position:					
Net investment in capital assets	14,028,565	20,088,030	17,933,775	52,050,370	2,280,277
Restricted for debt service	108,064	-	-	108,064	-
Unrestricted	2,531,288	2,753,175	2,122,848	7,407,311	747,264
Total net position	16,667,917	22,841,205	20,056,623	59,565,745	3,027,541
Total liabilities, deferred inflows and net position	\$ 18,135,678	\$ 28,403,258	\$ 20,700,305	\$ 67,239,241	\$ 3,212,880

The accompanying notes are an integral part of these basic financial statements.

City of Fort Bragg, California
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2024

	Water Fund	Sewer Fund	CV Starr Center Fund	Totals	Governmental Activities Internal Service Funds
OPERATING REVENUES:					
Charges for service	\$ 2,971,409	\$ 3,435,858	\$ 677,012	\$ 7,084,279	\$ -
Other operating revenue	85,096	190,782	42,091	317,969	361
Interdepartmental charges	-	-	-	-	1,569,968
Total operating revenues	3,056,505	3,626,640	719,103	7,402,248	1,570,329
OPERATING EXPENSES:					
Personnel services	1,304,608	563,174	1,297,937	3,165,719	551,206
Administration	825,579	728,141	257,261	1,810,981	
Repairs and maintenance	224,291	89,433	-	313,724	108,893
Materials and supplies	276,551	419,401	58,471	754,423	484,473
Utilities	192,471	351,532	354,859	898,862	-
Contractual services	95,547	427,623	2,227	525,397	63,004
Insurance	53,392	113,349	218,135	384,876	-
Other operating	5,289	38,034	10,049	53,372	-
Depreciation	353,968	816,971	675,919	1,846,858	207,185
Total operating expenses	3,331,696	3,547,658	2,874,858	9,754,212	1,414,761
OPERATING INCOME	(275,191)	78,982	(2,155,755)	(2,351,964)	155,568
NONOPERATING REVENUES (EXPENSES):					
Property taxes	-	-	309,827	309,827	-
Sales taxes	-	-	1,169,582	1,169,582	-
Intergovernmental revenue	-	-	350	350	-
Interest revenue	235,409	164,443	95,246	495,098	26,364
Refunds and rebates	-	-	(400)	(400)	-
Interest expense	(25,809)	(91,545)	-	(117,354)	-
Total non-operating revenues, net	209,600	72,898	1,574,605	1,857,103	26,364
NET INCOME BEFORE TRANSFERS	(65,591)	151,880	(581,150)	(494,861)	181,932
Transfers in	-	-	-	-	245,901
Transfers out	(16,112)	(187,951)	-	(204,063)	(247,095)
Total transfers	(16,112)	(187,951)	-	(204,063)	(1,194)
CHANGE IN NET POSITION	(81,703)	(36,071)	(581,150)	(698,924)	180,738
NET POSITION:					
Beginning of year	16,749,620	22,877,276	20,637,773	60,264,669	2,846,803
End of year	<u>\$ 16,667,917</u>	<u>\$ 22,841,205</u>	<u>\$ 20,056,623</u>	<u>\$ 59,565,745</u>	<u>\$ 3,027,541</u>

The accompanying notes are an integral part of these basic financial statements.

City of Fort Bragg, California

Statement of Cash Flows

Proprietary Funds

For the year ended June 30, 2024

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>CV Starr Center Fund</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers/users for services provided	\$ 3,047,102	\$ 3,570,412	\$ 719,103	\$ 7,336,617	\$ -
Cash received from interfund services provided	-	-	-	-	1,570,329
Cash payments to suppliers for goods and services	(542,154)	(2,213,453)	(783,215)	(3,538,822)	(920,615)
Cash payments to employees for services	(1,283,062)	(1,335,799)	(1,314,061)	(3,932,922)	(558,192)
Net cash provided by operating activities	<u>1,221,886</u>	<u>21,160</u>	<u>(1,378,173)</u>	<u>(135,127)</u>	<u>91,522</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers received	-	-	-	-	245,901
Transfers paid	(16,112)	(187,951)	-	(204,063)	(247,095)
Taxes received	-	-	1,479,409	1,479,409	-
Refunds paid	-	-	(400)	(400)	-
Grants received	-	-	350	350	-
Net cash used by noncapital financing activities	<u>(16,112)</u>	<u>(187,951)</u>	<u>1,479,359</u>	<u>1,275,296</u>	<u>(1,194)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(2,179,510)	(468,422)	(422,477)	(3,070,409)	(310,126)
Principal paid on long term debt	(301,965)	(93,000)	-	(394,965)	-
Interest paid on long term debt	(36,203)	(91,545)	-	(127,748)	-
Net cash (used) by capital and related financing activities	<u>(2,517,678)</u>	<u>(652,967)</u>	<u>(422,477)</u>	<u>(3,593,122)</u>	<u>(310,126)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income received	235,409	164,443	95,246	495,098	26,364
Net cash provided by investing activities	<u>235,409</u>	<u>164,443</u>	<u>95,246</u>	<u>495,098</u>	<u>26,364</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,076,495)</u>	<u>(655,315)</u>	<u>(226,045)</u>	<u>(1,957,855)</u>	<u>(193,434)</u>
CASH AND CASH EQUIVALENTS:					
Beginning of year	4,751,264	3,548,055	2,868,117	11,167,436	1,126,037
End of year	<u>\$ 3,674,769</u>	<u>\$ 2,892,740</u>	<u>\$ 2,642,072</u>	<u>\$ 9,209,581</u>	<u>\$ 932,603</u>
Presentation in Statement of Financial Position:					
Cash and investments	\$ 3,566,705	\$ 2,892,740	\$ 2,642,072	\$ 9,101,517	\$ 932,603
Restricted cash and investments	108,064	-	-	108,064	-
Total Cash and investments	<u>\$ 3,674,769</u>	<u>\$ 2,892,740</u>	<u>\$ 2,642,072</u>	<u>\$ 9,209,581</u>	<u>\$ 932,603</u>
Reconciliation of income from operations to net cash provided by operating activities:					
Operating income	\$ (275,191)	\$ 78,982	\$ (2,155,755)	\$ (2,351,964)	\$ 155,568
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	353,968	816,971	675,919	1,846,858	207,185
Pension	-	(737,405)	58,712	(678,693)	-
(Increase) decrease in current assets:					
Accounts receivable	(15,374)	(56,228)	108,137	36,535	-
Inventory and prepaids	(19,951)	(4,207)	(503)	(24,661)	-
Increase (decrease) in liabilities:					
Accounts payable	1,150,917	(41,733)	(48,559)	1,060,625	(264,245)
Accrued liabilities	-	(20,264)	-	(20,264)	(6,986)
Deposits payable	5,971	-	-	5,971	-
Compensated absences	21,546	(14,956)	(16,124)	(9,534)	-
Net cash provided by operating activities	<u>\$ 1,221,886</u>	<u>\$ 21,160</u>	<u>\$ (1,378,173)</u>	<u>\$ (135,127)</u>	<u>\$ 91,522</u>

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2024.

The accompanying notes are an integral part of these basic financial statements.

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FIDUCIARY ACTIVITIES

Fund	Description
<hr/> Private Purpose Trust Funds are used for resources held for other individuals and entities in a manner similar to private enterprise. <hr/>	
Private Purpose Trust Fund	
Successor Agency - Fort Bragg Redevelopment Agency	Accounts for funds collected and disbursed for the dissolution of the former Fort Bragg Redevelopment Agency related to Administration and Retirement of enforceable obligations

City of Fort Bragg, California
Statement of Fiduciary Net Position
Fiduciary Activities
June 30, 2024

	<u>Successor Agency</u> <u>Former Fort Bragg</u> <u>Redevelopment</u> <u>Agency</u>
ASSETS AND DEFERRED OUTFLOWS	
Current assets:	
Cash and investments	\$ 269,115
Other receivable	14,978
Total assets	<u>284,093</u>
Deferred outflows of resources	
Deferred loss on debt refunding	59,608
Total deferred outflows of resources	<u>59,608</u>
Total assets and deferred outflows of resources	<u>\$ 343,701</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Current liabilities:	
Accounts payable and accrued liabilities	\$ -
Interest payable	28,283
Due within one year	175,000
Total current liabilities	<u>203,283</u>
Long-term liabilities:	
Due after one year	2,484,502
Total long-term liabilities	<u>2,484,502</u>
Deferred inflows of resources	
Unavailable revenue	278,263
Total liabilities and deferred inflows of resources	<u>2,966,048</u>
Net Position (Deficit)	<u>(2,622,347)</u>
Total liabilities and net position	<u>\$ 343,701</u>

The accompanying notes are an integral part of these basic financial statements.

City of Fort Bragg, California
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds
For the year ended June 30, 2024

	<u>Successor Agency</u> <u>Former Fort Bragg</u> <u>Redevelopment</u> <u>Agency</u>
ADDITIONS:	
Property taxes	\$ 452,782
Total operating revenues	<u>452,782</u>
DEDUCTIONS:	
Community development	125,915
Interest and trustee fees	92,124
Total operating expenses	<u>218,039</u>
CHANGE IN FIDUCIARY NET ASSETS	<u>234,743</u>
NET ASSETS (DEFICIT):	
Beginning of year	(2,857,090)
End of year	<u>\$ (2,622,347)</u>

The accompanying notes are an integral part of these basic financial statements.

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NOTES TO BASIC FINANCIAL STATEMENTS



City of Fort Bragg, California
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For the year ended June 30, 2024

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City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Fort Bragg (City) have been prepared in conformity with accounting principles (USGAAP) generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant principles are described below.

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fiduciary fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

The City of Fort Bragg was incorporated August 5, 1889, under the applicable laws and regulations of the State of California. The City operates under a Council-City Manager form of government and provides a variety of services including public safety (police and fire); streets and highways; wastewater collection, treatment, and disposal; water treatment; planning and zoning; public improvement and redevelopment; and general administrative services. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable.

Blended Component Units

Because of their relationship with the City and the nature of their operations, component units are, in substance, part of the City's operations and, accordingly, the activities of these component units are combined, or blended with the activities of the City for purposes of reporting in the accompanying basic financial statements. The basis for blending the component units is that their governing bodies are substantially the same as the City's Council.

Fort Bragg Municipal Improvement District No. 1 (District) includes all of the funds and operations for the City's wastewater collection and treatment processes. The District is governed by a Board of Directors comprised of the members of the Fort Bragg City Council. The City of Fort Bragg exercises significant financial and management control over the District. The activities of the District are reported as a major enterprise fund within the City's financial statements.

Complete financial statements of the District can be obtained directly from the City of Fort Bragg, 416 N. Franklin St., Fort Bragg, CA 95437.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Presentation

The accounts of the City are organized and operated on the basis of funds, each of which is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. These funds are established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

In accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments," the financial statements consist of the following:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements

Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the primary government (the City) and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the City's governmental activities. Direct expenses are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational need of a particular program, and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Presentation, Continued

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary fund and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in specialized funds.

The **Community Development Block Grant (CDBG) Program Income Fund** special revenue fund was established to account for program income generated by CDBG funded projects. The funds are used for activities that benefit low- and moderate-income persons to ensure decent affordable housing and to create jobs through the expansion and retention of businesses.

The **Special Sales Tax Street Repair Fund** special revenue fund is used to account for revenue received from local sales taxes restricted to street repairs.

The **Permanent Local Housing Special Revenue Fund** provides funding to local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. The City Council of Fort Bragg approved a resolution in 2021 to authorize the application for PLHA program to support the DANCO project. The City received \$2.4 million for this purpose, of which \$2.28 million is allocated as a loan for the project, while the remaining funds cover the city's administrative expenses.

The **CDBG Super NOFA Special Revenue Fund** is used to account for CDBG grants awarded under the 2009 Recovery Act allocation for a housing project rehabilitation and under the 2010 General Allocation for two housing programs, public facility improvements, and a public service program.

The **Street Resurfacing Project Fund** is a capital project fund used to account for costs associated with the Street Resurfacing project and Street Structural Repair project. This project is funded with local sales taxes collected specifically for street maintenance and repair.

The City reports the following major proprietary funds:

The **Water** enterprise fund accounts for the activities of the City's water treatment and distribution operations.

The **Wastewater** enterprise fund accounts for the activities of the Fort Bragg Municipal Improvement District No. 1 which provides the City's wastewater collection, treatment, and disposal operations.

The **C.V. Starr Center** enterprise fund accounts for all operations of the C.V. Starr Center, including the local sales tax restricted to funding the operations of the C.V. Starr Center and the property taxes collected by the City as part of a Property Tax Exchange agreement.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Presentation, Continued

Additionally, the City reports the following fund types:

Internal Service Funds account for maintenance and repair of City facilities, information technology, and vehicle operations that provide services to other departments of the City on a cost reimbursement basis.

The **Private-Purpose Trust Fund** is a fiduciary fund type used by the City to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Fort Bragg Redevelopment Successor Agency (Successor Agency). The Successor Agency operates under the auspices of a legislatively formed Oversight Board comprised of representatives of the local agencies that serve the redevelopment project area. The Oversight Board, in its fiduciary capacity, has authority over the operations and the timely dissolution of the former RDA. It is tasked with fulfilling the obligations of the former RDA, and is also responsible for revenue collection, maintaining necessary bond reserves, and disposing of excess property.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at fiscal year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the fiscal year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Measurement Focus and Basis of Accounting, continued

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of a fiscal year-end). Expenditure-driven grants are recognized as revenue when eligible expenditures have been incurred against a fully executed grant agreement. Such accrued revenue is considered available even if it is not received within 60 days of year-end. This method provides improved reporting and control at the program level because it appropriately matches funding sources and uses. All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Wastewater enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Budgetary Information

1) Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund and enterprise funds. The capital projects funds are appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Budgetary Information, Continued

The City Council follows the following procedures in establishing the budgetary data reflected in the required supplementary information:

- Before the end of each fiscal year, the City Manager and Finance Director prepare and submit to the City Council a proposed budget for the subsequent fiscal year. The budget includes proposed expenditures and the means for financing them.
- The City Council reviews the proposed budget in public hearings which provides interested citizens opportunity to comment. The Council may add to, subtract from, or change appropriations, but may not change the form of the budget.
- Prior to July 1, or soon after, the budget is legally adopted by the City Council through resolution.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department with City Manager approval. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year unless they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are brought forward and become part of the subsequent year's budget pursuant to City policy.

F. Unearned Revenue

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when earned. Therefore, the government-wide statement of net position as well as governmental and enterprise funds defer revenue recognition in connection with resources that have been received as of fiscal year-end, but not yet earned. Assets recognized in connection with a transaction before the earnings process is complete are offset by a corresponding liability for unearned revenue.

Under the modified accrual basis of accounting, it is not enough that revenue had been earned if it is to be recognized in the current period. Revenue must also be susceptible to accrual (i.e., measurable and available to finance expenditures of the current period). Governmental funds report unearned revenues, in connection with receivables for revenue not considered available to liquidate, as deferred inflows of resources.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1) Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2) Investments

Investments for the City and its component units are reported at fair value (generally based on quoted market prices).

3) Inventories and prepaid items

Inventories for both governmental and proprietary funds consist principally of materials and supplies held for consumption and are valued at cost, approximating fair value, using the first-in, first-out (FIFO) method. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Inventories recorded in the governmental funds do not reflect current appropriable resources and thus, an equivalent portion of fund balance is shown as non-spendable.

Certain payments to vendors represent costs applicable to future accounting periods and would be recorded as prepaid items in both the government-wide and fund financial statements. The City had \$960 in prepaid expenses in governmental activities as of June 30, 2024.

4) Capital Assets

Capital assets, which include land, buildings, infrastructure (roads, sidewalks and similar items), and machinery and equipment, are reported in the applicable governmental or business-type activities column in the governmental-wide financial statements. Capital assets, except for infrastructure assets, are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. For infrastructure assets the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance, Continued

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets, donated works of art and similar items as well as capital assets received in a service concession arrangement are reported at acquisition value. During the current fiscal period, infrastructure projects that were incomplete are reported as “construction in progress.”

Interest is capitalized on the construction of major assets acquired with debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. For the fiscal year ended June 30, 2024, there were no projects meeting the criteria for interest capitalization.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Capitalization thresholds are \$5,000 for any single item.

Land and construction in progress are not depreciated. Property, plant, equipment, and infrastructure of the City are depreciated using the straight-line method using the following estimated useful lives:

<u>Capital Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	40 - 75 years
Infrastructure	10 - 50 years
Utility Plant	10 - 50 years
Machinery & Equipment	3 - 40 years
Vehicles	5 - 10 years
Improvements	5 - 30 years

5) Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net assets and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied, due to the nature of the restrictions.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance, Continued

6) Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items reported as a deferred outflow of resources. The first item is a deferred charge on the City's port-employment benefits reported in the government-wide statement of net position. The second item is a deferred charge on the City's pension plan reported in the government-wide statement of net position.

In addition to liabilities, the statement of position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items reported as a deferred inflow of resources. The first item arises only under the modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: sales taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second deferred inflow on the City's pension plan and is reported in the government-wide statement of net position.

7) Fund Balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance, Continued

8) Net Position/Fund Balance

GASB Statement No. 63 adds the concept of Net Position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis. Net Position represents the difference between assets and liabilities and are divided into three captions under GASB Statement No. 34. These captions apply only to Net Position as determined at the government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include debt service requirements and funds restricted for various purposes, such as low and moderate income housing, community development, streets and roads, and public safety.

Unrestricted describes the portion of Net Position which is not restricted as to use.

GASB Statement No. 54 establishes fund balance classifications for the Fund Financial Statements that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Non-spendable Fund Balance – This amount is comprised of net position that cannot be spent because of their form or must remain intact pursuant to legal or contractual requirements.

Restricted Fund Balance – This balance is comprised of net position that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed Fund Balance – This balance includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council (Council) is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance – This balance is intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Council has

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance, Continued

by resolution authorized the Finance Director to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned Fund Balance – This balance represents residual net resources or total fund balance in the General Fund in excess of non-spendable, restricted, committed and assigned fund balance (surplus). In other governmental funds the balance represents the excess of non-spendable, restricted, and committed fund balance over total fund balance (deficit).

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

9) Restricted Assets

Certain cash and investments in the Water Fund are held by the City's fiscal agents and classified as restricted assets on the statement of net position because their use is limited by applicable bond or other covenants.

10) Lease Obligations

Lease Liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the City.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance, Continued

11) Encumbrances

Encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by appropriate authorities as of June 30, 2024, are summarized below.

Fund	Amount
General Fund	\$ 475,619
Asset Forfeiture	109,760
Main Street Fire Station	135,600
Fire Equipment	235,567
Facilities	13,294
IT	228,437
Fleet & Equipment Services	311,543
Other State Grants	358,490
Noyo Harbor Blue Economy	63,569
MCOG	49,510
Water Enterprise	107,291
Street Resurfacing Capital Project	110,697
Wastewater Enterprise	71,765
CV Starr	176,282
	<u>\$ 2,447,424</u>

12) Long-Term Obligations

In the government-wide financial statements, the proprietary fund financial statements, and the private-purpose trust fund, long-term debt and other long-term obligations are reported as liabilities. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Amortization of bond premiums or discounts is included as a component of interest expense.

H. Revenues and expenditures/expenses

1) Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes (excluding those dedicated for specific purposes) and other internally dedicated resources are reported as general revenues rather than as program revenues.

The City only accrues revenues at fiscal year-end and accrues only those revenues it deems collectible; as such the City has no allowance for uncollectible accounts. Management has determined that uncollectible receivables, if any, would be immaterial based on an analysis of historical trends.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Revenues and expenditures/expenses, Continued

2) Property taxes

Property taxes attach as an enforceable lien on real property and are levied as of July 1st. The City relies on the competency of the County of Mendocino Assessor’s and Auditor-Controller’s (County) offices to properly assess, collect, and distribute property taxes.

The method of allocation used by the County is subject to review by the State of California. The City and the County have adopted the Alternative Method of Tax Apportionment – Teeter Plan. First enacted in 1949, the Teeter Plan provides California counties with an optional alternative method for allocating delinquent property tax revenues. Using the accrual method of accounting under the Teeter Plan, counties allocate property tax revenues based on the total amount of property taxes billed, but not yet collected. In exchange, the counties receive the penalties and interest on delinquent taxes when collected. Mendocino County assesses properties, bills for, and collects secured and unsecured property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Lien dates	January 1	January 1
Levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 (for November due date) April 10 (for February due date)	August 31

3) Compensated absences

Vacation

Earned vacation and a portion of accumulated sick-leave payable upon termination or retirement are accrued as compensated absences. The accrual includes the City’s share of payroll taxes. Regular employees earn vacation hours based on the number of years of continuous service. No more than 240 hours (340 hours after 10 years of continuous service) may be accumulated.

Sick Leave

Regular employees are given credit for eight (8) hours sick-leave for each month of employment with unlimited accumulation. Each employee who has two or more years of service with the City and who separates from City service for any reason, except discharge for cause, is entitled to payment of the monetary equivalent of 30% of unused sick-leave accrued to a maximum of 1,000 hours. This 30% is included in the compensated absences accrual.

4) Proprietary funds operating and non-operating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the water and wastewater funds are charges to customers for sales and services. The C.V. Starr Center fund has three sources of revenue: property taxes, district sales tax, and user fees. The water and wastewater funds also recognize as

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Revenues and expenditures/expenses, Continued

operating revenue the portion intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues not meeting this definition are reported as non-operating revenues and expenses. Although Internal Service Funds are proprietary in nature, they are funded entirely by internal customers and reported as governmental activities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

J. New and Closed Funds

During the course of each fiscal year funds may be closed and new funds opened. In FY 2023/24 no funds were opened or closed.

K. Reclassifications

Certain amounts have been reclassified to provide for comparable results on a year to year basis.

L. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

2. CASH AND INVESTMENTS

At June 30, 2024, the City’s pooled cash and investments, classified by maturity, consisted of the following stated at fair value:

	Maturities (in years)			Deposits	Fair Market Value
	<1	1 to 3	3 to 5		
<u>Cash equivalents and investments pooled</u>					
Pooled cash, at fair value					
Cash in bank	\$ -	\$ -	\$ -	\$ 2,503,254	2,503,254
Petty cash	-	-	-	1,290	1,290
Total pooled items	-	-	-	2,504,544	2,504,544
<u>Pooled investments, at fair value</u>					
Interest obligations					
<u>Par</u>	<u>Rate</u>				
\$ 1,000,000	0.57% - 1.00%	Federal Agency Securities	-	-	931,405
\$ 13,876,000	0.7% - 5.15%	Certificates of Deposits	4,425,831	7,037,049	2,178,374
		Money Market Funds	-	-	(220,348)
		State of California Local Agency Investment Fund	-	-	4,036,035
		PARS Section 115 Pension Trust Fund - Mutual Fund	1,651,438	-	-
		Total pooled investments - interest obligations	6,077,269	7,037,049	3,109,779
		Total cash equivalents and investments pooled	\$ 6,077,269	\$ 7,037,049	\$ 3,109,779
				\$ 6,320,231	\$ 22,544,328
Amounts reported in:					
					\$ 11,277,745
					1,787,887
					9,101,517
					108,064
					269,115
					\$ 22,544,328

California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the City by the California Government Code (or the City’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code of the City’s investment policy. During the year ended June 30, 2024, the City’s permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	Unlimited	\$50 Million
U.S. Treasury Obligations	5 years	Unlimited	None
U.S. Government Agency Issues	5 years	Unlimited	None
Repurchase Agreements	90 days	10%	None
Bankers' Acceptances (must be dollar denominated)	270 days	40%	None
Commercial Paper - A rated minimum	180 days	15%	None
Certificates of Deposits - FDIC insured	5 years	50%	None
General obligations of any State or Political subdivision - AA rated minimum	5 years	30%	None
Money market mutual funds holding - Cash and U.S. Government Obligations	N/A	None	None

Per the City’s investment policy, if special circumstances arise that necessitate the purchase of securities beyond the five year limitation, the requests must be approved by the Council prior to purchase.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees is governed by provisions of the debt agreements. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Investments Authorized by Debt Agreements	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Securities	5 years	None	None
Bankers Acceptance	270 days	40%	15%
Commercial paper	180 days	15%	15%
Money market mutual funds	None	None	None

Interest rate risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Credit risk – As of June 30, 2024, the City’s investments in money market funds were rated AAA by Standard & Poor’s and Fitch Ratings, and Aaa by Moody’s Investors Service. The State of California Local Agency Investment Fund is not rated.

Concentration of credit risk – The concentration of credit risk is the risk of loss that may be caused by the City’s investment in a single issuer. The investment policy of the City contains no limitations on the amount that can be invested in any single issuer beyond that stipulated by the California government code. Investments in the securities of any individual issuers, other than U.S. Treasury Securities, mutual funds and the California Local Agency Investment Fund, that represent 5 percent or more of the City’s total investments are as follows as of June 30, 2024:

Investment Type	Fair Value	Concentration
Certificate of Deposits	\$ 13,641,254	54.14%

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF). LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. At June 30, 2024, the carrying amount of the City's cash deposits (including fiduciary funds) was \$2,283,030 of which \$250,000 was covered by federal depository insurance and \$2,033,030 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the City and other governmental agencies, but not in the name of the City.

The California Government Code (Government Code Section 53630) requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2024, the City's investments were held by the City's custodial agent, but not in the City's name, and were insured up to specified limits by the Securities Investor Protection Corporation (SIPC) and supplemental private insurance up to a limit of \$150 million.

Custodial credit risk – investments. Custodial credit risk – investment generally applied only to direct investments in marketable securities. Custodial credit risk – investment does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as Local Agency Investment Fund).

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs. Securities classified as Level 3 have limited trade information, these securities are priced or using the last trade price or estimated using recent trade prices.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

<u>Investments by Fair Value Level</u>	<u>June 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Federal Agency Securities	\$ 931,405	\$ 931,405	\$ -	\$ -
Certificates of Deposits	13,641,254	13,641,254	-	-
Money market	(220,348)	-	(220,348)	-
Total fair value	<u>14,352,311</u>	<u>14,572,659</u>	<u>(220,348)</u>	<u>-</u>
Investments Exempt from Fair Value Hierarchy				
Local Agency Investment Fund (LAIF)	4,036,035			
PARS Section 115 Pension Trust Fund - Mutual Funds	1,651,438			
	<u>\$ 20,039,784</u>			

Investment in LAIF

The City is a voluntary participant in California Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute, and is chaired by the State Treasurer who is responsible for day to day administration of LAIF. The total amount invested by all public agencies as of June 30, 2024 was \$21,974,159,650 of which the City had a balance of \$4,036,035. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2024 has a portfolio with market valuation including accrued interest of \$179,046,993,600. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2024:

	Receivables
Governmental Activities	
Taxes	1,852
Interest	795
Intergovernmental	2,152,655
Other	1,715,109
	<u>\$ 3,870,411</u>
Business-type Activities	
Accounts receivable	\$ 836,918
	<u>\$ 836,918</u>

These amounts resulted in the following concentrations in receivables:

Other Governments	44%	Individuals/Business	56%
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Amounts do not indicate a significant concentration (greater than 25%) with any single individual, business or agency.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

4. LOANS AND NOTES RECEIVABLE

The City periodically receives Community Development Block Grant (CDBG) funding through the State Housing and Community Development Department to provide housing and economic development loans to individuals and businesses. Repayment terms and interest rates vary depending on the borrower’s funding needs and ability to repay the loan. Interest is accrued on the loans that bear interest.

Loans and notes receivable for the year ended June 30, 2024, consisted of the following:

	Beginning				Ending
	June 30, 2023	Additions	Deletions	Adjustments	June 30, 2024
CDBG Revolving Loans	\$ 1,153,572	\$ 553,000	\$ (276,549)	\$ (8,297)	\$ 1,421,726
Mendocino Coast Hospitality Center Loan	904,293	-	-	-	904,293
Rural Community Housing Development Corporation Loans	570,375	6,750	-	-	577,125
Employee Loans	-	2,311	-	-	2,311
PLHA Loan - Permanent Local Housing Allocation	-	2,280,000	-	-	2,280,000
Total loans/notes receivable	\$ 2,513,350	\$ 2,842,061	\$ (276,549)		\$ 5,185,455

The following are descriptions of the loans and notes receivable outstanding as of June 30, 2024:

CDBG Revolving Loans – These are loans issued from CDBG grant funds received by the City or issued from unrestricted CDBG Program Income on hand. Loans are provided from CDBG Economic Development funding to assist local business that will provide or retain jobs. Business loans require repayment of interest and principal. Loans are also provided from CDBG Community Development funds to income-qualified home owners in order to rehabilitate their homes. Terms of housing loans vary depending upon the homeowners’ income and may require payments of interest and principal; or interest only; or loans may be fully deferred for up to 30 years.

Mendocino Coast Hospitality Center Loan – On January 12, 2016, the Fort Bragg City Council adopted a Resolution approving the use of 2015 Community Development Block Grant (CDBG) funds for acquisition and rehabilitation of the vacant Old Coast Hotel for the benefit of Mendocino Coast Hospitality Center, Inc. (MCHC). The facility accommodates a variety of homeless and mental health services including transitional housing. The facility is owned and operated by MCHC. This loan is deferred for a term of 20 years. If various conditions are met during the term of the loan, the loan will be forgiven at the end of the 20 year term.

Rural Community Housing Development Corporation Loans – These loans are to the Rural Community Housing Development Corporation (RCHDC), a non-profit organization for housing rehabilitation projects within the City.

Employee Loans – Employees have the option of entering into equipment purchasing loan plans with the City, which may be utilized to assist the employee to purchase equipment that may be used both on and off duty to improve the employee’s job performance.

Permanent Local Housing Allocation Loan – This loan is a Promissory Note related to a Permanent Local Housing Allocation (PLHA) Loan issued by City of Fort Bragg to Fort Bragg South Street LP, a California limited partnership. The loan accrues interest at an annual rate of 3%, with a default rate of 6%, and matures 55 years from the issuance of a Certificate of Occupancy for the project.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

5. CAPITAL ASSETS

Governmental capital asset activity for the year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2024
Governmental activities:					
Nondepreciable assets:					
Land	\$ 12,952,262	\$ -	\$ -	\$ -	\$12,952,262
Construction in progress	1,639,441	3,883,564	(832,765)	(18,571)	4,671,669
Total nondepreciable assets	14,591,703	3,883,564	(832,765)	(18,571)	17,623,931
Depreciable assets:					
Buildings	4,675,798	422,863	-	-	5,098,661
Machinery, equipment and vehicles	3,240,782	886,554	(136,043)	(24,117)	3,967,176
Infrastructure	38,238,681	-	-	-	38,238,681
Total depreciable assets	46,155,261	1,309,417	(136,043)	(24,117)	47,304,518
Total	59,078,998	5,192,981	(968,808)	(42,688)	64,928,449
Accumulated depreciation:					
Buildings	(3,614,779)	(113,139)	-	-	(3,727,918)
Machinery, equipment and vehicles	(1,704,004)	(211,870)	98,604	-	(1,817,270)
Infrastructure	(13,272,075)	(1,231,408)	-	-	(14,503,483)
Total accumulated depreciation	(18,590,858)	(1,556,417)	98,604	-	(20,048,671)
Net depreciable assets	27,564,403	(247,000)	(37,439)	(24,117)	27,255,847
Total net capital assets	\$ 42,156,106	\$ 3,636,564	\$ (870,204)	\$ (42,688)	\$ 44,879,778

Depreciation expense for capital assets was charged to functions as follows:

General government	\$	177,128
Public safety		108,908
Public works		1,270,381
	\$	<u>1,556,417</u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

5. CAPITAL ASSETS, Continued

Business-type capital asset activity for the year ended June 30, 2024, was as follows:

	Balance		Balance	
	June 30, 2023	Additions	Deletions	June 30, 2024
<u>Business-type activities:</u>				
Nondepreciable assets:				
Land	\$ 3,210,698	\$ -	\$ -	\$ 3,210,698
Construction in progress	4,228,017	2,546,250	(196,928)	6,577,339
Total nondepreciable assets	7,438,715	2,546,250	(196,928)	9,788,037
Depreciable assets:				
Buildings	29,467,204	267,492	-	29,734,696
Machinery, equipment and vehicles	6,680,466	189,644	(254,625)	6,615,485
Infrastructure	39,475,891	266,665	-	39,742,556
Land improvements	542,303	-	-	542,303
Total depreciable assets	76,165,864	723,801	(254,625)	76,635,040
Total	83,604,579	3,270,051	(451,553)	86,423,077
Accumulated depreciation:				
Buildings	(10,301,599)	(716,232)	-	(11,017,831)
Machinery, equipment and vehicles	(4,888,648)	(200,063)	251,910	(4,836,801)
Infrastructure	(12,489,210)	(930,562)	-	(13,419,772)
Land improvements	(542,303)	-	-	(542,303)
Total accumulated depreciation	(28,221,760)	(1,846,857)	251,910	(29,816,707)
Net depreciable assets	47,944,104	(1,123,056)	(2,715)	46,818,333
Total net capital assets	\$ 55,382,819	\$ 1,423,194	\$ (199,643)	\$ 56,606,370

Depreciation expense for capital assets was charged to functions as follows:

Water	\$ 353,968
Sewer	816,971
CV Starr Center	675,918
	<u>\$ 1,846,857</u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued payroll and related liabilities consisted of the following at June 30, 2024:

	Governmental Activities	Business-type Activities	Total
Accounts payable	\$ 760,216	\$ 1,848,008	\$ 2,608,224
Accrued payroll and related liabilities	42,640	3,491	46,131
Total	\$ 802,856	\$ 1,851,499	\$ 2,654,355

These amounts resulted in the following concentrations in payables:

Vendors	98.4%
Employees	1.6%

There were no further significant concentrations (greater than 25%) with any single vendor or employee.

7. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 564,593	\$ 77,284	\$ (57,187)	\$ 584,690	\$ 58,469
Landfill post-closure	124,500	-	(124,500)	-	-
2021 Lease revenue bonds	8,015,000	-	(195,000)	7,820,000	190,000
2021 Lease revenue bonds discount	(39,374)	-	1,875	(37,499)	-
Total governmental activities	\$ 8,664,719	\$ 77,284	\$ (374,812)	\$ 8,367,191	\$ 248,469
Business-type activities					
Bonds payable:					
2014 Water Revenue Refunding Bond	\$ 332,000	-	(332,000)	-	-
2018 WW Plant Certificates of Participation	4,649,000	-	(93,000)	4,556,000	95,000
Total business-type activity debt	4,981,000	-	(425,000)	4,556,000	95,000
Compensated absences	118,424	8,890	(18,424)	108,890	10,903
Total business-type activities	\$ 5,099,424	\$ 8,890	\$ (443,424)	\$ 4,664,890	\$ 105,903

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

7. LONG-TERM LIABILITIES, Continued

Governmental Activities

2021 Lease Revenue Bonds

On October 28, 2021 the City issued \$11,440,000 in Lease Revenue Bonds. Of the proceeds, \$7,540,414 were used to pay down a portion of the outstanding UAL projected by CalPERS. On August 5, 2023 the City declared a portion of the bond proceeds to be surplus and redeemed \$3,425,000 of bond principal. Interest is payable semi-annually on May 1 and November 1 of each year, commencing November 1, 2024. The bonds mature in 2044 and principal is payable on May 1 each year, commencing May 1, 2024. The interest rate for the bonds varies from 1.110% to 3.5%.

Caspar Landfill Closure and Post-Closure Cost

The Caspar Landfill site was closed in 1995. State and federal laws and regulations require that the City place a final cover on its landfill when closed, and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. These costs are shared equally by the City and County of Mendocino. At June 30, 2024, the City's estimated liability for its share of landfill closure and post-closure care costs was \$1,069,730. This estimated total cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2024, as determined by the last engineering study performed. However, the actual cost of closure and post-closure care may change due to inflation, changes in technology, or changes in landfill laws and regulations.

The City has made a pledge of future user surcharge revenues for anticipated remaining expected costs, future inflation costs, and any additional costs (including debt service) that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example).

Business-type Activities

2014 Water Revenue Refunding Bonds

On June 5, 2014, the City issued \$2,962,000 of Water Revenue Refunding Bonds bearing interest of 3.06% and payable semi-annually on October 1 and April 1, maturing on October 1, 2024. These bonds were used to advance refund the 2004 California Statewide Communities Development Authority Bonds, which were issued originally to advance refund the 1993 COP's, which had been used for various capital improvements to the City's water system. The outstanding principal balance as of June 30, 2024 was \$0.

\$2,891,751 from the 2014 Water Revenue Refunding Bonds was placed in an irrevocable trust that was used to pay off the 2004 California Statewide Communities Development Authority Bonds on July 7, 2014. The funding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts) of \$201,814. The aggregate difference in debt service between the 2004 California Statewide Communities Development Authority Bonds and the 2014 Water Revenue Refunding Bonds was \$234,793. The outstanding amount of the defeased debt was \$2,855,000 as of June 30, 2014.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

7. LONG-TERM LIABILITIES, Continued

The City defeased the 2004 California Statewide Communities Development Authority Bonds by placing the proceeds of the 2014 Water Revenue Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the 2004 California Statewide Communities Development Authority Bonds. Accordingly, the trust account assets and the liability of the defeased 2004 California Statewide Communities Development Authority Bonds are not included in the City's financial statements.

2018 Wastewater Revenue Refunding Bonds

In 2018, the City issued \$5,000,000 in Certificates of Participation as partial funding to acquire and construct the District's Wastewater Treatment Facility. The Certificates of Participation are secured by an Installment Sale agreement between the City and City of Fort Bragg Joint Powers Financing Authority (JPFA) with the JPFA acting as seller and the City as purchaser. The obligation is secured and payable from net revenues of the Wastewater Enterprise. The outstanding principal balance as of June 30, 2024 was \$4,556,000.

Compensated Absences

The City records employee absences, such as vacation, illness, and holidays, for which it is expected that employees will be paid as compensated absences. The governmental activities compensated absences balance at June 30, 2024 was \$584,690 with \$58,469 expected to be paid within a year; The business-type activities compensated absences balance at June 30, 2024 was \$108,890 with \$10,903 expected to be paid within a year.

Future debt service for Governmental and Business-Type Activities at June 30, 2024, is as follows:

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	2021 Lease Revenue Bonds		2018 WW Plant Certificates Of Participation	
	Principal	Interest	Principal	Interest
2025	\$ 190,000	\$ 243,348	\$ 95,000	\$ 90,130
2026	225,000	240,555	97,000	88,210
2027	285,000	236,910	99,000	86,250
2028	330,000	231,410	101,000	84,250
2029	340,000	224,381	103,000	82,210
2030-2034	1,805,000	385,107	545,000	379,050
2035-2039	2,125,000	667,265	601,000	321,850
2040-2044	2,520,000	271,775	664,000	258,600
2045-2049	-	-	732,000	188,840
2050-2054	-	-	809,000	111,890
2055-2059	-	-	710,000	28,660
Total	<u>\$ 7,820,000</u>	<u>\$ 2,500,751</u>	<u>\$ 4,556,000</u>	<u>\$ 1,719,940</u>
Due within one year	\$ 190,000	\$ 243,348	\$ 95,000	\$ 90,130
Due after one year	7,630,000	2,257,403	4,461,000	1,629,810
Total	<u>\$ 7,820,000</u>	<u>\$ 2,500,751</u>	<u>\$ 4,556,000</u>	<u>\$ 1,719,940</u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

8. NET POSITION/ FUND BALANCES

Net position (deficit)

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	\$ 44,879,778	\$ 52,050,370	\$ 96,930,148
Restricted	5,839,731	108,064	5,947,795
Unrestricted (deficit)	(424,308)	7,407,311	6,983,003
Total	<u>\$ 50,295,201</u>	<u>\$ 59,565,745</u>	<u>\$ 109,860,946</u>

Restricted balances are for the same purposes as fund balance restrictions because external restriction requirements are the same. See descriptions of the restrictions below.

Fund Balance

Non-spendable, Restricted and Committed fund balance consisted of the following at June 30, 2024:

Nonspendable:

Prepaid	\$ 6,797
Loans/ Notes Receivable	2,311
Total Nonspendable	<u>\$ 9,108</u>

Restricted:

Governmental Funds:

Restricted cash and investments	\$ 1,787,887
Special Sales Tax	406,770
CDBG Super NOFA	11,284
Asset Forfeiture	481,482
Federal & State Grant Funds	3,152,308
Total Restricted	<u>\$ 5,839,731</u>

Committed:

Governmental Funds:

Operating reserve	\$ 1,989,419
Recession reserve	489,929
Litigation reserve	200,000
Total Committed	<u>\$ 2,679,348</u>

The following describe the purpose of each non-spendable, restricted, and committed category used by the City:

Non-spendable

- **Prepays** – represents non-spendable amounts classified as prepaid expense.
- **Loans/notes receivable** – represents non-spendable amounts classified as loans/notes receivable.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

8. NET POSITION/ FUND BALANCES, Continued

Restricted

- **Restricted cash and investments** – represents amounts restricted for pension costs.
- **Special Sales Tax** – represents amounts restricted by voter approved ordinance for street repairs.
- **CDBG Super NOFA** – represents amounts restricted by Federal guidelines to support housing rehabilitation projects.
- **Asset Forfeiture** – represents amounts restricted by State and Federal guidelines to support law enforcement.
- **Federal and State Grants** – represents restricted amounts received from State and Federal Grants for various city programs.

Committed

- **Reserves** – represents amounts designated by the City Council for future contingencies, which include a \$1,989,419 operating reserve, a \$489,929 recession reserve and a \$200,000 litigation reserve.

Fund Balance Deficits

Deficit fund balances consisted of the following:

<u>Funds</u>	<u>June 30, 2024</u>
Major Funds:	
Street Resurfacing Capital Projects Fund	\$ (31,642)
Non-Major Funds:	
<i>Special Revenue Funds</i>	
Parking In-lieu Fees	(5,137)
Gas Tax	(31,525)
Traffic and Safety	(682)
Developer Deposit Accounts	(6,325)
Total	<u>\$ (75,311)</u>

The above deficit fund balances have occurred due to the spending of funds prior to the receipt of revenues (cost reimbursements). The Fund balances will be restored in the near future as revenues are received.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

9. INTERFUND TRANSACTIONS

Due to and from balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Due to and due from other funds consisted of the following as of June 30, 2024:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Governmental Funds</u>		
Major Funds:		
General Fund	\$ 667,821	\$ -
CDBG Super NOFA Special Revenue	-	23,212
Street Resurfacing Capital Projects	-	26,132
Total Major Funds	<u>667,821</u>	<u>49,344</u>
Nonmajor Funds:		
<i>Special Revenue Funds</i>		
Parking In-lieu Fees	-	5,137
Gas tax	-	91,274
Traffic & Safety	-	1,282
MCOG Overall Work Plan	-	35,592
Noyo Harbor Blue Economy	-	72,444
HCD HOME Grant	-	9,116
Other State Grants	-	120,989
CDBG Grant COVID	-	249,624
<i>Capital Project Funds:</i>		
Coastal Trail	-	33,019
Total Nonmajor Funds	<u>-</u>	<u>618,477</u>
Total Governmental Funds	<u>667,821</u>	<u>667,821</u>
Total	<u>\$ 667,821</u>	<u>\$ 667,821</u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

9. INTERFUND TRANSACTIONS, Continued

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers consisted of the following at June 30, 2024:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds</u>		
Major Funds:		
General Fund	\$ 852,101	\$ 664,150
CDBG Program Income Special Revenue Fund	-	173,896
Speical Sales Tax Special Revenue Fund	-	2,526,604
Permanent Local Housing Special Revenue	-	2,280,000
Street Resurfacing Capital Projects	293,169	-
Total Major Funds	<u>1,145,270</u>	<u>5,644,650</u>
Non-major Funds:		
<i>Special Revenue Funds</i>		
Parking In-lieu Fees	61,570	-
Asset Forfeiture	-	55,234
RMRA	-	696,907
MCOG Overall Work Plan	-	61,570
Housing Successor Agency	2,280,000	-
Other State Grants	-	434,052
CDBG Grant	190,009	193,468
CDBG Grant Covid	-	274,118
<i>Capital Projects Fund</i>		
Coastal Trail	3,888,407	-
Total Non-major Funds	<u>6,419,986</u>	<u>1,715,349</u>
Internal Service Funds		
Building Maintenance	-	247,095
Fleet Services	245,901	-
Total Internal Service Funds	<u>245,901</u>	<u>247,095</u>
Total Governmental Funds	<u>7,811,157</u>	<u>7,607,094</u>
<u>Proprietary Funds</u>		
Major Enterprise Funds		
Water	-	16,112
Sewer	-	187,951
Total Proprietary Funds	<u>-</u>	<u>204,063</u>
Total Transfers	<u>\$ 7,811,157</u>	<u>\$ 7,811,157</u>

10. RISK MANAGEMENT

The City of Fort Bragg is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Member entity obtains insurance coverage.

The City of Fort Bragg is a member of the California Intergovernmental Risk Authority (CIRA), a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers' compensation, and property claims.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

10. RISK MANAGEMENT, Continued

Under the General Liability program, the City of Fort Bragg has a \$5,000 deductible, with CIRA responsible for losses above that amount up to \$1 million. CIRA has additional coverage of \$39 million in excess of its \$1 million retention limit through affiliated risk management authorities. CIRA also provides \$600 million aggregate property coverage to its members with such coverage provided by purchased insurance. Liabilities of the member entity are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example, from salvage or subrogation, are another component of the claims liability estimate.

CIRA covers workers' compensation claims for participating members up to its self-insurance limit of \$500,000. Safety National and Gray Insurance Company provide excess coverage to statutory limits. Financial Statements of CIRA may be obtained from its administrative office located at 2330 E. Bidwell Street, Suite 150, Folsom, CA 95630; www.cira-jpa.org or by calling (916) 927-7727.

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

General Information about the Pension Plans

Plan Descriptions - All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

The Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

	<u>Miscellaneous</u>	<u>PEPRA Miscellaneous</u>
	Prior to	On or after
	January 1, 2013	January 1, 2013
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	52 - 67
Monthly benefits, as a % of eligible compensation	1.4% - 2.0%	1.0% to 2.5%
Required employee contribution rates	6.90%	6.50%
Required employer contribution rates	11.06%	7.76%
	<u>Safety - Police</u>	<u>PEPRA Safety - Police</u>
	Prior to	On or after
	January 1, 2013	January 1, 2013
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	2%	2.0% to 2.7%
Required employee contribution rates	8.94%	12.00%
Required employer contribution rates	18.17%	12.78%
	<u>Fire Safety</u>	
	Prior to	
	January 1, 2013	
Hire date	January 1, 2013	
Benefit formula	3% @ 50	
Benefit vesting schedule	5 years service	
Benefit payments	monthly for life	
Retirement age	50	
Monthly benefits, as a % of eligible compensation	2.00%	
Required employee contribution rates	0%	
Required employer contribution rates	0%	

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2024, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous Plans</u>	<u>Safety Plans</u>
Contributions - employer	\$ 339,772	\$ 245,110

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous Plans	\$ 3,184,191
Safety Plans	2,438,768
Total Net Pension Liability	<u>\$ 5,622,959</u>

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016 CalPERS combined the Miscellaneous Plan and PEPRAs Miscellaneous Plan for purposes of calculating net pension liability. Likewise the Safety-Police Plan, PEPRAs Safety-Police Plan and Safety-Fire Plans were combined for purposes of calculating net pension liability. The City's proportionate share of the net pension liability for each Plan as of June 30, 2024 and 2023 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Proportion - June 30, 2023	0.06550%	0.03491%	0.04730%
Proportion - June 30, 2024	<u>0.06368%</u>	<u>0.03263%</u>	<u>0.04507%</u>
Change - Increase/(Decrease)	-0.00182%	-0.00228%	-0.00223%

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

For the year ended June 30, 2024, the City recognized pension expense of \$839,643. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan		Safety Plan		Total	
	Deferred Outflows of Resources	Deferred Inflow of Resources	Deferred Outflows of Resources	Deferred Inflow of Resources	Deferred Outflows of Resources	Deferred Inflow of Resources
Changes in assumptions	\$ 192,244	\$ -	\$ 142,330	\$ -	\$ 334,574	\$ -
Differences between expected and actual experiences	137,432	-	163,722	-	301,154	-
Differences between projected and actual investment earnings	515,549	-	333,745	-	849,294	-
Differences between the employer's contributions and proportionate share of the	1,527,841	400,104	1,482,971	343,888	3,010,812	743,992
Change in employer's proportion	6,505	2,288,336	4,269	2,050,301	10,774	4,338,637
Pension contributions subsequent to measurement date	339,772	-	245,110	-	584,882	-
Total	\$ 2,719,343	\$ 2,688,440	\$ 2,372,147	\$ 2,394,189	\$ 5,091,490	\$ 5,082,629

\$584,882 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Contributions made after the measurement date of the net pension/OPEB liability or collective net pension/OPEB liability but before the end of the City's fiscal year will be recognized as a reduction of the net pension/OPEB liability/ or collective net pension/OPEB liability in the subsequent fiscal year rather than in the current fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	Miscellaneous	Safety	Total
2025	\$ (332,836)	\$ (232,882)	\$ (565,718)
2026	(259,938)	(186,150)	(446,088)
2027	269,114	142,564	411,678
2028	14,793	9,315	24,108
2029	-	-	-
Thereafter	-	-	-
	\$ (308,867)	\$ (267,153)	\$ (576,020)

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Actuarial Assumptions -The total pension liabilities in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety - Police	PEPRA - Miscellaneous	PEPRA Safety - Police	Fire Safety
Valuation Date	30-Jun-22	30-Jun-22	30-Jun-22	30-Jun-22	30-Jun-22
Measurement	30-Jun-23	30-Jun-23	30-Jun-23	30-Jun-23	30-Jun-23
Actuarial Cost Method	Entry-Age Normal Cost Method				
Actuarial Assumptions:					
Discount Rate	6.90%	6.90%	6.90%	6.90%	6.90%
Inflation	2.30%	2.30%	2.30%	2.30%	2.30%
Projected Salary Increase	Varies by entry age and service				
Mortality	Derived using CalPERS' Membership Data for all Funds				

The underlying mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website under Forms and Publications.

Discount Rate - The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 6.90 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 6.90 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Current Target Allocation	Real Return Years 1 - 10 ^{1,2}
Global equity - cap-weighted	30.0%	4.45%
Global equity non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate -1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
Employer's Net Pension Liability/(Asset) - Miscellaneous	6,575,321	3,184,191	392,999
Employer's Net Pension Liability/(Asset) - Safety	5,250,161	2,438,768	140,254
Employer's Net Pension Liability/(Asset) - Total	\$ 11,825,482	\$ 5,622,959	\$ 533,253

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Note: At June 30, 2016 CalPERS combined the Miscellaneous Plan and PEPRM Miscellaneous Plan for purposes of calculating net pension liability. Likewise the Safety-Police Plan, PEPRM Safety-Police Plan and Safety-Fire Plans were combined for purposes of calculating net pension liability.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

12. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City offers its employees a post-retirement health program, a Single Employer plan, which includes medical and dental coverage. Upon retirement for service or disability, employees hired prior to July 1, 2011 (January 1, 2012 for Fort Bragg Police Officer Association members) retiring directly from service at age 50 or over with 10 years of service may continue coverage for themselves and their spouse's (to whom they are married at retirement) as detailed below. Currently 19 employees meet those eligibility requirements. Expenditures for these post-retirement benefits are recognized as monthly premiums are paid. During the fiscal year ended June 30, 2024, expenditures of \$139,771 were recognized for the cost of these post-retirement benefits. The OPEB plan does not issue a separate financial report.

The City pays portions of the premiums dependent on bargaining group and employee hire date as follows:

Tier 1: For retirees hired before January 1, 1992, the City pays the full cost of medical and dental premium for the former employee. In addition, the City pays a percentage of the spouse's medical plan premium starting at the retiree's age 60. The percentage is 10% for each year of service after 10 years, reaching 100% for those retiring with 19 or more years of service. In addition, the spouse may participate in the dental program-but at their own cost.

Tier 2: For retirees hired after January 1, 1992 and before July 1, 2003 (July 1, 2004 for Fort Bragg Police Officer Association members), the City pays the full cost of medical and dental premiums for the former employee only.

Tier 3: For retirees hired after July 1, 2003 (July 1, 2004 for Fort Bragg Police Officer Association members) and before July 1, 2007, the City pays the full cost of medical and dental premiums for the former employee until age 65 when Medicare becomes payable. Thereafter, coverage is limited to a supplemental prescription drug plan, which is paid for by the City.

Tier 4: For retirees hired after July 1, 2007 and before July 1, 2011 (January 1, 2012 for Fort Bragg Police Officer Association members), the retiree only may remain in the City's health and dental plan until age 65, but at their own cost.

Tier 5: For retirees hired on or after July 1, 2011 (January 1, 2012 for Fort Bragg Police Officer Association members), the retiree and spouse may not participate in the City's health plans.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

12. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

Employees Covered by benefit terms

At June 30, 2024, the following employees were covered by the benefit terms:

Active employees	10
Inactive employees or beneficiaries currently receiving benefits	39
Inactive employees entitled to, but not yet receiving benefits	-
Total Number of participants	47

City Contribution to the Plan

The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2024, the City's cash contributions were \$5,000 in payments to the trust, \$420,544 cash benefit payments, and the estimated implied subsidy was \$37,000 resulting in total payments of \$462,544.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 that was rolled forward to determine the June 30, 2024 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:	
Actuarial Valuation Date	June 30, 2023
Contribution Policy	Pay benefits and pre-fund annual \$5,000 minimum contribution and additional amounts subject to budgetary surplus from prior fiscal year through CERBT asset Allocation Strategy 1, subject to maximum ADC
Discount Rate	6.25% at June 30, 2023 6.25% at June 30, 2022
Expected Long-Term Rate of Return on Investments	Same as discount rate. Plan assets projected to be sufficient to pay all benefits from trust
General Inflation	2.50% per annum
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Medical Trend	Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 and later years Medicare - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 and later years
Municipal Bond Rate	N/A
Healthcare Participation at Retirement	Tier 1-3: 100% participate at retirement Tier 4: No active participants remaining

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

12. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class Component	Target Allocation CERBT Strategy 1	Expected Real Rate of Return
Global Equity	49%	4.56%
Fixed Income	23%	1.56%
TIPS	5%	-0.08%
Commodities	3%	1.22%
REITs	20%	4.06%
	100%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at 6/30/2023*	\$ 5,683,156	\$ 2,969,068	\$ 2,714,088
Changes for the year			
Service Cost	43,707	-	43,707
Interest	343,631	-	343,631
Changes of benefit terms	-	-	-
Actual vs. expected experience	496,317	-	496,317
Assumption changes	225,039	-	225,039
Contributions - employer	-	462,544	(462,544)
Contributions - employee	-	-	-
Net investment income	-	190,672	(190,672)
Benefit payments	(457,544)	(457,544)	-
Administrative expenses	-	(863)	863
Net Changes	651,150	194,809	456,341
Balance at 6/30/2024**	\$ 6,334,306	\$ 3,163,877	\$ 3,170,429

*Measurement date 6/30/2022

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

12. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The discount rate used for the fiscal year end 2024 is 6.25%. The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

	1% Decrease	Current Rate	1% Increase
Change in Discount Rate	<u>5.25%</u>	<u>6.25%</u>	<u>7.25%</u>
Net OPEB Liability	\$ 3,832,456	\$ 3,170,429	\$ 2,606,749

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024 (Healthcare Cost Trend Rate was assumed to start at 6.5% and grade down to 3.75% for years 2076 and thereafter):

	1% Decrease	Current Trend	1% Increase
Change in Healthcare Cost Trend Rate	<u>1%</u>	<u>6.5%</u>	<u>7.5%</u>
Net OPEB Liability	\$ 2,586,860	\$ 3,170,429	\$ 3,854,804

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (6.0 Years at June 30, 2024)

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

12. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$139,771. As of fiscal year ended June 30, 2024, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 259,976	\$ -
Changes in assumptions	117,878	-
Net difference between projected and actual earnings on plan investments	193,665	-
Employer contributions made subsequent to the measurement date	489,293	-
Total	<u>\$ 1,060,812</u>	<u>\$ -</u>

The \$489,293 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30,	Deferred Outflow/(Inflows) of Resources
2025	\$ 382,358
2026	56,531
2027	133,653
2028	(1,023)
2029	-
Thereafter	-

13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Fort Bragg that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 9, 2012 the City Council elected to become the Successor Agency for the former Redevelopment Agency (RDA) in accordance with the Bill as part of City resolution number 3504-2012.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011), all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. As allowed under Section 34176(a) of the Bill, the City elected to retain the housing functions previously performed by the former RDA. The assets and activities for the Successor Agency Housing fund continue to be reported in the City’s governmental fund financial statements. The remaining assets, liabilities, and activities of the dissolved RDA, are reported in the Successor Agency fiduciary fund (private purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former RDA as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported as an extraordinary item in the governmental fund financial statements in FY 2011/12.

Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Trust Activities:					
2015 Refunding Tax Allocation Bonds	\$ 2,845,000	\$ -	\$ (165,000)	\$ 2,680,000	\$ 175,000
2015 Refunding Tax Allocation Bonds Discount	(22,280)	-	1,782	(20,498)	
Total trust fund debt	\$ 2,822,720	\$ -	\$ (163,218)	\$ 2,659,502	\$ 175,000
Deferred outflows:					
2015 Refunding Tax Allocation Bonds Deferred Loss	64,790		(5,182)	59,608	5,182

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

2015 Refunding Tax Allocation Bonds

In 2015 the former Fort Bragg Redevelopment Agency issued \$4,040,000 of Tax Allocation Bonds for the purpose of refunding \$4,005,000 of outstanding 2004 Tax Allocation Bonds and making funds available for future capital projects. The refunding took advantage of lower interest rates which were available. The refunding resulted in a difference between the reacquisition price and the carrying amount of the old debt, which has been deferred in accordance with GASB Statement No. 23. Deferred amounts for the loss on refunding and the original discount associated with the issuance of the 2015 Bonds are being amortized over the life of the 2015 issue using the straight line method.

The Bonds bear annual interest at rates varying between 2.00% and 3.25%. The Bonds were issued as a fully registered note in denominations of \$5,000. Interest on the bonds are payable semi-annually each September 1 and March 1. Principal is paid in annual installments each September 1, 2016, through the fiscal year 2037 in amounts ranging from \$90,000 through \$250,000. The outstanding principal balance as of June 30, 2024 was \$3,015,000.

Year Ending June 30,	Fiduciary Activities		
	2015 Refunding		
	Bonds		Discount
	Principal	Interest	Principal
2025	175,000	79,800	(1,620)
2026	175,000	75,425	(1,620)
2027	180,000	70,100	(1,620)
2028	190,000	64,550	(1,620)
2029	190,000	58,850	(1,620)
2030-2034	1,050,000	202,263	(8,100)
2035-2039	720,000	35,750	(4,298)
2040-2044	-	-	-
Total	<u>\$ 2,680,000</u>	<u>\$ 586,738</u>	<u>\$ (20,498)</u>
Due within one year	\$ 175,000	\$ 79,800	\$ (1,620)
Due after one year	2,505,000	506,938	(18,878)
Total	<u>\$ 2,680,000</u>	<u>\$ 586,738</u>	<u>\$ (20,498)</u>

14. COMMITMENTS AND CONTINGENCIES

Litigation

The City is not involved in any active litigation at present.

Grants and Allocations

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. During the course of FY 2023/23 no claims were disallowed.

Commitments

The City's unexpended contractual commitments as of June 30, 2024 are listed in note 1 on page 60.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

15. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 99, "*Omnibus 2022*." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs will take effect for financial statements starting with the fiscal year that ends⁴. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The implementation of this statement did not have an effect on the financial statements.

The GASB has issued Statement No. 100, "*Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*." The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The implementation of this statement did not have an effect on the financial statements.

The GASB has issued Statement No. 101, "*Compensated Absences*." The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024.

The GASB has issued Statement No. 102, "*Certain Risk Disclosures*." The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025.

The GASB has issued Statement No. 103, "*Financial Reporting Model Improvements*." The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2026.

REQUIRED SUPPLEMENTARY INFORMATION



City of Fort Bragg, California

Required Supplementary Information - Schedule of Changes in the Net OPEB Liability and Related Ratios

for the Measurement Periods Ended June 30,

	2024	2023	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	\$ 43,707	\$ 46,774	\$ 74,649	\$ 81,253	\$ 104,512	\$ 111,530	\$ 119,019
Interest on the total OPEB liability	343,631	347,518	381,864	383,562	378,816	366,137	353,775
Experience (Gains)/Losses	-	-	-	-	(287,306)	-	-
Actual vs. expected experience	496,317	-	(63,893)	-	-	-	-
Changes of assumptions	225,039	-	(26,853)	(96,029)	218,506	-	-
Benefit payments	(457,544)	(449,289)	(420,407)	(354,262)	(287,648)	(277,993)	(286,331)
Net change in total OPEB liability	<u>651,150</u>	<u>(54,997)</u>	<u>(54,640)</u>	<u>14,524</u>	<u>126,880</u>	<u>199,674</u>	<u>186,463</u>
Total OPEB liability - beginning	<u>5,683,156</u>	<u>5,738,153</u>	<u>5,792,793</u>	<u>5,778,269</u>	<u>5,651,389</u>	<u>5,451,715</u>	<u>5,265,252</u>
Total OPEB liability - ending (a)	<u>\$6,334,306</u>	<u>\$ 5,683,156</u>	<u>\$ 5,738,153</u>	<u>\$ 5,792,793</u>	<u>\$ 5,778,269</u>	<u>\$ 5,651,389</u>	<u>\$ 5,451,715</u>
Plan fiduciary net position							
Contributions - employer	\$ 462,544	\$ 454,289	\$ 420,407	\$ 359,262	\$ 292,648	\$ 492,993	\$ 534,256
Contributions - employee	-	-	-	-	-	-	-
Actual investment income	190,672	(459,120)	738,656	91,502	150,805	164,052	172,839
Administrative expense	(863)	(869)	(1,017)	(1,266)	(522)	(3,826)	(883)
Benefit payments	(457,544)	(449,289)	(420,407)	(354,262)	(287,648)	(277,993)	(286,331)
Net change in plan fiduciary net position	<u>194,809</u>	<u>(454,989)</u>	<u>737,639</u>	<u>95,236</u>	<u>155,283</u>	<u>375,226</u>	<u>419,881</u>
Plan fiduciary net position - beginning	<u>2,969,068</u>	<u>3,424,057</u>	<u>2,686,418</u>	<u>2,591,182</u>	<u>2,435,899</u>	<u>2,060,673</u>	<u>1,640,792</u>
Plan fiduciary net position - ending (b)	<u>\$3,163,877</u>	<u>\$ 2,969,068</u>	<u>\$ 3,424,057</u>	<u>\$ 2,686,418</u>	<u>\$ 2,591,182</u>	<u>\$ 2,435,899</u>	<u>\$ 2,060,673</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 3,170,429</u>	<u>\$ 2,714,088</u>	<u>\$ 2,314,096</u>	<u>\$ 3,106,375</u>	<u>\$ 3,187,087</u>	<u>\$ 3,215,490</u>	<u>\$ 3,391,042</u>
Covered payroll	\$ 773,383	\$ 1,040,847	\$ 1,132,693	\$ 1,893,338	\$ 1,834,372	\$ 2,730,484	\$ 2,197,777
Net OPEB liability as a percentage of covered payroll	409.94%	260.76%	204.30%	164.07%	173.74%	117.76%	154.29%

Notes to Schedule

1) GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. Additional years will be added as they become available.

City of Fort Bragg, California

Required Supplementary Information - Net OPEB Liability Schedule of Contributions

June 30, 2024

Fiscal Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 228,498	\$ 230,888	\$ 343,213	\$ 348,790	\$ 374,658	\$ 375,390	\$ 559,726
Contributions in relation to the ADC	489,293	462,544	454,289	425,407	359,262	292,648	492,993
Contribution deficiency (excess)	<u>\$(260,795)</u>	<u>\$(231,656)</u>	<u>\$(111,076)</u>	<u>\$ (76,617)</u>	<u>\$ 15,396</u>	<u>\$ 82,742</u>	<u>\$ 66,733</u>
Covered payroll	847,173	773,383	1,040,847	1,132,693	1,893,338	1,834,372	2,730,484
Contributions as a percentage of covered payroll	57.76%	59.81%	43.65%	37.56%	18.98%	15.95%	18.06%

Notes to Schedule

1) GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. Additional years will be added as they become available.

City of Fort Bragg, California
Required Supplementary Information - Schedule of Contributions
Miscellaneous Plan
Last 10 Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution (actuarially determined)	\$ 339,772	\$ 321,465	\$ 628,487	\$ 540,516	\$ 514,099	\$ 455,093	\$ 430,051	\$ 392,300
Contributions in relation to the actuarially determined contributions	<u>(339,772)</u>	<u>(321,465)</u>	<u>(628,487)</u>	<u>(540,516)</u>	<u>(514,099)</u>	<u>(394,321)</u>	<u>(430,051)</u>	<u>392,300</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 60,772</u>	<u>\$ -</u>	<u>\$ 784,600</u>				
Covered payroll	\$ 2,711,702	\$ 3,129,486	\$ 2,614,508	\$ 2,327,258	\$ 2,661,903	\$ 2,833,921	\$ 2,641,425	\$ 2,598,675
Contribution as a percentage of covered payroll	12.53%	10.27%	24.04%	23.23%	19.31%	16.06%	16.28%	15.10%

Notes to Schedule

1) Covered payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

* Additional years will be presented as they become available.

City of Fort Bragg, California
Required Supplementary Information - Schedule of Contributions
Safety Plan
Last 10 Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution (actuarially determined)	\$ 245,110	\$ 427,837	\$ 620,401	\$ 558,561	\$ 637,647	\$ 471,193	\$ 298,630	\$ 387,206
Contributions in relation to the actuarially determined contributions	<u>(245,110)</u>	<u>(427,837)</u>	<u>(620,401)</u>	<u>(558,561)</u>	<u>(637,647)</u>	<u>(471,193)</u>	<u>(298,630)</u>	<u>(387,206)</u>
Contribution deficiency (excess)	<u>\$ -</u>							
Covered payroll	\$ 1,853,718	\$ 1,384,365	\$ 1,119,662	\$ 1,071,290	\$ 1,145,799	\$ 1,048,497	\$ 1,268,709	\$ 1,245,549
Contribution as a percentage of covered payroll	13.22%	30.90%	55.41%	52.14%	55.65%	44.94%	23.54%	31.09%

Notes to Schedule

1) Covered payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

* Additional years will be presented as they become available.

City of Fort Bragg, California

Required Supplementary Information - Schedule of the City's Proportionate

Share of the Net Pension Liability

Miscellaneous Plan

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.06368%	0.06550%	0.16609%	0.13012%	0.12508%	0.12037%	0.11653%	0.11210%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 3,184,191	\$ 3,064,833	\$ 3,153,761	\$ 5,488,390	\$ 5,008,648	\$ 4,593,661	\$ 4,593,661	\$ 3,894,091
Plan's Covered Payroll	\$ 3,129,486	\$ 2,614,508	\$ 2,327,258	\$ 2,661,903	\$ 2,833,921	\$ 2,788,318	\$ 2,641,425	\$ 2,551,931
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	101.75%	117.22%	135.51%	206.18%	176.74%	164.75%	173.91%	152.59%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	87.30%	87.29%	86.24%	74.96%	76.25%	76.38%	76.38%	82.66%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 909,991	\$ 1,092,169	\$ 777,490	\$ 734,213	\$ 455,093	\$ 394,321	\$ 430,051	\$ 392,300

Notes to Schedule

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

* Additional years will be presented as they become available.

City of Fort Bragg, California

Required Supplementary Information - Schedule of the City's Proportionate

Share of the Net Pension Liability

Safety Plan

Last 10 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Plan's Proportion of the Net Pension Liability/(Asset)	0.03263%	0.03491%	0.09104%	0.07793%	0.07899%	0.07811%	0.08042%	0.08218%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$2,438,768	\$2,399,174	\$3,194,968	\$5,192,221	\$4,931,069	\$4,667,131	\$4,165,367	\$3,320,431
Plan's Covered Payroll	\$ 1,384,365	\$ 1,119,662	\$ 1,071,290	\$ 1,145,799	\$ 1,048,497	\$ 1,268,709	\$ 1,245,549	\$ 1,188,962
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payrol	176.17%	214.28%	298.24%	453.15%	470.30%	367.86%	334.42%	353.81%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	88.10%	87.73%	82.87%	69.95%	70.68%	69.76%	70.60%	75.04%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 719,493	\$ 1,144,186	\$ 826,040	\$ 625,589	\$ 637,647	\$ 578,574	\$ 387,206	\$ 315,525

Notes to Schedule

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

* Additional years will be presented as they become available.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



NON-MAJOR GOVERNMENTAL FUNDS

Fund Type	Description
Special Revenue	These funds account for restricted revenues (for specified purposes).
Capital Projects Funds	These funds account for construction or acquisition of governmental capital assets (capital outlay).

City of Fort Bragg, California
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Governmental Funds		Non-Major Funds Totals
	Special Revenue Funds	Capital Projects Funds	
ASSETS			
Cash and investments	\$ 4,017,012	\$ 332,800	\$ 4,349,812
Receivables:			
Intergovernmental	1,943,235	-	1,943,235
Loans/Notes receivable	3,029,940	-	3,029,940
Other receivable	10,061	-	10,061
Total assets	<u>\$ 9,000,248</u>	<u>\$ 332,800</u>	<u>\$ 9,333,048</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 48,918	\$ 242,130	\$ 291,048
Due to other funds	585,458	33,019	618,477
Total liabilities:	<u>751,829</u>	<u>275,149</u>	<u>1,026,978</u>
Deferred inflows of resources:			
Unavailable revenue	2,808,532	-	2,808,532
Total deferred inflows of resources	<u>2,808,532</u>	<u>-</u>	<u>2,808,532</u>
Total liabilities and deferred inflows	<u>3,560,361</u>	<u>275,149</u>	<u>3,835,510</u>
Fund Balances:			
Restricted	3,633,790	-	3,633,790
Assigned	1,849,766	57,651	1,907,417
Unassigned (deficit)	(43,669)	-	(43,669)
Total fund balances	<u>5,439,887</u>	<u>57,651</u>	<u>5,497,538</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 9,000,248</u>	<u>\$ 332,800</u>	<u>\$ 9,333,048</u>

City of Fort Bragg, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2024

	Governmental Funds		Non-Major Funds Totals
	Special Revenue Funds	Capital Projects Funds	
REVENUES:			
Taxes and assessments	\$ 54,943	\$ -	\$ 54,943
Fines and forfeitures	38,418	-	38,418
Intergovernmental	4,261,638	-	4,261,638
Use of money and property	64,474	-	64,474
Charges for services	75,815	-	75,815
Total revenues	4,495,288	-	4,495,288
EXPENDITURES:			
Current:			
General government	10,667	-	10,667
Public safety	619,809	-	619,809
Public works	396,056	-	396,056
Community development	2,891,619	-	2,891,619
Capital outlay	-	3,770,211	3,770,211
Total expenditures	3,918,151	3,770,211	7,688,362
REVENUES OVER (UNDER) EXPENDITURES	577,137	(3,770,211)	(3,193,074)
OTHER FINANCING SOURCES (USES):			
Transfers in	2,531,579	3,888,407	6,419,986
Transfers out	(1,715,349)	-	(1,715,349)
Total other financing sources (uses)	816,230	3,888,407	4,704,637
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	1,393,367	118,196	1,511,563
FUND BALANCES:			
Beginning of year	4,046,520	(60,545)	3,985,975
End of year	\$ 5,439,887	\$ 57,651	\$ 5,497,538

NON-MAJOR SPECIAL REVENUE FUNDS

Fund	Description
General Plan Maintenance Fee	To account for General Plan Maintenance fee revenue which is required to be used for costs related to the update of the City's General Plan and zoning code.
Housing	To account for Inclusionary Housing In-Lieu fee revenue which is required to be used for affordable housing activities.
Parking	To account for parking permit revenues and the cost of maintaining City owned public parking lots.
Parking In-Lieu Fees	To account for payments made by downtown property owners in lieu of providing on-site parking. Accumulated funds must be used for activities related to providing off-street parking facilities in the central business district.
Parkland Monitoring and Reporting	To account for payments made by Georgia Pacific for monitoring and maintenance of the Coastal Trail remediation area.
State Tobacco License Fee	To account for funds received for the annual Tobacco Retail License to cover costs associated with administration of the licensing program and compliance checks.
State Disability Access Fee	To account for funds received under California SB-1186 which mandates a state fee of \$4 on any applicant for or renewal of a local business license. The purpose is to increase disability access and compliance with construction-related accessibility requirements and to develop educational resources for businesses in order to facilitate compliance with federal and state disability laws.
Asset Forfeiture	To account for monies obtained from seized assets of criminal activities. The funds are used solely to support law enforcement purposes.

(continued)

NON-MAJOR SPECIAL REVENUE FUNDS, Continued

Fund	Description
Construction/Demolition Ordinance Revenue	To account for deposits that are made in accordance with the City's Construction & Demolition Ordinance. Deposits are refunded if recycling goals are met. Otherwise, the deposits are forfeited and retained in the special revenue fund. The funds will be used to improve construction and demolition waste recycling facilities, education, and programs within the City.
Waste Management Community Benefit Payment	To account for contract extension fee received from Waste Management. The City Council has designated these funds for the community benefit purposes.
Gas Tax	To account for the City's share of State of California's Highway User Tax collected by the State that are legally restricted to the maintenance and improvement of City roads and streets.
RMRA	To account for the City's share of the State of California's Road Maintenance and Rehabilitation Account which is legally restricted to the maintenance and improvement of City roads and streets.
Traffic & Safety	To account for the revenue received from traffic fines which is restricted to City street repairs and traffic safety.
Fire Equipment	To account for property tax revenues designated for the purchase of equipment for the Fort Bragg Fire Department.
Mendocino Council of Governments (MCOG) Overall Work Program (OWP) Grants	To account for local transportation funds awarded for transportation planning and technical assistance.
OJ Park Maintenance Fund	To account for monies received from the Johnson Family Trust for the maintenance of OJ Park.
Developer Deposits Accounts	To account for monies received from developers to cover City costs associated with development projects.
Casper JPA Transfer Station	The Caspar transfer site is a joint city/county operation and is currently contracted to SWOW (solid waste of Willits) and overseen by the Caspar Coordinating Committee. This fund is the result of a \$3 gate fee and has historically been dedicated to efforts around relocating and building a more permanent, regional transfer station.

(continued)

NON-MAJOR SPECIAL REVENUE FUNDS, Continued

Fund	Description
SB 1383	Accounts for the SB 1383 regulatory reimbursements to the City of Fort Bragg from the Solid waste provider. The City shall use the reimbursements to offset expenses, including but not limited to, staffing costs related to City programs. Pilot studies, education and outreach and other activities involved in compliance with SB 1383 regulatory reimbursements.
Noyo Harbor Blue Economy	Visioning, Resiliency and Implementation Plan (Noyo Harbor Plan) that will support a strategic climate resilience planning effort, and the findings will be integrated into an LCP update for both the City of Fort Bragg and County of Mendocino.
Housign Successor Agency	Accounts for activities related to housing activities of the former Fort Bragg Redevelopment Agency.
Federal and State Grant Special Revenue Funds:	
Community Development Block Grant Funds Unclassified Program Income	The Community Development Block Grant program provides competitive grants to enables local government to undertake a wide range of activities intended to create suitable living environments, provide decent affordable house, and create economic opportunities, primarily for persons of low and moderate income.
COPS AB1913	To account for monies received from the State or law enforcement services under the Citizens Option for Public Safety (COPS) Program. [the CSO funding was expended long ago; future funding may be acquired]
Bulletproof Vest Partnership Grant	To account for monies received under the Bulletproof Vest Partnership Grant Act. This program is designed to pay up to 50% of the cost of National Institute of Justice (NIJ) compliant armored vests purchases for local law enforcement.
STP D1 Streets & Highways Allocation	To account for the City’s share of highways users’ tax revenues that are legally restricted to the planning, construction, improvement, maintenance and operation of City roads and streets.
State Parks Prop 84 Grant	To account for monies received from the State of California for construction of the Fort Bragg Coastal Restoration and Trail project.
HCD HOME Grant	To account for Federal Funding to be used to re-establish a Housing Rehabilitation Loan program for qualified low- and moderate-income homeowners.
Other State Grants	To account for all other State Grants. Includes grant monies received from the State of California for purchase of off highway vehicles for use by the City Police Department.

(concluded)

City of Fort Bragg, California
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2024

	General Plan			
	Maintenance Fee	Housing	Parking	Parking In-lieu Fees
ASSETS				
Cash and investments	\$ 175,227	\$ 80,181	\$ 37,618	\$ -
Receivables:				
Intergovernmental	-	-	-	-
Loans/Notes receivable	-	-	-	-
Other receivable	-	-	-	-
Total assets	<u>\$ 175,227</u>	<u>\$ 80,181</u>	<u>\$ 37,618</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	5,137
Deposits payable	-	-	-	-
Total liabilities:	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,137</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,137</u>
Fund Balances:				
Restricted	-	-	-	-
Assigned	175,227	80,181	37,618	-
Unassigned (deficit)	-	-	-	(5,137)
Total fund balances	<u>175,227</u>	<u>80,181</u>	<u>37,618</u>	<u>(5,137)</u>
Total liabilities deferred inflows and fund balances	<u>\$ 175,227</u>	<u>\$ 80,181</u>	<u>\$ 37,618</u>	<u>\$ -</u>

Parkland Monitoring/ Reporting	State Tobacco License Fee	State Disability Access Fee	Asset Forfeiture	Construction/ Demolition Ordinance	Waste Management Community Benefit Pymt	Gas Tax
\$ 138,163	\$ 26,972	\$ 23,980	\$ 482,676	\$ 113,967	\$ 269	\$ -
-	-	19	-	-	-	59,749
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 138,163</u>	<u>\$ 26,972</u>	<u>\$ 23,999</u>	<u>\$ 482,676</u>	<u>\$ 113,967</u>	<u>\$ 269</u>	<u>\$ 59,749</u>

\$ -	\$ -	\$ 2	\$ 1,194	\$ -	\$ -	\$ -
-	-	-	-	-	-	91,274
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>2</u>	<u>1,194</u>	<u>-</u>	<u>-</u>	<u>91,274</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	2	1,194	-	-	91,274

-	-	-	481,482	-	-	-
138,163	26,972	23,997	-	113,967	269	-
-	-	-	-	-	-	(31,525)
<u>138,163</u>	<u>26,972</u>	<u>23,997</u>	<u>481,482</u>	<u>113,967</u>	<u>269</u>	<u>(31,525)</u>
<u>\$ 138,163</u>	<u>\$ 26,972</u>	<u>\$ 23,999</u>	<u>\$ 482,676</u>	<u>\$ 113,967</u>	<u>\$ 269</u>	<u>\$ 59,749</u>

(continued)

City of Fort Bragg, California
Combining Balance Sheet
Nonmajor Special Revenue Funds, continued
June 30, 2024

	RMRA	Traffic & Safety	Fire Equipment	MCOG Overall Work Plan
ASSETS				
Cash and investments	\$ 27,086	\$ -	\$ 95,172	\$ -
Receivables:				
Intergovernmental	33,324	600	-	36,687
Loans/Notes receivable	-	-	-	-
Other receivable	-	-	3,729	-
Total assets	<u>\$ 60,410</u>	<u>\$ 600</u>	<u>\$ 98,901</u>	<u>\$ 36,687</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	1,282	-	35,592
Deposits payable	-	-	-	-
Total liabilities:	<u>-</u>	<u>1,282</u>	<u>-</u>	<u>35,592</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows	<u>-</u>	<u>1,282</u>	<u>-</u>	<u>35,592</u>
Fund Balances:				
Restricted	-	-	-	-
Assigned	60,410	-	98,901	1,095
Unassigned (deficit)	-	(682)	-	-
Total fund balances	<u>60,410</u>	<u>(682)</u>	<u>98,901</u>	<u>1,095</u>
Total liabilities deferred inflows and fund balance	<u>\$ 60,410</u>	<u>\$ 600</u>	<u>\$ 98,901</u>	<u>\$ 36,687</u>

OJ Park Maintenance Fund	Developer Deposit Accounts	Casper JPA Transfer Station	SB 1383	Noyo Habor Blue Economy	Housing Successor Agency	Federal and State Grant Funds	Total
\$ 2,110	\$ 111,128	\$ 388,834	\$ 135,006	\$ -	\$ 199,047	\$ 1,979,576	\$ 4,017,012
-	-	-	-	81,990	-	1,730,866	1,943,235
-	-	-	-	-	2,857,125	172,815	3,029,940
-	-	6,332	-	-	-	-	10,061
<u>\$ 2,110</u>	<u>\$ 111,128</u>	<u>\$ 395,166</u>	<u>\$ 135,006</u>	<u>\$ 81,990</u>	<u>\$ 3,056,172</u>	<u>\$ 3,883,257</u>	<u>\$ 9,000,248</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,722	\$ 48,918
-	-	-	-	72,444	-	379,729	585,458
-	117,453	-	-	-	-	-	117,453
-	117,453	-	-	72,444	-	427,451	751,829
-	-	-	-	-	2,607,125	201,407	2,808,532
-	-	-	-	-	2,607,125	201,407	2,808,532
-	117,453	-	-	72,444	2,607,125	628,858	3,560,361
-	-	-	-	-	-	3,152,308	3,633,790
2,110	-	395,166	135,006	9,546	449,047	102,091	1,849,766
-	(6,325)	-	-	-	-	-	(43,669)
<u>2,110</u>	<u>(6,325)</u>	<u>395,166</u>	<u>135,006</u>	<u>9,546</u>	<u>449,047</u>	<u>3,254,399</u>	<u>5,439,887</u>
<u>\$ 2,110</u>	<u>\$ 111,128</u>	<u>\$ 395,166</u>	<u>\$ 135,006</u>	<u>\$ 81,990</u>	<u>\$ 3,056,172</u>	<u>\$ 3,883,257</u>	<u>\$ 9,000,248</u>

(concluded)

City of Fort Bragg, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2024

	General Plan Maintenance Fee	Housing	Parking	Parking In-lieu Fees
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Use of money and property	8,325	3,948	1,852	-
Charges for services	30,974	-	-	-
Total revenues	39,299	3,948	1,852	-
EXPENDITURES:				
Current:				
General government	10,517	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	64,639
Total expenditures	10,517	-	-	64,639
REVENUES OVER (UNDER) EXPENDITURES	28,782	3,948	1,852	(64,639)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	61,570
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	61,570
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	28,782	3,948	1,852	(3,069)
FUND BALANCES (DEFICITS):				
Beginning of year	146,445	76,233	35,766	(2,068)
End of year	<u>\$ 175,227</u>	<u>\$ 80,181</u>	<u>\$ 37,618</u>	<u>\$ (5,137)</u>

Parkland Monitoring/ Reporting	State Tobacco License Fee	State Disability Access Fee	Asset Forfeiture	Construction/ Demolition Ordinance	Waste Management Community Benefit Pymt	Gas Tax
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,668
-	-	-	17,657	18,876	-	-
-	2,704	3,861	-	-	-	173,217
6,816	1,324	1,189	26,794	-	-	-
-	-	-	-	-	-	-
6,816	4,028	5,050	44,451	18,876	-	174,885
-	-	150	-	-	-	-
-	-	-	211,445	-	-	-
729	-	-	-	-	-	206,950
-	-	-	-	-	-	-
729	-	150	211,445	-	-	206,950
6,087	4,028	4,900	(166,994)	18,876	-	(32,065)
-	-	-	-	-	-	-
-	-	-	(55,234)	-	-	-
-	-	-	(55,234)	-	-	-
6,087	4,028	4,900	(222,228)	18,876	-	(32,065)
132,076	22,944	19,097	703,710	95,091	269	540
\$ 138,163	\$ 26,972	\$ 23,997	\$ 481,482	\$ 113,967	\$ 269	\$ (31,525)

(continued)

City of Fort Bragg, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds, continued
For the year ended June 30, 2024

	RMRA	Traffic & Safety	Fire Equipment	MCOG Overall Work Plan
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 53,275	\$ -
Fines and forfeitures	-	1,885	-	-
Intergovernmental	1,005,734	-	-	71,753
Use of money and property	-	-	4,188	-
Charges for services	-	-	-	-
Total revenues	<u>1,005,734</u>	<u>1,885</u>	<u>57,463</u>	<u>71,753</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	2,567	235,568	-
Public works	182,929	-	-	5,448
Community development	-	-	-	-
Total expenditures	<u>182,929</u>	<u>2,567</u>	<u>235,568</u>	<u>5,448</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>822,805</u>	<u>(682)</u>	<u>(178,105)</u>	<u>66,305</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(696,907)	-	-	(61,570)
Total other financing sources and uses	<u>(696,907)</u>	<u>-</u>	<u>-</u>	<u>(61,570)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>125,898</u>	<u>(682)</u>	<u>(178,105)</u>	<u>4,735</u>
FUND BALANCES (DEFICITS):				
Beginning of year	<u>(65,488)</u>	<u>-</u>	<u>277,006</u>	<u>(3,640)</u>
End of year	<u>\$ 60,410</u>	<u>\$ (682)</u>	<u>\$ 98,901</u>	<u>\$ 1,095</u>

OJ Park Maintenance Fund	Developer Deposit Account	Casper JPA Transfer Station	SB 1383	Noyo Habor Blue Economy	Housing Successor Agency	Federal and State Grant Funds	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,943
-	-	-	-	-	-	-	38,418
-	-	-	95,551	98,179	-	2,810,639	4,261,638
-	-	543	-	-	9,495	-	64,474
-	-	44,841	-	-	-	-	75,815
-	-	45,384	95,551	98,179	9,495	2,810,639	4,495,288
-	-	-	-	-	-	-	10,667
-	-	-	-	-	-	170,229	619,809
-	-	-	-	-	-	-	396,056
-	-	849	250	95,699	2,280,000	450,182	2,891,619
-	-	849	250	95,699	2,280,000	620,411	3,918,151
-	-	44,535	95,301	2,480	(2,270,505)	2,190,228	577,137
-	-	-	-	-	2,280,000	190,009	2,531,579
-	-	-	-	-	-	(901,638)	(1,715,349)
-	-	-	-	-	2,280,000	(711,629)	816,230
-	-	44,535	95,301	2,480	9,495	1,478,599	1,393,367
2,110	(6,325)	350,631	39,705	7,066	439,552	1,775,800	4,046,520
<u>\$ 2,110</u>	<u>\$ (6,325)</u>	<u>\$ 395,166</u>	<u>\$ 135,006</u>	<u>\$ 9,546</u>	<u>\$ 449,047</u>	<u>\$ 3,254,399</u>	<u>\$ 5,439,887</u>

(concluded)

City of Fort Bragg, California
Combining Balance Sheet
Federal and State Grant Special Revenue Funds
June 30, 2024

	CDBG Unclassified Program Income	COPS	STP D1 Streets and Highway Allocation	State Parks Prop 84 Grant
ASSETS				
Cash and investments	\$ 7,025	\$ 37,062	\$ 1,266	\$ -
Restricted cash and investments		-	-	
Receivables:				
Intergovernmental	-	-	5,460	1,348,925
Loans/Notes receivable	-	-	-	-
Total assets	<u>\$ 7,025</u>	<u>\$ 37,062</u>	<u>\$ 6,726</u>	<u>\$ 1,348,925</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows of resources:				
Unavailable revenue			-	-
Total deferred inflows of resources:	-	-	-	-
Total liabilities and deferred inflows	-	-	-	-
Fund Balances:				
Restricted	7,025	37,062	6,726	1,348,925
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>7,025</u>	<u>37,062</u>	<u>6,726</u>	<u>1,348,925</u>
Total liabilities deferred inflows and fund balances	<u>\$ 7,025</u>	<u>\$ 37,062</u>	<u>\$ 6,726</u>	<u>\$ 1,348,925</u>

HCD HOME Grant	Other State Grants	CDBG Grant	CDBG Grant Covid	Totals
\$ 43,592	\$ 29,659	\$ 390,396	\$ 1,470,576	\$ 1,979,576
-	240,145	136,336	-	1,730,866
172,815	-	-	-	172,815
<u>\$ 216,407</u>	<u>\$ 269,804</u>	<u>\$ 526,732</u>	<u>\$ 1,470,576</u>	<u>\$ 3,883,257</u>
\$ -	\$ 46,724	\$ 467	531	\$ 47,722
9,116	120,989	-	249,624	379,729
9,116	167,713	467	250,155	427,451
201,407	-	-	-	201,407
201,407	-	-	-	201,407
210,523	167,713	467	250,155	628,858
5,884	-	526,265	1,220,421	3,152,308
-	102,091	-	-	102,091
5,884	102,091	526,265	1,220,421	3,254,399
<u>\$ 216,407</u>	<u>\$ 269,804</u>	<u>\$ 526,732</u>	<u>\$ 1,470,576</u>	<u>\$ 3,883,257</u>

City of Fort Bragg, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Federal and State Grant Special Revenue Funds
For the year ended June 30, 2024

	CDBG Unclassified Program Income	COPS	STP D1 Streets and Highway Allocation	State Parks Prop 84 Grant
REVENUES:				
Intergovernmental	\$ -	\$ 123,498	\$ -	\$ 1,348,334
Total revenues	<u>-</u>	<u>123,498</u>	<u>-</u>	<u>1,348,334</u>
EXPENDITURES:				
Current:				
Public safety	-	170,229	-	-
Community development	-	-	-	-
Total expenditures	<u>-</u>	<u>170,229</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(46,731)</u>	<u>-</u>	<u>1,348,334</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>-</u>	<u>(46,731)</u>	<u>-</u>	<u>1,348,334</u>
FUND BALANCES (DEFICIT):				
Beginning of year	7,025	83,793	6,726	591
End of year	<u>\$ 7,025</u>	<u>\$ 37,062</u>	<u>\$ 6,726</u>	<u>\$ 1,348,925</u>

HCD HOME Grant	Other State Grants	CDBG Grant	CDBG Grant COVID	Totals
\$ 1,963	\$ 738,139	\$ 589,917	\$ 8,788	\$ 2,810,639
<u>1,963</u>	<u>738,139</u>	<u>589,917</u>	<u>8,788</u>	<u>2,810,639</u>
-	-	-	-	170,229
-	57,980	382,804	9,398	450,182
<u>-</u>	<u>57,980</u>	<u>382,804</u>	<u>9,398</u>	<u>620,411</u>
1,963	680,159	207,113	(610)	2,190,228
-	-	190,009	-	190,009
-	(434,052)	(193,468)	(274,118)	(901,638)
<u>-</u>	<u>(434,052)</u>	<u>(3,459)</u>	<u>(274,118)</u>	<u>(711,629)</u>
1,963	246,107	203,654	(274,728)	1,478,599
3,921	(144,016)	322,611	1,495,149	1,775,800
<u>\$ 5,884</u>	<u>\$ 102,091</u>	<u>\$ 526,265</u>	<u>\$ 1,220,421</u>	<u>\$ 3,254,399</u>

City of Fort Bragg, California
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2024

	Coastal Trail
ASSETS	
Cash and investments	\$ 332,800
Total assets	<u>\$ 332,800</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 242,130
Due to other funds	33,019
Total liabilities:	<u>275,149</u>
Deferred inflows of resources:	
Unavailable revenue	<u>-</u>
Total deferred inflows of resources:	<u>-</u>
Total liabilities and deferred inflows	<u>275,149</u>
Fund Balances:	
Assigned	57,651
Total fund balances	<u>57,651</u>
Total liabilities and fund balances	<u>\$ 332,800</u>

City of Fort Bragg, California
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances
Nonmajor Capital Projects Fund
For the year ended June 30, 2024

	Coastal Trail
REVENUES:	
Intergovernmental	\$ -
Total revenues	<u>-</u>
EXPENDITURES:	
Current:	
Community development	-
Parks and recreation	
Capital outlay	<u>3,770,211</u>
Total expenditures	<u>3,770,211</u>
REVENUES OVER (UNDER)	
EXPENDITURES	<u>(3,770,211)</u>
OTHER FINANCING SOURCES (USES):	
Transfers in	3,888,407
Transfers out	<u>-</u>
Total other financing sources and uses	3,888,407
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	118,196
FUND BALANCES (DEFICITS):	
Beginning of year	<u>(60,545)</u>
End of year	<u>\$ 57,651</u>

INTERNAL SERVICE FUNDS

Fund Type	Description
Building Maintenance	Accounts for the maintenance of all City owned buildings
Information Technology Fund	Accounts for all activities of the City's computer networks, the costs of which are distributed among user departments using equitable formulas.
Fleet Services	Accounts for all activities of the City's central garage operations, the costs of which are distributed among designated user departments.

City of Fort Bragg, California
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Building Maintenance	Information Technology Fund	Fleet Services	Totals
ASSETS				
Current assets:				
Cash and investments	\$ 407,891	\$ 74,574	\$ 450,138	\$ 932,603
Total current assets	<u>407,891</u>	<u>74,574</u>	<u>450,138</u>	<u>932,603</u>
Noncurrent assets:				
Capital assets, net	53,752	246,172	1,980,353	2,280,277
Total noncurrent assets	<u>53,752</u>	<u>246,172</u>	<u>1,980,353</u>	<u>2,280,277</u>
Total assets	<u>\$ 461,643</u>	<u>\$ 320,746</u>	<u>\$ 2,430,491</u>	<u>\$ 3,212,880</u>
LIABILITIES AND NET POSITION				
Current liabilities:				
Accounts payable	\$ 6,838	\$ 169,026	8,933	\$ 184,797
Accrued liabilities	-	542	-	542
Total current liabilities	<u>6,838</u>	<u>169,568</u>	<u>8,933</u>	<u>185,339</u>
Noncurrent liabilities:				
Compensated absences	-	-	-	-
Total liabilities	<u>6,838</u>	<u>169,568</u>	<u>8,933</u>	<u>185,339</u>
Net Position:				
Net investment in capital assets	53,752	246,172	1,980,353	2,280,277
Unrestricted	401,053	(94,994)	441,205	747,264
Total net position	<u>454,805</u>	<u>151,178</u>	<u>2,421,558</u>	<u>3,027,541</u>
Total liabilities and net position	<u>\$ 461,643</u>	<u>\$ 320,746</u>	<u>\$ 2,430,491</u>	<u>\$ 3,212,880</u>

City of Fort Bragg, California
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2024

	Building Maintenance	Information Technology Fund	Fleet Services	Totals
OPERATING REVENUES:				
Interdepartmental charges	\$ 281,958	\$ 645,745	\$ 642,265	\$ 1,569,968
Other	135	226	-	361
Total operating revenues	282,093	645,971	642,265	1,570,329
OPERATING EXPENSES:				
Personnel services	199,590	225,064	126,552	551,206
Repairs and maintenance	20,342	1,834	86,717	108,893
Materials and supplies	-	340,667	143,806	484,473
Contractual services	8,050	54,526	428	63,004
Depreciation	7,084	36,015	164,086	207,185
Total operating expenses	235,066	658,106	521,589	1,414,761
OPERATING INCOME (LOSS)	47,027	(12,135)	120,676	155,568
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	26,364	-	-	26,364
Total non-operating revenues (expenses)	26,364	-	-	26,364
NET INCOME (LOSS) BEFORE TRANSFERS	73,391	(12,135)	120,676	181,932
Transfers in	-	-	245,901	245,901
Transfers out	(247,095)	-	-	(247,095)
Total transfers	(247,095)	-	245,901	(1,194)
Change in net position	(173,704)	(12,135)	366,577	180,738
NET POSITION (DEFICIT):				
Beginning of year	628,509	163,313	2,054,981	2,846,803
End of year	<u>\$ 454,805</u>	<u>\$ 151,178</u>	<u>\$ 2,421,558</u>	<u>\$ 3,027,541</u>

City of Fort Bragg, California
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2024

	Building Maintenance	Information Technology Fund	Fleet Services	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from interfund services provided	\$ 282,093	\$ 645,971	\$ 642,265	\$ 1,570,329
Cash paid to suppliers for goods and services	(22,806)	(382,672)	(515,137)	(920,615)
Cash paid to employees for services	(199,590)	(232,050)	(126,552)	(558,192)
Net cash provided (used) by operating activities	59,697	31,249	576	91,522
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers received	-	-	245,901	245,901
Transfers paid	(247,095)	-	-	(247,095)
Net cash provided (used) by noncapital financing activities	(247,095)	-	245,901	(1,194)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(1)	(43,716)	(266,409)	(310,126)
Net cash (used) by capital and related financing activities	(1)	(43,716)	(266,409)	(310,126)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	26,364	-	-	26,364
Net cash provided by investing activities	26,364	-	-	26,364
Net increase (decrease) in cash and cash equivalents	(161,035)	(12,467)	(19,932)	(193,434)
CASH AND CASH EQUIVALENTS:				
Beginning of year	568,926	87,041	470,070	1,126,037
End of year	<u>\$ 407,891</u>	<u>\$ 74,574</u>	<u>\$ 450,138</u>	<u>\$ 932,603</u>
Reconciliation of income from operations to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 47,027	\$ (12,135)	\$ 120,676	\$ 155,568
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	7,084	36,015	164,086	207,185
(Increase) decrease in current assets:				
Accounts receivable	-	-	-	-
Increase (decrease) in liabilities:				
Accounts payable	5,586	14,355	(284,186)	(264,245)
Accrued liabilities	-	(6,986)	-	(6,986)
Net cash provided by operating activities	\$ 59,697	\$ 31,249	\$ 576	\$ 91,522

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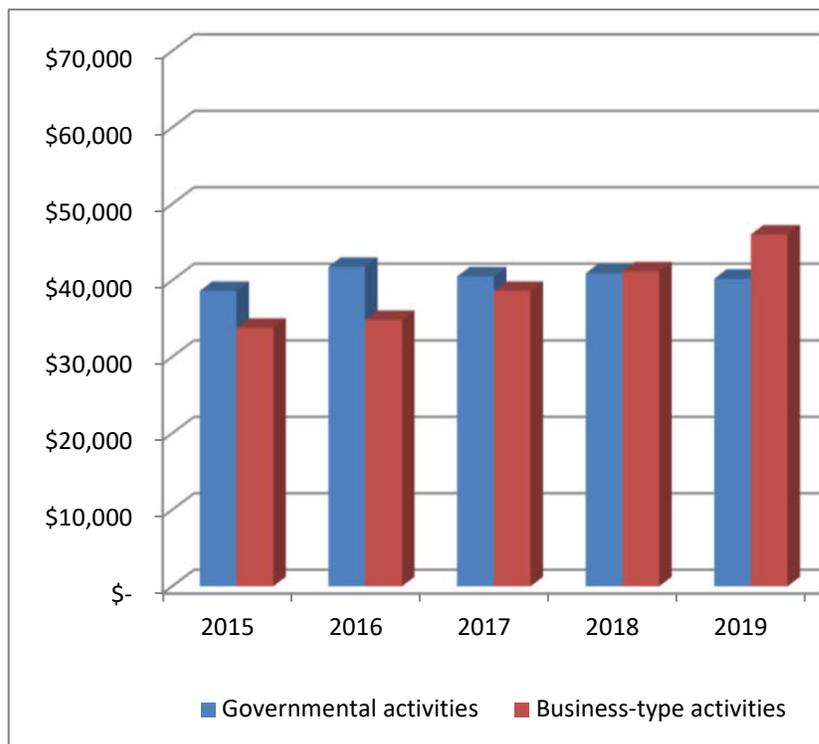
STATISTICAL SECTION

This part of the City of Fort Bragg's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, footnotes, and required supplementary information says about the City's overall financial health.

Contents	Page(s)
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	126-136
Revenue Capacity	
generate revenues. Property taxes, sales and use taxes, charges for services, licenses, permits and fees and intergovernmental revenue are the City's most significant revenue sources.	137-145
Debt Capacity	
These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt	146-153
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	154-155
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	156-158

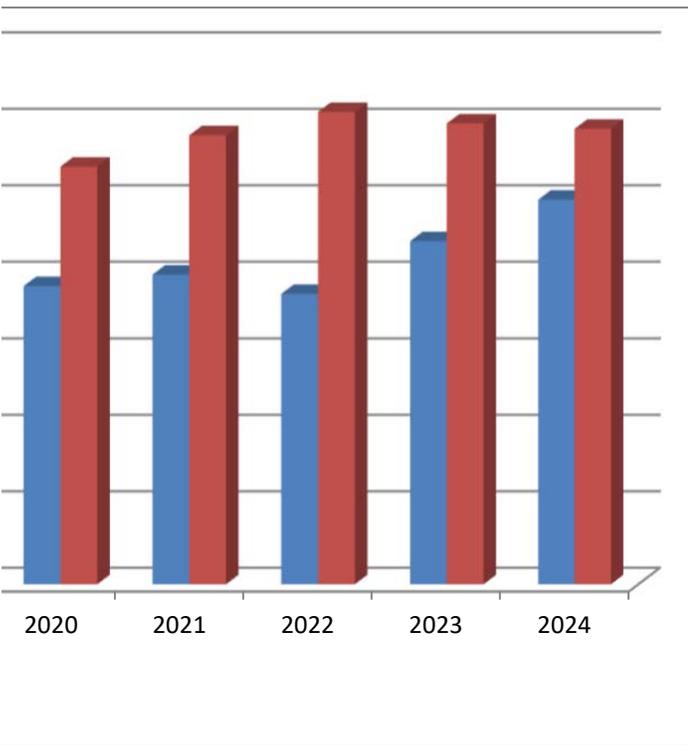
City of Fort Bragg, California
Net Position by Component
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Accrual basis of accounting)
(In Thousands)

	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 35,914	\$ 38,647	\$ 39,523	\$ 42,293
Restricted	2,289	3,536	2,513	3,758
Unrestricted (deficit)	(203)	(399)	(1,518)	(5,115)
Total governmental activities net position	\$ 38,625	\$ 41,784	\$ 40,518	\$ 40,935
Business-type activities				
Net investment in capital assets	\$ 30,047	\$ 30,503	\$ 31,597	\$ 33,572
Restricted	108	108	108	108
Unrestricted (deficit)	3,649	4,232	6,912	7,515
Total business-type activities net position	\$ 33,804	\$ 34,843	\$ 38,617	\$ 41,195
Primary government				
Net investment in capital assets	\$ 65,961	\$ 69,150	\$ 71,119	\$ 75,865
Restricted	3,022	3,644	2,621	3,866
Unrestricted (deficit)	3,466	3,833	5,395	2,400
Total primary government net position	\$ 72,429	\$ 76,627	\$ 79,135	\$ 82,131



Source: City Finance Department

2019	2020	2021	2022	2023	2024
\$ 41,400	\$ 42,102	\$ 41,686	\$ 30,092	\$ 42,156	\$ 44,880
1,279	1,922	2,947	2,578	6,755	5,840
(2,456)	(5,026)	(4,140)	5,304	(4,057)	(424)
<u>\$ 40,223</u>	<u>\$ 38,998</u>	<u>\$ 40,493</u>	<u>\$ 37,974</u>	<u>\$ 44,854</u>	<u>\$ 50,296</u>
\$ 37,806	\$ 45,807	\$ 46,331	\$ 48,678	\$ 50,402	\$ 52,050
108	108	108	108	108	108
8,094	8,704	12,277	12,985	9,755	7,407
<u>\$ 46,008</u>	<u>\$ 54,619</u>	<u>\$ 58,716</u>	<u>\$ 61,771</u>	<u>\$ 60,265</u>	<u>\$ 59,565</u>
\$ 79,206	\$ 87,909	\$ 88,017	\$ 78,770	\$ 92,558	\$ 96,930
1,387	2,030	3,055	2,686	6,863	5,948
5,638	3,678	8,137	18,289	5,698	6,983
<u>\$ 86,231</u>	<u>\$ 93,617</u>	<u>\$ 99,209</u>	<u>\$ 99,745</u>	<u>\$ 105,119</u>	<u>\$ 109,861</u>



City of Fort Bragg, California

Changes in Net Position

Last Ten Fiscal Years

(Fiscal year ended June 30)

(Accrual basis of accounting)

(In Thousands)

	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 2,593	\$ 2,877	\$ 2,221	\$ 2,804	\$ 2,384
Public safety	3,663	4,187	4,388	4,461	4,338
Public works	2,435	2,108	2,750	2,873	2,979
Community development	840	1,700	1,018	1,208	1,056
Parks and recreation	-	-	38	-	-
Marketing and promotions	-	-	-	-	-
Interest and fiscal charges	30	26	21	53	47
Total governmental activities expenses	9,561	10,898	10,434	11,399	10,804
Business-type activities:					
Water	2,286	2,264	2,158	2,034	1,920
Sewer	2,801	2,897	2,847	2,569	2,674
C.V. Starr Center	2,382	2,292	2,320	2,386	2,722
Total business-type activities expenses	7,469	7,453	7,325	6,989	7,316
Total primary government expenses	17,030	18,351	17,760	18,388	18,120
Program revenues					
Governmental activities:					
Charges for services:					
General government	2,809	2,818	1,967	1,324	1,108
Public safety	50	289	299	365	371
Public works	102	344	558	1,049	1,155
Community development	-	30	232	520	293
Operating grants and contributions	4,702	725	1,251	2,259	765
Capital grants and contributions	2,383	3,762	922	3,324	3,296
Total governmental activities program revenues	10,046	7,968	5,227	8,840	6,988
Business-type activities:					
Charges for services:					
Water	2,496	2,624	2,683	2,909	3,077
Wastewater	3,194	3,332	3,305	3,495	3,599
C.V. Starr Center	706	722	696	743	711
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	6,396	6,678	6,683	7,147	7,387
Total primary government program revenues	16,442	14,646	11,911	15,987	14,375
Net (Expense)/Revenue					
Governmental activities	485	(2,930)	(5,207)	(2,558)	(3,817)
Business-type activities	(1,073)	(775)	(642)	158	70
Total primary government net expense	(588)	(3,705)	(5,849)	(2,400)	(3,747)

2020	2021	2022	2023	2024
\$ 2,623	\$ 3,581	\$ 4,515	\$ 2,999	\$ 3,796
5,374	4,386	4,903	5,647	5,981
3,122	2,438	3,551	3,579	3,927
876	4,105	825	5,890	1,219
-	-	-	-	-
186	93	227	210	237
5	38	438	532	245
<u>12,186</u>	<u>14,641</u>	<u>14,459</u>	<u>18,857</u>	<u>15,405</u>
1,676	1,688	2,677	3,034	3,358
2,302	3,043	3,942	4,727	3,639
2,081	1,229	2,145	2,593	2,875
<u>6,059</u>	<u>5,960</u>	<u>8,764</u>	<u>10,354</u>	<u>9,872</u>
<u>18,245</u>	<u>20,601</u>	<u>23,223</u>	<u>29,211</u>	<u>25,277</u>
880	978	1,584	1,874	2,024
290	252	319	309	288
1,980	1,583	2,006	1,801	2,857
-	-	-	188	569
800	3,974	3,968	6,287	2,800
1,345	1,584	187	2,400	1,674
<u>5,295</u>	<u>8,371</u>	<u>8,064</u>	<u>12,857</u>	<u>10,212</u>
3,181	3,660	3,033	3,043	3,057
3,484	4,017	3,584	3,522	3,627
466	-	983	639	719
-	-	-	-	-
4,512	-	646	-	0
<u>11,643</u>	<u>7,677</u>	<u>8,246</u>	<u>7,205</u>	<u>7,403</u>
<u>16,938</u>	<u>16,048</u>	<u>16,310</u>	<u>20,062</u>	<u>17,614</u>
(6,891)	(6,270)	(6,397)	(6,000)	(5,193)
5,584	1,718	(519)	(3,149)	(2,469)
<u>(1,307)</u>	<u>(4,552)</u>	<u>(6,916)</u>	<u>(9,149)</u>	<u>(7,663)</u>

(continued)

City of Fort Bragg, California

Changes in Net Position

Last Ten Fiscal Years

(Fiscal year ended June 30)

(Accrual basis of accounting)

(In Thousands)

	2015	2016	2017	2018	2019
Governmental activities:					
Taxes:					
Property taxes	909	1,007	1,084	1,035	1,075
Sales and use tax	2,523	2,458	2,414	1,785	1,728
Transient lodging tax	1,858	1,948	2,149	2,619	2,640
Franchise taxes	493	491	-	-	-
Other taxes	435	403	674	719	762
Use of money and property	87	113	(23)	(110)	66
Unrealized gains and losses	-	-	-	-	195
Other general revenues	67	120	151	61	8
Special Items			(507)	-	-
Transfer in (out)	(89)	(451)	(2,003)	(898)	(1,029)
Extraordinary item: Redevelopment dissolution	-	-	-	-	-
Total governmental activities	<u>6,283</u>	<u>6,089</u>	<u>3,940</u>	<u>5,210</u>	<u>5,445</u>
Business-type activities:					
Property taxes	234	220	234	236	249
Sales and use tax	807	846	881	915	879
Use of money and property	42	27	56	98	168
Other revenues	161	271	1,242	272	77
Transfer in (out)	89	451	2,003	898	1,029
Total business-type activities	<u>1,333</u>	<u>1,815</u>	<u>4,416</u>	<u>2,420</u>	<u>2,402</u>
Total primary government	<u>7,616</u>	<u>7,904</u>	<u>8,356</u>	<u>7,630</u>	<u>7,847</u>
Changes in Net Position					
Governmental activities	6,768	3,159	(1,267)	2,652	1,628
Business-type activities	260	1,040	3,774	2,578	2,472
Total primary government	<u>\$ 7,028</u>	<u>\$ 4,199</u>	<u>\$ 2,507</u>	<u>\$ 5,230</u>	<u>\$ 4,100</u>

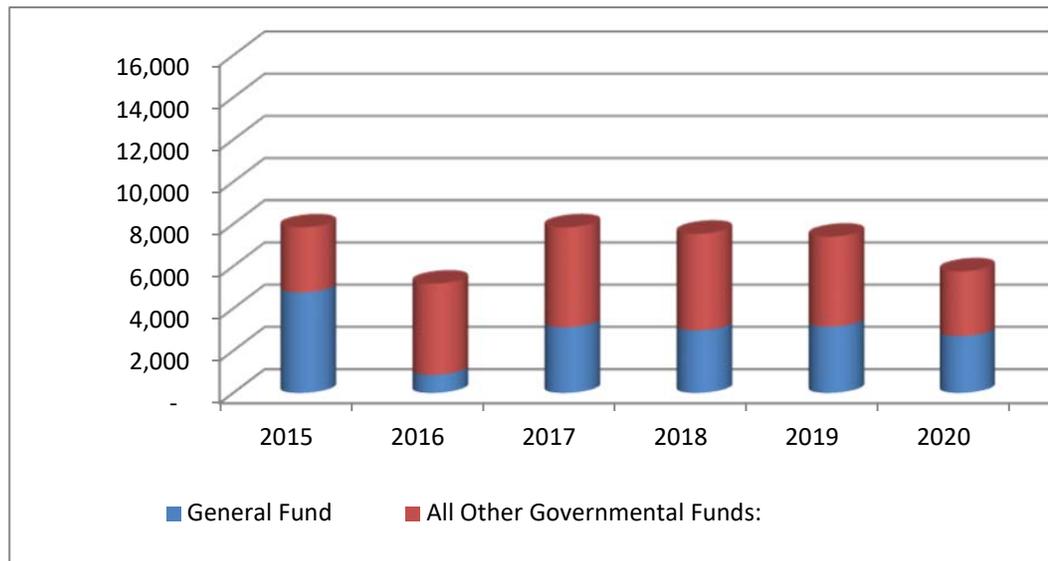
Source: City Finance Department

2020	2021	2022	2023	2024
1,157	1,152	1,214	1,208	1,272
2,743	3,127	3,427	3,322	3,261
2,204	3,322	3,445	3,192	3,092
590	626	654	740	762
185	185	198	213	213
107	112	-	-	-
228	(124)	(8)	(278)	659
24	266	28	832	1,172
-	-	-	-	-
(1,573)	(901)	(1,939)	150	204
-	-	-	-	-
<u>5,665</u>	<u>7,765</u>	<u>7,019</u>	<u>9,380</u>	<u>10,635</u>
236	263	269	305	310
945	1,100	1,211	1,175	1,170
178	115	104	312	495
95	-	50	-	-
1,573	901	1,939	(150)	(204)
<u>3,027</u>	<u>2,379</u>	<u>3,573</u>	<u>1,643</u>	<u>1,770</u>
<u>8,692</u>	<u>10,144</u>	<u>10,592</u>	<u>11,023</u>	<u>12,406</u>
(1,226)	1,495	622	3,381	5,442
<u>8,611</u>	<u>4,097</u>	<u>3,054</u>	<u>(1,506)</u>	<u>(699)</u>
<u>\$ 7,385</u>	<u>\$ 5,592</u>	<u>\$ 3,676</u>	<u>\$ 1,874</u>	<u>\$ 4,743</u>

(concluded)

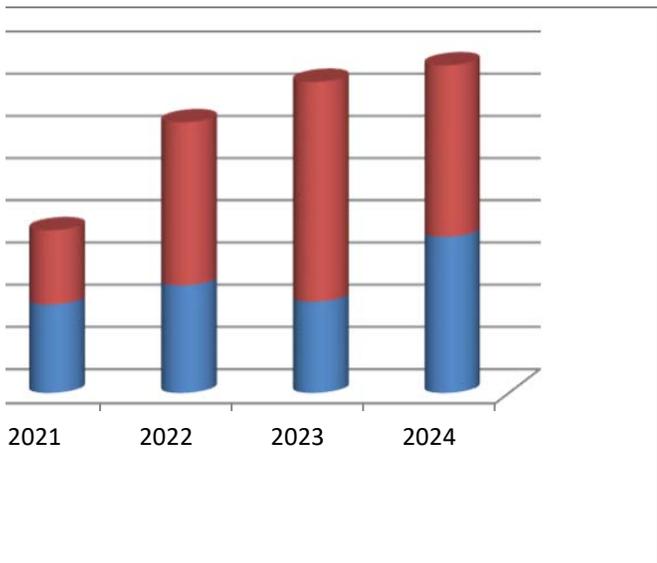
City of Fort Bragg, California
Fund Balances of Governmental
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Modified accrual basis of accounting)
(In Thousands)

	2015	2016	2017	2018	2019
General Fund:					
Nonspendable	\$ 205	\$ 66	\$ 4	\$ 94	\$ 9
Committed		-	2,135	1,694	1,682
Unassigned	4,553	790	968	1,172	1,451
Total general fund	4,758	856	3,107	2,959	3,142
All Other Governmental Funds:					
Restricted	2,914	3,536	2,530	3,758	1,267
Assigned	1,322	1,116	1,472	1,292	3,005
Unassigned (deficit)	(1,157)	(331)	731	(470)	(16)
Total all other governmental funds	3,079	4,321	4,733	4,580	4,256
Total all governmental funds	\$ 7,837	\$ 5,177	\$ 7,839	\$ 7,539	\$ 7,398



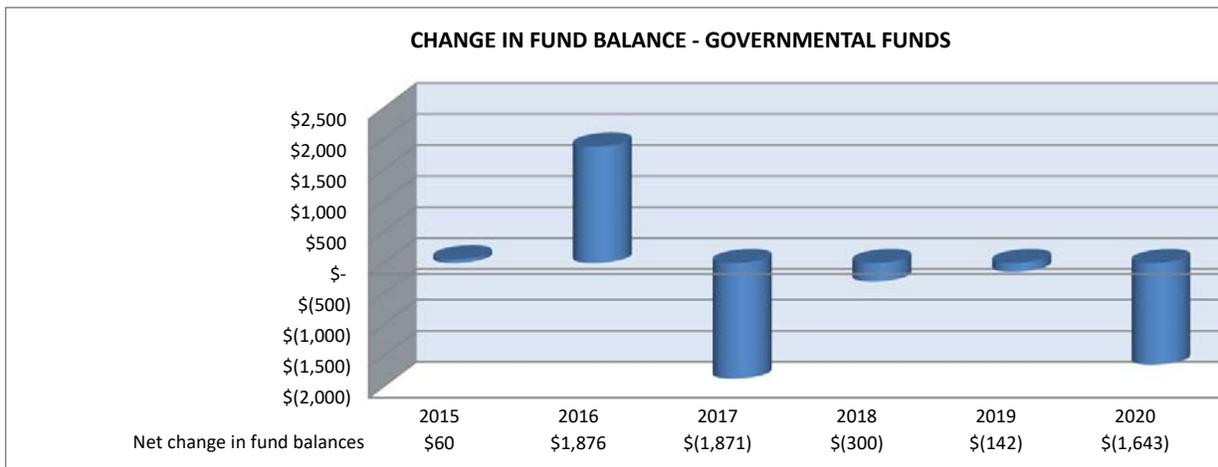
Source: City Finance Department

2020	2021	2022	2023	2024
\$ 3	\$ 7	\$ 12	\$ 16	\$ 9
2,160	2,679	2,679	2,679	2,679
529	1,498	2,401	1,628	4,702
2,692	4,184	5,092	4,324	7,390
1,922	2,947	6,078	6,755	5,840
1,426	814	1,790	3,948	2,362
(284)	(248)	(144)	(292)	(75)
3,064	3,513	7,724	10,411	8,126
\$ 5,756	\$ 7,697	\$ 12,816	\$ 14,735	\$ 15,517



City of Fort Bragg, California
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Modified accrual basis of accounting)
(In Thousands)

	2015	2016	2017	2018	2019
Revenues:					
Taxes and assessments	\$ 4,949	\$ 5,067	\$ 6,486	\$ 7,131	\$ 7,138
Intergovernmental	7,463	5,219	1,847	4,592	772
Charges for services	457	242	203	139	128
Fines, forfeitures and penalties	178	162	211	84	118
Licenses and permits	254	273	97	132	128
Use of money and property	120	174	55	126	213
Unrealized gains and losses	-	-	-	-	195
Reimbursements	2,930	3,413	2,345	2,691	2,453
Other	59	127	210	82	37
Total revenues	16,410	14,677	11,454	14,976	11,182
Expenditures:					
Current:					
General government	2,875	2,685	2,548	2,881	2,522
Public safety	3,581	4,100	4,233	4,383	4,189
Public works	3,469	1,874	1,902	1,947	1,968
Community development	834	1,693	1,011	1,201	1,050
Marketing and promotions	-	-	-	-	-
Cost allocations	-	-	-	-	-
Capital outlay	5,058	1,725	1,992	3,780	282
Debt Service:					
Principal Retirement	116	120	127	169	169
Interest and fiscal charges	31	26	21	17	17
Total expenditures	15,964	12,223	11,834	14,378	10,197
Reconciliation of Governmental Revenues					
Less Expenditures to Fund Equity:					
Revenues over (under) expenditures	\$ 446	\$ 2,454	\$ (380)	\$ 598	\$ 985
Other financing sources (uses):					
Proceeds from sales of assets	-	-	-	-	-
Extraordinary loss on dissolution of redevelopment	-	-	-	-	-
Transfers in	5,683	2,714	3,775	2,944	2,830
Transfers out	(6,069)	(3,292)	(5,266)	(3,843)	(3,957)
Total other financing sources (uses)	(386)	(578)	(1,491)	(898)	(1,127)
Net change in fund balances	\$ 60	\$ 1,876	\$ (1,871)	\$ (300)	\$ (142)
Debt service as a percentage of noncapital expenditures	1.35%	1.39%	1.50%	1.75%	1.88%

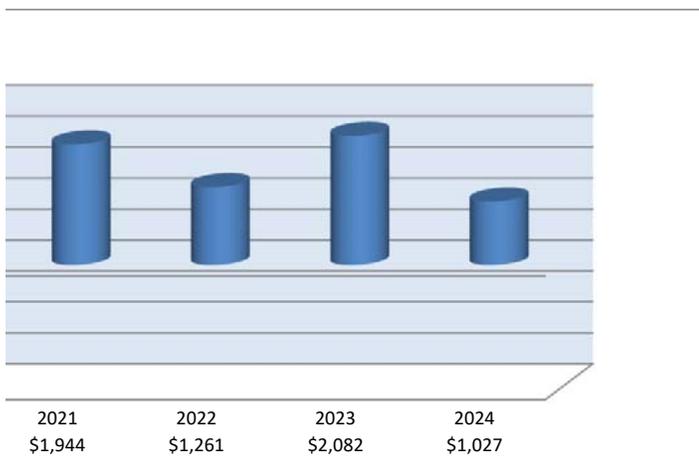


Source: City Finance Department

	2020	2021	2022	2023	2024
\$	6,878	\$ 8,412	\$ 8,937	\$ 8,676	\$ 8,600
	2,702	5,883	4,487	8,695	5,240
	61	47	65	202	164
	112	103	146	158	72
	97	92	86	95	85
	409	13	(34)	(111)	943
	-	-	-	-	-
	2,335	2,247	3,278	3,765	4,383
	22	264	23	143	1,155
	<u>12,616</u>	<u>17,061</u>	<u>16,988</u>	<u>21,622</u>	<u>20,643</u>

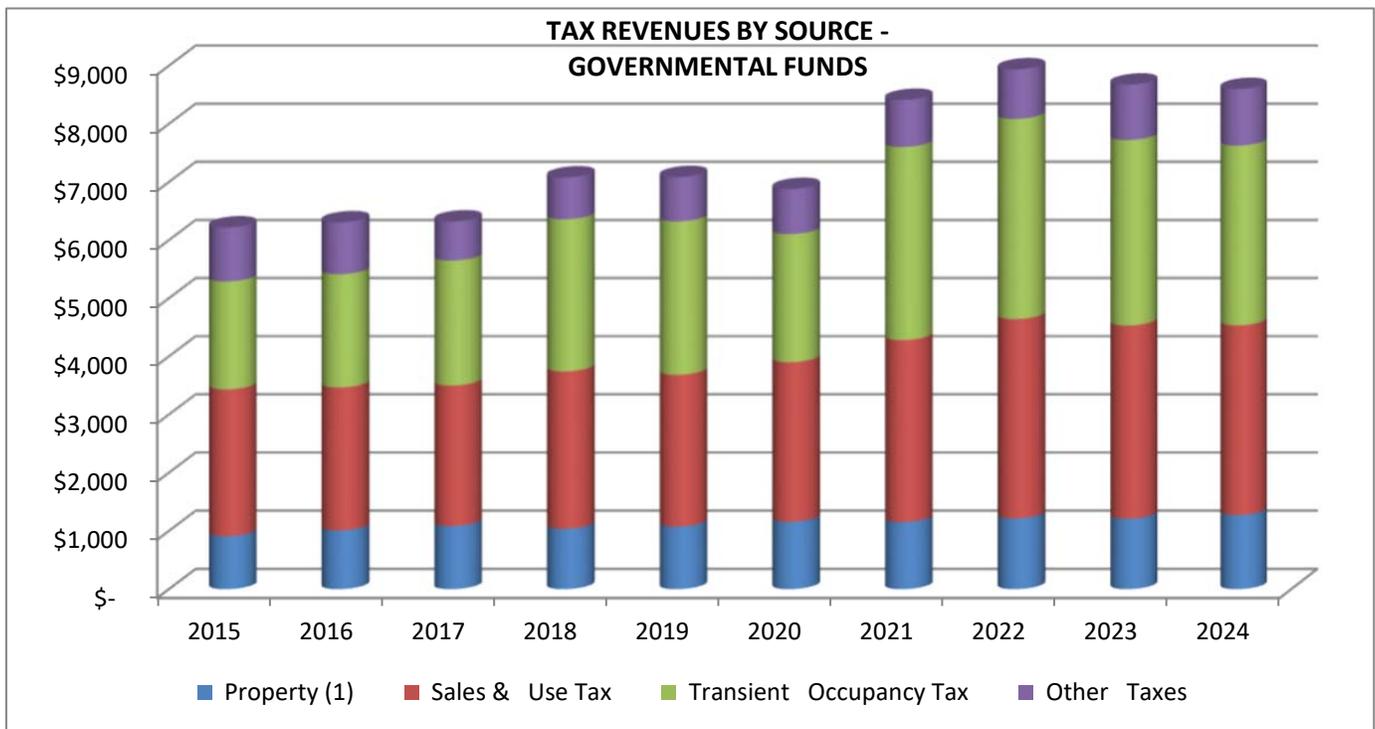
	2,094	2,256	3,319	2,810	3,245
	5,029	4,094	4,507	4,389	5,131
	1,901	1,847	1,966	2,224	2,553
	846	4,368	1,134	4,680	3,341
	186	93	227	210	237
	475	478	789	1,223	1,130
	1,975	415	1,504	745	4,014
	180	38	-	3,425	195
	5	-	358	-	-
	<u>12,691</u>	<u>13,589</u>	<u>13,804</u>	<u>19,707</u>	<u>19,847</u>

\$	(75)	\$ 3,472	\$ 3,184	\$ 1,916	\$ 796
	6	9	16	-	25
	-	-	-	-	-
	616	866	1,788	1,465	7,565
	<u>(2,190)</u>	<u>(2,403)</u>	<u>(3,727)</u>	<u>(1,299)</u>	<u>(7,360)</u>
	<u>(1,568)</u>	<u>(1,528)</u>	<u>(1,923)</u>	<u>166</u>	<u>231</u>
\$	<u>(1,643)</u>	<u>\$ 1,944</u>	<u>\$ 1,261</u>	<u>\$ 2,082</u>	<u>\$ 1,027</u>
	<u>1.73%</u>	<u>0.29%</u>	<u>2.91%</u>	<u>18.06%</u>	<u>1.23%</u>



City of Fort Bragg, California
Governmental Fund Tax Revenue By Source
Last Ten Fiscal Years
 (Modified accrual basis of accounting)
 (In Thousands)

Fiscal Year Ended June 30,	Property (1)	Sales & Use Tax	Transient Occupancy Tax	Other Taxes	Total
2015	\$ 909	\$ 2,523	\$ 1,858	\$ 928	\$ 6,218
2016	1,007	2,458	1,948	894	6,307
2017	1,084	2,414	2,149	674	6,321
2018	1,035	2,705	2,619	719	7,078
2019	1,075	2,607	2,640	762	7,084
2020	1,157	2,743	2,204	775	6,879
2021	1,152	3,127	3,322	811	8,412
2022	1,214	3,427	3,445	852	8,938
2023	1,208	3,322	3,192	953	8,675
2024	1,272	3,261	3,092	974	8,599



(1) Decrease in property taxes beginning in fiscal year 2012 relates to the dissolution of the Redevelopment Agency. Upon the dissolution of the Redevelopment Agency on February 1, 2012, property taxes received by the Redevelopment Successor Agency are reported in a private-purpose trust fund and therefore are excluded from the activities of the primary government.

Source: City Finance Department

City of Fort Bragg, California
Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago

2023-24		2014-15	
Taxpayer	Business Type	Taxpayer	Business Type
Arco AM/PM Mini Marts	Service Stations	Arco AM/PM Mini Marts	Service Stations
Chevron Service Stations	Service Stations	Boatyard Tobacco	Miscellaneous Retail
CVS/Pharmacy	Drug Stores	Chevron Service Stations	Service Stations
David's Deli	Restaurants	Cliff House Restaurant	Restaurants
Denny's Restaurants	Restaurants	CVS/Pharmacy	Drug Stores
Dollar Tree Stores	Department Stores	Denny's Restaurants	Restaurants
Emerald Triangle Cannabis - MMD	Drug Stores	Eel River Fuels	Energy Sales
Geo Aggregates	Bldg.Matls-Whsle	Fort Bragg Feed & Pet	Florist/Nursery
Harvest Market	Food Markets	Geo Aggregates	Bldg.Matls-Whsle
Kemppe Liquid Gas	Energy Sales	Harvest Market	Food Markets
McDonald's Restaurants	Restaurants	Kemppe Liquid Gas	Energy Sales
Mendo Mill & Lumber Company	Bldg.Matls-Retail	Laurel Deli & Desserts	Restaurants
Noyo Harbor Inn	Restaurants	McDonald's Restaurants	Restaurants
Noyo River Grill	Restaurants	Mendo Mill & Lumber Company	Bldg.Matls-Retail
O'Reilly Auto Parts	Auto Parts/Repair	Mendocino County Horticulture Supply	Florist/Nursery
Redwood Coast Fuels	Energy Sales	O'Reilly Auto Parts	Auto Parts/Repair
Restaurante Los Gallitos	Restaurants	Rino Service Stations	Service Stations
Rino Service Stations	Service Stations	Rite Aid Drug Stores	Drug Stores
Rite Aid Drug Stores	Drug Stores	Rossi Building Materials	Bldg.Matls-Retail
Rossi Building Materials	Bldg.Matls-Retail	Safeway Stores	Food Markets
Safeway Stores	Food Markets	Sears Roebuck & Company	Department Stores
Sinclair Service Stations	Service Stations	Sinclair Service Stations	Service Stations
Sport Chrysler-Jeep-Dodge	Auto Sales - New	Sport Chrysler-Jeep-Dodge	Auto Sales - New
Taco Bell	Restaurants	The Brewery Shop	Restaurants
The Brewery Shop	Restaurants	True Value Hardware	Bldg.Matls-Retail

Source: MuniServices, LLC / Avenu Insights & Analytics

City of Fort Bragg, California
Historical Sales Tax Amounts by Benchmark Year
Last Ten Fiscal Years

CDTFA NAICS SECTOR	2024Q1	2023Q1	2022Q1	2021Q1
Accommodation and Food Services	335,257	299,719	311,726	219,712
Agriculture, Forestry, Fishing and Hunting	14,459	10,246	10,635	6,187
Arts, Entertainment, and Recreation	10,644	8,673	8,183	189
Construction	46,484	52,546	49,711	42,824
Educational Services	463	216	881	866
Information	15,151	11,995	12,478	7,167
Manufacturing	11,949	9,899	4,086	5,144
Mining, Quarrying, and Oil and Gas Extraction	64,581	86,125	93,131	68,023
Other Services (except Public Administration)	33,377	30,456	31,829	27,773
Professional, Scientific, and Technical Services	2,818	3,278	3,826	3,254
Real Estate and Rental and Leasing	2,588	2,703	3,276	4,114
Retail Trade	1,130,753	1,198,078	1,190,475	1,044,523
Utilities	4,592	5,016	5,000	3,129
All Other NAICS Sectors	35,653	27,690	24,709	23,374
Grand Total	1,708,767	1,746,640	1,749,947	1,456,280

Source: MuniServices, LLC / Avenu Insights & Analytics

2020Q1	2019Q1	2018Q1	2017Q1	2016Q1	2015Q1
261,645	270,483	282,222	261,139	233,034	218,376
11,023	9,955	3,547	7,404	11,516	6,866
5,903	5,394	3,516	3,469	3,454	4,002
47,581	50,973	35,283	34,009	35,318	33,583
1,331	2,082	7,876	7,499	8,318	6,932
7,675	9,327	5,569	4,825	4,031	6,163
8,727	8,337	7,222	6,312	4,704	4,951
90,412	86,275	73,796	56,363	62,526	80,000
31,619	31,125	30,343	31,197	31,897	31,049
4,980	5,892	7,944	7,989	8,627	8,693
2,239	2,712	2,455	2,525	2,525	2,944
1,050,886	1,045,425	1,056,982	987,423	990,177	983,868
4,514	5,124	4,588	5,430	4,696	3,743
21,707	21,418	21,025	18,791	18,414	8,834
1,550,243	1,554,521	1,542,367	1,434,374	1,419,237	1,400,004

City of Fort Bragg, California

Assessed Value and Estimated Actual Value of Taxable Property, City Wide

Last Ten Fiscal Years

(In Thousands)

Fiscal Year End	Secured Property*	Unsecured Property	Taxable		Total		Factor of Taxable
			Assessed Value	% Change	Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Assessed Value (2)
2014-15	\$ 590,079	\$ 31,347	\$ 621,426	#REF!	1.127000	689,061	1.108838
2015-16	\$ 607,137	\$ 31,275	\$ 638,412	2.7%	1.132000	702,975	1.101131
2016-17	\$ 626,121	\$ 32,889	\$ 659,009	3.2%	1.133000	852,603	1.293765
2017-18	\$ 646,586	\$ 32,288	\$ 678,874	6.3%	1.133000	902,380	1.329231
2018-19	\$ 671,692	\$ 31,556	\$ 703,249	6.7%	1.138000	918,610	1.306238
2019-20	\$ 695,389	\$ 33,240	\$ 728,629	7.3%	1.131000	1,021,566	1.402039
2020-21	\$ 715,581	\$ 33,149	\$ 748,730	6.5%	1.124000	805,819	1.076248
2021-22	\$ 720,807	\$ 32,899	\$ 753,706	3.4%	1.137000	886,049	1.175590
2023-23	\$ 766,503	\$ 37,340	\$ 803,843	7.4%	1.185000	965,275	1.200826
2023-24	\$ 833,186	\$ 35,150	\$ 868,336	8.0%	1.169000	1,060,711	1.221545



Source: Mendocino County Assessor/Auditor data, MuniServices, LLC / Avenu Insights & Analytics

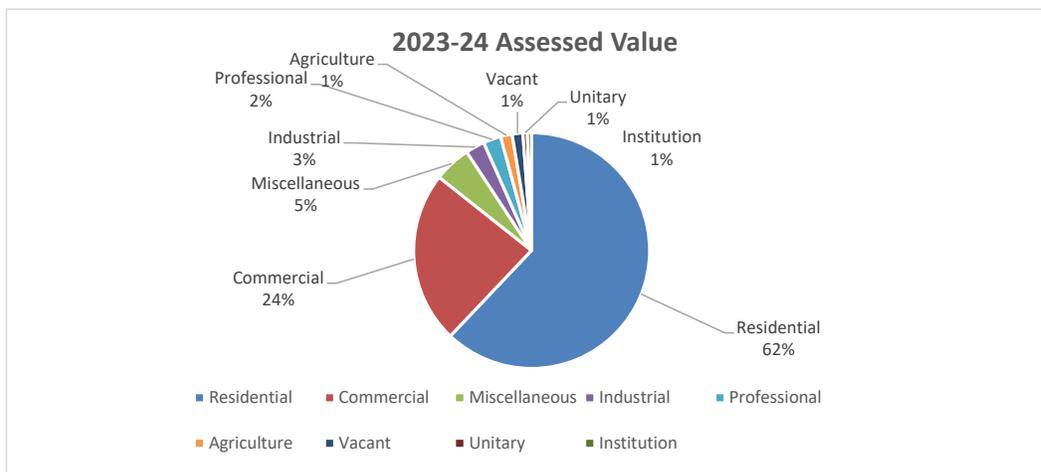
*Secured Property is net of all exemptions.

(1.) Total tax rate is represented by TRA 001-001.

(2.) Sales Price not available. Average Sales Factor applied.

City of Fort Bragg, Calif
Assessed Value of Property by Use Code, City Wide
Last Nine Fiscal Years
(In Thousands)

Category	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Residential	\$ 351,259	\$ 357,224	\$ 369,852	\$ 393,470	\$ 375,474	\$ 395,888	\$ 410,229	\$ 428,620	\$ 448,738	\$ 480,401
Commercial	165,103	163,032	167,141	150,666	153,767	156,832	160,042	163,238	164,973	168,401
Miscellaneous	698	701	735	1,120	31,285	31,187	33,043	33,941	35,200	37,333
Industrial	36,342	36,807	37,595	37,908	38,037	39,021	40,900	39,219	18,946	30,445
Professional	-	-	179	9,804	19,769	20,036	20,413	20,817	19,854	19,556
Agriculture	33	34	34	34	-	-	-	-	-	11,181
Vacant	18,931	18,682	18,963	21,162	21,817	23,423	24,116	22,554	22,866	12,354
Unitary	542	543	543	340	-	-	-	-	-	-
Institution	4,024	4,285	4,513	4,515	3,761	2,691	3,926	4,429	3,740	4,889
Recreation	7,905	7,593	6,391	7,101	2,676	2,613	2,719	2,762	2,460	1,942
Unknown	1,149	1,178	1,192	-	-	-	-	-	4,031	-
Net Secured Value	585,986	590,079	607,137	626,121	646,586	671,692	695,389	715,581	720,807	766,503
Unsecured	29,641	31,347	31,275	32,889	32,288	31,556	33,240	33,149	32,899	37,340
Net Taxable Value	\$ 615,627	\$ 621,426	\$ 638,412	\$ 659,009	\$ 678,874	\$ 703,249	\$ 728,629	\$ 748,730	\$ 753,706	\$ 803,843



Source: Mendocino County Assessor data, MuniServices, LLC / Avenu Insights & Analytics
Use code categories are based on Mendocino County Assessor's data

City of Fort Bragg
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	2014-15	2015-16	2016-17	2017-18	2018-19
COUNTY GENERAL FUND	0.745000	0.745000	0.745000	0.745000	0.745000
CITY OF FORT BRAGG	0.255000	0.255000	0.255000	0.255000	0.255000
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments					
LOCAL SPECIAL DISTRICTS	0.026000	0.025000	0.018000	0.026000	0.024000
SCHOOLS	0.101000	0.107000	0.115000	0.107000	0.114000
TOTAL	0.127000	0.132000	0.133000	0.133000	0.138000
TOTAL TAX RATE	1.127000	1.132000	1.133000	1.133000	1.138000

Source: Mendocino County Auditor/Controller data, MuniServices, LLC / Avenu Insights & Analytics
 TRA 001-001 is represented for this report
 Rates are not adjusted for ERAF

2019-20	2020-21	2023-22	2023-23	2023-24
0.745000	0.745000	0.745000	0.745000	0.745000
0.255000	0.255000	0.255000	0.255000	0.255000
1.000000	1.000000	1.000000	1.000000	1.000000
0.024000	0.023000	0.023000	0.023000	0.022000
0.107000	0.101000	0.114000	0.162000	0.147000
0.131000	0.124000	0.137000	0.185000	0.169000
1.131000	1.124000	1.137000	1.185000	1.169000

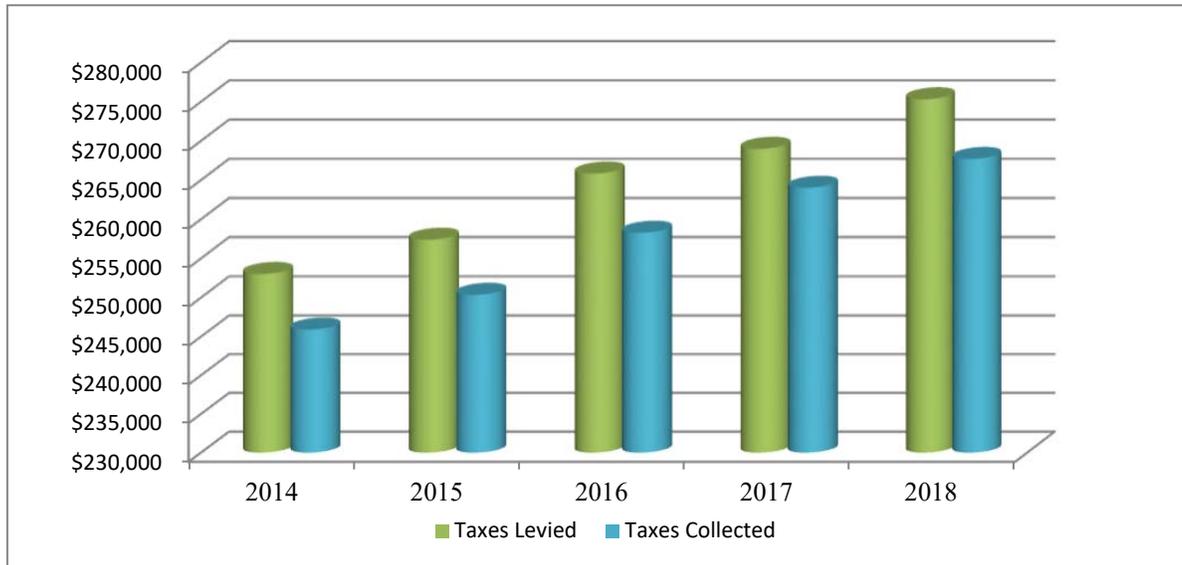
City of Fort Bragg, California
Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

Taxpayer	2023-24		2014-15	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Georgia Pacific LLC	15,190,147	1.75%	31,215,167	5.02%
Rap Investors LP	12,335,745	1.42%	10,653,995	1.71%
Boatyard Associates Phase	11,210,452	1.29%	9,516,557	1.53%
Tenants Choice LLC	9,670,610	1.11%		
Safeway Inc	8,049,843	0.93%	7,020,082	1.13%
North Coast Brewery	7,035,860	0.81%	4,854,758	0.78%
GP Investors LLC	6,917,068	0.80%		
Sierra Northern Railway	6,742,743	0.78%		
Colombi Jeanette Succtee	6,075,811	0.70%	4,951,442	0.80%
Anderson Logging	5,588,756	0.64%	3,308,036	0.53%
Fort Bragg Hospitality LLC	5,477,200	0.63%		
Tanti Family II LLC	5,013,028	0.58%	4,368,451	0.70%
Kao Kuami	4,970,063	0.57%	4,226,779	0.68%
Kashi Keshav Investments	4,826,407	0.56%	4,104,730	0.66%
SNB Govind Corporation	4,749,269	0.55%		
Grosvenor Van Ness Associa	4,590,912	0.53%	3,899,088	0.63%
Longs Drug Stores California	4,234,502	0.49%	3,856,470	0.62%
Ray Ronald R Ttee	4,229,325	0.49%		
Comcast	3,721,093	0.43%	2,693,172	0.43%
DFA Walnut Associates LP	3,672,000	0.42%		
Fort Bragg Hotel LLC	3,566,631	0.41%	3,453,696	0.56%
Kemppe Liquid Gas Corporation	3,309,969	0.38%	2,611,640	0.42%
Glassbeach Estates LLC	3,167,127	0.36%		
Noyo Harbor Inn LLC	3,076,890	0.35%		
Fort Bragg Investments LLC	3,007,867	0.35%		
Hurst Jason S			4,518,331	0.73%
North Otown Industrial Center			3,589,852	0.58%
Keaton Richard J Julie			3,024,356	0.49%
Noyo Vista Inc.			2,966,777	0.48%
RBJ Assoc LLC			2,544,238	0.41%
Moura Senior Housing			2,521,775	0.41%
Miller Helen Centeno			2,430,465	0.39%
Taubold Timothy E Ttee			2,403,069	0.39%
Whitteaker Donald E Dorothy C			2,331,790	0.38%
Lee Michael V Dona H Ttees			2,300,132	0.37%
Total Top 25 Taxpayers	150,429,318	17.32%	129,364,848	20.82%
Total Taxable Value	868,335,808	100.00%	621,426,140	100.00%

Source: Mendocino County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

City of Fort Bragg, California
Property Tax Levies and Collections
For the last ten fiscal years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2014	\$ 253,017	\$ 245,915	97.2%
2015	\$ 257,387	\$ 250,358	97.3%
2016	265,826	258,276	97.2%
2017	268,987	264,012	98.2%
2018	275,316	267,695	97.2%
2019	N/A	N/A	N/A
2020	N/A	N/A	N/A
2023	N/A	N/A	N/A
2024	N/A	N/A	N/A



Note: Mendocino County does not track collections of delinquent taxes by year in subsequent years.

Source: Mendocino County Auditor-Controller's Office

City of Fort Bragg, California
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(In Thousands, Except Per Capita Amount)

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities		
	Certificates of Participation	Lease Revenue Bond	Total Governmental Activities	Certificates of Participation	Notes Payable	Capital Leases
2015	\$ 660	\$ -	\$ 660	\$ 2,896	\$ 1,207	\$ 240
2016	539	-	539	2,578	1,102	123
2017	412	-	412	2,252	975	-
2018	280	-	280	1,913	846	-
2019	143	-	143	6,568	741	-
2020	-	-	-	6,182	633	-
2021	-	-	-	5,791	529	-
2022	-	11,399	11,399	5,392	423	-
2023	-	7,593	7,593	4,981	-	-
2024	-	7,593	7,593	4,556	-	-

N/A indicates information is not available

(1) See Schedule of Demographic and Economic Statistics for personal and per capita data.

Source: City Finance Department

Total Business-type Activities	Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
\$ 4,343	\$ 5,003	3.2%	\$ 681
3,803	4,342	2.7%	566
3,227	3,639	2.1%	474
2,759	3,039	1.7%	405
7,309	7,452	4.2%	992
6,815	6,815	3.3%	920
6,320	6,320	2.8%	884
4,981	12,574	4.8%	1,793
4,556	12,149	4.0%	1,692

City of Fort Bragg, Calif
Legal Debt Margin Information
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Dollars in thousands)

	2015	2016	2017	2018	2019
Assessed Value	\$ 590,079	\$ 607,137	\$ 626,121	\$ 646,586	\$ 671,692
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted Assessed Value	147,520	151,784	156,530	161,647	167,923
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt limit	22,128	22,768	23,480	24,247	25,188
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	\$ 22,128	\$ 22,768	\$ 23,480	\$ 24,247	\$ 25,188
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Notes: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed secured tax valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of the assessed value for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City Finance Department

2020	2021	2022	2023	2024
\$ 695,389	\$ 715,581	\$ 720,807	\$ 766,503	\$ 833,186
25%	25%	25%	25%	25%
173,847	178,895	180,202	191,626	208,297
15%	15%	15%	15%	15%
26,077	26,834	27,030	28,744	31,244
-	-	-	-	-
\$ 26,077	\$ 26,834	\$ 27,030	\$ 28,744	\$ 31,244
0%	0%	0%	0%	0%

City of Fort Bragg, California
Direct and Overlapping Debt
Current Year
June 30, 2024

<u>2023-24 Assessed Valuation:</u>			
	\$	874,214,142	
	Total Debt		City's Share of
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>6/30/2024</u>	<u>% Applicable ⁽¹⁾</u>	<u>Debt 6/30/2024</u>
Redwoods Joint Community College District	\$ 18,005,000	3.731%	\$ 671,767
Fort Bragg Unified School District	46,453,919	38.051%	17,676,181
Mendocino Coast Hospital District	3,600,000	21.396%	770,256
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 19,118,204
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Mendocino County Certificates of Participation	19,205,000	6.171%	\$ 1,185,141
Mendocino County Pension Obligation Bonds	21,470,000	6.171%	1,324,914
Redwoods Joint Community College District General Fund Obligations	7,410,000	3.731%	276,467
City of Fort Bragg General Fund Obligations	7,820,000	100.000%	7,820,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 10,606,522
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	 2,680,000	 100.000%	 2,680,000
 DIRECT DEBT			 \$ 7,820,000
TOTAL OVERLAPPING DEBT			\$ 24,584,726
 COMBINED TOTAL DEBT			 \$ 32,404,726 ⁽²⁾

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2023-24 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.19%
Total Direct Debt (\$7,820,000)	0.89%
Combined Total Debt	3.71%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$266,380,936)

Total Overlapping Tax Increment Debt	1.01%
--------------------------------------	-------

Source: Avenu Insights & Analytics
California Municipal Statistics, Inc

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City of Fort Bragg, California
Pledged Revenue Coverage
For the Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year Ended June 30,	Business-type Activities Water Fund Debt						
	Revenues & Transfers	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Total Debt Service	Coverage
				Principal	Interest		
2015	\$ 2,595	\$ 1,806	\$ 789	\$ 493	\$ 147	\$ 640	1.2
2016	3,085	1,834	1,251	490	132	622	2.0
2017	3,534	1,378	2,156	505	75	580	3.7
2018	2,909	1,592	1,317	390	62	452	2.9
2019	3,077	1,480	1,597	396	53	449	3.6
2020	3,181	1,275	1,905	406	74	480	4.0
2021	3,660	1,303	2,357	410	65	475	5.0
2022	3,033	2,256	777	418	55	473	1.6
2023	3,043	2,577	467	743	93	836	0.6
2024	3,057	2,978	79	332	26	358	0.2

¹ Operating expenses exclude depreciation

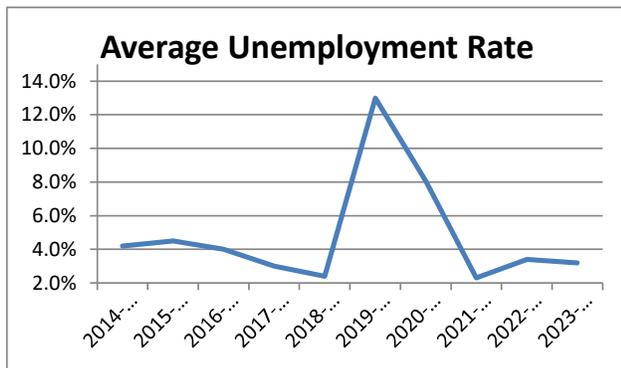
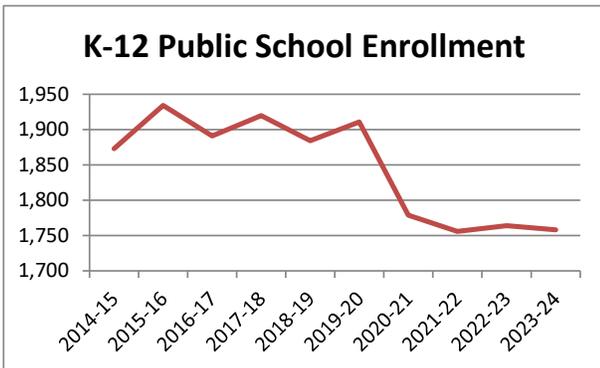
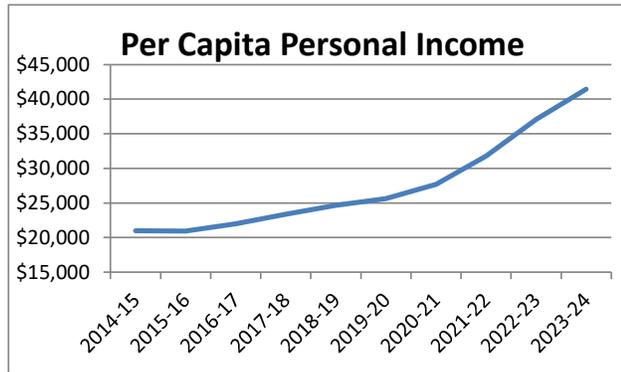
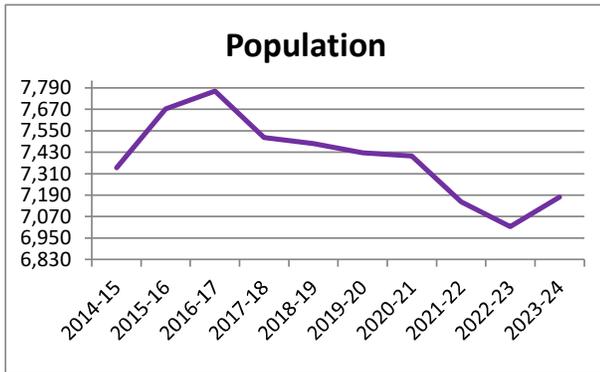
Source: City Finance Department

Business-type Activities
Sewer Fund Debt

	Revenues & Transfers	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Total Debt Service	Coverage
				Principal	Interest		
\$	3,184	\$ 2,470	\$ 714	\$ 45	\$ 16	\$ 61	11.7
	3,322	2,568	754	50	12	62	12.2
	4,457	2,189	2,268	50	9	59	38.4
	3,495	2,270	1,225	55	6	61	20.1
	5,938	2,321	3,617	55	13	68	53.2
	8,128	1,913	6,215	86	85	181	36.3
	4,017	2,129	1,888	87	98	185	10.2
	3,584	3,015	569	87	98	185	3.1
	3,522	3,817	(295)	91	94	185	(1.6)
	3,627	2,731	896	93	92	185	4.8

City of Fort Bragg, California
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income (2)	Median Age (3)	Public School Enrollment	City Unemployment Rate (%) (4)
2014-15	7,343	154,002	20,973	38.2	1,873	4.2%
2015-16	7,672	160,798	20,959	38.5	1,934	4.5%
2016-17	7,772	170,733	21,968	36.6	1,891	4.0%
2017-18	7,512	175,523	23,366	40.0	1,920	3.0%
2018-19	7,478	184,300	24,646	39.2	1,884	2.4%
2019-20	7,427	190,379	25,633	39.8	1,911	13.0%
2020-21	7,409	204,996	27,668	39.0	1,779	8.1%
2021-22	7,153	227,323	31,780	43.0	1,756	2.3%
2022-23	7,014	259,996	37,068	41.3	1,764	3.4%
2023-24	7,179	297,373	41,423	50.4	1,758	3.2%



Source: MuniServices, LLC / Avenu Insights & Analytics

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data and Median Age is provided by the U.S. Census Bureau.
- 3.) Public School Enrollment is for the Fort Bragg Unified School District.
- 4.) Unemployment Data are provided by the EDD, Bureau of Labor Statistics Department.

City of Fort Bragg, California
Principal Employers
Last Fiscal Year and Seven Years Ago

Business Name	2024		2015	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Adventist Health Mendocino Coast Medical Center	335	13.96%	320	8.82%
Fort Bragg Unified School District*	296	12.33%	250	6.89%
Parents & Friends Inc	186	7.75%	125	3.44%
Safeway	128	5.33%	126	3.47%
Mendocino Coast Clinics Inc	126	5.25%	125	3.44%
North Coast Brewing CO Inc	94	3.92%	104	2.87%
Mendocino County**	92	3.83%	79	2.18%
Anderson Logging Inc	86	3.58%		
City of Fort Bragg	67	2.79%		
The Wharf & Anchor Lodge	35	1.46%	65	1.79%
Sherwood Oaks Health Center			94	2.59%
CV Starr Community Center			89	2.45%
Total Top Employers	1,445	60.21%	1,377	37.93%
Total City Employment (1)	2,400		3,630	

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: City of Fort Bragg - ACFR Fiscal Year Ended June 30, 2015 Publication

(1) Total City Labor Force provided by EDD Labor Force Data

Notes:

Results based on direct correspondence with city's local businesses.

*Excludes non-bargaining on call subs or sports coaches.

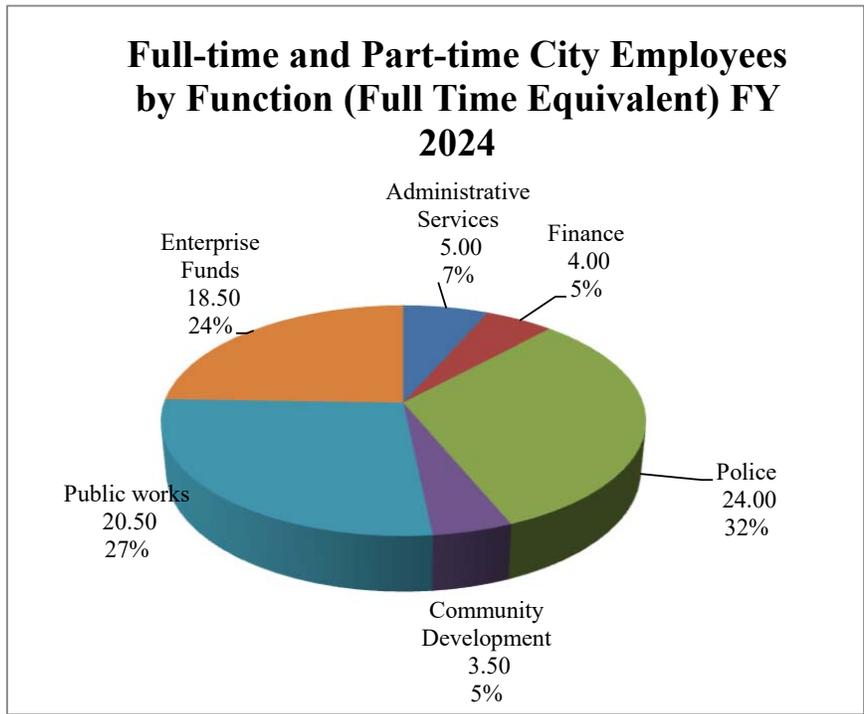
City of Fort Bragg, California

Full-time and Part-time City Employees by Function (Full-Time Equivalent)

Last Ten Fiscal Years

(Fiscal year ended June 30)

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Administrative Services	6.00	6.50	6.50	7.00	7.00	6.50	6.00	6.00	7.00	5.00
Finance	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	4.00
Public Safety										
Police	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	24.00
Community Services										
Community Development	4.00	4.30	4.50	4.80	4.80	4.30	4.00	4.00	4.00	3.50
Public works	12.60	12.80	12.80	14.00	14.00	12.80	13.00	13.00	13.00	20.50
Enterprise Funds	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	18.50
Total	56.60	57.60	57.80	59.80	59.80	57.60	57.00	57.00	58.00	75.50



Source: City Finance Department

City of Fort Bragg, California
Operating Indicators by Function
Last Ten Fiscal Years
(Fiscal year ended June 30)

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Building Permits Issued	192	141	122	162	194	141	99	146	146	146
New Construction	7	6	4	9	12	N/A	8	8	8	8
Single Family Residential	0	2	0	5	4	2	6	6	6	6
Second Unit	1	3	4	4	8	3	8	8	8	8
Mixed Use, Commercial & Residential	2	1	0	0	4	1	0	0	0	0
Multi-Family Residential	0	0	0	0	2	0	1	1	1	1
Low Income Residential	4	0	0	0	0	0	1	1	1	1
City Clerk										
Council/Agency Resolutions Passed	127	98	122	121	92	98	134	148	148	116
Number of Ordinances Passed	3	5	6	8	9	5	6	13	13	9
Number of Contracts Approved	30	69	74	105	71	69	45	97	97	117
Number of PRA Requests Processed	74	73	79	146	145	N/A	280	294	294	116
Public Safety										
Traffic Accidents	172	221	160	145	147	221	146	122	122	84
Traffic Violations - DUI	26	28	45	49	40	28	26	48	48	92
Bookings	737	668	619	795	625	668	523	162	162	568
Moving Cites	949	498	344	428	368	498	429	122	122	340
Parking Cites	484	835	842	941	869	835	416	416	416	141
Field Interviews and Information Cases	1,301	1,217	1,403	1,936	1,289	1,217	4,065	3,191	3,191	1,433
Crime Reports	1,317	1,501	1,496	1,554	1,262	1,501	1,193	1,098	1,098	921
Fire ¹										
Total Number of Calls	617	579	665	626	752	579	579	579	579	627
Structure Fires	21	29	38	10	37	29	29	29	29	34
Vehicle Fires	9	3	16	5	4	3	3	3	3	6
Vegetation Fires	40	31	33	23	40	31	31	31	31	27
Misc Fires (Chimney, Debris, Electronically, etc.)	17	36	18	81	80	36	36	36	36	29
Medical Aid	163	150	199	197	248	150	150	150	150	163
Rescue	10	22	16	11	7	22	22	22	22	9
Hazardous Condition/Materials Calls	41	70	75	58	73	70	70	70	70	139
Mutual Aid/Agency Assist	9	12	18	23	18	12	12	12	12	14
Traffic Accidents	98	133	98	115	100	133	133	133	133	98
Services Call	96	91	80	99	126	91	91	91	91	105
Other Calls & Incidents	113	2	74	4	19	2	2	2	2	3
Water										
Number of customer accounts billed	33,716	33,671	33,873	34,146	33,339	33,671	34,290	34,426	34,381	33,811
Water annual demand in thousand gallons	204,900	189,530	197,568	209,982	210,152	200,164	190,158	176,458	173,562	173,231
Available supply of water in thousand gallons	239,356	218,851	223,022	241,805	261,102	259,590	230,547	199,143	200,321	216,995
total Customer service calls	1,177	1,253	1,253	1,193	1,488	1,253	838	990	1,742	2,336
Meter installs/removals/change outs	14	16	14	24	13	16	88	34	732	1,468
Meter repairs	8	1	34	5	23	1	-	-	-	-
Leak investigations	6	11	34	29	61	11	43	51	73	85
Service profiles	57	65	31	63	61	65	47	45	23	24
Turn on/off	508	669	878	891	1,099	669	542	592	656	636
Manual Reads	453	416	444	126	111	416	543	806	1,795	3,810
Misc.	60	75	53	55	68	75	206	302	990	1,591
Wastewater										
Customer service calls, wastewater	41	52	43	33	36	52	44	44	44	33
New customer sewer lines installed	3	1	4	0	2	1	2	2	2	2
Sewer mains cleaned/flushed in miles	15.5	15	17.38	16	18	15	17	17	17	11
Sewer mains and laterals repaired in number of jobs	16	11	12	9	8	11	18	18	18	10
Sewer manholes inspected	363	363	374	374	374	363	370	370	370	186
Sewer manholes installed	0	0	0	0	0	0	0	0	0	0
Sewer spill responses	7	5	1	1	2	5	3	3	3	2

¹ The governing agency offer the Fort Bragg Volunteer Fire Department is the Fort Bragg Fire Protection Authority Joint Powers Agreement (JPA). The JPA is a board of directors formed in the 1989-90 fiscal year. It consists of two members from the Fort Bragg City Council appointed by the City's mayor, two members from the Fort Bragg Rural Fire District Board appointed by their chairman, and an "At Large" member appointed by the other four members. The City of Fort Bragg is responsible for 50% of the Fire Department budget.

Source: Operating indicators were provided by the various operating departments.

City of Fort Bragg, California
Capital Asset Statistics by Function
Last Ten Fiscal Years
(Fiscal year ended June 30)

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police :										
Stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (miles)	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	27.5
Alleys (miles)	19	19	19	19	19	19	19	19	19	19
Storm drains (miles)	10	10	10	10	10	10	10	10	10	10
Streetlights	725	725	725	725	725	725	725	725	725	725
Sidewalks	40	40	40	40	40	40	40	40	40	40
Water										
Water treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	30	30	30	30	30	30	30	30	30	30
Raw water transmission line (miles)	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Wastewater										
Wastewater treatment plant	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	27	27	27	27	27	27	27	27	27	30
Parks and Facilities										
Parks	4	4	4	5	2	4	4	4	4	4
Recreational/Guest Facilities	3	3	3	3	3	3	3	3	3	3
Government Facilities	2	2	2	2	2	2	2	2	2	2

Source: City Finance, Public Works and Planning Departments



JJACPA, Inc.

A Professional Accounting Services Corp.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

Independent Auditor's Report

The Honorable City Council
City of Fort Bragg
Fort Bragg, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fort Bragg, California (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 25, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

April 25, 2025

JJACPA, Inc.

JJACPA, Inc.

Dublin, CA

MUNICIPAL IMPROVEMENT DISTRICT NO.1

BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

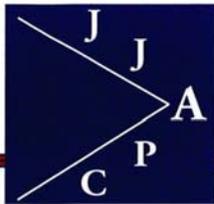
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Municipal Improvement District No.1
Basic Financial Statements
For the year ended June 30, 2024

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
of the City of Fort Bragg
Fort Bragg, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Municipal Improvement District No. 1 (Utility), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Utility's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Utility, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Utility and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Utility's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Utility's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Utility's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Utility's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Utility's Schedules of Contributions, Miscellaneous Plan on page 24, and the Schedule of the Utility's Proportionate Share of the Net Pension Liability on page 25, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Utility's basic financial statements. The Schedule of Debt Service Coverage is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Debt Service Coverage is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedule of Debt Service Coverage is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

April 25, 2025

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

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BASIC FINANCIAL STATEMENTS

Municipal Improvement District No. 1

Statement of Net Position

June 30, 2024

	<u>2024</u>
ASSETS	
Current assets:	
Cash equivalents and investments - pooled	\$ 2,892,740
Accounts receivable	439,612
Inventory and prepaids	12,314
Total current assets	<u>3,344,666</u>
Non-current assets:	
Property, plant and equipment:	
Non-depreciable	972,868
Depreciable (net of accumulated depreciation)	23,671,162
Net property, plant and equipment	<u>24,644,030</u>
Total assets	<u>27,988,696</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension plan	414,562
Total assets and deferred outflows of resources	<u>\$ 28,403,258</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 78,073
Accrued payroll and benefits	3,148
Unearned revenue	6,466
Compensated absences - current portion	4,659
Current portion of long-term liabilities	95,000
Total current liabilities	<u>187,346</u>
Non-current liabilities:	
Compensated absences	42,030
Due after one year	4,461,000
Net pension liability	457,836
Total non-current liabilities	<u>4,960,866</u>
Total liabilities	<u>5,148,212</u>
DEFERRED INFLOWS OF RESOURCES	
Pension plan	413,841
Total deferred outflows of resources	<u>413,841</u>
Net position:	
Net investment in capital assets	20,088,030
Unrestricted (deficit)	2,753,175
Total net position	<u>22,841,205</u>
Total liabilities, deferred inflows and net position	<u>\$ 28,403,258</u>

The accompanying notes are an integral part of these basic financial statements.

Municipal Improvement District No. 1
Statement of Revenues, Expenses, and Changes in Net Position
For the year ended June 30, 2024

	<u>2024</u>
OPERATING REVENUES:	
Charges for services:	
Sewer service charges	\$ 3,435,858
Other operating revenue	190,782
Total operating revenues	<u>3,626,640</u>
OPERATING EXPENSES:	
General and administrative	1,421,271
Sewer maintenance and operations	94,231
Sewer treatment	1,215,185
Depreciation and amortization expense	816,971
Total operating expenses	<u>3,547,658</u>
OPERATING INCOME	<u>78,982</u>
NON-OPERATING REVENUES (EXPENSES):	
Use of money and property	164,443
Interest and debt service expenses	(91,545)
Total non-operating revenues (expenses)	<u>72,898</u>
Transfers from(to) City of Fort Bragg	<u>(187,951)</u>
Net income	(36,071)
NET POSITION:	
Net position - beginning	<u>22,877,276</u>
Net Position - ending	<u>\$ 22,841,205</u>

The accompanying notes are an integral part of these basic financial statements.

Municipal Improvement District No. 1

Statement of Cash Flows

For the year ended June 30, 2024

	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 3,570,412
Payments to vendors for services and supplies	(2,213,453)
Payments to City of Fort Bragg employees for salaries and benefits	(1,335,799)
Net cash provided(used) by operating activities	<u>21,160</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Receipts from (to) the City of Fort Bragg	(187,951)
Net cash provided by non-capital financing activities	<u>(187,951)</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(468,422)
Principal payments on long-term debt	(93,000)
Interest and fees paid on long-term financing	(91,545)
Net cash used by capital and related financing activities	<u>(652,967)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment income received	164,443
Net increase(decrease) in cash	<u>(655,315)</u>
CASH AND INVESTMENTS:	
Beginning of year	3,548,055
End of year	<u>\$ 2,892,740</u>
PRESENTATION IN STATEMENT OF NET POSITION:	
Cash equivalents and investments-pooled	\$ 2,892,740
Total	<u>\$ 2,892,740</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income	\$ 78,982
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation and amortization	816,971
Pension	(737,405)
Changes in current assets and liabilities:	
Accounts receivable	(56,228)
Inventory	(4,207)
Accounts payable	(41,733)
Accrued liabilities	(20,264)
Compensated absences	(14,956)
Net cash provided(used) by operating activities	<u>\$ 21,160</u>

The accompanying notes are an integral part of these basic financial statements.

Municipal Improvement District No.1
Financial Statements
For the year ended June 30, 2024

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Municipal Improvement District No.1 (Utility) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental enterprises classified as proprietary fund types. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The reports are based on all applicable GASB pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Review Boards of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the Utility's accounting policies are described below.

A. Description of the Reporting Entity

Municipal Improvement District No.1 is a fund of the City of Fort Bragg. The Utility provides sewage collection services for the City. The Utility is an integral part of the City and is included in the City's June 30, 2024 basic financial statements. City personnel provide all engineering, management, and operational services to the wastewater collection system, including management and operational services for sewage collection pump station maintenance. The funding of the Utility's sewage facilities was funded by the Utility's users.

B. Fund Accounting Classification and Basis of Accounting

On the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, business-like activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as Net position.

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition and capital improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds, and cash flow from operations.

Municipal Improvement District No.1
Financial Statements
For the year ended June 30, 2024

Notes to Basic Financial Statements, Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Fund Accounting Classification and Basis of Accounting, continued

The Utility's operations are funded almost entirely by user fees imposed as a rate based on type of usage (e.g. commercial, residential, etc.). The bulk of that rate is an amount charged primarily to residential users. Since July 2009, the residential rates have been based on average water used in the winter quarter.

C. Cash Equivalents and Investments

For the purposes of the Statement of Net Position and Statement of Cash Flows, "cash equivalents and investments" includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less.

The Utility, through the City of Fort Bragg, pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.

The Utility indirectly, through the City of Fort Bragg, participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

D. Fixed Assets

Purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized. Depreciation is provided on a straight-line basis over estimated useful lives ranging from 5 to 40 years.

Municipal Improvement District No.1
Financial Statements
For the year ended June 30, 2024

Notes to Basic Financial Statements, Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Compensated Absences

The liability for vested vacation pay is recorded as an expense when the vacation is taken. Unused balances of vacation and sick time are accrued by employees when earned and may be subject to maximum accrual limits. Sick time accrued is paid based on the number of years of service to the employee when employment is terminated. There is no maximum accrual amount for sick time. Vacation time has a maximum accrual of 2 times the employee's annual accrual, dependent on the accrual rate of that employee, which is based on years of service. Upon termination of employment, sick time is paid out at a maximum of 50% and vacation is paid out at 100% of the accrued time available, depending on years of service. Compensatory time accrued is paid in full at the end of employment.

F. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Utility has only one item that qualifies for reporting in this category. It is the deferred charge on the Utility's pension plan reported in the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Utility has one item reported as a deferred inflow of resources. The deferred inflow on the Utility's pension plan and is reported in the statement of net position.

Municipal Improvement District No.1
Financial Statements
For the year ended June 30, 2024

Notes to Basic Financial Statements, Continued

2. CASH AND INVESTMENTS

A. Cash Deposits

The Utility pools cash from all sources. The Utility invests excess cash in the City of Fort Bragg, an unrated investment pool, which at June 30, 2024, approximated fair value of \$2,892,740.

The California Government Code requires California banks and savings and loan associations to secure government cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral is considered to be held in the government's name.

According to California law, the market value of pledged securities with banking institutions must equal at least 110% of the government's cash deposits. California law also allows institutions to secure government deposits by pledging first trust deed mortgage notes having a value of 150% of the government's total cash deposits. The government can waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

The City Treasurer maintains the cash and investment pool, on behalf of the Utility, as their custodian, which includes cash balances and authorized investments for all Utility funds, which is invested to enhance interest earnings. The pooled interest earned is allocated monthly to the Utility based on average daily cash and investment balance.

B. Authorized Investments

Under provisions of the Utility/City's Investment Policy and in accordance with California Government Code Section 53601 & 53635 (a-n), the Utility/City may invest or deposit in the following types of investments:

- Local Utility Bonds
- US Treasury Obligations
- US Agencies
- Time Deposits
- Negotiable Certificates of Deposit
- Bankers' Acceptances
- Commercial Paper
- Local Agency Investment Funds (LAIF) of California State Treasurer's Office (State Pool)
- State of California Obligations
- CA Local Utility Obligations
- Repurchase Agreements (Repos)
- Reverse Repurchase Agreements
- Medium-Term Notes (Corporate Debt Investment Grade)
- Mutual Funds
- Money Market Funds
- Collateralized Bank Deposits

Municipal Improvement District No.1
Financial Statements
For the year ended June 30, 2024

Notes to Basic Financial Statements, Continued

2. CASH AND INVESTMENTS, Continued

Criteria for selecting investments and the order of priority are:

- *Safety* - The safety and risk associated with an investment refers to the potential loss of principal, interest, or a combination of these amounts. The Utility/City only invests in those investments that they consider very safe.
- *Liquidity* - This refers to the ability to "cash in" at any moment in time with a minimal possibility of losing some portion of principal or interest. Liquidity is an important investment quality especially when the need for unexpected funds occurs occasionally.
- *Yield* - This refers to the rate of return and is the least important of the criteria. Safe, liquid investments do not enjoy the yields of investments not having those characteristics.

C. Safekeeping

Securities purchased from broker-dealers are held in third party safekeeping by the trust department of the broker-dealer or other designated third party trust in the Utility/City's name and control, whenever possible.

D. Investments in External Investment Pools

The Utility's investments with the City at June 30, 2024, included a portion of the pool funds invested in structured notes and asset backed securities and similar transactions through the Local Agency Investment Fund (LAIF). These investments may include the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depends on one or more indices and/or that have embedded forwards or options.

Asset-backed Securities, the bulk of which are mortgage-backed securities, entitle their purchaser to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs) or credit card receivables.

As of June 30, 2024, LAIF had invested 3.00% of its pooled assets in structured notes and asset-backed securities and similar transactions.

Municipal Improvement District No.1
Financial Statements
For the year ended June 30, 2024

Notes to Basic Financial Statements, Continued

3. CAPITAL ASSETS

The following is a summary of changes in property, plant and equipment during the fiscal year:

	Balance June 30, 2022	Additions	Deletions/ Adjustments	Balance June 30, 2024
Land	\$ 69,000	\$ -	\$ -	\$ 69,000
Construction in progress	571,558	332,310	-	903,868
Total nondepreciable assets	640,558	332,310	-	972,868
Buildings	4,033,024	-	-	4,033,024
Machinery, equipment and vehicles	1,268,824	-	(165,091)	1,103,734
Infrastructure	29,843,150	102,978	-	29,946,128
Total depreciable property, at cost	35,144,998	102,978	(165,091)	35,082,886
Less accumulated depreciation				
Buildings	(2,539,867)	(55,387)	(1)	(2,595,255)
Machinery, equipment and vehicles	(864,205)	(34,248)	198,224	(700,229)
Infrastructure	(7,388,904)	(727,336)	-	(8,116,240)
Total accumulated depreciation	(10,792,976)	(816,971)	198,223	(11,411,724)
Total depreciable property, net	24,352,022	(713,993)	33,132	23,671,162
Total capital assets, net	\$ 24,992,580	\$ (381,683)	\$ 33,132	\$ 24,644,030

These assets are being depreciated on a straight-line basis over their estimated useful lives ranging from 5 to 40 years.

4. NON-CURRENT LIABILITIES

The Utility generally incurs debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. The Utility's debt issues and transactions related to Utility activities are summarized below and discussed in detail subsequently:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Bonds payable:					
2018 WW Plant Certificates of Participation	\$ 4,649,000	\$ -	\$ (93,000)	\$ 4,556,000	\$ 95,000
Compensated absences	61,645	-	(14,956)	46,689	4,659
Total	\$ 4,710,645	\$ -	\$ (107,956)	\$ 4,602,689	\$ 99,659

Municipal Improvement District No.1
Financial Statements
For the year ended June 30, 2024

Notes to Basic Financial Statements, Continued

4. NON-CURRENT LIABILITIES, Continued

2018 Wastewater Revenue Refunding Bonds

In 2018, the City issued \$5,000,000 in Certificates of Participation as partial funding to acquire and construct the District’s Wastewater Treatment Facility. The Certificates of Participation are secured by an Installment Sale agreement between the City and City of Fort Bragg Joint Powers Financing Authority (JPFA) with the JPFA acting as seller and the City as purchaser. The obligation is secured and payable from net revenues of the Wastewater Enterprise. The outstanding principal balance as of June 30, 2024 was \$4,556,000.

Debt service requirements to maturity for bonds payable by the Fort Bragg Municipal Improvement District No. 1 are presented on the following schedule.

Year Ending June 30,	Principal	Interest
2025	\$ 95,000	\$ 90,130
2026	97,000	88,210
2027	99,000	86,250
2028	101,000	84,250
2029	103,000	82,210
2030-2034	545,000	379,050
2035-2039	601,000	321,850
2040-2044	664,000	258,600
2045-2049	732,000	188,840
2050-2054	809,000	111,890
2055-2059	710,000	28,660
Total	<u>\$ 4,556,000</u>	<u>\$ 1,719,940</u>
Due within one year	\$ 95,000	\$ 90,130
Due after one year	4,461,000	1,629,810
Total	<u>\$ 4,556,000</u>	<u>\$ 1,719,940</u>

Municipal Improvement District No.1
Financial Statements
For the year ended June 30, 2024

Notes to Basic Financial Statements, Continued

5. RISK MANAGEMENT

The City of Fort Bragg is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Member entity obtains insurance coverage.

The City of Fort Bragg is a member of the California Intergovernmental Risk Authority (CIRA), a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers' compensation, and property claims.

Under the General Liability program, the City of Fort Bragg has a \$5,000 deductible, with CIRA responsible for losses above that amount up to \$1 million. CIRA has additional coverage of \$39 million in excess of its \$1 million retention limit through affiliated risk management authorities. CIRA also provides \$600 million aggregate property coverage to its members with such coverage provided by purchased insurance. Liabilities of the member entity are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example, from salvage or subrogation, are another component of the claims liability estimate.

CIRA covers workers' compensation claims for participating members up to its self-insurance limit of \$500,000. Safety National and Gray Insurance Company provide excess coverage to statutory limits. Financial Statements of CIRA may be obtained from its administrative office located at 2330 E. Bidwell Street, Suite 150, Folsom, CA 95630; www.cira-jpa.org or by calling (916) 927-7727.

6. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

A. General Information about the Pension Plans

Plan Descriptions - All qualified full-time employees are eligible to participate in the Utility's Miscellaneous Plan and PEPRM Miscellaneous Plan (The Plans), agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Municipal Improvement District No.1
Financial Statements
For the year ended June 30, 2024

Notes to Basic Financial Statements, Continued

6. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous	PEPRA Miscellaneous
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	52 - 67
Monthly benefits, as a % of eligible compensation	1.4% - 2.0%	1.0% to 2.5%
Required employee contribution rates	6.90%	6.50%
Required employer contribution rates	11.06%	7.76%

A. General Information about the Pension Plans, Continued

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is based on the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Utility is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2024, the contributions recognized as part of pension expense for the Plan were as follows:

Contributions - employer	Miscellaneous
	\$ 65,931

Municipal Improvement District No.1
Financial Statements
For the year ended June 30, 2024

Notes to Basic Financial Statements, Continued

6. PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS), Continued

The Utility’s average required contribution rate was 8.84% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Utility were \$188,229 for the year ended June 30, 2024.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024, the Utility reported a net pension liability for its proportionate shares of the net pension liability of the Plans as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 457,836
Total Net Pension Liability	<u>\$ 457,836</u>

The Utility’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The Utility’s proportion of the net pension liability was based on a projection of the Utility’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Utility’s proportionate share of the net pension liability for the Plan as of June 30, 2024 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2023	0.06550%
Proportion - June 30, 2024	<u>0.06368%</u>
Change - Increase (Decrease)	-0.00182%

Municipal Improvement District No.1
Financial Statements
For the year ended June 30, 2024

Notes to Basic Financial Statements, Continued

6. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued

For the year ended June 30, 2024, the Utility recognized pension credit of \$758,148. At June 30, 2024, the Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Changes in assumptions	\$ 29,998	\$ -
Differences between expected and actual experiences	27,002	-
Net differences between projected and actual investment	76,148	-
Differences between the employer's contributions and the employer's proportionate share of the contributions	214,517	24,836
Change in Employer's Proportion	966	389,005
Pension contributions subsequent to measurement date	65,931	-
Total	<u>\$ 414,562</u>	<u>\$ 413,841</u>

\$65,9314 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended 30-Jun	
2025	\$ (64,043)
2026	(50,501)
2027	46,605
2028	2,729
2029	
Thereafter	-
	<u>\$ (65,210)</u>

Municipal Improvement District No.1
Financial Statements
For the year ended June 30, 2024

Notes to Basic Financial Statements, Continued

6. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued

Actuarial Assumptions -The total pension liabilities in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>PEPRA - Miscellaneous</u>
Valuation Date	30-Jun-22	30-Jun-22
Measurement	30-Jun-23	30-Jun-23
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.300%	2.300%
Projected Salary Increase	Varies by entry age and service	
Mortality	Derived using CalPERS' Membership Data for all Funds	

The underlying mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website under Forms and Publications.

Discount Rate - The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 6.90 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 6.90 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund.

Municipal Improvement District No.1
Financial Statements
For the year ended June 30, 2024

Notes to Basic Financial Statements, Continued

6. PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS), Continued

The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Current Target Allocation	Real Return Years 1 - 10 ^{1,2}
Global equity - cap-weighted	30.0%	4.45%
Global equity non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the Utility’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (6.9%)	1% Increase (8.15%)
Miscellaneous	\$ 962,862	\$ 457,836	\$ 43,419

Pension Plan Fiduciary Net Position -Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Municipal Improvement District No.1
Financial Statements
For the year ended June 30, 2024

Notes to Basic Financial Statements, Continued

7. COMMITMENTS AND CONTINGENCIES

The District is subject to litigation arising in the normal course of business. In the opinion of the District's management and legal counsel, there is no pending litigation that is likely to have a material adverse effect on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION

Municipal Improvement District No. 1
Required Supplementary Information - Schedule of Contributions
Miscellaneous Plan
Last 10 Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 339,772	\$ 321,465	\$ 628,487	\$ 540,516	\$ 514,099	\$ 455,093	\$ 430,051	\$ 392,300
Contributions in relation to the actuarially determined contributions	<u>(339,772)</u>	<u>(321,465)</u>	<u>(628,487)</u>	<u>(540,516)</u>	<u>(514,099)</u>	<u>(394,321)</u>	<u>(430,051)</u>	<u>392,300</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 60,772</u>	<u>\$ -</u>	<u>\$ 784,600</u>				
Covered-employee payroll	\$ 2,711,702	\$ 3,129,486	\$ 2,614,508	\$ 2,327,258	\$ 2,661,903	\$ 2,833,921	\$ 2,641,425	\$ 2,598,675
Contribution as a percentage of covered-employee payroll	12.53%	10.27%	24.04%	23.23%	19.31%	16.06%	16.28%	15.10%

Notes to Schedule

1) Covered payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

* Additional years will be presented as they become available.

Municipal Improvement District No. 1
Required Supplementary Information - Schedule of the Utility's Proportionate
Share of the Net Pension Liability
Miscellaneous Plan
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.06368%	0.06550%	0.16609%	0.13012%	0.12508%	0.12037%	0.11653%	0.11210%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 3,184,191	\$ 3,064,833	\$ 3,153,761	\$ 5,488,390	\$ 5,008,648	\$ 4,593,661	\$ 4,593,661	\$ 3,894,091
Plan's Covered Payroll	\$ 3,129,486	\$ 2,614,508	\$ 2,327,258	\$ 2,661,903	\$ 2,833,921	\$ 2,788,318	\$ 2,641,425	\$ 2,551,931
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	101.75%	117.22%	135.51%	206.18%	176.74%	164.75%	173.91%	152.59%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	87.30%	87.29%	86.24%	74.96%	76.25%	76.38%	76.38%	82.66%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 909,991	\$ 1,092,169	\$ 777,490	\$ 734,213	\$ 455,093	\$ 394,321	\$ 430,051	\$ 392,300

Notes to Schedule

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

* Additional years will be presented as they become available.

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SUPPLEMENTARY SCHEDULES

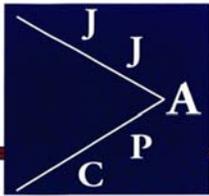
Municipal Improvement District No. 1
Schedule of Debt Service Coverage
June 30, 2024

In conjunction with the State of California Water Resources Control Board Loan, the Utility has covenanted to fix, prescribe and collect rates and charges for the MID service which will be sufficient to yield during the year net revenues equal to 110% of the debt service paid during the year. For purposes of this calculation, net revenues equals net income plus depreciation and amortization expenses. The debt service requirement for 2024 is as follows:

	2024
Operating income	\$ 78,982
Add:	
Depreciation and amortization expense	816,971
Use of money and property	164,443
Net revenue	\$ 1,060,396
Debt service:	
Principal	\$ 93,000
Interest	91,545
Total debt service	\$ 184,545
Calculated coverage	5.75

Note: Restricted cash and investments consist of the following amounts:

Cash with fiscal agents	\$ -
Amounts set aside for future debt repayment	-
Total restricted cash and investments	\$ -



JJACPA, Inc.

A Professional Accounting Services Corp.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

To the Honorable Mayor and City Council
of the City of Fort Bragg
Fort Bragg, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the Municipal Improvement District No.1 (Utility), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Utility's basic financial statements, and have issued our report thereon dated April 25, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Utility's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Utility's internal control. Accordingly, we do not express an opinion on the effectiveness of the Utility's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Utility's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

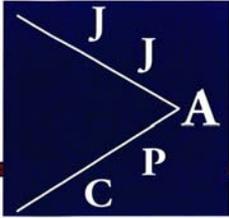
April 25, 2025

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

CITY OF FORT BRAGG

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AND
COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS**

JUNE 30, 2024



JJACPA, Inc.

A Professional Accounting Services Corp.

April 25, 2025

City Council
City of Fort Bragg
Fort Bragg, California

We have audited the financial statements of City of Fort Bragg (City) as of and for the year ended June 30, 2024 and have issued our report thereon dated April 25, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 19, 2024, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023-24. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are useful lives of capital assets ("useful lives"), net pension liability and net OPEB liability.

Management's estimate of the useful lives is based on experience with and observation of capital assets, by category (e.g. infrastructure) as well as industry standards, when applicable (i.e. buildings). We evaluated the key factors and assumptions used to develop the useful lives and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Management's estimate of the net pension liability is based on actuarial valuations that consider various assumptions, including discount rates, expected long-term return on plan assets, mortality rates, and projected salary increases. We evaluated the key factors and assumptions used to develop the net pension liability and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Management's estimate of the net OPEB liability is based on actuarial valuations and assumptions regarding future healthcare costs, employee demographics, and discount rates. We evaluated the key factors and assumptions used to develop the net OPEB liability and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to commitments and contingencies.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely adjustments identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect

of uncorrected adjustments related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified adjustments.

In addition, professional standards require us to communicate to you all material, corrected adjustments that were brought to the attention of management as a result of our audit procedures. None of the adjustments identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated April 25, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

Communication of Internal Control Related Matters

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Joseph J. Arch

JOSEPH J ARCH, CPA

President/CEO

JJACPA, INC.



CITY OF FORT BRAGG

Incorporate August 5, 1889

416 N. Franklin St.

Phone: (707) 961-2823

Fax: (707) 961-2802

www.fortbragg.com

April 24, 2025

JJACPA, Inc.

7080 Donlon Way, Suite #204

Dublin, CA 94568

This representation letter is provided in connection with your audit of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparison information of the City of Fort Bragg (City) as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of April 24, 2025:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated June 19, 2024, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- To the best of our knowledge, we have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes,⁷ and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Isaac Whippy, City Manager



CITY OF FORT BRAGG

Incorporate August 5, 1889

416 N. Franklin St.

Phone: (707) 961-2823

Fax: (707) 961-2802

www.fortbragg.com

April 24, 2025

JJACPA, Inc.

7080 Donlon Way, Suite #204

Dublin, CA 94568

This representation letter is provided in connection with your audit of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparison information of the City of Fort Bragg (City) as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of April 24, 2025:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated June 19, 2024, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- To the best of our knowledge, we have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes,⁷ and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Isaac Whippy, City Manager



City of Fort Bragg

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

Text File

File Number: 25-127

Agenda Date: 4/28/2025

Version: 1

Status: Business

In Control: City Council

File Type: Resolution

Agenda Number: 8D.

Receive Report and Consider Adoption of City Council Resolution Accepting the Lowest Response Bid, Awarding the Bainbridge Park Enhancement Project, City Project No. PWP-00096 to A.B.S. Builders, Inc., and Authorizing City Manager to Execute Contract (Amount Not To Exceed \$1,444,622.65); Categorical Exemption 15301(d), 15303, 15304, and 15332.



CITY COUNCIL STAFF REPORT

TO: City Council

DATE: April 28, 2025

DEPARTMENT: Public Works Department

PREPARED BY: Chantell O'Neal, Assistant Director of Engineering

PRESENTER: Chantell O'Neal

AGENDA TITLE: Receive Report and Consider Adoption of City Council Resolution Accepting the Lowest Responsive Bid, Awarding the Bainbridge Park Enhancement Project, City Project No. PWP-00096 to A.B.S. Builders, Inc. and Authorizing City Manager to Execute Contract (Amount Not To Exceed \$1,444,622.65); Categorical Exemption Section 15301(d), 15303, 15304, and 15332.

RECOMMENDATION

Adopt Resolution Accepting the Lowest Responsive Bid, Awarding the Bainbridge Park Enhancement Project, City Project No. PWP-00096 to A.B.S. Builders, Inc. and Authorizing City Manager to Execute Contract (Amount Not To Exceed \$1,444,622.65); Categorical Exemption Section 15301(d), 15303, 15304, and 15332.

BACKGROUND

Public Works staff solicited formal quotes for the Bainbridge Park Enhancement Project, and bids were opened on April 17, 2025. The City received two (2) responsive bids. The Bainbridge Park Project is listed in the City's Fiscal Year (FY) 24/25 Capital Improvement Project with a budget of \$ 1,849,052. The lowest bid was received from A.B.S. Builders, Inc. for \$1,396,725.85 or \$1,462,010.15 when all three alternates were included. The contractor has the proper license and experience and meets the requirements to be considered a responsive bidder. Staff recommends making the award, including two of the three alternates described further in the financial section of this report below.

The park renovation scope includes construction of a multi-use pavilion with stage, construction of two fenced artificial surface soccer pitch, landscaping and irrigation throughout the park, master lighting control system and new lights, poured in place rubber surfacing in playground, cosmetic and maintenance upgrades to the existing bathroom facilities, and other amenities throughout the park. Work shall be completed within 125 Days from the date when the contract time commences to run.

AGENDA ITEM NO. 8D

DISCUSSION AND ANALYSIS

As shown in the image to the right, this project has been in the works since 2016 and in design since 2023. In March 2025, the City Council authorized the purchase of three key park features (the stage, soccer court kit, and turf for soccer fields). These purchases, in combination with the award of this construction contract, are a significant milestone toward the completion of this project.

The City has also solicited quotes for materials testing services for an engineering firm to test compaction and concrete, and perform the stormwater sampling if the project is still in construction, come the rainy season. If the contract is awarded today, the construction of this project is expected to begin in May. Staff will coordinate park closure scheduling with the contractor, with an emphasis on keeping open sections of the park not under construction whenever feasible.

FISCAL IMPACT/FUNDING SOURCE

This project is funded by the State Parks Program Prop 68 grant, for which the City received \$2,063,100. The Engineer's Estimates of cost for the construction associated with this proposed contract was \$1,184,701 or \$1,220,705 with the alternates included. The three project alternatives were to 1) purchase and install six (6)

Bainbridge Park Project Timeline



concrete benches (in the playground area), 2) installation of 7200 square feet of turf sod to remediate the grassy area in front of the stage, and 3) repainting of the fence around the playground. After analyzing the bids and the fund availability, staff is recommending not to proceed with the purchase of these benches because the costs proposed by both contractors is significantly higher than anticipated and staff have begun coordination conversations with local artisans to have benches procured locally instead of catalog purchasing this amenity as would be the case if we were to proceed with contract documents.

The table below shows the two contractors who submitted bids, as well as their total proposed costs. Since staff is only proposing accepting Alternates 2 & 3, the total contract amount being recommended is \$1,444,622.65. After deducting other expenditures to date, there are sufficient funds in the capital budget to award the contract as recommended.

Contracting Company	Base Bid	Alternates (1-3)	Total Bid
ABS Builders, Inc.	\$ 1,396,725.85	\$ 64,284.30	\$ 1,461,010.15
CSI Services	\$ 1,610,933.00	\$ 134,340.00	\$ 1,745,273.00

ENVIRONMENTAL ANALYSIS:

The park area is already developed, and there is no significant increase in pervious surface area. The project includes upgrades to landscaping, including the planting of native species for environmental improvements to the park. All Air Quality Management District best management practices for minimizing greenhouse gas emissions during construction, like reducing idling vehicles, will be incorporated into the daily activities during the construction of this project. Construction of this project is exempt under the California Environmental Quality Act (“CEQA”) and Title 14, the California Code of Regulations (“CEQA Guidelines”), Sections 15301(d), 15303, 15304, and 15332.

STRATEGIC PLAN/COUNCIL PRIORITIES/GENERAL PLAN CONSISTENCY

Construction of the Bainbridge Park Enhancement Project would carry out and build upon the vision of the 2016 Bainbridge Park Master Plan, and achieve implementation of the Strategic Plan Goals, and consistency with numerous general plan policies as described below.

The **City’s Strategic Plan** Goal 2 focuses on resilient infrastructure for sustained community wellbeing. Goal 2G is to *“develop a targeted plan to address deficiencies and deferred maintenance in our existing parks, recreational facilities, and City-owned infrastructure.”* The long-term planning efforts for this extensive park overhaul project provide alignment with this goal. Additionally, Goal 4 focuses on the enhancement of public spaces, promotion of recreation, and cultivation of civic pride. Goal 4E *“prioritizes accessible and well-maintained parks”*... and specifically identifies the *“completion of the Bainbridge Park build-out”*.

Additionally, these proposed park improvements would be consistent with the following **General Plan policies:**

- *Policy OS-9.3: Recreational Facilities: Provide recreational facilities to meet the needs of all Fort Bragg citizens, especially children and teenagers.*
- *Program OS-9.3.1: Consider teen recreation needs when planning new or redesigned parks.*
- *Goal OS-10: Develop park and recreation facilities with the coordination of other agencies and the public.*
- *Policy OS-10.4: Public Participation: Actively solicit public participation in the selection, design, and facilities planning for existing and future park sites.*

COMMUNITY OUTREACH

Work on the Bainbridge Park Enhancement Project has been underway since 2015 and has gone through extensive community outreach. Some primary examples of outreach include the workshop sessions described in the Bainbridge Park Master Plan (2016), the Pop-Up playground choice voting at Wiggly Giggly Park, and the January 10, 2024, Design Workshop hosted by Melton Design Group. Community outreach will continue to be integral to the success of this project. Staff will provide project updates on the City’s website, as well as social media and through press releases. Additional information regarding historic project outreach is shown on the timeline graphic included above.

ALTERNATIVES:

Alternative actions could include 1) finding A.B.S. Builders, Inc.'s bid not responsive or non-responsive and proceeding to the next low bidder (if criteria were met); or 2) rejecting all bids (if and only if) all bids are found to be non-responsive or non-responsible and soliciting the project again. Staff has conducted a rigorous evaluation of the low bid received by A.B.S. Builders, Inc. and found them to be responsive and responsible, and thus neither alternative is recommended.

ATTACHMENTS:

1. Resolution
2. A.B.S Builders, Inc. Contract
3. Bid Opening
4. 100% Design Plans from MDG:
<https://www.city.fortbragg.com/home/showdocument?id=6495&t=638780650396601579>
5. Project Specifications:
<https://www.city.fortbragg.com/home/showdocument?id=6493&t=638780647970109054>
6. Addenda:
 - #1 - Tuesday, April 8, 2025:
https://www.city.fortbragg.com/home/showpublisheddocument/6561/638797836819262958?utm_medium=email&utm_source=govdelivery

- #2 – Friday, April 11, 2025:
https://www.city.fortbragg.com/home/showpublisheddocument/6573/638799873255083487?utm_medium=email&utm_source=govdelivery

NOTIFICATION:

Bainbridge Park Notify Me Subscribers

RESOLUTION NO. ____-2025

RESOLUTION OF THE FORT BRAGG CITY COUNCIL ACCEPTING THE LOWEST RESPONSIVE BID, AWARDING THE BAINBRIDGE PARK ENHANCEMENT PROJECT, CITY PROJECT NO. PWP-00096 TO A.B.S. BUILDERS, INC. AND AUTHORIZING CITY MANAGER TO EXECUTE CONTRACT (AMOUNT NOT TO EXCEED \$1,444,622.65); CATEGORICAL EXEMPTION SECTION 15301(D), 15303, 15304, AND 15332

WHEREAS, in accordance with California Public Contract Code 20164 and other applicable laws, the Bainbridge Park Enhancement Project, PWP-00096 (the “Project”) was advertised for bid on March 20, 2025; and

WHEREAS, two (2) bids were received for this Project, one from A.B.S. Builders, Inc. in the amount of \$1,396,725.85 or \$1,461,010.15 when alternates were included, and one bid from CSI Services in the amount of \$1,610,933.00 or \$1,745,273.00 when alternates were included. Both bids were considered responsive and responsible, and

WHEREAS, A.B.S. Builders, Inc. is the apparent low bidder and the City has confirmed they have the proper license and experience and meet the requirements to complete the Project as bid; and

WHEREAS, based on the Project budget and the submittals received, only Alternate #2 Turf sod and #3 Repaint fencing will be included in the construction contract total; and

WHEREAS, funds in the amount of \$1,849,052 are appropriated in the FY 2024/25 budget for various improvements throughout the park, and sufficient funds are available for this contract with the proposed alternates; and

WHEREAS, based on all the evidence presented, the City Council finds as follows:

1. The bid of A.B.S. Builders, Inc. meets the requirements of the Project bid documents and is considered responsive.
2. Sufficient funds are available to complete the Project with the selected alternates.
3. A.B.S. Builders, Inc. has the proper licenses to complete the Project and, based upon previous experience in completing similar projects, is a responsible bidder.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fort Bragg does hereby accept the design of the project; and

BE IT FURTHER RESOLVED that this Project is exempt from Title 14, the California Code of Regulations (“CEQA Guidelines”), Sections 15301(d), 15303, 15304, and 15332; and

BE IT RESOLVED that the City Council of the City of Fort Bragg does hereby accept the bid of A.B.S. Builders, Inc. for the Bainbridge Park Enhancement Project and authorize the City Manager to execute the same upon execution by Contractor (Amount Not To Exceed \$1,444,622.65).

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 28th day of April 2025, by the following vote:

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

Jason Godeke
Mayor

ATTEST:

Diana Paoli
City Clerk

CITY OF FORT BRAGG
416 N. Franklin Street
Fort Bragg, California 95437

CONTRACT CHECK LIST

Complete, accurate, executed copies of the following documents must be submitted to the CITY OF FORT BRAGG in accordance with the bid package issued by the City for the Bainbridge Park Enhancement Project, PWP-00096, within ten (10) working days of receiving written notice of award of the project. The bidder's security of any successful bidder that fails to do so will be forfeited to the City.

_____ Contract Check List

_____ Contract, Part 1

_____ Contract, Part 2 – General Provisions

_____ Contract, Part 3 – Special Provisions

_____ Performance Bond

_____ Payment Bond

_____ Maintenance Bond

_____ Certificates of Insurance and Endorsements

CONTRACT, PART 1

1. RECITALS

- A. Notice Inviting Bids.
- B. Bid Opening
- C. Project Award.
- D. Required Documents.
- E. Investigation and Verification of Site Conditions.

2. CONTRACT TERMS

- 1. The Work.
- 2. Location of Work.
- 3. Time for Completion
- 4. Remedies for Failure to Timely Complete the Work.
- 5. Contract Price and Payment.
- 6. Prevailing Wages.
- 7. The Contract Documents.
- 8. Provisions Incorporated by Reference.
- 9. Interpretation of Contract Documents.
- 10. Assignment Prohibited.
- 11. Contractor's License Certification.
- 12. Severability.
- 13. Project Representatives

CONTRACT, PART 2 GENERAL PROVISIONS

1. DEFINITIONS

2. PLANS AND SPECIFICATIONS

- 2.1 Documents Furnished by City.
- 2.2 Ownership of Documents Furnished by City.
- 2.3 Technical Specifications and Project Plans.

3. CONTROL OF WORK AND MATERIAL

- 3.1 Construction Manager's Status.
- 3.2 Architect or Engineer's Status.
- 3.3 Inspection and Testing of Work and Material.
- 3.4 Samples Furnished by the Contractor.
- 3.5 Materials and Substitutions.
- 3.6 Maintenance and Examination of Records.
- 3.7 Advertising
- 3.8 Project Schedule.

- 3.9 Construction Staking.
- 3.10 Materials Testing.

4. CHANGES IN WORK

- 4.1 City Directed Change Orders.
- 4.2 Writing Requirement.
- 4.3 Contractor Proposed Change Orders.
- 4.4 All Change Orders.
- 4.5 Change Order Pricing.
- 4.6 Liability Under Unapproved Change Orders.
- 4.7 Changes Subject to Contract Documents.
- 4.8 Change Order Disputes.
- 4.9 Change in Time for Completion.

5. TRENCHING AND UTILITIES

- 5.1 Contractor to Locate Underground Facilities.
- 5.2 Excavation More Than Four Feet Deep.
- 5.3 Excavation of Five Feet or More.
- 5.4 Utility Relocation Costs.
- 5.5 Concealed or Unknown Conditions.
- 5.6 Underground Facilities not owned or built by the City
- 5.7 Contractor's compensation for claimed latent or materially different Project conditions

6. PROJECT FACILITIES

- 6.1 Work Site Offices.
- 6.2 City Rights of Access and Ownership

7. PROSECUTION AND PROGRESS OF THE WORK

- 7.1 Liquidated Damages.
- 7.2 No Damage for Avoidable Delays.
- 7.3 Unavoidable Delays.
- 7.4 No Damage for Contractor Caused Delay.
- 7.5 No Damage for Other Delay.
- 7.6 Delays Caused by the City and/or Its Privities.
- 7.7 Weather Delays.
- 7.8 Delay Claims.
- 7.9 Contractor Coordination of the Work.

8. CONTRACTOR RESPONSIBILITIES

- 8.1. Eligibility.
- 8.2 Non Discrimination.
- 8.3 Supervision of the Work.
- 8.4 Contractor's Superintendent.
- 8.5 Competent Employees.
- 8.6 Items Necessary for Proper Completion of the Work.

- 8.7 Construction Reports.
- 8.8 Subcontracting.
- 8.9 Insurance.
- 8.10 Indemnities.
- 8.11 Licenses/Permits.
- 8.12 California Labor Code Requirements.
- 8.13 Laws and Ordinances.
- 8.14 Guaranty.
- 8.15 Safety.

9. MEASUREMENT AND PAYMENT

- 9.1 F.O.B.
- 9.2 Payment
- 9.3 Non-Allowable Direct Charges.
- 9.4 Retention.
- 9.5 Securities in Lieu of Retention.

10. PROJECT ACCEPTANCE AND CLOSEOUT

- 10.1 Occupancy.
- 10.2 Work Completion and Final Inspection.
- 10.3 Work Acceptance.

11. REMEDIES AND DISPUTES

- 11.1 Failure to Correct Work
- 11.2 Termination for Cause
- 11.3 Termination for Convenience.
- 11.4 Disputes.
- 11.5 Non-Waiver.

CONTRACT, PART 3 SPECIAL PROVISIONS

12. SPECIAL PROVISIONS

- 12.1 Description of Work.
- 12.2 Construction Limitations.
- 12.3 Storm Water Pollution Prevention.
- 12.4 Maintaining Traffic and Pedestrian Operations.
- 12.5 Public Safety.
- 12.6 Protection of Existing Facilities and Property.
- 12.7 Preconstruction Conference.
- 12.8 Owner Notification.
- 12.9 Emergency Service Providers Notifications
- 12.10 Clean up.
- 12.11 Payment.
- 12.12 Construction Staking.
- 12.13 Materials Testing Allowance.
- 12.14 Obstructions.

- 12.15 Hours of Work.
- 12.16 Dust Control.
- 12.17 Water for Construction and Dust Control.
- 12.18 Protection and Restoration of Vegetation.
- 12.19 Surplus Material.
- 12.20 Cultural Resources.
- 12.21 Historical Finds.
- 12.22 Cultural Resources Defined.
- 12.23 Construction Manager's Discretion.

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City of Fort Bragg
Project No. PWP-00096
Contract Check List

CITY OF FORT BRAGG
416 Franklin Street
Fort Bragg, California 95437

CONTRACT, PART 1

The CITY OF FORT BRAGG, 416 N. Franklin Street, Fort Bragg, California 95437 ("City") enters into this Contract, dated [REDACTED], for reference purposes only, with A.B.S. Builders, Inc. 1023 Main Street Colusa, CA 95932 ("Contractor").

RECITALS

- A. NOTICE INVITING BIDS. The City gave notice inviting bids to be submitted by April 17, 2025 for the Bainbridge Park Enhancement Project ("Project") by published notice and/or posting in accordance with California Public Contract Code Section 20164 and other applicable law.
- B. BID OPENING. On April 17, 2025, City representatives opened the bids for the Project and read the bids aloud.
- C. PROJECT AWARD. On April 28, 2025, the City Council awarded the Project to the Contractor and directed City staff to send the Contractor written notice of award of the project. The City Council conditioned award of the project on the Contractor's providing executed copies of all documents specified in the contract check list included in the bid package within ten (10) working days of receiving written notice of award of the project.
- D. REQUIRED DOCUMENTS. The Contractor has provided the City executed copies of all documents specified in the contract check list included in the bid package within ten (10) working days of receiving written notice of award.
- E. INVESTIGATION AND VERIFICATION OF SITE CONDITIONS. The Contractor warrants that it has conducted all necessary pre-bid investigations and other obligations, and agrees that it shall not be entitled to Change Orders (time or compensation) due to any information, error, inconsistency, omission, or conditions that Contractor should have known as a part of this Work. Contractor shall be responsible for the resultant losses, including, without limitation, the cost of correcting Defective Work. In executing this Contract, Contractor shall rely on the results of its own independent investigation and shall not rely on City-supplied information regarding above ground conditions and as-built conditions, and Contractor shall accept full responsibility for its verification work sufficient to complete the Work as intended.

CONTRACT TERMS

The City and the Contractor agree as follows:

1. THE WORK. The Contractor shall furnish all equipment, tools, apparatus, facilities, material labor, and skill necessary to perform and complete in a good and workmanlike manner the Bainbridge Park Enhancements project ("Work") as shown in the Technical Specifications and Project Plans in accordance with the Contract Documents and

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applicable law.

2. LOCATION OF WORK.

The Work will be performed at the following location:

420 E Laurel St. Fort Bragg, CA 95437 APN #00818301; APN #00818303;

APN #00818312; APN #00818311

3. TIME FOR COMPLETION. The Contractor must complete the Work in accordance with the Contract Documents within 125 working days from the date specified in the City's Notice to Proceed ("Time for Completion").

4. REMEDIES FOR FAILURE TO TIMELY COMPLETE THE WORK. If the Contractor fails to fully perform the Work in accordance with the Contract Documents by the Time for Completion, as such time may be amended by change order or other modification to this Contract in accordance with its terms, and/or if the Contractor fails, by the Time for Completion, to fully perform all of the Contractor's obligations under this Contract that have accrued by the Time for Completion, the Contractor will become liable to the City for all resulting loss and damage in accordance with the Contract Documents and applicable law. The City's remedies for the Contractor's failure to perform include, but are not limited to, assessment of liquidated damages of \$500 per day in accordance with California Government Code Section 53069.85 and the Contract Documents, and/or obtaining or providing for substitute performance in accordance with the Contract Documents.

5. CONTRACT PRICE AND PAYMENT. As full compensation in consideration of completion of the Work in accordance with the Contract Documents and in consideration of the fulfillment of all of the Contractor's obligations under the Contract Documents, the City will pay the Contractor in lawful money of the United States the total price of **One Million Four Hundred Forty Four Thousand Six Hundred Twenty Two Dollars and Sixty Five Cents \$1,444,622.65** (the "Contract Price") as specified in the Contractor's completed Bid Schedule dated April 17, 2025, and attached to and incorporated in this Contract. Payment to the Contractor under this Contract will be for Work actually performed in accordance with the Contract Documents and will be made in accordance with the requirements of the Contract Documents and applicable law. The City will have no obligation to pay the Contractor any amount in excess of the Contract Price unless this Contract is first modified in accordance with its terms. The City's obligation to pay the Contractor under this Contract is subject to and may be offset by charges that may apply to the Contractor under this Contract. Such charges include but are not limited to, charges for liquidated damages and/or substitute performance in accordance with the Contract Documents.

The Contract Sum is all inclusive and includes all Work; all federal, state, and local taxes on materials and equipment, and labor furnished by Contractor, its subcontractors, subconsultants, architects, engineers, and" vendors or otherwise arising out of Contractor's performance of the Work, including any increases in any such taxes during the term of this Agreement; and any duties, fees, and royalties imposed with respect to any materials and equipment, labor or services. The taxes covered hereby

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include (but are not limited to) occupational, sales, use, excise, unemployment, FICA, and income taxes, customs, duties, and any and all other taxes on any item or service that is part of the Work, whether such taxes are normally included in the price of such item or service or are normally stated separately. Notwithstanding the foregoing, each party shall bear such state or local inventory, real property, personal property or fixtures taxes as may be properly assessed against it by applicable taxing authorities.

6. PREVAILING WAGES. In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 et seq., the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed. In accordance with California Labor Code Section 1773, the City has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project. In accordance with California Labor Code Section 1773.2, copies of the prevailing rate of per diem wages are on file at the City Public Works Department and will be made available on request. Throughout the performance of the Work the Contractor must comply with all provisions of the Contract Documents and all applicable laws and regulations that apply to wages earned in performance of the Work.

6.1. Contractor acknowledges and agrees that it shall comply with the requirements of California Public Contracts Code sections 2600 et seq., in its entirety and, in particular, those sections related to Skilled and Trained Workforce. By its execution of this agreement Contractor certifies and warrants that it is aware of the requirement of California Public Contracts Code section 2600 et seq. and its requirements as to a Skilled and Trained Workforce.

7. THE CONTRACT DOCUMENTS. This Contract consists of the following documents ("Contract Documents"), all of which are incorporated into and made a part of this Contract as if set forth in full. In the event of a conflict between or among the Contract Documents, precedence will be in the following order:

7.1 This Part 1 of the Contract and change orders and other amendments to this Contract signed by authorized representatives of the City and the Contractor.

7.2 The General Provisions, Part 2 of the Contract, and change orders and other amendments to the General Provisions signed by authorized representatives of the City and the Contractor.

7.3 The Special Provisions, Part 3 of the Contract, addenda to the Special Provisions signed by authorized representatives of the City and issued prior to bid opening, Equal Product Proposals accepted by the City and signed by authorized

representatives prior to bid opening, and change orders and other amendments to the Special Provisions signed by authorized representatives of the City and the Contractor.

- 7.4 The Technical Specifications, addenda to the Technical Specifications signed by authorized representatives of the City and issued prior to bid opening, Equal Product Proposals accepted by the City and signed by authorized City representatives prior to bid opening, and change orders and other amendments to the Technical Specifications signed by authorized representatives of the City and the Contractor.
 - 7.5 The Project Plans, addenda to the Project Plans signed by authorized representatives of the City and issued prior to bid opening, Equal Product Proposals accepted by the City and signed by authorized City representatives prior to bid opening, and change orders and other amendments to the Project Plans signed by authorized representatives of the City and the Contractor.
 - 7.6 Notice Inviting Bids
 - 7.7 Instructions to Bidders
 - 7.8 The successful bidder's completed Proposal Cover Page and Bid Schedule
 - 7.9 The successful bidder's completed Contractor License Information
 - 7.10 The successful bidder's completed List of Proposed Subcontractors
 - 7.11 The successful bidder's Workers Compensation Insurance Certification
 - 7.12 The successful bidder's completed Non-collusion Affidavit
 - 7.13 The successful bidder's Debarment Certification
 - 7.14 The successful bidder's completed Certificates of Insurance and Endorsements
 - 7.15 The successful bidder's executed Performance Bond
 - 7.16 The successful bidder's executed Payment Bond
 - 7.17 The Maintenance Bond form included in the bid package that the Contractor must execute prior to release of final payment under the Contract
 - 7.18 The successful bidder's Qualification Statement, if any
 - 7.19 The successful bidder's signed Signature Form
8. PROVISIONS INCORPORATED BY REFERENCE. Provisions or parts of provisions that are incorporated by reference and not set forth at length in any of the Contract Documents will only form a part of this Contract to the extent the Contract Documents expressly make such provisions or parts of provisions a part of this Contract. For example, published public works agreement provisions, such as those of the State of California Department of Transportation Standard Specifications (known as the Standard Specifications) are only a part of this Contract to the extent expressly incorporated in the Contract by section number. When such published provisions are made a part of this Contract, references in the published provisions to other entities,

such as the State, the Agency, or similar references, will be deemed references to the City as the context of this Contract may require.

9. INTERPRETATION OF CONTRACT DOCUMENTS. Any question concerning the intent or meaning of any provision of the Contract Documents, including, but not limited to, the Technical Specifications or Project Plans, must be submitted to the Public Works Director, or his/her designee, for issuance of an interpretation and/or decision by the authorized Public Works Director in accordance with the requirements of the Contract Documents. Interpretations or decisions by any other person concerning the Contract Documents will not be binding on the City. The decision of the Public Works Director, or his/her designee, shall be final.
10. ASSIGNMENT PROHIBITED. The Contractor may not assign part or all of this Contract, or any monies due or to become due under this Contract, or any other right or interest of the Contractor under this Contract, or delegate any obligation or duty of the Contractor under this Contract without the prior written approval of an official authorized to bind the City and an authorized representative of Contractor's surety or sureties. Any such purported assignment or delegation without such written approval on behalf of the City and the Contractor's sureties will be void and a material breach of this Contract subject to all available remedies under this Contract and at law and equity.
11. CONTRACTOR'S LICENSE CERTIFICATION. By signing this Contract the Contractor certifies that the Contractor holds a valid Type A license issued by the California State Contractors Licensing Board. Additional licenses required by the contractor or specialty trade partners include at least a D12 for installation of the poured in place (PIP) playground surface and Polyurf underlayment, a C-27 for irrigation, and a C-10 for Electrical. The Contractor understands that failure to maintain its license in good standing throughout the performance of the Work may result in discipline and/or other penalties pursuant to the California Business and Professions Code, and may constitute a material breach of this Contract subject to all available remedies under this Contract and at law and equity.
12. SEVERABILITY. If any term or provision or portion of a term or provision of this Contract is declared invalid or unenforceable by any court of lawful jurisdiction, then the remaining terms and provisions or portions of terms or provisions will not be affected thereby and will remain in full force and effect.
13. PROJECT REPRESENTATIVES
 - 13.1 The City has designated Chantell O'Neal as its Project Manager to act as its Representative in all matters relating to the Contract. If Project Manager is an employee of City, Project Manager is the beneficiary of all Contractor obligations to the City including, without limitation, all releases and indemnities.

Project Manager shall have final authority over all matters pertaining to the Contract and shall have sole authority to modify the Contract on behalf of the City, to accept work, and to make decisions or actions binding on the City, and shall have sole signature authority on behalf of the City.

The City may assign all or part of the Project Manager's rights, responsibilities and duties to a construction manager or other City representative.

- 13.2 The Contractor has designated [REDACTED] as its Project Manager to act as Contractor's Representative in all matters relating to the Contract. The Contractor's Project Manager shall have final authority over all matters pertaining to the Contract and shall have sole authority to modify the Contract on behalf of the Contractor and to make decisions or actions binding on the Contractor, and shall have sole signature authority on behalf of the Contractor.

SIGNATURES ON FOLLOWING PAGE

Executed on _____, by

CONTRACTOR

By: _____
Title: _____

[Attach Notary Acknowledgment Page]

CITY

By: Isaac Whippy
Title: City Manager

ATTEST:

By: _____
Diana Paoli
City Clerk

APPROVED AS TO FORM:

By: _____
Baron J. Bettenhausen
City Attorney

CITY OF FORT BRAGG
416 Franklin Street
Fort Bragg, California 95437

CONTRACT, PART 2
GENERAL PROVISIONS

1. DEFINITIONS

The following terms as used in any agreement of which these General Provisions are a part are defined as follows:

- 1.1 **Architect or Engineer:** The person or persons so specified on the title sheet of the Technical Specifications and/or Project Plans.
- 1.2 **ASTM:** American Society for Testing and Materials, latest edition.
- 1.3 **Bid Package:** All of the documents listed as comprising the entire Bid Package as specified in the Instructions to Bidders and representing the full set of documents made available to bidders on the Project.
- 1.4 **Caltrans Standard Specifications:** Caltrans construction manual entitled, "State of California, Department of Transportation, Standard Specifications," latest edition.
- 1.5 **City:** CITY OF FORT BRAGG.
- 1.6 **Construction Manager:** The City's authorized representative for administration and overall management of the Project contract and Work. The Construction Manager is the official point of contact between the City, the Architect and/or Engineer, and the Contractor. The Construction Manager for this project shall be Assistant Director of Public Works Chantell O'Neal.
- 1.7 **Contract:** The agreement between the City and Contractor concerning the Project, as evidenced by and comprised of the Contract Documents.
- 1.8 **Contract Documents:** All documents identified in Section 7 of Part 1 of the Contract.
- 1.9 **Contractor:** The successful bidder for the Project and party to the Project agreement with the City as specified in the Project agreement. A.B.S. Builders, Inc.
- 1.10 **Days:** Unless otherwise specified in the Contract Documents, Days mean working days.
- 1.11 **Project:** The Bainbridge Park Enhancement Project as described in the Technical Specifications and Project Plans.
- 1.12 **Project Inspector:** The party or parties charged by the City with inspecting the Work for compliance with the requirements of the Contract Documents and

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applicable laws and regulations. The Project Inspector acts under the direction of the City and shall coordinate with the Construction Manager and Architect as directed by the City in accordance with the Contract Documents.

- 1.13 **Project Plans:** The primarily graphic detailed requirements concerning the Project contained in Volume 3 of the Bid Package and any addenda to the Project Plans signed by authorized City representatives and issued prior to bid opening, Equal Product Proposals accepted by the City and signed by authorized City representatives prior to bid opening, and change orders and other amendments to the Project Plans signed by authorized representatives of the City and the Contractor in accordance with the requirements of the Contract Documents.
- 1.14 **Subcontractor:** A person, firm or corporation that is obligated as a party to a contract with the Contractor to perform part of the Project work. For purposes of these General Provisions Subcontractors include, but are not limited to, those that are obligated as parties to a contract with the Contractor to specially fabricate and install a portion of the Project Work according to the Technical Specifications and/or Project Plans.
- 1.15 **Technical Specifications:** The detailed Project requirements contained in Volume 3 of the Bid Package and any addenda to the Technical Specifications signed by authorized City representatives and issued prior to bid opening, Equal Product Proposals accepted by the City and signed by authorized City representatives prior to bid opening, and change orders and other amendments to the Technical Specifications signed by authorized representatives of the City and the Contractor in accordance with the requirements of the Contract Documents.
- 1.16 **Time for Completion:** The Time for Completion is the time by which the Work must be completed, as defined in the Contract, Part 1, or as modified in a writing, executed by the City and Contractor.
- 1.17 **Work:** The furnishing of all equipment, tools, apparatus, facilities, material, labor and skill necessary to perform and complete in a good and workmanlike manner the Project as shown in the Technical Specifications and Project Plans in accordance with the Contract Documents and applicable law.
- 1.18 **Written Notice:** Will be deemed to have been duly served for purposes of these General Provisions and any agreement of which they are a part if delivered in person to the individual or to a member of the firm or to any office of the corporation for whom the notice is intended, or if sent by registered or certified mail to the last known business address known to the party giving notice. Unless otherwise specified in the Contract Documents, the last known address of the Contractor shall be that listed in the Contractor's completed Proposal Cover Page and Bid Schedule.

2. PLANS AND SPECIFICATIONS

- 2.1 Documents Furnished by City. The City will furnish to the Contractor, free of charge, one (1) set of reproducible Project Plans and two (2) sets of prints of the Project Plans and Technical Specifications for execution of the Work. Throughout the performance of the Work the Contractor must keep one copy of the Project Plans and Technical Specifications in good order and available for review by the Construction Manager, the Engineer, the Architect, and any other City contractors or representatives.
- 2.2 Ownership of Documents Furnished by City. All documents furnished by the City, including, but not limited to, the Technical Specifications, Project Plans, and any copies, are the property of the City. Documents furnished by the City may not to be used on any other work. All documents furnished by the City must be returned to City upon completion of the Work.
- 2.3 Technical Specifications and Project Plans.
- 2.3.1 The Technical Specifications and Project Plans are complementary and intended to mutually describe the Work necessary to complete the Project in accordance with the Contract Documents.
- 2.3.2 In general, the Project Plans indicate dimensions, position and kind of construction, and the Technical Specifications indicate qualities and methods. Any Work indicated on the Project Plans and not mentioned in the Technical Specifications or vice versa must be furnished as though fully set forth in both. Work that is not particularly detailed, marked or specified shall be the same as similar Work that is detailed, marked or specified. The Contractor must furnish items necessary for the operation of equipment depicted in the Project Plans or specified in the Technical Specifications that are suitable to allow such equipment to function properly at no extra charge.
- 2.3.3 Contractor shall perform reasonably implied parts of Work as “incidental work” although absent from Drawings and Specifications. Incidental work includes any work not shown on Drawings or described in Specifications that is necessary or normally or customarily required as a part of the Work shown on Drawings or described in Specifications. Incidental work includes any work necessary or required to make each installation satisfactory, legally operable, functional, and consistent with the intent of Drawings and Specifications or the requirements of Contract Documents. Contractor shall perform incidental work without extra cost to City. Incidental work shall be treated as if fully described in Specifications and shown on

Drawings, and the expense of incidental work shall be included in price Bid and Contract Sum.

- 2.3.4 Before undertaking each portion of the Work, Contractor shall carefully study and compare the Contract Documents and check and verify pertinent figures shown in the Contract Documents and all applicable field measurements. Contractor shall be responsible for any errors that might have been avoided by such comparison. The Contractor must notify the Construction Manager and the Architect in writing as soon as possible of any apparent errors or inconsistencies, including, but not limited to, typographical or notational errors in the Project Plans, Technical Specifications, and/or in work done by others affecting the Work. The Construction Manager will issue written instructions concerning any such apparent errors, inconsistencies, or clarifications with reasonable promptness and these shall be binding on the Contractor. If Contractor believes that a written response, clarification or interpretation justifies an adjustment in the Contract Sum or Contract Time, Contractor shall give City prompt written notice. If the parties are unable to agree to the amount or extent of the adjustment, if any, then Contractor shall perform the Work in conformance with City's response, clarification, or interpretation and may make a written claim for the adjustment as provided in Section 11. If the Contractor proceeds with Work impacted by apparent errors or inconsistencies without instructions from the Construction Manager, the Contractor shall do so at its sole risk and shall have all of the obligations and the City shall have all of the rights and remedies specified in Section 11 concerning any resulting damage or defect.
- 2.3.5 The General Provisions apply with equal force to all of the Work, including extra work authorized by the Construction Manager in accordance with the Contract Documents. The Contractor must submit any required shop diagrams and/or drawings by the times and in the quantities indicated in the Technical Specifications. Any such shop diagrams and/or drawings must show completely the Work to be done, expanding on the Project Plans concerning details not previously shown, field conditions and the condition of the Work. Architect or Engineer review of such shop diagrams and/or drawings will concern conformance with the requirements of the Contract Documents only. The Architect or Engineer assumes no responsibility for the correctness or accuracy of the dimensions or any other contents of any shop diagrams and/or drawings submitted by the Contractor. The Contractor must check all dimensions at the Work site. Shop diagrams and/or drawings must be clearly marked with the name of the Project and the name of the Contractor, subcontractor or supplier making the submittal, and must be stamped and signed by the Contractor and submitted under a signed transmittal letter from the Contractor

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certifying that all dimensions have been checked at the Work site. These requirements are mandatory. The Architect or Engineer will not review shop diagrams and/or drawings that do not satisfy these requirements. The Contractor will be responsible for any and all discrepancies between dimensions of the actual Project site and/or Work and those shown on shop diagram and/or drawings submitted by the Contractor, and for any other errors contained in or resulting from such shop diagrams and/or drawings, including, but not limited to, errors in material and/or equipment quantities and any resulting errors, delays or additional cost in the performance of the Work. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 11 concerning any discrepancies or errors in shop diagrams and/or drawings submitted by the Contractor, and concerning any resulting errors, delays or additional costs in the performance of the Work.

3. CONTROL OF WORK AND MATERIAL

- 3.1 Construction Manager's Status. The Construction Manager will administer the Project in accordance with the Contract Documents. After execution of the agreement and issuance of the Notice to Proceed, all correspondence and/or instructions concerning the Project between the Contractor and/or City shall be forwarded through the Construction Manager. Except as otherwise provided in the Contract Documents, the Construction Manager will not be responsible for and will not have control or charge of construction means, methods, techniques, or procedures or for safety precautions in connection with the Work. The Construction Manager, however, will have authority to reject materials and/or workmanship that do not conform to the requirements of the Contract Documents. The Construction Manager will also have the authority to require inspection or testing of the Work.
- 3.2 Architect or Engineer's Status. The Architect or Engineer will advise the Construction Manager concerning decisions on all claims of the Contractor and all other matters relating to the execution and progress of the Work or the interpretation of the Contract Documents. The Architect or Engineer will also advise the Construction Manger concerning Work that does not conform to the Contract Documents. Whenever, in the Architect's or Engineer's opinion, it is necessary or advisable in accordance with the Contract Documents, the Architect or Engineer may recommend to the Construction Manager inspection or testing of the Work, whether or not such Work is then fabricated, installed or completed.
- 3.3 Inspection and Testing of Work and Material.
 - 3.3.1 The City, the Construction Manager, the Architect or Engineer and their representatives will have access to the Work at all times wherever it is

in preparation or progress. The Contractor must provide proper facilities for such access and for inspection.

- 3.3.2 The Contractor must inspect all materials as delivered and promptly return all defective materials without waiting for their rejection by the Construction Manager or Architect or Engineer.
- 3.3.3 If the Construction Manager, the Technical Specifications, or any laws, ordinances, or any public authority require any Work to be tested or approved, the Contractor must give the Construction Manager timely notice of the Contractor's readiness for inspection. Inspections will be promptly made, and where practicable, at the source of supply. Any work subject to such testing that is covered up without timely notice to the Construction Manager or without the approval or consent of the Construction Manager must, if required by the Construction Manager, be uncovered for examination at the Contractor's expense. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 11 concerning any work subject to testing that is covered up without timely notice to the Construction Manager and that is not uncovered for examination at the Contractor's Expense if required by the Construction Manager.
- 3.3.4 Tests of materials or qualification tests required by the Contract Documents must be made in accordance with the Technical Specifications and the requirements of the California Building Standards Code as adopted by the City and other applicable law. Copies of all testing reports shall be distributed as required in the Technical Specifications.
- 3.3.5 The City or its representatives may order re-examination of questioned Work. If ordered to do so, the Contractor must uncover such Work. If such Work is found to be according to the Contract Documents, the City shall pay the cost of uncovering and restoring the Work, unless such Work was subject to testing and covered up without timely notice to or approval of the Construction Manager. If re-examined Work is found not in accordance with the Contract Documents, the Contractor must pay the cost of uncovering and restoring the Work. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 11 concerning any re-examined Work not in accordance with the Contract Documents that the Contractor fails to uncover and restore at the Contractor's expense.
- 3.3.6 The Contractor must replace or correct without charge any material or workmanship found not to conform to the requirements of the Contract Documents, unless the City consents to accept such material or workmanship with an appropriate adjustment in the Contract Price. The Contractor must promptly segregate and remove non-conforming

material from the Work site. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 11 concerning any failure by the Contractor to replace or correct without charge any material or workmanship that does not conform to the requirements of the Contract Documents and that the City has not consented to accept.

3.4 Samples Furnished by the Contractor. The Contractor must furnish all samples for approval as directed in sufficient time to permit the Architect or Engineer to examine, approve and select samples before they are required by the progress of the Work. Portions of the Work for which samples are required and for which the Architect or Engineer has selected samples must be in accordance with such approved samples. Samples must be sent prepaid to the office of the Construction Manager or to such place as the Construction Manager may direct.

3.5 Materials and Substitutions.

3.5.1 Materials used for the Work must be new and of the quality specified. When not particularly specified, materials must be the best of their class or kind. The Contractor must, if required, submit satisfactory evidence as to the kind and quality of materials.

3.5.2 If the Contractor submitted complete information to the Public Works Department for products proposed as equals in accordance with the Bid Package, and the City approved such products proposed as equals in writing, the Contractor may either furnish such products approved as equals, or furnish the products listed by manufacturer name, brand or model number in the Technical Specifications or Project Plans. The City retains the right, in its sole discretion, to accept or reject any other proposed substitution. To be considered, proposals concerning products proposed as equals must include sufficient information to permit the City to determine whether the products proposed as equals will satisfy the same performance requirements as products listed by manufacturer's name, brand or model number. Such performance requirements may include, but are not limited to, size, strength, function, appearance, ease of maintenance and repair, and useful life requirements. If the City does not accept a proposed substitution, the Contractor must furnish the product specified in the Technical Specifications or Project Plans for the Contract Price, regardless of whether the product is specified by manufacturer's name, brand or model number, or otherwise.

3.5.3. During the performance of the Work, all materials must be neatly stacked, properly protected from the weather and other adverse impacts, and placed so as to avoid interference with efficient progress of the Work, with other activities of the City, or with the use of existing

City facilities by the public. All materials must be delivered so as to ensure efficient and uninterrupted progress of the Work. Materials must be stored so as to cause no obstruction and so as to prevent overloading of any portion of the Work. The Contractor will be responsible for damage or loss of materials delivered to and/or stored at the Work site due to weather or other causes. The Contractor must promptly remove from the Work site all materials rejected by the City or its representatives as failing to conform to the requirements of the Contract Documents, whether such non-conforming materials have been incorporated in the Work or not. If the City or its representatives so direct, the Contractor must promptly replace and re-execute Work performed by the Contractor and order the replacement and re-execution of Work performed by subcontractors using non-conforming materials with materials that satisfy the requirements of the Contract Documents without expense to the City. The Contractor will bear the expense of making good all Work destroyed or damaged by such removal. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 11 concerning any failure by the Contractor to replace or re-execute Work using non-conforming materials, and/or to make good all work destroyed or damaged by such removal and/or execution.

- 3.6 Maintenance and Examination of Records. Contractor shall maintain in a safe place at the Site one record copy of all Drawings, Specifications, Addenda, Contract Modifications, Change Orders, Work Directives, Force Account orders, and written interpretations and clarifications in good order and annotated to show all as-built changes made during construction. These Project Record Documents, together with all approved Samples and a counterpart of all approved Shop Drawings, shall be maintained and available to the City for reference. Upon completion of the Work, Contractor shall deliver to the City, the Project Record Documents, Samples and Shop Drawings and as-built drawings.

Throughout Contractor's performance of the Work of the Project, Contractor shall maintain construction records to include: shop drawings; product data/material data sheets; samples; submittals; purchases; materials; equipment; inspections; applicable handbooks; applicable codes and standards; maintenance and operating manuals and instructions; RFI Log; Submittal Log; other related documents and revisions which arise out of the Construction Contracts. Contractor shall maintain records of principal building layout lines, elevations for the bottom of footings, floor levels, and key site elevations (certified by a qualified surveyor or professional engineer). Contractor shall make all records available to the City. At the completion of the Project, Contractor shall deliver all such records to the City to have a complete set of record as-built drawings.

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The City may examine and audit at no additional cost to the City all books, estimates, records, contracts, documents, bid documents, bid cost data, subcontract job cost reports and other Project related data of the Contractor, subcontractors engaged in performance of the Work, and suppliers providing supplies, equipment and other materials required for the Work, including computations and projections related to bidding, negotiating, pricing or performing the Work or contract modifications and other materials concerning the Work, including, but not limited to, Contractor daily logs, in order to evaluate the accuracy, completeness, and currency of cost, pricing, scheduling and any other project related data. The Contractor will make available all such Project related data at all reasonable times for examination, audit, or reproduction at the Contractor's business office at or near the Work site, and at any other location where such Project related data may be kept until three years after final payment under the Agreement. Pursuant to California Government Code Section 8546.7, if the amount of public funds to be expended is in excess of \$10,000, this Contract shall be subject to the examination and audit of the State Auditor, at the request of the City, or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement.

- 3.7 Advertising. No advertising signs of any kind may be displayed on the Work site, or on fences, offices or elsewhere adjacent to the Work site.
- 3.8 Project Schedule. Prior to the pre-construction meeting, the Contractor shall submit a baseline schedule showing each task of Work, including, as required by the City, equipment procurement and delivery (Contractor and City supplied), activities with Subcontractors and suppliers, major submittal reviews, commissioning of systems, use of major equipment on site, and necessary interface with the City and third parties. The baseline schedule shall include the sequence of each task, the number of days required to complete each task, and the critical path controlling the completion of the entire Work. The schedule shall allow for the completion of the entire Work within the Time for Completion.
 - 3.8.1 City Review of Schedule. The City may review the Contractor's submitted schedule and may note any exceptions. The Contractor shall correct any exceptions noted by the City within five (5) working days of being notified of the exceptions.
 - 3.8.2 Update of Schedule. After submission of a schedule to which the City has taken no exceptions, the Contractor shall submit an updated schedule on a biweekly basis until completion of the Work. The updated schedule shall show the progress of Work as of the date specified in the updated schedule. Contractor shall provide the City with an electronic copy of each updated schedule.

- 3.8.3 Float. The baseline schedule and all later submitted schedules shall show early and late completion dates for each task. The number of days between these dates shall be designated as "Float." The Float shall be designated to the Project and shall be available to both the City and the Contractor as needed to complete the Work in accordance with the Contract.
- 3.8.4 Failure to Submit Schedule. If the Contractor fails to submit the schedule within the time period specified in this section or submit a schedule to which the City has taken uncorrected exceptions, the City may withhold payments to the Contractor until such schedules are submitted and/or corrected in accordance with the Contract documents.
- 3.8.5 Responsibility for Schedule. The Contractor will be solely and exclusively responsible for creating the schedule and properly updating it. The City may note exceptions to any schedule submitted by the Contractor. However, the Contractor will be solely responsible for determining the proper method of addressing such exceptions, and the City's review of the schedule will not create scheduling obligations for the City.
- 3.8.6 Contractor's baseline schedule and progress schedules shall be in the form of a CPM (arrow) diagram. Contractor shall provide the City with native format electronic schedules and hard copies of the baseline schedule, schedule updates, and look ahead schedules. All electronic and hard copies of the schedule that Contractor provides to the City shall indicate the critical path of the Work (in red) and shall show a logical progression of the Work through completion within Contract Time.
- 3.8.7 The City has no obligation to accept an early completion date.
- 3.8.8 The City may request a recovery schedule should Contractor fall 21 or more Days behind any schedule milestone, which schedule shall show Contractor's plan and resources committed to retain Contract completion dates. The recovery schedule shall show the intended critical path. If the City requests, Contractor shall also: secure and demonstrate appropriate subcontractor and supplier consent to the recovery schedule; and submit a written plan and narrative explaining on trade flow and construction flow changes and man-hour loading assumptions for major Work activities and/or subcontractors.
- 3.8.9 If the Contractor requests an extension of the Time for Completion, it shall submit the request in a writing that provides information justifying the request and stating the extent of the adjustment requested for each specific change or alleged delay. The writing shall include this narrative and a schedule diagram depicting how the changed Work or other

impact affects other schedule activities. The schedule diagram shall show how Contractor proposes to incorporate the changed Work or other impact in the schedule and how it impacts the current schedule impact or critical path or otherwise. Any requests of an extension of the Time for Completion stemming from an alleged project delay shall be made within five (5) days of the commencement of the alleged delay, explain the reason for delay, include the anticipated length of the delay, and contain a narrative justifying the extension, in addition to the other information and schedules required by this section.

- 3.9 Construction Staking. All Work done under this Contract must be in conformance with the Project Plans and staked by the Engineer in the field. The Contractor must inform the Engineer, forty-eight (48) hours in advance, of the time and places at which he or she wishes to do work, in order that lines and grades may be furnished and necessary measurements for record and payment made, with the minimum of inconvenience to the Engineer and delay to the Contractor.
- 3.10 Materials Testing. Materials will be tested by the CITY OF FORT BRAGG or its authorized agent, following State of California Test Methods. Statistical testing may not be used. All individual samples must meet the specified test results. Each material used must meet the specified requirements.

The Contractor must request and coordinate all testing. All tests must occur in the presence of the Project Inspector. The City will, at its sole discretion, have the right to reject any and/or all test results that do not meet this requirement, and to order a retest in the presence of the Project Inspector. The costs for all retests so ordered will be the responsibility of the Contractor. The cost of all retests will be charged to the Contractor at the actual cost plus 30 percent, with a minimum charge of \$150.00 per test to cover staff and administrative costs.

The City, at its sole expense, will provide all initial material and compaction tests. Sampling and testing will comply with Chapter 6 of the Caltrans Construction Manual, at a minimum. Where conditions vary, the City may perform additional testing. Cost for testing of materials offered in lieu of the specified materials will be the responsibility of the Contractor. Cost for R-value tests when required by the Standard Specifications will be the responsibility of the Contractor.

Testing will only be performed on normal City working days between the hours of 8:00 a.m. and 4:00 p.m. unless other arrangements are made in advance. Tests performed outside of these hours may be subject to increased charges.

The Contractor must request all tests in writing a minimum of two (2) working days in advance of the time desired. A minimum of one working day must be allowed for compilation and reporting of data and test results after tests have

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been performed. No subsequent layer of material may be placed until a passing test is obtained and acknowledged by the City.

Concrete and asphalt may be supplied only from suppliers approved and certified by the State Department of Transportation. Proposed mix designs for all concrete and asphalt concrete to be placed within the CITY OF FORT BRAGG must be provided to and approved by the City, prior to placement.

The Contractor must coordinate with the City concerning any additional testing as required.

4. CHANGES IN WORK

- 4.1 City Directed Change Orders. The City may at any time during the progress of the Work direct any amendments to the Work or any of the Contract Documents, including, but not limited to the Technical Specifications, or Project Plans. Such amendments will in no way void the agreement, but may be applied to amend the Contract Price or Time for Completion, if such amendments affect the Contract Price, the Project schedule, or any other provision of the Contract Documents based on a fair and reasonable valuation of the amendment in accordance with this Section 4.
- 4.2 Writing Requirement. Change orders and other amendments to the Technical Specifications, the Project Plans, or other Contract Documents may be made only by a writing executed by authorized representatives of the City and the Contractor.
- 4.3 Contractor Proposed Change Orders. Unless the Construction Manager otherwise authorizes or the City and the Contractor otherwise agree, change order proposals submitted by the Contractor must be submitted to the Construction Manager no later than the time of the proposed change.
- 4.4 All Change Orders. All change order proposals must be submitted on completed Change Order forms provided by the City. All such change order proposals must itemize all cost impacts of the proposed change order and include a total price for that change order and the amended Contract Price that would become effective upon execution of the change order. All change order proposals must specify any change in the Project schedule, or in any project milestone including, but not limited to, the Time for Completion, under the change order, and must provide information justifying the requested change in the Time for Completion. It is understood that change orders that do not specify a change in any milestone, including, but not limited to, the Time for Completion, will be accomplished by the Time for Completion then in effect.
- 4.5 Change Order Pricing. Change order pricing will be governed by the following:

- 4.5.1 Unit prices specified in the Contract Documents will apply to cost impacts involving items for which the Contract Documents specify unit prices.
- 4.5.2 Cost impacts involving items for which no unit prices are specified will be calculated by adding the itemized actual direct cost that would be added or reduced under the change order and an allowance for indirect costs in accordance with this Section. Itemization for direct costs for required labor must include the classifications of labor required, the total hours required for each classification, the hourly rate for each classification and other labor related costs such as liability and workers compensation insurance, social security, retirement and unemployment insurance. All other cost impacts for which no unit prices are specified must be itemized as appropriate, including the cost of tools, vehicles, phones and other equipment, and the cost of all required materials or supplies. Indirect costs added under a change order may not exceed an allowance of fifteen (15) percent of the total of combined Contractor and subcontractor direct costs added under the change order. Such allowance covers Contractor overhead and profit under the change order and includes the cost of insurance in addition to that required pursuant to Section 8.8, bond premiums, superintendent labor, clerical labor, home office expenses, worksite office expenses, and utility costs under the change order. Such costs may not be itemized as direct costs under a change order. Indirect costs deducted under a change order will be calculated in exactly the same way as indirect costs added under a change order, except indirect costs deducted under a change order may not exceed an allowance of seven and a half (7.5) percent of the total of combined Contractor and subcontractor direct costs deducted under the change order.
- 4.6 Liability Under Unapproved Change Orders. The Contractor shall be solely responsible for any and all losses, costs, or liabilities of any kind incurred by the Contractor, any subcontractor engaged in the performance of the Work, any party supplying material or equipment for the Work or any third party that are incurred pursuant to Contractor-proposed change orders prior to issuance of an approved change order executed in accordance with this Section 4. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 11 concerning any work or resulting losses, costs, or liabilities pursuant to a Contractor proposed change order before issuance of an approved change order executed in accordance with this Section 4.
- 4.7 Changes Subject to Contract Documents. Any changes in the Work and/or the Contract Documents pursuant to change orders and any other amendments issued in accordance with the Contract Documents, including

this Section 4, will in all respects be subject to all provisions of the Contract Documents, including, but not limited to, the Technical Specifications and the Project Plans, except as modified by such change orders or amendments.

4.8 Change Order Disputes.

4.8.1 Disputed City Directed Change Orders. If the Contractor disputes a City directed change order following a reasonable effort by the City and the Contractor to resolve the dispute including, at a minimum, a meeting between appropriate representatives of the Contractor and the City, the Contractor must commence performing the Work consistent with the disputed change order within five (5) working days of the last meeting between representatives of the Contractor and the City to resolve the dispute, or within the time specified in the disputed City directed change order, whichever is later. In performing Work consistent with a disputed City-directed change order pursuant to this provision the Contractor will have all of the Contractor's rights concerning claims pursuant to the Contract Documents and applicable law.

4.8.2 Disputed Contractor Proposed Change Orders. If the City disputes a Contractor proposed change order, the City and the Contractor will use reasonable efforts to resolve the dispute including, at a minimum, holding a meeting between appropriate representatives of the Contractor and the City. Regardless of and throughout any such efforts to resolve the dispute the Contractor must continue performing the Work irrespective of and unmodified by the disputed change order. In continuing to perform the Work, the Contractor will retain all of the Contractor's rights under contract or law pertaining to resolution of disputes and protests between contracting parties. Disputes between the City and the Contractor concerning any Contractor-proposed change order or other amendment do not excuse the Contractor's obligation to perform the Work in accordance with the Contract Documents excluding such Contractor-proposed change order or other amendment by the Time for Completion or waive any other Project milestone or other requirement of the Contract Documents.

4.9 Change in Time for Completion. The Time for Completion may only be changed through a Change Order, and all time limits stated in the Contract Documents are to mean that time is of the essence. Contractor shall not be entitled time extension for impacts that consume Float, but do not impact the critical path. Time extensions will not be granted unless substantiated by the Critical Path Method (CPM) Schedule, and then not until the CPM float becomes zero. If contractor fails to submit documentation requesting and justifying a change in Time for Completion consistent with the Contract Documents, the Contractor shall be deemed to have agreed that there is no

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extension of time and that Contractor has irrevocably waived its rights to any change in the Time for Completion. Contractor initiated change orders shall address any impacts on the Time for Completion when first submitted to the City. Contractor shall submit any request for change in the Time for Completion and all supporting information and documentation required by the Contract Documents within seven (7) working days of receipt of a City-directed Change Order.

5. TRENCHING AND UTILITIES

- 5.1 Contractor to Locate Underground Facilities. During construction, Contractor shall comply with Government Code Sections 4216 to 4216.9, and in particular Section 4216.2 which provides, in part: "Except in an emergency, every person planning to conduct any excavation shall contact the appropriate regional notification center at least two working days, but no more than 14 calendar days, prior to commencing that excavation, if the excavation will be conducted in an area which is known, or reasonably should be known, to contain subsurface installations other than the underground facilities owned or operated by the excavator, and, if practical, the excavator shall delineate with white paint or other suitable markings the area to be excavated. The regional notification center shall provide an inquiry identification number to the person who contacts the center and shall notify any member, if known, who has a subsurface installation in the area of the proposed excavation."

Contractor shall contact Underground Service Alert (USA), and schedule the Work to allow ample time for the center to notify its members and, if necessary, for any member to field locate and mark its facilities. Contractor is charged with knowledge of all subsurface conditions reflected in USA records. Prior to commencing excavation or trenching work, Contractor shall provide the City with copies of all USA records secured by Contractor. Contractor shall advise the City of any conflict between information in the Contract Documents, Drawings, independent investigations, and that provided by USA records. Contractor's excavation shall be subject to and comply with the Contract Documents.

Contractor shall also investigate the existence of existing service laterals, appurtenances or other types of utilities, indicated by the presence of an underground transmission main or other visible facilities, such as buildings, manholes, new asphalt, meters and junction boxes, on or adjacent to the Site, even if not shown or indicated in existing conditions data, Contract Documents, or USA records, or discovered during Contractor's pre- or post-bid investigation. Contractor shall immediately secure all such available information and notify the City and the utility City, in writing, of its discovery.

- 5.2 Excavation More Than Four Feet Deep. In accordance with California Public Contract Code Section 7104, if the Work involves excavation more than four feet deep the Contractor must promptly notify the City in writing before

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disturbing: any material that the Contractor believes may be hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II or Class III disposal site in accordance with provisions of existing law; any subsurface or latent physical conditions at the Work site differing from those indicated; or any unknown physical conditions at the Work site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents. The City will promptly investigate any such conditions for which notice is given. If the City finds that the conditions do materially differ, or involve hazardous waste, and would cause a decrease or increase in the cost or time of performance of the Work, the City will issue a change order pursuant to Section 4 of these General Provisions. If a dispute arises between the City and the Contractor concerning whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the cost or time of performance, the Contractor will not be excused from any completion date provided in the Contract Documents, but shall proceed with all Work to be performed. The Contractor will retain all rights under contract or law pertaining to resolution of disputes and protests between contracting parties.

5.3 Excavation of Five Feet or More. In accordance with California Labor Code Section 6705, contractors performing contracts exceeding \$25,000 in cost and involving excavation five or more feet deep must submit for the City's acceptance, prior to excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during excavation. If the plan varies from the shoring system standards, it must be prepared by a registered civil or structural engineer.

5.4 Utility Relocation Costs.

5.4.1 In accordance with California Government Code Section 4215, the City assumes the responsibility for the timely removal, relocation or protection of existing main or trunkline utility facilities located on the Work site if such utilities are not identified by the City in the Technical Specifications and/or Project Plans. The City will compensate the Contractor for the costs of locating, repairing damage not due to the Contractor's failure to exercise reasonable care, and removing or relocating existing main or trunkline utility facilities located at the Work site and not identified with reasonable accuracy in the Technical Specifications and/or Project Plans. The City will also compensate the Contractor for the cost of equipment on the Project necessarily idled during such work. The Contractor will not be assessed liquidated damages for Work completion delays caused by the City's failure to provide for removal or relocation of such main or trunkline utility facilities.

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- 5.4.2 Nothing in this provision or the Contract Documents will be deemed to require the City to indicate the presence of existing service laterals or appurtenances whenever the presence of such utilities on the Work site can be inferred from the presence of other visible facilities, such as buildings, meter and junction boxes, on or adjacent to the Work site; provided, however, that nothing in this provision or the Contract Documents shall relieve the City from identifying main or trunklines in the Technical Specifications and/or Project Plans.
 - 5.4.3 Nothing in this provision or the Contract Documents will preclude the City from pursuing any appropriate remedy against the utility for delays which are the responsibility of the utility.
 - 5.4.4 Nothing in this provision or the Contract Documents will be construed to relieve the utility from any obligation as required either by law or by contract to pay the cost of removal or relocation of existing utility facilities.
 - 5.4.5 If the Contractor while performing the Work discovers utility facilities not identified by the City in the Technical Specifications and/or Project Plans, the Contractor must immediately notify the City and utility in writing.
 - 5.4.6 Either the City or the utility, whichever owns existing main or trunkline utility facilities located on the Work site, shall have sole discretion to effect repairs or relocation work or to permit the Contractor to perform such repairs or relocation work at a reasonable price.
- 5.5 Concealed or Unknown Conditions.
- 5.5.1 If either of the following conditions is encountered at Site when digging trenches or other excavations that extend deeper than four feet below the surface, Contractor shall promptly give a written Notice of Differing Site Conditions to the City before conditions are disturbed, except in an emergency, and in no event later than seven (7) calendar days after first observance of:
 - 5.5.1.1 Subsurface or Latent physical conditions which differ materially from those indicated in the Contract Documents;
or
 - 5.5.1.2 Unknown physical conditions of an unusual nature or which differ materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents.
 - 5.5.2 In response to Contractor's Notice of Differing Site Conditions under this Section, the City will investigate the identified conditions, and if they differ materially and cause increase or decrease in Contractor's

cost of, or time required for, performance of any part of the Work, the City will negotiate the appropriate change order following the procedures set forth in the Contract Documents. If the City determines that physical conditions at the Project are not latent or are not materially different from those indicated in Contract Documents or that no change in terms of the Contract Documents is justified, the City will so notify Contractor in writing, stating reasons (with Contractor retaining all rights under the Contract Documents).

- 5.5.3 Contractor shall not be entitled to any adjustment in the Contract Sum or Contract Time regarding claimed latent or materially different Project conditions (whether above or below grade) if Contractor knew or should have known of the existence of such conditions at the time Contractor submitted its Bid, failed to give proper notice, or relied upon information, conclusions, opinions or deductions of the kind that the Contract Documents preclude reliance upon.
- 5.5.4 Regarding Underground Facilities, Contractor shall be allowed an increase in the Contract Sum or an extension of the Time for Completion, or both, to the extent that they are attributable to the existence of any Underground Facility that is owned and was built by the City only where the Underground Facility:
 - 5.5.4.1 Was not shown or indicated in the Contract Documents or in the information supplied for bidding purposes or in information on file at USA; and;
 - 5.5.4.2 Contractor did not know of it; and
 - 5.5.4.3 Contractor could not reasonably have been expected to be aware of it or to have anticipated it from the information available. (For example, if surface conditions such as pavement repairs, valve covers, or other markings, indicate the presence of an Underground Facility, then an increase in the Contract Sum or an extension of the Time for Completion will not be due, even if the Underground Facility was not indicated in the Contract Documents, in the information supplied to Contractor for bidding purposes, in information on file at USA, or otherwise reasonably available to Contractor.)
- 5.6 Contractor shall bear the risk that Underground Facilities not owned or built by the City may differ in nature or locations shown in information made available by the City for bidding purposes, in information on file at USA, or otherwise reasonably available to Contractor. Underground Facilities are inherent in construction involving digging of trenches or other excavations on City's Project, and Contractor is to apply its skill and industry to verify the information available.

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5.7 Contractor's compensation for claimed latent or materially different Project conditions shall be limited to the actual, reasonable, incremental increase in cost of that portion of the Work, resulting from the claimed Latent or materially different Site conditions. Such calculation shall take into account the estimated value of that portion of the Work and the actual value of that portion of the Work, using for guidance Contractor's or its subcontractor's bid amount and actual amounts incurred for that portion of the Work and the reasonable expectation (if any) of differing or difficult site conditions in the Work area based on the available records and locale of the Work. For example, if Contractor excavates in an area unexpected, then such costs would be recoverable entirely; while if Contractor extends an existing excavation, then such costs would be recoverable if the resulting excavation costs in that work area exceeded the reasonable expectations therefor.

6. PROJECT FACILITIES

6.1 Work Site Offices. Any Work site office facilities used by the Contractor and/or its privities must conform to all applicable codes, ordinances and regulations. The cost of such Work site office facilities shall be paid from and included in the Contract Price.

6.2 City Rights of Access and Ownership. The City and its authorized representatives will at all reasonable times while such office facilities are located at the Work site (including, at a minimum, all times during which the Work is performed), have access to any such Work site office facilities used by the Contractor and/or its privities. With respect to the right of access of the City and its authorized representatives, neither the Contractor nor its privities shall have a reasonable expectation of privacy pursuant to the Fourth Amendment to the United States Constitution or other applicable law concerning such Work site office facilities used by the Contractor and/or its privities. Without exception, any and all Project related materials located at such Work site facilities will be deemed at all times to be City property subject to inspection and copying by the City and its authorized representatives at all reasonable times while such facilities are located at the Work site (including, at a minimum, all times during which the Work is performed). Any interference by the Contractor or its privities with the City's rights of access and/or Ownership pursuant to this Section 6 will constitute a material breach of the Agreement subject to any and all remedies available pursuant to the Contract Documents and at law and equity.

7. PROSECUTION AND PROGRESS OF THE WORK

7.1 Liquidated Damages. Time is of the essence in the Agreement. The City and the Contractor agree that it will be difficult and/or impossible to determine the actual damage which the City will sustain in the event of the Contractor's failure to fully perform the Work or to fully perform all of the Contractor's obligations that have accrued pursuant to the Agreement by the Time for

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Completion. Accordingly, the City and the Contractor agree in accordance with California Government Code Section 53069.85 that the Contractor will forfeit and pay to the City liquidated damages in the sum of \$500 per day for each and every calendar day completion of the Work and/or performance of all of the Contractor's obligations that have accrued pursuant to the Agreement is delayed beyond the Time for Completion. The City and the Contractor further agree in accordance with California Government Code Section 53069.85 that the liquidated damages sum specified in this provision is not manifestly unreasonable under the circumstances existing at the time the Agreement was made, and that the City may deduct liquidated damages sums in accordance with this provision from any payments due or that may become due the Contractor under the Agreement.

- 7.2 No Damage for Avoidable Delays. All delays in the Work that might have been avoided by the exercise of care, prudence, foresight and diligence of the Contractor or any privities of the Contractor will be deemed avoidable delays. Delays in the Work that may be unavoidable but that do not necessarily affect other portions of the Work or prevent completion of all Work within the Time for Completion, including, but not limited to, reasonable delays in Engineer approval of shop drawings, placement of construction survey stakes, measurements and inspection, and such interruption as may occur in prosecution of the Work due to reasonable interference of other contractors of the City, will be deemed avoidable delays. The Contractor will not be awarded a change in the Project schedule, the Time for Completion, and/or additional compensation in excess of the contract price for avoidable delays.
- 7.3 Unavoidable Delays. All delays in the Work that result from causes beyond the control of the Contractor and that the Contractor could not have avoided through exercise of care, prudence, foresight, and diligence will be deemed unavoidable delays. Orders issued by the City changing the amount of Work to be done, the quantity of materials to be furnished, or the manner in which the work is to be prosecuted, and unforeseen delays in the prosecution of the Work due to causes beyond the Contractor's control, such as strikes, lockouts, labor disturbances, fires, epidemics, earthquakes, acts of God, neglect by utility owners or other contractors that are not privities of the Contractor will be deemed unavoidable delays to the extent they actually delay the Contractor's completion of the Work. The Contractor will be awarded a change in the Project schedule, the Time for Completion, and/or additional compensation in excess of the Contract Price for unavoidable delays to the extent such delays actually delay the Contractor's completion of the Work and/or result in the Contractor incurring additional costs in excess of the Contract Price.
- 7.4 No Damage for Contractor Caused Delay. Contractor shall not be entitled to additional compensation for extended field or home office overhead, field supervision, costs of capital, interest, escalation charges, acceleration costs or other impacts for any delays to the extent such delays are caused by the

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failure of the Contractor or any subcontractor or other entity engaged in performance of the Work to perform the Work in accordance with the Contract Documents.

7.5 No Damage for Other Delay. Contractor will not be entitled to damages for delay to the Work caused by the following, which the City and Contractor agree will be deemed for purposes of California Public Contract Code Section 7102 either not caused by the City, and/or within the contemplation of the City and the Contractor, and/or reasonable under the circumstances:

7.5.1 Exercise of the City's right to sequence the Work in a manner that would avoid disruption to the City and other contractors based on: the failure of the Contractor or any subcontractor or other entity engaged in the performance of the Work to perform the Work in accordance with the Contract Documents, enforcement by the City or any other governmental agency of competent jurisdiction of any government act or regulation, or enforcement by the City of any provisions of the Agreement.

7.5.2 Requests for clarification or information concerning the Contract Documents or proposed change orders or modifications to the Contract Documents, including extensive and/or numerous such requests for clarification or information or proposed change orders or modifications, provided such clarifications or information or proposed change orders or modifications are processed by the City or its representatives in a reasonable time in accordance with the Contract Documents.

7.6 Delays Caused by the City and/or Its Privities. Delay caused by the City and/or other Contractors of the City will be deemed unavoidable delays. Either the City or the Contractor may propose a change in the Time for Completion for delays that are purported to be caused by the City and/or its privities and that are not reasonable under the circumstances involved and/or that are not within the contemplation of the City and the Contractor. Such proposed changes in the Time for Completion will constitute change order proposals subject to Section 4. In accordance with Section 4, the City and the Contractor may agree upon pricing for the cost impacts, if any, resulting from such delays. If such pricing is in anticipation of cost impacts that may, but have not yet occurred, the City will be obligated to pay the Contractor for such anticipated impacts in accordance with the Agreement and any applicable, approved change orders only to the extent the Contractor actually incurs the anticipated cost impacts. Notwithstanding anything to the contrary in Section 4, the City and the Contractor may agree to a daily rate or cap or lump sum that will apply to the cost impacts, if any, resulting from delay purportedly caused by the City and/or its privities subject to this provision. However, if such daily rate or cap or lump sum is in anticipation of cost impacts that have not yet occurred, the City will be obligated to pay such daily rate or cap or lump sum only to the extent the Contractor actually incurs such cost impacts.

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- 7.7 Weather Delays. Extensions of the Time for Completion will not be allowed for normal, adverse weather conditions that are consistent with historical weather data of the National Oceanographic and Atmospheric Administration of the U.S. Department of Commerce for the record station that is nearest or most applicable to the Work site. The Contractor should understand that normal adverse weather conditions are to be expected and plan the Work accordingly, such as by incorporating into the Project schedule, normal adverse weather delays as reflected in historical data of the National Oceanic and Atmospheric Administration of the U.S. Department of Commerce for the weather station most applicable to the Work site. Extensions of the Time for Completion for delays due to adverse weather will be allowed only if the number of adverse weather days far exceeds the historical data. No extensions of the Time for Completion will be granted for normal, adverse weather conditions or for adverse weather conditions that merely result in delays that do not or would not, themselves, result in failure to complete the Work by the Time for Completion.
- 7.8 Delay Claims. Within five (5) days of the beginning of any delay, Contractor shall notify the City in writing, by submitting a notice of delay that shall describe the anticipated delays resulting from the delay event in question. Whenever the Contractor claims a delay for which the Time for Completion may be extended, the Contractor must request an extension of time within five (5) days of submitting its notice of delay. The request must be in writing in the form of a change order and describe in detail the cause for the delay, and, if possible, the foreseeable extent of the delay. The City will determine all claims and adjustments in the Time for Completion. No claim for an adjustment in the Time for Completion will be valid and such claim will be waived if not submitted in accordance with the requirements of this Section and Section 4.9. In cases of substantial compliance with the notice timing requirements of this Section (but not to exceed twenty-one (21) days from the beginning of the delay event), City may in its sole discretion recognize a claim for delay accompanied with the proper documentation and justification, provided the Contractor also shows good faith and a manifest lack of prejudice to the City from the late notice.
- 7.9 Contractor Coordination of the Work.
- 7.9.1 The City reserves the right to do other work in connection with or in the vicinity of the Project by contract or otherwise, and Contractor shall at all times conduct the Work so as to impose no hardship on the City, others engaged in the Work or other contractors working at the Work site. The Contractor will adjust, correct and coordinate the Work with the work of others so that no delays result in the Work or other work at or near the Work site.
- 7.9.2 If any part of the Work depends for proper execution or results upon the work of the City or any other contractor, the Contractor will, before

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proceeding with such Work, promptly report to the City any apparent discrepancies or defects in such other Work. Failure of the Contractor to promptly report any apparent discrepancy or defect will be deemed an acceptance of the City's or other contractor's Work as fit and proper.

- 7.9.3 The Contractor will anticipate the relations of the various trades to the progress of the Work and will ensure that required anchorage or blocking is furnished and set at proper times. Anchorage and blocking necessary for each trade shall be part of the Work except where stated otherwise.
- 7.9.4 The Contractor will provide proper facilities at all times for access of the City, the Construction Manager, Architect or Engineer, and other authorized City representatives to conveniently examine and inspect the Work.

8. CONTRACTOR RESPONSIBILITIES

- 8.1. Eligibility. By executing the Agreement, the Contractor certifies that the Contractor is not ineligible to perform work on public works projects pursuant to California Labor Code Sections 1777.1 or 1777.7. In accordance with California Public Contract Code Section 6109(a), contractors who are ineligible to perform work on public works projects pursuant to California Labor Code Sections 1777.1 or 1777.7 may neither bid on, be awarded or perform the Work. To the fullest extent permitted by law, the Contractor shall hold harmless and indemnify the City from and against any and all damages, costs, and liability arising from or as a consequence of any violation of Public Contract Code Section 6109.
- 8.2 Non Discrimination. During the performance of this Contract, Contractor will not discriminate against any employee or subcontractor of the Contractor or applicant for employment because of race, religion, creed, color, national origin, gender, sexual orientation, or age. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, creed, color, national origin, gender, sexual orientation, or age.

Contractor acknowledges that Contractor, and all subcontractors hired by Contractor to perform services under this Agreement, are aware of and understand the Immigration Reform and Control Act ("IRCA"). Contractor is and shall remain in compliance with the IRCA and shall ensure that any subcontractors hired by Contractor to perform services under this Agreement are in compliance with the IRCA. In addition, Contractor agrees to indemnify, defend and hold harmless City, its agents, officers and employees, from any liability, damages or causes of action arising out of or relating to any claims that Contractor's employees, or employees of any subcontractor hired by Contractor, are not authorized to work in the United States for Contractor or its

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subcontractor and/or any other claims based upon alleged IRCA violations committed by Contractor or Contractor's subcontractors.

- 8.3 Supervision of the Work. The Contractor will be solely responsible for the performance of the Work, including portions of the Work to be performed by subcontractors. The Contractor is charged with ensuring that all orders or instructions from the City, Construction Manager or Architect are disseminated to and followed by all subcontractors engaged in performance of the Work. The Contractor will supervise the Work using the Contractor's best skill and attention. At any time during the progress of the Work, the City, the Construction Manager, or the Architect may require the Contractor and/or subcontractors engaged in performance of the Work to attend a project meeting and the Contractor will attend, and ensure the attendance of any subcontractors whose attendance is required by the City and/or advisable in light of the matters to be addressed at the meeting.
- 8.4 Contractor's Superintendent. The Contractor will keep on the Work, throughout its progress, a competent superintendent and any necessary assistants, all satisfactory to the City. The superintendent may not be changed without the consent of the City. The superintendent will represent the Contractor and all directions given by the City to the superintendent will bind the Contractor in accordance with the Agreement. Superintendent time included in Contractor's completed bid schedule and/or in approved change orders, if any, must be included in Contractor's approved overhead rate and may not be charged as a direct cost.
- 8.5 Competent Employees. The Contractor must at all times enforce strict discipline and good order among the Contractor's employees and may not employ on the Project any unfit person or anyone not skilled in the Work assigned, or anyone incompetent or unfit for the duties of that person. When the City determines that a Contractor employee does not satisfy the requirements of this provision, upon notice from the City, the Contractor must ensure that employee performs no further Work and is no longer present at the Work site. Any such Contractor employee may not again be employed on the Project without City approval.
- 8.6 Items Necessary for Proper Completion of the Work. Except as otherwise noted in the Contract Documents, the Contractor will provide and pay for all labor, materials, equipment, permits, fees, licenses, facilities and services necessary for the proper execution and timely completion of the Work in accordance with the Contract Documents.
- 8.7 Construction Reports. The Contractor must submit daily construction reports detailing the daily progress of the Work to the Construction Manager on a weekly basis.
- 8.8 Subcontracting. The Contractor must perform with his or her own organization, a value of work amounting to not less than fifty percent (50%) of

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the Contract amount, except that the bid amount for subcontracted “Specialty Items” so designated in the Special Provisions may be eliminated from the Contract amount and not considered as sub-contracted for the purposes of calculating the value of work to be performed by the Contractor. For the purposes of determining the value of work to be performed by the Contractor pursuant to this provision, materials, equipment, incidentals, etc., shall be considered to have been purchased by the Contractor or Subcontractor that is to install them. Where a portion of an item is subcontracted, the value of work subcontracted will be based on the estimated cost of such portion of the subcontracted item, as determined from information submitted by the Contractor, subject to approval by the Engineer.

8.8.1 By executing the Contract, the Contractor certifies that no subcontractor included on the list of proposed subcontractors submitted with the Contractor’s bid is ineligible to perform work on public works projects pursuant to California Labor Code Sections 1777.1 or 1777.7. In accordance with California Public Contract Code Section 6109(a), subcontractors who are ineligible to perform work on public works projects pursuant to California Labor Code Sections 1777.1 or 1777.7 may neither bid on, be awarded or perform as a subcontractor on the Work. In accordance with California Public Contract Code Section 6109(b), any contract on a public works project entered into between a contractor and a debarred subcontractor is void as a matter of law. The Contractor will ensure that no debarred subcontractor receives any public money for performing the Work, and any public money that may have been paid to a debarred subcontractor for the Work is returned to the City. The Contractor will be responsible for payment of wages to workers of a debarred subcontractor who has been allowed to perform the Work.

8.8.2 The Agreement and the performance of the Work are subject to the requirements of the Subletting and Subcontracting Fair Practices Act codified at California Public Contract Code Section 4100 et seq. If the Contractor fails to specify a subcontractor or specifies more than one subcontractor for the same portion of the Work in excess of one-half of one percent of the Contractor’s total bid, the Contractor agrees that the Contractor is fully qualified to perform that portion of the Work with the Contractor’s own forces, and that the Contractor will perform that portion of the Work with the Contractor’s own forces. If after award of the Agreement the Contractor subcontracts, except as provided for in California Public Contract Code Sections 4107 or 4109, any such portion of the Work, the Contractor will be subject to the penalties set forth in California Public Contract Code Sections 4110 and 4111, including cancellation of the Agreement, assessment of a penalty of up to 10 percent of the amount of the subcontract, and disciplinary action by the Contractors State License Board.

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- 8.8.3. No contractual relationship exists between the City and any subcontractor engaged in performance of the Work.
- 8.8.4 Incorporation of Contract Documents. The Contractor must incorporate the Contract Documents in each contract with a subcontractor engaged in the performance of the Work including the indemnity and insurance requirements to the extent they apply to the scope of the subcontractor's work. The Contractor shall be solely responsible for any delay or additional costs incurred as a result of its failure to provide adequate or accurate project information to a subcontractor that results in improper submittals and/or work, or time or other impacts is the sole responsibility of the Contractor. The Contractor will have all of the obligations and the City will have all of the remedies that are specified in Section 11.
- 8.8.5 Subcontractor agrees to be bound to General Contractor and City in the same manner and to the same extent as General Contractor is bound to City under the Contract Documents. Subcontractor further agrees to include the same requirements and provisions of this agreement, including the indemnity and insurance requirements, with any Sub-subcontractor to the extent they apply to the scope of the Sub-subcontractor's work. A copy of the City's Contract Document Indemnity and Insurance provisions will be furnished to the Subcontractor upon request. The Contractor shall require all subcontractors to provide a valid certificate of insurance with the required endorsements included in the agreement prior to commencement of any work and General Contractor will provide proof of compliance to the City.
- 8.8.6 Coordination of Subcontract Work: The Contractor is responsible for scheduling the Work of subcontractors so as to avoid delay or injury to either Work or materials.

8.9 Insurance.

- 8.9.1 All required insurance shall be provided in the form of "occurrence"-type policies underwritten by admitted insurers in the State of California with a rating of A or better from the current year Best Rating Guide. All policies must be issued at the expense of the Contractor and must be maintained at the Contractor's expense throughout the performance of the Work.
- 8.9.2 The Contractor and any subcontractors engaged in performance of the Work must secure payment of workers compensation in accordance with California Labor Code Section 3700 and other applicable law. The Contractor must verify that all Subcontractors comply with this requirement.

8.9.3 Within ten (10) working days following notice of award the Contractor must submit to the City along with executed copies of all other documents specified in the Contract Check List certificates of insurance and endorsements evidencing that the Contractor has in effect and will maintain throughout the performance of the Work the following kinds and amounts of insurance:

8.9.3.1 Worker's Compensation Insurance. Workers Compensation and Employers Liability insurance as required by any applicable law, regulation or statute, including the provisions of Division IV of the Labor Code of the State of California, and any act or acts amending it. Worker's Compensation insurance must be for Statutory Limits and must cover the full liability of the Contractor. The Contractor's Employer's Liability Insurance must be in an amount no less than \$1,000,000.00 per occurrence. The insurance must be endorsed to waive all rights of subrogation against City and its officials, officers, employees, and volunteers for loss arising from or related to the work performed under this agreement.

8.9.3.2 Commercial General Liability and Automobile Liability Insurance. Coverage for liability because of Bodily Injury and Property Damage including, but not limited to the following coverage:

- Completed Operations and Products Liability
- Bodily Injury
- Personal Injury
- Broad Form Property Damage Liability
- Contractual Liability insuring the obligations assumed by the Contractor under the Contract Documents
- Automobile Liability, including owned, non-owned and hired automobiles
- Coverage for the XCU hazards of Explosion, Collapse and Underground Hazards

8.9.3.3 Commercial General Liability Self-Insured Retentions:

- All self-insured retentions (SIR) must be disclosed to City for approval and shall not reduce the limits of liability.
- Policies containing any self-insured retention (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or the City.

- The City reserves the right to obtain a full certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

8.9.3.4 Commercial Umbrella Policy. The limits of insurance required in these Contract Documents may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City (if agreed to in a written contract or agreement) before the City's own Insurance or self-insurance shall be called upon to protect it as a named insured.

8.9.4 The Additional Insured coverage under the Contractor's policy shall be "primary and non-contributory" and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13.

8.9.5 The limits of the insurance required above will be at least:

Comprehensive General Liability

Bodily Injury Liability	\$2,000,000	each occurrence
	\$4,000,000	each aggregate
Property Damage Liability	\$2,000,000	each occurrence
	\$4,000,000	each aggregate

Comprehensive Automobile Liability

Bodily Injury Liability	\$2,000,000	each person
	\$2,000,000	each occurrence
Property Damage Liability	\$2,000,000	each occurrence

8.9.6 For each insurance policy required under the Agreement except for the required workers compensation insurance policy, the Contractor must provide endorsements that add the City, its officials, officers, employees, agents and volunteers as an additional insured ("Additional Insured"). Such endorsements must: provide that the insurance required to be furnished by the Contractor will be primary as regards the City, and that the City's insurance will be excess of and not contribute to the insurance required to be furnished by the Contractor; that the City will receive 30 day written notice of any reduction or cancellation of such insurance required to be furnished by the Contractor; and include a severability of interest clause acceptable to

the City. Said endorsement shall be at least as broad as Insurance Services Office form number CG2010 (Ed. 11/85).

- 8.9.7 It shall be a requirement under these Contract Documents that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.
- 8.9.8 Contractor shall maintain insurance as required by these Contract Documents to the fullest amount allowed by law and shall maintain insurance for a minimum of five years following the completion of this project. In the event contractor fails to obtain or maintain completed operations coverage as required by this Agreement, the City at its sole discretion may purchase the coverage required and the cost will be paid by Contractor.

8.10 Indemnities.

- 8.10.1 The Contractor will take all responsibility for the Work, and will bear all losses and damages directly or indirectly resulting to the Contractor, any subcontractors engaged in performance of the Work, the City, its officials, officers, employees, agents, volunteers and consultants, and to third parties on account of the performance or character of the Work, unforeseen difficulties, accidents, or occurrences of other causes arising out of the Contractor's execution of the Work or of any subcontractor engaged in performance of the Work. To the fullest extent permitted by law the Contractor will indemnify, defend and hold harmless the City, its officials, officers, employees, agents, volunteers and consultants from and against any or all loss, liability, expense, claims, costs (including costs of defense and consultants' costs), suits, and damages of every kind, nature and description (including, but not limited to, penalties resulting from exposure to hazards in violation of the California Labor Code and bodily injury or death) directly or indirectly arising from the Contractor's performance of the Work, failure to perform the Work, or condition of the Work that is caused in whole or in part by any act or omission of Contractor, its subcontractors, or anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, resulting from any cause whatsoever, save for liability for any loss, damage, or expense arising out of the City's sole negligence or willful misconduct.

- 8.10.2 The Contractor will indemnify, defend and hold harmless the City, the City's officials, officers, employees, volunteers, agents and the Construction Manager and Architect for all liability on account of any patent rights, copyrights, trade names or other intellectual property rights that may apply to the Contractor's performance of the Work. The Contractor will pay all royalties or other charges as a result of intellectual property rights that may apply to methods, types of construction, processes, materials, or equipment used in the performance of the Work, and will furnish written assurance satisfactory to the City that any such charges have been paid.
- 8.10.3 The Contractor assumes all liability for any accident or accidents resulting to any person or property as a result of inadequate protective devices for the prevention of accidents in connection with the performance of the Work. The Contractor will indemnify, defend, and hold harmless the City and its officials, officers, employees, agents, volunteers and consultants from such liability.
- 8.10.4 Approval of the Contractor's certificates of insurance and/or endorsements does not relieve the Contractor of liability under this Section 8.9. The Contractor will defend, with legal counsel reasonably acceptable to the City, any action or actions filed in connection with any Claims and will pay all related costs and expenses, including attorney's fees incurred. The Contractor will promptly pay any judgment rendered against the City, its officials, officers, employees, agents, volunteers or consultants for any Claims. In the event the City, its officials, officers, employees, agents, volunteers or consultants is made a party to any action or proceeding filed or prosecuted against Contractor for any Claims, Contractor agrees to pay the City, its officials, officers, employees, agents, volunteers and consultants any and all costs and expenses incurred in such action or proceeding, including but not limited to, reasonable attorneys' fees.
- 8.10.5 Subject to the requirements of Section 5 of the General Provisions, the Contractor will indemnify, hold harmless and defend, with legal counsel reasonably acceptable to the City, the City and its officials, officers, employees, agents and volunteers from and against any and all claims related to damage to surface or underground facilities caused by the Contractor or any of the Contractor's privities or agents.
- 8.10.6 The Contractor will indemnify, hold harmless and defend, with legal counsel reasonably acceptable to the City, the City and its officials, officers, employees, agents and volunteers from and against any and all claims, including any fines or other penalties, related to failure of the Contractor and/or privities or agents of the Contractor

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to comply with the requirements of the General Permit, or to implement the Stormwater Pollution Prevention Plan ("SWPPP") in accordance with provision 12 of the Special Provisions. The City may withhold from amounts due or that may become due to the Contractor under this Contract amounts that equal or are estimated to equal the amount of claims, including fines, resulting from failure of the Contractor and/or privities or agents of the Contractor to comply with the requirements of the General Permit, or to implement the SWPPP in accordance with provision 12 of the Special Provisions.

- 8.10.7 In accordance with California Civil Code Section 2782(a), nothing in the Contract will be construed to indemnify the City for its sole negligence, willful misconduct, or for defects in design furnished by the City. By execution of the Contract Documents the Contractor acknowledges and agrees that the Contractor has read and understands the insurance and indemnity requirements of the Contract Documents, which are material elements of consideration.
 - 8.10.8 The defense and indemnification obligations of these Contract Documents are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in these Contract Documents.
 - 8.10.9 Contractor/Subcontractor's responsibility for such defense and indemnity obligations shall survive the termination or completion of these Contract Documents for the full period of time allowed by law.
 - 8.10.10 If Contractor fails to perform any of the foregoing defense and indemnity obligations, the City may defend itself and back-charge the Contractor for the City's costs and fees (including attorneys' and consultants' fees), and damages and withhold such sums from progress payments or other Contract monies which may become due.
- 8.11 Licenses/Permits. The Contractor must, without additional expense to the City, obtain all licenses, permits and other approvals required for the performance of the Work.
- 8.12 California Labor Code Requirements.
- 8.12.1 In accordance with California Labor Code Section 1771.1, this Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations (DIR). The Contractor and subcontractors engaged in performance of the Work must comply with Labor Code Section 1771.1.

- 8.12.2 In accordance with California Labor Code Section 1810, eight (8) hours of labor in performance of the Work shall constitute a legal day's work under the Agreement.
- 8.12.3 In accordance with California Labor Code Section 1811, the time of service of any worker employed in performance of the Work is limited to eight hours during any one calendar day, and forty hours during any one calendar week, except in accordance with California Labor Code Section 1815, which provides that work in excess of eight hours during any one calendar day and forty hours during any one calendar week is permitted upon compensation for all hours worked in excess of eight hours during any one calendar day and forty hours during any one calendar week at not less than one-and-one-half times the basic rate of pay.
- 8.12.4 The Contractor and its subcontractors will forfeit as a penalty to the City \$25 for each worker employed in the performance of the Work for each calendar day during which the worker is required or permitted to work more than eight (8) hours in any one calendar day, or more than forty (40) hours in any one calendar week, in violation of the provisions of California Labor Code Section 1810 et seq.
- 8.12.5 In accordance with California Labor Code Section 1773.2, the City has determined the general prevailing wages in the locality in which the Work is to be performed for each craft or type of work needed to be as published by the State of California Department of Industrial Relations, Division of Labor Statistics and Research, a copy of which is on file in the Public Works Department and shall be made available on request. The Contractor and subcontractors engaged in the performance of the Work shall pay no less than these rates to all persons engaged in performance of the Work.
- 8.12.6 In accordance with California Labor Code Section 1775, the Contractor and any subcontractors engaged in performance of the Work must comply with Labor Code Section 1775 which establishes a penalty of up to \$200 per day for each worker engaged in the performance of the Work that the Contractor or any subcontractor pays less than the specified prevailing wage. The amount of such penalty shall be determined by the Labor Commissioner. The Contractor or subcontractor shall pay the difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate. If a subcontractor worker engaged in performance of the Work is not paid the general prevailing per diem wages by the subcontractor, the Contractor is not liable for any penalties therefor unless the Contractor had knowledge of that failure

or unless the Contractor fails to comply with all of the following requirements:

- 8.12.6.1 The contract executed between the Contractor and the subcontractor for the performance of part of the Work must include a copy of the provisions of California Labor Code Sections 1771, 1775, 1776, 1777.5, 1813, and 1815.
 - 8.12.6.2 The Contractor must monitor payment of the specified general prevailing rate of per diem wages by the subcontractor by periodic review of the subcontractor's certified payroll records.
 - 8.12.6.3 Upon becoming aware of a subcontractor's failure to pay the specified prevailing rate of wages, the Contractor must diligently take corrective action to halt or rectify the failure, including, but not limited to, retaining sufficient funds due the subcontractor for performance of the Work.
 - 8.12.6.4 Prior to making final payment to the subcontractor, the Contractor must obtain an affidavit signed under penalty of perjury from the subcontractor that the subcontractor has paid the specified general prevailing rate of per diem wages to employees engaged in the performance of the Work and any amounts due pursuant to California Labor Code Section 1813.
- 8.12.7 In accordance with California Labor Code Section 1776, the Contractor and each subcontractor engaged in performance of the Work, must keep accurate payroll records showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed in performance of the Work. Each payroll record must contain or be verified by a written declaration that it is made under penalty of perjury, stating that the information contained in the payroll record is true and correct and that the employer has complied with the requirements of Sections 1771, 1811, and 1815 for any work performed by the employer's employees on the public works project. The payroll records required pursuant to California Labor Code Section 1776 must be certified and must be available for inspection by the City and its authorized representatives, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the Department of Industrial Relations and must otherwise be available for inspection in accordance with California Labor Code Section 1776.

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- 8.12.8 In accordance with California Labor Code Section 1777.5, the Contractor, on behalf of the Contractor and any subcontractors engaged in performance of the Work, will be responsible for ensuring compliance with California Labor Code Section 1777.5 governing employment and payment of apprentices on public works contracts.
- 8.12.9 In case it becomes necessary for the Contractor or any subcontractor engaged in performance of the Work to employ on the Work any person in a trade or occupation (except executive, supervisory, administrative, clerical, or other non-manual workers as such) for which no minimum wage rate has been determined by the Director of the Department of Industrial Relations, the Contractor must pay the minimum rate of wages specified therein for the classification which most nearly corresponds to Work to be performed by that person. The minimum rate thus furnished will be applicable as a minimum for such trade or occupation from the time of the initial employment of the person affected and during the continuance of such employment.
- 8.13 Laws and Ordinances. The Contractor and all subcontractors engaged in the performance of the Work must conform to the following specific rules and regulations as well as all other laws, ordinances, rules and regulations that apply to the Work. Nothing in the Technical Specifications or Project Plans is to be construed to permit Work not conforming to these codes:
- National Electrical Safety Code, U. S. Department of Commerce
 - National Board of Fire Underwriters' Regulations
 - California Building Standards Code as adopted by the City
 - California Plumbing Code as amended by applicable local ordinances for plumbing, sewage disposal and health requirements.
 - California Mechanical Code as amended by applicable local ordinances for all construction work.
 - California Administrative Code Titles 15, 19 and 24 (with California amendments), and Americans with Disabilities Act (ADA) accessibility guidelines, whichever is more stringent.
 - Manual of Accident Prevention in Construction, latest edition, published by A.G.C. of America
 - Industrial Accident Commission's Safety Orders, State of California
 - Regulations of the State Fire Marshall (Title 19, California Code of Regulation) and Applicable Local Fire Safety Codes
 - Labor Code of the State of California - Division 2, Part 7, Public Works and Public Agencies
 - Federal, state, and local air pollution control laws and regulations applicable to the Contractor and/or Work
- 8.14 Guaranty. The Contractor guarantees all of the Work for one year from the date the City accepts the Work. Upon receiving written notice of a need for

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repairs which are directly attributable to defective materials or workmanship the Contractor must make good any defects arising or discovered in any part of the Work by diligently commencing the necessary repairs within seven (7) days from the date of notice from the City. If the Contractor fails to make good any defects in the Work in accordance with this provision, in addition to any other available remedy under the contract or at law or equity, the City may make good or have made good such defects in the Work and deduct the cost from amounts that may be due or become due the Contractor, and/or call on the Contractor's maintenance bond for the cost of making good such defects and for the City's reasonable legal costs, if any, of recovering against the bond. The Contractor shall remain responsible for repairing any Work found to be defective regardless of when such defect is discovered by the City.

Where defective or rejected Work and any damage caused thereby has been corrected, removed, or replaced by the Contractor pursuant to this section, the guarantee period with respect to that Work shall be extended for an additional period of one year after such correction, removal, or replacement has been satisfactorily completed.

8.15 Safety.

8.15.1 In accordance with generally accepted construction practices and applicable law, the Contractor will be solely and completely responsible for conditions of the Work site, including safety of all persons and property during performance of the Work. This requirement will apply continuously and not be limited to normal working hours. For purposes of California Labor Code Section 6400 and related provisions of law, the Contractor and the Contractor's privities and any other entities engaged in the performance of the Work will be "employers" responsible for furnishing employment and a place of employment that is safe and healthful for the employees, if any, of such entities engaged in the performance of the Work. Neither the City nor its officials, officers, employees, agents, volunteers or consultants will be "employers" pursuant to California Labor Code Section 6400 and related provisions of law with respect to the Contractor, the Contractor's privities or other entities engaged in the performance of the Work. The Contractor agrees that neither the City, the Construction Manager, the Architect, nor the Engineer will be responsible for having hazards corrected and/or removed at the Work site. The Contractor agrees that the City will not be responsible for taking steps to protect the Contractor's employees from such hazards, or for instructing the Contractor's employees to recognize such hazards or to avoid the associated dangers. The Contractor agrees with respect to the Work and the Work site, the Contractor will be responsible for not creating hazards and for having hazards corrected and/or removed, for taking appropriate, feasible steps to protect the

Contractor's employees from such hazards and that the Contractor has instructed and/or will instruct its employees to recognize such hazards and how to avoid the associated dangers.

- 8.15.2 Review and inspection by the City, the Construction Manager, the Architect or Engineer, and/or other representatives of the City of the Contractor's performance of the Work will not constitute review of the adequacy of the Contractor's safety measures in, on, or near the Work site. Such reviews and inspections do not relieve the Contractor of any of the Contractor's obligations under the Contract Documents and applicable law to ensure that the Work site is maintained and the Work is performed in a safe manner.
 - 8.15.3 The Contractor will be solely responsible for the implementation and maintenance of safety programs to ensure that the Work site is maintained and the Work is performed in a safe manner in accordance with the Contract Documents and applicable law.
 - 8.15.4 Within ten (10) working days following notice of award the Contractor must submit to the City a copy of the Contractor's Safety Plan.
 - 8.15.5 The Contractor must furnish and place proper guards and systems for the prevention of accidents, including, but not limited to, those systems required pursuant to Title 8, Section 1670 et seq. of the California Code of Regulations concerning safety belts and nets. The Contractor must provide and maintain any other necessary systems or devices required to secure safety of life or property at the Work site in accordance with accepted standards of the industry and applicable law. The Contractor must maintain during all night hours sufficient lights to prevent accident or damage to life or property.
- 8.16 Assignment of Unfair Business Practice Claims. In accordance with California Public Contract Code Section 7103.5, the Contractor and any subcontractors offer and agree to assign to the City all rights, title, and interest in and to all causes of action the Contractor or any subcontractors may have under Section 4 of the Clayton Act (15 U.S.C. § 15) or under the Cartwright Act (Chapter 2 (commencing with § 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to this contract. This assignment shall be made and become effective at the time the City tenders final payment to the Contractor, without further acknowledgement by the parties.
- 8.17 Contractor shall be responsible for properly notifying residents and property owners impacted by this project in accordance with City standards. Specific notification procedures vary with the type of work and shall be coordinated with the City before work begins. The City will furnish a list of impacted property owners.

- 8.18 Contractor shall use paper products and printing and writing paper that meets Federal Trade Commission recyclability standards as defined in 16 CFR 260.12.

9. MEASUREMENT AND PAYMENT

- 9.1 F.O.B. All shipments must be F.O.B. destination to the Work site and/or other sites indicated in the Contract Documents. The Contract Price is all-inclusive (including sales tax). There shall be no additional compensation paid for containers, packing, unpacking, drayage or insurance.

9.2 Payment

- 9.2.1 On or about the first day of each calendar month the Contractor will submit to the Construction Manager a verified application for payment and schedule of values supported by a statement showing all materials actually installed during the preceding month and the cost of labor actually expended in the performance of the Work. **Billing must be received on a monthly basis, at a minimum.** Unless otherwise provided in the Contract Documents, no allowances or payments will be made for material or equipment not placed at the Work site.
- 9.2.2 To be eligible for payment the Contractor's applications for payment must include certified payroll reports prepared in accordance with California Labor Code Section 1776 and the Agreement for each employee of the Contractor and any subcontractors engaged in the performance of the Work during the preceding months, applications for payment will not be processed without certified payroll reports.
- 9.2.3 In accordance with California Public Contract Code Section 20104.50, the City will review applications for payment as soon as practicable after receipt. Any application or part of an application that is determined to be improper will be returned to the Contractor as soon as practicable, but no later than seven (7) days after receipt by the City, along with a written description of the reasons why the application is improper. The Contractor's failure to submit a schedule in the time specified in Section 3.8, or its submission of a schedule to which the City has taken any uncorrected exception, shall serve as a basis for returning an application for payment in its entirety.
- 9.2.4 Unless the Contractor has elected to post securities in lieu of retention in accordance with California Public Contract Code Section 22300 and the Agreement, and the Contractor and the City have executed an escrow agreement in accordance with the Public Contract Code and the Agreement, the City will make progress payments to the Contractor in accordance with applicable law in the amount of ninety-five (95) percent of the value of the labor actually performed and the material

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incorporated in the Work as specified in Contractor's verified application for payment upon approval by the City's authorized representative(s). Payment of progress payments will not be construed as acceptance of the Work performed. If the Contractor has elected to post securities in lieu of retention in accordance with Public Contract Code Section 22300 and the Agreement and the Contractor and the City have executed an escrow agreement in accordance with the Public Contract Code and the Agreement, the City will make payments to the Contractor or the Contractor's escrow agent in accordance with such escrow agreement.

- 9.2.5 The City will pay the Contractor's final invoice in accordance with applicable law and this Section 9 following acceptance of the Work provided that:
- 9.2.5.1 The Contractor has furnished evidence satisfactory to the City that all claims for labor and material have been paid, or the time for filing valid stop notices has passed and no stop notices have been filed, or all stop notices filed have been released by valid release or release bond acceptable to the City.
 - 9.2.5.2 No claim has been presented to the City by any person based upon any acts or omissions of the Contractor or any subcontractor engaged in the performance of the Work.
 - 9.2.5.3 No other claim or dispute exists under the Agreement or applicable law concerning payment of the Contractor's final invoice and/or release of the Agreement retention.
 - 9.2.5.4 The Contractor has filed with the City the Maintenance Bond provided in the Contract Documents with duly notarized signatures of an authorized representative of the Contractor and an attorney-in-fact of an admitted surety insurer acceptable to the City and such Maintenance Bond binds the Contractor as Principal and the Surety in accordance with its terms in the amount of 10% of the final Contract Price.
- 9.2.6 In accordance with California Public Contract Code Section 20104.50, if the City fails to make a progress payment within thirty (30) days of receipt of an undisputed, properly submitted application for payment, the City will pay the Contractor interest equivalent to the legal rate set forth in subdivision (a) of California Code of Civil Procedure Section 685.010. The number of days available to the City to make a payment without incurring an interest obligation pursuant to this provision and California Public Contract Code Section 20104.50 will be reduced by the number of days, if any, by which the City has delayed return of an application for payment beyond the seven day return requirement set forth in Section 9.2.5.

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- 9.3 Non-Allowable Direct Charges. The following costs are not allowable direct charges under the Agreement. The following costs may only be paid under the Agreement, if at all, as part of any allowance for contractor overhead and/or profit established under the Agreement.
- 9.3.1 Labor costs in excess of applicable prevailing wages pursuant to the Agreement and applicable law, liability and workers compensation insurance, social security, retirement and unemployment insurance and other employee compensation and benefits pursuant to bona fide compensation plans in effect at the time specified for the opening of Project bids for contractor and subcontractor employees engaged in the performance of the Work or in excess of the labor costs specified in Section 4.5 of this Contract in the case of cost impacts involving items for which the Contract Documents do not specify prices and for which no lump sum amount has been approved by the City. However, in no event will allowable direct labor charges under the agreement include employee bonuses, employee vehicles or vehicle allowances, employee telephones or telephone allowances, or employee housing or housing allowances, whether or not such benefits are part of a bona fide compensation plan in effect at the time specified for the opening of Project bids.
 - 9.3.2 Superintendent labor and clerical labor.
 - 9.3.3 Bond premiums.
 - 9.3.4 Insurance in excess of that required under Section 8.8.
 - 9.3.5 Utility costs.
 - 9.3.6 Work Site office expenses.
 - 9.3.7 Home office expenses.
 - 9.3.8 Permit or license costs.
- 9.4 Retention. The City or its agent may, in accordance with the Contract Documents and applicable law, withhold any payment of monies due or that may become due the Contractor because of:
- 9.4.1 Defective work not remedied or uncompleted work.
 - 9.4.2 Claims filed or reasonable evidence indicating probable filing of claims.
 - 9.4.3 Failure to properly pay subcontractors or to pay for material or labor.
 - 9.4.4 Reasonable doubt that the Work can be completed for the balance then unpaid.
 - 9.4.5 Damage to another contractor.
 - 9.4.6 Damage to the City.

- 9.4.7 Damage to a third party.
 - 9.4.8 Delay in the progress of the Work, which, in the City's judgment, is due to the failure of the Contractor to properly expedite the Work.
 - 9.4.9 Liquidated damages or other charges that apply to the Contractor under the Agreement.
 - 9.4.10 Any other lawful basis for withholding payment under the contract.
- 9.5 Securities in Lieu of Retention.
- 9.5.1 In accordance with Public Contract Code Section 22300, except where federal regulations or policies do not permit substitution of securities, the Contractor may substitute securities for any moneys withheld by the City to ensure performance of the Work. At the Contractor's request and expense, securities equivalent to the amount withheld will be deposited with the City, or with a state or federally chartered bank in California as the escrow agent, who will then pay those moneys to the Contractor under the terms of an Escrow for Security Deposit agreement. The Escrow for Security Deposit agreement is provided in the Contract Documents. Upon satisfactory completion of the Work, the securities will be returned to the Contractor.
 - 9.5.2 Alternatively, at the Contractor's request and expense, the City will pay retentions earned directly to the escrow agent. At the Contractor's expense, the Contractor may direct investment of the payments into securities. Upon satisfactory completion of the Work, the Contractor will receive from the escrow agent all securities, interest, and payments received by the escrow agent from the City pursuant to this provision and the terms of the Escrow for Security Deposit agreement. The Contractor will, within 20 days of receipt of payment, pay to each subcontractor the respective amount of interest earned, less costs of retention withheld from each Subcontractor, on monies withheld to ensure the Contractor's performance of the Work.
 - 9.5.3 Securities eligible for investment in accordance with this provision include those listed in Government Code Section 16430, bank or savings and loan certificates of deposit, interest bearing demand deposit accounts, standby letters of credit, or any other security mutually agreed to by the Contractor and the City.
 - 9.5.4 The Contractor will be the beneficial owner of any securities substituted for moneys withheld and will receive any interest thereon.

10. PROJECT ACCEPTANCE AND CLOSEOUT

- 10.1 Occupancy. The City reserves the right to occupy or use any part or parts or the entirety of the Work before the Work is fully performed. Subject to

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applicable law, exercising this right will in no way constitute acceptance of any part of the Work so occupied or used or acceptance of the entire Work, nor will such occupancy or use in any way affect the times when payments will become due the Contractor, nor will such occupancy or use in any way prejudice the City's rights under the Agreement, any Agreement bonds, or at law or equity. Occupancy or use shall not waive the City's rights to assess liquidated damages in accordance with Section 7 after the date of such occupancy or use.

10.2 Work Completion and Final Inspection. When the Contractor considers the Work is completed, the Contractor will submit written certification to the Construction Manager specifying that: the Contract Documents have been reviewed; the Work has been inspected for compliance with the Contract Documents; the Work has been completed in accordance with the Contract Documents; and that equipment and systems have been tested in the presence of the City's representative and are operational. The City and/or the City's authorized representatives will make an inspection to verify that the Work is complete and will notify the Contractor in writing of any incomplete or deficient Work. The Contractor will take immediate steps to remedy the stated deficiencies and give notice of correction to the Construction Manager. Upon receiving a notice of correction, the City or the City's authorized representatives will re-inspect the Work. The Contractor must correct all punch list items within 15 working days after the issuance of the punch list. Before acceptance of the Work the Contractor must submit: one set of the Project Record Drawings (As-Builts), and any equipment operating and maintenance instructions and data, warranties.

10.3 Work Acceptance.

10.3.1 All finished Work will be subject to inspection and acceptance or rejection by the City, the Construction Manager, and the Architect or Engineer and other government agencies having jurisdiction over the Work. Final acceptance of the Work will be at the discretion of the City.

10.3.2 The City will accept the Work in writing only when the Work has been completed to the City's reasonable satisfaction. Progress payments will in no way be construed as acceptance of any part of the Work.

10.3.3 In evaluating the Work, no allowance will be made for deviations from the Technical Specifications, Project Plans or other Contract Documents unless already approved in writing in accordance with the requirements of Section 4, above.

10.3.4 The fact that the Work and materials have been inspected from time to time and that progress payments have been made does not relieve the Contractor of the responsibility of replacing and making

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good any defective or omitted work or materials in accordance with the requirements of the Contract Documents.

- 10.3.5 None of the provisions of this section, including acceptance of the Project, final payment, or use or occupancy of the Project Site shall constitute acceptance of Work not done in accordance with the Contract Documents nor relieve Contractor of liability relating to the express guarantees or responsibility for faulty materials or workmanship. Nothing in this section or the Contract Documents shall be construed to limit, relieve, or release Contractor's, subcontractors', and materials suppliers' liability to the City for damages sustained as a result of latent defects in materials, equipment, or the Work caused by the Contractor, its agents, suppliers, employees, or Subcontractors.

11. REMEDIES AND DISPUTES

- 11.1 Failure to Correct Work. Within ten (10) working days of receiving written notice from the City describing Work that is defective or that is otherwise not in accordance with the requirements of the Agreement and/or applicable law and directing that such Work be corrected, the Contractor and/or the Contractor's sureties must give the City written notice of the intent of the Contractor and/or the Contractor's sureties to correct such Work and commence correction of such Work in accordance with the City's notice and the Agreement. If the Contractor and/or the Contractor's sureties do not give the City written notice of intent to correct such Work and commence correction of such Work within ten (10) working days of receipt of the City's notice, then the City may correct such work and/or have such work corrected for the account and at the expense of the Contractor and/or its sureties, and the Contractor and/or its sureties will be liable to the City for any resulting excess cost. The City may, in addition to all other remedies that the City may have under the Agreement and at law or equity, deduct any such excess cost of completing the Work from amounts that are due or that may become due the Contractor. Contractor shall not be entitled to an extension of the Time of Completion because of a delay in the performance of the Work attributable to the City's exercise of its rights under this section.

11.2 Termination for Cause

- 11.2.1 In accordance with California Public Contract Code Section 7105, in addition to all other available remedies that the City may have under the Agreement, and at law or equity, the City may terminate the Contractor's control of the Work for any material breach of the Contract, including, but not limited to the following:

- 11.2.1.1 If the Contractor or any of its subcontractors engaged in the performance of the Work fails to timely perform the Work

and/or any of the Contractor's material obligations under the Contract Documents, including but not limited to submission of an acceptable schedule, that have accrued except for due to reasons beyond the control of the Contractor pursuant to the Contract Documents.

- 11.2.1.2 If the Contractor is adjudged bankrupt, or if it should make a general assignment for the benefit of creditors, or if a receiver should be appointed on account of its creditors.
 - 11.2.1.3 If the Contractor or any of the subcontractors engaged in the performance of the Work persistently or repeatedly refuses or fails to supply enough properly skilled workmen or proper materials for the timely completion of the Work.
 - 11.2.1.4 If the Contractor fails to make prompt payment to subcontractors engaged in the performance of the Work or for material or labor used in the performance of the Work in accordance with the Contract Documents and applicable law.
 - 11.2.1.5 If the Contractor or any subcontractors engaged in the performance of the Work persistently disregards laws or ordinances applicable to the performance of the Work, or the instructions of the City, the Construction Manager, the Architect, or other authorized representatives of the City.
- 11.2.2 If the City intends to terminate the Contractor's control of the Work for any of the reasons specified in Sections 11.2.1.1 through 11.2.1.5, above, the City will immediately serve written notice to the Contractor and its sureties in accordance with the Contract Documents. Notice of the City's intent to terminate the Contractor's control of the Work will be given by registered or certified mail and specify the grounds for termination, the required cure and the time by which the cure must be effected. Upon receipt of notice of the City's intent to terminate the Contractor's control of the Work for any of the reasons specified in provisions 11.2.1.1 through 11.2.1.5, above, the Contractor will have ten (10) days from receipt of the notice or a longer time specified in the notice to cure its default. If the Contractor does not affect the required cure by the time specified in the notice, the City will issue a written notice of termination to the Contractor and its sureties by registered or certified mail. The notice of termination will specify: that upon receipt of the notice the Contractor's right to perform or complete the Work, including on behalf of the Contractor's sureties, is terminated; that the Contractor's sureties will have the right to take over and complete the Work and perform all of the Contractor's remaining obligations that have accrued under the Agreement; and

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that if the Contractor's sureties do not both give the City written notice of their intention to take over and perform the Agreement and commence completion of the Work and performance of all of the Contractor's remaining obligations that have accrued under the Agreement within ten (10) days after receipt of notice of termination that the City may declare the Contractor's sureties in default and take over the completion of the Work or have the Work completed for the account and at the expense of the Contractor and its sureties, and the Contractor and its sureties will be liable to the City for any resulting excess cost. The City may, in addition to all other available remedies that the City may have under the Contract Documents and at law or equity, deduct any such excess cost of completing the Work from amounts that are due or that may become due the Contractor.

- 11.2.3 Upon termination of the Contractor's control of the Work for any of the reasons specified in Sections 11.2.1.1 through 11.2.1.5, the Contractor will, if so directed by the City, immediately remove from the Work site any and all materials and personal property belonging to the Contractor which have not been incorporated in the Work and the Contractor and its sureties will be liable upon their bond for all damages caused the City by reason of the Contractor's failure to complete the Work.
- 11.2.4 Upon termination of the Contractor's control of the Work for any of the reasons specified in provisions 11.2.1.1 through 11.2.1.5, above, the City reserves the right to refuse tender of the Contractor by any surety to complete the Work.
- 11.2.5 If the City completes or has completed any portion of, or the whole of the Work, following termination of the Contractor's control of the Work for any of the reasons specified in Sections 11.2.1.1 through 11.2.1.5, above, the City will neither be liable for nor account to the Contractor or the Contractor's sureties in any way for the time within which, or the manner in which such Work is performed, or for any changes made in such Work or for the money expended in satisfying claims and/or suits and/or other obligations in connection with completing the Work. If, following termination of the Contractor's control of the Work for any of the reasons specified in Sections 11.2.1.1 through 11.2.1.5, above, the unpaid balance of the Contract Price exceeds the expense of completing the Work, including compensation for additional legal, managerial and administrative services and all other amounts due for the completion of the Work and/or satisfaction of claims of the City and/or others arising out of the Agreement and any other charges that apply to the Contractor under the Agreement, the difference will be paid to the Contractor. If such expenses of completing the Work

exceed the unpaid balance of the Contract Price, the Contractor or its sureties will pay the difference to the City.

- 11.2.6 If the Agreement or Contractor's control of the Work is terminated for any reason, Contractor waives all consequential damages resulting therefrom, including, but not limited to, the loss of any anticipated profit by the Contractor for the Work, the loss of profit on any potential or future jobs, and the loss of bonding capacity.
- 11.2.7 In accordance with California Government Code Section 4410, in the event a national emergency occurs, and public work being performed by contract is stopped, directly or indirectly, because of the freezing or diversion of materials, equipment or labor, as the result of an order or a proclamation of the President of the United States, or of an order of any federal authority, and the circumstances or conditions are such that it is impracticable within a reasonable time to proceed with a substantial portion of the work, then the City and the Contractor may, by written agreement, terminate the Agreement. In accordance with California Government Code Section 4411, such an agreement will include the terms and conditions of the termination of the contract and provision for the payment of compensation or money, if any, which either party will pay to the other or any other person, under the facts and circumstances in the case. Compensation to the Contractor will be determined on the basis of the reasonable value of the work done, including preparatory work. As an exception to the foregoing, in the case of any fully completed separate item or portion of the Work for which there is a separate contract price, the contract price shall control. The parties may in any other case adopt the contract price as the reasonable value of the work or any portion of the work done.
- 11.2.8 In the event a termination for cause is later determined to have been made wrongfully or without cause, then the termination shall be treated as a termination for convenience, and the Contractor shall have no greater rights than it would have following a termination for convenience. Any contractor claim arising out of a termination for cause shall be made in accordance with this section.

11.3 Termination for Convenience.

- 11.3.1 The City may terminate performance of the Work under the Contract Documents in accordance with this clause in whole, or from time to time in part, whenever the City shall determine that termination is in the City's best interest. Termination shall be effected by the City delivering to the Contractor notice of termination specifying the extent to which performance of the Work under the Contract Documents is terminated, and the effective date of the termination.

- 11.3.2 Contractor shall comply strictly with the City's direction regarding the effective date of the termination, the extent of the termination, and shall stop work on the date and to the extent specified.
- 11.3.3 Contractor shall be entitled to a total payment on account of the Contract work so terminated measured by: (i) the actual cost to Contractor of Work actually performed, up to the date of the termination, with profit and overhead limited to twelve percent (12%) of actual cost of work performed, up to but not exceeding the actual contract value of the work completed as measured by the Schedule of Values and Progress Schedule; and (ii) offset by payments made and other contract credits. In connection with any such calculation, however, the City shall retain all rights under the Contract Documents including, without limitation, claims, indemnities, or setoffs.
- 11.3.4 Under no circumstances may Contractor recover legal costs of any nature, nor may Contractor recover costs incurred after the date of the termination.

11.4 Disputes.

The procedure set forth in California Public Contracts Code section 9204 (as summarized in Exhibit A attached hereto) shall apply to all "claims" by the Contractor on the City, as that term is defined in Section 9204. With respect to "claims" or any portion of a claim not resolved by way of the procedure set forth in Section 9204, the following procedure shall thereafter apply as follows:

- 11.4.1 In accordance with California Public Contract Code Section 20104.2, the following procedures apply to claims of \$375,000 or less between the Contractor and the City:
 - 11.4.1.1 The claim shall be in writing and include the documents necessary to substantiate the claim. Claims must be filed on or before the date of final payment. Nothing in this subdivision is intended to extend the time limit or supersede notice requirements otherwise provided by contract for the filing of claims.
 - 11.4.1.2 For claims of less than fifty thousand dollars (\$50,000), the City shall respond in writing to any written claim within 45 days of receipt of the claim, or may request, in writing, within 30 days of receipt of the claim, any additional documentation supporting the claim or relating to defenses to the claim the City may have against the Contractor.
 - 11.4.1.2.1 If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of the City and the Contractor.

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- 11.4.1.2.2 The City's written response to the claim, as further documented, shall be submitted to the Contractor within 15 days after receipt of the further documentation or within a period of time no greater than that taken by the Contractor in producing the additional information, whichever is greater.
- 11.4.1.3 For claims of over fifty thousand dollars (\$50,000) and less than or equal to three hundred seventy-five thousand dollars (\$375,000), the City shall respond in writing to all written claims within 60 days of receipt of the claim, or may request, in writing, within 30 days of receipt of the claim, any additional documentation supporting the claim or relating to defenses to the claim the City may have against the Contractor.
 - 11.4.1.3.1 If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of the City and the Contractor.
 - 11.4.1.3.2 The City's written response to the claim, as further documented, shall be submitted to the Contractor within 30 days after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.
- 11.4.1.4 If the Contractor disputes the City's written response, or the City fails to respond within the time prescribed, the Contractor may so notify the City, in writing, either within 15 days of receipt of the City's response or within 15 days of the City's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon a demand, the City shall schedule a meet and confer conference within 30 days for settlement of the dispute.
- 11.4.1.5 Following the meet and confer conference, if the claim or any portion remains in dispute, the Contractor may file a claim as provided in Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from

the time the Contractor submits his or her written claim pursuant to subdivision (a) until the time that claim is denied as a result of the meet and confer process, including any period of time utilized by the meet and confer process.

11.4.1.6 This article does not apply to tort claims and nothing in this article is intended nor shall be construed to change the time periods for filing tort claims or actions specified by Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code.

11.4.2 In accordance with California Public Contract Code Section 20104.4, the following procedures apply to civil actions to resolve claims of \$375,000 or less between the City and the Contractor:

11.4.2.1 Within 60 days, but no earlier than 30 days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both parties. The mediation process shall provide for the selection within 15 days by both parties of a disinterested third person as mediator, shall be commenced within 30 days of the submittal, and shall be concluded within 15 days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court or by stipulation of both parties. If the parties fail to select a mediator within the 15-day period, any party may petition the court to appoint the mediator.

11.4.2.2 If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

11.4.2.2.1 Notwithstanding any other provision of law, upon stipulation of the parties, arbitrators appointed for purposes of this article shall be experienced in construction law, and, upon stipulation of the parties, mediators and arbitrators shall be paid necessary and reasonable hourly rates of pay not to exceed their customary rate, and such fees and expenses shall be paid equally by the parties,

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except in the case of arbitration where the arbitrator, for good cause, determines a different division. In no event shall these fees or expenses be paid by state or county funds.

11.4.2.2.2 In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, any party who after receiving an arbitration award requests a trial de novo but does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, pay the attorney's fees of the other party arising out of the trial de novo.

11.4.2.3 The court may, upon request by any party, order any witnesses to participate in the mediation or arbitration process.

11.4.3 In accordance with California Public Contract Code Section 20104.6:

11.4.3.1 The City shall not fail to pay money as to any portion of a claim which is undisputed except as otherwise provided in the contract.

11.4.3.2 In any suit filed under Public Contract Code Section 20104.4 concerning this contract, the City shall pay interest at the legal rate on any arbitration award or judgment. Such interest shall accrue from date the suit was filed.

11.5 Non-Waiver.

11.5.1 Either party's waiver of any breach or failure to enforce any of the terms, covenants, conditions or other provisions of the Contract Documents at any time shall not in any way affect, limit, modify or waive that party's right thereafter to enforce or compel strict compliance with every term, covenant, condition or other provision hereof, any course of dealing or custom of the trade or oral representations notwithstanding.

11.5.2 Neither acceptance of the whole or any part of Work by City nor any verbal statements on behalf of City or its authorized agents or representatives shall operate as a waiver or modification of any provision of the Contract Documents, or of any power reserved to City herein nor any right to damages provided in the Contract Documents.

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416 Franklin Street
Fort Bragg, California 95437

CONTRACT, PART 3

SPECIAL PROVISIONS

12. SPECIAL PROVISIONS

12.1 Description of Work.

The Work in general consists of a park renovation which includes construction of a multi-use pavilion with stage, construction of two fenced artificial surface soccer pitch, landscaping and irrigation throughout the park, master lighting control system and new lights, poured in place rubber surfacing in playground, cosmetic and maintenance upgrades to the existing bathroom facilities, and other amenities throughout the park. and other such items of work as are required to complete the project in accordance with this Contract, the Project Plans and Technical Specifications.

The estimate of the quantities of work to be done is approximate only, being as a basis for the comparison of bids, and the City does not expressly or by implication agree that the actual amount of work will correspond therewith, but reserves the right to increase or decrease the amount or any portion of the work as directed by the Construction Manager.

Incidental items of construction necessary to complete the whole Work in a satisfactory and acceptable manner as shown on the Project Plans and as provided for in the Technical Specifications and not specifically referred to in this section, will be understood to be furnished by the Contractor.

12.2 Construction Limitations.

The Contractor will be expected to conduct his or her operations in a manner that creates a minimum of damage to the natural vegetation and landscape. Ingress and egress must be via the existing driveways. Care must be exercised to avoid hazards that may cause injury to persons, animals or property either during working hours or after work hours, which will include dust control, backfilling trenches immediately following pipe laying and temporary fencing as required. Excavation made under this Contract must be backfilled before leaving the Work for the night.

The Contractor will be responsible for obtaining permission from the property owners for any construction outside of the Work site or easements as shown

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on the plans. Equipment will be restricted to the immediate area of construction, pipe trenches will be backfilled as soon as possible.

Receptacles for construction residue, including oil, cleaning fluids, and litter must be covered. Such residues must be disposed of in a proper manner.

Construction activity within the existing right-of-way must be scheduled to minimize traffic inconvenience and safety hazards to motorists, pedestrians and cyclists.

12.3 Storm Water Pollution Prevention.

The Contractor must perform the Work in compliance with all applicable requirements of the California State Water Resources Control Board pursuant to Order No. 99-08-DWQ, National Pollutant Discharge Elimination System (NPDES) General Permit No. CAS000002 ("General Permit") adopted pursuant to regulations adopted by the U.S. Environmental Protection Agency (USEPA) on November 16, 1990 and codified in 40 Code of Federal Regulations Parts 122, 123, 124. The General Permit applies to stormwater discharges from construction sites that disturb land equal to or greater than one acre, and to construction activity that results in soil disturbances of less than one acre if the construction activity is part of a larger common plan of development that encompasses one acre or more of soil disturbance or if there is significant water quality impairment resulting from the activity. The General Permit requirements that may apply to the Contractor's performance of the Work include, but are not limited to:

- a. Development and implementation of a Storm Water Pollution Prevention Plan ("SWPPP") that specifies Best Management Practices ("BMPs") that will prevent all construction pollutants from contacting storm water and with the intent of keeping all products of erosion from moving off site into receiving waters.
- b. Elimination or reduction of non-storm water discharges to storm sewer systems and other waters of the nation.
- c. Inspection of all BMPs.

Portions of the Work that may be subject to the General Permit include, but are not limited to clearing, grading, stockpiling and excavation.

Prior to commencing performance of the Work, the Contractor must also prepare a SWPPP in accordance with all applicable requirements of the

General Permit and submit the SWPPP to the Construction Manager for approval.

Once the Contractor prepared SWPPP is approved, the City will prepare and file the Notice of Intent to obtain coverage under the General Permit, a vicinity map, and pay the applicable fee, with the California State Water Resources Control Board, Division of Water Quality, Storm Water Permit Unit, P.O. Box 1977, Sacramento, California 95812-1977.

The Contractor must also develop and implement a monitoring program to verify compliance with the General Permit.

The SWPPP must include a Project site map. Geometric equations, notes, details, and all data not related to water pollution control work shall be removed to provide clarity. A copy of the Project Plans must be used as a base plan, with the pertinent stage of construction shown as an overlay to accurately reflect Project Site conditions at various phases of construction.

The Contractor must revise and update the SWPPP whenever there is a change in construction operations that may affect the site drainage patterns or discharge of pollutants to surface waters, groundwaters, or a separate municipal storm sewer system.

Any fines, damages, Work delays or other impacts that result from failure of the Contractor or privities or agents of the Contractor to fully comply with the requirements of the General Permit or to fully implement the SWPPP will be solely the responsibility of the Contractor.

The Contractor must keep a copy of the General Permit, together with updates and revisions, at the Project Site and provide copies of the SWPPP at the request of the City.

12.4 Maintaining Traffic and Pedestrian Operations.

The Contractor must conduct his or her operations so as to cause the least possible obstruction and inconvenience to public traffic. Unless otherwise approved by the Construction Manager, all traffic must be permitted to pass through the Work.

Due to the need to accommodate and minimize inconvenience to the public, unless expressly specified or approved in writing by the Construction Manager, no road closures will be permitted. Public vehicular and pedestrian traffic must be allowed to travel through the Work area with an absolute minimum of interruption or impedance unless otherwise provided

for in the Special Provisions or approved in writing by the Construction Manager. The Contractor must make provisions for the safe passage of pedestrians around the area of Work at all times.

Residents affected by construction must be provided passage and access through the Work area to the maximum extent possible. Where existing driveways occur on the street, the Contractor must make provisions for the trench crossings at these points, either by means of backfill or by temporary bridges acceptable to the Construction Manager, so that the length of shut-down of any driveway is kept to a minimum. In addition, all driveways must be accessible at the end of each workday, and no driveway or property access may be closed for more than four (4) hours during the workday. Access to driveways, houses, and buildings along the road or street must be as convenient as possible and well maintained, and all temporary crossings must be maintained in good condition. To minimize the need for and complexity of detours, not more than one crossing or street intersection or road may be closed at any one time without the written approval of the Construction Manager.

The Contractor must provide multiple, advance written notices of closures to all affected property owners in a form approved by the Construction Manager.

Except as otherwise approved by the Construction Manager, the stockpiling or storing of material in City streets or rights of way shall be prohibited. Where this is unavoidable, all such materials must be piled or stored in a manner that will not obstruct sidewalks, driveways, or pedestrian crossings. Gutters and drainage channels must be kept clear and unobstructed at all times. All such materials shall be stored and handled in a manner that protects City streets, sidewalks, or other facilities from damage.

Where approved in advance by the Construction Manager, the Contractor must construct and maintain detours for the use of public traffic at his or her own expense. Failure or refusal of the Contractor to construct and maintain detours so approved at the proper time will be a material breach of the Contract subject to any and all remedies available pursuant to the Contract Documents and at law and equity. Such remedies include, but are not limited to, termination pursuant to Section 11.

Throughout performance of the Work, the Contractor must construct and adequately maintain suitable and safe crossings over trenches and such detours as are necessary to care for the public and private traffic at all times including Saturdays, Sundays and holidays.

The Contractor will be responsible for keeping all emergency services, including the Fort Bragg police and fire departments informed of obstructions to, or detours around any public or private roads caused by reasons of his or her operations.

The Contractor must comply with the State of California, Department of Transportation Manual of warning signs, lights, and devices for use and performance of work within the job site.

The fact that rain or other causes, either within or beyond the control of the Contractor, may force suspension or delay of the Work, shall in no way relieve the Contractor of his or her responsibility of maintaining traffic through the Project and providing local access as specified in this section. The Contractor must, at all times, keep on the job such materials, force and equipment as may be necessary to keep roads, streets and driveways within the Project open to traffic and in good repair and shall expedite the passage of such traffic, using such force and equipment as may be necessary.

Full compensation for conforming to the requirements of this section will be deemed included in the prices paid or the various Contract items of Work, and no additional allowances will be made therefor.

12.5 Public Safety.

The Contractor must at all times conduct the Work in accordance with Construction Safety Orders of the Division of Industrial Safety, State of California, to ensure the least possible obstruction to traffic and inconvenience to the general public, and adequate protection of persons and property in the vicinity of the Work.

No pedestrian or vehicle access way may be closed to the public without first obtaining permission of the Construction Manager.

Should the Contractor fail to provide public safety as specified or if, in the opinion of the Construction Manager, the warning devices furnished by the Contractor are not adequate, the City may place any warning lights or barricades or take any necessary action to protect or warn the public of any dangerous condition connected with the Contractor's operations, and the Contractor will be liable to the City for, and the City may deduct from amounts due or that may become due to the Contractor under the Contract, all costs incurred including, but not limited to, administrative costs.

Nothing in this section will be construed to impose tort liability on the City or Construction Manager.

City of Fort Bragg
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Contractor acknowledges that, pursuant to the Americans with Disabilities Act ("ADA"), programs, services and other activities provided by a public entity to the public, whether directly or through a Contractor, must be accessible to the disabled public. Contractor shall provide the services specified in the Contract Documents in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under the Contract Documents and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns shall constitute a material breach of the Contract Documents.

12.6 Protection of Existing Facilities and Property.

The Contractor must notify Underground Service Alert (USA) for marking the locations of existing underground facilities.

Subject to Section 5 of the General Provisions, the Contractor must take all necessary measures to avoid injury to existing surface and underground utility facilities in and near the Work site. Subject to Section 5 of the General Provisions, no error or omission of utility markouts will be construed to relieve the Contractor from his responsibility to protect all underground pipes, conduits, cables or other structures affected by the Work.

The existing underground facilities in the area of Work may include telephone, television and electrical cables, gas mains, water mains, sewer pipe and drainage pipe. The various utility companies must be notified before trenching begins and at such other times as required to protect their facilities. Subject to Section 5 of the General Provisions, all underground facilities must be located and exposed ahead of trenching to prevent damage to the facilities, and to determine the depth and character of all facilities that cross or infringe on the trench prism. The Contractor must immediately notify the Construction Manager of any facilities found. If damage should occur to the existing facilities, the utility company and the City must be notified immediately and, subject to Section 5 of the General Provisions, repairs acceptable to the utility company must be made at the Contractor's expense.

The Project Plans show the underground utilities on the site of the construction insofar as they are known to the City. The drawings may not show facilities apparent from visual inspection of the site or service laterals or appurtenances, the existence of which can be inferred from the presence

of other visible facilities such as buildings, meters, junction boxes, etc. on or adjacent to the construction site.

If in the performance of the Work an existing utility is encountered that is not shown on the Project Plans and is not apparent or inferable from visual inspection of the Project site, the Project Inspector must be notified immediately. The Construction Manager will determine, subject to Section 5 of the General Provisions, whether the Project Plans or Technical Specifications should be modified, or whether the existing utility should be relocated or whether the Contractor must work around the existing utility. Subject to Section 5 of the General Provisions, the Contractor must replace, at his or her own expense, in as good condition as they were prior to the start of construction, all existing improvements and surroundings damaged by his or her operation. Reconstruction of all existing improvements must conform to CITY OF FORT BRAGG Public Works Standard Specifications and Details under the direction of and subject to the acceptance by the Construction Manager.

Subject to Section 5 of the General Provisions, should the Contractor fail to take adequate measures to avoid injury or damage to the facilities described above, the City may take any actions necessary to protect such facilities from the Contractor's operations. Subject to Section 5 of the General Provisions, the City may withhold the cost of injury to existing surface and underground utility facilities in and near the Work site from amounts due or that may become due the Contractor.

12.7 Preconstruction Conference.

A pre-construction conference will be scheduled, at which time the Contractor must present his or her proposed work schedule in accordance with Section 3.8 of the General Provisions, information concerning offsite yards, Subcontractors, location of disposal and stock pile areas, and traffic control plans. All such schedules will be subject to the approval of the Construction Manager and the applicable agencies.

City will schedule and administer intermittent progress meetings throughout duration of work. City will determine the location and time for the meetings.

12.8 Owner Notification.

The Contractor must notify all property owners and businesses affected by the Work at least 48 hours before Work is to begin. The notice must be in writing in the form of a door hanger, and must indicate the Contractor's name and phone number, type of work, day(s) and time when Work will occur.

City of Fort Bragg
Project No. PWP-00096
Contract, Part 3
Special Provisions

Notices must be reviewed in advance and approved by the Construction Manager.

12.9 Emergency Service Providers Notifications.

The Contractor must furnish the name and phone number of a representative that can be contacted in the event of an emergency. Said information must be reported to the City Police Department dispatcher, and updated as required to provide 24-hour phone access.

12.10 Clean up.

Attention is directed to Section 4-1.02 of the Caltrans Standard Specifications, which section is made a part of this Contract.

Before final inspection of the Work, the Contractor must clean the construction site and all ground occupied by him in connection with the Work, of all rubbish, excess material, falsework, temporary structures and equipment. All parts of the Work shall be left in a neat and presentable condition.

Nothing herein shall require the Contractor to remove warning, regulatory, and guide signs prior to formal acceptance by the Construction Manager.

12.11 Payment.

Payment for all work and work requirements specified in these Special Provisions shall be considered as included in the Contract Price and no additional allowances shall be made therefore.

12.12 Construction Staking.

Attention is directed to Section 3.9 of the General Provisions for information on Construction Staking.

12.13 Materials Testing Allowance.

Attention is directed to Section 3.10 of the General Provisions for information on Materials Testing Allowance.

12.14 Obstructions.

Attention is directed to Section 15, "Existing Highway Facilities," of the Caltrans Standard Specifications, which section is made a part of this Contract.

Attention is directed to the existence of overhead and underground power, telephone, and television cable poles, underground sewer mains and laterals, underground gas mains, and underground water mains and laterals within the area in which construction is to be performed.

Prior to starting the Work, the Contractor must (a minimum of 2 working days in advance) call Underground Service Alert (USA), toll free, at 811, and provide USA with all necessary data relative to the proposed work. USA will accept calls and process information to participating agencies who have underground facilities in the area between the hours of 7:30 a.m. and 5:00 p.m. daily, except Saturdays, Sundays, and holidays. Between the hours of 5:00 p.m. and 7:30 a.m. calls will be recorded and then processed after 7:30 a.m. For emergency situations, after hours and on Saturdays, Sundays and holidays, the Contractor shall contact the organization owning the affected facility. Upon notification, agencies having facilities in the area of the proposed excavation will mark their locations in the field using USA standard colors and codes to identify the facility.

The Contractor will be required to work around public and private utility facilities and other improvements that are to remain in place within the construction area, and he will be held liable to the owners of such facilities for interference with service resulting from his operations.

12.15 Hours of Work.

Unless otherwise specified herein, all construction activity, except for emergency situations, will be confined to Monday through Friday between the hours of 7:30 a.m. and 6:00 p.m., to minimize nuisances to local residents. Mufflers and/or baffles will be required on all construction equipment to control and minimize noise. The Contractor must comply with all applicable noise regulations in the City's Zoning Ordinance.

Saturdays, Sundays, holidays and overtime shall not be regarded as working days. Work shall not be allowed on non-working days without the expressed approval of the Construction Manager. The Contractor shall make a request for approval in writing with the stipulation (implied or expressed) that the Contractor shall pay for all overtime labor charges at the applicable hourly rate of the City or contract employee performing duties of inspector and/or

City of Fort Bragg
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Special Provisions

resident engineer. All overtime labor charges shall be deducted from the final payment along with any liquidated damages.

Work necessary for the proper care and protection of work already performed or in case of emergency may be allowed without permission of the Construction Manager.

12.16 Dust Control.

The Contractor must furnish all labor, equipment, and means required and carry out effective measures wherever and as often as necessary to prevent its operation from producing dust in amounts damaging to property, cultivated vegetation, or domestic animals, or causing a nuisance. The Contractor will be responsible for any damage resulting from any dust originating from the performance of the Work. The use of water resulting in mud on streets, sidewalks, or driveways, will not be permitted as a substitute for sweeping or other methods of dust control. The Contractor may not discharge smoke, dust, or any other air contaminants into the atmosphere in such quantity as will violate the regulations of any legally constituted authority.

Dust control must conform to the provisions in Sections 10-5, "Dust Control" and Section 18, "Dust Palliatives" of the Caltrans Standard Specifications, which section is made a part of this Contract.

12.17 Water for Construction and Dust Control.

Unless otherwise provided, the Contractor will be responsible for applying to the City's Utility Department to establish utility accounts (at no charge) for all water necessary to perform the Work. The Contractor must comply with all City requirements for construction water, including provision of deposits and provision of backflow prevention devices. In accordance with State law, backflow prevention devices for construction water connections must be re-tested when relocated. The Contractor will be responsible for the cost of any re-testing.

The Contractor is prohibited from operating gate valves, fire hydrants, pumps or any other components of the City water system. The Contractor must contact the City's utilities staff, a minimum of twenty-four (24) hours in advance, to operate these or any other components on the City water system.

12.18 Protection and Restoration of Vegetation.

Trees, lawns, shrubbery and vegetation that are not to be removed must be protected from damage or injury. Existing trees, shrubs, and other plants, that are not to be removed and are injured or damaged by reason of the Contractor's operations, must be replaced by the Contractor in accordance with the requirements in Section 20-3.01C, "Replacement," of the Caltrans Standard Specifications. Section 20-3.01C of the Caltrans Standard Specifications is made a part of this Contract.

When it is necessary to excavate adjacent to existing trees, shrubs, or hedges, the Contractor must use all possible care to avoid injury to the trees, shrubs, or hedges and their roots. No roots or limbs two inches (2") or larger in diameter may be cut without the express approval of the Construction Manager.

All roots two inches (2") in diameter and larger left in place must be wrapped with burlap to prevent scarring or excessive drying. When it is necessary to cut limbs and branches of trees to provide clearance for equipment used in construction, the Contractor must repair the damaged areas by properly painting with an emulsified asphalt type seal. All cuts through 1/2" or larger roots and limbs must be hand trimmed and cleanly cut before being repaired.

12.19 Surplus Material.

All material removed or excavated during the course of construction will be surplus. All surplus material will be the property of the Contractor and be disposed of outside the right-of-way, unless the City elects to salvage certain objects that are determined to be of historical interest. The City reserves the right of ownership of all objects that it elects to salvage, and the Contractor must protect such objects from subsequent damage until delivered unto the care of the owner.

12.20 Cultural Resources.

In accordance with the National Historic Preservation Act of 1966 (16 U.S.C. 470), the following procedures are implemented to ensure historic preservation and fair compensation to the Contractor for delays attendant to the cultural resources investigation. The Contractor hereby agrees to comply with these procedures.

12.21 Historical Finds.

In the event potential historical, architectural, archeological, or cultural resources (hereinafter called cultural resources) are discovered during subsurface excavations at the site of construction, the following procedures will apply:

1. The Contractor must immediately notify the Construction Manager and stop any Work that may jeopardize the find pending an investigation of its significance;
2. The Construction Manager will select a qualified archeologist (such as through the Northwest Information Center at Sonoma State University or other official contact) and wait for an archaeologist to complete an evaluation of significance before continuing Work in that area.
3. The Construction Manager will supply the Contractor with a "Stop Work Order" directing the Contractor to cease all portions of the Work that the Construction Manager determines may impact the find. The "Stop Work Order" will be effective until a qualified archaeologist assesses the value of the potential cultural resources. The "Stop Work Order" will contain the following:
 - a. A clear description of the Work to be suspended;
 - b. Any instructions regarding issuance of further orders by the Contractor for materials services;
 - c. Guidance as to action to be taken regarding Subcontractors;
 - d. Any direction to the Contractor to minimize costs; and
 - e. Estimated duration of the temporary suspension.
4. If the archaeologist determines the potential find is a bona fide cultural resource, the Construction Manager may extend the duration of the "Stop Work Order" in writing, and if so the "Stop Work Order" will remain in effect and Work subject to the "Stop Work Order" may not resume until authorized by the Construction Manager.

12.22 Cultural Resources Defined.

Possible indicators that a cultural resource has been found include, but are not limited to the following:

1. Prehistoric-era archaeological site indicators: obsidian tools, tool manufacture waste flakes, grinding and other implements, dwelling sites, animal or human bones, fossils, and/or locally darkened soil

containing dietary debris such as bone fragments and shellfish remains;

2. Historic-era site indicators: ceramic, glass, and/or metal.

12.23 Construction Manager's Discretion.

Once possible cultural resources are found at the Work site, the Construction Manager may use discretion to continue the Work, regardless of the cultural resource find, if the Construction Manager determines that there are overriding considerations such as the instability of the excavation site, the existence of adverse weather or other conditions that would preclude leaving the site exposed, or if the site would be unsafe to workers who would retrieve cultural resource items from therein.

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City of Fort Bragg
Project No. PWP-00096
Construction Performance Bond

CITY OF FORT BRAGG
416 Franklin Street
Fort Bragg, California 95437

CONSTRUCTION PERFORMANCE BOND

(Note: The successful bidder must use this form. Use of any other bond form may prevent a contract from forming and/or result in forfeiture of the successful bidder's bid bond.)

THIS CONSTRUCTION PERFORMANCE BOND (Bond), dated _____, is in the amount of _____ (Penal Sum), which is 100% of the Contract Sum and is entered into by and between the parties listed below to ensure the faithful performance of the Contract identified below. This Bond consists of this page and the Bond Terms and Conditions, Paragraphs 1 through 14 attached to this page. Any singular reference to _____ (Contractor), _____ (Surety), City of Fort Bragg (City), or other party shall be considered plural where applicable.

CONTRACTOR:

SURETY:

Name of Contractor

Address

City/State/Zip

Name of Surety

Principal Place of Business

City/State/Zip

CONSTRUCTION CONTRACT:

Agreement for the _____ (Project) located at _____ (Address), California, dated _____, in the amount of _____.

CONTRACTOR AS PRINCIPAL

SURETY

Company: (Corp. Seal)
Signature: _____
Name: _____
Title: _____

Company: (Corp. Seal)
Signature: _____
Name: _____
Title: _____

City of Fort Bragg
Project No. PWP-00096
Construction Performance Bond

BOND TERMS AND CONDITIONS

1. Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the City and the State of California for the complete and proper performance of the Construction Contract, which is incorporated herein by reference.
2. If Contractor completely and properly performs all of its obligations under the Construction Contract, Surety and Contractor shall have no obligation under this Bond.
3. If there is no City Default, Surety's obligation under this Bond shall arise after:
 - 3.1 City provides Surety with written notice that City has declared a Contractor Default under the Construction Contract pursuant to the terms of the Construction Contract; and
 - 3.2 City has agreed to pay the Balance of the Contract Sum:
 - 3.2.1 To Surety in accordance with the terms of this Bond and the Construction Contract; or
 - 3.2.2 To a Contractor selected to perform the Construction Contract in accordance with the terms of this Bond and the Construction Contract.
4. When City has satisfied the conditions of Paragraph 3 above, Surety shall promptly (within 40 Days) and at Surety's expense elect to take one of the following actions:
 - 4.1 Arrange for Contractor, with consent of City, to perform and complete the Construction Contract (but City may withhold consent, in which case the Surety must elect an option described in Paragraphs 4.2, 4.3 or 4.4 below); or
 - 4.2 Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors or Construction entities; provided, that Surety may not select Contractor as its agent or independent contractor or Contractor without City's consent; or
 - 4.3 Undertake to perform and complete the Construction Contract by obtaining bids from qualified contractors or Construction entities acceptable to City for a contract for performance and completion of the Construction Contract and, upon determination by City of the lowest responsive and responsible Bidder, arrange for a contract to be prepared for execution by City and the contractor or Contractor selected with City's concurrence, to be secured with performance and payment bonds executed by a qualified surety

City of Fort Bragg
Project No. PWP-00096
Construction Performance Bond

equivalent to the bonds issued on the Construction Contract; and, if Surety's obligations defined in Paragraph 6 below, exceed the Balance of the Contract Sum, then Surety shall pay to City the amount of such excess; or

- 4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor or Contractor, and with reasonable promptness under the circumstances and, after investigation and consultation with City, determine in good faith its monetary obligation to City under Paragraph 6 below, for the performance and completion of the Construction Contract and, as soon as practicable after the amount is determined, tender payment therefor to City with full explanation of the payment's calculation. If City accepts Surety's tender under this Paragraph 4.4, City may still hold Surety liable for future damages then unknown or unliquidated resulting from the Contractor Default, as agreed by City and Surety at the time of tender. If City disputes the amount of Surety's tender under this Paragraph 4.4, City may exercise all remedies available to it at law to enforce Surety's liability under Paragraphs 6 and 7 below.
5. At all times City shall be entitled to enforce any remedy available to City at law or under the Construction Contract including, without limitation, and by way of example only, rights to perform work, protect Work, mitigate damages, advance critical Work to mitigate schedule delay, and coordinate Work with other consultants or contractors.
6. If Surety elects to act under Paragraphs 4.1, 4.2 or 4.3 above, within the time period provided in Paragraph 4, above, and complies with its obligations under this Bond, Surety's obligations under this Bond are commensurate with Contractor's Construction Contract obligations. Surety's obligations include, but are not limited to:
 - 6.1 Contractor's obligations to complete the Construction Contract and correct Defective Work;
 - 6.2 Contractor's obligations to pay liquidated damages; and
 - 6.3 To the extent otherwise required of Contractor under the Construction Contract, Contractor's obligations to pay additional legal, design professional, and other costs not included within liquidated damages resulting from Contractor Default (but excluding attorney's fees incurred to enforce this Bond).

7. If Surety does not elect to act under Paragraphs 4.1, 4.2, 4.3, or 4.4, above, within the time period provided in Paragraph 4, above, or comply with its obligations under this Bond, then Surety shall be deemed to be in default on this Bond ten Days after receipt of an additional written notice from City to Surety demanding that Surety perform its obligations under this Bond. Such Surety default shall be independent of the Contractor Default. To the extent Surety's independent default causes City to suffer damages including, but not limited to, delay damages, which are different from, or in addition to (but not duplicative of) damages which City is entitled to receive under the Construction Contract, Surety shall also be liable for such damages. In the event any Surety obligation following its independent default is inconsistent or conflicts with California Civil Code Section 2809, or any other law which either prohibits, restricts, limits or modifies in any way any obligation of a surety which is larger in amount or in any other respect more burdensome than that of the principal, Surety hereby waives the provisions of such laws to that extent.
8. If Surety elects to act under Paragraphs 4.1, 4.2, 4.3 or 4.4 above, within the time period provided in Paragraph 4, above, and complies with all obligations under this Bond, Surety's monetary obligation under this Bond is limited to the Penal Sum.
9. No right of action shall accrue on this Bond to any person or entity other than City or its successors or assigns.
10. Surety hereby waives notice of any change, alteration or addition to the Construction Contract or to related subcontracts, design agreements, purchase orders and other obligations, including changes of time, and of any City action in accordance with Paragraph 5 above. Surety consents to all terms of the Construction Contract, including provisions on changes to the Contract. No extension of time, change, alteration, Modification, deletion, or addition to the Contract Documents, or of the Work (including services) required thereunder, or any City action in accordance with Paragraph 5 above shall release or exonerate Surety on this Bond or in any way affect the obligations of Surety on this Bond, unless such action is an City Default.
11. Any proceeding, legal or equitable, under this Bond shall be instituted in any court of competent jurisdiction where a proceeding is pending between City and Contractor regarding the Construction Contract, or in the Superior Court of the County of Mendocino, California, or in a court of competent jurisdiction in the location in which the Work is located. Communications from City to Surety under Paragraph 3.1 above shall be deemed to include the necessary agreements under Paragraph 3.2 above unless expressly stated otherwise.
12. All notices to Surety or Contractor shall be mailed or delivered (at the address set forth on the signature page of this Bond), and all notices to City shall be mailed or delivered as provided in the Construction Contract. Actual receipt of notice by

City of Fort Bragg
Project No. PWP-00096
Construction Performance Bond

Surety, City or Contractor, however accomplished, shall be sufficient compliance as of the date received at the foregoing addresses.

13. Any provision in this Bond conflicting with any statutory or regulatory requirement shall be deemed deleted herefrom and provisions conforming to such statutory requirement shall be deemed incorporated herein.

14. Definitions

14.1 Balance of the Contract Sum: The total amount payable by City to Contractor pursuant to the terms of the Construction Contract after all proper adjustments have been made under the Construction Contract, for example, deductions for progress payments made, and increases/decreases for approved Modifications to the Construction Contract.

14.2 Construction Contract: The agreement between City and Contractor identified on the signature page of this Bond, including all Contract Documents and changes thereto.

14.3 Contractor Default: Material failure of Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Construction Contract, limited to "default" or any other condition allowing a termination for cause as provided in the Construction Contract.

14.4 City Default: Material failure of City, which has neither been remedied nor waived, to pay Contractor progress payments due under the Construction Contract or to perform other material terms of the Construction Contract, if such failure is the cause of the asserted Contractor Default and is sufficient to justify Contractor termination of the Construction Contract.

END OF DOCUMENT

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CITY OF FORT BRAGG
416 Franklin Street
Fort Bragg, California 95437

CONSTRUCTION LABOR AND MATERIAL PAYMENT BOND

(Note: The successful bidder must use this form. Use of any other bond form may prevent a contract from forming and/or result in forfeiture of the successful bidder's bid bond.)

KNOW ALL PERSONS BY THESE PRESENTS:

1.01 WHEREAS, the City of Fort Bragg, 416 N. Franklin Street, Fort Bragg, California 95437 (City) has awarded a Contract to _____ as Principal, dated the _____ day of _____, _____ (the Contract), titled THE _____ PROJECT in the amount of \$_____, which Contract is by this reference made a part hereof, for the work of the following Contract:

1.02 WHEREAS, Principal is required to furnish a bond in connection with the Contract to secure the payment of claims of laborers, mechanics, material suppliers, and other persons as provided by law;

1.03 NOW, THEREFORE, we, the undersigned Principal and _____, as Surety, are held and firmly bound unto City in the sum of 100% OF THE CONTRACT PRICE (\$_____), for which payment well and truly to be made we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

1.04 THE CONDITION OF THIS OBLIGATION IS SUCH, that if Principal, or its executors, administrators, successors, or assigns approved by City, or its subcontractors shall fail to pay any of the persons named in California Civil Code Section 9100, or amounts due under the State of California Unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld, and paid over to the State of California Employment Development Department from the wages of employees of Principal and subcontractors pursuant to Section 13020 of the State of California Unemployment Insurance Code with respect to such work and labor, that Surety will pay for the same in an amount not exceeding the sum specified in this bond,

City of Fort Bragg
Project No. PWP-00096
Construction Labor & Material Payment Bond

plus reasonable attorneys' fees, otherwise the above obligation shall become and be null and void.

- 1.05 This bond shall inure to the benefit of any of the persons named in California Civil Code Section 9100, as to give a right of action to such persons or their assigns in any suit brought upon this bond. The intent of this bond is to comply with the California Mechanic's Lien Law.
- 1.06 Surety, for value received, hereby expressly agrees that no extension of time, change, modification, alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the Contract, or to the work to be performed thereunder, shall in any way affect the obligation of this bond; and it does hereby waive notice of any such extension of time, change, modification, alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the Contract, or to the work to be performed thereunder.
- 1.07 Surety's obligations hereunder are independent of the obligations of any other surety for the payment of claims of laborers, mechanics, material suppliers, and other persons in connection with Contract; and suit may be brought against Surety and such other sureties, jointly and severally, or against any one or more of them, or against less than all of them without impairing City's rights against the other.
- 1.08 Correspondence or claims relating to this bond shall be sent to Surety at the address set forth below.

IN WITNESS WHEREOF, we have hereunto set our hands this _____day of _____, _____.

CONTRACTOR AS PRINCIPAL

SURETY

Company: (Corp. Seal)

Company: (Corp. Seal)

Signature

Signature

Name

Name

Title

Title

Street Address

Street Address

City, State, Zip Code

City, State, Zip Code

END OF DOCUMENT

City of Fort Bragg
Project No. PWP-00096
Construction Labor & Material Payment Bond

FORT BRAGG
416 Franklin Street
Fort Bragg, California 95437

MAINTENANCE BOND

(Note: The successful bidder must use this form. Use of any other bond form may prevent a contract from forming and/or result in forfeiture of the successful bidder's bid bond.)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS the City Council of the CITY OF FORT BRAGG has awarded to _____, (designated as the "PRINCIPAL") a contract for the _____ Project, Project No. _____, which contract and all of the contract documents as defined therein (designated as the "Contract") are hereby made a part hereof; and

WHEREAS, the PRINCIPAL is required under the terms of the Contract to furnish a bond for the correction of any defects due to defective materials or workmanship in the work performed under the Contract.

NOW, THEREFORE, we the PRINCIPAL and the undersigned _____, as surety (designated as "SURETY"), an admitted surety insurer authorized to do business in the State of California, are held and firmly bound unto the CITY OF FORT BRAGG, (designated as the "OBLIGEE"), in the penal sum of _____ Dollars (\$_____), lawful money of the United States, being a sum not less than ten percent (10%) of the final Contract price, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH that if, during a maintenance period of one (1) year from the date of acceptance by the OBLIGEE of the contracted work, the PRINCIPAL upon receiving written notice of a need for repairs which are directly attributable to defective materials or workmanship, shall diligently take the necessary steps to correct said defects within seven (7) days from the date of said notice, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

If any action shall be brought by the OBLIGEE upon this bond, a reasonable attorney's fee, to be fixed by the Court, shall be and become a part of OBLIGEE's judgment in any such action.

No right of action shall accrue on this bond to, or for the use of, any person or corporation other than the OBLIGEE named herein or the heirs, executors, administrator or successor of the OBLIGEE.

IN WITNESS WHEREOF, the above bound parties have executed this instrument under their seals this _____ day of _____, _____ the name and corporate seals

City of Fort Bragg
Project No. PWP-00096
Construction Labor & Material Payment Bond

of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Corporate Seal)

PRINCIPAL

By: _____

(Acknowledgement)

Title: _____

(Corporate Seal)

SURETY

By: _____

(Attorney-in-fact)

(Acknowledgement)

Title: _____

(NOTE TO SURETY COMPANY: A certified copy of unrevoked resolution of authority for the attorney-in-fact must be submitted with and attached to the executed bid bond.)

END OF DOCUMENT

EXHIBIT A

CLAIMS PROCEDURE

SUMMARY OF PUBLIC CONTRACT CODE § 9204

The following procedure will apply to any claims by the Contractor on the City:

A “claim” is a separate demand on the City by a contractor on a public works project and sent by registered mail or certified mail with return receipt requested, for one or more of the following:

- A time extension, including relief from penalties for delay
- Payment by the City of money damages under the terms of the contract
- Payment of an amount that is disputed by the City

Initial Review

The claim must be supported by appropriate documentation. The City has 45 days within which to review the claim and provide the contractor with a written statement identifying the disputed and undisputed portions of the claim. If the City does not issue a written statement, the claim is deemed rejected in its entirety. The City will pay any undisputed portion of the claim within 60 days of issuing the statement.

Meet & Confer

If the contractor disputes the City’s written response, or if the City does not issue one, the contractor may request in writing an informal conference to meet and confer for possible settlement of the claim. The City will schedule the meet and confer conference within 30 days of this request and provide a written statement identifying the remaining disputed and undisputed portions of the claim within 10 business days of the meet and confer. The City will pay the undisputed portion within 60 days of issuing this statement.

Mediation

With respect to any disputed portion remaining after the meet and confer, the City and contractor will submit the matter to nonbinding mediation, agree to a mediator within 10 business days after issuing the written statement, and share mediation costs equally. If mediation is unsuccessful, then the terms of the public works agreement and applicable law will govern resolution of the dispute.

Miscellaneous Provisions

Amounts not paid by the City in a timely manner bear interest at 7% per annum. Subcontractors may submit claims via this procedure through the general contractor. The City and contractor may waive the requirement to mediate, but cannot otherwise waive these claim procedures.



CITY OF FORT BRAGG

Incorporated August 5, 1889
416 N. Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823

BID OPENING BAINBRIDGE PARK ENHANCEMENT PROJECT City Project No. PWP-00096

Bids were opened on April 17, 2025, at 2:00 p.m. by Emily Reno, Administrative Assistant. City staff present in addition included: Chantell O'Neal .

Two (2) bids were received. Said bids were from:

- | | |
|---|---|
| 1. CSI Services
Po Box 271 San Pedro, CA 90733 | Base Bid: \$1,610,933
Base Bid + Alternates: \$1,741,273 |
| 2. A.B.S. Builders Inc
1023 Main St Colusa, Ca 95932 | Base Bid: \$1,396,725.85
Base Bid + Alternates: \$1,461,010.15 |

The bids contained bid security in accordance with the Notice Inviting Bids for this project.

The bids will be reviewed by City Staff and a recommendation will be made to the Fort Bragg City Council at their regular meeting of April 28, 2025, at 6:00 p.m., or as soon thereafter as the matter may be heard.

Dated: April 17, 2025

Handwritten signature of Emily Reno in blue ink.

Emily Reno, Administrative Assistant

cc: Planholders

From: [Jacob Patterson](#)
To: [City Clerk](#)
Subject: Public Comment -- 4/28/25 CC Mtg., Item No. 8D, Bainbridge Park
Date: Monday, April 28, 2025 12:09:27 PM
Attachments: [DOC042825.pdf](#)

City Council,

I am forwarding the bid package from the recommended contractor for your review, albeit without much time to review it before tonight. IMO, the bid packages should always be included in the agenda materials (at least from the lowest responsive bidder) so you can actually make an informed decision. One of the alternative actions is to not award the contract and solicit bids again. You might want to do that sometimes because staff may have overlooked an important aspect of the project or proposal that merits further review or the bid price is too high and we want to see if we can do better with another round. You only have summary information in the staff report and you are being asked to approve a contract without all of its component parts (the bid package is incorporated by reference). I would never approve a contract without reviewing all substantive provisions and the bid is a very substantive provision.

Normally, I would assume that staff did an acceptable job reviewing the project prior to bringing it forward but this project has already had several concerning issues and errors that suggest a more careful review is necessary (e.g., opening the playground without first having a fully accessible surface and only partially addressing that after much public pressure to do so). In fact, the reason why I wanted to review the full bid package is to ensure that the contractor either has the requisite specialized expertise or has identified a subcontractor with it, to implement the playground surface component of this overall project. I fear that they do not and the City might end up paying for a contractor to install the playground surfacing in a manner that doesn't meet ADA requirements. I am particularly concerned about the slopes of the surface, which are highly regulated. The issue is the playground equipment itself was installed prior to the design of the underlying surfacing and it appears to have been installed at relative heights that won't permit the surface to meet the slope requirements for accessible paths of travel. Normally, accessible playground surfaces are installed by specialist contractors not just any general contractor with experience with hardscaping because of the more stringent regulations for playgrounds. A lot of contractors don't follow the regulations because they don't know them. A perfect example is what happened at the intersection of Oak and Harold you already know about. IMO, we have set up a similar situation here and may end up with an expensive playground that doesn't meet requirements and the various parties will be pointing fingers at everyone else as the cause. Well, the City should ensure that won't happen but I have no evidence that has been adequately addressed. Note: I raised this issue with Isaac and PW for Oak and Harold BEFORE THE NONCOMPLIANT WORK WAS DONE, and it was ignored with assurances that my concerns had been addressed in the design phase. Well, we all know that wasn't actually the case and I suspect the City won't be able to recover the replacement work and we will end up having to pay for it ourselves or end up paying ADA damage awards. This can be avoided through rigorous planning but only if someone is paying attention to these specific issues. The City can award this contract but should research the qualifications and expertise of the firm actually proposed to install the playground and the plans should be reviewed by an ADA expert who has specialized knowledge of the very stringent regulations that only apply to playgrounds rather than generally. (We also had issues with mandatory slopes when we installed the EV charging stations at the Footlighters parking lot so this is a common issue that slips through the review and planning cracks.)

Moreover, the CEQA analysis is incorrect and should be amended, IMO. This project presents two potentially significant issues that require actual analysis rather than reliance on an exemption. That analysis actually has already been done, it just wasn't properly documented in an Initial Study (IS). The two issues are the artificial turf component which I have addressed in prior comments, and the significant increase in impermeable surfaces compared to current baseline conditions. (Oddly, the staff report asserts that "there is no significant increase in pervious surface area" but that is both grammatically and substantively incorrect.) Pervious surfaces are surfaces that drain and percolate, staff obviously meant impervious. The playground, stage area, and additional walkways are all impervious where they are currently pervious. The soccer field is also going to present a change in percolation where the turf will be installed, although it is partially pervious, just less so than the current open grass. In any case, the two issues should have been analyzed and included in an Initial Study that was briefly circulated for public review and comment. That didn't happen even though it is a minimal burden to do so. Technically, the City still has time to do that rather than asserting an arguably inapplicable categorical exemption, thus properly covering its bases and eliminating the risk of delay and expense due to improper reliance on a categorical exemption since you don't have to delay the contract award or planning to circulate an IS that would probably take less than an hour to draft due to the limited issues and project design and planning that reduced the potential impacts. The City should get in the practice of relying on brief Initial Studies rather than recurring reliance on dubious exemptions as a best planning practice. (That also mitigates legal risk and the small investment in staff time is well worth that "insurance" against avoidable delays and potential legal expenses--lawyers are supposed to help reduce risk, not just try to justify what staff was already doing.)

Best,

--Jacob

STATEMENT OF QUALIFICATIONS QUESTIONNAIRE

Bidders shall complete the entire Statement of Qualifications Questionnaire and submit it in accordance with the Instructions to Bidders and Statement of Qualifications Instructions. Failure to complete the questionnaire or inclusion of any false statement(s) shall be ground for immediate disqualification.

CONTACT INFORMATION

Company Name: A.B.S. BUILDERS, INC.

City of Company: COLUSA

Contact Person: AMY SCHMIDT

Address: 1023 MAIN ST, COLUSA, CA 95932

Phone: 530-458-2299 Fax: 530-458-2238

Email: amy@absbuildersinc.com

PART A: GENERAL INFORMATION

1. Does Bidder possess a valid and current California Contractor's license for the work proposed?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
2. Does Bidder have the minimum liability insurance coverage required in the Insurance and Indemnification document?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
3. Has Bidder's Contractor's License been revoked at any time within the last five years?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
4. Has Bidder been "default terminated" by any City (other than for convenience), or has a Surety completed a contract for Bidder within the last five years?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
5. Has Bidder been convicted more than twice for failure to pay prevailing wages in the last three years?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
6. Are Bidder and all listed subcontractors registered and qualified with the Department of Industrial Relations pursuant to Labor Code Section 1725.5?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

**Bidder may be disqualified if any answer to questions 1, 2, or 6 is No.
Bidder may be disqualified if any answer to questions 3, 4, or 5 is Yes.**

PART B: SAFETY, PREVAILING WAGE, DISPUTES AND BONDS

(SAFETY)

Has Cal/OHSA, Federal OSHA, the EPA or any Air Quality Management Agency cited Bidder in the past five years? If yes, attach description of each citation.

Yes No

(PREVAILING WAGE PROVISIONS)

Has Bidder been fined, penalized or otherwise found to have violated any prevailing wage or labor code provision? If yes, attach description of each occurrence.

Yes _____ No X_____

(LICENSE PROVISIONS)

Has Bidder changed names or license numbers in the past five years? If so, please state reason for change.

Yes _____ No X Reason: _____

(DISPUTES)

In the past five years, has Bidder on any project that Bidder performed construction services made any written claim against any City for additional compensation or additional time, that the City disputed, exceeding on a per project basis an aggregate amount of \$100,000 or 10% of the original contract sum? If yes, attach description of each instance including details of total claim(s) amount, resolution description including amount, and City's name and phone number.

Yes _____ No X_____

In the past five years, has any City on any project that Bidder performed construction services asserted any written claim against Bidder for delay, defective work, warranty work, back charges and/or offsets, that the Bidder disputed, exceeding on a per project basis, an aggregate amount of \$100,000 or 10% of the original contract sum? If yes, attach description of each instance including details of total claim(s) amount, resolution description including amount, and City's name and phone number.

Yes _____ No X_____

(BONDING)

Bonding Capacity – Provide documentation from Bidder's surety identifying the following:

Name of bonding company/surety: SURETY 1 -TRAVELERS CASUALTY & SURETY COMPANY OF AMERICA

Name of Surety Agent: RYAN TASH

Surety Agent address: 3225 MONIER CIRCLE, SUITE 100, RANCHO CORDOVA, CA 95742

Surety Agent phone number: 916-737-5736

Is surety a California-admitted surety? Yes X No _____

Is surety listed in the current edition of the California Department of the Treasury's Listing of approved sureties? Yes X No _____

List surety's A.M. Best Rating: A_++ (SUPERIOR)

What is Bidder's total bonding capacity? 2 MILLION AGGREGATE

What percent does Bidder pay for bonds? 1.8%

PART C: EXPERIENCE OF PRIME CONTRACTOR

The nature of this Project requires prior similar experience for the firm and the Key Personnel assigned.

Summarize similar project experience below and provide the detailed project information requested:

Prime Contractor

List three (3) projects of similar size and scope to the Work of the Contract, completed in the past, and indicate who were the superintendent, project manager and scheduler. NOTE: This listing will be used to assess compliance with the stated minimum qualifications in Paragraph 2.01 of the Instructions.

Project Name/Description	Construction Cost (\$)	Address	Contact Person & Phone Number
<p>PORTABLE BUILDINGS & SITEWORK 3 SCHOOL SITES Installation of five portable classrooms at 3 school sites. Scopes include earthwork, utility connections (water/sewer/electrical), foundations, path of travel, landscaping, playground.</p> <p>Project Manager: Amy Schmidt Site Superintendent: William Schmidt Project Scheduler: Amy Schmidt</p>	\$507,648	Marysville Joint Unified School Dist 1919 B St Marysville, CA 95901	Doug Trower 530-713-8452
<p>WILLIAMS UNDERGROUND UTILITY Connected various underground utilities including plumbing and electrical for the installation of new portable classrooms. Landscaping work included irrigation system relocation and repair, tree, sod, and shrubbery installation, and tree removals.</p> <p>Project Manager: Amy Schmidt Site Superintendent: William Schmidt Project Scheduler: Amy Schmidt</p>	\$354,350	Colusa County Office of Education 345 5th Street Colusa, CA 95932	Mike West 530-682-5507
<p>RELOCATION OF 3 CLASSROOM BUILDINGS AT EGLING MIDDLE SCHOOL Scope of work included earthwork, utility connections (including water/sewer/electrical), foundations, path of travel work (concrete and asphalt), landscaping repair and replace, play structure and shade installations.</p> <p>Project Manager: Amy Schmidt Site Superintendent: William Schmidt Project Scheduler: Amy Schmidt</p>	\$545,424	Colusa Unified School District 745 10th Street Colusa, CA 95932	Jamie Lay 530-701-2311

Key Personnel

List Key Personnel that will be assigned to the Work of the current Project and their experience/training with the projects listed above:

Project Manager: AMY SCHMIDT

Project Superintendent: WILLIAM SCHMIDT

Project Scheduler: AMY SCHMIDT

Recent Projects

Provide information about three (3) of Bidder's most currently completed projects. Names and references must be current and verifiable. NOTE: This listing will be used to assess compliance with the stated minimum qualifications in Paragraph 1.01 of the Instructions. If a separate sheet is used, it must contain all of the following information:

1. Project Name: RELOCATE CLASSROOM BUILDINGS AT EGLING MIDDLE SCHOOL

Location: EGLING MIDDLE SCHOOL

City: COLUSA, CA

City Contact (name and phone): DISTRICT CONTACT: JAMIE LAY 530-701-2311

Architect/Engineer: ALAN CHAMBERS

Architect/Engineer Contact (name and phone number): ALAN CHAMBERS 530-898-0123

Const. Mgr. or Project Mgr. (name and phone number): JAMIE LAY 530-701-2311

Description of Project, Scope of Work Performed: Scope of work included earthwork, utility connections (including water/sewer/electrical), foundations, path of travel work, and landscaping.

Total Construction Cost: \$545,424

Total Change Order Amount: \$46,218

Did Change Orders exceed 10% of original contract sum? no If yes, please explain on separate sheet.

Original Scheduled Date of Completion: August 5, 2024

Time Extensions Granted (number of Days): 0

Actual Date of Completion: 08/05/2024

Number of Stop Notices filed by Subcontractors or Suppliers: 0

2. Project Name: PORTABLE BUILDING SITE WORK AT ELLA, JOHNSON PARK, & CEDAR LANE PROJECT

Location: MARYSVILLE, CA

City: MARYSVILLE, CA

City Contact (name and phone): Doug Trower 530-713-8452

Architect/Engineer: SYNTHESIS PARTNERS

Architect/Engineer Contact (name and phone number): JAYCEN RUSSEL 530-298-7298 x101

Const. Mgr. or Project Mgr. (name and phone number): Doug Trower 530-713-8452

Description of Project, Scope of Work Performed: Scope include eathwork, utility connections (water/sewer/electrical), foundations, path of travel, landscaping.

Total Construction Cost: \$507,648

Total Change Order Amount: \$8,080

Did Change Orders exceed 10% of original contract sum? NO If yes, please explain on separate sheet.

Original Scheduled Date of Completion: 12/31/2024

Time Extensions Granted (number of Days): 14 DAYS

Actual Date of Completion: 01/14/2025

Number of Stop Notices filed by Subcontractors or Suppliers: ZERO

3. Project Name: REVITALIZATION OF LAUNDRY FACILITY AT WILLIAMS MIGRANT HOUSING

Location: WILLIAMS, CA

City: WILLIAMS, CA

City Contact (name and phone): MELISSA KITTS 530-458-0580

Architect/Engineer: N/A

Architect/Engineer Contact (name and phone number): N/A

Const. Mgr. or Project Mgr. (name and phone number): DUSTY WHITING 530-682-2743

Description of Project, Scope of Work Performed: RENOVATED LAUNDRY FACILITY SCOPE INCLUDED HVAC, LIGHTING, WATER SYSTEM UPGRADE, INTERIOR RENOVATIONS, WINDOW REPLACEMENT, EPOXY FLOOR

Total Construction Cost: \$210,949

Total Change Order Amount: \$11,035.00

Did Change Orders exceed 10% of original contract sum? NO If yes, please explain on separate sheet.

Original Scheduled Date of Completion: 02/12/2024

Time Extensions Granted (number of Days): 0

Actual Date of Completion: 2/12/2024

Number of Stop Notices filed by Subcontractors or Suppliers: 0

PART D: EXPERIENCE OF DESIGNATED SUBCONTRACTOR
[See Paragraph 2.02.A of Instructions]

General Contractor Name: ABS Builders

Designated Subcontractor Name: Fort Bragg Electric, Inc.

The nature of this Project requires prior similar experience for the Designated Subcontractor Trade(s) performing the Work. Summarize similar project experience below and provide the detailed project information requested:

Designated Subcontractor. List three (3) projects of similar size and scope to the Work of the Contract, completed in the past, and indicate who were the superintendent, project manager and scheduler. NOTE: This listing will be used to assess compliance with the stated minimum qualifications in Paragraph 1.01 of the Instructions for this form.

Project Name/Description	Construction Cost (\$)	Address	Contact Person & Phone Number
Solar Grid Tie System for Fort Bragg Food Bank	\$104,898.00	910 North Franklin St Fort Bragg, CA 95437	Nancy Severy 707-961-2802
Fort Bragg Sewage Lift Stations	\$1,457,135.00	Multiple Sites Fort Bragg, CA 95437	John Smith 707-961-2823
Anderson Valley JR/SR High School Temporary Classrooms Project	\$93,622.00	18200 Mountain View Rd Boonville, CA 95415	Don Alameida 707-895-3496

Key Personnel.

List Key Personnel that will be assigned to the Work of the current Project and their experience/training with the projects listed above:

Project Manager: Josh Margerison 21yrs, Michael Mercado 5yrs, Richard Neils 30Yrs

PART D: EXPERIENCE OF DESIGNATED SUBCONTRACTOR
[See Paragraph 2.02.A of Instructions]

General Contractor Name: ABS Builders

Designated Subcontractor Name: Green Works ATS LLC

The nature of this Project requires prior similar experience for the Designated Subcontractor Trade(s) performing the Work. Summarize similar project experience below and provide the detailed project information requested:

Designated Subcontractor. List three (3) projects of similar size and scope to the Work of the Contract, completed in the past, and indicate who were the superintendent, project manager and scheduler. NOTE: This listing will be used to assess compliance with the stated minimum qualifications in Paragraph 1.01 of the Instructions for this form.

Project Name/Description	Construction Cost (\$)	Address	Contact Person & Phone Number
Boulware Park Renovations PIP surfacing and synthetic turf	\$4,199,221	410 Fernando Ave Palo Alto CA	Edgar With Flex ground +1 (916) 990-2013
Allan Witt Inclusive F PIP surfacing and sy Synthetic turf	\$3472624	1741 West Texas St Fairfield Ca	Kelvin Spectra turf (279) 220-9074
Chinese American International School PIP and small synthetic Turf soccer field Private project	\$38,000 Only our labor Price	3250 19th Ave San Francisco Ca	Edgar With Flex ground +1 (916) 990-2013

Key Personnel.

List Key Personnel that will be assigned to the Work of the current Project and their experience/training with the projects listed above:

Project Manager: Cristian Leon

PART E: FINANCIAL INFORMATION

1. Has Bidder ever reorganized under the protection of bankruptcy laws?
Yes _____ No X If yes, please state when _____

2. If Bidder has had the general liability carrier identified in the Bidder Registration and Safety Experience Form for less than five years, please provide additional information below for balance of the last five years: **WE HAVE HAD THE SAME CARRIER FOR LONGER THAN 5 YEARS**
Agency Name: _____
Contact Name: _____
Phone Number _____
Carrier: _____ A.M. Best Rating: _____
Carrier: _____ A.M. Best Rating: _____
Carrier: _____ A.M. Best Rating: _____

3. Has Bidder ever had insurance terminated by a carrier? Yes _____ No X
If yes, explain on a separate signed sheet marked with correlating cross-reference to this paragraph of the questionnaire.

Bidder hereby declares under penalty of perjury that all the information provided in this questionnaire is true and correct.



SIGNATURE

PRESIDENT

TITLE

SUBCONTRACTORS LIST

[See Instructions to Bidders paragraph 2.03.D]

Subcontractor Name and Business Location	Description of Work	Subcontract Amount	Subcontractor License No.	DIR Registration Number	DBE?
FORT BRAGG ELECTRIC FORT BRAGG, CA	ELECTRICAL	\$171,031.00	391464	1000000561	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
GREEN WORKS ATS LLOC SAN JOSE, CA 95133	RUBBER SURFACING TURF INSTALL	\$313,962.00	1090925	1000998209	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No

(Bidder to attach additional sheets if necessary)



City of Fort Bragg

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

Text File

File Number: 25-129

Agenda Date: 4/28/2025

Version: 1

Status: Business

In Control: City Council

File Type: Resolution

Agenda Number: 8E.

Adopt a Resolution of the Fort Bragg City Council Awarding the Police Department Security Retrofit Project, City Project PWP-00142, to Jess Construction as the Lowest Responsible Bidder, Approving Budget Amendment 2024-25-11, and Authorizing the City Manager to Execute Contract (Not To Exceed \$129,000); Categorical Exemption 15301



CITY COUNCIL STAFF REPORT

TO: City Council

DATE: April 28, 2025

DEPARTMENT: Public Works Department

PREPARED BY: Alfredo Huerta, Assistant City Engineer

PRESENTER: John Smith, Public Works Director

AGENDA TITLE:

Receive Report and Consider Adopting City Council Resolution Awarding the Police Department Security Retrofit Project, City Project No. PWP-00142, to Jess Construction as the Lowest Responsible Bidder, Approving Budget Amendment 2024/25-11, and Authorizing the City Manager to Execute Contract (Not To Exceed \$129,000); Categorical Exemption 15301

RECOMMENDATION

Adopt Council Resolution Accepting the Lowest Responsive Bid, Awarding the Police Department Security Retrofit Project, City Project No. PWP-00142, to Jess Construction, Approving Budget Amendment 2024/25-11, and Authorizing City Manager to Execute Contract (Amount Not To Exceed \$129,000); Categorical Exemption 15301.

BACKGROUND

The Police Department Security Retrofit Project (Project) construction was advertised for bidding in March 2025. This project is not currently in the City's Capital Project list, as it was designed with the "Town Hall and Facilities Project". After design, it became clear this should be recognized as its own project and thus will be added with a budget of \$134,000. The bid solicitation for the construction of the Project was closed on April 15, 2025. One bid was received (Attachment 2) from Jess Construction for \$129,000. The contractor has the proper license and experience and meets the requirements to be considered a responsive bidder, and staff recommends making the award.

DISCUSSION AND ANALYSIS

The Fort Bragg Police Department building was constructed in 1996 and has mainly been used as the Fort Bragg Police Station. There hasn't been much work on this building besides an energy efficiency project completed in 2023 and an EV Fleet Project that is currently nearing completion.

This project is based on the need to facilitate existing processes for Police department staff and the need for Accessibility (ADA) improvements at our police department. This project consists of installing a new ADA compliant front entrance door, installing a

fingerprint station near the entrance to improve employee safety and efficiency, and improvements to the flooring system in the break and locker rooms.

The design Architect, Calpo Hom & Dong Architects completed the design in March 2025 and City staff put the Project out to bid upon receipt of finalized construction documents. The City received one (1) responsive bid when the bid period closed on April 15, 2025. The bid received was from a local contractor, Jess Construction, for \$129,000. As required by the California Public Contract Code and the City's Municipal Code, the apparent low bidder is being recommended for the contract award.

FISCAL IMPACT/FUNDING SOURCE

Although this project was meant to fall within the Police Department Exterior Paint and Repairs Project that is included in the Capital Improvement Project List, city staff decided to roll that project forward to a future year and create a new line item for this project, since the scope for this project is centered around employee safety and accessibility and not just building maintenance. The lowest base bid from Jess construction is \$129,000 and the project requires a building permit with an estimated cost of \$5,000. Staff is recommending a budget amendment BA 2024/25-11 (Attachment 2) to increase the CIP budget by \$134,000 to cover the base bid and building permit. Funds are available in the Police Department's Asset Forfeiture to cover this amount.

ENVIRONMENTAL ANALYSIS:

The Project is exempt under the California Environmental Quality Act ("CEQA") and Title 14, the California Code of Regulations ("CEQA Guidelines"), Section 15301 Existing Facilities. This exemption is appropriate because the project involves alterations such as partitions, plumbing and electrical conveyances on the preexisting facilities that are mainly repair and maintenance and do not expand the footprint of the site or surrounding area.

There will be a short-lived increase in greenhouse gas emissions during the construction phase due to the equipment necessary for the performance of the work. Increases in greenhouse gases will only occur during actual construction. All Air Quality Management District best management practices for minimizing greenhouse gas emissions during construction will be incorporated into the daily activities of this project.

STRATEGIC PLAN/COUNCIL PRIORITIES/GENERAL PLAN CONSISTENCY

This project is consistent with General Plan Element 3 Public Facilities, which is intended to identify essential public facilities, buildings, and services and to ensure that the existing and future population of Fort Bragg is provided with the best feasible level of public services and infrastructure. This project has also been a priority for the Fort Bragg Police Department, as the project will provide safety improvements for its staff and accessibility improvements for the general public.

ALERNATIVES:

Direct staff to reject all current bids and re-bid the project.

ATTACHMENTS:

1. Resolution
2. Bid Opening Results
3. Budget Amendment 2024/25-11
4. Jess Construction, Contract

NOTIFICATION:

1. Jess Construction

RESOLUTION NO. ____-2025

RESOLUTION OF THE FORT BRAGG CITY COUNCIL APPROVING CONTRACT WITH JESS CONSTRUCTION FOR CITY PROJECT NO. PWP-00142; APPROVING BUDGET AMENDMENT 2024/25-11; AUTHORIZING CITY MANAGER TO EXECUTE CONTRACT (AMOUNT NOT TO EXCEED \$129,000); AND FINDING THE PROJECT EXEMPT FROM CEQA UNDER 14 CCR 15301

WHEREAS, in April 2023, the City Council approved a professional services agreement with Calpo Hom & Dong Architects (CH&D) to provide design and engineering services for the Town Hall and Facilities Remodel Project; and

WHEREAS, the design of the Police Department Security Retrofit project was included in the aforementioned professional services agreement, and the final design was completed by CH&D in March 2025; and

WHEREAS, in accordance with California Public Contract Code 20164 and other applicable laws, the Police Department Security Retrofit Project, PWP-00142 (the "Project") was advertised for bid following the informal bidding process on March 19, 2025; and

WHEREAS, one (1) responsive bid was received for this Project (Exhibit A) from Jess Construction in the amount of \$129,000.00; and

WHEREAS, Jess Construction is the low bidder, and the City has confirmed that Jess Construction has the proper license and experience and meets the requirements to complete the Project as bid; and

WHEREAS, the project is not budgeted in the 2024/2025 Capital Improvement Program, which leaves a budget shortfall of \$134,000; and

WHEREAS a budget amendment for \$134,000 (BA 2024/25-11) is necessary to ensure sufficient funds to complete the proposed construction work and cover the cost of the building permit; and

WHEREAS, Police Department staff have prioritized this project and agree that the scope of this project is an approved use of Asset Forfeiture funds; and

WHEREAS, based on all the evidence presented, the City Council finds as follows:

1. The bid of Jess Construction meets the requirements of the Project bid documents and is considered responsive.
2. Jess Construction has the proper licenses to complete the Project and, based upon previous experience in completing similar projects, is a responsible bidder.
3. Police Department Asset Forfeiture funds are available to complete the Project.

NOW, THEREFORE, BE IT RESOLVED that the Project *is exempt* pursuant to the California Environmental Quality Act ("CEQA") and Title 14, the California Code of Regulations ("CEQA Guidelines"), Section 15301 because the project involves alterations such as partitions, plumbing and electrical conveyances on the preexisting facilities that are mainly repair and maintenance and do not expand the footprint of the site or surrounding area; and

BE IT FURTHER RESOLVED that the City Council of the City of Fort Bragg does hereby approve Budget Amendment No. 2024/25-11 (Exhibit B), amending the FY 2024/25 Budget to appropriate \$134,000 to cover project costs; and

BE IT FURTHER RESOLVED that the City Council of the City of Fort Bragg does hereby accept the bid of Jess Construction for the Police Department Security Retrofit Project, Project No. PWP-00142 and authorize the City Manager to execute the same upon execution by the Contractor (amount not to exceed \$129,000.00).

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 28th day of April 2025, by the following vote:

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

JASON GODEKE
Mayor

ATTEST:

Diana Paoli
City Clerk



CITY OF FORT BRAGG

Incorporated August 5, 1889
416 N. Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823

BID OPENING

Police Department Security Retrofit Project
City Project No. PWP-00142

Bids were received by **April 15, 2025**, at 2:00 p.m. by Alfredo Huerta, Assistant City Engineer.

One (1) bid was received. Said bid was from:

1. Jess Construction
208 Park Street, Fort Bragg, CA 95437 Bid: \$129,000

The bids contained bid security in accordance with the Notice Inviting Bids for this project.

The bids will be reviewed by City Staff and a recommendation will be made to the Fort Bragg City Council at their regular meeting of April 28, 2025, at 6:00 p.m., or as soon thereafter as the matter may be heard.

Alfredo Huerta
Assistant City Engineer

cc: Planholders

CITY OF FORT BRAGG
416 N. Franklin Street
Fort Bragg, California 95437

CONTRACT CHECK LIST

Complete, accurate, executed copies of the following documents must be submitted to the CITY OF FORT BRAGG for the Police Department Security Retrofit, Project No. PWP-00142 within ten (10) working days of receiving written notice of award of the project.

- _____ Contract Check List
- _____ Contract, Part 1
- _____ Contract, Part 2 – General Provisions
- _____ Contract, Part 3 – Special Provisions
- _____ Performance Bond
- _____ Payment Bond
- _____ Maintenance Bond
- _____ Certificates of Insurance and Endorsements

CITY OF FORT BRAGG
416 Franklin Street
Fort Bragg, California 95437

CONTRACT, PART 1

The CITY OF FORT BRAGG, 416 N. Franklin Street, Fort Bragg, California 95437 (“City”) enters into this Contract, dated _____, for reference purposes only, with Jess Construction 208 Park Street Fort Bragg, Ca 95437 (“Contractor”).

RECITALS

- A. REQUEST FOR QUOTE. The City solicited quotes from a minimum of three (3) vendors on March 19, 2025 for the Police Department Security Retrofit, PWP-00142 (“Project”) in accordance with Fort Bragg Municipal Code Section 3.22.050 for informal bidding. For purposes of this agreement “bid,” “proposal,” and “quote” are used interchangeably.
- B. PROJECT PROPOSAL. On April 12, 2025, City representatives received the lowest, responsive proposal for the Project from Jess Construction.
- C. PROJECT AWARD. On April 28, 2025 the City Council accepted the proposal of Jess Construction, awarding the contract for the Police Department Security Retrofit and authorizing the City Manager to execute the same.
- D. REQUIRED DOCUMENTS. The Contractor has provided the City executed copies of all documents specified in the contract check list.
- E. INVESTIGATION AND VERIFICATION OF SITE CONDITIONS. The Contractor warrants that it has conducted all necessary pre-bid investigations and other obligations, and agrees that it shall not be entitled to Change Orders (time or compensation) due to any information, error, inconsistency, omission, or conditions that Contractor should have known as a part of this Work. Contractor shall be responsible for the resultant losses, including, without limitation, the cost of correcting Defective Work. In executing this Contract, Contractor shall rely on the results of its own independent investigation and shall not rely on City-supplied information regarding above ground conditions and as-built conditions, and Contractor shall accept full responsibility for its verification work sufficient to complete the Work as intended.

CONTRACT TERMS

The City and the Contractor agree as follows:

City of Fort Bragg
Project No. PWP-00142
Contract, Part 1

1. THE WORK. The Contractor shall furnish all equipment, tools, apparatus, facilities, material labor, and skill necessary to perform and complete in a good and workmanlike manner the Police Department Security Retrofit project (“Work”) as more specifically shown in the Contract Documents and applicable law.
2. LOCATION OF WORK.
The Work will be performed at the following location:
250 Cypress Street Fort Bragg, Ca 95437
3. TIME FOR COMPLETION. The Contractor must complete the Work in accordance with the Contract Documents within () working days from the date specified in the City’s Notice to Proceed (“Time for Completion”).
4. REMEDIES FOR FAILURE TO TIMELY COMPLETE THE WORK. If the Contractor fails to fully perform the Work in accordance with the Contract Documents by the Time for Completion, as such time may be amended by change order or other modification to this Contract in accordance with its terms, and/or if the Contractor fails, by the Time for Completion, to fully perform all of the Contractor’s obligations under this Contract that have accrued by the Time for Completion, the Contractor will become liable to the City for all resulting loss and damage in accordance with the Contract Documents and applicable law. The City’s remedies for the Contractor’s failure to perform include, but are not limited to, assessment of liquidated damages of \$500 per day in accordance with California Government Code Section 53069.85 and the Contract Documents, and/or obtaining or providing for substitute performance in accordance with the Contract Documents.
5. CONTRACT PRICE AND PAYMENT. As full compensation in consideration of completion of the Work in accordance with the Contract Documents and in consideration of the fulfillment of all of the Contractor’s obligations under the Contract Documents, the City will pay the Contractor in lawful money of the United States the total price of **One Hundred Twenty Nine Thousand \$129,000** (the “Contract Price”) as specified in the Contractor’s completed Quote dated April 12, 2025, and attached to and incorporated in this Contract as **Exhibit A**. Payment to the Contractor under this Contract will be for Work actually performed in accordance with the Contract Documents and will be made in accordance with the requirements of the Contract Documents and applicable law. The City will have no obligation to pay the Contractor any amount in excess of the Contract Price unless this Contract is first modified in accordance with its terms. The City’s obligation to pay the Contractor under this Contract is subject to and may be offset by charges that may apply to the Contractor under this Contract. Such charges include but are not limited to, charges for liquidated damages and/or substitute performance in accordance with the Contract Documents.

The Contract Sum is all inclusive and includes all Work; all federal, state, and local taxes on materials and equipment, and labor furnished by Contractor, its subcontractors, subconsultants, architects, engineers, and" vendors or otherwise arising out of Contractor's performance of the Work, including any increases in any such taxes during the term of this Agreement; and any duties, fees, and royalties imposed with respect to any materials and equipment, labor or services. The taxes covered hereby include (but are not limited to) occupational, sales, use, excise, unemployment, FICA, and income taxes, customs, duties, and any and all other taxes on any item or service that is part of the Work, whether such taxes are normally included in the price of such item or service or are normally stated separately. Notwithstanding the foregoing, each party shall bear such state or local inventory, real property, personal property or fixtures taxes as may be properly assessed against it by applicable taxing authorities.

6. PREVAILING WAGES. In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 et seq., the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed. In accordance with California Labor Code Section 1773, the City has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project. In accordance with California Labor Code Section 1773.2, copies of the prevailing rate of per diem wages are on file at the City Public Works Department and will be made available on request. Throughout the performance of the Work the Contractor must comply with all provisions of the Contract Documents and all applicable laws and regulations that apply to wages earned in performance of the Work.

6.1. Contractor acknowledges and agrees that it shall comply with the requirements of California Public Contracts Code sections 2600 et seq., in its entirety and, in particular, those sections related to Skilled and Trained Workforce. By its execution of this agreement Contractor certifies and warrants that it is aware of the requirement of California Public Contracts Code section 2600 et seq. and its requirements as to a Skilled and Trained Workforce.

7. THE CONTRACT DOCUMENTS. This Contract consists of the following documents ("Contract Documents"), all of which are incorporated into and made a part of this Contract as if set forth in full. In the event of a conflict between or among the Contract Documents, precedence will be in the following order:

City of Fort Bragg
Project No. PWP-00142
Contract, Part 1

- 7.1 This Part 1 of the Contract and change orders and other amendments to this Contract signed by authorized representatives of the City and the Contractor.
 - 7.2 The General Provisions, Part 2 of the Contract, and change orders and other amendments to the General Provisions signed by authorized representatives of the City and the Contractor.
 - 7.3 The Special Provisions, Part 3 of the Contract, and change orders and other amendments to the Special Provisions signed by authorized representatives of the City and the Contractor.
 - 7.4 The Technical Specifications, addenda to the Technical Specifications signed by authorized representatives of the City and change orders and other amendments to the Technical Specifications signed by authorized representatives of the City and the Contractor.
 - 7.5 The Project Plans, addenda to the Project Plans signed by authorized representatives of the City and change orders and other amendments to the Project Plans signed by authorized representatives of the City and the Contractor.
 - 7.6 The Contractor's Quote dated April 12, 2025
 - 7.7 Contractor's completed Certificates of Insurance and Endorsements
 - 7.8 Contractor's executed Performance Bond
 - 7.9 Contractor's executed Payment Bond
 - 7.10 Contractor's Maintenance Bond
8. PROVISIONS INCORPORATED BY REFERENCE. Provisions or parts of provisions that are incorporated by reference and not set forth at length in any of the Contract Documents will only form a part of this Contract to the extent the Contract Documents expressly make such provisions or parts of provisions a part of this Contract. For example, published public works agreement provisions, such as those of the State of California Department of Transportation Standard Specifications (known as the Standard Specifications) are only a part of this Contract to the extent expressly incorporated in the Contract by section number. When such published provisions are made a part of this Contract, references in the published provisions to other entities, such as the State, the Agency, or similar references, will be deemed references to the City as the context of this Contract may require.
9. INTERPRETATION OF CONTRACT DOCUMENTS. Any question concerning the intent or meaning of any provision of the Contract Documents, must be submitted to the Public Works Director, or his/her designee, for issuance of an interpretation and/or decision by the authorized Public Works Director in accordance with the requirements of the Contract Documents. Interpretations or decisions by any other person concerning

the Contract Documents will not be binding on the City. The decision of the Public Works Director, or his/her designee, shall be final.

10. ASSIGNMENT PROHIBITED. The Contractor may not assign part or all of this Contract, or any monies due or to become due under this Contract, or any other right or interest of the Contractor under this Contract, or delegate any obligation or duty of the Contractor under this Contract without the prior written approval of an official authorized to bind the City and an authorized representative of Contractor's surety or sureties. Any such purported assignment or delegation without such written approval on behalf of the City and the Contractor's sureties will be void and a material breach of this Contract subject to all available remedies under this Contract and at law and equity.
11. CONTRACTOR'S LICENSE CERTIFICATION. By signing this Contract the Contractor certifies that the Contractor holds a valid Type B license issued by the California State Contractors Licensing Board, and that the Contractor understands that failure to maintain its license in good standing throughout the performance of the Work may result in discipline and/or other penalties pursuant to the California Business and Professions Code, and may constitute a material breach of this Contract subject to all available remedies under this Contract and at law and equity.
12. SEVERABILITY. If any term or provision or portion of a term or provision of this Contract is declared invalid or unenforceable by any court of lawful jurisdiction, then the remaining terms and provisions or portions of terms or provisions will not be affected thereby and will remain in full force and effect.
13. PROJECT REPRESENTATIVES
 - 13.1 The City has designated John Smith as its Project Manager to act as its Representative in all matters relating to the Contract. If Project Manager is an employee of City, Project Manager is the beneficiary of all Contractor obligations to the City including, without limitation, all releases and indemnities.

Project Manager shall have final authority over all matters pertaining to the Contract and shall have sole authority to modify the Contract on behalf of the City, to accept work, and to make decisions or actions binding on the City, and shall have sole signature authority on behalf of the City.

The City may assign all or part of the Project Manager's rights, responsibilities and duties to a construction manager or other City representative.
 - 13.2 The Contractor has designated [REDACTED] as its Project Manager to act as Contractor's Representative in all matters relating to the Contract. The Contractor's Project Manager shall have final authority over all matters pertaining

to the Contract and shall have sole authority to modify the Contract on behalf of the Contractor and to make decisions or actions binding on the Contractor, and shall have sole signature authority on behalf of the Contractor.

SIGNATURES ON FOLLOWING PAGE

Executed on _____, by

CONTRACTOR

By: _____
Title: _____

[Attach Notary Acknowledgment Page]

CITY

By: Isaac Whippy
Title: City Manager

ATTEST:

By: _____
Diana Paoli
City Clerk

APPROVED AS TO FORM:

By: _____
Baron J. Bettenhausen
City Attorney

CITY OF FORT BRAGG
416 Franklin Street
Fort Bragg, California 95437

CONTRACT, PART 2
GENERAL PROVISIONS

1. DEFINITIONS

The following terms as used in any agreement of which these General Provisions are a part are defined as follows:

- 1.1 **City:** CITY OF FORT BRAGG.
- 1.2 **Construction Manager:** The City's authorized representative for administration and overall management of the Project contract and Work. The Construction Manager is the official point of contact between the City, the Architect and/or Engineer, and the Contractor. The Construction Manager for this project shall be Assistant City Engineer Alfredo Huerta.
- 1.3 **Contract:** The agreement between the City and Contractor concerning the Project, as evidenced by and comprised of the Contract Documents.
- 1.4 **Contract Documents:** All documents identified in Section 7 of Part 1 of the Contract.
- 1.5 **Contractor:** Jess Construction. The successful bidder for the Project and party to the Project agreement with the City as specified in the Project agreement.
- 1.6 **Days:** Unless otherwise specified in the Contract Documents, Days mean working days.
- 1.7 **Project:** The Police Department Security Retrofit Project as described in scope of work or Technical Specifications and Project Plans.
- 1.8 **Project Inspector:** The party or parties charged by the City with inspecting the Work for compliance with the requirements of the Contract Documents and applicable laws and regulations. The Project Inspector acts under the direction of the City and shall coordinate with the Construction Manager and Architect as directed by the City in accordance with the Contract Documents. .
- 1.9 **Project Plans:** The primarily graphic detailed requirements concerning the Project contained in Exhibit A of the Request for Quotes and change orders and other amendments to the Project Plans signed by authorized representatives of the City and the Contractor in accordance with the requirements of the Contract Documents.

City of Fort Bragg
Project No. PWP-00142
Contract, Part 2
General Provisions

- 1.10 Proposal: The quote, bid, or proposal submitted by by Contractor to the City in response to City request for informal bid. For purposes of this Agreement, quote, proposal, and bid are used interchangeably.
- 1.11 Subcontractor:** A person, firm or corporation that is obligated as a party to a contract with the Contractor to perform part of the Project work. For purposes of these General Provisions Subcontractors include, but are not limited to, those that are obligated as parties to a contract with the Contractor to specially fabricate and install a portion of the Project Work.
- 1.12 Technical Specifications:** The detailed Project requirements contained in Exhibit B of the Request for Quotes and change orders and other amendments to the Technical Specifications signed by authorized representatives of the City and the Contractor in accordance with the requirements of the Contract Documents.
- 1.13 Time for Completion:** The Time for Completion is the time by which the Work must be completed, as defined in the Contract, Part 1, or as modified in a writing, executed by the City and Contractor. .
- 1.14 Work:** The furnishing of all equipment, tools, apparatus, facilities, material, labor and skill necessary to perform and complete in a good and workmanlike manner the Project in accordance with the Contract Document and applicable law(s).
- 1.15 Written Notice:** Will be deemed to have been duly served for purposes of these General Provisions and any agreement of which they are a part if delivered in person to the individual or to a member of the firm or to any office of the corporation for whom the notice is intended, or if sent by registered or certified mail to the last known business address known to the party giving notice. Unless otherwise specified in the Contract Documents, the last known address of the Contractor shall be that listed in the Contractor's completed Quote.

2. PLANS AND SPECIFICATIONS

- 2.1 Documents Furnished by City.** The City will furnish to the Contractor, free of charge, one (1) set of reproducible Project Plans and five (5) sets of prints of the Project Plans and Technical Specifications for execution of the Work. Throughout the performance of the Work the Contractor must keep one copy of the Project Plans and Technical Specifications in good order and available for review by the Construction Manager, the Engineer, the Architect, and any other City contractors or representatives.
- 2.2 Ownership of Documents Furnished by City.** All documents furnished by the City, including, but not limited to, the Technical Specifications, Project Plans,

City of Fort Bragg
Project No. PWP-00142
Contract, Part 2
General Provisions

and any copies, are the property of the City. Documents furnished by the City may not to be used on any other work. All documents furnished by the City must be returned to City upon completion of the Work.

2.3 Technical Specifications and Project Plans.

- 2.3.1 The Technical Specifications and Project Plans are complementary and intended to mutually describe the Work necessary to complete the Project in accordance with the Contract Documents.
- 2.3.2 In general, the Project Plans indicate dimensions, position and kind of construction, and the Technical Specifications indicate qualities and methods. Any Work indicated on the Project Plans and not mentioned in the Technical Specifications or vice versa must be furnished as though fully set forth in both. Work that is not particularly detailed, marked or specified shall be the same as similar Work that is detailed, marked or specified. The Contractor must furnish items necessary for the operation of equipment depicted in the Project Plans or specified in the Technical Specifications that are suitable to allow such equipment to function properly at no extra charge.
- 2.3.3 Contractor shall perform reasonably implied parts of Work as “incidental work” although absent from Drawings and Specifications. Incidental work includes any work not shown on Drawings or described in Specifications that is necessary or normally or customarily required as a part of the Work shown on Drawings or described in Specifications. Incidental work includes any work necessary or required to make each installation satisfactory, legally operable, functional, and consistent with the intent of Drawings and Specifications or the requirements of Contract Documents. Contractor shall perform incidental work without extra cost to City. Incidental work shall be treated as if fully described in Specifications and shown on Drawings, and the expense of incidental work shall be included in price Bid and Contract Sum.
- 2.3.4 Before undertaking each portion of the Work, Contractor shall carefully study and compare the Contract Documents and check and verify pertinent figures shown in the Contract Documents and all applicable field measurements. Contractor shall be responsible for any errors that might have been avoided by such comparison. The Contractor must notify the Construction Manager and the Architect in writing as soon as possible of any apparent errors or inconsistencies, including, but not limited to, typographical or notational errors in the Project Plans, Technical Specifications, and/or in work done by others affecting the Work. The Construction Manager will issue written instructions concerning any such apparent errors, inconsistencies, or

City of Fort Bragg
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clarifications with reasonable promptness and these shall be binding on the Contractor. If Contractor believes that a written response, clarification or interpretation justifies an adjustment in the Contract Sum or Contract Time, Contractor shall give City prompt written notice. If the parties are unable to agree to the amount or extent of the adjustment, if any, then Contractor shall perform the Work in conformance with City's response, clarification, or interpretation and may make a written claim for the adjustment as provided in Section 11. If the Contractor proceeds with Work impacted by apparent errors or inconsistencies without instructions from the Construction Manager, the Contractor shall do so at its sole risk and shall have all of the obligations and the City shall have all of the rights and remedies specified in Section 11 concerning any resulting damage or defect.

- 2.3.5 The General Provisions apply with equal force to all of the Work, including extra work authorized by the Construction Manager in accordance with the Contract Documents. The Contractor must submit any required shop diagrams and/or drawings by the times and in the quantities indicated in the Technical Specifications. Any such shop diagrams and/or drawings must show completely the Work to be done, expanding on the Project Plans concerning details not previously shown, field conditions and the condition of the Work. Architect or Engineer review of such shop diagrams and/or drawings will concern conformance with the requirements of the Contract Documents only. The Architect or Engineer assumes no responsibility for the correctness or accuracy of the dimensions or any other contents of any shop diagrams and/or drawings submitted by the Contractor. The Contractor must check all dimensions at the Work site. Shop diagrams and/or drawings must be clearly marked with the name of the Project and the name of the Contractor, subcontractor or supplier making the submittal, and must be stamped and signed by the Contractor and submitted under a signed transmittal letter from the Contractor certifying that all dimensions have been checked at the Work site. These requirements are mandatory. The Architect or Engineer will not review shop diagrams and/or drawings that do not satisfy these requirements. The Contractor will be responsible for any and all discrepancies between dimensions of the actual Project site and/or Work and those shown on shop diagram and/or drawings submitted by the Contractor, and for any other errors contained in or resulting from such shop diagrams and/or drawings, including, but not limited to, errors in material and/or equipment quantities and any resulting errors, delays or additional cost in the performance of the Work. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 11 concerning any

City of Fort Bragg
Project No. PWP-00142
Contract, Part 2
General Provisions

discrepancies or errors in shop diagrams and/or drawings submitted by the Contractor, and concerning any resulting errors, delays or additional costs in the performance of the Work.

3. CONTROL OF WORK AND MATERIAL

3.1 Construction Manager's Status. The Construction Manager will administer the Project in accordance with the Contract Documents. After execution of the agreement and issuance of the Notice to Proceed, all correspondence and/or instructions concerning the Project between the Contractor and/or City shall be forwarded through the Construction Manager. Except as otherwise provided in the Contract Documents, the Construction Manager will not be responsible for and will not have control or charge of construction means, methods, techniques, or procedures or for safety precautions in connection with the Work. The Construction Manager, however, will have authority to reject materials and/or workmanship that do not conform to the requirements of the Contract Documents. The Construction Manager will also have the authority to require inspection or testing of the Work.

3.2 Architect or Engineer's Status. [Section Removed]

3.3 Inspection and Testing of Work and Material.

3.3.1 The City and the Construction Manager and their representatives will have access to the Work at all times wherever it is in preparation or progress. The Contractor must provide proper facilities for such access and for inspection.

3.3.2 The Contractor must inspect all materials as delivered and promptly return all defective materials without waiting for their rejection by the Construction Manager.

3.3.3 If the Construction Manager, or any laws, ordinances, or any public authority require any Work to be tested or approved, the Contractor must give the Construction Manager timely notice of the Contractor's readiness for inspection. Inspections will be promptly made, and where practicable, at the source of supply. Any work subject to such testing that is covered up without timely notice to the Construction Manager or without the approval or consent of the Construction Manager must, if required by the Construction Manager, be uncovered for examination at the Contractor's expense. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 11 concerning any work subject to testing that is covered up without timely notice to the Construction Manager and that is not

City of Fort Bragg
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uncovered for examination at the Contractor's Expense if required by the Construction Manager.

- 3.3.4 Tests of materials or qualification tests required by the Contract Documents must be made in accordance with the California Building Standards Code as adopted by the City and other applicable law. Copies of all testing reports shall be distributed as required .
 - 3.3.5 The City or its representatives may order re-examination of questioned Work. If ordered to do so, the Contractor must uncover such Work. If such Work is found to be according to the Contract Documents, the City shall pay the cost of uncovering and restoring the Work, unless such Work was subject to testing and covered up without timely notice to or approval of the Construction Manager. If re-examined Work is found not in accordance with the Contract Documents, the Contractor must pay the cost of uncovering and restoring the Work. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 11 concerning any re-examined Work not in accordance with the Contract Documents that the Contractor fails to uncover and restore at the Contractor's expense.
 - 3.3.6 The Contractor must replace or correct without charge any material or workmanship found not to conform to the requirements of the Contract Documents, unless the City consents to accept such material or workmanship with an appropriate adjustment in the Contract Price. The Contractor must promptly segregate and remove non-conforming material from the Work site. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 11 concerning any failure by the Contractor to replace or correct without charge any material or workmanship that does not conform to the requirements of the Contract Documents and that the City has not consented to accept.
- 3.4 Samples Furnished by the Contractor. The Contractor must furnish all samples for approval as directed in sufficient time to permit the Construction Manager, to examine, approve and select samples before they are required by the progress of the Work. Portions of the Work for which samples are required and for which the Construction Manager has selected samples must be in accordance with such approved samples. Samples must be sent prepaid to the office of the Construction Manager or to such place as the Construction Manager may direct.
- 3.5 Materials and Substitutions.
- 3.5.1 Materials used for the Work must be new and of the quality specified. When not particularly specified, materials must be the best of their class

City of Fort Bragg
Project No. PWP-00142
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General Provisions

or kind. The Contractor must, if required, submit satisfactory evidence as to the kind and quality of materials.

- 3.5.2 If the Contractor submitted complete information to the Public Works Department for products proposed as equals in accordance with the Bid Package, and the City approved such products proposed as equals in writing, the Contractor may either furnish such products approved as equals, or furnish the products listed by manufacturer name, brand or model number in the Contract Documents. The City retains the right, in its sole discretion, to accept or reject any other proposed substitution. To be considered, proposals concerning products proposed as equals must include sufficient information to permit the City to determine whether the products proposed as equals will satisfy the same performance requirements as products listed by manufacturer's name, brand or model number. Such performance requirements may include, but are not limited to, size, strength, function, appearance, ease of maintenance and repair, and useful life requirements. If the City does not accept a proposed substitution, the Contractor must furnish an acceptable product approved by the Construction Manager.
- 3.5.3. During the performance of the Work, all materials must be neatly stacked, properly protected from the weather and other adverse impacts, and placed so as to avoid interference with efficient progress of the Work, with other activities of the City, or with the use of existing City facilities by the public. All materials must be delivered so as to ensure efficient and uninterrupted progress of the Work. Materials must be stored so as to cause no obstruction and so as to prevent overloading of any portion of the Work. The Contractor will be responsible for damage or loss of materials delivered to and/or stored at the Work site due to weather or other causes. The Contractor must promptly remove from the Work site all materials rejected by the City or its representatives as failing to conform to the requirements of the Contract Documents, whether such non-conforming materials have been incorporated in the Work or not. If the City or its representatives so direct, the Contractor must promptly replace and re-execute Work performed by the Contractor and order the replacement and re-execution of Work performed by subcontractors using non-conforming materials with materials that satisfy the requirements of the Contract Documents without expense to the City. The Contractor will bear the expense of making good all Work destroyed or damaged by such removal. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 11 concerning any failure by the Contractor to replace or re-execute Work using non-conforming materials, and/or to make good all work destroyed or damaged by such removal and/or execution.

City of Fort Bragg
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Contract, Part 2
General Provisions

- 3.6 Maintenance and Examination of Records. Contractor shall maintain in a safe place at the Site one record copy of all Drawings, Specifications, Addenda, Contract Modifications, Change Orders, Work Directives, Force Account orders, and written interpretations and clarifications in good order and annotated to show all as-built changes made during construction. These Project Record Documents, together with all approved Samples and a counterpart of all approved Shop Drawings, shall be maintained and available to the City for reference. Upon completion of the Work, Contractor shall deliver to the City, the Project Record Documents, Samples and Shop Drawings and as-built drawings.

Throughout Contractor's performance of the Work of the Project, Contractor shall maintain construction records to include: shop drawings; product data/material data sheets; samples; submittals; purchases; materials; equipment; inspections; applicable handbooks; applicable codes and standards; maintenance and operating manuals and instructions; RFI Log; Submittal Log; other related documents and revisions which arise out of the Construction Contracts. Contractor shall maintain records of principal building layout lines, elevations for the bottom of footings, floor levels, and key site elevations (certified by a qualified surveyor or professional engineer). Contractor shall make all records available to the City. At the completion of the Project, Contractor shall deliver all such records to the City to have a complete set of record as-built drawings.

The City may examine and audit at no additional cost to the City all books, estimates, records, contracts, documents, bid documents, bid cost data, subcontract job cost reports and other Project related data of the Contractor, subcontractors engaged in performance of the Work, and suppliers providing supplies, equipment and other materials required for the Work, including computations and projections related to bidding, negotiating, pricing or performing the Work or contract modifications and other materials concerning the Work, including, but not limited to, Contractor daily logs, in order to evaluate the accuracy, completeness, and currency of cost, pricing, scheduling and any other project related data. The Contractor will make available all such Project related data at all reasonable times for examination, audit, or reproduction at the Contractor's business office at or near the Work site, and at any other location where such Project related data may be kept until three years after final payment under the Agreement. Pursuant to California Government Code Section 8546.7, if the amount of public funds to be expended is in excess of \$10,000, this Contract shall be subject to the examination and audit of the State Auditor, at the request of the City, or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement.

City of Fort Bragg
Project No. PWP-00142
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- 3.7 Advertising. No advertising signs of any kind may be displayed on the Work site, or on fences, offices or elsewhere adjacent to the Work site.
- 3.8 Project Schedule. Prior to the pre-construction meeting, the Contractor shall submit a baseline schedule showing each task of Work, including, as required by the City, equipment procurement and delivery (Contractor and City supplied), activities with Subcontractors and suppliers, major submittal reviews, commissioning of systems, use of major equipment on site, and necessary interface with the City and third parties. The baseline schedule shall include the sequence of each task, the number of days required to complete each task, and the critical path controlling the completion of the entire Work. The schedule shall allow for the completion of the entire Work within the Time for Completion.
- 3.8.1 City Review of Schedule. The City may review the Contractor's submitted schedule and may note any exceptions. The Contractor shall correct any exceptions noted by the City within five (5) working days of being notified of the exceptions.
- 3.8.2 Update of Schedule. After submission of a schedule to which the City has taken no exceptions, the Contractor shall submit an updated schedule on a biweekly basis until completion of the Work. The updated schedule shall show the progress of Work as of the date specified in the updated schedule. Contractor shall provide the City with an electronic copy of each updated schedule.
- 3.8.3 Float. The baseline schedule and all later submitted schedules shall show early and late completion dates for each task. The number of days between these dates shall be designated as "Float." The Float shall be designated to the Project and shall be available to both the City and the Contractor as needed to complete the Work in accordance with the Contract.
- 3.8.4 Failure to Submit Schedule. If the Contractor fails to submit the schedule within the time period specified in this section or submit a schedule to which the City has taken uncorrected exceptions, the City may withhold payments to the Contractor until such schedules are submitted and/or corrected in accordance with the Contract documents.
- 3.8.5 Responsibility for Schedule. The Contractor will be solely and exclusively responsible for creating the schedule and properly updating it. The City may note exceptions to any schedule submitted by the Contractor. However, the Contractor will be solely responsible for determining the proper method of addressing such exceptions, and the City's review of the schedule will not create scheduling obligations for the City.

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- 3.8.6 Contractor's baseline schedule and progress schedules shall be in the form of a CPM (arrow) diagram. Contractor shall provide the City with native format electronic schedules and hard copies of the baseline schedule, schedule updates, and look ahead schedules. All electronic and hard copies of the schedule that Contractor provides to the City shall indicate the critical path of the Work (in red) and shall show a logical progression of the Work through completion within Contract Time.
- 3.8.7 The City has no obligation to accept an early completion date.
- 3.8.8 The City may request a recovery schedule should Contractor fall 21 or more Days behind any schedule milestone, which schedule shall show Contractor's plan and resources committed to retain Contract completion dates. The recovery schedule shall show the intended critical path. If the City requests, Contractor shall also: secure and demonstrate appropriate subcontractor and supplier consent to the recovery schedule; and submit a written plan and narrative explaining on trade flow and construction flow changes and man-hour loading assumptions for major Work activities and/or subcontractors.
- 3.8.9 If the Contractor requests an extension of the Time for Completion, it shall submit the request in a writing that provides information justifying the request and stating the extent of the adjustment requested for each specific change or alleged delay. The writing shall include this narrative and a schedule diagram depicting how the changed Work or other impact affects other schedule activities. The schedule diagram shall show how Contractor proposes to incorporate the changed Work or other impact in the schedule and how it impacts the current schedule impact or critical path or otherwise. Any requests of an extension of the Time for Completion stemming from an alleged project delay shall be made within five (5) days of the commencement of the alleged delay, explain the reason for delay, include the anticipated length of the delay, and contain a narrative justifying the extension, in addition to the other information and schedules required by this section.

- 3.9 Construction Staking. All Work done under this Contract must be in conformance with the Project Plans and staked by the Engineer in the field. The Contractor must inform the Engineer, forty-eight (48) hours in advance, of the time and places at which he or she wishes to do work, in order that lines and grades may be furnished and necessary measurements for record and payment made, with the minimum of inconvenience to the Engineer and delay to the Contractor.

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- 3.10 Materials Testing. Materials will be tested by the CITY OF FORT BRAGG or its authorized agent, following State of California Test Methods. Statistical testing may not be used. All individual samples must meet the specified test results. Each material used must meet the specified requirements.

The Contractor must request and coordinate all testing. All tests must occur in the presence of the Project Inspector. The City will, at its sole discretion, have the right to reject any and/or all test results that do not meet this requirement, and to order a retest in the presence of the Project Inspector. The costs for all retests so ordered will be the responsibility of the Contractor. The cost of all retests will be charged to the Contractor at the actual cost plus 30 percent, with a minimum charge of \$150.00 per test to cover staff and administrative costs.

The City, at its sole expense, will provide all initial material and compaction tests. Sampling and testing will comply with Chapter 6 of the Caltrans Construction Manual, at a minimum. Where conditions vary, the City may perform additional testing. Cost for testing of materials offered in lieu of the specified materials will be the responsibility of the Contractor. Cost for R-value tests when required by the Standard Specifications will be the responsibility of the Contractor.

Testing will only be performed on normal City working days between the hours of 8:00 a.m. and 4:00 p.m. unless other arrangements are made in advance. Tests performed outside of these hours may be subject to increased charges.

The Contractor must request all tests in writing a minimum of two (2) working days in advance of the time desired. A minimum of one working day must be allowed for compilation and reporting of data and test results after tests have been performed. No subsequent layer of material may be placed until a passing test is obtained and acknowledged by the City.

Concrete and asphalt may be supplied only from suppliers approved and certified by the State Department of Transportation. Proposed mix designs for all concrete and asphalt concrete to be placed within the CITY OF FORT BRAGG must be provided to and approved by the City, prior to placement.

The Contractor must coordinate with the City concerning any additional testing as required.

4. CHANGES IN WORK

- 4.1 City Directed Change Orders. The City may at any time during the progress of the Work direct any amendments to the Work or any of the Contract Documents. Such amendments will in no way void the agreement, but may

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be applied to amend the Contract Price or Time for Completion, if such amendments affect the Contract Price, the Project schedule, or any other provision of the Contract Documents based on a fair and reasonable valuation of the amendment in accordance with this Section 4.

- 4.2 Writing Requirement. Change orders and other amendments to the Contract Documents may be made only by a writing executed by authorized representatives of the City and the Contractor.
- 4.3 Contractor Proposed Change Orders. Unless the Construction Manager otherwise authorizes or the City and the Contractor otherwise agree, change order proposals submitted by the Contractor must be submitted to the Construction Manager no later than the time of the proposed change.
- 4.4 All Change Orders. All change order proposals must be submitted on completed Change Order forms provided by the City. All such change order proposals must itemize all cost impacts of the proposed change order and include a total price for that change order and the amended Contract Price that would become effective upon execution of the change order. All change order proposals must specify any change in the Project schedule, or in any project milestone including, but not limited to, the Time for Completion, under the change order, and must provide information justifying the requested change in the Time for Completion. It is understood that change orders that do not specify a change in any milestone, including, but not limited to, the Time for Completion, will be accomplished by the Time for Completion then in effect.
- 4.5 Change Order Pricing. Change order pricing will be governed by the following:
 - 4.5.1 Unit prices specified in the Contract Documents will apply to cost impacts involving items for which the Contract Documents specify unit prices.
 - 4.5.2 Cost impacts involving items for which no unit prices are specified will be calculated by adding the itemized actual direct cost that would be added or reduced under the change order and an allowance for indirect costs in accordance with this Section. Itemization for direct costs for required labor must include the classifications of labor required, the total hours required for each classification, the hourly rate for each classification and other labor related costs such as liability and workers compensation insurance, social security, retirement and unemployment insurance. All other cost impacts for which no unit prices are specified must be itemized as appropriate, including the cost of tools, vehicles, phones and other equipment, and the cost of all required materials or supplies. Indirect costs added under a change order may not exceed an allowance of fifteen (15)

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percent of the total of combined Contractor and subcontractor direct costs added under the change order. Such allowance covers Contractor overhead and profit under the change order and includes the cost of insurance in addition to that required pursuant to Section 8.8, bond premiums, superintendent labor, clerical labor, home office expenses, worksite office expenses, and utility costs under the change order. Such costs may not be itemized as direct costs under a change order. Indirect costs deducted under a change order will be calculated in exactly the same way as indirect costs added under a change order, except indirect costs deducted under a change order may not exceed an allowance of seven and a half (7.5) percent of the total of combined Contractor and subcontractor direct costs deducted under the change order.

- 4.6 Liability Under Unapproved Change Orders. The Contractor shall be solely responsible for any and all losses, costs, or liabilities of any kind incurred by the Contractor, any subcontractor engaged in the performance of the Work, any party supplying material or equipment for the Work or any third party that are incurred pursuant to Contractor-proposed change orders prior to issuance of an approved change order executed in accordance with this Section 4. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 11 concerning any work or resulting losses, costs, or liabilities pursuant to a Contractor proposed change order before issuance of an approved change order executed in accordance with this Section 4.
- 4.7 Changes Subject to Contract Documents. Any changes in the Work and/or the Contract Documents pursuant to change orders and any other amendments issued in accordance with the Contract Documents, including this Section 4, will in all respects be subject to all provisions of the Contract Documents, except as modified by such change orders or amendments.
- 4.8 Change Order Disputes.
 - 4.8.1 Disputed City Directed Change Orders. If the Contractor disputes a City directed change order following a reasonable effort by the City and the Contractor to resolve the dispute including, at a minimum, a meeting between appropriate representatives of the Contractor and the City, the Contractor must commence performing the Work consistent with the disputed change order within five (5) working days of the last meeting between representatives of the Contractor and the City to resolve the dispute, or within the time specified in the disputed City directed change order, whichever is later. In performing Work consistent with a disputed City-directed change order pursuant to this provision the Contractor will have all of the Contractor's rights

concerning claims pursuant to the Contract Documents and applicable law.

4.8.2 Disputed Contractor Proposed Change Orders. If the City disputes a Contractor proposed change order, the City and the Contractor will use reasonable efforts to resolve the dispute including, at a minimum, holding a meeting between appropriate representatives of the Contractor and the City. Regardless of and throughout any such efforts to resolve the dispute the Contractor must continue performing the Work irrespective of and unmodified by the disputed change order. In continuing to perform the Work, the Contractor will retain all of the Contractor's rights under contract or law pertaining to resolution of disputes and protests between contracting parties. Disputes between the City and the Contractor concerning any Contractor-proposed change order or other amendment do not excuse the Contractor's obligation to perform the Work in accordance with the Contract Documents excluding such Contractor-proposed change order or other amendment by the Time for Completion or waive any other Project milestone or other requirement of the Contract Documents.

4.9 Change in Time for Completion. The Time for Completion may only be changed through a Change Order, and all time limits stated in the Contract Documents are to mean that time is of the essence. Contractor shall not be entitled time extension for impacts that consume Float, but do not impact the critical path. Time extensions will not be granted unless substantiated by the Critical Path Method (CPM) Schedule, and then not until the CPM float becomes zero. If contractor fails to submit documentation requesting and justifying a change in Time for Completion consistent with the Contract Documents, the Contractor shall be deemed to have agreed that there is no extension of time and that Contractor has irrevocably waived its rights to any change in the Time for Completion. Contractor initiated change orders shall address any impacts on the Time for Completion when first submitted to the City. Contractor shall submit any request for change in the Time for Completion and all supporting information and documentation required by the Contract Documents within seven (7) working days of receipt of a City-directed Change Order.

5. TRENCHING AND UTILITIES [Section Removed]

6. PROJECT FACILITIES

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- 6.1 Work Site Offices. Any Work site office facilities used by the Contractor and/or its privities must conform to all applicable codes, ordinances and regulations. The cost of such Work site office facilities shall be paid from and included in the Contract Price.
- 6.2 City Rights of Access and Ownership. The City and its authorized representatives will at all reasonable times while such office facilities are located at the Work site (including, at a minimum, all times during which the Work is performed), have access to any such Work site office facilities used by the Contractor and/or its privities. With respect to the right of access of the City and its authorized representatives, neither the Contractor nor its privities shall have a reasonable expectation of privacy pursuant to the Fourth Amendment to the United States Constitution or other applicable law concerning such Work site office facilities used by the Contractor and/or its privities. Without exception, any and all Project related materials located at such Work site facilities will be deemed at all times to be City property subject to inspection and copying by the City and its authorized representatives at all reasonable times while such facilities are located at the Work site (including, at a minimum, all times during which the Work is performed). Any interference by the Contractor or its privities with the City's rights of access and/or Ownership pursuant to this Section 6 will constitute a material breach of the Agreement subject to any and all remedies available pursuant to the Contract Documents and at law and equity.

7. PROSECUTION AND PROGRESS OF THE WORK

- 7.1 Liquidated Damages. Time is of the essence in the Agreement. The City and the Contractor agree that it will be difficult and/or impossible to determine the actual damage which the City will sustain in the event of the Contractor's failure to fully perform the Work or to fully perform all of the Contractor's obligations that have accrued pursuant to the Agreement by the Time for Completion. Accordingly, the City and the Contractor agree in accordance with California Government Code Section 53069.85 that the Contractor will forfeit and pay to the City liquidated damages in the sum of \$100 per day for each and every calendar day completion of the Work and/or performance of all of the Contractor's obligations that have accrued pursuant to the Agreement is delayed beyond the Time for Completion. The City and the Contractor further agree in accordance with California Government Code Section 53069.85 that the liquidated damages sum specified in this provision is not manifestly unreasonable under the circumstances existing at the time the Agreement was made, and that the City may deduct liquidated damages sums in accordance with this provision from any payments due or that may become due the Contractor under the Agreement.
- 7.2 No Damage for Avoidable Delays. All delays in the Work that might have been avoided by the exercise of care, prudence, foresight and diligence of the

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Contractor or any privities of the Contractor will be deemed avoidable delays. Delays in the Work that may be unavoidable but that do not necessarily affect other portions of the Work or prevent completion of all Work within the Time for Completion, including, but not limited to, reasonable delays in Engineer approval of shop drawings, placement of construction survey stakes, measurements and inspection, and such interruption as may occur in prosecution of the Work due to reasonable interference of other contractors of the City, will be deemed avoidable delays. The Contractor will not be awarded a change in the Project schedule, the Time for Completion, and/or additional compensation in excess of the contract price for avoidable delays.

- 7.3 Unavoidable Delays. All delays in the Work that result from causes beyond the control of the Contractor and that the Contractor could not have avoided through exercise of care, prudence, foresight, and diligence will be deemed unavoidable delays. Orders issued by the City changing the amount of Work to be done, the quantity of materials to be furnished, or the manner in which the work is to be prosecuted, and unforeseen delays in the prosecution of the Work due to causes beyond the Contractor's control, such as strikes, lockouts, labor disturbances, fires, epidemics, earthquakes, acts of God, neglect by utility owners or other contractors that are not privities of the Contractor will be deemed unavoidable delays to the extent they actually delay the Contractor's completion of the Work. The Contractor will be awarded a change in the Project schedule, the Time for Completion, and/or additional compensation in excess of the Contract Price for unavoidable delays to the extent such delays actually delay the Contractor's completion of the Work and/or result in the Contractor incurring additional costs in excess of the Contract Price.
- 7.4 No Damage for Contractor Caused Delay. Contractor shall not be entitled to additional compensation for extended field or home office overhead, field supervision, costs of capital, interest, escalation charges, acceleration costs or other impacts for any delays to the extent such delays are caused by the failure of the Contractor or any subcontractor or other entity engaged in performance of the Work to perform the Work in accordance with the Contract Documents.
- 7.5 No Damage for Other Delay. Contractor will not be entitled to damages for delay to the Work caused by the following, which the City and Contractor agree will be deemed for purposes of California Public Contract Code Section 7102 either not caused by the City, and/or within the contemplation of the City and the Contractor, and/or reasonable under the circumstances:
- 7.5.1 Exercise of the City's right to sequence the Work in a manner that would avoid disruption to the City and other contractors based on: the failure of the Contractor or any subcontractor or other entity engaged in the performance of the Work to perform the Work in accordance with the Contract Documents, enforcement by the City or any other

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governmental agency of competent jurisdiction of any government act or regulation, or enforcement by the City of any provisions of the Agreement.

- 7.5.2 Requests for clarification or information concerning the Contract Documents or proposed change orders or modifications to the Contract Documents, including extensive and/or numerous such requests for clarification or information or proposed change orders or modifications, provided such clarifications or information or proposed change orders or modifications are processed by the City or its representatives in a reasonable time in accordance with the Contract Documents.
- 7.6 Delays Caused by the City and/or Its Privities. Delay caused by the City and/or other Contractors of the City will be deemed unavoidable delays. Either the City or the Contractor may propose a change in the Time for Completion for delays that are purported to be caused by the City and/or its privities and that are not reasonable under the circumstances involved and/or that are not within the contemplation of the City and the Contractor. Such proposed changes in the Time for Completion will constitute change order proposals subject to Section 4. In accordance with Section 4, the City and the Contractor may agree upon pricing for the cost impacts, if any, resulting from such delays. If such pricing is in anticipation of cost impacts that may, but have not yet occurred, the City will be obligated to pay the Contractor for such anticipated impacts in accordance with the Agreement and any applicable, approved change orders only to the extent the Contractor actually incurs the anticipated cost impacts. Notwithstanding anything to the contrary in Section 4, the City and the Contractor may agree to a daily rate or cap or lump sum that will apply to the cost impacts, if any, resulting from delay purportedly caused by the City and/or its privities subject to this provision. However, if such daily rate or cap or lump sum is in anticipation of cost impacts that have not yet occurred, the City will be obligated to pay such daily rate or cap or lump sum only to the extent the Contractor actually incurs such cost impacts.
- 7.7 Weather Delays. Extensions of the Time for Completion will not be allowed for normal, adverse weather conditions that are consistent with historical weather data of the National Oceanographic and Atmospheric Administration of the U.S. Department of Commerce for the record station that is nearest or most applicable to the Work site. The Contractor should understand that normal adverse weather conditions are to be expected and plan the Work accordingly, such as by incorporating into the Project schedule, normal adverse weather delays as reflected in historical data of the National Oceanic and Atmospheric Administration of the U.S. Department of Commerce for the weather station most applicable to the Work site. Extensions of the Time for Completion for delays due to adverse weather will be allowed only if the number of adverse weather days far exceeds the historical data. No extensions of the Time for

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Completion will be granted for normal, adverse weather conditions or for adverse weather conditions that merely result in delays that do not or would not, themselves, result in failure to complete the Work by the Time for Completion.

7.8 Delay Claims. Within five (5) days of the beginning of any delay, Contractor shall notify the City in writing, by submitting a notice of delay that shall describe the anticipated delays resulting from the delay event in question. Whenever the Contractor claims a delay for which the Time for Completion may be extended, the Contractor must request an extension of time within five (5) days of submitting its notice of delay. The request must be in writing in the form of a change order and describe in detail the cause for the delay, and, if possible, the foreseeable extent of the delay. The City will determine all claims and adjustments in the Time for Completion. No claim for an adjustment in the Time for Completion will be valid and such claim will be waived if not submitted in accordance with the requirements of this Section and Section 4.9. In cases of substantial compliance with the notice timing requirements of this Section (but not to exceed twenty-one (21) days from the beginning of the delay event), City may in its sole discretion recognize a claim for delay accompanied with the proper documentation and justification, provided the Contractor also shows good faith and a manifest lack of prejudice to the City from the late notice.

7.9 Contractor Coordination of the Work.

7.9.1 The City reserves the right to do other work in connection with or in the vicinity of the Project by contract or otherwise, and Contractor shall at all times conduct the Work so as to impose no hardship on the City, others engaged in the Work or other contractors working at the Work site. The Contractor will adjust, correct and coordinate the Work with the work of others so that no delays result in the Work or other work at or near the Work site.

7.9.2 If any part of the Work depends for proper execution or results upon the work of the City or any other contractor, the Contractor will, before proceeding with such Work, promptly report to the City any apparent discrepancies or defects in such other Work. Failure of the Contractor to promptly report any apparent discrepancy or defect will be deemed an acceptance of the City's or other contractor's Work as fit and proper.

7.9.3 The Contractor will anticipate the relations of the various trades to the progress of the Work and will ensure that required anchorage or blocking is furnished and set at proper times. Anchorage and blocking necessary for each trade shall be part of the Work except where stated otherwise.

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7.9.4 The Contractor will provide proper facilities at all times for access of the City, the Construction Manager, Architect or Engineer, and other authorized City representatives to conveniently examine and inspect the Work.

8. CONTRACTOR RESPONSIBILITIES

8.1. Eligibility. By executing the Agreement, the Contractor certifies that the Contractor is not ineligible to perform work on public works projects pursuant to California Labor Code Sections 1777.1 or 1777.7. In accordance with California Public Contract Code Section 6109(a), contractors who are ineligible to perform work on public works projects pursuant to California Labor Code Sections 1777.1 or 1777.7 may neither bid on, be awarded or perform the Work. To the fullest extent permitted by law, the Contractor shall hold harmless and indemnify the City from and against any and all damages, costs, and liability arising from or as a consequence of any violation of Public Contract Code Section 6109.

8.2 Non Discrimination. During the performance of this Contract, Contractor will not discriminate against any employee or subcontractor of the Contractor or applicant for employment because of race, religion, creed, color, national origin, gender, sexual orientation, or age. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, creed, color, national origin, gender, sexual orientation, or age.

Contractor acknowledges that Contractor, and all subcontractors hired by Contractor to perform services under this Agreement, are aware of and understand the Immigration Reform and Control Act ("IRCA"). Contractor is and shall remain in compliance with the IRCA and shall ensure that any subcontractors hired by Contractor to perform services under this Agreement are in compliance with the IRCA. In addition, Contractor agrees to indemnify, defend and hold harmless City, its agents, officers and employees, from any liability, damages or causes of action arising out of or relating to any claims that Contractor's employees, or employees of any subcontractor hired by Contractor, are not authorized to work in the United States for Contractor or its subcontractor and/or any other claims based upon alleged IRCA violations committed by Contractor or Contractor's subcontractors.

8.3 Supervision of the Work. The Contractor will be solely responsible for the performance of the Work, including portions of the Work to be performed by subcontractors. The Contractor is charged with ensuring that all orders or instructions from the City, Construction Manager or Architect are disseminated to and followed by all subcontractors engaged in performance of the Work. The Contractor will supervise the Work using the Contractor's best skill and attention. At any time during the progress of the Work, the City, the

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Construction Manager, or the Architect may require the Contractor and/or subcontractors engaged in performance of the Work to attend a project meeting and the Contractor will attend, and ensure the attendance of any subcontractors whose attendance is required by the City and/or advisable in light of the matters to be addressed at the meeting.

- 8.4 Contractor's Superintendent. The Contractor will keep on the Work, throughout its progress, a competent superintendent and any necessary assistants, all satisfactory to the City. The superintendent may not be changed without the consent of the City. The superintendent will represent the Contractor and all directions given by the City to the superintendent will bind the Contractor in accordance with the Agreement. Superintendent time included in Contractor's completed bid schedule and/or in approved change orders, if any, must be included in Contractor's approved overhead rate and may not be charged as a direct cost.
- 8.5 Competent Employees. The Contractor must at all times enforce strict discipline and good order among the Contractor's employees and may not employ on the Project any unfit person or anyone not skilled in the Work assigned, or anyone incompetent or unfit for the duties of that person. When the City determines that a Contractor employee does not satisfy the requirements of this provision, upon notice from the City, the Contractor must ensure that employee performs no further Work and is no longer present at the Work site. Any such Contractor employee may not again be employed on the Project without City approval.
- 8.6 Items Necessary for Proper Completion of the Work. Except as otherwise noted in the Contract Documents, the Contractor will provide and pay for all labor, materials, equipment, permits, fees, licenses, facilities and services necessary for the proper execution and timely completion of the Work in accordance with the Contract Documents.
- 8.7 Construction Reports. The Contractor must submit daily construction reports detailing the daily progress of the Work to the Construction Manager on a weekly basis.
- 8.8 Subcontracting. The Contractor must perform with his or her own organization, a value of work amounting to not less than fifty percent (50%) of the Contract amount, except that the bid amount for subcontracted "Specialty Items" so designated in the Special Provisions may be eliminated from the Contract amount and not considered as sub-contracted for the purposes of calculating the value of work to be performed by the Contractor. For the purposes of determining the value of work to be performed by the Contractor pursuant to this provision, materials, equipment, incidentals, etc., shall be considered to have been purchased by the Contractor or Subcontractor that is to install

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them. Where a portion of an item is subcontracted, the value of work subcontracted will be based on the estimated cost of such portion of the subcontracted item, as determined from information submitted by the Contractor, subject to approval by the Engineer.

- 8.8.1 By executing the Contract, the Contractor certifies that no subcontractor included on the list of proposed subcontractors submitted with the Contractor's bid is ineligible to perform work on public works projects pursuant to California Labor Code Sections 1777.1 or 1777.7. In accordance with California Public Contract Code Section 6109(a), subcontractors who are ineligible to perform work on public works projects pursuant to California Labor Code Sections 1777.1 or 1777.7 may neither bid on, be awarded or perform as a subcontractor on the Work. In accordance with California Public Contract Code Section 6109(b), any contract on a public works project entered into between a contractor and a debarred subcontractor is void as a matter of law. The Contractor will ensure that no debarred subcontractor receives any public money for performing the Work, and any public money that may have been paid to a debarred subcontractor for the Work is returned to the City. The Contractor will be responsible for payment of wages to workers of a debarred subcontractor who has been allowed to perform the Work.
- 8.8.2 The Agreement and the performance of the Work are subject to the requirements of the Subletting and Subcontracting Fair Practices Act codified at California Public Contract Code Section 4100 et seq. If the Contractor fails to specify a subcontractor or specifies more than one subcontractor for the same portion of the Work in excess of one-half of one percent of the Contractor's total bid, the Contractor agrees that the Contractor is fully qualified to perform that portion of the Work with the Contractor's own forces, and that the Contractor will perform that portion of the Work with the Contractor's own forces. If after award of the Agreement the Contractor subcontracts, except as provided for in California Public Contract Code Sections 4107 or 4109, any such portion of the Work, the Contractor will be subject to the penalties set forth in California Public Contract Code Sections 4110 and 4111, including cancellation of the Agreement, assessment of a penalty of up to 10 percent of the amount of the subcontract, and disciplinary action by the Contractors State License Board.
- 8.8.3. No contractual relationship exists between the City and any subcontractor engaged in performance of the Work.
- 8.8.4 Incorporation of Contract Documents. The Contractor must incorporate the Contract Documents in each contract with a subcontractor engaged in the performance of the Work including the indemnity and insurance

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requirements to the extent they apply to the scope of the subcontractor's work. The Contractor shall be solely responsible for any delay or additional costs incurred as a result of its failure to provide adequate or accurate project information to a subcontractor that results in improper submittals and/or work, or time or other impacts is the sole responsibility of the Contractor. The Contractor will have all of the obligations and the City will have all of the remedies that are specified in Section 11.

- 8.8.5 Subcontractor agrees to be bound to General Contractor and City in the same manner and to the same extent as General Contractor is bound to City under the Contract Documents. Subcontractor further agrees to include the same requirements and provisions of this agreement, including the indemnity and insurance requirements, with any Sub-subcontractor to the extent they apply to the scope of the Sub-subcontractor's work. A copy of the City's Contract Document Indemnity and Insurance provisions will be furnished to the Subcontractor upon request. The Contractor shall require all subcontractors to provide a valid certificate of insurance with the required endorsements included in the agreement prior to commencement of any work and General Contractor will provide proof of compliance to the City.
- 8.8.6 Coordination of Subcontract Work: The Contractor is responsible for scheduling the Work of subcontractors so as to avoid delay or injury to either Work or materials.

8.9 Insurance.

- 8.9.1 All required insurance shall be provided in the form of "occurrence"-type policies underwritten by admitted insurers in the State of California with a rating of A or better from the current year Best Rating Guide. All policies must be issued at the expense of the Contractor and must be maintained at the Contractor's expense throughout the performance of the Work.
- 8.9.2 The Contractor and any subcontractors engaged in performance of the Work must secure payment of workers compensation in accordance with California Labor Code Section 3700 and other applicable law. The Contractor must verify that all Subcontractors comply with this requirement.
- 8.9.3 Within ten (10) working days following notice of award the Contractor must submit to the City along with executed copies of all other documents specified in the Contract Check List certificates of insurance and endorsements evidencing that the Contractor has in effect and will

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maintain throughout the performance of the Work the following kinds and amounts of insurance:

- 8.9.3.1 Worker's Compensation Insurance. Workers Compensation and Employers Liability insurance as required by any applicable law, regulation or statute, including the provisions of Division IV of the Labor Code of the State of California, and any act or acts amending it. Worker's Compensation insurance must be for Statutory Limits and must cover the full liability of the Contractor. The Contractor's Employer's Liability Insurance must be in an amount no less than \$1,000,000.00 per occurrence. The insurance must be endorsed to waive all rights of subrogation against City and its officials, officers, employees, and volunteers for loss arising from or related to the work performed under this agreement.
- 8.9.3.2 Commercial General Liability and Automobile Liability Insurance. Coverage for liability because of Bodily Injury and Property Damage including, but not limited to the following coverage:
- Completed Operations and Products Liability
 - Bodily Injury
 - Personal Injury
 - Broad Form Property Damage Liability
 - Contractual Liability insuring the obligations assumed by the Contractor under the Contract Documents
 - Automobile Liability, including owned, non-owned and hired automobiles
 - Coverage for the XCU hazards of Explosion, Collapse and Underground Hazards
- 8.9.3.3 Commercial General Liability Self-Insured Retentions:
- All self-insured retentions (SIR) must be disclosed to City for approval and shall not reduce the limits of liability.
 - Policies containing any self-insured retention (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or the City.
 - The City reserves the right to obtain a full certified copy of any insurance policy and endorsements. Failure to

exercise this right shall not constitute a waiver of right to exercise later.

8.9.3.4 Commercial Umbrella Policy. The limits of insurance required in these Contract Documents may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City (if agreed to in a written contract or agreement) before the City's own Insurance or self-insurance shall be called upon to protect it as a named insured.

8.9.3.5 Builders Risk. The Contractor must, at the Contractor's own expense, maintain a builder's risk fire insurance policy, special form including extended coverage and vandalism, and malicious mischief endorsements. The policy must name the City and the Contractor as insureds. Such insurance must be carried in the amount of 100% of the Contract Price. In the event of a partial or total destruction by fire of any or all of the Work at any time prior to the completion and acceptance thereof, the Contractor shall promptly reconstruct all Work so destroyed or injured at the Contractor's own cost and expense and at no cost to the City.

8.9.4 The Additional Insured coverage under the Contractor's policy shall be "primary and non-contributory" and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13.

8.9.5 The limits of the insurance required above will be at least:

Comprehensive General Liability

Bodily Injury Liability	\$2,000,000	each occurrence
	\$4,000,000	each aggregate
Property Damage Liability	\$2,000,000	each occurrence
	\$4,000,000	each aggregate

Comprehensive Automobile Liability

Bodily Injury Liability	\$2,000,000	each person
	\$2,000,000	each occurrence
Property Damage Liability	\$2,000,000	each occurrence

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Builders Risk

issued for the value of the Contract Price

- 8.9.6 For each insurance policy required under the Agreement except for the required workers compensation insurance policy, the Contractor must provide endorsements that add the City, its officials, officers, employees, agents and volunteers as an additional insured (“Additional Insured”). Such endorsements must: provide that the insurance required to be furnished by the Contractor will be primary as regards the City, and that the City’s insurance will be excess of and not contribute to the insurance required to be furnished by the Contractor; that the City will receive 30 day written notice of any reduction or cancellation of such insurance required to be furnished by the Contractor; and include a severability of interest clause acceptable to the City. Said endorsement shall be at least as broad as Insurance Services Office form number CG2010 (Ed. 11/85).
- 8.9.7 It shall be a requirement under these Contract Documents that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.
- 8.9.8 Contractor shall maintain insurance as required by these Contract Documents to the fullest amount allowed by law and shall maintain insurance for a minimum of five years following the completion of this project. In the event contractor fails to obtain or maintain completed operations coverage as required by this Agreement, the City at its sole discretion may purchase the coverage required and the cost will be paid by Contractor.
- 8.10 Indemnities.
- 8.10.1 The Contractor will take all responsibility for the Work, and will bear all losses and damages directly or indirectly resulting to the Contractor, any subcontractors engaged in performance of the Work, the City, its officials, officers, employees, agents, volunteers and consultants, and to third parties on account of the performance or character of the Work, unforeseen difficulties, accidents, or occurrences of other causes arising out of the Contractor’s execution of the Work or of any subcontractor engaged in performance of the Work. To the fullest extent permitted by law the

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Contractor will indemnify, defend and hold harmless the City, its officials, officers, employees, agents, volunteers and consultants from and against any or all loss, liability, expense, claims, costs (including costs of defense and consultants' costs), suits, and damages of every kind, nature and description (including, but not limited to, penalties resulting from exposure to hazards in violation of the California Labor Code and bodily injury or death) directly or indirectly arising from the Contractor's performance of the Work, failure to perform the Work, or condition of the Work that is caused in whole or in part by any act or omission of Contractor, its subcontractors, or anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, resulting from any cause whatsoever, save for liability for any loss, damage, or expense arising out of the City's sole negligence or willful misconduct.

- 8.10.2 The Contractor will indemnify, defend and hold harmless the City, the City's officials, officers, employees, volunteers, agents and the Construction Manager for all liability on account of any patent rights, copyrights, trade names or other intellectual property rights that may apply to the Contractor's performance of the Work. The Contractor will pay all royalties or other charges as a result of intellectual property rights that may apply to methods, types of construction, processes, materials, or equipment used in the performance of the Work, and will furnish written assurance satisfactory to the City that any such charges have been paid.
- 8.10.3 The Contractor assumes all liability for any accident or accidents resulting to any person or property as a result of inadequate protective devices for the prevention of accidents in connection with the performance of the Work. The Contractor will indemnify, defend, and hold harmless the City and its officials, officers, employees, agents, volunteers and consultants from such liability.
- 8.10.4 Approval of the Contractor's certificates of insurance and/or endorsements does not relieve the Contractor of liability under this Section 8.10. The Contractor will defend, with legal counsel reasonably acceptable to the City, any action or actions filed in connection with any Claims and will pay all related costs and expenses, including attorney's fees incurred. The Contractor will promptly pay any judgment rendered against the City, its officials, officers, employees, agents, volunteers or consultants for any Claims. In the event the City, its officials, officers, employees, agents, volunteers or consultants is made a party to any action or proceeding filed or prosecuted against Contractor for any Claims,

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Contractor agrees to pay the City, its officials, officers, employees, agents, volunteers and consultants any and all costs and expenses incurred in such action or proceeding, including but not limited to, reasonable attorneys' fees.

- 8.10.5 Contractor will indemnify, hold harmless and defend, with legal counsel reasonably acceptable to the City, the City and its officials, officers, employees, agents and volunteers from and against any and all claims related to damage to surface or underground facilities caused by the Contractor or any of the Contractor's privities or agents.
- 8.10.6 The Contractor will indemnify, hold harmless and defend, with legal counsel reasonably acceptable to the City, the City and its officials, officers, employees, agents and volunteers from and against any and all claims, including any fines or other penalties, related to failure of the Contractor and/or privities or agents of the Contractor to comply with the requirements of the General Permit, or to implement the Stormwater Pollution Prevention Plan ("SWPPP") in accordance with provision 12 of the Special Provisions. The City may withhold from amounts due or that may become due to the Contractor under this Contract amounts that equal or are estimated to equal the amount of claims, including fines, resulting from failure of the Contractor and/or privities or agents of the Contractor to comply with the requirements of the General Permit, or to implement the SWPPP in accordance with provision 12 of the Special Provisions.
- 8.10.7 In accordance with California Civil Code Section 2782(a), nothing in the Contract will be construed to indemnify the City for its sole negligence, willful misconduct, or for defects in design furnished by the City. By execution of the Contract Documents the Contractor acknowledges and agrees that the Contractor has read and understands the insurance and indemnity requirements of the Contract Documents, which are material elements of consideration.
- 8.10.8 The defense and indemnification obligations of these Contract Documents are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in these Contract Documents.
- 8.10.9 Contractor/Subcontractor's responsibility for such defense and indemnity obligations shall survive the termination or completion of these Contract Documents for the full period of time allowed by law.
- 8.10.10 If Contractor fails to perform any of the foregoing defense and indemnity obligations, the City may defend itself and back-charge

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the Contractor for the City's costs and fees (including attorneys' and consultants' fees), and damages and withhold such sums from progress payments or other Contract monies which may become due.

- 8.11 Licenses/Permits. The Contractor must, without additional expense to the City, obtain all licenses, permits and other approvals required for the performance of the Work.

- 8.12 California Labor Code Requirements.
 - 8.12.1 In accordance with California Labor Code Section 1771.1, this Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations (DIR). The Contractor and subcontractors engaged in performance of the Work must comply with Labor Code Section 1771.1.
 - 8.12.2 In accordance with California Labor Code Section 1810, eight (8) hours of labor in performance of the Work shall constitute a legal day's work under the Agreement.
 - 8.12.3 In accordance with California Labor Code Section 1811, the time of service of any worker employed in performance of the Work is limited to eight hours during any one calendar day, and forty hours during any one calendar week, except in accordance with California Labor Code Section 1815, which provides that work in excess of eight hours during any one calendar day and forty hours during any one calendar week is permitted upon compensation for all hours worked in excess of eight hours during any one calendar day and forty hours during any one calendar week at not less than one-and-one-half times the basic rate of pay.
 - 8.12.4 The Contractor and its subcontractors will forfeit as a penalty to the City \$25 for each worker employed in the performance of the Work for each calendar day during which the worker is required or permitted to work more than eight (8) hours in any one calendar day, or more than forty (40) hours in any one calendar week, in violation of the provisions of California Labor Code Section 1810 et seq.
 - 8.12.5 In accordance with California Labor Code Section 1773.2, the City has determined the general prevailing wages in the locality in which the Work is to be performed for each craft or type of work needed to be as published by the State of California Department of Industrial Relations, Division of Labor Statistics and Research, a copy of which is on file in the Public Works Department and shall be made available on request. The Contractor and subcontractors engaged in the

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performance of the Work shall pay no less than these rates to all persons engaged in performance of the Work.

- 8.12.6 In accordance with California Labor Code Section 1775, the Contractor and any subcontractors engaged in performance of the Work must comply with Labor Code Section 1775 which establishes a penalty of up to \$200 per day for each worker engaged in the performance of the Work that the Contractor or any subcontractor pays less than the specified prevailing wage. The amount of such penalty shall be determined by the Labor Commissioner. The Contractor or subcontractor shall pay the difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate. If a subcontractor worker engaged in performance of the Work is not paid the general prevailing per diem wages by the subcontractor, the Contractor is not liable for any penalties therefor unless the Contractor had knowledge of that failure or unless the Contractor fails to comply with all of the following requirements:
- 8.12.6.1 The contract executed between the Contractor and the subcontractor for the performance of part of the Work must include a copy of the provisions of California Labor Code Sections 1771, 1775, 1776, 1777.5, 1813, and 1815.
 - 8.12.6.2 The Contractor must monitor payment of the specified general prevailing rate of per diem wages by the subcontractor by periodic review of the subcontractor's certified payroll records.
 - 8.12.6.3 Upon becoming aware of a subcontractor's failure to pay the specified prevailing rate of wages, the Contractor must diligently take corrective action to halt or rectify the failure, including, but not limited to, retaining sufficient funds due the subcontractor for performance of the Work.
 - 8.12.6.4 Prior to making final payment to the subcontractor, the Contractor must obtain an affidavit signed under penalty of perjury from the subcontractor that the subcontractor has paid the specified general prevailing rate of per diem wages to employees engaged in the performance of the Work and any amounts due pursuant to California Labor Code Section 1813.
- 8.12.7 In accordance with California Labor Code Section 1776, the Contractor and each subcontractor engaged in performance of the Work, must keep accurate payroll records showing the name,

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address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed in performance of the Work. Each payroll record must contain or be verified by a written declaration that it is made under penalty of perjury, stating that the information contained in the payroll record is true and correct and that the employer has complied with the requirements of Sections 1771, 1811, and 1815 for any work performed by the employer's employees on the public works project. The payroll records required pursuant to California Labor Code Section 1776 must be certified and must be available for inspection by the City and its authorized representatives, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the Department of Industrial Relations and must otherwise be available for inspection in accordance with California Labor Code Section 1776.

- 8.12.8 In accordance with California Labor Code Section 1777.5, the Contractor, on behalf of the Contractor and any subcontractors engaged in performance of the Work, will be responsible for ensuring compliance with California Labor Code Section 1777.5 governing employment and payment of apprentices on public works contracts.
- 8.12.9 In case it becomes necessary for the Contractor or any subcontractor engaged in performance of the Work to employ on the Work any person in a trade or occupation (except executive, supervisory, administrative, clerical, or other non-manual workers as such) for which no minimum wage rate has been determined by the Director of the Department of Industrial Relations, the Contractor must pay the minimum rate of wages specified therein for the classification which most nearly corresponds to Work to be performed by that person. The minimum rate thus furnished will be applicable as a minimum for such trade or occupation from the time of the initial employment of the person affected and during the continuance of such employment.
- 8.13 Laws and Ordinances. The Contractor and all subcontractors engaged in the performance of the Work must conform to the following specific rules and regulations as well as all other laws, ordinances, rules and regulations that apply to the Work. Nothing in the Contract Documents is to be construed to permit Work not conforming to these codes:
- National Electrical Safety Code, U. S. Department of Commerce
 - National Board of Fire Underwriters' Regulations
 - California Building Standards Code as adopted by the City

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- California Plumbing Code as amended by applicable local ordinances for plumbing, sewage disposal and health requirements.
- California Mechanical Code as amended by applicable local ordinances for all construction work.
- California Administrative Code Titles 15, 19 and 24 (with California amendments), and Americans with Disabilities Act (ADA) accessibility guidelines, whichever is more stringent.
- Manual of Accident Prevention in Construction, latest edition, published by A.G.C. of America
- Industrial Accident Commission's Safety Orders, State of California
- Regulations of the State Fire Marshall (Title 19, California Code of Regulation) and Applicable Local Fire Safety Codes
- Labor Code of the State of California - Division 2, Part 7, Public Works and Public Agencies
- Federal, state, and local air pollution control laws and regulations applicable to the Contractor and/or Work

8.14 Guaranty. The Contractor guarantees all of the Work for one year from the date the City accepts the Work. Upon receiving written notice of a need for repairs which are directly attributable to defective materials or workmanship the Contractor must make good any defects arising or discovered in any part of the Work by diligently commencing the necessary repairs within seven (7) days from the date of notice from the City. If the Contractor fails to make good any defects in the Work in accordance with this provision, in addition to any other available remedy under the contract or at law or equity, the City may make good or have made good such defects in the Work and deduct the cost from amounts that may be due or become due the Contractor, and/or call on the Contractor's maintenance bond for the cost of making good such defects and for the City's reasonable legal costs, if any, of recovering against the bond. The Contractor shall remain responsible for repairing any Work found to be defective regardless of when such defect is discovered by the City.

Where defective or rejected Work and any damage caused thereby has been corrected, removed, or replaced by the Contractor pursuant to this section, the guarantee period with respect to that Work shall be extended for an additional period of one year after such correction, removal, or replacement has been satisfactorily completed.

8.15 Safety.

8.15.1 In accordance with generally accepted construction practices and applicable law, the Contractor will be solely and completely responsible for conditions of the Work site, including safety of all persons and property during performance of the Work. This requirement will apply continuously and not be limited to normal

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working hours. For purposes of California Labor Code Section 6400 and related provisions of law, the Contractor and the Contractor's privities and any other entities engaged in the performance of the Work will be "employers" responsible for furnishing employment and a place of employment that is safe and healthful for the employees, if any, of such entities engaged in the performance of the Work. Neither the City nor its officials, officers, employees, agents, volunteers or consultants will be "employers" pursuant to California Labor Code Section 6400 and related provisions of law with respect to the Contractor, the Contractor's privities or other entities engaged in the performance of the Work. The Contractor agrees that neither the City, the Construction Manager, the Architect, nor the Engineer will be responsible for having hazards corrected and/or removed at the Work site. The Contractor agrees that the City will not be responsible for taking steps to protect the Contractor's employees from such hazards, or for instructing the Contractor's employees to recognize such hazards or to avoid the associated dangers. The Contractor agrees with respect to the Work and the Work site, the Contractor will be responsible for not creating hazards and for having hazards corrected and/or removed, for taking appropriate, feasible steps to protect the Contractor's employees from such hazards and that the Contractor has instructed and/or will instruct its employees to recognize such hazards and how to avoid the associated dangers.

- 8.15.2 Review and inspection by the City, the Construction Manager, the Architect or Engineer, and/or other representatives of the City of the Contractor's performance of the Work will not constitute review of the adequacy of the Contractor's safety measures in, on, or near the Work site. Such reviews and inspections do not relieve the Contractor of any of the Contractor's obligations under the Contract Documents and applicable law to ensure that the Work site is maintained and the Work is performed in a safe manner.
- 8.15.3 The Contractor will be solely responsible for the implementation and maintenance of safety programs to ensure that the Work site is maintained and the Work is performed in a safe manner in accordance with the Contract Documents and applicable law.
- 8.15.4 Within ten (10) working days following notice of award the Contractor must submit to the City a copy of the Contractor's Safety Plan.
- 8.15.5 The Contractor must furnish and place proper guards and systems for the prevention of accidents, including, but not limited to, those systems required pursuant to Title 8, Section 1670 et seq. of the California Code of Regulations concerning safety belts and nets. The Contractor must provide and maintain any other necessary systems or

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devices required to secure safety of life or property at the Work site in accordance with accepted standards of the industry and applicable law. The Contractor must maintain during all night hours sufficient lights to prevent accident or damage to life or property.

- 8.16 Assignment of Unfair Business Practice Claims. In accordance with California Public Contract Code Section 7103.5, the Contractor and any subcontractors offer and agree to assign to the City all rights, title, and interest in and to all causes of action the Contractor or any subcontractors may have under Section 4 of the Clayton Act (15 U.S.C. § 15) or under the Cartwright Act (Chapter 2 (commencing with § 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to this contract. This assignment shall be made and become effective at the time the City tenders final payment to the Contractor, without further acknowledgement by the parties.
- 8.17 Contractor shall be responsible for properly notifying residents and property owners impacted by this project in accordance with City standards. Specific notification procedures vary with the type of work and shall be coordinated with the City before work begins. The City will furnish a list of impacted property owners.
- 8.18 Contractor shall use paper products and printing and writing paper that meets Federal Trade Commission recyclability standards as defined in 16 CFR 260.12.

9. MEASUREMENT AND PAYMENT

- 9.1 F.O.B. All shipments must be F.O.B. destination to the Work site and/or other sites indicated in the Contract Documents. The Contract Price is all-inclusive (including sales tax). There shall be no additional compensation paid for containers, packing, unpacking, drayage or insurance.
- 9.2 Payment
 - 9.2.1 On or about the first day of each calendar month the Contractor will submit to the Construction Manager a verified application for payment and schedule of values supported by a statement showing all materials actually installed during the preceding month and the cost of labor actually expended in the performance of the Work. **Billing must be received on a monthly basis, at a minimum.** Unless otherwise provided in the Contract Documents, no allowances or payments will be made for material or equipment not placed at the Work site.
 - 9.2.2 To be eligible for payment the Contractor's applications for payment must include certified payroll reports prepared in accordance with

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California Labor Code Section 1776 and the Agreement for each employee of the Contractor and any subcontractors engaged in the performance of the Work during the preceding months, applications for payment will not be processed without certified payroll reports.

- 9.2.3 In accordance with California Public Contract Code Section 20104.50, the City will review applications for payment as soon as practicable after receipt. Any application or part of an application that is determined to be improper will be returned to the Contractor as soon as practicable, but no later than seven (7) days after receipt by the City, along with a written description of the reasons why the application is improper. The Contractor's failure to submit a schedule in the time specified in Section 3.8, or its submission of a schedule to which the City has taken any uncorrected exception, shall serve as a basis for returning an application for payment in its entirety.
- 9.2.4 Unless the Contractor has elected to post securities in lieu of retention in accordance with California Public Contract Code Section 22300 and the Agreement, and the Contractor and the City have executed an escrow agreement in accordance with the Public Contract Code and the Agreement, the City will make progress payments to the Contractor in accordance with applicable law in the amount of ninety-five (95) percent of the value of the labor actually performed and the material incorporated in the Work as specified in Contractor's verified application for payment upon approval by the City's authorized representative(s). Payment of progress payments will not be construed as acceptance of the Work performed. If the Contractor has elected to post securities in lieu of retention in accordance with Public Contract Code Section 22300 and the Agreement and the Contractor and the City have executed an escrow agreement in accordance with the Public Contract Code and the Agreement, the City will make payments to the Contractor or the Contractor's escrow agent in accordance with such escrow agreement.
- 9.2.5 The City will pay the Contractor's final invoice in accordance with applicable law and this Section 9 following acceptance of the Work provided that:
 - 9.2.5.1 The Contractor has furnished evidence satisfactory to the City that all claims for labor and material have been paid, or the time for filing valid stop notices has passed and no stop notices have been filed, or all stop notices filed have been released by valid release or release bond acceptable to the City.

- 9.2.5.2 No claim has been presented to the City by any person based upon any acts or omissions of the Contractor or any subcontractor engaged in the performance of the Work.
 - 9.2.5.3 No other claim or dispute exists under the Agreement or applicable law concerning payment of the Contractor's final invoice and/or release of the Agreement retention.
 - 9.2.5.4 The Contractor has filed with the City the Maintenance Bond provided in the Contract Documents with duly notarized signatures of an authorized representative of the Contractor and an attorney-in-fact of an admitted surety insurer acceptable to the City and such Maintenance Bond binds the Contractor as Principal and the Surety in accordance with its terms in the amount of 10% of the final Contract Price.
- 9.2.6 In accordance with California Public Contract Code Section 20104.50, if the City fails to make a progress payment within thirty (30) days of receipt of an undisputed, properly submitted application for payment, the City will pay the Contractor interest equivalent to the legal rate set forth in subdivision (a) of California Code of Civil Procedure Section 685.010. The number of days available to the City to make a payment without incurring an interest obligation pursuant to this provision and California Public Contract Code Section 20104.50 will be reduced by the number of days, if any, by which the City has delayed return of an application for payment beyond the seven day return requirement set forth in Section 9.2.5.
- 9.3 Non-Allowable Direct Charges. The following costs are not allowable direct charges under the Agreement. The following costs may only be paid under the Agreement, if at all, as part of any allowance for contractor overhead and/or profit established under the Agreement.
- 9.3.1 Labor costs in excess of applicable prevailing wages pursuant to the Agreement and applicable law, liability and workers compensation insurance, social security, retirement and unemployment insurance and other employee compensation and benefits pursuant to bona fide compensation plans in effect at the time specified for the opening of Project bids for contractor and subcontractor employees engaged in the performance of the Work or in excess of the labor costs specified in Section 4.5 of this Contract in the case of cost impacts involving items for which the Contract Documents do not specify prices and for which no lump sum amount has been approved by the City. However, in no event will allowable direct labor charges under the agreement include employee bonuses, employee vehicles or vehicle allowances, employee telephones or telephone allowances, or employee housing

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or housing allowances, whether or not such benefits are part of a bona fide compensation plan in effect at the time specified for the opening of Project bids.

- 9.3.2 Superintendent labor and clerical labor.
 - 9.3.3 Bond premiums.
 - 9.3.4 Insurance in excess of that required under Section 8.8.
 - 9.3.5 Utility costs.
 - 9.3.6 Work Site office expenses.
 - 9.3.7 Home office expenses.
 - 9.3.8 Permit or license costs.
- 9.4 Retention. The City or its agent may, in accordance with the Contract Documents and applicable law, withhold any payment of monies due or that may become due the Contractor because of:
- 9.4.1 Defective work not remedied or uncompleted work.
 - 9.4.2 Claims filed or reasonable evidence indicating probable filing of claims.
 - 9.4.3 Failure to properly pay subcontractors or to pay for material or labor.
 - 9.4.4 Reasonable doubt that the Work can be completed for the balance then unpaid.
 - 9.4.5 Damage to another contractor.
 - 9.4.6 Damage to the City.
 - 9.4.7 Damage to a third party.
 - 9.4.8 Delay in the progress of the Work, which, in the City's judgment, is due to the failure of the Contractor to properly expedite the Work.
 - 9.4.9 Liquidated damages or other charges that apply to the Contractor under the Agreement.
 - 9.4.10 Any other lawful basis for withholding payment under the contract.
- 9.5 Securities in Lieu of Retention.
- 9.5.1 In accordance with Public Contract Code Section 22300, except where federal regulations or policies do not permit substitution of securities, the Contractor may substitute securities for any moneys withheld by the City to ensure performance of the Work. At the Contractor's request and expense, securities equivalent to the amount withheld will be deposited with the City, or with a state or federally

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chartered bank in California as the escrow agent, who will then pay those moneys to the Contractor under the terms of an Escrow for Security Deposit agreement. The Escrow for Security Deposit agreement is provided in the Contract Documents. Upon satisfactory completion of the Work, the securities will be returned to the Contractor.

- 9.5.2 Alternatively, at the Contractor's request and expense, the City will pay retentions earned directly to the escrow agent. At the Contractor's expense, the Contractor may direct investment of the payments into securities. Upon satisfactory completion of the Work, the Contractor will receive from the escrow agent all securities, interest, and payments received by the escrow agent from the City pursuant to this provision and the terms of the Escrow for Security Deposit agreement. The Contractor will, within 20 days of receipt of payment, pay to each subcontractor the respective amount of interest earned, less costs of retention withheld from each Subcontractor, on monies withheld to ensure the Contractor's performance of the Work.
- 9.5.3 Securities eligible for investment in accordance with this provision include those listed in Government Code Section 16430, bank or savings and loan certificates of deposit, interest bearing demand deposit accounts, standby letters of credit, or any other security mutually agreed to by the Contractor and the City.
- 9.5.4 The Contractor will be the beneficial owner of any securities substituted for moneys withheld and will receive any interest thereon.

10. PROJECT ACCEPTANCE AND CLOSEOUT

- 10.1 Occupancy. The City reserves the right to occupy or use any part or parts or the entirety of the Work before the Work is fully performed. Subject to applicable law, exercising this right will in no way constitute acceptance of any part of the Work so occupied or used or acceptance of the entire Work, nor will such occupancy or use in any way affect the times when payments will become due the Contractor, nor will such occupancy or use in any way prejudice the City's rights under the Agreement, any Agreement bonds, or at law or equity. Occupancy or use shall not waive the City's rights to assess liquidated damages in accordance with Section 7 after the date of such occupancy or use.
- 10.2 Work Completion and Final Inspection. When the Contractor considers the Work is completed, the Contractor will submit written certification to the Construction Manager specifying that: the Contract Documents have been reviewed; the Work has been inspected for compliance with the Contract Documents; the Work has been completed in accordance with the Contract Documents; and that equipment and systems have been tested in the

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presence of the City's representative and are operational. The City and/or the City's authorized representatives will make an inspection to verify that the Work is complete and will notify the Contractor in writing of any incomplete or deficient Work. The Contractor will take immediate steps to remedy the stated deficiencies and give notice of correction to the Construction Manager. Upon receiving a notice of correction, the City or the City's authorized representatives will re-inspect the Work. The Contractor must correct all punch list items within 15 working days after the issuance of the punch list. Before acceptance of the Work the Contractor must submit: one set of the Project Record Drawings (As-Builts), and any equipment operating and maintenance instructions and data, warranties.

10.3 Work Acceptance.

- 10.3.1 All finished Work will be subject to inspection and acceptance or rejection by the City, the Construction Manager, and the Architect or Engineer and other government agencies having jurisdiction over the Work. Final acceptance of the Work will be at the discretion of the City.
- 10.3.2 The City will accept the Work in writing only when the Work has been completed to the City's reasonable satisfaction. Progress payments will in no way be construed as acceptance of any part of the Work.
- 10.3.3 In evaluating the Work, no allowance will be made for deviations from the Contract Documents unless already approved in writing in accordance with the requirements of Section 4, above.
- 10.3.4 The fact that the Work and materials have been inspected from time to time and that progress payments have been made does not relieve the Contractor of the responsibility of replacing and making good any defective or omitted work or materials in accordance with the requirements of the Contract Documents.
- 10.3.5 None of the provisions of this section, including acceptance of the Project, final payment, or use or occupancy of the Project Site shall constitute acceptance of Work not done in accordance with the Contract Documents nor relieve Contractor of liability relating to the express guarantees or responsibility for faulty materials or workmanship. Nothing in this section or the Contract Documents shall be construed to limit, relieve, or release Contractor's, subcontractors', and materials suppliers' liability to the City for damages sustained as a result of latent defects in materials, equipment, or the Work caused by the Contractor, its agents, suppliers, employees, or Subcontractors.

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11. REMEDIES AND DISPUTES

11.1 Failure to Correct Work. Within ten (10) working days of receiving written notice from the City describing Work that is defective or that is otherwise not in accordance with the requirements of the Agreement and/or applicable law and directing that such Work be corrected, the Contractor and/or the Contractor's sureties must give the City written notice of the intent of the Contractor and/or the Contractor's sureties to correct such Work and commence correction of such Work in accordance with the City's notice and the Agreement. If the Contractor and/or the Contractor's sureties do not give the City written notice of intent to correct such Work and commence correction of such Work within ten (10) working days of receipt of the City's notice, then the City may correct such work and/or have such work corrected for the account and at the expense of the Contractor and/or its sureties, and the Contractor and/or its sureties will be liable to the City for any resulting excess cost. The City may, in addition to all other remedies that the City may have under the Agreement and at law or equity, deduct any such excess cost of completing the Work from amounts that are due or that may become due the Contractor. Contractor shall not be entitled to an extension of the Time of Completion because of a delay in the performance of the Work attributable to the City's exercise of its rights under this section.

11.2 Termination for Cause

11.2.1 In accordance with California Public Contract Code Section 7105, in addition to all other available remedies that the City may have under the Agreement, and at law or equity, the City may terminate the Contractor's control of the Work for any material breach of the Contract, including, but not limited to the following:

11.2.1.1 If the Contractor or any of its subcontractors engaged in the performance of the Work fails to timely perform the Work and/or any of the Contractor's material obligations under the Contract Documents, including but not limited to submission of an acceptable schedule, that have accrued except for due to reasons beyond the control of the Contractor pursuant to the Contract Documents.

11.2.1.2 If the Contractor is adjudged bankrupt, or if it should make a general assignment for the benefit of creditors, or if a receiver should be appointed on account of its creditors.

11.2.1.3 If the Contractor or any of the subcontractors engaged in the performance of the Work persistently or repeatedly refuses or fails to supply enough properly skilled workmen or proper materials for the timely completion of the Work.

- 11.2.1.4 If the Contractor fails to make prompt payment to subcontractors engaged in the performance of the Work or for material or labor used in the performance of the Work in accordance with the Contract Documents and applicable law.
 - 11.2.1.5 If the Contractor or any subcontractors engaged in the performance of the Work persistently disregards laws or ordinances applicable to the performance of the Work, or the instructions of the City, the Construction Manager, the Architect, or other authorized representatives of the City.
- 11.2.2 If the City intends to terminate the Contractor's control of the Work for any of the reasons specified in Sections 11.2.1.1 through 11.2.1.5, above, the City will immediately serve written notice to the Contractor and its sureties in accordance with the Contract Documents. Notice of the City's intent to terminate the Contractor's control of the Work will be given by registered or certified mail and specify the grounds for termination, the required cure and the time by which the cure must be effected. Upon receipt of notice of the City's intent to terminate the Contractor's control of the Work for any of the reasons specified in provisions 11.2.1.1 through 11.2.1.5, above, the Contractor will have ten (10) days from receipt of the notice or a longer time specified in the notice to cure its default. If the Contractor does not affect the required cure by the time specified in the notice, the City will issue a written notice of termination to the Contractor and its sureties by registered or certified mail. The notice of termination will specify: that upon receipt of the notice the Contractor's right to perform or complete the Work, including on behalf of the Contractor's sureties, is terminated; that the Contractor's sureties will have the right to take over and complete the Work and perform all of the Contractor's remaining obligations that have accrued under the Agreement; and that if the Contractor's sureties do not both give the City written notice of their intention to take over and perform the Agreement and commence completion of the Work and performance of all of the Contractor's remaining obligations that have accrued under the Agreement within ten (10) days after receipt of notice of termination that the City may declare the Contractor's sureties in default and take over the completion of the Work or have the Work completed for the account and at the expense of the Contractor and its sureties, and the Contractor and its sureties will be liable to the City for any resulting excess cost. The City may, in addition to all other available remedies that the City may have under the Contract Documents and at law or equity, deduct any such excess cost of completing the Work from amounts that are due or that may become due the Contractor.

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- 11.2.3 Upon termination of the Contractor's control of the Work for any of the reasons specified in Sections 11.2.1.1 through 11.2.1.5, the Contractor will, if so directed by the City, immediately remove from the Work site any and all materials and personal property belonging to the Contractor which have not been incorporated in the Work and the Contractor and its sureties will be liable upon their bond for all damages caused the City by reason of the Contractor's failure to complete the Work.
- 11.2.4 Upon termination of the Contractor's control of the Work for any of the reasons specified in provisions 11.2.1.1 through 11.2.1.5, above, the City reserves the right to refuse tender of the Contractor by any surety to complete the Work.
- 11.2.5 If the City completes or has completed any portion of, or the whole of the Work, following termination of the Contractor's control of the Work for any of the reasons specified in Sections 11.2.1.1 through 11.2.1.5, above, the City will neither be liable for nor account to the Contractor or the Contractor's sureties in any way for the time within which, or the manner in which such Work is performed, or for any changes made in such Work or for the money expended in satisfying claims and/or suits and/or other obligations in connection with completing the Work. If, following termination of the Contractor's control of the Work for any of the reasons specified in Sections 11.2.1.1 through 11.2.1.5, above, the unpaid balance of the Contract Price exceeds the expense of completing the Work, including compensation for additional legal, managerial and administrative services and all other amounts due for the completion of the Work and/or satisfaction of claims of the City and/or others arising out of the Agreement and any other charges that apply to the Contractor under the Agreement, the difference will be paid to the Contractor. If such expenses of completing the Work exceed the unpaid balance of the Contract Price, the Contractor or its sureties will pay the difference to the City.
- 11.2.6 If the Agreement or Contractor's control of the Work is terminated for any reason, Contractor waives all consequential damages resulting therefrom, including, but not limited to, the loss of any anticipated profit by the Contractor for the Work, the loss of profit on any potential or future jobs, and the loss of bonding capacity.
- 11.2.7 In accordance with California Government Code Section 4410, in the event a national emergency occurs, and public work being performed by contract is stopped, directly or indirectly, because of the freezing or diversion of materials, equipment or labor, as the result of an order or a proclamation of the President of the United States, or of an order of any federal authority, and the circumstances or conditions are such

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that it is impracticable within a reasonable time to proceed with a substantial portion of the work, then the City and the Contractor may, by written agreement, terminate the Agreement. In accordance with California Government Code Section 4411, such an agreement will include the terms and conditions of the termination of the contract and provision for the payment of compensation or money, if any, which either party will pay to the other or any other person, under the facts and circumstances in the case. Compensation to the Contractor will be determined on the basis of the reasonable value of the work done, including preparatory work. As an exception to the foregoing, in the case of any fully completed separate item or portion of the Work for which there is a separate contract price, the contract price shall control. The parties may in any other case adopt the contract price as the reasonable value of the work or any portion of the work done.

- 11.2.8 In the event a termination for cause is later determined to have been made wrongfully or without cause, then the termination shall be treated as a termination for convenience, and the Contractor shall have no greater rights than it would have following a termination for convenience. Any contractor claim arising out of a termination for cause shall be made in accordance with this section.

11.3 Termination for Convenience.

- 11.3.1 The City may terminate performance of the Work under the Contract Documents in accordance with this clause in whole, or from time to time in part, whenever the City shall determine that termination is in the City's best interest. Termination shall be effected by the City delivering to the Contractor notice of termination specifying the extent to which performance of the Work under the Contract Documents is terminated, and the effective date of the termination.
- 11.3.2 Contractor shall comply strictly with the City's direction regarding the effective date of the termination, the extent of the termination, and shall stop work on the date and to the extent specified.
- 11.3.3 Contractor shall be entitled to a total payment on account of the Contract work so terminated measured by: (i) the actual cost to Contractor of Work actually performed, up to the date of the termination, with profit and overhead limited to twelve percent (12%) of actual cost of work performed, up to but not exceeding the actual contract value of the work completed as measured by the Schedule of Values and Progress Schedule; and (ii) offset by payments made and other contract credits. In connection with any such calculation, however, the City shall retain all rights under the Contract Documents including, without limitation, claims, indemnities, or setoffs.

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11.3.4 Under no circumstances may Contractor recover legal costs of any nature, nor may Contractor recover costs incurred after the date of the termination.

11.4 Disputes.

The procedure set forth in California Public Contracts Code section 9204 (as summarized in Exhibit B attached hereto) shall apply to all “claims” by the Contractor on the City, as that term is defined in Section 9204. With respect to “claims” or any portion of a claim not resolved by way of the procedure set forth in Section 9204, the following procedure shall thereafter apply as follows:

11.4.1 In accordance with California Public Contract Code Section 20104.2, the following procedures apply to claims of \$375,000 or less between the Contractor and the City:

11.4.1.1 The claim shall be in writing and include the documents necessary to substantiate the claim. Claims must be filed on or before the date of final payment. Nothing in this subdivision is intended to extend the time limit or supersede notice requirements otherwise provided by contract for the filing of claims.

11.4.1.2 For claims of less than fifty thousand dollars (\$50,000), the City shall respond in writing to any written claim within 45 days of receipt of the claim, or may request, in writing, within 30 days of receipt of the claim, any additional documentation supporting the claim or relating to defenses to the claim the City may have against the Contractor.

11.4.1.2.1 If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of the City and the Contractor.

11.4.1.2.2 The City’s written response to the claim, as further documented, shall be submitted to the Contractor within 15 days after receipt of the further documentation or within a period of time no greater than that taken by the Contractor in producing the additional information, whichever is greater.

11.4.1.3 For claims of over fifty thousand dollars (\$50,000) and less than or equal to three hundred seventy-five thousand dollars (\$375,000), the City shall respond in writing to all written claims within 60 days of receipt of the claim, or may request,

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in writing, within 30 days of receipt of the claim, any additional documentation supporting the claim or relating to defenses to the claim the City may have against the Contractor.

11.4.1.3.1 If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of the City and the Contractor.

11.4.1.3.2 The City's written response to the claim, as further documented, shall be submitted to the Contractor within 30 days after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.

11.4.1.4 If the Contractor disputes the City's written response, or the City fails to respond within the time prescribed, the Contractor may so notify the City, in writing, either within 15 days of receipt of the City's response or within 15 days of the City's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon a demand, the City shall schedule a meet and confer conference within 30 days for settlement of the dispute.

11.4.1.5 Following the meet and confer conference, if the claim or any portion remains in dispute, the Contractor may file a claim as provided in Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits his or her written claim pursuant to subdivision (a) until the time that claim is denied as a result of the meet and confer process, including any period of time utilized by the meet and confer process.

11.4.1.6 This article does not apply to tort claims and nothing in this article is intended nor shall be construed to change the time periods for filing tort claims or actions specified by Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code.

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- 11.4.2 In accordance with California Public Contract Code Section 20104.4, the following procedures apply to civil actions to resolve claims of \$375,000 or less between the City and the Contractor:
- 11.4.2.1 Within 60 days, but no earlier than 30 days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both parties. The mediation process shall provide for the selection within 15 days by both parties of a disinterested third person as mediator, shall be commenced within 30 days of the submittal, and shall be concluded within 15 days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court or by stipulation of both parties. If the parties fail to select a mediator within the 15-day period, any party may petition the court to appoint the mediator.
 - 11.4.2.2 If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.
 - 11.4.2.2.1 Notwithstanding any other provision of law, upon stipulation of the parties, arbitrators appointed for purposes of this article shall be experienced in construction law, and, upon stipulation of the parties, mediators and arbitrators shall be paid necessary and reasonable hourly rates of pay not to exceed their customary rate, and such fees and expenses shall be paid equally by the parties, except in the case of arbitration where the arbitrator, for good cause, determines a different division. In no event shall these fees or expenses be paid by state or county funds.
 - 11.4.2.2.2 In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, any party who after receiving an arbitration award requests a trial de novo but does not obtain a more favorable judgment shall, in addition to payment of costs and fees under

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that chapter, pay the attorney's fees of the other party arising out of the trial de novo.

11.4.2.3 The court may, upon request by any party, order any witnesses to participate in the mediation or arbitration process.

11.4.3 In accordance with California Public Contract Code Section 20104.6:

11.4.3.1 The City shall not fail to pay money as to any portion of a claim which is undisputed except as otherwise provided in the contract.

11.4.3.2 In any suit filed under Public Contract Code Section 20104.4 concerning this contract, the City shall pay interest at the legal rate on any arbitration award or judgment. Such interest shall accrue from date the suit was filed.

11.5 Non-Waiver.

11.5.1 Either party's waiver of any breach or failure to enforce any of the terms, covenants, conditions or other provisions of the Contract Documents at any time shall not in any way affect, limit, modify or waive that party's right thereafter to enforce or compel strict compliance with every term, covenant, condition or other provision hereof, any course of dealing or custom of the trade or oral representations notwithstanding.

11.5.2 Neither acceptance of the whole or any part of Work by City nor any verbal statements on behalf of City or its authorized agents or representatives shall operate as a waiver or modification of any provision of the Contract Documents, or of any power reserved to City herein nor any right to damages provided in the Contract Documents.

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CITY OF FORT BRAGG
416 Franklin Street
Fort Bragg, California 95437

CONTRACT, PART 3

SPECIAL PROVISIONS

12. SPECIAL PROVISIONS

12.1 Description of Work.

The Work in general consists of Installation of a new ADA compliant power-operated single slide front entrance door system, installation of a new fingerprint station near the lobby to improve employee safety and efficiency, improvements to the interior flooring system in the break and locker rooms and other such items of work as are required to complete the project in accordance with this Contract, the Project Plans and Technical Specifications.

The estimate of the quantities of work to be done is approximate only, being as a basis for the comparison of bids, and the City does not expressly or by implication agree that the actual amount of work will correspond therewith, but reserves the right to increase or decrease the amount or any portion of the work as directed by the Construction Manager.

Incidental items of construction necessary to complete the whole Work in a satisfactory and acceptable manner as shown on the Project Plans and as provided for in the Technical Specifications and not specifically referred to in this section, will be understood to be furnished by the Contractor.

12.2 Construction Limitations.

The Contractor will be expected to conduct his or her operations in a manner that creates a minimum of damage to the natural vegetation and landscape. Ingress and egress must be via the existing driveways. Care must be exercised to avoid hazards that may cause injury to persons, animals or property either during working hours or after work hours, which will include dust control, backfilling trenches immediately following pipe laying and temporary fencing as required. Excavation made under this Contract must be backfilled before leaving the Work for the night.

The Contractor will be responsible for obtaining permission from the property owners for any construction outside of the Work site or easements as shown

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on the plans. Equipment will be restricted to the immediate area of construction, pipe trenches will be backfilled as soon as possible.

Receptacles for construction residue, including oil, cleaning fluids, and litter must be covered. Such residues must be disposed of in a proper manner. Construction activity within the existing right-of-way must be scheduled to minimize traffic inconvenience and safety hazards to motorists, pedestrians and cyclists.

12.3 Storm Water Pollution Prevention.

The Contractor must perform the Work in compliance with all applicable requirements of the California State Water Resources Control Board pursuant to Order No. 99-08-DWQ, National Pollutant Discharge Elimination System (NPDES) General Permit No. CAS000002 (“General Permit”) adopted pursuant to regulations adopted by the U.S. Environmental Protection Agency (USEPA) on November 16, 1990 and codified in 40 Code of Federal Regulations Parts 122, 123, 124. The General Permit applies to storm water discharges from construction sites that disturb land equal to or greater than one acre, and to construction activity that results in soil disturbances of less than one acre if the construction activity is part of a larger common plan of development that encompasses one acre or more of soil disturbance or if there is significant water quality impairment resulting from the activity. The General Permit requirements that may apply to the Contractor’s performance of the Work include, but are not limited to:

- a. Development and implementation of a Storm Water Pollution Prevention Plan (“SWPPP”) that specifies Best Management Practices (“BMPs”) that will prevent all construction pollutants from contacting storm water and with the intent of keeping all products of erosion from moving off site into receiving waters.
- b. Elimination or reduction of non-storm water discharges to storm sewer systems and other waters of the nation.
- c. Inspection of all BMPs.

Portions of the Work that may be subject to the General Permit include, but are not limited to clearing, grading, stockpiling and excavation.

Prior to commencing performance of the Work, the Contractor must prepare and file a Notice of Intent to obtain coverage under the General Permit, a vicinity map, and the applicable fee, with the California State Water

resources Control Board, Division of Water Quality, Storm Water Permit Unit, P.O. Box 1977, Sacramento, California 95812-1977.

Prior to commencing performance of the Work, the Contractor must also prepare an SWPPP in accordance with all applicable requirements of the General Permit and submit the SWPPP to the Construction Manager for approval.

The Contractor must also develop and implement a monitoring program to verify compliance with the General Permit.

The SWPPP must include a Project site map. Geometric equations, notes, details, and all data not related to water pollution control work shall be removed to provide clarity. A copy of the Project Plans must be used as a base plan, with the pertinent stage of construction shown as an overlay to accurately reflect Project Site conditions at various phases of construction.

The Contractor must revise and update the SWPPP whenever there is a change in construction operations that may affect the site drainage patterns or discharge of pollutants to surface waters, groundwaters, or a separate municipal storm sewer system.

Any fines, damages, Work delays or other impacts that result from failure of the Contractor or privities or agents of the Contractor to fully comply with the requirements of the General Permit or to fully implement the SWPPP will be solely the responsibility of the Contractor.

The Contractor must keep a copy of the General Permit, together with updates and revisions, at the Project Site and provide copies of the SWPPP at the request of the City.

12.4 Maintaining Traffic and Pedestrian Operations.

The Contractor must conduct his or her operations so as to cause the least possible obstruction and inconvenience to public traffic. Unless otherwise approved by the Construction Manager, all traffic must be permitted to pass through the Work.

Due to the need to accommodate and minimize inconvenience to the public, unless expressly specified or approved in writing by the Construction Manager, no road closures will be permitted. Public vehicular and pedestrian traffic must be allowed to travel through the Work area with an absolute minimum of interruption or impedance unless otherwise provided for in the Special Provisions or approved in writing by the Construction

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Manager. The Contractor must make provisions for the safe passage of pedestrians around the area of Work at all times.

Residents affected by construction must be provided passage and access through the Work area to the maximum extent possible. Where existing driveways occur on the street, the Contractor must make provisions for the trench crossings at these points, either by means of backfill or by temporary bridges acceptable to the Construction Manager, so that the length of shut-down of any driveway is kept to a minimum. In addition, all driveways must be accessible at the end of each workday, and no driveway or property access may be closed for more than four (4) hours during the workday. Access to driveways, houses, and buildings along the road or street must be as convenient as possible and well maintained, and all temporary crossings must be maintained in good condition. To minimize the need for and complexity of detours, not more than one crossing or street intersection or road may be closed at any one time without the written approval of the Construction Manager.

The Contractor must provide multiple, advance written notices of closures to all affected property owners in a form approved by the Construction Manager.

Except as otherwise approved by the Construction Manager, the stockpiling or storing of material in City streets or rights of way shall be prohibited. Where this is unavoidable, all such materials must be piled or stored in a manner that will not obstruct sidewalks, driveways, or pedestrian crossings. Gutters and drainage channels must be kept clear and unobstructed at all times. All such materials shall be stored and handled in a manner that protects City streets, sidewalks, or other facilities from damage.

Where approved in advance by the Construction Manager, the Contractor must construct and maintain detours for the use of public traffic at his or her own expense. Failure or refusal of the Contractor to construct and maintain detours so approved at the proper time will be a material breach of the Contract subject to any and all remedies available pursuant to the Contract Documents and at law and equity. Such remedies include, but are not limited to, termination pursuant to Section 11.

Throughout performance of the Work, the Contractor must construct and adequately maintain suitable and safe crossings over trenches and such detours as are necessary to care for the public and private traffic at all times including Saturdays, Sundays and holidays.

The Contractor will be responsible for keeping all emergency services, including the Fort Bragg police and fire departments informed of obstructions to, or detours around any public or private roads caused by reasons of his or her operations.

The Contractor must comply with the State of California, Department of Transportation Manual of warning signs, lights, and devices for use and performance of work within the job site.

The fact that rain or other causes, either within or beyond the control of the Contractor, may force suspension or delay of the Work, shall in no way relieve the Contractor of his or her responsibility of maintaining traffic through the Project and providing local access as specified in this section. The Contractor must, at all times, keep on the job such materials, force and equipment as may be necessary to keep roads, streets and driveways within the Project open to traffic and in good repair and shall expedite the passage of such traffic, using such force and equipment as may be necessary.

Full compensation for conforming to the requirements of this section will be deemed included in the prices paid or the various Contract items of Work, and no additional allowances will be made therefor.

12.5 Public Safety.

The Contractor must at all times conduct the Work in accordance with Construction Safety Orders of the Division of Industrial Safety, State of California, to ensure the least possible obstruction to traffic and inconvenience to the general public, and adequate protection of persons and property in the vicinity of the Work.

No pedestrian or vehicle access way may be closed to the public without first obtaining permission of the Construction Manager.

Should the Contractor fail to provide public safety as specified or if, in the opinion of the Construction Manager, the warning devices furnished by the Contractor are not adequate, the City may place any warning lights or barricades or take any necessary action to protect or warn the public of any dangerous condition connected with the Contractor's operations, and the Contractor will be liable to the City for, and the City may deduct from amounts due or that may become due to the Contractor under the Contract, all costs incurred including, but not limited to, administrative costs.

Nothing in this section will be construed to impose tort liability on the City or Construction Manager.

Contractor acknowledges that, pursuant to the Americans with Disabilities Act (“ADA”), programs, services and other activities provided by a public entity to the public, whether directly or through a Contractor, must be accessible to the disabled public. Contractor shall provide the services specified in the Contract Documents in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under the Contract Documents and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns shall constitute a material breach of the Contract Documents.

12.6 Protection of Existing Facilities and Property.

The Contractor must notify Underground Service Alert (USA) for marking the locations of existing underground facilities.

Subject to Section 5 of the General Provisions, the Contractor must take all necessary measures to avoid injury to existing surface and underground utility facilities in and near the Work site. Subject to Section 5 of the General Provisions, no error or omission of utility markouts will be construed to relieve the Contractor from his responsibility to protect all underground pipes, conduits, cables or other structures affected by the Work.

The existing underground facilities in the area of Work may include telephone, television and electrical cables, gas mains, water mains, sewer pipe and drainage pipe. The various utility companies must be notified before trenching begins and at such other times as required to protect their facilities. Subject to Section 5 of the General Provisions, all underground facilities must be located and exposed ahead of trenching to prevent damage to the facilities, and to determine the depth and character of all facilities that cross or infringe on the trench prism. The Contractor must immediately notify the Construction Manager of any facilities found. If damage should occur to the existing facilities, the utility company and the City must be notified immediately and, subject to Section 5 of the General Provisions, repairs acceptable to the utility company must be made at the Contractor’s expense.

The Project Plans show the underground utilities on the site of the construction insofar as they are known to the City. The drawings may not show facilities apparent from visual inspection of the site or service laterals or appurtenances, the existence of which can be inferred from the presence

of other visible facilities such as buildings, meters, junction boxes, etc. on or adjacent to the construction site.

If in the performance of the Work an existing utility is encountered that is not shown on the Project Plans and is not apparent or inferable from visual inspection of the Project site, the Project Inspector must be notified immediately. The Construction Manager will determine, subject to Section 5 of the General Provisions, whether the Project Plans or Technical Specifications should be modified, or whether the existing utility should be relocated or whether the Contractor must work around the existing utility. Subject to Section 5 of the General Provisions, the Contractor must replace, at his or her own expense, in as good condition as they were prior to the start of construction, all existing improvements and surroundings damaged by his or her operation. Reconstruction of all existing improvements must conform to CITY OF FORT BRAGG Public Works Standard Specifications and Details under the direction of and subject to the acceptance by the Construction Manager.

Subject to Section 5 of the General Provisions, should the Contractor fail to take adequate measures to avoid injury or damage to the facilities described above, the City may take any actions necessary to protect such facilities from the Contractor's operations. Subject to Section 5 of the General Provisions, the City may withhold the cost of injury to existing surface and underground utility facilities in and near the Work site from amounts due or that may become due the Contractor.

12.7 Preconstruction Conference.

A pre-construction conference will be scheduled, at which time the Contractor must present his or her proposed work schedule in accordance with Section 3.8 of the General Provisions, information concerning offsite yards, Subcontractors, location of disposal and stock pile areas, and traffic control plans. All such schedules will be subject to the approval of the Construction Manager and the applicable agencies.

City will schedule and administer intermittent progress meetings throughout duration of work. City will determine the location and time for the meetings.

12.8 Owner Notification.

The Contractor must notify all property owners and businesses affected by the Work at least 48 hours before Work is to begin. The notice must be in writing in the form of a door hanger, and must indicate the Contractor's name and phone number, type of work, day(s) and time when Work will occur.

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Notices must be reviewed in advance and approved by the Construction Manager.

12.9 Emergency Service Providers Notifications.

The Contractor must furnish the name and phone number of a representative that can be contacted in the event of an emergency. Said information must be reported to the City Police Department dispatcher, and updated as required to provide 24-hour phone access.

12.10 Clean up.

Attention is directed to Section 4-1.02 of the Caltrans Standard Specifications, which section is made a part of this Contract.

Before final inspection of the Work, the Contractor must clean the construction site and all ground occupied by him in connection with the Work, of all rubbish, excess material, falsework, temporary structures and equipment. All parts of the Work shall be left in a neat and presentable condition.

Nothing herein shall require the Contractor to remove warning, regulatory, and guide signs prior to formal acceptance by the Construction Manager.

12.11 Payment.

Payment for all work and work requirements specified in these Special Provisions shall be considered as included in the Contract Price and no additional allowances shall be made therefore.

12.12 Construction Staking.

Attention is directed to Section 3.9 of the General Provisions for information on Construction Staking.

12.13 Materials Testing Allowance.

Attention is directed to Section 3.10 of the General Provisions for information on Materials Testing Allowance.

12.14 Obstructions.

Attention is directed to Section 15, "Existing Highway Facilities," of the Caltrans Standard Specifications, which section is made a part of this Contract.

Attention is directed to the existence of overhead and underground power, telephone, and television cable poles, underground sewer mains and laterals, underground gas mains, and underground water mains and laterals within the area in which construction is to be performed.

Prior to starting the Work, the Contractor must (a minimum of 2 working days in advance) call Underground Service Alert (USA), toll free, at 811, and provide USA with all necessary data relative to the proposed work. USA will accept calls and process information to participating agencies who have underground facilities in the area between the hours of 7:30 a.m. and 5:00 p.m. daily, except Saturdays, Sundays, and holidays. Between the hours of 5:00 p.m. and 7:30 a.m. calls will be recorded and then processed after 7:30 a.m. For emergency situations, after hours and on Saturdays, Sundays and holidays, the Contractor shall contact the organization owning the affected facility. Upon notification, agencies having facilities in the area of the proposed excavation will mark their locations in the field using USA standard colors and codes to identify the facility.

The Contractor will be required to work around public and private utility facilities and other improvements that are to remain in place within the construction area, and he will be held liable to the owners of such facilities for interference with service resulting from his operations.

12.15 Hours of Work.

Unless otherwise specified herein, all construction activity, except for emergency situations, will be confined to Monday through Friday between the hours of 7:30 a.m. and 6:00 p.m., to minimize nuisances to local residents. Mufflers and/or baffles will be required on all construction equipment to control and minimize noise. The Contractor must comply with all applicable noise regulations in the City's Zoning Ordinance.

Saturdays, Sundays, holidays and overtime shall not be regarded as working days. Work shall not be allowed on non-working days without the expressed approval of the Construction Manager. The Contractor shall make a request for approval in writing with the stipulation (implied or expressed) that the Contractor shall pay for all overtime labor charges at the applicable hourly rate of the City or contract employee performing duties of inspector and/or

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resident engineer. All overtime labor charges shall be deducted from the final payment along with any liquidated damages.

Work necessary for the proper care and protection of work already performed or in case of emergency may be allowed without permission of the Construction Manager.

12.16 Dust Control.

The Contractor must furnish all labor, equipment, and means required and carry out effective measures wherever and as often as necessary to prevent its operation from producing dust in amounts damaging to property, cultivated vegetation, or domestic animals, or causing a nuisance. The Contractor will be responsible for any damage resulting from any dust originating from the performance of the Work. The use of water resulting in mud on streets, sidewalks, or driveways, will not be permitted as a substitute for sweeping or other methods of dust control. The Contractor may not discharge smoke, dust, or any other air contaminants into the atmosphere in such quantity as will violate the regulations of any legally constituted authority.

Dust control must conform to the provisions in Sections 10-5, "Dust Control" and Section 18, "Dust Palliatives" of the Caltrans Standard Specifications, which section is made a part of this Contract.

12.17 Water for Construction and Dust Control.

Unless otherwise provided, the Contractor will be responsible for applying to the City's Utility Department to establish utility accounts (at no charge) for all water necessary to perform the Work. The Contractor must comply with all City requirements for construction water, including provision of deposits and provision of backflow prevention devices. In accordance with State law, backflow prevention devices for construction water connections must be re-tested when relocated. The Contractor will be responsible for the cost of any re-testing.

The Contractor is prohibited from operating gate valves, fire hydrants, pumps or any other components of the City water system. The Contractor must contact the City's utilities staff, a minimum of twenty-four (24) hours in advance, to operate these or any other components on the City water system.

12.18 Protection and Restoration of Vegetation.

Trees, lawns, shrubbery and vegetation that are not to be removed must be protected from damage or injury. Existing trees, shrubs, and other plants, that are not to be removed and are injured or damaged by reason of the Contractor's operations, must be replaced by the Contractor in accordance with the requirements in Section 20-3.01C, "Replacement," of the Caltrans Standard Specifications. Section 20-3.01C of the Caltrans Standard Specifications is made a part of this Contract.

When it is necessary to excavate adjacent to existing trees, shrubs, or hedges, the Contractor must use all possible care to avoid injury to the trees, shrubs, or hedges and their roots. No roots or limbs two inches (2") or larger in diameter may be cut without the express approval of the Construction Manager.

All roots two inches (2") in diameter and larger left in place must be wrapped with burlap to prevent scarring or excessive drying. When it is necessary to cut limbs and branches of trees to provide clearance for equipment used in construction, the Contractor must repair the damaged areas by properly painting with an emulsified asphalt type seal. All cuts through 1/2" or larger roots and limbs must be hand trimmed and cleanly cut before being repaired.

12.19 Surplus Material.

All material removed or excavated during the course of construction will be surplus. All surplus material will be the property of the Contractor and be disposed of outside the right-of-way, unless the City elects to salvage certain objects that are determined to be of historical interest. The City reserves the right of ownership of all objects that it elects to salvage, and the Contractor must protect such objects from subsequent damage until delivered unto the care of the owner.

12.20 Cultural Resources.

In accordance with the National Historic Preservation Act of 1966 (16 U.S.C. 470), the following procedures are implemented to ensure historic preservation and fair compensation to the Contractor for delays attendant to the cultural resources investigation. The Contractor hereby agrees to comply with these procedures.

12.21 Historical Finds.

In the event potential historical, architectural, archeological, or cultural resources (hereinafter called cultural resources) are discovered during subsurface excavations at the site of construction, the following procedures will apply:

1. The Contractor must immediately notify the Construction Manager and stop any Work that may jeopardize the find pending an investigation of its significance;
2. The Construction Manager will select a qualified archeologist (such as through the Northwest Information Center at Sonoma State University or other official contact) and wait for an archaeologist to complete an evaluation of significance before continuing Work in that area.
3. The Construction Manager will supply the Contractor with a "Stop Work Order" directing the Contractor to cease all portions of the Work that the Construction Manager determines may impact the find. The "Stop Work Order" will be effective until a qualified archaeologist assesses the value of the potential cultural resources. The "Stop Work Order" will contain the following:
 - a. A clear description of the Work to be suspended;
 - b. Any instructions regarding issuance of further orders by the Contractor for materials services;
 - c. Guidance as to action to be taken regarding Subcontractors;
 - d. Any direction to the Contractor to minimize costs; and
 - e. Estimated duration of the temporary suspension.
4. If the archaeologist determines the potential find is a bona fide cultural resource, the Construction Manager may extend the duration of the "Stop Work Order" in writing, and if so the "Stop Work Order" will remain in effect and Work subject to the "Stop Work Order" may not resume until authorized by the Construction Manager.

12.22 Cultural Resources Defined.

Possible indicators that a cultural resource has been found include, but are not limited to the following:

1. Prehistoric-era archaeological site indicators: obsidian tools, tool manufacture waste flakes, grinding and other implements, dwelling sites, animal or human bones, fossils, and/or locally darkened soil

containing dietary debris such as bone fragments and shellfish remains;

2. Historic-era site indicators: ceramic, glass, and/or metal.

12.23 Construction Manager's Discretion.

Once possible cultural resources are found at the Work site, the Construction Manager may use discretion to continue the Work, regardless of the cultural resource find, if the Construction Manager determines that there are overriding considerations such as the instability of the excavation site, the existence of adverse weather or other conditions that would preclude leaving the site exposed, or if the site would be unsafe to workers who would retrieve cultural resource items from therein.

CITY OF FORT BRAGG
416 Franklin Street
Fort Bragg, California 95437

CONSTRUCTION PERFORMANCE BOND

(Note: The successful bidder must use this form. Use of any other bond form may prevent a contract from forming and/or result in forfeiture of the successful bidder's bid bond.)

THIS CONSTRUCTION PERFORMANCE BOND (Bond), dated _____, is in the amount of _____ (Penal Sum), which is 100% of the Contract Sum and is entered into by and between the parties listed below to ensure the faithful performance of the Contract identified below. This Bond consists of this page and the Bond Terms and Conditions, Paragraphs 1 through 14 attached to this page. Any singular reference to _____ (Contractor), _____ (Surety), City of Fort Bragg (City), or other party shall be considered plural where applicable.

CONTRACTOR:

SURETY:

Name of Contractor

Name of Surety

Address

Principal Place of Business

City/State/Zip

City/State/Zip

CONSTRUCTION CONTRACT:

Agreement for the _____ (Project) located at _____ (Address), California, dated _____, in the amount of _____.

CONTRACTOR AS PRINCIPAL

SURETY

Company: (Corp. Seal)

Company: (Corp. Seal)

Signature:

Signature:

Name:

Name:

Title:

Title:

City of Fort Bragg
Project No. PWP-00142
Construction Performance Bond

BOND TERMS AND CONDITIONS

1. Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the City and the State of California for the complete and proper performance of the Construction Contract, which is incorporated herein by reference.
2. If Contractor completely and properly performs all of its obligations under the Construction Contract, Surety and Contractor shall have no obligation under this Bond.
3. If there is no City Default, Surety's obligation under this Bond shall arise after:
 - 3.1 City provides Surety with written notice that City has declared a Contractor Default under the Construction Contract pursuant to the terms of the Construction Contract; and
 - 3.2 City has agreed to pay the Balance of the Contract Sum:
 - 3.2.1 To Surety in accordance with the terms of this Bond and the Construction Contract; or
 - 3.2.2 To a Contractor selected to perform the Construction Contract in accordance with the terms of this Bond and the Construction Contract.
4. When City has satisfied the conditions of Paragraph 3 above, Surety shall promptly (within 40 Days) and at Surety's expense elect to take one of the following actions:
 - 4.1 Arrange for Contractor, with consent of City, to perform and complete the Construction Contract (but City may withhold consent, in which case the Surety must elect an option described in Paragraphs 4.2, 4.3 or 4.4 below); or
 - 4.2 Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors or Construction entities; provided, that Surety may not select Contractor as its agent or independent contractor or Contractor without City's consent; or
 - 4.3 Undertake to perform and complete the Construction Contract by obtaining bids from qualified contractors or Construction entities acceptable to City for a contract for performance and completion of the Construction Contract and, upon determination by City of the lowest responsive and responsible Bidder, arrange for a contract to be prepared for execution by City and the contractor or Contractor selected with City's concurrence, to be secured with performance and payment bonds executed by a qualified surety

City of Fort Bragg
Project No. PWP-00142
Construction Performance Bond

equivalent to the bonds issued on the Construction Contract; and, if Surety's obligations defined in Paragraph 6 below, exceed the Balance of the Contract Sum, then Surety shall pay to City the amount of such excess; or

- 4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor or Contractor, and with reasonable promptness under the circumstances and, after investigation and consultation with City, determine in good faith its monetary obligation to City under Paragraph 6 below, for the performance and completion of the Construction Contract and, as soon as practicable after the amount is determined, tender payment therefor to City with full explanation of the payment's calculation. If City accepts Surety's tender under this Paragraph 4.4, City may still hold Surety liable for future damages then unknown or unliquidated resulting from the Contractor Default, as agreed by City and Surety at the time of tender. If City disputes the amount of Surety's tender under this Paragraph 4.4, City may exercise all remedies available to it at law to enforce Surety's liability under Paragraphs 6 and 7 below.
5. At all times City shall be entitled to enforce any remedy available to City at law or under the Construction Contract including, without limitation, and by way of example only, rights to perform work, protect Work, mitigate damages, advance critical Work to mitigate schedule delay, and coordinate Work with other consultants or contractors.
6. If Surety elects to act under Paragraphs 4.1, 4.2 or 4.3 above, within the time period provided in Paragraph 4, above, and complies with its obligations under this Bond, Surety's obligations under this Bond are commensurate with Contractor's Construction Contract obligations. Surety's obligations include, but are not limited to:
 - 6.1 Contractor's obligations to complete the Construction Contract and correct Defective Work;
 - 6.2 Contractor's obligations to pay liquidated damages; and
 - 6.3 To the extent otherwise required of Contractor under the Construction Contract, Contractor's obligations to pay additional legal, design professional, and other costs not included within liquidated damages resulting from Contractor Default (but excluding attorney's fees incurred to enforce this Bond).

7. If Surety does not elect to act under Paragraphs 4.1, 4.2, 4.3, or 4.4, above, within the time period provided in Paragraph 4, above, or comply with its obligations under this Bond, then Surety shall be deemed to be in default on this Bond ten Days after receipt of an additional written notice from City to Surety demanding that Surety perform its obligations under this Bond. Such Surety default shall be independent of the Contractor Default. To the extent Surety's independent default causes City to suffer damages including, but not limited to, delay damages, which are different from, or in addition to (but not duplicative of) damages which City is entitled to receive under the Construction Contract, Surety shall also be liable for such damages. In the event any Surety obligation following its independent default is inconsistent or conflicts with California Civil Code Section 2809, or any other law which either prohibits, restricts, limits or modifies in any way any obligation of a surety which is larger in amount or in any other respect more burdensome than that of the principal, Surety hereby waives the provisions of such laws to that extent.
8. If Surety elects to act under Paragraphs 4.1, 4.2, 4.3 or 4.4 above, within the time period provided in Paragraph 4, above, and complies with all obligations under this Bond, Surety's monetary obligation under this Bond is limited to the Penal Sum.
9. No right of action shall accrue on this Bond to any person or entity other than City or its successors or assigns.
10. Surety hereby waives notice of any change, alteration or addition to the Construction Contract or to related subcontracts, design agreements, purchase orders and other obligations, including changes of time, and of any City action in accordance with Paragraph 5 above. Surety consents to all terms of the Construction Contract, including provisions on changes to the Contract. No extension of time, change, alteration, Modification, deletion, or addition to the Contract Documents, or of the Work (including services) required thereunder, or any City action in accordance with Paragraph 5 above shall release or exonerate Surety on this Bond or in any way affect the obligations of Surety on this Bond, unless such action is an City Default.
11. Any proceeding, legal or equitable, under this Bond shall be instituted in any court of competent jurisdiction where a proceeding is pending between City and Contractor regarding the Construction Contract, or in the Superior Court of the County of Mendocino, California, or in a court of competent jurisdiction in the location in which the Work is located. Communications from City to Surety under Paragraph 3.1 above shall be deemed to include the necessary agreements under Paragraph 3.2 above unless expressly stated otherwise.
12. All notices to Surety or Contractor shall be mailed or delivered (at the address set forth on the signature page of this Bond), and all notices to City shall be mailed or delivered as provided in the Construction Contract. Actual receipt of notice by

City of Fort Bragg
Project No. PWP-00142
Construction Performance Bond

Surety, City or Contractor, however accomplished, shall be sufficient compliance as of the date received at the foregoing addresses.

13. Any provision in this Bond conflicting with any statutory or regulatory requirement shall be deemed deleted herefrom and provisions conforming to such statutory requirement shall be deemed incorporated herein.

14. Definitions

14.1 Balance of the Contract Sum: The total amount payable by City to Contractor pursuant to the terms of the Construction Contract after all proper adjustments have been made under the Construction Contract, for example, deductions for progress payments made, and increases/decreases for approved Modifications to the Construction Contract.

14.2 Construction Contract: The agreement between City and Contractor identified on the signature page of this Bond, including all Contract Documents and changes thereto.

14.3 Contractor Default: Material failure of Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Construction Contract, limited to "default" or any other condition allowing a termination for cause as provided in the Construction Contract.

14.4 City Default: Material failure of City, which has neither been remedied nor waived, to pay Contractor progress payments due under the Construction Contract or to perform other material terms of the Construction Contract, if such failure is the cause of the asserted Contractor Default and is sufficient to justify Contractor termination of the Construction Contract.

END OF DOCUMENT

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City of Fort Bragg
Project No. PWP-00142
Construction Performance Bond

CITY OF FORT BRAGG
416 Franklin Street
Fort Bragg, California 95437

CONSTRUCTION LABOR AND MATERIAL PAYMENT BOND

(Note: The successful bidder must use this form. Use of any other bond form may prevent a contract from forming and/or result in forfeiture of the successful bidder's bid bond.)

KNOW ALL PERSONS BY THESE PRESENTS:

1.01 WHEREAS, the City of Fort Bragg, 416 N. Franklin Street, Fort Bragg, California 95437 (City) has awarded a Contract to _____ as Principal, dated the _____ day of _____, _____ (the Contract), titled THE _____ PROJECT in the amount of \$_____, which Contract is by this reference made a part hereof, for the work of the following Contract:

1.02 WHEREAS, Principal is required to furnish a bond in connection with the Contract to secure the payment of claims of laborers, mechanics, material suppliers, and other persons as provided by law;

1.03 NOW, THEREFORE, we, the undersigned Principal and _____, as Surety, are held and firmly bound unto City in the sum of 100% OF THE CONTRACT PRICE (\$_____), for which payment well and truly to be made we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

1.04 THE CONDITION OF THIS OBLIGATION IS SUCH, that if Principal, or its executors, administrators, successors, or assigns approved by City, or its subcontractors shall fail to pay any of the persons named in California Civil Code Section 9100, or amounts due under the State of California Unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld, and paid over to the State of California Employment Development Department from the wages of employees of Principal and subcontractors pursuant to Section 13020 of the State of California Unemployment Insurance Code with respect to such work and labor, that Surety will pay for the same in an amount not exceeding the sum specified in this bond,

City of Fort Bragg
Project No. PWP-00142
Construction Labor & Material Payment Bond

plus reasonable attorneys' fees, otherwise the above obligation shall become and be null and void.

- 1.05 This bond shall inure to the benefit of any of the persons named in California Civil Code Section 9100, as to give a right of action to such persons or their assigns in any suit brought upon this bond. The intent of this bond is to comply with the California Mechanic's Lien Law.
- 1.06 Surety, for value received, hereby expressly agrees that no extension of time, change, modification, alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the Contract, or to the work to be performed thereunder, shall in any way affect the obligation of this bond; and it does hereby waive notice of any such extension of time, change, modification, alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the Contract, or to the work to be performed thereunder.
- 1.07 Surety's obligations hereunder are independent of the obligations of any other surety for the payment of claims of laborers, mechanics, material suppliers, and other persons in connection with Contract; and suit may be brought against Surety and such other sureties, jointly and severally, or against any one or more of them, or against less than all of them without impairing City's rights against the other.
- 1.08 Correspondence or claims relating to this bond shall be sent to Surety at the address set forth below.

IN WITNESS WHEREOF, we have hereunto set our hands this _____day of _____, _____.

CONTRACTOR AS PRINCIPAL

SURETY

Company: (Corp. Seal)

Company: (Corp. Seal)

Signature

Signature

Name

Name

Title

Title

Street Address

Street Address

City, State, Zip Code

City, State, Zip Code

END OF DOCUMENT

City of Fort Bragg
Project No. PWP-00142
Construction Labor & Material Payment Bond

FORT BRAGG
416 Franklin Street
Fort Bragg, California 95437

MAINTENANCE BOND

(Note: The successful bidder must use this form. Use of any other bond form may prevent a contract from forming and/or result in forfeiture of the successful bidder's bid bond.)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS the City Council of the CITY OF FORT BRAGG has awarded to _____, (designated as the "PRINCIPAL") a contract for the _____ Project, Project No. _____, which contract and all of the contract documents as defined therein (designated as the "Contract") are hereby made a part hereof; and

WHEREAS, the PRINCIPAL is required under the terms of the Contract to furnish a bond for the correction of any defects due to defective materials or workmanship in the work performed under the Contract.

NOW, THEREFORE, we the PRINCIPAL and the undersigned _____, as surety (designated as "SURETY"), an admitted surety insurer authorized to do business in the State of California, are held and firmly bound unto the CITY OF FORT BRAGG, (designated as the "OBLIGEE"), in the penal sum of _____ Dollars (\$_____), lawful money of the United States, being a sum not less than ten percent (10%) of the final Contract price, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH that if, during a maintenance period of one (1) year from the date of acceptance by the OBLIGEE of the contracted work, the PRINCIPAL upon receiving written notice of a need for repairs which are directly attributable to defective materials or workmanship, shall diligently take the necessary steps to correct said defects within seven (7) days from the date of said notice, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

If any action shall be brought by the OBLIGEE upon this bond, a reasonable attorney's fee, to be fixed by the Court, shall be and become a part of OBLIGEE's judgment in any such action.

No right of action shall accrue on this bond to, or for the use of, any person or corporation other than the OBLIGEE named herein or the heirs, executors, administrator or successor of the OBLIGEE.

IN WITNESS WHEREOF, the above bound parties have executed this instrument under their seals this _____ day of _____, _____ the name and corporate seals

City of Fort Bragg
Project No. PWP-00142
Construction Labor & Material Payment Bond

of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Corporate Seal)

PRINCIPAL

By: _____

(Acknowledgement)

Title:

(Corporate Seal)

SURETY

By: _____

(Attorney-in-fact)

(Acknowledgement)

Title:

(NOTE TO SURETY COMPANY: A certified copy of unrevoked resolution of authority for the attorney-in-fact must be submitted with and attached to the executed bid bond.)

END OF DOCUMENT

Exhibit A (Contractors Quote)

EXHIBIT B

CLAIMS PROCEDURE

SUMMARY OF PUBLIC CONTRACT CODE § 9204

The following procedure will apply to any claims by the Contractor on the City:

A “claim” is a separate demand on the City by a contractor on a public works project and sent by registered mail or certified mail with return receipt requested, for one or more of the following:

- A time extension, including relief from penalties for delay
- Payment by the City of money damages under the terms of the contract
- Payment of an amount that is disputed by the City

Initial Review

The claim must be supported by appropriate documentation. The City has 45 days within which to review the claim and provide the contractor with a written statement identifying the disputed and undisputed portions of the claim. If the City does not issue a written statement, the claim is deemed rejected in its entirety. The City will pay any undisputed portion of the claim within 60 days of issuing the statement.

Meet & Confer

If the contractor disputes the City’s written response, or if the City does not issue one, the contractor may request in writing an informal conference to meet and confer for possible settlement of the claim. The City will schedule the meet and confer conference within 30 days of this request and provide a written statement identifying the remaining disputed and undisputed portions of the claim within 10 business days of the meet and confer. The City will pay the undisputed portion within 60 days of issuing this statement.

Mediation

With respect to any disputed portion remaining after the meet and confer, the City and contractor will submit the matter to nonbinding mediation, agree to a mediator within 10 business days after issuing the written statement, and share mediation costs equally. If mediation is unsuccessful, then the terms of the public works agreement and applicable law will govern resolution of the dispute.

Miscellaneous Provisions

Amounts not paid by the City in a timely manner bear interest at 7% per annum. Subcontractors may submit claims via this procedure through the general contractor. The City and contractor may waive the requirement to mediate, but cannot otherwise waive these claim procedures.

From: [Jacob Patterson](#)
To: [City Clerk](#)
Cc: [Whippy, Isaac](#)
Subject: Public Comment -- 4/28/25 CC Mtg., Item No. 8E, PD Construction
Date: Monday, April 28, 2025 10:53:21 AM

City Council,

I think this is a fine project; however, it does not appear to be an allowable expense of asset forfeiture funds. Asset forfeiture can be used for community education and events, equipment purchases, and employee training but not for maintenance or construction projects. In the past, the City improperly used asset forfeiture money relying on staff to make supportable recommendations and it came back to bite the City in the rear. This appears to be another such issue. It seems to me that we already budgeted money for the greater PD project and we should just use that funding rather than trying to rely on asset forfeiture funding and saving the allocated funds for the future project. Moreover, the budget amendment document appears to be incorrect because it includes moving a bunch of money between CDD and the PD associated with code enforcement. I think the wrong document (or an erroneous document) was uploaded.

Don't make a mistake like a prior council did when they improperly used asset forfeiture funds for inappropriate expenses. Councilmembers were even accused of being "felons" for doing that and we don't want any more reasons for the public to doubt the integrity of the City of FB.

Regards,

--Jacob