

**REGULAR / SPECIAL AMENDED MEETING AGENDA**

**Fortuna City Council**

**Fortuna Successor Agency**

**Fortuna Public Financing Authority**

**May 1, 2017 at 6:00 P.M.**

**621 11<sup>th</sup> Street at Fortuna City Hall**

We May Disagree, But We Will Be Respectful of One Another  
All Comments Will Be Directed to the Issue at Hand, and Addressed to the City Council  
Personal Attacks are Unacceptable

***The City Council May Take Action on any Item on this Agenda.***

**I. CALL TO ORDER / FLAG SALUTE / ROLL CALL 6:00 PM**

<b>Council</b>	<b>Staff</b>
Council Member Tiara Brown	City Manager Mark Wheatley
Council Member Dean Glaser	City Clerk Linda McGill
Council Member Doug Strehl	Public Works Director Merritt Perry
Mayor Pro Tem Tami Trent	Finance Director Aaron Felmlee
Mayor Sue Long	Deputy Public Works Director Kevin Carter

**II. PROCLAMATIONS & PRESENTATIONS**

- **National Police Week**
- **Municipal Clerks Week**
- **Teacher Appreciation Week**
- **National Bike Month**
- **Recognition of Retiring Police Dispatcher Carol Nichols**

**III. ORAL COMMENTS FROM THE PUBLIC**

*Members of the Public may be heard at this time on any item within the subject matter jurisdiction of the City that is not on the Public Meeting Agenda. It is the practice of this Council to hold public comment for every item of business on the agenda at the time that item is heard. If a speaker cannot stay for a particular item of business, they may be heard during this time. Comments concerning the Consent Calendar may also be heard at this time. Speakers addressing the Council will be limited to 3 minutes per speaker. Be advised that, by law, the City Council can only deliberate or take action on items that are included on the agenda.*

**IV. CONSENT CALENDAR**

*These matters are routine in nature and are usually approved by a single vote. Any member of the Council may pull a particular item for further discussion.*

1. City Council Minutes – April 17, 2017 (Regular Meeting)
2. Report of Disbursements for April 18, 2017
3. Approval for Contract with DCI Builders for Minor Concrete Maintenance and Repair Project; Resolution 2017-13
4. Approval for Contract with Mercer-Fraser Company for Minor Street Maintenance and Repair Project; Resolution 2017-14
5. Consideration of Claim Filed by Carrie Capolupo

**V. ADJOURN THE FORTUNA CITY COUNCIL REGULAR MEETING**

**VI. CONVENE THE SPECIAL MEETING OF THE SUCCESSOR AGENCY AND THE FORTUNA PUBLIC FINANCING AUTHORITY**

At this time, members of the City Council act as the governing body of the Successor Agency to the Fortuna Redevelopment Agency, in accordance with Health and Safety Code 34173(d)(1) and the City of Fortuna Resolution No. 2012-02. All actions of the Successor Agency are authorized by Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code. Liability of the Successor Agency for any action taken is expressly limited by Health and Safety Code Section 34173(e).

**VII. SUCCESSOR AGENCY & FORTUNA PUBLIC FINANCING AUTHORITY BUSINESS**

- A. Authorization to Proceed with the Refunding of the Series 2007 Revenue Bonds for Interest Savings; Resolution SA 2017-01 and Resolution FPFA 2017-01

**VIII. ADJOURNMENT OF THE SPECIAL MEETING OF THE SUCCESSOR AGENCY & FORTUNA PUBLIC FINANCING AUTHORITY**

**IX. RECONVENE THE REGULAR MEETING OF THE FORTUNA CITY COUNCIL**

**X. CITY COUNCIL BUSINESS**

- A. Receive the Fiscal Year (FY) 2016-17 Mid-Year Budget Review and Adopt Resolution 2017-15 Amending the FY 2016-17 Budget
- B. Approve the Preparation and Submittal of a Grant Application to the Federal Emergency Management Agency Hazard Mitigation Grant Program for Flood Control and Habitat Improvements on Hillside Creek and Authorize the Commitment of up to \$625,000 from General Fund Reserves to Provide Matching Funds
- C. Adoption of a Resolution Granting Consent to the County of Humboldt to Renew the Humboldt County Tourism Business Improvement District and Include the City of Fortuna in the District; Resolution 2017-16

**XI. CITY MANAGER REPORT, PENDING LEGISLATION AND CALENDAR OF EVENTS**

**XII. FUTURE AGENDA ITEMS**

*At this time, members of the Council may consider or request items to be placed on a future agenda through a consensus of the majority.*

**XIII. CITY COUNCIL REPORTS AND COMMENTS**

- Council Member Tiara Brown Fortuna Business Improvement District
- Council Member Dean Glaser Parks & Recreation Commission, Redwood Coast Energy Authority
- Council Member Doug Strehl Humboldt County Association of Governments, Historical Commission
- Mayor Pro Tem Tami Trent Humboldt Transit Authority, Indian Gaming Commission, League of California Cities Public Safety Commission
- Mayor Sue Long Redwood Region Economic Development Corporation, Local Agency Formation Commission, League of California Cities Legislative Committee & Housing, Community, and Economic Development Committee

**XIV. ADJOURN**

Pursuant to Government Code Section 54957.5, any non-confidential documents or writings that the City distributes, less than 72 hours before a regular meeting, to all or a majority of the legislative body's members must be made available to members of the public at the same time as the distribution. Documents and information related to the agenda topics are available for review at City Hall, 621 11<sup>th</sup> Street, between the hours of 8:00 AM to 5:00 PM. Members of the public are invited to come to the meeting and comment. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at 725-7600. Notification prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Linda McGill, CMC  
City Clerk



# City of Fortuna Proclamation

*In Recognition of*

## *National Police Week* *May 15<sup>th</sup> – 21<sup>st</sup>, 2017*

*WHEREAS, in 1962 President John F. Kennedy signed a proclamation which designated May 15<sup>th</sup> as National Peace Officers Memorial Day and the week in which that date falls as “National Police Week”; and*

*WHEREAS, law enforcement officers are guardians of life and property, defenders of the individual rights of a free people, soldiers in the war against crime, and dedicated to the preservation of life, liberty, and the pursuit of happiness; and*

*WHEREAS, it is known that every two days an American police officer dies in the line of duty, our community joins with other cities and town to honor all peace officers everywhere; and*

*WHEREAS, the City of Fortuna desires to honor the valor, service and dedication of our police officers; and*

*NOW THEREFORE, I Sue Long, Mayor of Fortuna, proclaim the week of May 15<sup>th</sup> to May 21<sup>st</sup>, 2017 to be National Police Week, and call upon all citizens to give special honor and sincere appreciation to the police officers of this city by deed, remark, and attitude. I further call upon our citizenry to make every effort to express our gratitude to the men and women who make it possible for us to leave our homes and families in safety each day and return knowing they are protected by people willing to sacrifice their lives, if necessary, to guard our loved ones, property, and government against all who would violate the law.*

*SIGNED this 1<sup>st</sup> day of May, 2017, at the City of Fortuna, in the State of California, and in witness thereof, the seal of Fortuna.*

---

*Sue Long,  
Mayor, City of Fortuna*



# City of Fortuna Proclamation

*In Recognition of*

## *48<sup>th</sup> Annual Municipal Clerks Week May 7<sup>th</sup> – 13<sup>th</sup>, 2017*

*WHEREAS, the Office of the Municipal Clerk, a time honored and vital part of local government exists throughout the world; and*

*WHEREAS, the Office of the Municipal Clerk is the oldest among public servants; and*

*WHEREAS, the Office of the Municipal Clerk provides the professional link between the citizens, the local governing bodies and agencies of government at other levels; and*

*WHEREAS, Municipal Clerks have pledged to be ever mindful of their neutrality and impartiality, rendering equal service to all; and*

*WHEREAS, the Municipal Clerk serves as the information center on functions of local government and community; and*

*WHEREAS, Municipal Clerks continually strive to improve the administration of the affairs of the Office of the Municipal Clerk through participation in education programs, seminars, workshops and the annual meetings of their state; and*

*WHEREAS, it is most appropriate that we recognize the accomplishments of the Office of the Municipal Clerk.*

*NOW THEREFORE BE IT RESOLVED, that I, Sue Long, Mayor of the City of Fortuna, do hereby proclaim the week of May 7<sup>th</sup> through May 13<sup>th</sup>, 2017, as Municipal Clerks Week, and further extend appreciation to our Municipal Clerks, Linda McGill, Siana Emmons, Jenn Ourique and Megan Wilbanks, and to all Municipal Clerks for the vital services they perform and their exemplary dedication to the communities they represent.*

*SIGNED this 1<sup>st</sup> day of May, 2017 at the City of Fortuna, in the State of California, and in witness thereof, the seal of Fortuna.*

---

*Sue Long,  
Mayor, City of Fortuna*



# *City of Fortuna* *Proclamation*

*In Recognition of*

## *Teacher Appreciation Week* *May 1<sup>st</sup> – 5<sup>th</sup>, 2017*

*WHEREAS, teachers mold future citizens through guidance and education; and*

*WHEREAS, teachers encounter students of widely differing backgrounds; and*

*WHEREAS, our country's future depends upon providing quality education to all students; and*

*WHEREAS, teachers spend countless hours preparing lessons, evaluating progress, counseling and coaching students and performing community service; and*

*WHEREAS, our community recognizes and supports its teachers in educating the children of this community.*

*NOW THEREFORE, I, Sue Long, Mayor of Fortuna, proclaim the week of May 1<sup>st</sup> to May 5<sup>th</sup>, 2017 to be Teacher Appreciation Week, and I strongly encourage all members of our community to join with the Council in personally expressing appreciation to our teachers for their dedication and devotion to their work.*

*SIGNED this 1<sup>st</sup> day of May, 2017, at the City of Fortuna, in the State of California, and in witness thereof, the seal of Fortuna.*

---

*Sue Long,  
Mayor, City of Fortuna*



# *City of Fortuna* *Proclamation*

*In Recognition of*

## *National Bike Month* *May, 2017*

*WHEREAS, bicycle travel is an effective means to improve air quality, reduce traffic congestion and noise, increase physical activity, and improve public health; and*

*WHEREAS, bicycling is part of the solution for addressing transportation needs, limiting impacts to infrastructure, as well as conserving energy; and*

*WHEREAS, bicycle commuting benefits both employees and employers through better employee health and fitness; reduced commuting, parking, and health care costs; lower employee absenteeism and turnover; and increased employee productivity and there is a strong relationship between the City of Fortuna and the Fortuna Elementary School District around Safe Routes to Schools; and*

*WHEREAS, a youth bike park has been built and opened within the City of Fortuna; and*

*WHEREAS, the City of Fortuna is involved in planning and building the John Campbell Memorial Parkway which would increase bicycle commuting and recreation opportunities for Fortuna residents; and*

*WHEREAS, the City of Fortuna has received statewide recognition for extending the school zone and reducing the speed limit to benefit 13 schools; and*

*WHEREAS, the month of May is “National Bike Month” which promotes the bicycle as a means of transportation and recreation and May is also “Clean Air Month” which promotes air quality; and*

*WHEREAS, Bike Month Humboldt features a number of events for riders of all ages to enjoy throughout the month at various locations; and*

*NOW THEREFORE, I, Sue Long, Mayor of the City of Fortuna do hereby proclaim May 2017 as National Bike Month throughout Fortuna and urge all citizens to support and participate in activities that contribute to the health of the community and the environment.*

*SIGNED this 1<sup>st</sup> day of May, 2017 at the City of Fortuna, in the State of California, and in witness thereof, the seal of Fortuna.*

---

*Sue Long,  
Mayor, City of Fortuna*

**I. CALL TO ORDER:**

Mayor Long called the Public Session to order at 6:00 PM

**FLAG SALUTE / ROLL CALL**

Mayor Long led the flag salute.

**ROLL CALL**

<b>Council</b>	<b>Staff</b>
Council Member Tiara Brown	City Manager Mark Wheatley
Council Member Dean Glaser	Deputy City Clerk Siana Emmons
Council Member Doug Strehl	Public Works Director Merritt Perry
Mayor Pro Tem Tami Trent	Finance Director Aaron Felmlee
Mayor Sue Long	Chief Plant Operator Doug Culbert

**II. PROCLAMATIONS**

- Public Safety Telecommunications Week Proclamation was presented by Mayor Long and accepted by Fortuna Police Chief Bill Dobberstein.

**III. PRESENTATIONS**

- Waste Water Treatment Chief Plant Operator, Doug Culbert, provided a presentation on the City’s “Smoke Testing” project which is part of the City’s requirements in the Sanitary Sewer Management Plan (SSMP).
- Fortuna Fire Protection District Chairman Dave Nicholson provided a district update as well as introduced the newest Fortuna fire recruits.

**IV. ORAL COMMENTS FROM THE PUBLIC**

Taylor Fournier and Emily Dill, students at Fortuna Union High School (FUHS), announced as part of their Change the World Project, there will be a free car seat recycling event taking place at the FUHS 12<sup>th</sup> Street parking lot on April 22, 2017 from 11:00 am to 2:00 pm. There being no further comment Mayor Long closed this public comment section.

**V. CONSENT CALENDAR**

*These matters are routine in nature and are usually approved by a single vote. Any member of the Council may pull a particular item for further discussion.*

1. City Council Minutes – April 3, 2017 (Regular Meeting) and April 6, 2017 (Special Meeting)
2. Administrative Department Monthly Report for March 2017
3. Community Development Department Monthly Report for March 2017
4. Finance Department Monthly Report for March 2017
5. Parks & Recreation Monthly Report for March 2017
6. Police Department Monthly Report for March 2017
7. Public Works Monthly Report for March 2017
8. River Lodge Monthly Report for March 2017
9. Report of Disbursements for April 4, 2017
10. Authorize the Submittal of Application for Payment Programs and Related Authorizations to CalRecycle; Resolution 2017-12

**CITY COUNCIL ACTION:** Council Member Glaser pulled Consent Calendar Items 4, 5 and 8 for further discussion.

**PULLED CONSENT CALENDAR ITEMS DISCUSSION**

**Item # 4** (Pulled by Council Member Glaser) Council Member Glaser commented on page 7 of the Basic Financial Statements for Fiscal Year

And indicated that pie charts from the Management's Discussion and Analysis were flawed and needed some more accuracy to provide credibility to the departments that the pie chart is made up of. He also questioned the Finance Director about PERS retirement benefit and what the city has funded and not funded. Finance Director Aaron Felmlee confirmed he would bring the information back to the May 1<sup>st</sup> Council meeting for the mid-year budget review.

**Item # 5** (Pulled by Council Member Glaser) Council Member Glaser raised a question regarding the removal of the fallen Cypress tree at Rohner Park and why there was not a second opinion from an arborist in regards to the trees removal. General Services Superintendent Mike Johnson explained there was insect and internal rot to the tree that required that the tree be removed entirely.

**Item # 8** (Pulled by Council Member Glaser) Council Member Glaser encouraged the patronage of the gift shop at the Riverlodge and reminded the public that the last Tuesday of every month the gift shop offers a 15% discount.

**CITY COUNCIL ACTION:** Council Member Glaser moved, seconded by Council Member Brown to Approve Consent Calendar Items 1-10. Voice Vote.

AYES: Council Member Brown, Glaser, Strehl, Mayor Pro Tem Trent, Mayor Long

NOES: None

ABSENT: None

ABSTAIN: None

Motion Carried 5-0

## VI. BUSINESS

### A. AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT FOR PHASE B OF THE ROHNER CREEK FLOOD CONTROL, SEISMIC AND HABITAT IMPROVEMENT PROJECT TO MERCER FRASER COMPANY

*Mayor Pro Tem Trent recused herself from this item and left the Council Chambers due to her owning property that will be affected by the project.*

#### **STAFF RECOMMENDATION:**

Authorize the City Manager to award Phase B of the Rohner Creek Flood Control, Seismic and Habitat Improvements Project (CIP 9601) to Mercer Fraser Co. and enter into a construction contract in the amount of \$4,392,150 and establish maximum contract amount including 5% contingency of \$4,691,824.00.

#### **STAFF REPORT:**

The City Council received a written and oral report from Public Works Director Merritt Perry.

#### **PUBLIC COMMENT:**

Hunter Creswell with the Eureka Times-Standard clarified construction season, which Merritt confirmed for Phase B June through October for work within in the channel. Mr. Creswell also requested clarification on when the project actually began and Merritt explained that the project was first identified City's 1983 Storm Drainage Master plan, but there were not actual funds to move the project forward. When the City received grant funds, it changed the project from being an idea to being implemented.

Walt Wilson, Fortuna Resident, questioned if Phase B was the Rohner Park section of the project and Merritt explained that the last Phase of the project included South Fortuna Blvd. and some culverts next to Les Schwab Tires and the channel that goes up to Rohnerville Road. He also clarified that the portion of the creek in Rohner Park has been modeled and had occasional debris jams but that it was a maintenance issue, not a capacity issue. There being no further comment Mayor Long closed this public comment section.

#### **CITY COUNCIL ACTION:**

Council Member Glaser moved, seconded by Council Member Strehl to award the Phase B of the Rohner Creek Flood Control, Seismic and Habitat Improvements Project to Mercer Fraser Construction in the amount of \$4,392,150 and establish a maximum contract amount (including 5% contingency) of \$4,691,824, and authorize City Manager to execute the contract and other related documents. Voice vote.



AYES: Council Member Brown, Glaser, Strehl, Mayor Pro Tem Trent, Mayor Long

NOES: None

ABSENT: Nonce

ABSTAIN: None

Motion Carried 5-0

**B. CONSIDER APPOINTMENT OF THE CITY'S REPRESENTATIVE AND ALTERNATE TO THE BOARD OF DIRECTOR'S FOR THE REDWOOD EMPIRE MUNICIPAL INSURANCE FUND (REMIF)**

**STAFF RECOMMENDATION:**

Approve appointments of the City's Representative and Alternate to the Board of Director's Redwood Empire Municipal Insurance Fund (REMIF).

**STAFF REPORT:**

The City Council received a written and oral report from City Manager Mark Wheatley.

**PUBLIC COMMENT:**

There being no comment Mayor Long closed this public comment section.

**CITY COUNCIL ACTION:**

Council Member Glaser moved, seconded by Council Member Brown to appoint City Manager Mark Wheatley as the City's Representative to the REMIF Board of Director's and Siana Emmons as the City's Alternate Representative; Voice vote

AYES: Council Member Brown, Glaser, Strehl, Mayor Pro Tem Trent, Mayor Long

NOES: None

ABSENT: Nonce

ABSTAIN: None

Motion Carried 5-0

**VII. CITY MANAGER REPORT, PENDING LEGISLATION AND CALENDAR OF EVENTS**

**VIII. FUTURE AGENDA ITEMS**

None.

**IX. CITY COUNCIL REPORTS AND COMMENTS**

- Council Member Tiara Brown Fortuna Business Improvement District
- Council Member Dean Glaser Parks & Recreation Commission, Redwood Coast Energy Authority
- Council Member Doug Strehl Humboldt County Association of Governments, Historical Commission
- Mayor Pro Tem Tami Trent Humboldt Transit Authority, Indian Gaming Commission, League of California Cities Public Safety Commission
- Mayor Sue Long Redwood Region Economic Development Corporation, Local Agency Formation Commission, League of California Cities Legislative Committee & Housing, Community, and Economic Development Committee

**X. ADJOURN**

At 7:04 p.m. Council Member Brown moved, seconded by Mayor Pro Tem Trent to adjourn. Voice Vote. Motion Carried 5-0

Respectfully Submitted,  
Siana L. Emmons  
Deputy City Clerk

# **STAFF REPORT**

## *City Council Consent Calendar Item*

---

**DATE:** May 1, 2017

**TO:** Honorable Mayor and City Council Members

**FROM:** Mark Wheatley, City Manager

**SUBJECT:** Report of Disbursements for April 18, 2017

**STAFF RECOMMENDATION:**

Receive staff report of disbursements that were processed for the City of Fortuna and the Successor Agency (Fortuna Redevelopment Agency) if applicable, as an informational item only.

**REPORT OF DISBURSEMENTS:**

Disbursements were processed on April 18, 2017 in the following amount:

- City of Fortuna \$ 123,988.87

**RECOMMENDED COUNCIL ACTION:**

Informational Item. Receive report by Consent Agenda Vote

**ATTACHMENTS:**

- Disbursements Detail Reports for April 18, 2017

REPORT: Apr 18 17 Tuesday  
 RUN: Apr 18 17 Time: 09:24  
 Run By: Racheal Henry

City of Fortuna  
 Cash Disbursement Detail Report  
 Check Listing for 04-17 Bank Account: 1020

PAGE: 001  
 ID #: PY-DP  
 CTL: FOR

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Payment Information	
							Invoice #	Description
059178	04/05/17	NAT02	NATIONAL ASSOCIATION OF C	-495.00	.00	-495.00	20428CAu	Ck# 059178 Reversed
059231	04/05/17	DOB01	WILLIAM DOBBERSTEIN	351.50	.00	351.50	040517P	TRAVEL EXPENSE 4/9-4/13
059232	04/05/17	EBE01	MATT EBERHARDT	351.50	.00	351.50	040517P	TRAVEL EXPENSE 4/9-4/13
059233	04/18/17	VOID	VOIDED CHECK	495.00	.00	495.00	20428CAP	SCHOOL RESOURCE OFFICER C
Check Total.....:				495.00	.00	495.00		
059234	04/18/17	ACC02	ACCESS HUMBOLDT	177.45	.00	177.45	1133	TELEVISED COUNCIL FY 2016
				221.20	.00	221.20	1134	TELEVISED PLANNING FY 201
				1057.50	.00	1057.50	1139	FRANCHISE FEES FY 2016/17
Check Total.....:				1456.15	.00	1456.15		
059235	04/18/17	AMP01	A. M. PECHE & ASSOCIATES	7213.17	.00	7213.17	0317	SERIES 2007 REV BOND DISC
				6213.17	.00	6213.17	33017	WATER DISCLOSURE REPORT S
				6213.17	.00	6213.17	033017	WASTEWATER DISCLOSURE REP
Check Total.....:				19639.51	.00	19639.51		
059236	04/18/17	ASA02	ASAP LOCK & KEY	192.03	.00	192.03	12939	SERVICE CALL - PARKS
				9.77	.00	9.77	12949	KEY COPIES - PARKS
				46.31	.00	46.31	12965	KEY COPIES - PARKS
				60.00	.00	60.00	12966	SERVICE CALL - PARKS
				47.74	.00	47.74	12968	KEY COPIES - PARKS
Check Total.....:				355.85	.00	355.85		
059237	04/18/17	ATT13	AT&T	229.75	.00	229.75	9474535	9391050493
				-6.20	.00	-6.20	9501691C	2343413241732
				-6.20	.00	-6.20	9501692C	2343413242466
				-6.20	.00	-6.20	9501695C	2343423259731
				-6.20	.00	-6.20	9501696C	2343423261733
				-351.35	.00	-351.35	9501697C	2343423401748
				-200.95	.00	-200.95	9501698C	2343425787478
				-.60	.00	-.60	9501862C	7077250829678
				-3.91	.00	-3.91	9501864C	7077252693770
				29.50	.00	29.50	9501866	7077255171797
				10.24	.00	10.24	9501867	7077257061959

REPORT.: Apr 18 17 Tuesday  
 RUN...: Apr 18 17 Time: 09:24  
 Run By.: Racheal Henry

City of Fortuna  
 Cash Disbursement Detail Report  
 Check Listing for 04-17 Bank Account.: 1020

PAGE: 002  
 ID #: PY-DP  
 CTL: FOR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Payment Information	
							Invoice #	Description
059237	04/18/17	ATT13	AT&T	-6.25	.00	-6.25	9501868C	7077257570798
				99.76	.00	99.76	9501869	7077257574797
				34.12	.00	34.12	9501870	7077257575797
				90.95	.00	90.95	9501871	7077257576797
				85.51	.00	85.51	9501872	7077257610797
				100.60	.00	100.60	9501873	7077257651786
				10.24	.00	10.24	9501874	7077258641737
				-14.42	.00	-14.42	9501875C	7077259362809
				-44.85	.00	-44.85	9501876C	7077259571735
				-30.43	.00	-30.43	9501877C	7077259572496
				-30.43	.00	-30.43	9501878C	7077259581631
				-16.03	.00	-16.03	9501879C	7077259937279
				31.18	.00	31.18	9501880	7077267807736
				17.77	.00	17.77	9565971	9391061250
				17.58	.00	17.58	9565973	9391061252
			Check Total.....:	33.18	.00	33.18		
059238	04/18/17	BRO15	RUS BROWN	875.00	.00	875.00	201719	CPR TRAINING AND CERTIFIC
059239	04/18/17	CAL66	CALIF BUILDING STANDARDS	132.00	.00	132.00	033117	1ST QTR SB 1473
059240	04/18/17	CAR17	KEVIN CARTER	135.00	.00	135.00	021317	TRAVEL EXPENSE 4/24-4/28
059241	04/18/17	CCM01	CC MARKET & DELI	438.00	.00	438.00	00065	CATERING - RIVER LODGE
				4935.00	.00	4935.00	00078	CATERING - RIVER LODGE (C
			Check Total.....:	5373.00	.00	5373.00		
059242	04/18/17	CIT04	CITY OF FERNDALE	42.50	.00	42.50	033117	MARCH PARKING FEES
059243	04/18/17	CLY01	CLYDE'S TOWING, INC	80.00	.00	80.00	15541	VEHICLE TOWING - PD
059244	04/18/17	COL02	COLLEGE OF THE REDWOODS	202.50	.00	202.50	033117	MARCH PARKING FEES
059245	04/18/17	COL15	DAN COLLINGS TREE SERVICE	450.00	.00	450.00	514	TREE REMOVAL - SANDY PRAI
059246	04/18/17	COU01	COUNTY OF HUMBOLDT	500.00	.00	500.00	033117	MARCH PARKING FEES
059247	04/18/17	CRY01	CRYSTAL SPRINGS BOTTLED W	30.00	.00	30.00	3117	PW COOLER RENTAL FY 2016/
				15.00	.00	15.00	79499	WATER DELIVERY - PARKS
				30.00	.00	30.00	79692	WATER DELIVERY - CORP YAR

REPORT : Apr 18 17 Tuesday  
 RUN... : Apr 18 17 Time: 09:24  
 Run By : Racheal Henry

City of Fortuna  
 Cash Disbursement Detail Report  
 Check Listing for 04-17 Bank Account. : 1020

PAGE: 003  
 ID #: PY-DP  
 CTL: FOR

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Payment Information	
							Invoice #	Description
059247	04/18/17	CRY01	CRYSTAL SPRINGS BOTTLED W	14.00	.00	14.00	MAR17	PARKS COOLER RENTAL FY 20
				14.00	.00	14.00	030117	HOT/COLD RENTAL FY 2016/1
			Check Total.....:	103.00	.00	103.00		
059218	04/18/17	CUS02	CUSTOM CABINETS	9230.78	.00	9230.78	1315	CABINETS & INSTALLATION -
059219	04/18/17	DEP01	DEPT OF CONSERVATION	310.30	.00	310.30	033117	1ST QTR SEISMIC
059250	04/18/17	DEP14	DEPARTMENT OF JUSTICE	1264.00	.00	1264.00	225315	LIVESCAN - MARCH
059251	04/18/17	DIR02	DIRECTV	62.24	.00	62.24	78577185	PD CABLE SERVICES FY 2016
059252	04/18/17	DIV02	DIVISION OF THE STATE ARC	12.60	.00	12.60	033117	1ST QTR SB 1186
059253	04/18/17	EC002	ECO MEDICAL	68.40	.00	68.40	464	MEDICAL WASTE DISPOSAL
059254	04/18/17	EEL15	EEL RIVER RESOURCE RECOVE	40.00	.00	40.00	111369	SHREDDING SERVICES - PARK
059255	04/18/17	EUR02	EUREKA OXYGEN CO	86.84	.00	86.84	689199	CYLINDER RENTALS FY 2016/
059256	04/18/17	EUR03	EUREKA RUBBER STAMP	43.92	.00	43.92	A22777	DRAWER PLATES - PD
059257	04/18/17	FAR05	THE FARM SHOP	2829.11	.00	2829.11	22784	MOWER REPAIRS - PARKS
059258	04/18/17	FER13	FERGUSON WATERWORKS #3011	3463.12	.00	3463.12	572468	WATER METERS
059259	04/18/17	FIS05	FISHER SCIENTIFIC	413.44	.00	413.44	8606043	LAB SUPPLIES
059260	04/18/17	FOR20	FORTUNA FEED & FARM SUPPY	21.98	.00	21.98	539557	KENNEL SUPPLIES
				100.09	.00	100.09	540666	KENNEL SUPPLIES
				132.09	.00	132.09	541106	KENNEL SUPPLIES
				13.30	.00	13.30	541130	KENNEL SUPPLIES
				95.46	.00	95.46	541387	K9 SUPPLIES
			Check Total.....:	362.92	.00	362.92		
059261	04/18/17	FOR22	FORTUNA BUSINESS	1615.63	.00	1615.63	033117	FBID REVENUES/CITY MATCH
059262	04/18/17	FOR36	FORTUNA GLASS & PAINT	33.69	.00	33.69	22367	BLDG MAINTENANCE - LIBRAR
059263	04/18/17	FOR55	FORTUNA ACE HARDWARE AND	10.37	.00	10.37	261613	SUPPLIES - STREETS

REPORT: Apr 18 17 Tuesday  
 RUN...: Apr 18 17 Time: 09:24  
 Run By: Racheal Henry

City of Fortuna  
 Cash Disbursement Detail Report  
 Check Listing for 04-17 Bank Account.: 1020

PAGE: 004  
 ID #: PY-DP  
 CTL: FOR

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
059263	04/18/17	FOR55	FORTUNA ACE HARDWARE AND	38.86	.00	38.86	261766	SUPPLIES - PARKS
				9.71	.00	9.71	261784	BLDG MAINTENANCE - PARKS
				3.23	.00	3.23	261800	SUPPLIES - PD
				59.35	.00	59.35	261801	BLDG MAINTENANCE - PARKS
				-19.43	.00	-19.43	261854C	CREDIT RETURN - PARKS
				34.94	.00	34.94	261866	SUPPLIES - CORP YARD
				35.62	.00	35.62	261954	SUPPLIES - WWTP
				16.47	.00	16.47	261988	TOOLS - WWTP
				7.02	.00	7.02	261997	EQUIP MAINTENANCE - WWTP
				10.38	.00	10.38	262062	BLDG MAINTENANCE - CITY II
				20.75	.00	20.75	262090	SUPPLIES - STREETS
				20.60	.00	20.60	262109	BLDG MAINTENANCE - LIBRAR
				14.09	.00	14.09	262159	SUPPLIES - PARKS
				15.17	.00	15.17	262294	BLDG MAINTENANCE - CITY H
				18.43	.00	18.43	262327	BLDG MAINTENANCE - PARKS
				91.09	.00	91.09	262339	SUPPLIES - VANCII WATER T
				66.08	.00	66.08	262395	JANITORIAL SUPPLIES - RIV
				4.33	.00	4.33	262401	SUPPLIES - PARKS
			Check Total.....:	457.06	.00	457.06		
059264	04/18/17	FOR56	FORTUNA AUTO & TRUCK PART	161.79	.00	161.79	853205	OIL/AIR FILTERS - PARKS
				215.49	.00	215.49	853304	LADDER RACK - STREETS
				342.33	.00	342.33	853472	BRAKE PADS/ROTOR - WATER
				13.52	.00	13.52	853535	WHEEL SEAL - WATER
				166.57	.00	166.57	853687	EQUIPMENT MAINTENANCE - W
				29.78	.00	29.78	854190	EQUIPMENT REPAIRS - STREE
			Check Total.....:	929.48	.00	929.48		
059265	04/18/17	FRA14	FRASCO PROFILES	165.50	.00	165.50	1055951	PRE-EMPLOYMENT SERVICES
059266	04/18/17	FUN01	CRAIG FUNK	33.00	.00	33.00	040517	EXPENSE REIMBURSEMENT - T
059267	04/18/17	GHD01	GHD INC	429.00	.00	429.00	78890	SAFE ROUTES TO SCHOOL PHA
				401.50	.00	401.50	78984	ENGINEERING SERVICES
				3051.25	.00	3051.25	79912	ROHNER CREEK FLOOD PROJEC
			Check Total.....:	3881.75	.00	3881.75		
059268	04/18/17	GUT01	GUTIERREZ LAND SURVEYING	682.50	.00	682.50	794	PARCEL MAP REVIEW
				131.25	.00	131.25	795	GULLIKSEN LOT LINE ADJ

REPORT : Apr 18 17 Tuesday  
 RUN... : Apr 18 17 Time: 09:24  
 Run By : Racheal Henry

City of Fortuna  
 Cash Disbursement Detail Report  
 Check Listing for 04-17 Bank Account. : 1020

PAGE: 005  
 ID #: PY-DP  
 CTL: FOR

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Payment Information	
							Invoice #	Description
059268	04/18/17	GUT01	GUTIERREZ LAND SURVEYING	131.25	.00	131.25	796	GULLIKSEN LOT LINE ADJ -
				551.25	.00	551.25	797	LOOP COURT STORM DRAIN EA
				Check Total.....:			1496.25	.00
059269	04/18/17	HAC01	HACH COMPANY	82.02	.00	82.02	10377189	LAB SUPPLIES
059270	04/18/17	HAR32	HARRY'S CAR WASH	80.00	.00	80.00	691790	TOKENS - PD
059271	04/18/17	HOR01	HORIZON BUSINESS PRODUCTS	217.13	.00	217.13	164554	OFFICE SUPPLIES - WWTP
				35.54	.00	35.54	164779	OFFICE SUPPLIES - RIVER L
				31.83	.00	31.83	164785	OFFICE SUPPLIES - RIVER L
				16.16	.00	16.16	164949	SHIPPING SERVICES - WATER
				19.56	.00	19.56	165072	OFFICE SUPPLIES - RIVER L
				4.67	.00	4.67	165184	OFFICE SUPPLIES - WWTP
Check Total.....:			324.89	.00	324.89			
059272	04/18/17	HUM12	HUMMEL TIRE & WHEEL	14.50	.00	14.50	226490	FLAT REPAIR - STREETS
059273	04/18/17	HUM69	HUMBOLDT BAY COFFEE CO	171.95	.00	171.95	7086	COFFEE - RIVER LODGE
				45.75	.00	45.75	7218	COFFEE
Check Total.....:			217.70	.00	217.70			
059274	04/18/17	IDE01	IDEXX DISTRIBUTION, INC	179.03	.00	179.03	14274491	LAB SUPPLIES
059275	04/18/17	L&M01	L & M RENNER, INC	120.00	.00	120.00	169506	BULK OIL DISPOSAL
				75.83	.00	75.83	169861	GEAR OIL - WWTP
				15.27	.00	15.27	349066	FUEL - STREETS
Check Total.....:			211.10	.00	211.10			
059276	04/18/17	MERO1	MERCER FRASER COMPANY	163.78	.00	163.78	53841	EMULSION OIL
				93.01	.00	93.01	53869	ASPHALT CONCRETE
				104.08	.00	104.08	53891	AGGREGATE BASE
				115.20	.00	115.20	53949	AGGREGATE BASE
				279.09	.00	279.09	53950	ASPHALT CONCRETE
Check Total.....:			755.16	.00	755.16			
059277	04/18/17	MIS01	MISSION LINEN INDUS SERV	55.22	.00	55.22	504614592	CORP YARD LINEN SERVICE



REPORT : Apr 18 17 Tuesday  
 RUN... : Apr 18 17 Time: 09:24  
 Run By : Racheal Henry

City of Fortuna  
 Cash Disbursement Detail Report  
 Check Listing for 04-17 Bank Account.: 1020

PAGE: 006  
 ID #: PY-DP  
 CTL: FOR

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
059277	04/18/17	MIS01	MISSION LINEN INDUS SERV	92.76	.00	92.76	504615771	CORP YARD LINEN SERVICE
				68.65	.00	68.65	504615772	WASTEWATER LINEN SERVICE
				47.01	.00	47.01	504615782	RINK/PARKS LINEN SERVICE
				45.26	.00	45.26	504621079	WASTEWATER LINEN SERVICE
				88.96	.00	88.96	504664522	CORP YARD LINEN SERVICE
				81.41	.00	81.41	504664523	WASTEWATER LINEN SERVICE
				56.37	.00	56.37	504664530	PARKS/RINK LINEN SERVICE
				36.32	.00	36.32	504679246	PD MAT SERVICE FY 2016/17
			Check Total..... :	571.96	.00	571.96		
059278	04/18/17	M0004	MISTY MOORE	200.00	.00	200.00	040417	PARK DEPOSIT REFUND
059279	04/18/17	NOR01	NORTH COAST LABORATORIES	280.00	.00	280.00	132788	LAB TESTS
				-110.00	.00	-110.00	17040501C	CREDIT LAB TESTS - JANUAR
			Check Total..... :	170.00	.00	170.00		
059280	04/18/17	NOR02	NOR-PAC POWER SYSTEMS LLC	81.42	.00	81.42	3018	GASKETS - WWTP
059281	04/18/17	NOR03	NCL OF WISCONSIN INC	119.60	.00	119.60	388022	LAB SUPPLIES
059282	04/18/17	NOR16	NORMANS CLEANERS	23.70	.00	23.70	35589	RIVER LODGE LINEN SERVICE
				47.26	.00	47.26	35633	RIVER LODGE LINEN SERVICE
				224.19	.00	224.19	35711	RIVER LODGE LINEN SERVICE
			Check Total..... :	295.15	.00	295.15		
059283	04/18/17	NOR59	NO CALIFORNIA GLOVES	151.97	.00	151.97	200968	GLOVES - WWTP
059284	04/18/17	NYL01	NYLEX.NET	885.07	.00	885.07	3356	SURGE PROTECTORS - PD
059285	04/18/17	ORE05	O'REILLY AUTOMOTIVE STORE	70.59	.00	70.59	168765	BATTERIES - PD
				20.98	.00	20.98	169147	SHOP SUPPLIES
				19.61	.00	19.61	169384	HEADLIGHT COVER - STREETS
			Check Total..... :	111.18	.00	111.18		
059286	04/18/17	PAC03	PACIFIC GAS & ELECTRIC CO	376.38	.00	376.38	03170527	59188610527
				88.17	.00	88.17	03170729	95900010729
				37.58	.00	37.58	03170906	78346610906
				69.71	.00	69.71	03171200	81934311200



REPORT : Apr 18 17 Tuesday  
 RUN : Apr 18 17 Time: 09:24  
 Run By : Racheal Henry

City of Fortuna  
 Cash Disbursement Detail Report  
 Check Listing for 04-17 Bank Account.: 1020

PAGE: 007  
 ID #: PY-DP  
 CTL: FOR

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Payment Information	
							Invoice #	Description
059286	04/18/17	PAC03	PACIFIC GAS & ELECTRIC CO	146.58	.00	146.58	03171921	41070861921
				12.66	.00	12.66	03171965	88771941965
				266.51	.00	266.51	03172034	98154202034
				187.66	.00	187.66	03172501	10129392501
				9.53	.00	9.53	03172728	48364062728
				38.89	.00	38.89	03172970	93570722970
				18.13	.00	18.13	03172987	61444662987
				86.35	.00	86.35	03173045	45859733045
				32.22	.00	32.22	03173994	28883393994
				27.07	.00	27.07	03174050	33381924050
				19.36	.00	19.36	03174082	45966674082
				316.93	.00	316.93	03174197	34609744197
				166.01	.00	166.01	03174490	91564484490
				50.14	.00	50.14	03174560	74193064560
				56.38	.00	56.38	03175020	63983385020
				51.33	.00	51.33	03175127	43154195127
				191.17	.00	191.17	03175284	40654195284
				370.12	.00	370.12	03175729	75033105729
				335.90	.00	335.90	03176230	40689526230
				14569.54	.00	14569.54	03176357	27889626357
				19.15	.00	19.15	03176485	44193066485
				32.74	.00	32.74	03177872	67125257872
				512.63	.00	512.63	03178379	51382078379
				12.41	.00	12.41	03178481	42737528481
				74.56	.00	74.56	03178568	41487528568
				12.32	.00	12.32	03179457	99509569457
				397.21	.00	397.21	03179507	47733469507
			Check Total..... :	18585.34	.00	18585.34		
059287	04/18/17	PE001	PEOPLEFACTS LLC	16.67	.00	16.67	17030669	SECURITY MONITORING - PD
059288	04/18/17	PLA01	PLATT	47.99	.00	47.99	L670481	OCCUPANCY SENSOR - CITY H
059289	04/18/17	RAD01	RADIOSHACK	60.32	.00	60.32	20301	RECORDERS - PD
059290	04/18/17	RAN02	MIKE RANSFORD	145.00	.00	145.00	041117	TRAVEL EXPENSE 5/1-5/3
059291	04/18/17	RAY01	RAY'S FOOD PLACE	51.57	.00	51.57	1715847	CATERING/SUPPLIES - RIVER
059292	04/18/17	RAY05	RAY MORGAN COMPANY INC	75.75	.00	75.75	1541910	COPIER STAPLES
				63.76	.00	63.76	1557269	PW COPIER SERVICE FY 2016

REPORT.: Apr 18 17 Tuesday  
 RUN...: Apr 18 17 Time: 09:24  
 Run By.: Racheal Henry

City of Fortuna  
 Cash Disbursement Detail Report  
 Check Listing for 04-17 Bank Account.: 1020

PAGE: 008  
 ID #: PY-DP  
 CTL: FOR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
Check Total.....:				139.51	.00	139.51		
059293	04/18/17	RED09	REDI RENTS, INC	254.12	.00	254.12	25561	SUPPLIES - STREETS/WATER/
				15.68	.00	15.68	25910	FLOOR BUFFER - PAVILION
				110.16	.00	110.16	25940	MANLIFT RENTAL - STREETS
				50.46	.00	50.46	26079	CLEVIS/RAKE - WWTP
Check Total.....:				440.42	.00	440.42		
059294	04/18/17	RED10	REDWOOD TOXICOLOGY LABORA	32.50	.00	32.50	794120173	ANALYSIS SERVICES - PD
059295	04/18/17	RED14	REDWOOD GLASS & WINDOWS	3595.00	.00	3595.00	RW3356	ADA DOOR INSTALLATION - C
059296	04/18/17	REM01	R. E. M. I. F.	3317.18	.00	3317.18	041117	LIABILITY/PROPERTY/AUTO D
059297	04/18/17	REM02	REMOTE SATELLITE SYSTEMS	48.95	.00	48.95	87386	SERVICE/AIRTIME FEE FY 20
059298	04/18/17	REX01	KATHY REXFORD	135.00	.00	135.00	021317	TRAVEL EXPENSE 4/24-4/28
059299	04/18/17	RIV02	RIVERWALK VETERINARY HOSP	18.00	.00	18.00	106975	VET EXPENSES
				27.90	.00	27.90	106976	SPAY/NEUTER SERVICES
				47.75	.00	47.75	107122	VET EXPENSES
				335.00	.00	335.00	107124	SPAY/NEUTER SERVICES
				285.00	.00	285.00	107230	SPAY/NEUTER SERVICES
				170.29	.00	170.29	107257	VET EXPENSES
				435.00	.00	435.00	107270	SPAY/NEUTER SERVICES
				10.00	.00	10.00	107309	SPAY/NEUTER SERVICES
				435.00	.00	435.00	107414	SPAY/NEUTER SERVICES
				45.00	.00	45.00	107448	VET EXPENSES
				660.00	.00	660.00	107545	SPAY/NEUTER SERVICES
				265.00	.00	265.00	107569	SPAY/NEUTER SERVICES
Check Total.....:				2733.94	.00	2733.94		
059300	04/18/17	RWS01	RWS SERVICES	318.27	.00	318.27	41529	RADIO INSTALLATION - WATE
				15.14	.00	15.14	41535	CABLE - PD
Check Total.....:				333.41	.00	333.41		
059301	04/18/17	SAB01	SABRE BACKFLOW, INC	147.50	.00	147.50	4426	EQUIPMENT MAINTENANCE - W
				140.06	.00	140.06	4453	EQUIPMENT CALIBRATION - W

REPORT : Apr 18 17 Tuesday  
 RUN : Apr 18 17 Time: 09:24  
 Run By: Racheal Henry

City of Fortuna  
 Cash Disbursement Detail Report  
 Check Listing for 04-17 Bank Account: 1020

PAGE: 009  
 ID #: PY-DP  
 CTL: FOR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
Check Total.....:				287.56	.00	287.56		
059302	04/18/17	SEQ02	SEQUOIA GAS STATION	25.91	.00	25.91	26681	EQUIPMENT FUEL
				21.47	.00	21.47	554065	EQUIPMENT FUEL
				13.92	.00	13.92	554099	EQUIPMENT FUEL
Check Total.....:				61.30	.00	61.30		
059303	04/18/17	SIE03	SIERRA CHEMICAL CO	-6300.00	.00	-6300.00	10014836C	CHEMICAL DEPOSIT REFUND
				11051.24	.00	11051.24	10045264	CHEMICALS
Check Total.....:				4751.24	.00	4751.24		
059304	04/18/17	SPE01	SPENCER ELECTRIC	1455.75	.00	1455.75	1375	SOLAR LIGHT INSTALLATION
059305	04/18/17	SPR01	SPRINGVILLE SAFETY & SUPP	39.85	.00	39.85	38529	SAFETY EQUIPMENT - WWTP
059306	04/18/17	STA02	STAPLES CREDIT PLAN	15.07	.00	15.07	777026571	SUPPLIES - PD
				88.97	.00	88.97	786816881	SUPPLIES - FINANCE
				81.73	.00	81.73	795455831	SUPPLIES - FINANCE
Check Total.....:				185.77	.00	185.77		
059307	04/18/17	STA04	SWRCB	300.00	.00	300.00	40517	GRADE III RENEWAL - C. RO
				105.00	.00	105.00	040517	DWOCB RENWAL - J. SUELZLE
Check Total.....:				405.00	.00	405.00		
059308	04/18/17	STA09	STATE BD OF EQUALIZATION	344.00	.00	344.00	033117	1ST QTR SALES TAX
059309	04/18/17	SUE01	JESSIE SUELZLE	145.00	.00	145.00	041117	TRAVEL EXPENSE 5/1-2/3
059310	04/18/17	SUN03	SUNNY BRAE ANIMAL CLINIC	36.18	.00	36.18	665259	K9 VET EXPENSES
059311	04/18/17	SWR02	SWRCB	575.00	.00	575.00	SW0133962	ANNUAL PERMIT FEES - FACI
059312	04/18/17	SYS02	SYSCO SACRAMENTO	786.33	.00	786.33	131197294	CATERING/SUPPLIES/JANITOR
059313	04/18/17	TOW01	TOWN & COUNTRY REFRIGERAT	1985.00	.00	1985.00	36000	LIBRARY FURNACE REPAIRS
059314	04/18/17	TRA01	DAVID E TRANBERG	4758.32	.00	4758.32	JAN17	CITY ATTORNEY SRVS JY 201

REPORT. : Apr 18 17 Tuesday  
 RUN... : Apr 18 17 Time: 09:24  
 Run By. : Racheal Henry

City of Fortuna  
 Cash Disbursement Detail Report  
 Check Listing for 04-17 Bank Account.: 1020

PAGE: 010  
 ID #: PY-DP  
 CTL: FOR

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
059315	04/18/17	TRA02	TRACTOR SUPPLY CREDIT PLA	95.46	.00	95.46	126839	DOLLY - WWTP
059316	04/18/17	TRA11	TRAFFIC SAFETY SUPPLY CO	620.40	.00	620.40	125696	STREET SIGNS
059317	04/18/17	TRU01	TRUCKVAULT INC	103.57	.00	103.57	173138	FOAM - PD
059318	04/18/17	UNI13	UNITED ROTARY BRUSH CORP	927.81	.00	927.81	C119654	SWEEPER BRUSHES
059319	04/18/17	USB08	U.S. BANK	9579.93	.00	9579.93	032217	MARCH CAL CARD EXPENSES
059320	04/18/17	USB09	US BANK EQUIPMENT FINANCE	332.48 597.15	.00 .00	332.48 597.15	327183893 327185088	COPIER LEASE FY 2016/17 COPIER LEASE FY 2016/17
Check Total.....:				929.63	.00	929.63		
059321	04/18/17	VIS01	VISUAL CONCEPTS	1252.50	.00	1252.50	43768	VINYL GRAPHIC INSTALLATIO
059322	04/18/17	WBC01	WBCO ELECTRIC SERVICE	<del>12749.01</del> 1279.01	.00	<del>12749.01</del> 1279.01	94907	EQUIPMENT REPAIRS - WWTP
059323	04/18/17	WES20	WESTERN INDUSTRIAL PARTS	58.15	.00	58.15	902174	BATTERIES - STREETS
059324	04/18/17	WIL02	WILDWOOD SAW	94.40 41.03 34.59 316.82	.00 .00 .00 .00	94.40 41.03 34.59 316.82	25615 25667 25673 25683	EQUIPMENT REPAIRS TOOLS - PARKS OIL PUMP - STREETS WEEDEATER - STREETS
Check Total.....:				486.84	.00	486.84		
059325	04/18/17	WIN03	WINDY POINT FENCE CO	1275.00	.00	1275.00	CITY17	VANCIL TANK GATE REPAIRS
059326	04/18/17	WIT02	WITMER-TYSON IMPORTS	550.00	.00	550.00	T11950	K9 TRAINING - MARCH
Cash Account Total.....:				<del>135458.87</del> 123988.87	.00	<del>135458.87</del> 123988.87		
Total Disbursements.....:				<del>135458.87</del>	.00	<del>135458.87</del>		
Cash Account Total.....:				.00	.00	.00		

# STAFF REPORT

## *City Council Consent Calendar Item*

---

**DATE:** May 1, 2017

**TO:** Honorable Mayor and Council Members

**FROM:** Kevin Carter, Deputy Director of Public Works

**THRU:** Mark Wheatley, City Manager

**SUBJECT:** **Approval of a Contract with DCI Builders Inc. for a Minor Concrete Maintenance and Repair Project; Resolution 2017-13**

**STAFF RECOMMENDATION:**

Adopt Resolution 2017-13 approving a Contract for a Minor Concrete Maintenance and Repair Project with DCI Builders Inc.

**EXECUTIVE SUMMARY:**

The purpose of the Contract for Minor Concrete Maintenance and Repair Project (“Contract”) is to contract with a qualified paving contractor to provide routine minor repairs and maintenance for City streets, gutters and sidewalks on an on-call basis, for an amount not to exceed \$100,000.00 (one hundred thousand dollars) for the one-year term of the Contract.

Section 2.50.070.D of the Fortuna Municipal Code provides that formal bidding is not required for individual on-call projects when the City Council finds that a negotiated contract best serves the City due to the nature of the contractual service. A standard public bidding process would not be appropriate for this Contract due to the on-call nature of the Contract and the importance of selecting a contractor who has the qualifications, equipment, crew and the availability to respond promptly to requests and to perform the work expeditiously, economically, effectively and safely.

Staff requested informal proposals from 5 concrete contractors, received only 2 proposals with the requisite qualifications to determine which contractor would best meet the City’s needs in this regard, and will negotiate a Contract with DCI Builders Inc., as the best qualified to provide the on-call maintenance and repair services for the City based upon overall qualifications, unit pricing, equipment, and local availability. DCI Builders Inc. was determined to bid the lowest pricing per attached proposal summary.

The work will include installation and repair of ADA compliant ramps, driveways, sidewalk, parking stalls, and miscellaneous repairs to City concrete facilities. The Capital Improvement Program includes the implementation of the City’s ADA Transition Plan, and ADA sidewalk improvements. All of these will be completed with this task order contract as well as other items which may come up throughout the year which require immediate response and do not lend to formal bidding procedures.

**FINANCIAL IMPACT:**

The Contract is not to exceed \$100,000.00 (one hundred thousand dollars) during the one-year term, unless authorized in writing. The actual cost will depend on how much work is required during the one-year term. The actual cost could be less than the not to exceed amount depending on the need for services, or higher than the not to exceed amount if authorized due to the need for services.

**RECOMMENDED COUNCIL ACTION:**

Adopt Resolution 2017-13 by Consent Agenda Vote.

**ATTACHMENTS:**

- Resolution 2017-13; *A Resolution of the City Council of the City of Fortuna Approving the Contract for Minor Street Maintenance and Repair Project with DCI Builders Inc.*
- Proposal Summary

**RESOLUTION 2017-13**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FORTUNA APPROVING THE CONTRACT FOR MINOR CONCRETE MAINTENANCE AND REPAIR PROJECT WITH DCI BUILDERS INC.**

**WHEREAS**, the City has an ongoing need for routine minor repairs and maintenance for City concrete on an on-call basis (the “Services”); and

**WHEREAS**, the City does not possess the staffing required to promptly, economically and effectively self-perform the Services; and

**WHEREAS**, the City wishes to contract with a qualified concrete contractor to provide the Services cost-effectively and on an on-call basis; and

**WHEREAS**, a standard public bidding process for the Services would not be appropriate due to the on-call nature of the Services, and the importance of selecting a contractor who has the qualifications, equipment, crew and the availability to respond promptly to requests for the Services, and to perform the Services expeditiously, economically, effectively and safely; and

**WHEREAS**, Section 2.50.070.D of the Fortuna Municipal Code provides that formal bidding is not required when the City Council finds that a negotiated contract best serves the City due to the nature of the contractual service; and

**WHEREAS**, City staff requested informal proposals from 5 concrete contractors with the requisite qualifications to determine which contractor would best meet the City’s needs for providing Services; and

**WHEREAS**, City staff determined that DCI Builders Inc., is the best qualified to provide the Services on an on-call basis based upon its overall qualifications, unit pricing, equipment, and availability.

**WHEREAS**, City staff negotiated with DCI Builders Inc. to provide the Services for a one-year term, for an amount not to exceed \$75,000.00 (seventy-five thousand dollars) without prior written authorization, in accordance to the terms and conditions of the Contract for Minor Concrete Maintenance and Repair Project with DCI Builders Inc.

**NOW, THEREFORE, BE IT RESOLVED** that the Fortuna City Council of the City of Fortuna hereby finds that pursuant to Section 2.50.070.D of the Fortuna Municipal Code, a negotiated agreement for providing the Services on an on-call basis best serves the City due to the nature of the Services.

**BE IT FURTHER RESOLVED** that the Fortuna City Council of the City of Fortuna does hereby approve the Contract for Minor Street Maintenance and Repair Project with DCI Builders Inc. (“Contract”) to provide the Services for a one-year term, for an amount not to exceed \$100,000.00 (one hundred thousand dollars) without prior written authorization, and authorizes the City Manager to execute the Contract and to take all other actions necessary to implement the Contract.

**PASSED AND ADOPTED** on this 1<sup>st</sup> day of May, 2017 by the following vote:

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

\_\_\_\_\_  
Sue Long, Mayor

ATTEST:

\_\_\_\_\_  
Linda McGill, City Clerk

**City of Fortuna**  
**Annual Concrete Contract Proposal Summary**  
Date - November 28, 2016

			RAO	DCI
Item	Description	Units	Unit Price	Unit Price
1	Install ADA compliant Sidewalk C&G	LF	\$ 110.00	\$ 153.00
2	Install ADA compliant corner ramp - option A	LF	\$ 125.00	\$ 225.00
3	Install ADA compliant corner ramp - option B	LF	\$ 120.00	\$ 285.00
4	Install ADA compliant driveway - option A	LF	\$ 120.00	\$ 175.00
5	Install ADA compliant driveway - option B	LF	\$ 115.00	\$ 175.00
6	Install Valley Gutter	SF	\$ 75.00	\$ 30.00
7	Install Chanel Drain	LF	\$ 210.00	\$ 215.00
8	Remove and replace damaged sidewalk	SF	\$ 75.00	\$ 18.00
9	Intall curb and gutter only	LF	\$ 100.00	\$ 88.00
10	Install 6" concrete pad	SF	\$ 100.00	\$ 14.00
11	Install 4" concrete pad	SF	\$ 75.00	\$ 12.50



# STAFF REPORT

## *City Council Consent Calendar Item*

---

**DATE:** May 1, 2017

**TO:** Honorable Mayor and Council Members

**FROM:** Kevin Carter, Deputy Director of Public Works

**THRU:** Mark Wheelley, City Manager

**SUBJECT:** **Approval of a Contract with Mercer-Fraser Company for Minor Street Maintenance and Repair Project; Resolution 2017-14**

### **STAFF RECOMMENDATION:**

Adopt Resolution 2017-14 approving a Contract for Minor Street Maintenance and Repair Project with Mercer-Fraser Company.

### **EXECUTIVE SUMMARY:**

The purpose of the Contract for Minor Street Maintenance and Repair Project (“Contract”) is to contract with a qualified paving contractor to provide routine minor repairs and maintenance for City streets, gutters and sidewalks on an on-call basis, for an amount not to exceed \$350,000.00 (three hundred fifty thousand dollars) for the one-year term of the Contract. Section 2.50.070.D of the Fortuna Municipal Code provides that formal bidding is not required when the City Council finds that a negotiated contract best serves the City due to the nature of the contractual service. A standard public bidding process would not be appropriate for this Contract due to the on-call nature of the Contract and the importance of selecting a contractor who has the qualifications, equipment, crew and the availability to respond promptly to requests and to perform the work expeditiously, economically, effectively and safely.

Staff requested informal proposals from 5 paving contractors, receiving 3 proposals with the requisite qualifications to determine which contractor would best meet the City’s needs in this regard, and will negotiate a Contract with Mercer-Fraser Company, as the best qualified to provide the on-call maintenance and repair services for the City based upon overall qualifications, unit pricing, equipment, and availability.

### **FINANCIAL IMPACT:**

The Contract is not to exceed \$350,000.00 (three hundred fifty thousand dollars) during the one-year term, unless authorized in writing. The actual cost will depend on how much work is required during the one-year term. The actual cost could be less than the not to exceed amount depending on the need for services, or higher than the not to exceed amount if authorized due to the need for services. The City has the project (CIP 9994) listed in its 5-year Capital Improvement plan and has budgeted \$350,000 dollars. The project is being funded by fund 510 (Water Reserves) for finishing projects that damaged roadways, as well as fund 260 (Local Transportation Fund) for resurfacing and regular maintenance project.

### **RECOMMENDED COUNCIL ACTION:**

Adopt Resolution 2017-14 by Consent Agenda Vote.

### **ATTACHMENTS:**

- Resolution 2017-14; *A Resolution of the City Council of the City of Fortuna Approving the Contract for Minor Street Maintenance and Repair Project with Mercer Fraser Company*
- Proposal Summary

**RESOLUTION 2017-14**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FORTUNA APPROVING THE CONTRACT FOR MINOR STREET MAINTENANCE AND REPAIR PROJECT WITH MERCER-FRASER COMPANY**

**WHEREAS**, the City has an ongoing need for routine minor repairs and maintenance for City streets on an on-call basis (the “Services”); and

**WHEREAS**, the City does not possess the specialized equipment or staffing required to promptly, economically and effectively self-perform the Services; and

**WHEREAS**, the City wishes to contract with a qualified paving contractor to provide the Services cost-effectively and on an on-call basis; and

**WHEREAS**, a standard public bidding process for the Services would not be appropriate due to the on-call nature of the Services, and the importance of selecting a contractor who has the qualifications, equipment, crew and the availability to respond promptly to requests for the Services, and to perform the Services expeditiously, economically, effectively and safely; and

**WHEREAS**, Section 2.50.070.D of the Fortuna Municipal Code provides that formal bidding is not required when the City Council finds that a negotiated contract best serves the City due to the nature of the contractual service; and

**WHEREAS**, City staff requested informal proposals from 5 paving contractors with the requisite qualifications to determine which contractor would best meet the City’s needs for providing Services; and

**WHEREAS**, City staff determined that Mercer-Fraser Company, is the best qualified to provide the Services on an on-call basis based upon its overall qualifications, unit pricing, equipment, and availability.

**WHEREAS**, City staff negotiated with Mercer-Fraser Company to provide the Services for a one-year term, for an amount not to exceed \$350,000.00 (three hundred fifty thousand dollars) without prior written authorization, in accordance to the terms and conditions of the Contract for Minor Street Maintenance and Repair Project with Mercer-Fraser Company.

**NOW, THEREFORE, BE IT RESOLVED** that the Fortuna City Council of the City of Fortuna hereby finds that pursuant to Section 2.50.070.D of the Fortuna Municipal Code, a negotiated agreement for providing the Services on an on-call basis best serves the City due to the nature of the Services.

**BE IT FURTHER RESOLVED** that the Fortuna City Council of the City of Fortuna does hereby approve the Contract for Minor Street Maintenance and Repair Project with Mercer-Fraser Company (“Contract”) to provide the Services for a one-year term, for an amount not to exceed \$350,000.00 (three hundred fifty thousand dollars) without prior written authorization, and authorizes the City Manager to execute the Contract and to take all other actions necessary to implement the Contract.

**PASSED AND ADOPTED** on this 1<sup>st</sup> day of May, 2017 by the following vote:

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

\_\_\_\_\_  
Sue Long, Mayor

ATTEST:

\_\_\_\_\_  
Linda McGill, City Clerk

ATTACHMENT B

**City of Fortuna**  
**Annual Paving Contract Proposal Summary**  
 Date - November 28th, 2016

			Hooven	Mercer-Fraser	GR Sundberg
Item	Description	Units	Unit Price	Unit Price	Unit Price
1	Install up to 100 Tons Hot Mix Asphalt	Ton	\$ 172.50	\$ 150.00	\$ 195.00
2	Install from 100 to 300 Tons Hot Mix Asphalt	Ton	\$ 129.00	\$ 130.00	\$ 145.00
3	Install from 300 to 500 Tons Hot Mix Asphalt	Ton	\$ 127.00	\$ 115.00	\$ 130.00
4	Install over 500 Tons Hot Mix Asphalt	Ton	\$ 122.00	\$ 115.00	\$ 130.00
5	Class II Aggregate Base	Ton	\$ 83.00	\$ 20.00	\$ 40.00
6	6" asphalt dike	FT	\$ 114.00	\$ 7.00	\$ 8.00
7	Grind and inlay 0.25' HMA	SF	\$ 58.00	\$ 10.00	\$ 6.00
8	Foreman charge out rate	HR	\$ 105.00	\$ 90.00	\$ 100.00
9	Operator charge out rate	HR	\$ 105.00	\$ 90.00	\$ 95.00
10	Laborer charge out rate	HR	\$ 95.00	\$ 70.00	\$ 85.00
11	Grinder charge out rate	HR	\$ 500.00	\$ 300.00	\$ 250.00
12	Excavate and backfill with river run	CY	\$ 99.50	\$ 50.00	\$ 60.00
13	Box Scraper charge out rate	HR	\$ 176.00	\$ 95.00	\$ 75.00
14	Trucking charge out rate	HR	\$ 139.00	\$ 120.00	\$ 125.00
15	Grader charge out rate	HR	\$ 175.00	\$ 95.00	\$ 100.00
16	Raise Iron	EA	\$ 340.00	\$ 600.00	\$ 500.00

# STAFF REPORT

## *City Council Consent Calendar Item*

---

**DATE:** May 1, 2017  
**TO:** Honorable Mayor and Council Members  
**FROM:** Linda McGill, City Clerk/ HR Manager  
**THRU:** Mark Wheatley, City Manager  
**SUBJECT:** **Consideration of Claim Filed by Carrie Capolupo**

**STAFF RECOMMENDATION:**

Reject claim filed by Carrie Capolupo.

**BACKGROUND**

On April 17, 2017, the City of Fortuna received a claim filed by Carrie Capolupo. A copy of the claim is attached.

The claim has been reviewed by City staff and REMIF<sup>1</sup>, and staff is recommending the claim be rejected. Generally, when a claim is rejected within 45 days, the claimant has six months from the date of an incident to pursue the matter in court. If the claim is not rejected within 45 days, the claimant may have up to 12 months to pursue the matter in court.

Except in cases where the City is clearly at fault, the standard procedure is to reject the claim within 45 days of receipt in order to initiate the six-month time limit per the State of California Government Code §945.6. Following rejection, the claimant has 6 months to pursue the matter in court, if they so choose.

**RECOMMENDED COUNCIL ACTION:**

Motion to reject the claims filed by Carrie Capolupo by consent agenda vote.

**ATTACHMENT:**

- Claim

---

<sup>1</sup> REMIF (Redwood Empire Municipal Insurance Fund)

APR 17 2017

CITY USE ONLY

CITY OF FORTUNA

Date Received: \_\_\_\_\_

Received By: \_\_\_\_\_

File With:  
City Clerk  
City of Fortuna  
621 11<sup>th</sup> Street  
P.O. Box 545  
Fortuna, CA 95540

**CLAIM FOR MONEY OR  
DAMAGES AGAINST  
THE CITY OF FORTUNA**

A claim must be presented, as prescribed by the Government Code of the State of California, by the claimant or a person acting on his/her behalf and shall show the following:

If additional space is needed to provide your information, please attach sheets, identifying the paragraph(s) being answered.

1. Name and Post Office address of the Claimant:

Name of Claimant: Carrie Capolupo

Post Office Address: 2016 Darin Dr. Arcata CA 95521

2. Post Office address to which the person presenting the claim desires notices to be sent:

Name of Addressee: Carrie Capolupo

Telephone: 707 832-8180

Post Office Address: 2016 Darin Dr. Arcata CA 95521

3. The date, place and other circumstances of the occurrence or transaction which gave rise to the claim asserted.

Date of Occurrence: ongoing correspondence w/ ~~DP~~ Robin Paul from 1/17 - 4/17 Time of Occurrence: \_\_\_\_\_

Location: \_\_\_\_\_

Circumstances giving rise to this claim: FPD ticketed unregistered vehicle and sent courtesy notice to wrong address. ~~lacked professional appearance~~ ~~includes~~

\*Fortuna Police Department

4. General description of the indebtedness, obligation, injury, damage or loss incurred so far as it may be known at the time of the presentation of the claim.

I have been unable to register my vehicle due to added fees from parking tickets that are not valid, making it so I cannot use my car for my work resulting in loss of income.

5. The name or names of the public employee or employees causing the injury, damage, or loss, if known.

Robbin Paul, William Dobberstein

6. **If amount claimed totals less than \$10,000:** The amount claimed if it totals less than ten thousand dollars (\$10,000) as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage, or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed.

Amount Claimed and basis for computation: \$1800, I lost my job due to not being able to use my car for work and have lost that income

**If amount claimed exceeds \$10,000:** If the amount claimed exceeds ten thousand dollars (\$10,000), no dollar amount shall be included in the claim. However, it shall indicate whether the claim would be a limited civil case. A limited civil case is one where the recovery sought, exclusive of attorney fees, interest and court costs does not exceed \$25,000. An unlimited civil case is one in which the recovery sought is more than \$25,000. (See CCP § 86.)

Limited Civil Case

Unlimited Civil Case

**You are required to provide the information requested above, plus your signature on page 3 of this form, in order to comply with Government Code §910. In addition, in order to conduct a timely investigation and possible resolution of your claim, the City of Fortuna requests that you answer the following questions:**

7. No longer applicable as of 2/28/07.

8. Claimant(s) Date(s) of Birth:

04/08/1989

9. Name, address and telephone number of any witnesses to the occurrence or transaction which gave rise to the claim asserted:

10. If the claim involves medical treatment for a claimed injury, please provide the name, address and telephone number of any doctors or hospitals providing treatment:

*If applicable, please attach any medical bills or reports or similar documents supporting your claim.*

11. If the claim relates to an automobile accident:

Claimant(s) Auto Ins. Co.:

Telephone:

Address:

Insurance Policy No.:

Insurance Broker/Agent:

Telephone:

Address:

Claimant's Veh. Lic. No.:

Vehicle Make/Year:

Claimant's Drivers Lic. No.:

Expiration:

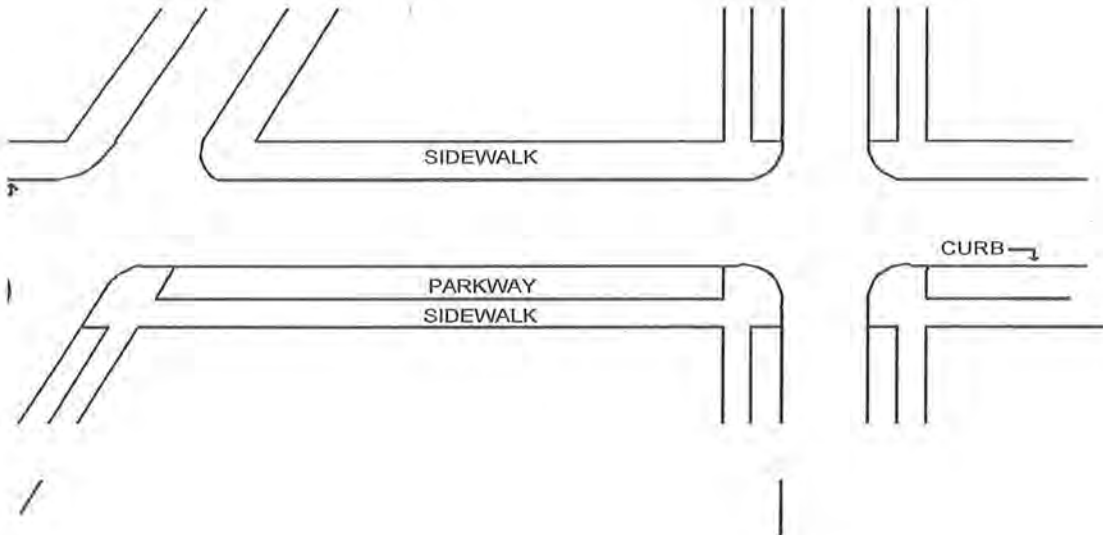
If applicable, please attach any repair bills, estimates or similar documents supporting your claim.

**READ CAREFULLY**

For all accident claims, place on following diagram name of streets, including North, East, South, and West; indicate place of accident by "X" and by showing house numbers or distances to street corners. If a City of Fortuna vehicle was involved, designate by letter "A" location of City of Fortuna vehicle when you first saw it, and by "B" location of yourself or your vehicle when you first saw City of Fortuna vehicle; location of City of

Fortuna vehicle at time of accident by "A-1" and location of yourself or your vehicle at the time of the accident by "B-1" and the point of impact by "X."

NOTE: If diagrams below do not fit the situation, attach hereto a proper diagram signed by claimant.



**Warning:** Presentation of a false claim with the intent to defraud is a felony (Penal Code §72). Pursuant to CCP §1038, the City of Fortuna may seek to recover all costs of defense in the event an action is filed which is later determined not to have been brought in good faith and with reasonable cause.

Signature: \_\_\_\_\_

Date: 4/10/17



## CLAIMS FOR MONEY OR DAMAGES AGAINST THE CITY OF FORTUNA

1. Upon registering my vehicle, I noticed that the registration was too high and the DMV informed me that there were three parking tickets on the vehicle that were gotten on the College of the Redwoods campus. I thought that this was impossible because I never attended CR or parked my car at the campus. I had to put the pieces together to find out that my roommate at the time was taking my car to CR without my knowledge or permission. The car was not registered at this time and to my knowledge was not being driven. I called CR and asked them to void the tickets and the director of Public Safety informed me that the Fortuna Police Dept. wrote the tickets and it was in their power to void the tickets.
2. I called FPD and was directed to speak to Robin Paul, who manages the office. I explained to her that the car they ticketed was not registered to an owner and was taken without my consent or knowledge by a person living in my home at the time the tickets were given. I explained to her that I was not liable for the **vehicle due to Vehicle Code 10851-Theft and Injury of Vehicles** defined as the taking of a vehicle with the intent to permanently or temporarily deprive owner of possession. I also (tried) explaining to her the court case **Xhevat Mustafi v. Pitch Roofing LTD and Marc A. Carroll** which ruled that Carroll **“did not have the consent of All-Pitch to operate its truck at the time of the accident and that All-Pitch bears no liability for the allegedly negligent driving of Carroll.”**
3. Robin Paul did not acknowledge the validity of the codes and laws and told me that a courtesy notice was sent to me for each ticket that was gotten and I could have requested the tickets to be voided at the time that they happened. I informed Robin Paul that I never received any



curtesy notices for these tickets and to please send me the address that the tickets were sent to.

Upon receiving copies of the curtesy notices that were mailed, I immediately noticed that they did not send the notices to my address or any address that I had had on file at the DMV. The address that the notices were sent to was a pending address that was used when my grandmother was transferring the vehicle to me. The transfer was not even complete the time the tickets were given so it baffles me why they were sent to a pending address of a pending transfer instead of to either my grandmother's address or my current address on file with the DMV since I was receiving the vehicle as a gift from my grandmother.

I called Robin Paul several times explaining to her that this was not my address on file with the DMV and that I needed to get car registered for my work but I did not have the money to pay for these tickets and added fees that the DMV was imposing due to the fact that FPD did not send the curtesy notice to my address on file with the DMV making it so I was oblivious to the tickets being acquired on my vehicle. They also ticketed an unregistered vehicle who transfer was pending and they did not perform due diligence by sending the notice to the correct address on file. Not being able to use my car for full-time work has cost me upwards of \$1800 dollars, being that I lost my job because I couldn't get my vehicle registered and I couldn't keep borrowing my friends car. I am a single mother with two young children to support.

## CLAIMS FOR MONEY OR DAMAGES AGAINST THE CITY OF FORTUNA

6. I have also been under a significant amount of stress and problems at work, not being able to use my car to transport my disabled clients that I give care to. Robin Paul said she was sorry that all these agencies were “pinging” me around but she herself again sent me on a run around and told me to contact CR and ask the current company that CR was contracting with to write their tickets and ask them if they will give me an abstract to void the tickets. So, again I contacted CR and the director of Public Safety, Burt McBride, told me that the current company cannot give me an abstract because they were not the company that issued the tickets. However, McBride did write a formal letter to the DMV requesting that they void the tickets due to the fact that I did not receive curtesy notices for tickets and car was taken without my permission. He wished me luck and was at least trying to be helpful and understanding of situation.
  
7. When I went to the DMV to pay the registration they informed me that they could not accept the formal letter from CR and that I needed to get an abstract voiding the tickets from FPD because that was the agency that initially wrote the tickets. All this time, Robin Paul had been sending me to CR and DMV and telling me it was between me and CR and she had the authority to dismiss the tickets all along but instead she denied that she could do anything about the tickets and misguided my efforts to get the tickets voided. All the while I am needing my car to provide for my family and she continues to lie to me about who has the authority to void the tickets. After getting home from the DMV and realizing that Robin Paul has repeatedly lied to me about who was responsible for issuing the tickets I called her and told her that the DMV informed me that only FPD could give me the abstract to void the

CLAIMS FOR MONEY OR DAMAGES AGAINST THE CITY OF FORTUNA

tickets. She told me that she would talk to the chief on my behalf but that she was tired of hearing about the issue. After speaking to the chief she called me back and said that they will not void the tickets and have determined that the tickets are valid and I am liable.

8. I have lost hundreds of dollars not being able to register my vehicle to use it for work. I have spent hours researching the validity of these tickets and I have endured a great deal of stress dealing with these agencies and trying to get the problem solved fairly. Robin Paul knew all along that only FPD had the authority to dismiss these tickets and instead of trying to work with me she worked against me, gave me disinformation and send me on a run around that resulted in a complete waste of my time, money and energy.

April 6, 2017

A handwritten signature in black ink, appearing to be 'C. Paul', written in a cursive style.

**STAFF REPORT**  
***Successor Agency Board and  
Public Financing Authority Board  
Business Agenda Item***

---

**DATE:** May 1, 2017

**TO:** Successor Agency / FPFA Board Members

**FROM:** Mark Wheatley, Executive Director

**SUBJECT:** **Authorization to Proceed with the Refunding of the Series 2007 Revenue Bonds for Interest Savings; Resolution SA2017-01 & Resolution FPFA2017-01**

**EXECUTIVE SUMMARY:**

Prior to dissolution, on October 30, 2007, the Fortuna Redevelopment Agency (the “Former Agency”) caused the Fortuna Public Financing Authority (the “Authority”) to issue Series 2007 Revenue Bonds in the original aggregate amount of \$17,500,000 (the “2007 Bonds”), which have a total remaining principal balance outstanding of approximately \$12,025,000. A substantial portion (which portion, is referred to as the “Prior Bonds”) of the 2007 Bonds (originally \$13,280,000, and now a remaining balance of approximately \$9,765,000) was loaned to the Former Agency to finance and refinance certain redevelopment projects (the “RDA Projects”). The 2007 Bonds bear interest at rates ranging from 4.00% to 5.00%, and have a final maturity date of November 1, 2038.

The 2007 Revenue Bonds were issued to finance and refinance certain RDA projects, as well as certain City of Fortuna (the “City”) general fund backed projects (the “City Projects”). The RDA Projects represent about seventy-two percent (72%) of the 2007 Bonds (the “RDA Portion”), and the City Projects represent about twenty-eight percent (28%) of the 2007 Bonds (the “City Portion”).

**REVIEW AND ANALYSIS:**

The Former Agency has been dissolved and no longer exists, and pursuant to redevelopment law, the City Council of the City of Fortuna (the “City”) has become the successor entity to the Former Agency (“Successor Agency”).

Since the elimination of redevelopment the State has allowed for refinancing through AB 1484 (Health and Safety Code 34177.5) allowing a successor agency to issue refunding bonds provided the following criteria can be are met: (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance (the “Refunding Criteria”).

Based on present market conditions staff believes there is sufficient interest rate savings to justify the

approval process for issuing refunding bonds (the “Refunding Bonds”) to prepay and defease all outstanding Prior Bonds (the “Refunding”). Attached is a Summary Savings Report demonstrating potential savings based upon current bond market conditions. The final maturity date of the Refunding Bonds (November 1, 2038) is the same as the final maturity date of the Prior Bonds, and will not be extended. The actual debt service savings will be determined at the time of sale of the Refunding Bonds.

It is estimated that that the Prior Bonds can be refunded at an interest rate of approximately 3.90%, and that the Refunding will result in a total cash flow savings (after all costs are factored in and accounted for) of approximately \$1,791,000. This savings equates to approximately \$80,000 every year for the full 22-year remaining year life of the issue. Using present value calculations, the Refunding still produces Net Present Value (NPV) savings of approximately \$431,000. This amount is net of the existing Debt Service Reserve Fund associated with the Prior Bonds, which is expected to be released in connection with the refunding in an amount of \$816,000 and used to redeem Prior Bonds. Based upon an estimated refunded par value of \$9,765,000, the NPV savings is equivalent to of approximately 4.4%, which is above the minimum threshold established by GFOA. The City’s share of the cash flow savings is approximately \$84,000 (4.67% of the total), with the remainder going to the other taxing entities.

It is important to point out that the City Portion cannot be refunded until August 3, 2017 due to certain legal constraints, and therefore the share of 2007 Bonds supported by the City Portion will remain outstanding after the RDA Portion has been refunded. However, Staff and the City’s financing team are working on a plan to refund the City Portion, and expect to bring that proposed refinancing to the City Council at a future meeting.

Please refer to the attached draft Savings Analysis for estimated details as to the Refunding calculations associated with the Refunding of the Prior Bonds.

### **PLAN OF REFUNDING:**

As part of AB 1484, there are multiple steps involved in a Successor Agency receiving approval and issuing any Refunding Bonds. A few of the key steps necessary to issue Refunding Bonds include the following:

- Successor Agency Board approval of Refunding Bond documents
- Oversight Board approval of Refunding Bonds
- Savings Report / financing plan sent to State Department of Finance (DOF) with request for approval to issue the contemplated Refunding Bonds
- DOF approval of financing plan and Refunding Bonds
- Preparation and Successor Agency approval of Official Statement required to market and sell Refunding Bonds
- Ratings process
- Sale of Refunding Bonds
- Closing of Refunding Bonds and redemption of Prior Bonds

The next steps to move this transaction forward are to seek Oversight Board approval of the issuance of Refunding Bonds, and then to send the adopted resolutions along with the financing plan and form of Indenture and Escrow Agreement to DOF. DOF will then have 65 days to review and approve the proposition (it is possible, although unlikely, that DOF could take less than the full 65 days).

Upon DOF approval, the Refunding Bonds can be sold to investors and rates and terms locked. During the waiting period, the finance team will evaluate whether a direct placement to a bank or a public offering to

the municipal marketplace will be utilized. If a public offering is deemed to be the best option, then an investor disclosure prospectus known as a “preliminary official statement” (POS) will be developed and brought before the Agency Board for its approval. If a direct placement is the chosen as the best method of sale, then no POS approval will be required.

### **SUMMARY OF THE FINANCING DOCUMENTS:**

The subject resolution being recommended for adoption authorizes and approves the form of all the foundational legal documents (the “Financing Documents”) necessary to provide for the successful issuance of the Refunding Bonds. The adoption of the Resolution is necessary for the financing team to move forward with completing the appropriate documentation and credit analysis before entering the market and locking interest rates.

The Financing Documents are being presented to the Board as form documents, as they cannot be fully completed at this time because certain critical components such as interest rates and annual debt service payments will depend on the state of the bond market at the time the transaction is actually priced (i.e., sold to the Underwriter or private placement bank), which is expected to occur sometime in July, and possibly sooner if DOF is able to expedite its review. This method of approval is the normal method of approving a bond issue in California. The individual Financing Documents needed to complete this financing are included as attachments and are each briefly described below:

1. Indenture of Trust: This is an agreement which sets forth the covenants and specifics of the Refunding Bonds, including the flow of funds, prepayment provisions, establishment and management of the reserve fund and all other funds and accounts, the Successor Agency’s and Trustee’s duties, repayment mechanisms and the Refunding Bond owners’ rights and remedies.
2. Escrow Agreement: This is an agreement by and among the Authority, the Successor Agency and the Escrow Agent, pursuant to which proceeds of the Refunding Bonds will be used for the purpose of prepaying the Prior Bonds.

### **FISCAL IMPACT:**

Based on current market rates, a refinancing of the outstanding bonds will generate cash flow savings through November 1, 2038 which would be divided among the taxing entities.

### **RECOMMENDED SUCCESSOR AGENCY BOARD ACTION:**

1. Receive staff presentation and review Board questions with staff
2. Open Public Comment
3. Close Public Comment
4. Motion to adopt Resolution SA2017-01 and read by title only. Roll Call Vote

### **RECOMMENDED PUBLIC FINANCING AUTHORITY BOARD ACTION:**

1. Receive staff presentation and review Board questions with staff
2. Open Public Comment
3. Close Public Comment
4. Motion to adopt Resolution FPFA2017-01 and read by title only. Roll Call Vote

**ATTACHMENTS:**

Attachment A: Successor Agency Resolution; SA2017-01 *A Resolution Of The Successor Agency To The Fortuna Redevelopment Agency, Approving The Form Of Documents Relating To The Issuance And Sale Of Series 2017 Tax Allocation Refunding Bonds (Fortuna Redevelopment Project) To Refinance Certain Outstanding Bonds Of The Former Redevelopment Agency Of The City Of Fortuna, And Approving Related Matters And Official Actions*

Attachment B: Public Financing Authority Resolution; FPFA2017-01 *A Resolution Of The Governing Board Of The Fortuna Public Financing Authority, Approving The Form Of Escrow Agreement Relating To The Refinancing Of Certain Outstanding Bonds Of The Authority, And Approving Related Matters And Official Actions*

Attachment C: Form of Indenture of Trust

Attachment D: Form of Escrow Agreement

Attachment E: Summary Saving Analysis

**FORTUNA SUCCESSOR AGENCY**

**RESOLUTION NO. SA2017 - 01**

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORTUNA REDEVELOPMENT AGENCY, APPROVING THE FORM OF DOCUMENTS RELATING TO THE ISSUANCE AND SALE OF SERIES 2017 TAX ALLOCATION REFUNDING BONDS (FORTUNA REDEVELOPMENT PROJECT) TO REFINANCE CERTAIN OUTSTANDING BONDS OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF FORTUNA, AND APPROVING RELATED MATTERS AND OFFICIAL ACTIONS**

**WHEREAS**, pursuant to Section 34172(a) of the California Health and Safety Code (the “Code”), the Redevelopment Agency of the City of Fortuna (the “Former Agency”) has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to the Code, the City Council of the City of Fortuna (the “City”) has become the successor entity to the Former Agency (“Successor Agency”); and

**WHEREAS**, the Former Agency was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the “Law”); and

**WHEREAS**, pursuant to Section 34179, an oversight board (the “Oversight Board”) has been duly established for the Successor Agency; and

**WHEREAS**, a redevelopment plan for a redevelopment project known and designated as the Fortuna Redevelopment Project (the “Redevelopment Project”) was adopted and approved in compliance with all requirements of the Law; and

**WHEREAS**, in order to provide financing for the Redevelopment Project, the Former Agency entered into a Loan Agreement (the “Prior Loan Agreement”), dated as of October 1, 2007, by and among the Agency, the Fortuna Public Financing Authority (the “Authority”) and the trustee named thereunder (the “Prior Trustee”), which was purchased by the Authority as a Local Obligation (the “Local Loan Obligation”) under a Trust Agreement dated as of October 1, 2007, by and among the Authority, the Former Agency and Prior Trustee (the “Prior Trust Agreement,” and together with the Prior Loan Agreement, the “Prior Bond Documents”); and

**WHEREAS**, the Authority issued its Revenue Bonds, Series 2007, on October 30, 2007 in the aggregate principal amount of \$17,500,000 (the “2007 Bonds”), which 2007 Bonds are secured in part (which portion is hereafter referred to as the “Prior Bonds”) by the Loan Agreement; and

**WHEREAS**, on June 27, 2012 as part of the Fiscal Year 2012-2013 State of California budget bill, the Governor signed into law Assembly Bill 1484 (“AB 1484”), which modified or added to some of the provisions of California Assembly Bill No. 26 (“AB 26”), including



provisions related to the refunding of outstanding redevelopment agency bonds and the expenditure of remaining bond proceeds derived from redevelopment agency bonds issued on or before December 31, 2010, thereby providing a mechanism to refund tax allocation bonds under certain enumerated circumstances; and

**WHEREAS**, it is hereby determined that based on current conditions in the municipal bond market, the Local Loan Obligation and Prior Bonds may be prepaid and the Prior Bonds may be refunded for the purpose of realizing debt service savings which would result in additional tax increment revenues for distribution to the affected taxing agencies; and

**WHEREAS**, Section 34177.5(a)(1) of the Code authorizes successor agencies to refund outstanding bonds provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance (the “Refunding Criteria”); and

**WHEREAS**, Section 34177.5(b) of the Code authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with §53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Bond Law”) for the purpose of refunding of outstanding bonds and other obligations of the Former Agency, subject to the conditions precedent contained in Section 34177.5 of the Code; and

**WHEREAS**, the Successor Agency wishes at this time to authorize the issuance of its Successor Agency to the Fortuna Redevelopment Agency (Fortuna Redevelopment Project), Series 2017 Tax Allocation Refunding Bonds, in the aggregate principal amount of not to exceed \$12,500,000 (the “Bonds”), for the purpose of (i) prepaying and refunding the Local Loan Obligation and Prior Bonds, (ii) paying the costs of issuing the Bonds including reasonable staff costs; (iii) funding a reserve account for the Bonds and (iv) if advisable, paying for the cost of municipal bond insurance and/or a surety to fund the reserve account for the Bonds in lieu of funding all or a portion of such reserve account with Bond proceeds; and

**WHEREAS**, to determine compliance with the Refunding Criteria, the Successor Agency has caused its municipal advisor, PFM Financial Advisors (the “Municipal Advisor”), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Bonds to prepay and refund the Local Loan Obligation and Prior Bonds (the “Debt Service Savings Analysis”); and

**WHEREAS**, the Bonds will be issued pursuant to an Indenture of Trust (the “Indenture”), by and between the Successor Agency and U.S. Bank National Association, as trustee (the “Trustee”); and

**WHEREAS**, the Successor Agency is now requesting that the Oversight Board direct the Successor Agency to undertake the refunding proceedings and to approve the issuance of the Bonds pursuant to this Resolution and the Indenture; and

**WHEREAS**, the Successor Agency further requests that the Oversight Board also make certain determinations described below on which the Successor Agency will rely in its issuance of the Bonds; and

**WHEREAS**, following approval by the resolution of the Oversight Board (the “Oversight Board Resolution”) of the issuance of the Bonds by the Successor Agency, and upon submission of the Oversight Board Resolution to the California Department of Finance, the Successor Agency is authorized to and will, with the assistance of its consultants, cause to be prepared a form of Official Statement describing the Bonds, the Successor Agency, its Redevelopment Project, its continuing disclosure obligations, and certain other information deemed material to an informed investment decision respecting the Bonds, the preliminary form of which will be submitted to the Successor Agency for approval at a later date for distribution by the Underwriter to persons and institutions interested in purchasing the Bonds, which form may be revised as necessary to carry out the purposes of this Resolution; and

**WHEREAS**, Health & Safety Code Section 34177.5(c) provides that prior to incurring any bonds, the Successor Agency may subordinate to the Bonds the amount required to be paid to an affected taxing entity pursuant to Section 34183(a)(1) (the “Statutory Pass-Through Payments”), provided that a pertinent taxing entity approves the subordination; and

**WHEREAS**, the Successor Agency desires to request all pertinent agencies to subordinate the Statutory Pass-Through Payments it receives from the Redevelopment Project to the debt service on the Bonds; and

**WHEREAS**, the Successor Agency wishes at this time to approve the form of various legal documents relating to the issuance and sale of the Bonds for the purpose of refunding the Redevelopment Portion of the Prior Bonds;

**NOW, THEREFORE, BE IT RESOLVED** by the Successor Agency to the Fortuna Redevelopment Agency, as follows:

**Section 1. Recitals.** The Board of Directors (the “Board”) of the Successor Agency hereby specifically finds and declares that each of the recitals set forth above are true and correct and are incorporated herein by this reference.

**Section 2. Determination of Savings; Compliance with Section 34177.5(a)(1).** The Successor Agency has determined that there are potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Refunding Criteria by the issuance by the Successor Agency of the Bonds to provide funds to refund and defease part or all of the Prior Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Successor Agency, which Debt Service Savings Analysis is hereby approved. In addition, the Bonds shall only be issued if the Bonds comply with the provisions of Section 34177.5(a)(1),

including limiting the amount of the Bonds to the amount required to refund the Prior Bonds, and to pay the costs of issuing the Bonds, which may include amounts required to purchase bond insurance and a reserve fund surety bond for the Bonds.

**Section 3. Authorization and Approval of Bonds.** The Successor Agency hereby authorizes and approves the issuance of the Bonds under the Law and the Refunding Bond Law in the aggregate principal amount of not to exceed \$12,500,000, for the purpose of providing for the refunding of the Prior Bonds. As a condition precedent to the sale and delivery of Bonds, staff of the Successor Agency shall cause the Municipal Advisor to confirm in writing that the debt service savings resulting from the refunding of the Prior Bonds will achieve debt service savings in compliance with the Refunding Criteria.

**Section 4. Authorization of Sale.** The Successor Agency hereby authorizes the sale of the Bonds by either (a) negotiated sale to an investment banking firm to be selected by either the Executive Director or Treasurer (Underwriter), as underwriter of the Bonds pursuant to a bond purchase contract for reoffering to the public, (b) private placement with a bank or other financial institution to be selected by either the Executive Director or Treasurer (Placement Agent), or (c) a combination of (a) and (b); provided that the Refunding Criteria is satisfied prior to issuance. The Executive Director or Treasurer are each individually hereby authorized to choose the method of sale and select the Underwriter or Placement Agent in consultation with the Municipal Advisor.

**Section 5. Authorized Representatives.** The Chairman, Vice Chairman, Executive Director, Treasurer, Secretary and any other person authorized by the Successor Agency to act on its behalf shall each be an “Authorized Representative” of the Successor Agency for the purposes of structuring and providing for the issuance of the Bonds, and are hereby authorized, jointly and severally, for and in the name of and on behalf of the Successor Agency, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the issuance of the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions approved in this Resolution.

**Section 6. Approval of Indenture.** The Successor Agency hereby approves the Indenture in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein. The Authorized Representatives, each acting alone, are hereby authorized and directed to execute and deliver, and attest to, the Indenture for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Secretary, with such changes therein, deletions therefrom and additions thereto as an Authorized Representative shall approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The Successor Agency hereby authorizes the delivery and performance of the Indenture.

**Section 7. Approval of Escrow Agreement.** The Successor Agency hereby approves the form of Escrow Agreement (the “Escrow Agreement”) by and among the Successor Agency, the Authority and U.S. Bank National Association (the “Escrow Agent”), prescribing the terms and provisions for the prepaying and refunding of the Local Loan Obligation and Prior Bonds, in substantially the form submitted at this meeting and made a part hereof as though set forth in full

herein. The Authorized Representatives, each acting alone, are hereby authorized and directed to execute and deliver, and attest to the Escrow Agreement for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Secretary, with such changes therein, deletions therefrom and additions thereto as an Authorized Representative shall approve, such approval to be conclusively evidenced by the execution and delivery of the Escrow Agreement. U.S. Bank National Association is hereby appointed as Escrow Agent. The Successor Agency hereby authorizes the delivery and performance of the Escrow Agreement.

**Section 8. Partial Invalidity.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that its board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

**Section 9. Oversight Board Approval.** The Successor Agency hereby requests the Oversight Board, as authorized by Section 34177.5(f), to direct the Successor Agency to undertake the refunding proceedings, and, as authorized by Section 34177.5(f) and Section 34180, to approve this Resolution, the Indenture, and the issuance of the Bonds pursuant to Section 34177.5(a)(1).

**Section 10. Determinations by the Oversight Board.** The Successor Agency hereby further requests that the Oversight Board make the following determinations upon which the Successor Agency will rely in undertaking the refunding proceedings and providing for the issuance of the Bonds:

(a) As provided in Section 34177.5(f) of the Code, the Successor Agency is authorized to recover its costs incurred in connection with the issuance of the Bonds from the proceeds of the Bonds, including the cost of reimbursing the City for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the Bonds.

(b) The authorization and sale of the Bonds, and the application of proceeds thereof to the refunding in whole or in part of the Prior Bonds and the payment of costs of issuance, as provided in the Indenture and authorized by Section 34177.5(a) of the Code, shall, upon initial approval of the Oversight Board and the California Department of Finance, be implemented by the Successor Agency, notwithstanding the provisions of Section 34177.3 of the Code or any other provision of law to the contrary, without the requirement for further approval from the Oversight Board, the California Department of Finance, the Humboldt County Auditor-Controller or any other person or entity other than the Successor Agency.

(c) The Successor Agency shall enter the amounts of the final debt service determined upon sale and delivery of the Bonds into the Recognized Obligation Debt Service Schedule attached to the Indenture.

(d) The Successor Agency shall be entitled to receive its full allocation of Administrative Cost Allowance under Section 34181(a)(3) of the Code without any deductions

with respect to continuing costs related to the Bonds, such as legal fees, trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183 of the Code. In addition, and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings of the Bonds from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

**Section 11. Municipal Bond Insurance and Surety Bonds.** The Authorized Representatives, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the Bonds and a reserve account surety bond for the Bonds from a municipal bond insurance company if it is determined, upon consultation with the Municipal Advisor and Underwriter, that such municipal bond insurance policy and/or surety bond will reduce the interest cost with respect to the Bonds.

**Section 12. Approval of Official Statement.** Following approval by the Oversight Board of the issuance of the Bonds by the Successor Agency and upon submission of the Oversight Board Resolution to the California Department of Finance, the Successor Agency will, with the assistance of its Bond Counsel, Disclosure Counsel, Fiscal Consultant and Municipal Advisor, cause to be prepared a form of Official Statement for the Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by Underwriter to persons and institutions interested in purchasing the Bonds.

**Section 13. Subordination Agreements.** The Successor Agency is hereby directed, at the discretion of an Authorized Representative, to request subordination of its pass-through obligations to taxing entities and the Authorized Representatives are, each acting alone, hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver subordination agreements as are necessary and applicable with such taxing entities. The Successor Agency hereby authorizes the delivery and performance of its obligations under such subordination agreements.

**Section 14. Filing of this Resolution.** The Secretary of the Successor Agency is hereby authorized and directed to file a certified copy of this Resolution with the Oversight Board and, as provided in Section 34180(j) of the Code, with the Humboldt County Administrative Officer, the Humboldt County Auditor-Controller and the California Department of Finance.

**Section 15. Official Actions.** All actions heretofore taken by the officers and agents of the Successor Agency with respect to the issuance of the Bonds are hereby approved, confirmed and ratified. Each Authorized Representative and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, including requisitions for the payment of costs of issuance of the Bonds, agreements, including agreements in customary form providing for the investment of the proceeds of the Bonds, notices, consents, and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the sale, issuance

and delivery of the Bonds and the prepayment and refunding of the Local Loan Obligation and Prior Bonds. Staff is hereby further authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions necessary to request all pertinent agencies to subordinate the Statutory Pass-Through Payments it receives from the Redevelopment Project to the debt service on the Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

**Section 19. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

**PASSED AND ADOPTED THIS** 1<sup>st</sup> day of May by the Successor Agency by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Chair of the Board

ATTEST:

---

Clerk of the Successor Agency

**FORTUNA PUBLIC FINANCING AUTHORITY**

**RESOLUTION NO. FPFA2017 - 01**

**A RESOLUTION OF THE GOVERNING BOARD OF THE FORTUNA PUBLIC FINANCING AUTHORITY, APPROVING THE FORM OF ESCROW AGREEMENT RELATING TO THE REFINANCING OF CERTAIN OUTSTANDING BONDS OF THE AUTHORITY, AND APPROVING RELATED MATTERS AND OFFICIAL ACTIONS**

**WHEREAS**, in order to assist the Redevelopment Agency of the City of Fortuna (the “Former Agency,” which is now a successor entity to the Former Agency (“Successor Agency”)) provide financing for a redevelopment plan for a redevelopment project known and designated as the Fortuna Redevelopment Project (the “Redevelopment Project”), the Former Agency entered into a Loan Agreement (the “Prior Loan Agreement”), dated as of October 1, 2007, by and among the Agency, the Fortuna Public Financing Authority (the “Authority”) and the trustee named thereunder (the “Prior Trustee”), which was purchased by the Authority as a Local Obligation (the “Local Loan Obligation”) under a Trust Agreement dated as of October 1, 2007, by and among the Authority, the Former Agency and Prior Trustee (the “Prior Trust Agreement,” and together with the Prior Loan Agreement, the “Prior Bond Documents”); and

**WHEREAS**, the Authority issued its Revenue Bonds, Series 2007, on October 30, 2007 in the aggregate principal amount of \$17,500,000 (the “2007 Bonds”), which 2007 Bonds are secured in part (which portion is hereafter referred to as the “Prior Bonds”) by the Loan Agreement; and

**WHEREAS**, the Successor Agency has passed and adopted a resolution authorizing the issuance of its Successor Agency to the Fortuna Redevelopment Agency (Fortuna Redevelopment Project), Series 2017 Tax Allocation Refunding Bonds, in the aggregate principal amount of not to exceed \$12,500,000 (the “Bonds”), for the purpose of (i) prepaying and refunding the Local Loan Obligation and Prior Bonds, (ii) paying the costs of issuing the Bonds including reasonable staff costs; (iii) funding a reserve account for the Bonds and (iv) if advisable, paying for the cost of municipal bond insurance and/or a surety to fund the reserve account for the Bonds in lieu of funding all or a portion of such reserve account with Bond proceeds; and

**WHEREAS**, the Bonds will be issued pursuant to an Indenture of Trust (the “Indenture”), by and between the Successor Agency and U.S. Bank National Association, as trustee (the “Trustee”); and

**WHEREAS**, it is now appropriate to approve the form of Escrow Agreement, by and among the Successor Agency, the Authority and U.S. Bank National Association, as escrow agent thereunder (the “Escrow Agent”), as necessary to cause the refunding and defeasance of the Local Loan Obligation and Prior Bonds in accordance with the terms thereof;

**NOW, THEREFORE, BE IT RESOLVED** by the governing board of the Fortuna Public Financing Authority (the “Governing Board”) as follows:

**Section 1. Recitals.** The Governing Board hereby specifically finds and declares that each of the recitals set forth above are true and correct and are incorporated herein by this reference.

**Section 2. Approval of Escrow Agreement.** The Escrow Agreement in substantially the form submitted to this meeting, is hereby approved. The Executive Director of the Authority, or any officer designated by the Executive Director is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Escrow Agreement in substantially said form, with such changes therein as the Executive Director or officer designated by the Executive Director with the advice of the Authority’s counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. U.S. Bank National Association is hereby appointed as Escrow Agent. The Authority hereby authorizes the delivery and performance of the Escrow Agreement.

**Section 3. Partial Invalidity.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Authority declares that its Governing Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

**Section 4. Official Actions.** The officers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents (including, but not limited to a tax certificate), including all things and documents that may be necessary to assist the Successor Agency issue the Bonds and/or refund and defease the Local Loan Obligation and Prior Bonds, which they may deem necessary or advisable in connection therewith, or related documents and otherwise to effectuate the purposes of this Resolution. Whenever in this Resolution any officer of the Authority is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

**Section 5. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

\* \* \* \* \*



**PASSED AND ADOPTED THIS 1<sup>st</sup> day of May, 2017, by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Chair, Sue Long

ATTEST:

---

Secretary

---

---

**INDENTURE OF TRUST**

Dated as of \_\_\_\_\_ 1, 2017

between the

**SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY OF FORTUNA**

and

**U.S. BANK NATIONAL ASSOCIATION,  
*as Trustee***

Relating to

**[\$Par Amount]  
SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY OF FORTUNA  
SERIES 2017 TAX ALLOCATION REFUNDING BONDS  
(FORTUNA REDEVELOPMENT PROJECT)**

---

---

TABLE OF CONTENTS

Page

ARTICLE I  
DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01.	Definitions.....	3
Section 1.02.	Authorization. ....	15
Section 1.03.	Interpretation.....	15

ARTICLE II  
AUTHORIZATION AND TERMS OF BONDS; REPRESENTATIONS  
AND WARRANTIES OF THE SUCCESSOR AGENCY

Section 2.01.	Authorization and Purpose of Bonds. ....	16
Section 2.02.	Terms of the Bonds. ....	16
Section 2.03.	Optional Redemption of Bonds.....	17
Section 2.04.	Reserved.....	17
Section 2.05.	Notice; Other Redemption Provisions. ....	17
Section 2.06.	Form and Execution of Bonds. ....	19
Section 2.07.	Transfer and Exchange of Bonds. ....	19
Section 2.08.	Registration Books.....	20
Section 2.09.	Bonds Mutilated, Lost, Destroyed or Stolen.....	20
Section 2.10.	Temporary Bonds.....	20
Section 2.11.	Book-Entry System.....	21
Section 2.12.	Representations, Warranties and Agreements of the Successor Agency.....	22

ARTICLE III  
ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01.	Issuance of the Bonds. ....	25
Section 3.02.	Deposit and Application of Bond Proceeds. ....	26
Section 3.03.	Costs of Issuance Fund. ....	26
Section 3.04.	Redevelopment Fund. ....	26

ARTICLE IV  
SECURITY FOR THE BONDS; FLOW OF FUNDS

Section 4.01.	Security of Bonds; Equal Security.....	27
Section 4.02.	Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues.....	27
Section 4.03.	Revenue Fund; Transfer of Amounts to Trustee.....	28
Section 4.04.	Redemption Account. ....	30
Section 4.05.	Effect of Redemption.....	31
Section 4.06.	Investment of Moneys in Funds.....	32
Section 4.07.	Valuation and Disposition of Investments.....	33

ARTICLE V  
OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.01.	Punctual Payment.....	34
---------------	-----------------------	----

TABLE OF CONTENTS

Page

Section 5.02.	Compliance with the Redevelopment Law; Recognized Obligation Payment Schedules. ....	34
Section 5.03.	Payment of Claims. ....	35
Section 5.04.	Books and Accounts; Financial Statements; Additional Information. ....	36
Section 5.05.	Protection of Security and Rights of Owners. ....	36
Section 5.06.	Payments of Taxes and Other Charges. ....	36
Section 5.07.	Compliance with the Redevelopment Law; Maintenance of Tax Revenues. ....	36
Section 5.08.	Limitation on Additional Indebtedness. ....	37
Section 5.09.	Tax Covenants Relating to the Bonds. ....	37
Section 5.10.	Protection of Security and Rights of Owners. ....	42
Section 5.11.	Continuing Disclosure. ....	42

ARTICLE VI  
THE TRUSTEE

Section 6.01.	Duties, Immunities and Liabilities of Trustee. ....	42
Section 6.02.	Merger or Consolidation. ....	44
Section 6.03.	Liability of Trustee. ....	44
Section 6.04.	Right to Rely on Documents. ....	46
Section 6.05.	Preservation and Inspection of Documents. ....	46
Section 6.06.	Compensation and Indemnification. ....	47
Section 6.07.	Accounting Records and Financial Statements. ....	47

ARTICLE VII  
MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.01.	Amendments Permitted. ....	48
Section 7.02.	Effect of Supplemental Indenture. ....	49
Section 7.03.	Endorsement or Replacement of Bonds After Amendment. ....	49
Section 7.04.	Amendment by Mutual Consent. ....	49
Section 7.05.	Trustee's Reliance. ....	49

ARTICLE VIII  
EVENTS OF DEFAULT AND REMEDIES

Section 8.01.	Events of Default and Acceleration of Maturities. ....	50
Section 8.02.	Notice of Event of Default. ....	51
Section 8.03.	Application of Funds Upon Event of Default. ....	51
Section 8.04.	Power of Trustee to Control Proceedings. ....	52
Section 8.05.	Limitation on Owners' Right to Sue. ....	52
Section 8.06.	Non-Waiver. ....	53
Section 8.07.	Actions by Trustee as Attorney-in-Fact. ....	53
Section 8.08.	Remedies Not Exclusive. ....	53

ARTICLE IX  
MISCELLANEOUS

Section 9.01.	Benefits Limited to Parties. ....	54
---------------	-----------------------------------	----

TABLE OF CONTENTS

Page

Section 9.02.	Successor is Deemed Included in All References to Predecessor. ....	54
Section 9.03.	Defeasance of Bonds.....	54
Section 9.04.	Execution of Documents and Proof of Ownership by Owners. ....	55
Section 9.05.	Disqualified Bonds.....	55
Section 9.06.	Waiver of Personal Liability.....	56
Section 9.07.	Destruction of Canceled Bonds.....	56
Section 9.08.	Notices. ....	56
Section 9.09.	Partial Invalidity.....	57
Section 9.10.	Unclaimed Moneys. ....	57
Section 9.11.	Successor Is Deemed Included in All References to Predecessor. ....	57
Section 9.12.	Governing Law. ....	57
Section 9.13.	Execution in Counterparts.....	57

ARTICLE X

PROVISIONS RELATING TO THE BOND INSURANCE POLICY

Section 10.01.	Bond Insurance Provisions. ....	58
----------------	---------------------------------	----

APPENDICES

APPENDIX A	FORM OF BOND.....	A-1
APPENDIX B	RECOGNIZED OBLIGATION DEBT SERVICE PAYMENT SCHEDULE .....	B-1

## INDENTURE OF TRUST

This INDENTURE OF TRUST (this “Indenture”), dated as of \_\_\_\_\_ 1, 2017, is between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF FORTUNA, a public entity duly created and existing under the laws of the State of California (the “Successor Agency”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the “Trustee”).

### W I T N E S S E T H :

WHEREAS, the Redevelopment Agency of the City of Fortuna (the “Former Agency”) was formerly a public body, corporate and politic, duly established and authorized to transact business and exercise powers under the provisions of Part 1 of Division 24 of the Health and Safety Code of the State of California (the “Redevelopment Law”); and

WHEREAS, a redevelopment plan for the redevelopment project area designated the “Fortuna Redevelopment Project” in the City of Fortuna, California (the “Redevelopment Project”) was adopted in compliance with all requirements of the Redevelopment Law; and

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and the Fortuna Designated Local Authority was formed in accordance with Section 34173(d)(3) of the Code to serve as the Successor Agency (“Successor Agency”) to the Former Agency; and

WHEREAS, in order to provide financing for the Redevelopment Project, the Former Agency entered into a Loan Agreement (the “Prior Loan Agreement”), dated as of October 1, 2007, by and among the Fortuna Public Financing Authority (the “Authority”), the Former Agency and U.S. Bank National Association (as successor in interest to the original party to the Loan Agreement, Deutsche Bank National Trust Company), as trustee (the “Prior Trustee”), which was purchased by the Authority as a Local Obligation (the “Local Loan Obligation”) under a Trust Agreement dated as of October 1, 2007, by and among the Authority, the Former Agency and Prior Trustee (the “Prior Trust Agreement,” and together with the Prior Loan Agreement, the “Prior Bond Documents”); and

WHEREAS, the Authority authorized and issued its Fortuna Public Financing Authority Revenue Bonds, Series 2007 (the “2007 Bonds”), in order to provide funds to, among other things, purchase the Local Loan Obligation (the portion of the 2007 Bonds represented by the Local Loan Obligation is hereinafter referred to as the “Prior Bonds”); and

WHEREAS, Assembly Bill X1 26 (“AB 26”), effective June 29, 2011, resulted in the dissolution of the Former Agency as of February 1, 2012, and the vesting in the Successor Agency of all of the authority, rights, powers, duties and obligations of the Former Agency, including the authority to refund the bonds of the Former Agency; and

WHEREAS, Assembly Bill No. 1484 (“AB 1484”), a follow on bill to AB XI 26, was enacted on June 27, 2012 and provides a mechanism to refund outstanding bonds or other indebtedness under certain circumstances; and

WHEREAS, under Section 34177.5 of the Redevelopment Law, the Successor Agency is authorized to issue bonds under Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Bond Law”) for the purpose of achieving debt service savings in accordance with the criteria set forth in said Section 34177.5; and

WHEREAS, the Successor Agency has determined that it can achieve debt service savings in accordance with said criteria by issuing its refunding bonds under the Refunding Bond Law for the purpose of refunding the Prior Bonds, and to that end the governing board of the Successor Agency has authorized the issuance of its “Successor Agency to the Redevelopment Agency of the City of Fortuna, Series 2017 Tax Allocation Refunding Bonds (Fortuna Redevelopment Project)” in the aggregate principal amount of \$[Par Amount] (the “Bonds”); and

WHEREAS, pursuant to Section 34177.5(g) of the Redevelopment Law, any bonds issued by the Successor Agency to refund the bonds of the Former Agency shall be secured by a pledge of, and lien on, and shall be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of Section 34172; and

WHEREAS, the Bonds will be secured by a pledge of and payable from Tax Revenues (as defined below) on a parity basis with each other; and

WHEREAS, as a result of the proposed refinancing, there will be no obligations outstanding that are secured by a pledge of Tax Revenues other than the Bonds; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and premium, if any, and interest thereon, the Successor Agency has authorized the execution and delivery of this Indenture; and

WHEREAS, the Successor Agency has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Successor Agency, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken; and

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Successor Agency does hereby covenant and agree with the Trustee, for the benefit of the respective holders from time to time of the Bonds, as follows:

## ARTICLE I

### DEFINITIONS; RULES OF CONSTRUCTION

SECTION 1.01. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the terms defined in this Section 1.01 shall, for all purposes of this Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

“Annual Debt Service” means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds and Parity Bonds in such Bond Year, assuming that Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions), and (b) the scheduled principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking fund redemptions due in such Bond Year).

“Authorized Representative” means the Chair, Vice Chair, Executive Director, Treasurer and any other person authorized by the Successor Agency to act on its behalf shall each be an “Authorized Representative” of the Successor Agency.

“Average Annual Debt Service” means the average of the Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

“Beneficial Owner” has the meaning ascribed thereto in the Continuing Disclosure Certificate.

“Bond Counsel” means The Weist Law Firm, or any other attorney or firm of attorneys appointed by or acceptable to the Successor Agency of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Tax Code.

[“Bond Insurance Policy” or “Insurance Policy” means the insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and the interest when due on the Bonds.]

[“Bond Insurer” or “Insurer” means \_\_\_\_\_, or any successor thereto or assignee thereof, as insurer of the Bonds and issuer of the Reserve Policy.]

“Bond Proceeds Fund” means the account by that name established and held by the Trustee under Section 3.02.

“Bond Resolution” means Resolution No. \_\_\_\_, adopted by the Board of Directors of the Successor Agency on May 1, 2017.

“Bond Year” means any twelve-month period beginning on \_\_\_\_\_ 2 in any year and extending to the next succeeding \_\_\_\_\_ 1, both dates inclusive; except that the first Bond Year begins on the Closing Date and ends on \_\_\_\_\_ 1, 2017.



“Bond” or “Bonds” means the Successor Agency to the Redevelopment Agency of the City of Fortuna, Series 2017 Tax Allocation Refunding Bonds (Fortuna Redevelopment Project), issued by the Successor Agency in the aggregate principal amount of \$[Par Amount] under the Refunding Bond Law and this Indenture, and, if the context requires, any additional Parity Bonds issued pursuant to a Supplemental Indenture pursuant to Section 5.08 hereof.

“2007 Bonds” means the Fortuna Public Financing Authority Revenue Bonds, Series 2007, issued in the original aggregate principal amount of \$17,500,000, pursuant to the Prior Trust Agreement.

“Business Day” means a day of the year (other than a Saturday or Sunday) on which banks in San Francisco, California, or the city where the Office of the Trustee is located are not required or permitted to be closed, and on which the New York Stock Exchange is not closed.

“Certificate of the Successor Agency” means a certificate in writing signed by an Authorized Representative of the Successor Agency, or any other officer of the Successor Agency duly authorized by the Successor Agency for that purpose.

“Chair” or “Chairman” means the chairman of the Successor Agency.

“City” means the City of Fortuna, a municipal corporation duly organized and existing under and by virtue of the laws of the State.

“Closing Date” or “Delivery Date” means \_\_\_\_\_, 2017, being the date on which the Bonds are delivered by the Successor Agency to the original purchaser thereof.

“Computation Year” means the period beginning on the Closing Date and ending on \_\_\_\_\_ 1, 2017 (or on an earlier date selected by the Issuer in accordance with Treasury Regulations §1.148-1(b)) and each successive one-year period thereafter. The last Bond Year will end on the last day on which any Bonds are outstanding for Federal tax purposes.

“Continuing Disclosure Certificate” means that Continuing Disclosure Certificate, by and between the Successor Agency and \_\_\_\_\_, as dissemination agent, dated as of \_\_\_\_\_ 1, 2017, relating to the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the Bonds and the refunding of the Prior Bonds, including but not limited to: staff and administrative costs of the Successor Agency; printing expenses; rating agency fees; filing and recording fees; initial fees, expenses and charges of the Trustee, the Escrow Agent, the Prior Trustee and their respective counsel, including the Trustee’s first annual administrative fee; fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals; fees and charges for preparation, execution and safekeeping of the Bonds; and any other cost, charge or fee in connection with the original issuance of the Bonds and the refunding of the Prior Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee under Section 3.03.

“County” means the County of Humboldt, a county duly organized and existing under the Constitution and laws of the State of California.

“County Auditor-Controller” means the Auditor-Controller of the County of Humboldt.

“Defeasance Funds” means (i) cash or (ii) Federal Securities.

“Department of Finance” or “DOF” means Department of Finance of the State of California.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.11.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“Dissolution Act” means Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“EMMA” means Electronic Municipal Market Access (EMMA) system of the Municipal Securities Rulemaking Board, with the portal website currently located at <http://emma.msrb.org>.

“Escrow Agreement” means the Escrow Agreement, dated as of \_\_\_\_\_ 1, 2017, between the Agency and U.S. Bank National Association, as Escrow Agent, relating to the deposit and application of the proceeds of the Bonds and other funds to pay and discharge the Prior Bonds.

“Event of Default” means any of the events described in Section 8.01.

“Federal Securities” means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

“Fiscal Year” means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the Successor Agency as its official fiscal year period under a Certificate of the Successor Agency filed with the Trustee.

“Former Agency” means the Redevelopment Agency of the City of Fortuna, a public body corporate and politic duly organized and existing under the Redevelopment Law and dissolved in accordance with the Dissolution Act.

“Indenture” means this Indenture of Trust between the Successor Agency and the Trustee, as amended or supplemented from time to time by any Supplemental Indenture entered into under the provisions hereof.

“Independent Accountant” means any accountant or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State of California, appointed by or acceptable to the Successor Agency, and who, or each of whom: (a) is in fact independent and not under domination of the Successor Agency; (b) does not have any substantial interest, direct or indirect, with the Successor Agency; and (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

“Independent Redevelopment Consultant” means any consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom: (a) is judged by the Successor Agency to have experience in matters relating to the collection of Tax Revenues or otherwise with respect to the financing of redevelopment projects; (b) is in fact independent and not under domination of the Successor Agency; (c) does not have any substantial interest, direct or indirect, with the Successor Agency; and (d) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

“Information Services” means EMMA; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Successor Agency may designate in a Certificate of the Successor Agency delivered to the Trustee.

“Interest Account” means the account by that name established and held by the Trustee under Section 4.03(a).

“Interest Payment Date” means \_\_\_\_\_ 1, 2017, and each \_\_\_\_\_ 1 and \_\_\_\_\_ 1 thereafter so long as any of the Bonds remain unpaid.

“Last and Final Recognized Obligation Payment Schedule” or “LROPS” means the schedule by that name prepared and approved in accordance with the requirements of Section 34191.6 of the Redevelopment Law.

“Local Loan Obligation” means the obligation made under the Prior Loan Agreement and purchased by the Authority as a Local Obligation under the Prior Trust Agreement.

“Maximum Annual Debt Service” means, as of the date of calculation, the largest Annual Debt Service for the current or any future Bond Year, including payments on any Parity Bonds, as certified in writing by the Successor Agency to the Trustee.

“Material Adverse Effect” 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 Successor Agency, (b) the ability of the Successor Agency to carry out its business in the manner conducted as of the date of this Indenture or to meet or perform its obligations under this Indenture or the Bonds on a timely basis, (c) the validity or enforceability of this Indentures or the Bonds, or (d) the exclusion of interest on the Bonds

from gross income for federal income tax purposes or the exemption of interest on the Bonds for State income tax purposes.

“Moody’s” means Moody’s Investors Service, Inc., and its successors.

“Nominee” means (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.11(a).

“Notice of Insufficiency” means the report described in Health and Safety Code Section 34183(b) of the Dissolution Act.

“Office” means, with respect to the Trustee, the corporate trust office of the Trustee at the address set forth in Section 9.08, or such other address specified by the Trustee from time to time, or at such other or additional offices as may be specified by the Trustee in writing to the Successor Agency; except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business is conducted.

“Outstanding”, when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (c) Bonds in lieu of or in substitution for which other Bonds have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto.

“Oversight Board” means the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Fortuna, duly constituted from time to time pursuant to Section 34179 of the Redevelopment Law.

“Owner” or “Bondowner” means, with respect to any Bond, the person in whose name the ownership of such Bond shall be registered on the Registration Books.

“Parity Bonds” means the Bonds, and any additional tax allocation bonds (including, without limitation, bonds, notes, interim certificates, debentures or other obligations) payable from Tax Revenues on a parity with the Bonds as authorized by the provisions of Section 5.08.

“Parity Bonds Instrument” means any resolution, indenture of trust, loan agreement, trust agreement or other instrument authorizing the issuance of any Parity Bonds, authorized by Section 5.08.

“Participating Underwriter” has the meaning ascribed thereto in the Continuing Disclosure Certificate.

“Pass-Through Payments” means, collectively any statutory pass-through payments required to be made by the Successor Agency to taxing agencies whose territory is located within a Project Area, as required by Sections 33607.5 and 33607.7 of the Redevelopment Law.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein (the Trustee is entitled to conclusively rely on a Request of the Successor Agency directing investment in such Permitted Investment as a certification by the Successor Agency to the Trustee that such Permitted Investment is a legal investment under the laws of the State), but only to the extent that the same are acquired at Fair Market Value:

(a) Direct 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 the principal of and interest on which are fully and unconditionally guaranteed by the United States of America, including instruments evidencing a direct ownership interest in securities described in this clause such as Stripped Treasury Coupons at the time of purchase rated or assessed in the highest rating category by S&P and Moody’s and held by a custodian for safekeeping on behalf of holders of such securities.

(b) Bonds or notes which are exempt from federal income taxes and for the payment of which cash or obligations described in clause (a) of this definition in an amount sufficient to pay the principal of, premium, if any, and interest on when due have been irrevocably deposited with a trustee or other fiscal depository and which at the time of purchase are rated the same rating as direct obligations of the United States of America by S&P and Moody’s.

(c) Obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following: Federal Home Loan Bank System, Government National Mortgage Association, Farmer’s Home Administration, Federal Home Loan Mortgage Corporation or Federal Housing Administration; provided that with respect to the funds and accounts established under this Indenture, such obligations shall at no time exceed an amount equal to ten percent (10%) of the aggregate principal amount of the Bonds Outstanding.

(d) Deposit accounts certificates of deposit or savings accounts (i) fully insured by the Federal Deposit Insurance Corporation or (ii) with banks whose short-term obligations are at the time of purchase rated no lower than A-1 by S&P and P-1 by Moody’s including those of the Trustee and its affiliates.

(e) Federal funds or banker’s acceptances with a maximum term of one year of any bank that at the time of purchase has an unsecured, uninsured and unguaranteed obligation rating of “Prime-1” or “A3” by Moody’s and “A-1” or “A” or better by S&P (including the Trustee and its affiliates).

(f) Repurchase or reverse repurchase obligations (including those of the Trustee or any of its affiliates) with a term not exceeding 30 days pursuant to a written agreement between the Trustee and either a primary dealer on the Federal Reserve reporting dealer list which falls under the jurisdiction of the SIPC or a federally chartered commercial bank whose long-term debt obligations at the time of purchase are rated A or better by S&P and Moody’s, with respect to any security described in clause (1); provided that the securities which are the subject of such repurchase obligation (i) must be free and clear of all liens, (ii) in the case of a SIPC dealer, were not acquired pursuant to a repurchase or reverse repurchase agreement, (iii) must be deposited with the Trustee and maintained through weekly market valuations in an amount equal to 104% of the invested funds plus accrued interest; and further provided that the Trustee must have a valid first perfected security interest in such securities.

(g) Taxable government money market portfolios that at the time of purchase have a rating by S&P of Am-G or Am or better and rated in one of the three highest rating categories of Moody's, subject to a maximum permissible limit equal to six months of principal and interest on the Bonds including portfolios of the Trustee and its affiliates.

(h) Tax-exempt government money market portfolios that at the time of purchase have a rating by S&P of Am-G or Am or better and rated in one of the three highest rating categories of Moody's consisting of securities which are rated in the highest Rating Categories of S&P and Moody's subject to a maximum permissible limit equal to six months of principal and interest on the Bonds.

(i) Money market funds registered under the Investment Company Act of 1940, the shares in which are registered under the Securities Act of 1933 and that at the time of purchase have a rating by S&P of AA-Am-G or AA-Am and rated in one of the two highest Rating Categories of Moody's, including those managed or advised by the Trustee or its affiliates.

(j) The Local Agency Investment Fund of the State, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

(k) Investment agreements, including guaranteed investment contracts ("GICs") forward purchase agreements and reserve fund put agreements with banks or other financial institutions rated, or guaranteed by institutions rated, or with senior unsecured debt rated, at the time of entrance into such agreement by S&P or Moody's, in one of the three highest rating categories assigned by such agencies.

(l) Any other investments which meet the criteria established by applicable published investment guidelines issued by each rating agency then rating the Bonds.

"Plan Limitations" means the limitations contained or incorporated in the Redevelopment Plan on (a) the aggregate amount of taxes which may be divided and allocated to the Successor Agency under the Redevelopment Plan, (b) the period of time for establishing or incurring indebtedness payable from Tax Increment Revenues, and (c) the period of time for collection of Tax Increment Revenues and repayment of Successor Agency indebtedness from Tax Increment Revenues.

"Principal Account" means the account by that name established and held by the Trustee under Section 4.03(b).

"Principal Payment Date" means each \_\_\_\_\_ 1<sup>st</sup>, commencing \_\_\_\_\_ 1, 201\_.

"Prior Bonds" means the portion of the 2007 Bonds represented by the Local Loan Obligation.

"Prior Trustee" means U.S. Bank National Association, its successors and assigns, as trustee for the Prior Bonds.

"Prior Loan Agreement" means the Loan Agreement, dated as of October 1, 2007, by and among the Authority, the Former Agency and the Prior Trustee.

“Prior Trust Agreement” means the Trust Agreement dated as of October 1, 2007, by and among the Authority, the Former Agency and Prior Trustee.

“Project Area” means the project area described in the Redevelopment Plan.

“Qualified Reserve Account Credit Instrument” means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 3.02, provided that all of the following requirements are met: (i) at the time of delivery of such letter of credit or surety bond, the long-term credit rating of such bank is one of the two highest rating categories (without regard to any modifier) by any one rating agency then rating the Bonds secured by such letter of credit or surety, (ii) such letter of credit or surety bond has a term which ends no earlier than the last Interest Payment Date of the Bonds; (iii) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 4.03; and (iv) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder amounts necessary to carry out the purposes specified in Section 4.03, including the replenishment of the Interest Account or the Principal Account.

“Recognized Obligation Payment Schedule” or “ROPS” means the schedule by that name prepared before each Semiannual Period in accordance with the requirements of Section 34177(l) of the Redevelopment Law.

“Record Date” means, with respect to any Interest Payment Date, the close of business on the 15<sup>th</sup> calendar day of the month preceding such Interest Payment Date, whether or not such 15<sup>th</sup> calendar day is a Business Day.

“Redemption Account” means the account by that name established and held by the Trustee pursuant to Section 4.04.

“Redevelopment Fund” means the fund by that name established and held by the Successor Agency under Section 3.04.

“Redevelopment Obligation Retirement Fund” means the fund established and held by the Successor Agency pursuant to Section 34170.5(a) of the Redevelopment Law.

“Redevelopment Law” means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the Health and Safety Code of the State of California, and the acts amendatory thereof and supplemental thereto.

“Redevelopment Plan” means the redevelopment plan for the Redevelopment Project adopted by the City Council, on behalf of the Former Agency, with respect to the Project Area on July 5, 1989 pursuant to its Ordinance No. 89-537, as amended by Ordinance No. 94-596, together with all other amendments thereto made in accordance with the Redevelopment Law.

“Redevelopment Project” means the undertaking of the Successor Agency under the Redevelopment Plan and the Redevelopment Law for the redevelopment of the Project Area.

“Redevelopment Property Tax Trust Fund” means the fund established under Section 34170.5(b) of the Redevelopment Law and administered by the Humboldt County Auditor-Controller.

“Refunding Bond Law” means Article 11 (commencing with Section 53580) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California, and the acts amendatory thereof and supplemented thereto.

“Registration Books” means the records maintained by the Trustee under Section 2.07 for the registration and transfer of ownership of the Bonds.

“Request of the Successor Agency” means a request in writing signed by an Authorized Representative of the Successor Agency, or any other officer of the Successor Agency duly authorized by the Successor Agency for that purpose.

“Reserve Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(d).

[“Reserve Agreement” means the Debt Service Reserve Agreement, dated the Closing Date with respect to the Bonds, by and between the Successor Agency and Insurer.]

[“Reserve Policy” means the Municipal Bond Debt Service Reserve Account Policy issued by Insurer guaranteeing payments to be applied to the payment of principal and interest on the Bonds as provided in such policy and in the Reserve Agreement.]

“Reserve Requirement” means, with respect to the Bonds, the lesser of (i) 125% of the average Annual Debt Service with respect to the Bonds, (ii) ten percent (10%) of the issue price of the Bonds, or (iii) Maximum Annual Debt Service with respect to the Bonds; provided, that in no event shall the Successor Agency, in connection with the issuance of Parity Bonds in the form of Bonds pursuant to a Supplemental Indenture be obligated to deposit an amount in the Reserve Account which is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Account is so limited, the Reserve Requirement shall, in connection with the issuance of such Parity Bonds issued in the form of Bonds, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of Section 4.03(d) hereof.

“Revenue Fund” means the fund by that name which is established and held by the Trustee pursuant to Section 4.03.

“S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, New York, New York, or its successors.

“Securities Depositories” means DTC and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Successor Agency may designate in a Certificate of the Successor Agency delivered to the Trustee.



“Semiannual Period” means (a) each six-month period beginning on January 1 of any calendar year and ending on June 30 of such calendar year, and (b) each six-month period beginning on July 1 of any calendar year and ending on December 31 of such calendar year; provided, however, if DOF or Redevelopment Law requires some other period or periods, then Semiannual Period shall mean the period or periods so designated.

“Serial Bonds” means all Bonds other than Term Bonds.

“State” means the State of California.

“Subordinate Debt” means any loan, advances or indebtedness issued or incurred by the Successor Agency, which are either (a) payable from, but not secured by a pledge of or lien upon, the Tax Revenues, including revenue bonds and other debts and obligations scheduled for payment pursuant to Section 34183(a)(2) of the Redevelopment Law, or (b) secured by a pledge of or lien upon the Tax Revenues which is subordinate to the pledge of and lien upon the Tax Revenues hereunder for the security of the Bonds.

“Successor Agency” means the Successor Agency to the Redevelopment Agency of the City of Fortuna, a public entity duly organized and existing under the Redevelopment Law.

“Supplemental Indenture” means any indenture, agreement or other instrument which amends, supplements or modifies this Indenture and which has been duly entered into between the Successor Agency and the Trustee; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Tax Certificate” means the Tax Certificate concerning certain matters pertaining to the use and investment of the proceeds of the Bonds, executed and delivered by the Successor Agency on the Closing Date, including the exhibits thereto.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

“Tax Increment Revenues” means moneys allocated and paid to the Successor Agency derived from (a) that portion of taxes levied upon assessable property within the Project Area which are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State of California, or pursuant to other applicable State laws, and (b) reimbursements, subventions, including payments to the Successor Agency with respect to personal property within the Project Area pursuant to Section 16110, et seq., of the Government Code of the State of California, or other payments made by the State of California with respect to any property taxes that would otherwise be due on real or personal property but for an exemption of such property from such taxes.

“Tax Revenues” means moneys deposited from time to time in the Redevelopment Property Tax Trust Fund under Section 34183(a)(2) and Section 34183(a)(4)(b) of the Redevelopment Law, and that are paid to the Successor Agency for deposit into the Redevelopment Obligation Retirement Fund, excluding amounts, if any, payable by the Successor Agency pursuant to Sections 33676, 33607.5 and 33607.7 of the Redevelopment Law and Section 34183(a)(1) of the Redevelopment Law, except to the extent such amounts

are payable on a basis subordinate to the payment of Annual Debt Service on the Bonds or any Parity Bonds pursuant to Sections 33607.5(e) and 34177.5(c) of the Redevelopment Law. If, and to the extent, that the provisions of Section 34172 or Section 34183(a)(2) of the Redevelopment Law are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness of the Successor Agency pursuant to Section 33670 of the Redevelopment Law or such other section as may be in effect at the time providing for the allocation of Tax Increment Revenues to the Successor Agency in accordance with Article XVI, Section 16 of the California Constitution.

“Trustee” means U.S. Bank National Association, as Trustee hereunder, or any successor thereto appointed as Trustee hereunder in accordance with the provisions of Article VI.

SECTION 1.02. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Indenture, and has taken all actions necessary to authorize the execution hereof by the officers and persons signing it.

SECTION 1.03. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

## ARTICLE II

### AUTHORIZATION AND TERMS OF BONDS; REPRESENTATIONS AND WARRANTIES OF THE SUCCESSOR AGENCY

SECTION 2.01. Authorization and Purpose of Bonds. The Successor Agency has reviewed all proceedings heretofore taken and as a result of such review has found, and hereby finds and determines, that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, under each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture. The Successor Agency hereby authorizes the issuance of the Bonds under the Redevelopment Law and the Refunding Bond Law, for the purpose of providing funds to refinance the Prior Bonds. The Bonds shall be designated the “Successor Agency to the Redevelopment Agency of the City of Fortuna, Series 2017 Tax Allocation Refunding Bonds (Fortuna Redevelopment Project),” and shall be issued in the aggregate principal amount of \$[Par Amount].

SECTION 2.02. Terms of the Bonds. The Bonds shall be dated as of the Closing Date, and shall be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof. The Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rate per annum as follows:

Maturity Date ( _____ 1)	Principal Amount	Interest Rate
-----------------------------	---------------------	------------------

Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date, to such Owner at the address of such Owner as it appears on the Registration Books as of such Record Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee prior to the applicable Record Date. Principal of and redemption premium (if any) on any Bond shall be paid upon presentation and surrender thereof, at maturity, at the Office of the Trustee. Both the principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) a Bond is authenticated on or before the first Record Date, in which event it shall bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

SECTION 2.03. Optional Redemption of Bonds. The Bonds maturing on or before \_\_\_\_\_ 1, 20\_\_ are not subject to optional redemption prior to maturity. The Bonds maturing on and after \_\_\_\_\_ 1, 20\_\_, are subject to redemption, at the option of the Successor Agency on any date on or after \_\_\_\_\_ 1, 20\_\_, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem Bonds under this Section 2.03 with a designation of the principal amount and maturities to be redeemed at least sixty (60) days prior to the date fixed for such redemption (or such late date as is acceptable to the Trustee), and shall transfer to the Trustee for deposit in the Revenue Fund all amounts required for such redemption at least five (5) Business Days prior to the date fixed for such redemption.

SECTION 2.04. Reserved.

SECTION 2.05. Other Redemption Provisions.

(a) Notice of Redemption. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption at least thirty (30) but not more than sixty (60) days prior to the redemption date, to (i) to the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to the Information Services; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state that optional redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Bonds to be redeemed, shall state the individual number of each Bond to be redeemed or shall state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

The Successor Agency has the right to rescind any notice of the optional redemption of Bonds by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default. The Successor Agency and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under this Section.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(b) Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Bond or Bonds of the same interest rate and maturity, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

(c) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

(d) Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Bonds, the Trustee shall assign to each Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Bond. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. All Bonds redeemed or purchased pursuant to this Section 2.05(d) shall be cancelled and destroyed.

SECTION 2.06. Form and Execution of Bonds. The Bonds will be initially delivered in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Bonds. The Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, are set forth in Appendix A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Chair or Executive Director of the Successor Agency shall execute, and the Secretary of the Successor Agency shall attest the Bonds. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on a Bond ceases to be such officer before the Closing Date, such signature will nevertheless be as effective as if the officer had remained in office until the Closing Date. A Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of that Bond are the proper officers of the Successor Agency, duly authorized to execute debt instruments on behalf of the Successor Agency, although on the date of that Bond any such person was not an officer of the Successor Agency.

Only those Bonds bearing a certificate of authentication in the form set forth in Appendix A, manually executed and dated by the Trustee, are valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee is conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture. In the event temporary Bonds are issued pursuant to Section 2.10 hereof, the temporary Bonds may bear thereon a Certificate of Authentication executed and dated by the Trustee, shall be initially registered by the Trustee, and, until so exchanged as provided under Section 2.10 hereof, the temporary Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Bonds authenticated and delivered hereunder.

SECTION 2.07. Transfer and Exchange of Bonds.

(a) Transfer. A Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of that Bond to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond or Bonds are surrendered for transfer, the Successor Agency shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of like series, interest rate, maturity and aggregate principal amount. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.06. The Successor Agency will pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of Bonds.

The Trustee may refuse to transfer, under the provisions of this Section 2.06, either (a) any Bonds during the period fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption.

(b) Exchange. The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds pursuant to this Section 2.07. The Successor Agency will pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of Bonds. The Trustee may refuse to transfer, under the provisions of this Section 2.07, either (a) any Bonds during the period fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption.

SECTION 2.08. Registration Books. The Trustee will keep or cause to be kept, at its Office, sufficient records for the registration and registration of transfer of the Bonds, which must at all times during normal business hours, and upon reasonable notice, be open to inspection by the Successor Agency; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Bonds as hereinbefore provided.

SECTION 2.09. Bonds Mutilated, Lost, Destroyed or Stolen. If a Bond is mutilated, the Successor Agency, at the expense of the Owner of that Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, upon surrender to the Trustee of the Bond so mutilated. The Trustee shall cancel every mutilated Bond surrendered to it and deliver such mutilated Bond to or upon the order of the Successor Agency. If a Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and if indemnity satisfactory to the Trustee is given, the Successor Agency, at the expense of the Owner, will execute, and the Trustee will thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Trustee in connection therewith. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued under this Indenture.

Notwithstanding any other provision of this Section, in lieu of delivering a new Bond for which principal has become due for a Bond which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Bond in accordance with its terms upon receipt of indemnity satisfactory to the Trustee.

SECTION 2.10. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Successor Agency, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Successor Agency upon the same conditions and in substantially the same manner as the definitive Bonds. If the Successor Agency issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange therefor at the Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations, interest rates and like maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Bonds authenticated and delivered hereunder.

SECTION 2.11. Book-Entry System.

(a) Original Delivery. The Bonds shall be initially delivered in the form of a separate single fully registered Bond without coupons (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, neither the Successor Agency nor the Trustee shall have any responsibility or obligation to any Depository System Participant or to any person on behalf of which the Depository System Participant holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, neither the Successor Agency nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the Successor Agency elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the Successor

Agency to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Successor Agency and the Trustee shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. The Trustee agrees to comply with all provisions in such letter with respect to the giving of notices thereunder by the Trustee. In addition to the execution and delivery of such letter, upon written request of the Depository or the Trustee, the Successor Agency may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Successor Agency determines to terminate the Depository as such, then the Successor Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Successor Agency and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Successor Agency fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Article II. Prior to its termination, the Depository shall furnish the Trustee with the names and addresses of the Depository System Participants and respective ownership interests thereof.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium (if any) on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

SECTION 2.12. Representations, Warranties and Agreements of the Successor Agency. The Successor Agency hereby represents warrants and agrees that:

(a) The Successor Agency is a validly existing successor agency, duly organized under the laws of the State, with the power to issue the Bonds pursuant to the Redevelopment Law, the Refunding Bond Law, the Dissolution Act and the Bond Resolution.

(b) The Successor Agency has full legal right, power and authority under the Constitution and the laws of the State to adopt the Bond Resolution, to enter into this Indenture, and to sell, issue and deliver



the Bonds as provided herein; the Successor Agency has full legal right, power and authority to perform its obligations under this Indenture, and to carry out and consummate the transactions contemplated hereby; the Successor Agency has complied with, or will at the Closing Date be in compliance with, in all respects material to this transaction, the Constitution, the Redevelopment Law, the Refunding Bond Law, the Dissolution Act and laws of the State, and the terms of the Bond Resolution, the Bonds and this Indenture.

(c) By all necessary official action, the Successor Agency has duly adopted the Bond Resolution, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, the Bonds and this Indenture, and the consummation by it of all other transactions contemplated by this Indenture and the Bond Resolution. When executed and delivered by the Trustee, this Indenture will be in full force and effect and each will constitute a legal, valid and binding agreement or obligation of the Successor Agency, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(d) The Bonds, when issued, authenticated and delivered in accordance with the Bond Resolution and this Indenture, will constitute legal, valid and binding obligations of the Successor Agency, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State, and are entitled to the benefits of the laws of the State, the Indenture and the Bond Resolution.

(e) 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 issuance, delivery or sale of the Bonds and the execution, delivery of and performance of this Indenture by the Successor Agency 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 the Bonds, as to which no representation is made).

(f) The Successor Agency is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any Successor Agency or instrumentality of either or any judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Successor Agency is a party or to which the Successor Agency or any of its property or assets is otherwise subject (including, without limitation, the Bond Resolution and this Indenture), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the adoption of the Bond Resolution, the issuance, delivery and sale of the Bonds and the execution and delivery of this Indenture and compliance with the Successor Agency's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, agreement, mortgage, lease or other instrument to which the Successor Agency is a party or to which the Successor Agency or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature

whatsoever upon any of the property or assets of the Successor Agency or under the terms of any such law, regulation or instruments, except as provided by the Bond Resolution and this Indenture.

(g) 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 or, to the best of the Successor Agency's knowledge, threatened against the Successor Agency: (i) in any way affecting the existence of the Successor Agency or in any way challenging the respective powers of the several offices or the titles of the officials of the Successor Agency to such offices; (ii) affecting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of any of the Bonds or the application of the proceeds of the sale of the Bonds; (iii) in any way contesting or affecting, as to the Successor Agency, the validity or enforceability of the Bond Resolution, the Bonds or this Indenture; (iv) in any way contesting the powers of the Successor Agency or its authority with respect to issuance or delivery of the Bonds, the adoption of the Bond Resolution, or the execution and delivery of this Indenture; (v) contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes; or (vi) in any way contesting or challenging the consummation of the transactions contemplated hereby or that might materially adversely affect the ability of the Successor Agency to perform and satisfy its obligations under this Indenture or the Bonds, including, but not limited to, any suit filed relating to the Plan Limitations (or to the Department of Finance's interpretation that any Plan Limitations are no longer applicable to the Project Area) that might result in the Plan Limitations being reinstated; nor to the best of the Successor Agency'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 the Bond Resolution or this Indenture or the performance by the Successor Agency of its obligations thereunder, or the authorization, execution, delivery or performance by the Successor Agency of the Bonds, the Bond Resolution or this Indenture.

(h) The Successor Agency has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Redevelopment Law, the Bond Resolution and this Indenture, and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

(i) The Successor Agency has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Successor Agency is a bond issuer whose arbitrage certificates may not be relied upon.

(j) The Successor Agency is not in default, and at no time has defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.

(k) The financial statements of, and other financial information regarding the Successor Agency relating to the receipts, expenditures and cash balances of revenues by the Successor Agency as of June 30, 2016 fairly represent the receipts, expenditures and cash balances of such amounts and, insofar as presented, other funds of the Successor Agency as of the dates and for the periods therein set forth. The financial statements of the Successor Agency have been prepared in accordance with generally accepted accounting principles consistently applied. There has not been any materially adverse change in the financial condition of the Successor Agency or in its operations since June 30, 2016, and there has been no occurrence,

circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(l) The Successor Agency represents and warrants that, other than the pledge of the Tax Revenues that secures the Bonds, neither the Former Agency nor it has heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Tax Revenues that ranks prior to the pledge granted under this Indenture.

### ARTICLE III

#### ISSUANCE OF BONDS; APPLICATION OF BOND PROCEEDS

SECTION 3.01. Issuance of Bonds. Upon the execution and delivery of this Indenture, the Successor Agency will execute and deliver the Bonds in the aggregate principal amount of \$[Par Amount] to the Trustee, and the Trustee shall authenticate and deliver the Bonds upon receipt of a Request of the Successor Agency therefor.

SECTION 3.02. Deposit and Application of Bond Proceeds. On the Closing Date, upon receipt of that portion of the purchase price of the Bonds that is delivered to the Trustee, the Trustee shall deposit all amounts in the Bond Proceeds Fund, which the Trustee shall establish and administer in accordance herewith and shall further deposit or transfer said proceeds as follows:

- (a) Deposit \$ \_\_\_\_\_ into the Costs of Issuance Fund.
- (b) Transfer \$ \_\_\_\_\_ to the Escrow Agent for deposit and application in accordance with the Escrow Agreement.
- (c) [Transfer \$ \_\_\_\_\_ into the Reserve Account] [Credit the Reserve Policy to the Reserve Account], representing the Reserve Requirement as of the Closing Date.

After making the foregoing deposits and transfers the Trustee shall close the Bond Proceeds Fund. The Trustee may establish a temporary fund or account to facilitate and record the transfers required to be made under this Section 3.02.

SECTION 3.03. Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund," which the Trustee shall hold in trust. The Trustee shall disburse moneys in the Costs of Issuance Fund from time to time to pay Costs of Issuance upon submission of a Request of the Successor Agency stating (a) the person to whom payment is to be made, (b) the amounts to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior Request of the Successor Agency; in each case together with a statement or invoice for each amount requested thereunder. On March 1, 2017, the Trustee shall transfer any amounts remaining in the Costs of Issuance Fund to the Interest Account, and the Trustee shall thereupon close the Costs of Issuance Fund.

## ARTICLE IV

### SECURITY FOR THE BONDS; FLOW OF FUNDS

SECTION 4.01. Security of Bonds; Equal Security. The Successor Agency may not issue additional bonds or incur additional obligations that are payable from moneys deposited in the Redevelopment Property Tax Trust Fund on a senior basis to the Bonds and any Parity Bonds.

Pursuant to Section 34177.5(g) of the Dissolution Act, except as provided in Section 6.06, the Bonds and any Parity Bonds shall be equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund, and all of the moneys in the Revenue Fund, the Interest Account, and the Principal Account, without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The Bonds shall be additionally secured by a first pledge of and lien upon all of the moneys in the Reserve Account established by Section 4.03(d). Except for the Tax Revenues and such other moneys pledged hereunder, no funds of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds.

In consideration of the acceptance of the Bonds by those who hold the same from time to time, this Indenture constitutes a contract between the Successor Agency and the Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency are for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

SECTION 4.02. Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues. The Successor Agency has heretofore established the Redevelopment Obligation Retirement Fund pursuant to Section 34170.5(a) of the Redevelopment Law, which the Successor Agency shall continue to hold so long as any of the Bonds remain Outstanding.

All Tax Revenues received by the Successor Agency with respect to a Bond Year in excess of the amount required to pay debt service on the Bonds and any Parity Bonds in such Bond Year or to replenish the Reserve Account in accordance with the terms hereof, and to pay all amounts owed to the Insurer, and except as may be provided to the contrary in any Parity Bonds Instrument, shall be released from the pledge and lien hereunder and shall be applied in accordance with the Redevelopment Law, including but not limited to the payment of any amounts due and owing to the United States of America pursuant to Section 5.09(h). Prior to the payment in full of the principal of and interest and premium, if any, on the Bonds and the payment in full of all other amounts payable hereunder and under any Parity Bonds Instrument, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in this Indenture and in any Parity Bonds Instrument.

SECTION 4.03. Revenue Fund; Transfer of Amounts to Trustee. There is hereby established a separate trust fund to be known as the "Revenue Fund," which the Trustee shall hold in trust so long as any of the Bonds remain Outstanding. Concurrently with transfers with respect to Parity Bonds pursuant to Parity Debt Instruments, the Successor Agency shall transfer amounts on deposit in the Redevelopment Obligation

Retirement Fund to the Trustee in the following amounts at the following times, for deposit by the Trustee in the following respective special accounts within the Revenue Fund, which accounts are hereby established with the Trustee, in the following order of priority:

- (a) Interest Account. On or before the 5th Business Day preceding each Interest Payment Date or any optional redemption date, the Successor Agency will withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Interest Account an amount which, when added to the amount then on deposit in the Interest Account, equals the aggregate amount of the interest coming due and payable on the Outstanding Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. The Trustee shall apply amounts in the Interest Account solely for the purpose of paying the interest on the Bonds when due and payable.
- (b) Principal Account. On or before the 5<sup>th</sup> Business Day preceding each Principal Payment Date, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, equals the amount of principal coming due and payable on such date on the Outstanding Bonds on the next Principal Payment Date. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next Principal Payment Date, on all of the Outstanding Bonds. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds as it shall become due and payable.
- (c) Reserved.
- (d) Reserve Account. There is hereby established in the Revenue Fund a separate account known as the "Reserve Account" solely as security for payments payable by the Successor Agency pursuant to this Section 4.03, which shall be held by the Trustee in trust for the benefit of the Owners of the Bonds. All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding and to pay any amounts owed to the Insurer.

[The Reserve Requirement for the Bonds will be satisfied by the Reserve Policy by the Insurer on the Closing Date with respect to the Bonds. The Successor Agency will have no obligation to replace the Reserve Policy, to fund the Reserve Account with cash or to take any other action with respect to the Reserve Policy if, at any time that the Bonds are Outstanding, the ratings assigned to the Insurer are lowered or withdrawn or amounts are not available under the Reserve Policy other than in connection with a draw on the Reserve Policy.]

Except as provided in the preceding paragraph, in the event that the amount on deposit in the Reserve Account at any time becomes less than the Reserve Requirement, the Trustee shall promptly notify the Successor Agency of such fact. Upon receipt of any such notice and as

promptly as is permitted by the Redevelopment Law, the Successor Agency shall transfer to the Trustee an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account.

Except as provided above, the amount on deposit in the Reserve Account shall be maintained at the Reserve Requirement at all times prior to the payment of the Bonds in full. If there shall then not be sufficient Tax Revenues to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the Successor Agency shall be obligated to continue making transfers as Tax Revenues become available until there is an amount sufficient to maintain the Reserve Requirement [(including the payment of all amounts due and payable to Insurer in connection with the Reserve Policy)] on deposit in the Reserve Account. No such transfer and deposit need be made to the Reserve Account so long as there shall be on deposit therein a sum at least equal to the Reserve Requirement. All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, [and to pay the Insurer amounts owed to it in connection with the Reserve Policy,] except that so long as the Successor Agency is not in default hereunder, any amount in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account semiannually on or before two (2) Business Days preceding each \_\_\_\_\_ 1 and \_\_\_\_\_ 1 by the Trustee and deposited in the Interest Account. All amounts in the Reserve Account on the Business Day preceding the final Interest Payment Date shall be withdrawn from the Reserve Account and shall be transferred to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to this Section 4.03.

The Successor Agency shall have the right at any time to direct the Trustee to release funds from the Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Bonds or any Parity Bonds the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Trustee, and upon delivery by the Successor Agency to the Trustee of written calculation of the amount permitted to be released from the Reserve Account (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the Reserve Account to the Successor Agency to be applied in accordance with Redevelopment Law. The Trustee shall comply with all documentation relating to a Qualified Reserve Account Credit Instrument as shall be required to maintain such Qualified Reserve Account Credit Instrument in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this subsection (d). Upon the expiration of any Qualified Reserve Account Credit Instrument (other than an instrument that extends to the maturity date of the Bonds), the Successor Agency shall either (i) replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or (ii) deposit or cause to be deposited with the Trustee an amount of funds equal to the Reserve Requirement, to be derived from the first legally available Tax Revenues. If the

Reserve Requirement is being maintained partially in cash and partially with a Qualified Reserve Account Credit Instrument, the cash shall be first used to meet any deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a), or 4.03(b) or 4.03(c) of this Indenture. If the Reserve Requirement is being maintained with two or more Qualified Reserve Account Credit Instruments, any draw to meet a deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a), 4.03(b) or 4.03(c) of this Indenture shall be pro-rata with respect to each such instrument.

The Reserve Account may be maintained in the form of one or more separate subaccounts which are established for the purpose of holding the proceeds of separate issues of the Bonds and any Parity Bonds in conformity with applicable provisions of the Code to the extent directed by the Successor Agency in writing to the Trustee. Additionally, the Successor Agency may, in its discretion, combine amounts on deposit in the Reserve Account and on deposit in any reserve account relating to any (but not necessarily all) Parity Bonds in order to maintain a combined reserve account for the Bonds and any (but not necessarily all) Parity Bonds.

SECTION 4.04. Redemption Account. The Trustee shall establish and maintain the Redemption Account. On or before the Business Day preceding any date on which Bonds are to be redeemed pursuant to Section 2.03, if directed by the Successor Agency, the Trustee shall withdraw from the Revenue Fund any amount transferred by the Successor Agency pursuant to Section 2.03 for deposit in the Redemption Account, such amount being the amount required to pay the principal of and premium, if any, on the Bonds to be redeemed on such date pursuant to Section 2.03. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Bonds to be redeemed pursuant to Section 2.03 on the date set for such redemption. Interest due on Bonds to be redeemed on the date set for redemption shall, if applicable, be paid from funds available therefor in the Interest Account.

SECTION 4.05. Rebate Fund. If directed by the Successor Agency, the Trustee shall establish the Rebate Fund and the Successor Agency shall comply with the requirements below. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by this Section and the applicable Tax Certificate, unless the Successor Agency obtains an opinion of Bond Counsel that the exclusion from gross income of interest on the Bonds will not be adversely affected for federal income tax purposes if such requirements are not satisfied.

(a) Excess Investment Earnings.

(i) Computation. Within 55 days of the end of each fifth Computation Year with respect to the Bonds, the Successor Agency shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g. the temporary investments exception of Section 148(f)(4)(B) and the construction expenditure exception of Section 148(f)(4)(C)

of the Code), for this purpose treating the last day of the applicable Computation Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate Regulations (the “Rebatable Arbitrage”). The Successor Agency shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Transfer. Within 55 days of the end of each fifth Computation Year with respect to the Bonds, upon a Written Request of the Successor Agency, an amount shall be deposited to the Rebate Fund by the Trustee from any legally available funds, including the other funds and accounts established herein, so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this Section 4.05(a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon receiving a Written Request of the Successor Agency, the Trustee shall withdraw the excess from the Rebate Fund and deposit the excess to the Interest Account.

(iii) Payment to the Treasury. The Successor Agency shall direct the Trustee in writing to pay to the United States Treasury, out of amounts in the Rebate Fund.

(X) Not later than 60 days after the end of (A) the fifth Computation Year with respect to the Bonds, and (B) each applicable fifth Computation Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Computation Year; and

(Y) Not later than 60 days after the payment of all the Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Computation Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Successor Agency shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source, including the other funds and accounts established herein, equal to such deficiency in the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this Subsection 4.05(a)(iii) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T prepared by the Successor Agency, or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption, if any, and payment of the Bonds and the payments described in Section 4.05(a)(iii), shall be transferred by the Trustee to the Successor Agency at the written direction of the Successor Agency and utilized in any manner by the Successor Agency.

(c) Survival of Defeasance. Notwithstanding anything in this Section 4.05 or this Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance of the Bonds and any Parity Bonds.



(d) Trustee not Responsible. The Trustee shall have no obligations or responsibilities under this Section other than to follow the written directions of the Successor Agency. The Trustee shall have no responsibility to make any calculations of rebate or to independently review or verify such calculations.

SECTION 4.06. Investment of Moneys in Funds. The Trustee shall invest moneys in any of the funds established and held by the Trustee hereunder in Permitted Investments specified in the Request of the Successor Agency (which Request will be deemed to include a certification that the specified investment is a Permitted Investment) delivered to the Trustee at least two Business Days in advance of the making of such investments. In the absence of any such direction from the Successor Agency, the Trustee shall invest any such moneys solely in Permitted Investments described in clause (g) of the definition thereof, provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction from the Successor Agency specifying a specific money market fund and, if no such written direction is so received, the Trustee shall hold such moneys uninvested. The Successor Agency will invest moneys in the Redevelopment Obligation Retirement Fund in any obligations in which the Successor Agency is legally authorized to invest funds within its control.

Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account. Whenever in this Indenture any moneys are required to be transferred by the Successor Agency to the Trustee, such transfer may be accomplished by transferring a like amount of Permitted Investments. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be retained in the respective fund or account from which such investment was made. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder upon receipt by the Trustee of the Request of the Successor Agency. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee has no liability for losses arising from any investments made under this Section.

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency periodic transaction statements which shall include detail for all investment transactions made by the Trustee hereunder. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder.

SECTION 4.07. Valuation and Disposition of Investments.

(a) Except as otherwise provided in subsection (b) of this Section, the Successor Agency covenants that all investments of amounts deposited in any fund or account created by or under this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Tax Code) shall be acquired, disposed of and valued (as of the date that valuation is required by this Indenture or the Tax Code) at Fair Market Value as such term is defined in subsection (d) below. The Trustee has no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Successor Agency in any Certificate or Request of the Successor Agency.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code shall be valued at cost thereof (consisting of present value thereof within the meaning of Section 148 of the Tax Code); provided that the Successor Agency must inform the Trustee which funds are subject to a yield restriction, and must provide the Trustee with any necessary valuation criteria or formulae.

(c) Except as provided in the preceding subsection (b), for the purpose of determining the amount in any fund, the Trustee shall value Permitted Investments credited to such fund at least annually at the Fair Market Value thereof. The Trustee may utilize computerized securities pricing services that may be available to it, including those available through its regular accounting system. If and as directed by the Successor Agency in writing, the Trustee shall sell or present for redemption any Permitted Investment so purchased by the Trustee whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee has no liability or responsibility for any loss resulting therefrom.

(d) For purposes of this Section, the term "Fair Market Value" shall mean the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security - State and Local Government Series which is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

## ARTICLE V

### OTHER COVENANTS OF THE SUCCESSOR AGENCY

SECTION 5.01. Punctual Payment. The Successor Agency will punctually pay or cause to be paid the principal, premium (if any) and interest to become due in respect of all the Bonds in strict conformity with the terms of the Bonds and this Indenture. The Successor Agency will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures and the Bonds. Nothing herein contained prevents the Successor Agency from making advances of other legally available funds to make any payment referred to herein.

SECTION 5.02. Compliance with the Redevelopment Law; Recognized Obligation Payment Schedules.

(a) The Successor Agency shall comply with all of the requirements of the Redevelopment Law.

(b) Pursuant to Section 34177 of the Redevelopment Law, not later than each date a Recognized Obligation Payment Schedule is due, the Successor Agency shall prepare and submit to the Oversight Board

and the State Department of Finance, a Recognized Obligation Payment Schedule. The Successor Agency shall take all actions required under the Redevelopment Law to include in the Recognized Obligation Payment Schedule for each Semiannual Period (i) debt service on the Bonds, [and (ii) all amounts due and owing to any Insurer hereunder or under an insurance or surety bond agreement, including the Insurance Policy and the Reserve Policy hereunder], so as to enable the Humboldt County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1, as applicable, amounts required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds on a timely basis, as such amounts of debt service are set forth in the Recognized Obligation Payment Schedule attached hereto as Exhibit B and hereby made a part hereof, or as such Schedule may be hereafter amended [and to pay any amounts owed to any Insurer].

(c) In order to ensure that amounts are available for the Trustee to pay debt service on all Outstanding Bonds on a timely basis, the Successor Agency shall apply amounts received on the June 1, 2017 and the January 2, 2018 Recognized Obligation Payment Schedule distribution dates to pay debt service on the Bonds on November 1, 2017 and May 1, 2018. Thereafter, the Successor Agency shall, not later than each February 1 (or at such earlier time as may be required by the Dissolution Act), commencing February 1, 2018, for so long as any Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the DOF and to the Humboldt County Auditor-Controller that shall include:

(i) all of the debt service due on all Outstanding Bonds on next succeeding November 1, which shall be distributed to the Successor Agency on each June 1 (but only to the extent that there are not other amounts previously reserved therefor),

(ii) all of the interest due on the Bonds on the following May 1, which amounts shall be distributed to the Successor Agency on each January 2, and

(iii) any amount required to cure any deficiency in the Reserve Account pursuant to this Indenture [(including any amounts required to pay the Insurer amounts owed due to a draw on the Qualified Reserve Account Credit Instrument, as well as any other amounts owed to the Insurer)].

In addition to the amounts described in clauses (i), (ii) and (iii) of the previous paragraph, if the amount of Tax Revenues distributed to the Successor Agency on January 2 in any year is less than the sum of the amounts specified in clauses (i), (ii) and (iii) of the previous paragraph, then not later than February 1 of such year (or on such other date as may be required by the Dissolution Act), the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the Humboldt County Auditor-Controller that shall include the balance due to the Successor Agency, which amount shall be distributed in full to the Successor Agency on June 1 of such year.

(d) In the event the provisions set forth in the Dissolution Act as of the Closing Date of the Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency covenants that it shall use commercially reasonable efforts to take all actions necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of funds so that the provisions of subsections (a) and (b) of this Section 5.02 are complied with as fully as possible.

SECTION 5.03. Payment of Claims. The Successor Agency will pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Tax Revenues or any part thereof, or upon any funds held by the Trustee pursuant hereto, or which might impair the security of the Bonds. Nothing herein requires the Successor Agency to make any such payment so long as the Successor Agency in good faith contests the validity of said claims.

SECTION 5.04. Books and Accounts; Financial Statements; Additional Information. The Successor Agency will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Successor Agency and the City of Fortuna, in which complete and correct entries are made of all transactions relating to the Tax Revenues and the Redevelopment Obligation Retirement Fund. Such books of record and accounts shall at all times during business hours be subject, upon prior written request, to the reasonable inspection of the Trustee (who has no duty to inspect) and the Owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

The Successor Agency will cause to be prepared annually, within 270 days after the close of each Fiscal Year so long as any of the Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year, prepared in accordance with applicable provisions of the California Government Code, showing all deposits into and disbursements from the Redevelopment Obligation Retirement Fund, as of the end of such Fiscal Year. To the extent permitted by law, such financial statements may be combined with or otherwise be a part of the financial statements which are prepared for the City. The Trustee has no duty to review any such financial statement.

SECTION 5.05. Protection of Security and Rights of Owners. The Successor Agency covenants and agrees to preserve and protect the security of the Bonds and the rights of the Owners, and to contest (by court action or otherwise, if deemed necessary or appropriate by the Successor Agency) (a) the assertion by any officer of any government unit or any other person whatsoever against the Successor Agency that the Tax Revenues pledged under this Indenture cannot be used to pay debt service on the Bonds, or (b) any other action affecting the validity of the Bonds or diluting the security therefor, including, with respect to the Tax Revenues, the lien priority position of the Bonds.

SECTION 5.06. Payments of Taxes and Other Charges. The Successor Agency covenants that it will from time to time pay and discharge, or cause to be paid and discharged, all payments in lieu of taxes, service charges, assessments or other governmental charges which may lawfully be imposed upon the Successor Agency or any of the properties then owned by it in the Project Area, or upon the revenues and income therefrom, and will pay all lawful claims for labor, materials and supplies which if unpaid might become a lien or charge upon any of the properties, revenues or income or which might impair the security of the Bonds or the use of Tax Revenues or other legally available funds to pay the principal of and interest and redemption premium (if any) on the Bonds, all to the end that the priority and security of the Bonds shall be preserved; provided, however, that nothing in this covenant shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of the payment.

SECTION 5.07. Compliance with the Redevelopment Law; Maintenance of Tax Revenues. The Successor Agency covenants that it will comply with all applicable requirements of the Health and Safety

Code. In the event that the applicable property tax revenues provisions of the Redevelopment Law or Dissolution Act are determined by a court in a final non-appealable judicial decision to be invalid and, in place of the invalid provisions, provisions of the Redevelopment Law or the equivalent become applicable to the Bonds, the Successor Agency shall comply with all requirements of the Health and Safety Code to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and, in the case of amounts payable by the State of California, appropriate officials of the State, and shall apply any such Tax Revenues received by the Successor Agency in the manner set forth in this Indenture.

SECTION 5.08. Limitation on Additional Indebtedness. The Successor Agency hereby covenants that, so long as the Bonds are Outstanding, the Successor Agency shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Tax Revenues, excepting only as provided in this Section 5.08. The Successor Agency will not otherwise encumber, pledge or place any charge or lien upon any of the Tax Revenues or other amounts pledged to the Bonds on parity to the pledge and lien herein created for the benefit of the Bonds; *provided, however,* that the Successor Agency may issue and sell Parity Bonds payable from Tax Revenues on a parity with Outstanding Bonds, if (a) the Successor Agency complies with the requirements of Section 34177.5 of the Redevelopment Law, and (b) annual debt service on such refunding bonds is lower than annual debt service on the Parity Bonds being refunded over the term of the refunding bonds, (c) the debt service payment dates with respect to such refunding bonds are the same as for the Parity Bonds being refunded, (d) no event of default hereunder or under any Parity Bonds Instrument shall have occurred and be continuing, and (e) the final maturity of any such refunding bonds does not exceed the final maturity of the Parity Bonds being refunded. Nothing herein shall prevent the Successor Agency from issuing and selling Subordinate Debt. Any Subordinate Debt shall be payable on the same dates as the Bonds and shall be in all respect, including security and payments, subordinate and junior to the Bonds.

SECTION 5.09. Tax Covenants Relating to the Bonds. The Successor Agency covenants in connection with the Bonds as follows:

(A) *Special Definitions.* When used in this Section, the following terms have the following meanings:

“Code” means the Internal Revenue Code of 1986.

“Computation Date” has the meaning set forth in section 1.148-1(b) of the Treasury Regulations.

“Gross Proceeds”, with respect to an issue, means any proceeds of that issue as defined in section 1.148-1(b) of the Treasury Regulations (referring to sales, investment and transferred proceeds), and any replacement proceeds of that issue as defined in section 1.148-1(c) of the Treasury Regulations.

“Investment” means (i) any security (within the meaning of section 165(g)(2)(A) or (B) of the Code), (ii) any obligation (notwithstanding that such obligation may be a tax-exempt bond), (iii) any annuity contract, (iv) when allocated to a bond other than a private activity bond, any residential rental property for family units that is not located within the jurisdiction of the issuer and that is not acquired to implement a court ordered or approved housing desegregation plan, or (v) any investment-type property (as defined in section 1.148-1(e) of the Treasury Regulations).

“Nonpurpose Investment,” with respect to an issue, means any investment other than a tax-exempt bond that is not a specified private activity bond (within the meaning of section 57(a)(5)(C) of the Code), in which Gross Proceeds of that issue are invested and that is not acquired to carry out the governmental purposes of that issue.

“Prior Issue” shall mean the Prior Bonds.

“Proceeds,” with respect to an issue of governmental obligations, has the meaning set forth in has the meaning set forth in section 1.148-1(b) of the Treasury Regulations (referring to sales, investment and transferred proceeds, but not replacement proceeds, of that issue).

“Rebate Amount” has the meaning set forth in section 1.148-1(b) of the Treasury Regulations.

“Treasury Regulations” means the United States Treasury Regulations promulgated pursuant to sections 103 and 141 through 150 of the Code.

“Yield” shall have:

(1) with respect to any Investment or class of Investments, that meaning which is set forth in section 1.148-5 of the Treasury Regulations; and

(2) with respect to any issue, that meaning which is set forth in section 1.148-4 of the Treasury Regulations.

(B) *Not to Cause Interest to Become Taxable.* The Successor Agency shall not use, permit the use of, or omit to use Gross Proceeds of the Bonds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds) in a manner that if made or omitted, respectively, could cause the interest on the Bonds to fail to be excluded pursuant to section 103(a) of the Code from the gross income of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Successor Agency receives a written opinion of Bond Counsel to the effect that failure to comply with such covenant will not adversely affect the exclusion pursuant to section 103(a) of the Code of interest on any Bond from the gross income of the owners thereof for federal income tax purposes, the Successor Agency shall comply with each of the specific covenants in this Section.

(C) *Private Use or Private Payments.* Except as would not cause any Bond to become a “private activity bond” within the meaning of section 141 of the Code and the Treasury Regulations and rulings thereunder, the Successor Agency shall at all times prior to the final cancellation of the last of the Bonds to be retired:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which has been or is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds or of the Prior Bonds and not use or permit the use of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality

thereof) other than a state or local government, or agency or instrumentality thereof, unless such use is solely as a member of the general public;

(2) not directly or indirectly impose or accept any charge or other payment by any governmental or nongovernmental person or entity in respect of the use of Gross Proceeds of the Bonds or of the Prior Bonds, or of any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, of the type described in clause (i) foregoing, other than payments that are of taxes of general application within the jurisdiction of the Successor Agency; and

(3) where the Bonds are refunded, the Successor Agency will apply the foregoing restrictions taking cognizance of the provisions of sections 1.141- 3(g) and 1.141-4(c)(2)(ii) of the Treasury Regulations and of any subsequently adopted rules or regulations applicable to such a refunding.

(D) *No Private Loan.* Except as would not cause any Bond to become a “private activity bond” within the meaning of section 141 of the Code and the Treasury Regulations and rulings thereunder, the Successor Agency shall not use Gross Proceeds to make or finance any loan to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity not only if such Gross Proceeds are provided to such a person or entity under circumstances that create an indebtedness of that person or entity under local law or for federal income tax purposes, but also if: (a) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction that creates a debt for federal income tax purposes; (b) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (c) indirect benefits of such Gross Proceeds, or burdens and benefits of ownership of any property acquired, constructed or improved with such Gross Proceeds, are otherwise transferred in a transaction that is the economic equivalent of a loan. For purposes of this covenant, the Successor Agency will treat any transaction constituting a loan of Gross Proceeds of the Prior Issue as resulting in a loan of Gross Proceeds of the Bonds.

(E) *Not to Invest at Higher Yield.* Except as would not cause any Bond to become an “arbitrage bond” within the meaning of section 148 of the Code and the Treasury Regulations and rulings thereunder, the Successor Agency shall not, at any time prior to the final cancellation of the last Bond to be retired, directly or indirectly invest Gross Proceeds of the Bonds in any Investment, if as a result of such investment the Yield of any Investment or class of Investments acquired with Gross Proceeds, whether then held or previously disposed of, would materially exceed the Yield of the Bond, all as determined in accordance with the provisions of said section 148 and Treasury Regulations and rulings.

(F) *Not Federally Guaranteed.* Except to the extent permitted by section 149(b) of the Code and the Treasury Regulations and rulings thereunder, the Successor Agency shall not take or omit to take any action that would cause any Bond to be “federally guaranteed” within the meaning of section 149(b) of the Code and the Treasury Regulations and rulings thereunder. Without limitation of the foregoing, the Successor Agency will not permit any portion of the debt service on the Bonds to be guaranteed (in whole or in part) by the United States, or more than 5% of the proceeds of the Bonds to be loaned to any person under which the obligation of that person to repay such loan is guaranteed (in whole or in part) by the United States, or more than 5% of the proceeds of the Bonds to be invested (directly or indirectly) in federally insured deposits or

accounts. For this purpose, a guarantee or insurance by an agency or instrumentality of the United States will be treated as though made or provided by the United States.

(G) *Information Report.* The Successor Agency shall timely file any information required by section 149(e) of the Code with respect to the Bonds with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(H) *Rebate of Arbitrage Profits.* Except to the extent otherwise provided in section 148(f) of the Code and the Treasury Regulations, in order to assure that no Bond is treated as an arbitrage bond:

(1) the Successor Agency shall account for all Gross Proceeds of the Bonds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Bond is discharged. However, to the extent permitted by law, the Successor Agency may commingle Gross Proceeds of Bonds with its other monies, provided that it separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith in accordance with applicable Treasury Regulations;

(2) not less frequently than each Computation Date, the Successor Agency shall retain the services of a qualified rebate analyst to calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Treasury Regulations and rulings thereunder. The Successor Agency promptly shall report to the Trustee the results of such calculation, including the basis therefor, in sufficient detail and on a timely basis in order that the Successor Agency shall be able to comply with its covenants herein. The Trustee shall maintain a copy of the calculation with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date;

(3) to assure the exclusion pursuant to section 103(a) of the Code of interest on Bonds from the gross income of the owners thereof for federal income tax purposes, the Successor Agency shall provide to the Trustee for deposit into a "Rebate Fund" (established hereby and to be held in trust by the Trustee and governed by the Tax Certificate) an amount sufficient to permit the Successor Agency timely to pay to the United States the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in section 1.148-3(e)(2) of the Treasury Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, such rebate payments shall be made by the Successor Agency at the times and in the amounts as are or may be required by section 148(f) of the Code and the Treasury Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Treasury Regulations and rulings thereunder for execution and filing by the Successor Agency; and

(4) the Successor Agency shall exercise reasonable diligence to assure that no error is made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including by payment to



the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under section 1.148-3(h) or other provision of the Code or Treasury Regulations.

(I) *Not to Divert Arbitrage Profits.* Except to the extent permitted by section 148 of the Code and the Treasury Regulations and rulings thereunder, the Successor Agency shall, not at any time prior to the final cancellation of the last of the Bonds to be retired, enter into any transaction that reduces the amount required to be paid to the United States pursuant to paragraph (H) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield on the Bonds not been relevant to either party.

(J) *Bonds Not Hedge Bonds.* The Successor Agency represents and covenants that neither the Prior Bonds or the Bonds does or will not comprise "hedge bonds" within the meaning of section 149(g) of the Code. Without limitation of the foregoing, with respect to the Prior Bonds, the Successor Agency warrants that: (i)(A) on the date of issuance of that issue the Former Agency reasonably expected (based upon its own knowledge and upon representations made by other governmental persons upon the issuance of those obligations) that within the three year period commencing on such date no less than 85% of the spendable proceeds of that issue would be expended for the governmental purposes thereof and (B) at no time has been or will be more than 50% of the proceeds of that issue invested in Nonpurpose Investments having a substantially guaranteed yield for a period of four years or more. For purposes of the preceding sentence, amounts treated as proceeds of the Prior Bonds have been treated as continuing so to be proceeds of the Prior Bonds notwithstanding the refunding thereof by the Bonds.

(K) *Use of Proceeds; Weighted Average Maturity.* The Successor Agency hereby represents and covenants that it will apply the proceeds of the Bonds in a manner so that the weighted average maturity of the Bonds does not exceed 120% of the average reasonably expected remaining economic life of the facilities financed or refinanced therewith (all determined in accordance with the provisions of section 147(b) of the Code).

(L) *Elections.* The Successor Agency hereby directs and authorizes the Executive Director of the Successor Agency to make elections permitted or required pursuant to the provisions of the Code or the Treasury Regulations, as such authorized Successor Agency representative (after consultation with Bond Counsel) deems necessary or appropriate in connection with the Bonds, as to Tax Exemption or similar or other appropriate certificate, form or document.

(M) *Closing Certificate.* The Successor Agency agrees to execute and deliver in connection with the issuance of Bonds a Tax Certificate and the Provisions of Sections 103 and 141-150 of the Code, or similar document containing additional representations and covenants pertaining to the excludability of interest from the gross income of the Owners for federal income tax purposes, which representations and covenants are incorporated as though expressly set forth herein.

**SECTION 5.10. Protection of Security and Rights of Owners.** The Successor Agency will preserve and protect the security of the Bonds and the rights of the Owners. From and after the Closing Date with respect to the Bonds, the Bonds shall be incontestable by the Successor Agency.

**SECTION 5.11. Continuing Disclosure.** The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding

any other provision of the Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be considered an event of default; *provided, however*, any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Bonds Outstanding may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligations under this section and the Continuing Disclosure Certificate.

## ARTICLE VI

### THE TRUSTEE

#### SECTION 6.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiving of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or duties shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a reasonable corporate trustee would exercise or use.

(b) The Successor Agency may remove the Trustee at any time, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or becomes incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of 30 days written notice of such removal by the Successor Agency to the Trustee, whereupon in the case of the Trustee, the Successor Agency shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Successor Agency, and by giving notice of such resignation by first class mail, postage prepaid, to the Owners at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Successor Agency shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee becomes effective upon acceptance of appointment by the successor Trustee. If no successor Trustee has been appointed and accepted appointment within 45 days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any federal or state court for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Successor Agency and to its predecessor Trustee a written acceptance thereof, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect

as if originally named Trustee herein; but, nevertheless, upon the receipt by the predecessor Trustee of the Request of the Successor Agency or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Successor Agency will execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Successor Agency shall mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then maintains a rating on the Bonds, and to the Owners at the addresses shown on the Registration Books. If the Successor Agency fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Successor Agency.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a financial institution having a corporate trust office in the State, having (or in the case of a corporation or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority. If such financial institution publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such financial institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

The Successor Agency will maintain a Trustee which is qualified under the provisions of the foregoing provisions of this subsection (e), so long as any Bonds are Outstanding.

SECTION 6.02. Merger or Consolidation. Any bank or company into which the Trustee may be merged or converted or with which either of them may be consolidated or any bank or company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or company shall be eligible under subsection (e) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 6.03. Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Successor Agency, and the Trustee assumes no responsibility for the correctness of the same, nor does it have any liability whatsoever therefor, nor does it make any representations as to the validity or sufficiency of this Indenture or of the Bonds nor does it incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee is, however, responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee is not liable for the acts of any

agents of the Trustee selected by it with due care. The Trustee may become the Owner of Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding. The Trustee, either as principal or agent, may engage in or be entrusted in any financial or other transaction with the Successor Agency.

(b) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the written direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(c) The Trustee is not liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(d) The Trustee will not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer of the Trustee has actual knowledge thereof, or unless and until a responsible officer of the Trustee has received written notice thereof at its Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default hereunder or thereunder. The Trustee shall not be responsible for the Successor Agency's payment of principal and interest on the Bonds, the Successor Agency's observance or performance of any other covenants, conditions or terms contained herein, or the validity or effectiveness of any collateral given to or held by it.

(e) No provision in this Indenture requires the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder. The Trustee shall be entitled to receive interest on any moneys advanced by it hereunder, at the maximum rate permitted by law.

(f) The Trustee may establish additional accounts or subaccounts of the funds established hereunder as the Trustee deems necessary or prudent in furtherance of its duties under this Indenture.

(g) The Trustee has no responsibility or liability whatsoever with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, nor shall the Trustee have any obligation to review any such material, and any such review by the Trustee will not be deemed to create any obligation, duty or liability on the part of the Trustee.

(h) Before taking any action under Article VIII hereof the Trustee may require indemnity satisfactory to the Trustee be furnished to it to hold the Trustee harmless from any expenses whatsoever and to protect it against any liability it may incur hereunder.

(i) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

(j) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(k) The Trustee may execute any of the trusts or powers hereof and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

(l) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay (“unavoidable delay”) in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Tax Revenues, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(m) Trustee no obligation to file continuation statements.

SECTION 6.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, including, without limitation, Bond Counsel or other counsel of or to the Successor Agency, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee is not bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and such person’s title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Successor Agency, which shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may (but has no duty to), in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

SECTION 6.05. Preservation and Inspection of Documents. The Trustee will retain in its possession all documents received by it under the provisions of this Indenture, which will be subject during normal business hours, and upon reasonable prior written notice, to the inspection of the Successor Agency and any Owner, and their agents and representatives duly authorized in writing.

SECTION 6.06. Compensation and Indemnification. Absent any agreement to the contrary, the Successor Agency will pay to the Trustee from time to time compensation for all services rendered under this Indenture and also all expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including any allocated costs of internal counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture.

The Successor Agency further covenants and agrees to indemnify and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense and liabilities, whether or not litigated, which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability and of enforcing any remedies hereunder and under any related documents, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

SECTION 6.07. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry standards, in which accurate entries are made of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts established and held by the Trustee under this Indenture. Such books of record and account shall be available for inspection by the Successor Agency at reasonable hours, during regular business hours, with reasonable prior notice and under reasonable circumstances. The Trustee shall furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the Successor Agency. Upon the Successor Agency's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Successor Agency waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The Successor Agency further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

## ARTICLE VII

### MODIFICATION OR AMENDMENT OF THIS INDENTURE

#### SECTION 7.01. Amendments Permitted.

(a) Amendment With Bond Owner Consent. This Indenture and the rights and obligations of the Successor Agency and of the Owners of the Bonds may be modified or amended by the Successor Agency and the Trustee upon Request of the Successor Agency at any time by the execution of a Supplemental Indenture, but only with the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding with respect to all Bonds then Outstanding. Any such Supplemental Indenture becomes effective upon the execution and delivery thereof by the parties thereto and upon consent of the requisite Bond Owners. No such modification or amendment shall:

- (i) extend the maturity of a Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the Successor Agency to pay the principal thereof, or interest

thereon, at the time and place and at the rate and in the currency provided therein, without the written consent of the Owner of that Bond;

- (ii) permit the creation by the Successor Agency of any mortgage, pledge or lien upon the Tax Revenues superior to the pledge and lien created for the benefit of the Bonds, or reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification; or
- (iii) modify any of the rights or obligations of the Trustee without its written consent.

(b) Amendment Without Bond Owner Consent. This Indenture and the rights and obligations of the Successor Agency and of the Owners of the Bonds may also be modified or amended at any time by a Supplemental Indenture, without the consent of the Owners to the extent permitted by law, but only for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the Successor Agency contained in this Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the Successor Agency;
- (ii) to cure any ambiguity, or to cure, correct or supplement any defective provision contained in this Indenture, or in any other respect whatsoever as the Successor Agency deems necessary or desirable, provided under any circumstances that such modifications or amendments do not, in the reasonable determination of the Successor Agency, materially adversely affect the interests of the Owners;
- (iii) to amend any provision hereof to assure the exclusion from gross income of interest on the Bonds for federal income tax purposes under the Tax Code, in the opinion of Bond Counsel filed with the Successor Agency and the Trustee;
- (iv) to amend the Recognized Obligation Debt Service Payment Schedule set forth in Exhibit B to take into account the redemption of any Bond prior to its maturity;
- (v) to provide for the issuance of Parity Bonds pursuant to a Supplemental Indenture, which are issued in accordance with Section 5.08; or
- (vi) to obtain a bond insurance policy or a rating on the Bonds.

SECTION 7.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective under this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 7.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof under this Article VII, the Successor Agency may determine that

any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency the Owners of such Bonds shall present such Bonds for that purpose at the Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared and executed in exchange for any or all of the Bonds and in that case upon demand of the Successor Agency the Owners of the Bonds shall present such Bonds for exchange at the Office of the Trustee without cost to such Owners.

SECTION 7.04. Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner.

SECTION 7.05. Trustee's Reliance. The Trustee may conclusively rely, and is protected in relying, upon a Certificate of the Successor Agency and an opinion of Bond Counsel stating that all requirements of this Indenture relating to the amendment or modification hereof have been satisfied and that such amendments or modifications do not materially adversely affect the exclusion of the interest on the Bonds from gross income of the Owners for federal income tax purposes.

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

SECTION 8.01. Events of Default and Acceleration of Maturities. Each of the following events constitutes an Event of Default hereunder:

- (a) failure to make the due and punctual payment of the principal of or interest on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;
- (b) failure by the Successor Agency to observe and perform any of the other covenants, agreements or conditions on its part set forth in this Indenture or in the Bonds which are within its control, other than a default described in the preceding clause (a), if such failure has continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the Successor Agency by the Trustee or any Owner; *provided, however*, if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such 30-day period, such failure shall not constitute an Event of Default if the Successor Agency institutes corrective action within such 30-day period and thereafter diligently and in good faith cures the failure in a reasonable period of time; or
- (c) the Successor Agency shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Successor Agency seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, 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 Successor Agency or of the whole or any substantial part of its property.

If an Event of Default occurs under this Section and is continuing, the Trustee may, or, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same will become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and (b) subject to the provisions of Section 8.07, exercise any other remedies available to the Trustee and the Bond Owners in law or at equity to enforce the rights of the Bond Owners under this Indenture.

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds has been so declared due and payable, and before any judgment or decree for the payment of the moneys due has been obtained or entered, the Successor Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest at an interest rate equal to the highest rate borne by the Outstanding Bonds, and the reasonable fees and expenses of the Trustee and the Owners, including fees and expenses of its attorneys, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) has been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate has been made therefor, then, and in every such case, the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 8.02. Notice of Event of Default. Upon receiving notice or actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency by telephone confirmed in writing. Such notice must also state whether the principal of the Bonds has been declared to be or have immediately become due and payable as provided in Section 8.01. With respect to any Event of Default described in Section 8.01(a) or (b), the Trustee shall, and with respect to any Event of Default described in Section 8.01(c) the Trustee in its sole discretion may, also give such notice to the Bond Owners, which must include the statement that interest on the Bonds will cease to accrue from and after the date, if any, on which the Trustee declares the Bonds to become due and payable under Section 8.01 (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

SECTION 8.03. Application of Funds Upon Acceleration. All of the Tax Revenues delivered to the Trustee and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.01, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee as follows and in the following order or priority:

- (a) *First*, to the payment of any fees, costs and expenses incurred by the Trustee to protect the interests of the Owners of the Bonds; payment of the fees, costs and expenses of the Trustee (including fees and expenses of its counsel, including any allocated costs of internal counsel) incurred in and about the performance of its powers and duties under this Indenture and the payment of all fees, costs and expenses owing to the

Trustee under Section 6.06, together with interest on all such amounts advanced by the Trustee at the maximum rate permitted by law.

- (b) *Second*, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on such overdue amounts at the respective rates of interest borne by those Bonds, and in case such moneys are insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and interest on overdue amounts ratably to the aggregate of such interest, principal and interest on overdue amounts.

SECTION 8.04. Power of Trustee to Control Proceedings. If the Trustee, upon the happening of an Event of Default, takes any action, by judicial proceedings or otherwise, in the performance of its duties hereunder, whether upon its own discretion, with the consent or at the request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, it has full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action. The Trustee may not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

SECTION 8.05. Limitation on Owners' Right to Sue. No Owner of a Bond has the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless:

- (a) said Owner has previously given to the Trustee written notice of the occurrence of an Event of Default;
- (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding have requested the Trustee in writing to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name;
- (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and
- (d) the Trustee has failed to comply with such request for a period of sixty (60) days after such written request has been received by, and said tender of indemnity has been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners has any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and premium, if any, and interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

SECTION 8.06. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, affects or impairs the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Tax Revenues and other amounts pledged hereunder, the principal of and interest on the Bonds to the Bond Owners when due and payable as herein provided, or affects or impairs the right of action, which is also absolute and unconditional, of the Bond Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners and the Trustee by the Redevelopment Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners. If a suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Trustee or the Owners, the Successor Agency, the Trustee and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

SECTION 8.07. Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner has the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, subject to the provisions of Article VI. Notwithstanding the foregoing provisions of this Section, the Trustee has no duty to enforce any such right or remedy unless it has been indemnified to its satisfaction for any additional fees, charges and expenses of the Trustee related thereto, including without limitation, fees and charges of its attorneys and advisors.

SECTION 8.08. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Redevelopment Law or any other law. The remedies exercised hereunder shall be subject to the rights of the Insurer under Article X hereof.

## ARTICLE IX

### MISCELLANEOUS

SECTION 9.01. Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, the Owners, and the Insurer, any right, remedy, claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, the Insurer and the Owners.

SECTION 9.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Successor Agency, the Trustee, or any member, officer or employee of either the Successor Agency or the Trustee, is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the agreements, covenants and provisions contained in the Indenture by or on behalf of the Successor Agency or the Trustee binds and inures to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 9.03. Defeasance of Bonds. If the Successor Agency pays and discharges all or a portion of the Bonds in any one or more of the following ways:

- (a) by paying or causing to be paid the principal of and interest on all or the applicable portion of Outstanding Bonds, as and when the same become due and payable;
- (b) by irrevocably depositing with the Trustee or an escrow agent, in trust, at or before maturity, an amount of cash which, together with the available amounts then on deposit in the funds and accounts established under this Indenture, is fully sufficient to pay all or a portion of Outstanding Bonds, including all principal and interest;
- (c) by irrevocably depositing with the Trustee or an escrow agent, in trust, Federal Securities in such amount as an Independent Accountant determines by written verification report will, together with the interest to accrue thereon and available moneys then on deposit in any of the funds and accounts established under this Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal and interest); or
- (d) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

then, at the election of the Successor Agency evidenced by a Certificate of the Successor Agency filed with the Trustee, and notwithstanding that any such Bonds have not been surrendered for payment, the pledge of the Tax Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the Successor Agency under this Indenture with respect to such Bonds shall cease and terminate, except only:

- (a) the obligation of the Trustee to transfer and exchange Bonds hereunder,
- (b) the obligation of the Successor Agency to pay or cause to be paid to the Owners of such Bonds, from the amounts so deposited with the Trustee, all sums due thereon,

- (c) the obligations of the Successor Agency to compensate and indemnify the Trustee under Section 6.06, and
- (d) the covenants of the Successor Agency hereunder with respect to the Tax Code,

The Successor Agency must file notice of such election with the Trustee. The Trustee shall pay any funds thereafter held by it, which are not required for said purpose, to the Successor Agency.

In the case of a defeasance or payment of all of the Bonds Outstanding in accordance with this Section, the Trustee shall pay all amounts held by it in any funds or accounts hereunder, which are not required for said purpose or for payment of amounts due the Trustee under Section 6.06, to the Successor Agency for deposit in the Redevelopment Obligation Retirement Fund.

SECTION 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, consent, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, consent, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of Bonds and the amount, maturity, number and date of ownership thereof are conclusively proved by the Registration Books. Any request, declaration or other instrument or writing of the Owner of any Bond binds all future Owners of such Bond in respect of anything done or suffered to be done by the Successor Agency or the Trustee in good faith and in accordance therewith.

SECTION 9.05. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency or the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

SECTION 9.06. Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency is individually or personally liable for the payment of the principal of or interest or any premium on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 9.07. Destruction of Canceled Bonds. All Bonds acquired by the Successor Agency, whether by purchase or gift or otherwise shall be surrendered to the Trustee for cancellation. Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds, the Trustee shall destroy such Bonds and deliver a certificate of such destruction to the Issuer. Whenever in this Indenture provision is made for the surrender to the Successor Agency of any Bonds which have been paid or canceled under the provisions of this Indenture, a certificate of destruction duly executed by the Trustee shall be deemed to be the equivalent of the surrender of such canceled Bonds and the Successor Agency is entitled to rely upon any

statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to. The Successor Agency will pay all costs of any microfilming of Bonds to be destroyed.

SECTION 9.08. Notices. All written notices to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) upon actual receipt after deposit in the United States mail, postage prepaid, or (c) in any other case, upon actual receipt. The Successor Agency or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

*If to the Successor Agency:* Successor Agency to the  
Redevelopment Agency of the City of Fortuna  
621 11th Street  
Fortuna, CA 95540  
Fax: (707) 725-7610

*If to the Trustee:* U.S. Bank National Association  
One California Street, Suite 1000  
San Francisco, CA 94111  
Attention: Corporate Trust Services  
Fax: (415) 677-3769

SECTION 9.09. Partial Invalidity. If any Section, paragraph, subparagraph, sentence, clause or phrase of this Indenture is for any reason held illegal, invalid or unenforceable, such holding will not affect the validity of the remaining portions of this Indenture. The Successor Agency and the Trustee hereby declare that they would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 9.10. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Successor Agency for the payment of the principal of and interest on such Bonds.

SECTION 9.11. Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State of California.

SECTION 9.12. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**ARTICLE X**

**PROVISIONS RELATING TO THE BOND INSURANCE POLICY**

SECTION 10.01. Bond Insurance Provisions.

[To be determined]

\* \* \* \* \*

IN WITNESS WHEREOF, THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF FORTUNA has caused this Indenture to be signed in its name by its Executive Director and attested to by its Treasurer or Secretary, and U.S. Bank National Association, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY OF  
FORTUNA**

By \_\_\_\_\_

Attest:

\_\_\_\_\_

**U.S. BANK NATIONAL ASSOCIATION,**  
*as Trustee*

By \_\_\_\_\_  
Authorized Officer



APPENDIX A

FORM OF BOND

No. R-1

\$ \_\_\_\_\_ .00

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
COUNTY OF HUMBOLDT

SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY OF FORTUNA  
SERIES 2017 TAX ALLOCATION REFUNDING BOND  
(FORTUNA REDEVELOPMENT PROJECT)

RATE OF INTEREST  
\_\_\_\_\_%

MATURITY DATE  
\_\_\_\_\_, 20\_\_

ORIGINAL ISSUE DATE  
\_\_\_\_\_, 2017

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF FORTUNA, a public body, corporate and politic, duly organized and existing under the laws of the State of California (the "Successor Agency"), for value received, hereby promises to pay (but only out of the Tax Revenues and other moneys and securities hereinafter referred to) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like lawful money from the date hereof, which date shall be the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the first calendar day of the month in which such Interest Payment Date occurs (a "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or prior to \_\_\_\_\_ 15, 2017, in which event it shall bear interest from the Original Issue Date identified above; *provided, however*, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment on this Bond, at the Rate of Interest per annum stated above, payable semiannually on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 in each year, commencing \_\_\_\_\_ 1, 2017 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon surrender of this Bond at the principal corporate trust office of U.S. Bank National Association, San Francisco, California, as trustee (the "Trustee"), or at such other place as designated by the Trustee (the "Corporate Trust Office"). Interest hereon (including the final interest payment upon maturity or earlier redemption hereof) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee as of the Record Date for which such Interest Payment Date occurs; *provided however*, that payment of interest may be by wire transfer to an account in the United States of America to

any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose prior to the Record Date preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as the “Successor Agency to the Redevelopment Agency of the City of Fortuna, Series 2017 Tax Allocation Refunding Bonds (Fortuna Redevelopment Project)” (the “Bonds”) of an aggregate principal amount of \$[Par Amount], all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities or interest rates) and all issued under the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California (the “Refunding Bond Law”), and pursuant to an Indenture of Trust dated as of \_\_\_\_ 1, 2017, by and between the Successor Agency and the Trustee (the “Indenture”). Additional bonds, or other obligations may be issued on a parity with the Bonds, but only subject to the terms of the Indenture.

The Bonds have been authorized to be issued by the Successor Agency under a resolution of the Successor Agency adopted on May 1, 2017 (the “Resolution”). Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Redevelopment Law (as defined in the Indenture) and the Refunding Bond Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency to refinance the Prior Bonds (as defined in the Indenture) and to pay certain expenses of the Successor Agency in issuing the Bonds.

There has been created under the Redevelopment Law the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Tax Revenues shall be deposited and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Bonds. As and to the extent set forth in the Indenture, all such Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture and the Redevelopment Law, for the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds. In addition, the Bonds shall be additionally secured at all times by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Redevelopment Obligation Retirement Fund, the Revenue Fund, the Interest Account, the Principal Account, the Reserve Account and the Redemption Account (as such terms are defined in the Indenture). Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

Optional Redemption. The Bonds maturing on or before \_\_\_\_ 1, 20\_\_ are not subject to optional redemption prior to maturity. The Bonds maturing on and after \_\_\_\_ 1, 20\_\_, are subject to redemption, at the option of the Successor Agency on any date on or after \_\_\_\_ 1, 20\_\_, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available

source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Successor Agency is required to give the Trustee written notice of its intention to redeem Bonds under this Section 2.03 of the Indenture with a designation of the principal amount and maturities to be redeemed at least sixty (60) days prior to the date fixed for such redemption (or such late date as is acceptable to the Trustee), and will transfer to the Trustee for deposit in the Revenue Fund all amounts required for such redemption at least five (5) Business Days prior to the date fixed for such redemption.

As provided in the Indenture, notice of redemption shall be given by first class mail no less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective registered owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books maintained by the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

This Bond is not a debt of the City of Fortuna, Humboldt County, the State of California, or any of its political subdivisions, and neither said City, the County, the State of California, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties other than the Tax Revenues. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The rights and obligations of the Successor Agency and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall permit a change in the terms of maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages of the owners required to effect any such modification or amendment.

If an Event of Default occurs under and as defined in the Indenture, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said Corporate Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Successor Agency or the Trustee for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee’s Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF FORTUNA has caused this Bond to be executed in its name and on its behalf with the the manual or facsimile signature of its Executive Director or Treasurer and attested to by the the manual or facsimile signature of its Secretary or deputy Secretary, all as of the Original Issue Date specified above.

**SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE  
CITY OF FORTUNA**

By \_\_\_\_\_

Attest:

\_\_\_\_\_

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the Bonds described in the within-mentioned Indenture.

Authentication Date:

U.S. Bank National Association, as Trustee

By \_\_\_\_\_  
Authorized Signatory

## ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ whose address and social security or other tax identifying number is \_\_\_\_\_, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Note: Signature(s) must be guaranteed by an eligible guarantor institution.

\_\_\_\_\_  
Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

**APPENDIX B**

**RECOGNIZED OBLIGATION DEBT SERVICE PAYMENT SCHEDULE**

---

---

**ESCROW AGREEMENT**

**Dated as of \_\_\_\_\_ 1, 2017**

**by and among the**

**SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY OF FORTUNA**

**and**

**FORTUNA PUBLIC FINANCING AUTHORITY**

**and**

**U.S. BANK NATIONAL ASSOCIATION,  
as Escrow Agent**

**Relating to the Prepayment and Defeasance of**

**\$ \_\_\_\_\_ (Local Obligation)  
Fortuna Public Financing Authority  
Revenue Bonds  
Series 2007**

---

---



## ESCROW AGREEMENT

This ESCROW AGREEMENT (this “Agreement”), dated as of \_\_\_\_\_ 1, 2017, by and among the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF FORTUNA, a public agency organized and existing under the laws of the State of California (the “Successor Agency”), the FORTUNA PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency established pursuant to the laws of the State of California (the “Authority”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, acting as escrow agent (the “Escrow Agent”) and as trustee for the 2007 Bonds described below,

### W I T N E S S E T H :

WHEREAS, the Redevelopment Agency of the City of Fortuna (the “Former Agency”) entered into to a Loan Agreement (the “Prior Loan Agreement”), dated as of October 1, 2007, by and among the Authority, the Former Agency and U.S. Bank National Association (as successor in interest to the original party to the Loan Agreement, Deutsche Bank National Trust Company), as trustee (the “Prior Trustee”), which was purchased by the Authority as a Local Obligation (the “Local Loan Obligation”) under a Trust Agreement dated as of October 1, 2007, by and among the Authority, the Former Agency and Prior Trustee (the “Prior Trust Agreement,” and together with the Prior Loan Agreement, the “Prior Bond Documents”); and

WHEREAS, the Authority authorized and issued its Fortuna Public Financing Authority Revenue Bonds, Series 2007 (the “Prior Bonds”), in order to provide funds to, among other things, purchase the Local Loan Obligation (the portion of the Prior Bonds represented by the Local Loan Obligation is hereinafter referred to as the “2007 Bonds”); and

WHEREAS, the Local Loan Obligation is subject to optional prepayment in whole, or in part on any date on or after November 1, 2017 from any available source of funds, at a prepayment price equal to the principal amount of the 2007 Bonds to be redeemed from the proceeds of such prepayment pursuant to the Trust Agreement, together with accrued interest thereon to the date fixed for redemption of the 2007 Bonds, without premium; and

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists, and pursuant to Section 34173, the Successor Agency has become the successor entity to the Former Agency; and

WHEREAS, in order to provide funds to prepay and redeem the Local Loan Obligation and the corresponding 2007 Bonds and thereby discharge the Prior Trust Agreement and the pledge and lien which secures the 2007 Bonds, the Successor Agency has authorized the issuance of its Successor Agency to the Redevelopment Agency of the City of Fortuna, Series 2017 Tax Allocation Refunding Bonds, (Fortuna Redevelopment Project), Bank Qualified, in the aggregate principal amount of \$ \_\_\_\_\_ (the “2017 Bonds”) under an Indenture of Trust dated as of \_\_\_\_\_ 1, 2017 (the “Indenture”), by and between the Successor Agency and U.S. Bank National Association, as trustee (the “2017 Trustee”); and

WHEREAS, the Escrow Agent has been appointed by the Successor Agency and Authority as Escrow Agent hereunder for the purpose of establishing an irrevocable escrow fund to be funded, invested, held and administered for the purpose of providing for the payment and redemption of the Local Loan Obligation and the corresponding 2007 Bonds in full on November 1, 2017; and

WHEREAS, the Indenture provides for the deposit in the Escrow Fund (established pursuant to Section 1 hereof) of certain of the proceeds of the 2017 Bonds and other moneys; and

WHEREAS, the Escrow Agent has full powers to act with respect to the irrevocable escrow created herein and to perform the duties and obligations to be undertaken pursuant to this Agreement; and

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

SECTION 1. Appointment of Escrow Agent; Establishment of Escrow Fund. The Escrow Agent has been appointed by the Successor Agency and Authority to act as escrow agent hereunder for purposes of administering the funds required to pay and redeem the Local Loan Obligation and the corresponding 2007 Bonds in accordance with the Prior Bond Documents. The effect of the deposit of funds hereunder shall be to discharge Local Loan Obligation and the corresponding 2007 Bonds in full under Section 6.03 of the Prior Loan Agreement and Article XII of the Prior Trust Agreement.

The Escrow Agent is hereby directed to establish an escrow fund (the "Escrow Fund") to be held by the Escrow Agent as an irrevocable escrow securing the payment and redemption of the Local Loan Obligation and the corresponding 2007 Bonds in accordance with the Prior Bond Documents.

If at any time the Escrow Agent receives actual knowledge that the cash and securities in the Escrow Fund will not be sufficient to make any payment required by Section 4, the Escrow Agent shall notify the Successor Agency and Authority of such fact and the Successor Agency and/or Authority shall immediately cure such deficiency from any source of legally available funds. The Escrow Agent has no liability for any such insufficiency.

SECTION 2. Deposit of Amounts in Escrow Fund. On \_\_\_\_\_, 2017 (the "Closing Date"), the Successor Agency and Authority shall cause to be transferred to the Escrow Agent for deposit into the Escrow Fund the amount of \$ \_\_\_\_\_ in immediately available funds, to be derived from the following sources in the following amounts:

- (a) from the proceeds of the 2017 Bonds in the amount of \$ \_\_\_\_\_; and
- (b) from certain amounts held in the accounts established under the Prior Bond Documents, in the amount of \$ \_\_\_\_\_ (the "Transmitted Proceeds").

SECTION 3. Investment of Amounts in Escrow Fund. As used herein, the term “Investment Securities” means the Investment Securities set forth in Exhibit A hereto. The deposits into the Escrow Fund shall be applied solely as provided in this Agreement.

Such moneys are at least equal to an amount sufficient to purchase the principal amount of Investment Securities set forth in Exhibit A hereto, which, together with all interest due or to become due on such Investment Securities, will be sufficient to refund and redeem the Local Loan Obligation and the corresponding 2007 Bonds in advance of their scheduled maturities, on November 1, 2017. The Escrow Agent shall assert no lien upon or right of offset against the Investment Securities or cash at any time on deposit in the Escrow Fund.

SECTION 4. Application of Amounts in Escrow Fund. The Successor Agency and Authority each hereby irrevocably directs the Escrow Agent, and the Escrow Agent hereby agrees, to apply the amounts on deposit in the Escrow Fund to pay and redeem the Local Loan Obligation and the corresponding 2007 Bonds, in accordance with the following schedule:

<u>Period</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u> <u>Redeemed</u>	<u>Redemption</u> <u>Premium</u>	<u>Total</u>
11/01/2017				0.00	

Following the payment and redemption of the Local Loan Obligation and the corresponding 2007 Bonds in full on November 1, 2017, the Escrow Agent shall transfer any amounts remaining on deposit in the Escrow Fund to the Interest Account held by the 2017 Trustee to be applied to pay interest next coming due and payable on the 2017 Bonds.

SECTION 5. Irrevocable Election to Prepay and Defease Local Loan Obligation and the corresponding 2007 Bonds. The Successor Agency and Authority each hereby irrevocably elect to prepay and defease all of the Local Loan Obligation and the corresponding 2007 Bonds on November 1, 2017, in accordance with the provisions of Section 2.03 of the Prior Loan Agreement, and Section 4.03 of the Prior Trust Agreement.

As provided in the Prior Bond Documents, upon deposits made with the Escrow Agent pursuant to Section 2 hereof, all liability of the Successor Agency and the Authority with respect to such Local Loan Obligation and the corresponding 2007 Bonds shall cease, terminate, and be completely discharged, and the owners thereof shall thereafter be entitled only to payment out of such money deposited with the Escrow Agent as aforesaid for their payment.

SECTION 6. Redemption Notice. The Prior Trustee is hereby instructed by the Successor Agency and Authority that at least 30 days prior to November 1, 2017, it is to provide the owners of the 2007 Bonds with notice of redemption, meeting the requirements Prior Bond Documents, at the expense of the Successor Agency and/or Authority, a form sample of which is attached hereto as Exhibit B.

SECTION 7. Compensation to Escrow Agent. The Successor Agency and/or Authority shall pay the Escrow Agent full compensation for its services under this Agreement, including out-of-pocket costs such as publication costs, redemption expenses, legal fees and other costs and expenses relating hereto and, in addition, all fees, costs and expenses relating to the purchase, substitution or withdrawal of any securities

after the date hereof. Under no circumstances shall amounts deposited in or credited to the Escrow Fund be deemed to be available for said purposes. The Escrow Agent has no lien upon or right of set off against the cash and securities at any time on deposit in the Escrow Fund.

The Successor Agency and Authority shall indemnify, defend and hold harmless the Escrow Agent and its officers, directors, employees, representatives and agents, from and against and reimburse the Escrow Agent for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Agent directly or indirectly relating to, or arising from, claims against the Escrow Agent by reason of its participation in the transactions contemplated hereby, except to the extent caused by the Escrow Agent's negligence or willful misconduct. The provisions of this Section shall survive the termination of this Agreement or the earlier resignation or removal of the Escrow Agent.

SECTION 8. Immunities and Liability of Escrow Agent. The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement and no implied duties, covenants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent shall not have any liability hereunder except to the extent of its negligence or willful misconduct. The Escrow Agent shall not be liable for any loss from any investment made by it in accordance with the terms of this Agreement. The Escrow Agent shall not be liable for the recitals or representations contained in this Agreement and shall not be responsible for the validity of this Agreement, the sufficiency of the Escrow Fund or the moneys and securities to pay the principal of and interest on the 2007 Bonds.

Whenever in the administration of this Agreement the Escrow Agent deems it necessary or desirable that a matter be proved or established prior to taking or not taking any action, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of an authorized representative of the Successor Agency and shall be full protection for any action taken or not taken by the Escrow Agent in good faith reliance thereon.

The Escrow Agent may conclusively rely as to the truth and accuracy of the statements and correctness of any opinions or calculations provided to it in connection with this Agreement and shall be protected in acting, or refraining from acting, upon any notice, instruction, request, certificate, document, opinion or other writing furnished to the Escrow Agent in connection with this Agreement and believed by the Escrow Agent to be signed by the proper party, and it need not investigate any fact or matter stated therein.

None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Escrow Agent may execute any of the duties or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force

majeure” means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

SECTION 9. Resignation; Appointment of Successor. The Escrow Agent may at any time resign by giving 30 days written notice of resignation to the Successor Agency and Authority. Upon receiving such notice of resignation, the Successor Agency and/or Authority shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Escrow Agent from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to each of the Successor Agency, the Authority, the resigning Escrow Agent and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor.

Any bank, corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

SECTION 10. Communications. The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Successor Agency or Authority elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent acts upon such instructions, the Escrow Agent’s understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent’s reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Successor Agency and Authority agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Escrow Agent shall furnish the Successor Agency and Authority periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the Successor Agency and/or Authority. Upon the Successor Agency’s election, such statements will be delivered via the Escrow Agent’s online service and upon electing such service, paper statements will be provided only upon request. The Successor Agency and Authority each waive the right to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law. The Successor Agency and Authority further understand that trade confirmations for

securities transactions effected by the Escrow Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

SECTION 11. Termination of Agreement. Upon payment and redemption in full of the 2007 Bonds, and upon payment of all fees, expenses and charges of the Escrow Agent as described above, this Agreement shall terminate and the Escrow Agent shall be discharged from any further obligation or responsibility hereunder.

SECTION 12. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

SECTION 13. Execution in Counterparts. This 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.

\* \* \* \* \*

IN WITNESS WHEREOF, the Successor Agency, the Authority and the Escrow Agent have each caused this Agreement to be executed by their duly authorized officers all as of the date first above written.

**SUCCESSOR AGENCY TO THE REDEVELOPMENT  
AGENCY OF THE CITY OF FORTUNA**

By: \_\_\_\_\_

**FORTUNA PUBLIC FINANCING AUTHORITY**

By: \_\_\_\_\_

**U.S. BANK NATIONAL ASSOCIATION,**  
*as Escrow Agent*

By: \_\_\_\_\_  
Authorized Officer

Acknowledged By:

**U.S. BANK NATIONAL ASSOCIATION,**  
*as Prior Trustee*

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**SCHEDULE OF INVESTMENT SECURITIES**

<u>Investment Security</u>	<u>Maturity Date</u>	<u>Coupon Rate</u>	<u>Par Amount</u>	<u>Interest Amount</u>	<u>Net Receipt</u>
Totals					



**EXHIBIT B**

**NOTICE OF OPTIONAL REDEMPTION**

**Successor Agency to the Redevelopment Agency  
of the City of Fortuna**

2017 Tax Allocation Refunding Bonds,

Summary Savings Analysis

as of April 25<sup>th</sup>, 2017

## Summary of Bonds Refunded

Total of \$9,765,000 in principal refunded.

<b>2007 Revenue Bonds (RDA Portion)</b>	
<b><u>Maturity</u></b>	<b><u>Principal</u></b>
11/1/2017	185,000
11/1/2018	205,000
11/1/2019	225,000
11/1/2020	245,000
11/1/2021	265,000
11/1/2022	285,000
11/1/2023	310,000
11/1/2024	315,000
11/1/2025	340,000
11/1/2026	370,000
11/1/2027	400,000
11/1/2028	430,000
11/1/2029	460,000
11/1/2030	495,000
11/1/2031	535,000
11/1/2032	570,000
11/1/2033	605,000
11/1/2034	635,000
11/1/2035	670,000
11/1/2036	705,000
11/1/2037	740,000
11/1/2038	775,000
<b>Total</b>	<b>\$9,765,000</b>

## Estimated Sources and Uses

<b>Sources:</b>	
Par Amount	8,665,000
Premium	974,466
Release of Prior Reserve Fund	816,000
<b>Total Sources</b>	<b>\$10,455,466</b>

<b>Uses:</b>	
Refunding Escrow Deposit	9,980,516
Cost of Issuance	252,466
Underwriter's Discount	56,323
Bond Insurance (1% of Debt Service)	144,110
Surety (3% of Reserve Requirement)	22,050
<b>Total Uses:</b>	<b>\$10,455,466</b>

## Estimated Cash Flow Savings

Date	Prior Debt Service	Refunding Debt Service	Savings
11/1/2017	416,518	334,781	81,737
11/1/2018	658,786	579,950	78,836
11/1/2019	670,586	591,550	79,036
11/1/2020	681,586	601,000	80,586
11/1/2021	691,786	613,000	78,786
11/1/2022	700,524	617,000	83,524
11/1/2023	713,269	630,250	83,019
11/1/2024	704,706	622,250	82,456
11/1/2025	715,138	634,000	81,138
11/1/2026	729,413	649,500	79,913
11/1/2027	742,300	658,500	83,800
11/1/2028	753,800	671,250	82,550
11/1/2029	763,913	682,500	81,413
11/1/2030	777,638	697,250	80,388
11/1/2031	794,744	715,250	79,494
11/1/2032	805,000	721,250	83,750
11/1/2033	811,500	730,750	80,750
11/1/2034	811,250	728,500	82,750
11/1/2035	814,500	735,000	79,500
11/1/2036	816,000	734,750	81,250
11/1/2037	815,750	733,000	82,750
11/1/2038	813,750	729,750	84,000
<b>Total</b>	<b>\$16,202,456</b>	<b>\$14,411,031</b>	<b>\$1,791,424</b>

# STAFF REPORT

## *City Council Business Agenda Item*

---

**DATE:** May 1, 2017

**TO:** Honorable Mayor and Council Members

**FROM:** Aaron Felmlee, Finance Director

**THRU:** Mark Wheatley, City Manager

**SUBJECT:** **Receive the Fiscal Year (FY) 2016-17 Mid-Year Budget Review and Adopt Resolution 2017-15 Amending the FY 2016-17 Budget**

### **STAFF RECOMMENDATION:**

1. Receive the FY 2016-17 Mid-Year Budget Review; and
2. Adopt Resolution 2017-15 of the City Council amending the FY 2016-17 Budget.

### **EXECUTIVE SUMMARY:**

The Finance Department has conducted a mid-year review for fiscal year 2016-17. The intent of this report is to review activities for the first half of this fiscal year and to provide a revised projection of revenues and expenditures to fiscal year end. The formal submittal of a review during the fiscal year provides an opportunity to identify and present any fiscal problem areas to the City Council, and to recommend corrective action or additional funding if required.

As part of our mid-year budget analysis, staff has reviewed every line item of each activity. The adjustments included in attachment A represent refinements that staff has proposed to ensure the completion of the work plan for the remainder of the fiscal year. A majority of these refinements are the redistribution of expenditures between account numbers within departments. We are anticipating having savings of \$9.7 million across all funds. This is mostly attributable to project timing, which accounts for \$8.9 million. \$74,000 of the savings is from the General Fund, \$154,000 is from the Water Fund, \$432,000 is from the Wastewater Fund and the remaining \$140,000 comes from non-major funds.

Despite the anticipated \$74,000 of savings in the General Fund the fund is anticipated to run a \$410,000 deficit for the year. The City will still have a healthy General Fund balance of \$4,470,000 even after this year's deficit. It is one of Staff's priorities going into next year's budget to lower/eliminate the ongoing deficit that has been running in the General Fund.

### **RECOMMENDED COUNCIL ACTION:**

1. Receive staff presentation and review Council questions with staff
2. Open Public Comment
3. Close Public Comment
4. Motion to Receive the FY 2016-17 Mid-Year Budget Review; and adopt Resolution 2017-15 and read by title only. Roll Call Vote

#### Attachments:

- A. Resolution 2017-15 – *A Resolution of the City Council of the City of Fortuna Approving the FY2016-17 Mid-Year Budget Amendments*
- B. FY 2016-17 Mid-Year Adjustments
- C. FY 2016-17 Mid-Year Presentation

**RESOLUTION 2017-15**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FORTUNA APPROVING THE  
FY2016-17 MID-YEAR BUDGET ADJUSTMENTS**

**WHEREAS**, the Budget for the Fiscal Year beginning July 1, 2016, was approved by the City Council on June 20, 2016.

**WHEREAS**, Staff has conducted a mid-year review of the Adopted Budget which includes an evaluation of activities for the first half of this fiscal year and to provide a revised projection of revenues and expenditures to fiscal year end.

**NOW, THEREFORE**, the City Council of the City of Fortuna does hereby resolve as follows:

1. Approve the 2016-17 Mid-Year Budget Adjustments as presented in Attachment A.

**PASSED AND ADOPTED** on this 1<sup>st</sup> day of May, 2017 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Sue Long, Mayor

ATTEST:

\_\_\_\_\_  
Linda McGill CMC, City Clerk



## ***FY 2016-17 Mid-Year Budget Table of Contents***

	<b>Page #</b>
<b>Revenues:</b>	
General Fund Revenue Detail	1
<b>Expenses:</b>	
<b>City Administration / General Government</b>	
City Council	3
City Attorney	4
City Manager	5
City Clerk	6
General & Admin	7
City Hall General Government	8
Risk HR	9
Community Promotion	10
Library	11
Finance	12
Measure E	13
<b>Police</b>	
Police	14
<b>Community Development</b>	
Planning	17
Development Review	18
Building	19
<b>Parks &amp; Recreation</b>	
Recreation	20
Parks	21
Museum	22
River Lodge	23
Rec District	25
<b>Public Works</b>	
Public Works Admin	26
Engineering	27
Streets	28
General Services Restricted	29
Solid Waste	31
Wastewater	32
Water	35
Maintenance Districts	38
<b>Transportation</b>	
Transit	42
<b>Projects</b>	
CIP Projects	43





**General Fund  
Revenue Detail**

		<b>2016-17 Budget</b>	<b>2016-17 YTD thru 2-17</b>	<b>2016-17 Mid Year Est</b>	<b>Mid-Year Budget Adjustments</b>
<b><u>Taxes and Licenses</u></b>					
Property Taxes	4010	\$ 423,000	\$ 234,511	\$ 423,000	\$ -
Sales & Use Tax	4030	1,690,000	861,909	1,690,000	-
Transient Occupancy Tax (10%)	4060	604,000	376,706	604,000	-
Humboldt Tourism Asmt Admin	4061	1,200	1,078	1,200	-
Franchise - Gas & Electric	4065	70,000	-	70,000	-
Franchise - Garbage	4070	77,000	39,601	77,000	-
Franchise - Cable TV	4075	138,000	73,828	138,000	-
Business License Tax	4080	80,000	86,379	86,000	6,000
Real Property Transfer Tax	4085	29,000	17,717	29,000	-
		<b>3,112,200</b>	<b>1,691,729</b>	<b>3,118,200</b>	<b>6,000</b>
<b><u>Interest, Loans, and Rents</u></b>					
Interest Income	4200	40,000	18,716	40,000	-
12th Street Bldg. Rent	4231	40,000	-	-	(40,000)
Tower Rental	4232	38,000	22,980	38,000	-
Parking Lot Rental	4234	1,680	1,120	1,680	-
Space Rent - Corp Yard	4239	3,000	1,750	3,000	-
Other Rents	4235	-	-	-	-
		<b>122,680</b>	<b>44,566</b>	<b>82,680</b>	<b>(40,000)</b>
<b><u>Intergovernmental</u></b>					
Motor Vehicle In-Lieu	4250	1,045,000	536,560	1,045,000	-
Homeowners Exemption	4255	7,100	3,102	7,100	-
State Mandates	4280	5,400	-	5,400	-
Reimbursement Revenue	4961	20,000	11,622	-	(20,000)
		<b>1,077,500</b>	<b>551,284</b>	<b>1,057,500</b>	<b>(20,000)</b>
<b><u>Parks &amp; Recreation</u></b>					
Recreation Program Fees	4560	130,000	87,328	130,000	-
Excel After School Program	4591	-	-	-	-
Pavilion Use Fees	4222	42,000	34,442	42,000	-
Park Use Fees	4220	12,000	16,701	16,000	4,000
Vending Machines	4210	500	392	500	-
Park/Museum Donations	4710/32	3,000	7,603	8,000	5,000
Rohner Recreation District	4340	-	8,766	-	-
<i>Moved to new fund 2015-16</i>					
		<b>187,500</b>	<b>155,232</b>	<b>196,500</b>	<b>9,000</b>
<b><u>Police Services</u></b>					
Public Safety/Prop. 172	4035	24,000	12,612	24,000	-
Fireworks Permit	4140	80	10	80	-
Animal License	4130	29,000	25,764	29,000	-
Bicycle License	4135	30	20	30	-
Vehicle Code Fines	4150	43,000	-	43,000	-
Parking Violation Fines	4175	6,000	4,295	6,000	-
Parking Fines - College	4176	2,500	3,658	2,500	-
Parking Fines - Ferndale	4177	20	74	20	-
Other Court Fines	4155	-	15,665	-	-
Booking Fees Reimbursement	-	-	-	-	-
Animal Control Charges	4515	15,000	5,360	15,000	-



City of Fortuna  
FY 2016-17 Budget

General Fund  
Revenue Detail

		<u>2016-17 Budget</u>	<u>2016-17 YTD thru 2-17</u>	<u>2016-17 Mid Year Est</u>	<u>Mid-Year Budget Adjustments</u>
<b>Police Services (Continued)</b>					
Accident Reports	4505	2,000	1,726	2,000	-
Finger Prints	4535	35,000	30,994	35,000	-
Special Services/Alarm Fees	4545	5,000	4,114	5,000	-
Special Services Training	4546	-	-	-	-
Booking Fees	4557	-	-	-	-
Dispatch - Ferndale Police	4520	20,200	13,467	20,200	-
Dispatch - Rio Dell Police	4522	24,900	16,600	24,900	-
Dispatch - Fortuna Fire	4525	1,000	600	1,000	-
Vehicle Impound Fees	4550	21,000	25,291	21,000	-
Post Grant Reimbursement	4270	6,000	-	6,000	-
Motor Vehicle Abatement	4500	8,000	10,530	8,000	-
State COPS Grant	4310	110,000	69,832	110,000	-
County Remote Access Network	4286	6,000	-	6,000	-
		<b>358,730</b>	<b>240,612</b>	<b>358,730</b>	<b>-</b>
<b>Other Revenues</b>					
Bus License Penalties	4170	1,500	1,842	1,500	-
Restitution	4180	-	-	-	-
Admin Fees - CCC	4670	1,300	-	1,300	-
Admin - Successor Agency	4670	245,000	-	245,000	-
NSF Check Fee	4672	-	120	-	-
Misc. Revenues/Donations	4660	-	9,260	-	-
		<b>247,800</b>	<b>11,222</b>	<b>247,800</b>	<b>-</b>
<b>Total Recurring Revenue</b>		<b>5,106,410</b>	<b>2,694,645</b>	<b>5,061,410</b>	<b>(45,000)</b>
<b>Non-Recurring Revenue:</b>					
Successor Agency Loans	4203	12,538	-	12,538	-
REMIF Insurance Refunds	4828	-	-	-	-
Property & Scrap Sales	4810	-	(7,650)	-	-
County Tax Settlement		-	-	-	-
Misc. Reimbursements		-	-	-	-
Special Services		-	-	-	-
OTS Grant		-	-	-	-
Grant - State E911/Dispatch		-	-	-	-
Transfers In		-	-	-	-
<b>Total Non-Recurring Revenue</b>		<b>12,538</b>	<b>(7,650)</b>	<b>12,538</b>	<b>-</b>
<b>Total General Fund Revenue:</b>		<b>\$ 5,118,948</b>	<b>\$ 2,686,995</b>	<b>\$ 5,073,948</b>	<b>\$ (45,000)</b>
<b>Measure E</b>					
<b>Fund 101</b>					
<b>Taxes:</b>					
Supp. Transaction & Use Tax		-	-	273,000	273,000
<b>Total Measure E Fund Revenue:</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 273,000</b>	<b>\$ 273,000</b>



**City of Fortuna  
FY 2016-17 Budget**

**City Administration**

**General Fund  
City Council**

<u>Fund</u>	<b>100</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>1000</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>					
	Account				
Stipends	5165	\$ 18,000	\$ 10,200	\$ 17,700	\$ (300)
Overtime	5170	-	-	-	-
Benefits	5200	1,426	687	867	(559)
Subtotal, Salaries and Benefits		19,426	10,887	18,567	(859)
Office Supplies	5400	200	-	200	-
Department Supplies	5500	500	582	500	-
Equipment Repair	5720	200	-	200	-
Travel and Conferences	7000	10,000	5,886	9,000	(1,000)
Council Contingency	7612	1,000	1,927	2,000	1,000
Televised Meeting Costs	7616	3,500	1,675	3,500	-
Subtotal, Services and Supplies		15,400	10,070	15,400	-
Capital Outlay	8103	-	-	-	-
<b>Total:</b>		<b>\$ 34,826</b>	<b>\$ 20,957</b>	<b>\$ 33,967</b>	<b>\$ (859)</b>



**City of Fortuna  
FY 2016-17 Budget**

**City Administration**

**General Fund  
City Attorney**

<u>Fund</u>	100	<u>2016-17</u>	<u>2016-17</u>	<u>2016-17</u>	<u>Mid-Year Budget</u>
<u>Department</u>	1300	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<u>History of Expenditures</u>					
Account					
Legal Services	6020	\$ 100,000	\$ 31,310	\$ 100,000	\$ -
<b>Total:</b>		<b>\$ 100,000</b>	<b>\$ 31,310</b>	<b>\$ 100,000</b>	<b>\$ -</b>



**City of Fortuna**  
**FY 2016-17 Budget**

**City Administration**

**General Fund**  
**City Manager**

<u>Fund</u>	<b>100</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>1100</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>					
	Account				
Salaries	5100	\$ 52,848	\$ 24,727	\$ 42,944	\$ (9,904)
Salary Part-Time	5165	214	7,091	10,000	9,786
Vacation Buyback	5180	1,951	368	1,951	-
Benefits	5200	25,203	12,954	21,840	(3,363)
Subtotal, Salaries and Benefits		80,216	45,140	76,735	(3,481)
Office Supplies	5400	1,500	1,297	1,500	-
Department Supplies	5500	500	154	500	-
Vehicle Fuel	5505	100	187	100	-
Vehicle Repairs	5715	500	115	500	-
Professional Services	6025	1,000	156	1,000	-
Personnel Services	6035	-	228	-	-
Telephone	6200	-	-	-	-
Cell Phone (A)	6205	400	302	400	-
Advertising	6300	100	35	100	-
Travel/Conferences/Training	7000	4,000	4,629	5,000	1,000
Dues and Subscriptions	7015	2,000	100	2,000	-
City Manager Contingency	7612	6,000	1,645	5,000	(1,000)
Relocation Expenses		-	-	-	-
Distributed Charges		-	-	-	-
Subtotal, Services and Supplies		16,100	8,848	16,100	-
Capital Outlay	8103	-	-	-	-
<b>Total:</b>		<b>\$ 96,316</b>	<b>\$ 53,988</b>	<b>\$ 92,835</b>	<b>\$ (3,481)</b>



**City of Fortuna  
FY 2016-17 Budget**

**General Fund  
City Clerk**

**City Administration**

<u>Fund</u>	<b>100</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>1150</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>					
	Account				
Salaries	5100	\$ 19,970	\$ 12,934	\$ 20,364	\$ 394
Salary Part-Time	5165	6,297	3,906	6,297	-
Vacation Buyback/Accrual	5180	570	-	570	-
Benefits	5200	11,159	7,339	11,326	167
Subtotal, Salaries and Benefits		<u>37,996</u>	<u>24,179</u>	<u>38,558</u>	<u>562</u>
Office Supplies	5400	500	86	500	-
Department Supplies	5500	1,000	185	1,000	-
Personnel Services	6035	500	-	500	-
Late Fees	6037	-	-	-	-
Travel and Conferences	7000	3,000	2,687	3,000	-
Local Travel/Meetings/Training	7005	-	-	-	-
Dues and Subscriptions	7015	500	-	500	-
Subtotal, Services and Supplies		<u>5,500</u>	<u>2,958</u>	<u>5,500</u>	<u>-</u>
Capital Outlay		-	-	-	-
<b>Total:</b>		<b>\$ 43,496</b>	<b>\$ 27,137</b>	<b>\$ 44,058</b>	<b>\$ 562</b>



**City of Fortuna  
FY 2016-17 Budget**

**General Fund  
Non-Department**

**City Administration**

<u>Fund</u>	<b>100</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>1400</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>					
	Account				
Department Supplies	5500	\$ 500	\$ -	\$ 500	\$ -
Code Enforcement	5708	2,500	-	2,500	-
Audit Fees (A)	6000	20,000	9,375	15,000	(5,000)
Tax Audit & Consultations	6015	15,000	-	10,000	(5,000)
Legal Services	6020	15,000	2,009	15,000	-
Professional Services	6025	20,000	19,491	23,500	3,500
Cable Franchise Admin. Fees	6036	5,000	2,115	5,000	-
FPIC Admin. Fees	6055	500	-	500	-
Codifications	6225	2,000	625	2,000	-
Advertising	6300	100	-	100	-
Publication Costs	6305	500	1,203	1,500	1,000
Employee Recognition	6315	4,000	1,534	4,000	-
Utilities	6500/5	500	-	500	-
State Fees	6600	100	100	100	-
County Admin. Fees	6700	15,000	10,340	15,000	-
Election Expenses	6710	2,500	7,865	8,000	5,500
County Fire Assessments	6720	150	144	150	-
Travel & Conferences	7000	-	42	-	-
Training (City-Wide)	7005	3,000	645	3,000	-
LOCC Dues	7015	6,000	5,729	6,000	-
Successor Agency Administration		-	-	-	-
Allowance for Calculation		-	-	-	-
Subtotal, Services and Supplies		112,350	61,217	112,350	-
Capital Outlay	8281	-	-	-	-
<b>Total:</b>		<b>\$ 112,350</b>	<b>\$ 61,217</b>	<b>\$ 112,350</b>	<b>\$ -</b>



**City of Fortuna**  
**FY 2016-17 Budget**

**City Administration**

**General Fund**  
**City Hall/General Government**

<u>Fund</u>	<b>100</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>1500</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>					
	Account				
Salaries	5100	\$ 7,054	\$ 4,636	\$ 7,003	\$ (51)
Salary/Accr/Buy	5180	336	1,159	1,200	864
Benefits	5200	3,911	672	994	(2,917)
Subtotal, Salaries and Benefits		11,301	6,467	9,197	(2,104)
Office Supplies	5400	1,000	441	1,000	-
Software Licensing (A)	5410	8,582	750	8,582	-
Off-Site Records Storage	5420	750	704	750	-
Department Supplies	5500	1,500	3,964	4,000	2,500
Vehicle Fuel	5505	-	-	-	-
Office Equipment Maintenance (A)	5705	4,200	2,064	4,200	-
Copier Lease / Maintenance	5706	6,400	5,297	6,400	-
Equipment Repairs & Maint.	5720	500	-	500	-
Janitorial Service	5735	100	-	100	-
Building Repairs/Maintenance	5740	1,000	1,081	1,000	-
Network Support (A)	5775	11,960	7,949	11,960	-
Telephone Network Support	5776	1,000	388	1,000	-
Website Hosting & Maintenance (A)	5780	1,175	1,126	1,175	-
Professional/Elections Consultant	6025	5,000	-	2,500	(2,500)
Bank/Credit Card Fees	6060	14,000	11,034	14,000	-
Telephone	6200	8,000	5,026	8,000	-
Cell Phones (A)	6205	900	425	900	-
Utilities	6505	5,000	2,948	5,000	-
Subtotal, Services and Supplies		71,067	43,197	71,067	-
Capital Outlay	8000	-	7,452	-	-
File Management Software		2,666	-	2,666	-
<b>Total:</b>		<b>\$ 85,034</b>	<b>\$ 57,116</b>	<b>\$ 82,930</b>	<b>\$ (2,104)</b>





**City of Fortuna  
FY 2016-17 Budget**

**General Fund**

**City Administration** **Risk Management/Human Resources**

<u>Fund</u>	<b>100</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>1600</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>					
	Account				
Salaries	5100	\$ 32,401	\$ 16,200	\$ 27,583	\$ (4,818)
Salary Part-Time	5165	6,297	7,401	10,000	3,703
Salary/Accr/Buy	5180	1,238	158	1,238	-
Benefits	5200	15,752	8,581	13,995	(1,757)
Subtotal, Salaries and Benefits		55,688	32,340	52,816	(2,872)
W.C. Ded & Related Costs (A)	5205	3,616	-	3,616	-
Unemployment Insurance	5220	20,000	-	20,000	-
Health and Welfare Benefits		-	-	-	-
Office Supplies	5400	500	16	500	-
Dept Supplies	5500	500	730	1,000	500
Legal Services	6020	10,000	4,512	6,500	(3,500)
Professional Services	6025	1,000	-	1,000	-
Personnel Services	6035	500	145	500	-
Advertising	6300	500	-	500	-
Liability Insurance (A)	6350	176,529	78,991	176,529	-
Claims Settlement (A)	6360	10,000	8,526	10,000	-
Travel & Conf/Training	7000	1,000	3,612	4,000	3,000
Dues & Subscriptions	7015	200	150	200	-
Subtotal, Services and Supplies		224,345	96,682	224,345	-
Capital Outlay - Ergonomic Maint.	8000	-	-	-	-
<b>Total:</b>		<b>\$ 280,033</b>	<b>\$ 129,022</b>	<b>\$ 277,161</b>	<b>\$ (2,872)</b>



**City of Fortuna  
FY 2016-17 Budget**

**General Fund  
Community Promotion**

<u>Fund</u>	<b>100</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>5200</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>					
	Account				
Department Supplies	5500	\$ 1,000	\$ -	\$ -	\$ (1,000)
Audit Fees	6000	500	-	500	-
Professional Services	6025	-	-	-	-
Chamber of Commerce	6800	13,000	20,173	20,000	7,000
Chamber 10% TOT Allocation	6801	60,000	53,915	65,000	5,000
FBID Facility Rent	6804	2,400	1,400	2,400	-
Community Events	6814	3,000	920	3,000	-
HCVVB - County Visitors' Bureau	6815	5,000	-	5,000	-
Public Art Project	6816	-	-	-	-
City Sponsored Riverlodge Usage	7612	1,000	-	1,000	-
Business Improvement District	7625	55,000	57,994	55,000	-
<b>Total:</b>		<b>\$ 140,900</b>	<b>\$ 134,402</b>	<b>\$ 151,900</b>	<b>\$ 11,000</b>



**City of Fortuna  
FY 2016-17 Budget**

**General Fund  
Library**

<u>Fund</u> <u>Department</u>	<b>100</b> <b>5500</b>	<b>2016-17</b> <b>Budget</b>	<b>2016-17</b> <b>YTD thru 2-17</b>	<b>2016-17</b> <b>Mid Year Est</b>	<b>Mid-Year Budget</b> <b>Adjustments</b>
<b><u>History of Expenditures</u></b>					
	Account				
Salaries	5100	\$ 3,527	\$ 2,318	\$ 3,502	\$ (25)
Overtime	5170	-	38	-	-
Vacation Buyback	5180	168	579	168	-
Benefits	5200	1,955	341	502	(1,453)
Subtotal, Salaries and Benefits		5,650	3,276	4,172	(1,478)
Office Supplies	5500	200	358	200	-
Janitorial	5735	200	50	200	-
Building Repairs	5740	400	387	3,000	2,600
Water	6500	1,000	488	1,000	-
Utilities	6505	5,000	3,026	5,000	-
Property Tax	6720	36	144	36	-
Subtotal, Services and Supplies		6,836	4,453	9,436	2,600
Capital Outlay		-	-	-	-
<b>Total:</b>		<b>\$ 12,486</b>	<b>\$ 7,729</b>	<b>\$ 13,608</b>	<b>\$ 1,122</b>



**City of Fortuna**  
**FY 2016-17 Budget**

**General Fund**  
**Finance**

<u>Fund</u>	<b>100</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>1200</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>					
	Account				
Salaries	5100	\$ 67,863	\$ 25,219	\$ 53,478	\$ (14,385)
Salary - Part-Time	5165	7,196	14,950	24,000	16,804
Overtime	5170	715	85	715	-
Vacation Buyback	5180	2,585	1,336	2,585	-
Benefits	5200	41,137	22,235	36,668	(4,469)
Subtotal, Salaries and Benefits		119,496	63,825	117,446	(2,050)
Office Supplies	5400	5,000	2,470	5,000	-
Computer Software	5410	-	-	-	-
Department Supplies	5500	1,000	801	1,000	-
Software Maint.	5710	4,000	2,682	4,000	-
Network Support	5775	-	-	-	-
Engineering Services	6005	-	-	-	-
General Contracting	6015	5,000	-	-	(5,000)
Professional Services	6025	1,000	2,300	4,000	3,000
Personnel Services	6035	3,000	3,997	5,000	2,000
Telephone	6200	-	-	-	-
Travel and Conferences	7000	3,000	3,651	4,000	1,000
Training	7005	2,000	-	2,000	-
Dues and Subscriptions	7015	1,000	-	1,000	-
Interfund Reimbursement	9200	(6,250)	(4,000)	(6,250)	-
Subtotal, Services and Supplies		18,750	11,901	19,750	1,000
Office 2013 Pro	8103	-	-	-	-
Computer/Monitors/Printer	8103	-	-	-	-
<b>Total:</b>		<b>\$ 138,246</b>	<b>\$ 75,726</b>	<b>\$ 137,196</b>	<b>\$ (1,050)</b>



**City of Fortuna  
FY 2016-17 Budget**

**Measure E Fund**

<u>Fund</u> <u>Department</u>	<b>101</b> <b>2000</b>	<b>2016-17</b> <b>Budget</b>	<b>2016-17</b> <b>YTD thru 2-17</b>	<b>2016-17</b> <b>Mid Year Est</b>	<b>Mid-Year Budget</b> <b>Adjustments</b>
<b><u>History of Expenditures</u></b>					
	Account				
Salaries	5100	\$ -	\$ -	\$ 54,418	\$ 54,418
Overtime	5170	-	-	10,000	10,000
Vacation Buyback	5180	-	-	-	-
Benefits	5200	-	-	31,874	31,874
Subtotal, Salaries and Benefits		-	-	96,292	96,292
Professional Services	6025	-	-	-	-
Subtotal, Services and Supplies		-	-	-	-
Capital Outlay	8000				
SRO - Vehicle/Outfitting		-	-	43,000	43,000
SRO - Equipment		-	-	10,000	10,000
POP - Vehicle/Outfitting		-	-	43,000	43,000
POP - Equipment		-	-	10,000	10,000
Detective - Equipment		-	-	14,000	14,000
<b>Total:</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 216,292</b>	<b>\$ 216,292</b>



General and Restricted Funds  
Police Department

Police

<u>Fund</u>	<b>100</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>2000</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>Police Services</u></b>	Account				
Salaries	5100	\$ 1,250,452	\$ 801,648	\$ 1,255,745	\$ 5,293
Salary Part-Time	5165	75,426	47,281	75,426	-
Overtime	5170	90,000	93,832	140,000	50,000
Holiday Pay	5175	55,385	41,274	55,385	-
Vacation/Sick Leave Buyback	5180	23,246	23,774	25,000	1,754
Benefits	5200	1,036,648	642,178	909,523	(127,125)
Uniform Allowance	5260	19,600	16,150	19,600	-
Subtotal Salaries and Benefits		2,550,757	1,666,137	2,480,679	(70,078)
Office Supplies	5400	8,000	4,032	6,000	(2,000)
Software (A)	5410	9,060	250	9,060	-
Department Supplies	5500	18,000	8,927	15,000	(3,000)
Vehicle Fuel & Oil	5505	40,000	24,448	36,000	(4,000)
Ammunition/Range Supplies	5515	5,000	2,580	5,000	-
Radio & Equipment Maint.	5700	-	5,743	7,500	7,500
Office Equipment Maintenance (A)	5705	6,300	2,136	6,300	-
RIMS Dispatch Cell Data	5709	3,600	-	3,600	-
Rims Dispatch Maintenance	5710	25,000	866	25,000	-
Vehicle Repairs & Maint.	5715	20,000	19,116	25,000	5,000
Equipment Repairs & Maint.	5720	5,000	3,365	5,000	-
Janitorial Service	5735	-	31	-	-
Building Repairs & Maintenance	5740	3,000	1,225	3,000	-
Network Support (A)	5775	17,160	10,907	17,160	-
Phone Network Support	5776	1,000	260	1,000	-
Website Hosting & Maintenance (A)	5780	1,175	1,126	1,175	-
Professional Services	6025	5,000	7,212	10,000	5,000
Personnel Service/Recruitment Costs	6035	15,000	8,217	15,000	-
Credit Card/Bank Fees	6060/1	1,500	1,482	1,600	100
Late Fees	6067	-	-	-	-
Telephone	6200	28,000	21,134	28,000	-
Cell Phones (A)	6205	3,500	2,636	3,500	-
Internet Service	6210	-	2,433	-	-
CLEWS/CLETS Fee	6215	-	5,000	-	-
CLETS Service	6220	12,000	4,737	12,000	-
Codification	6225	-	-	-	-
Eka Records	6230	-	-	-	-
Advertising	6300	100	-	-	(100)
Utilities	6500/5	14,000	8,671	14,000	-
DUI/DOJ Testing Fees	6600	5,000	910	2,500	(2,500)
Live scan Fees	6625	14,000	10,302	14,000	-
Booking Fees		-	-	-	-
Travel & Conferences	7000	7,500	4,526	7,500	-
Training	7005	25,000	18,916	25,000	-
Dues & Subscriptions	7015	5,000	4,911	7,500	2,500
Miranda Expense	7400	-	-	-	-
Special Expense	7405	15,000	9,441	15,000	-
SCOP Volunteers	7415	1,000	34	1,000	-
Police Explorer- Chaplains	7425	100	-	100	-
RARC/DARE		-	-	-	-
Veterinary Expense		-	-	-	-
Abandoned Vehicle Expense	7450	3,000	-	-	(3,000)
Every 15 Minutes/HOPS		-	-	-	-
Vet Expense	7455	-	182	-	-
Transfer In/Out	9200/50	(6,250)	(3,125)	(6,250)	-
Subtotal- Services and Supplies		310,745	192,631	316,245	5,500



General and Restricted Funds  
Police Department

Police

<u>Police Services (Continued)</u>		2016-17 Budget	2016-17 YTD thru 2-17	2016-17 Mid Year Est	Mid-Year Budget Adjustments
Debt Service/Leases					
RIMS Software Lease	8265	\$ 37,000	\$ 17,377	\$ 37,000	\$ -
Two Police Vehicles	8265	17,400	-	17,400	-
		54,400	17,377	54,400	-
Capital Outlay					
Various Projects	8000	-	14,411	-	-
Computer upgrades	8103	-	663	-	-
Outfitting Two (2) Police Units	8267	35,000	22,498	35,000	-
Subtotal - Capital Outlay		35,000	37,572	35,000	-
<b>Subtotal:</b>		<b>\$ 2,950,902</b>	<b>\$ 1,913,717</b>	<b>\$ 2,886,324</b>	<b>\$ (64,578)</b>

Fund 100  
Department 2800

<u>Animal Control</u>					
Salary Part-Time	5165	\$ 5,000	\$ 6,088	\$ 7,500	2,500
Overtime	5170	-	-	-	-
Benefits	5200	552	611	1,260	708
Subtotal, Salaries and Benefits		5,552	6,699	8,760	3,208
Office Supplies	5400	-	-	-	-
Department Supplies	5500/5	4,000	4,140	5,000	1,000
Vehicle Fuel & Oil	5705	1,500	-	1,500	-
Bldg Maintenance/Repair	5740	-	148	1,000	1,000
Personnel Services	6035	500	208	500	-
Utilities	6505	1,000	1,444	1,800	800
Miranda's Rescue	7400	13,000	8,811	13,200	200
Veterinary Expense	7455	3,000	1,154	3,000	-
Subtotal Services and Supplies		23,000	15,905	26,000	3,000
<b>Subtotal:</b>		<b>28,552</b>	<b>22,604</b>	<b>34,760</b>	<b>6,208</b>

**Total General Fund: \$ 2,979,454 \$ 1,936,321 \$ 2,921,084 \$ (58,370)**

Fund 105  
Department 2850

<u>Special Unit - K-9</u>					
Salaries	5100	\$ -	\$ -	\$ -	-
Overtime	5170	5,500	6,341	7,500	2,000
Benefits	5200	-	3,630	3,630	3,630
Subtotal, Salaries and Benefits		5,500	9,971	11,130	5,630
Department Supplies	5500	3,000	610	1,500	(1,500)
Vehicle Repairs & Maintenance	5715	3,000	-	1,500	(1,500)
Training Expenses	7005	8,000	3,575	8,000	-
Veterinary Expense	7455	2,500	264	2,500	-
Subtotal Services and Supplies		16,500	4,449	13,500	(3,000)
Total Capital Outlay		-	-	-	-
<b>Total Fund:</b>		<b>\$ 22,000</b>	<b>\$ 14,420</b>	<b>\$ 24,630</b>	<b>\$ 2,630</b>

Fund 180  
Department 2000

<u>Asset Seizure</u>					
Capital Outlay	8267	\$ -	\$ -	\$ 80,000	\$ 80,000
<b>Total Fund:</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,000</b>	<b>\$ 80,000</b>



General and Restricted Funds  
Police Department

Police

<u>Fund</u>	184	2016-17	2016-17	2016-17	Mid-Year Budget
<u>Department</u>	2000	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>Recovered Property</u></b>					
Capital Outlay	8267	\$ -	\$ 11,297	\$ 27,000	\$ 27,000
<b>Total Fund:</b>		<b>\$ -</b>	<b>\$ 11,297</b>	<b>\$ 27,000</b>	<b>\$ 27,000</b>
<b><u>Fund</u></b>	<b>185</b>				
<b><u>Department</u></b>	<b>2000</b>				
<b><u>State Office of Traffic Safety-AVOID</u></b>					
Overtime	5170	\$ 35,000	\$ 2,790	\$ 2,790	\$ (32,210)
Benefits	5200	3,385	1,556	1,556	(1,829)
Subtotal Salaries and Benefits		38,385	4,346	4,346	(34,039)
Department Supplies	5500	5,900	-	-	(5,900)
Personnel Services	6035	35,266	433	433	(34,833)
Travel & Conferences	7000	5,500	-	-	(5,500)
Subtotal Services and Supplies		46,666	433	433	(46,233)
Total Capital Outlay	8267	-	5,772	5,772	5,772
<b>Total Fund:</b>		<b>\$ 85,051</b>	<b>\$ 10,551</b>	<b>\$ 10,551</b>	<b>\$ (74,500)</b>
<b><u>Fund</u></b>	<b>186</b>				
<b><u>Department</u></b>	<b>2000</b>				
<b><u>State AB 109 Realignment Pool</u></b>					
Services and Supplies	5500	\$ -	\$ -	\$ -	-
Equipment & Capital Outlay	8267	25,000	14,867	25,000	-
Wastewater Equipment	8268	-	11,443	-	-
<b>Total Fund</b>		<b>\$ 25,000</b>	<b>\$ 26,310</b>	<b>\$ 25,000</b>	<b>\$ -</b>
<b><u>Fund</u></b>	<b>188</b>				
<b><u>Department</u></b>	<b>2000</b>				
<b><u>State Dept of Alcohol Beverage Control</u></b>					
Overtime	5170	\$ -	\$ 103	\$ -	\$ -
Benefits	5200	-	28	-	-
Subtotal, Salaries and Benefits		-	131	-	-
<b>Total Fund:</b>		<b>\$ -</b>	<b>\$ 131</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Fund</u></b>	<b>189</b>				
<b><u>Department</u></b>	<b>2000</b>				
<b><u>Measure Z</u></b>					
Salaries	5100	\$ 59,261	\$ 38,390	\$ 58,772	\$ (489)
Overtime/Holiday Pay	5170	20,490	14,729	20,490	-
Benefits	5200	50,829	44,849	60,909	10,080
Subtotal, Salaries and Benefits		130,580	97,968	140,171	9,591
Department Supplies	5500	-	1,517	-	-
Vehicle Fuel	5505	4,000	1,262	4,000	-
Travel & Conferences	7005	2,500	50	2,500	-
Special Expense/Vehicle	7405	50,000	48,453	50,000	-
Transfers In/Out	9200/50	12,500	6,250	12,500	-
Subtotal Services and Supplies		69,000	57,532	69,000	-
<b>Total Fund:</b>		<b>\$ 199,580</b>	<b>\$ 155,500</b>	<b>\$ 209,171</b>	<b>\$ 9,591</b>
<b>Total Restricted Funds</b>		<b>\$ 331,631</b>	<b>\$ 218,209</b>	<b>\$ 376,352</b>	<b>\$ 44,721</b>
<b>Total Police Department, All Funds</b>		<b>\$ 3,311,085</b>	<b>\$ 2,154,530</b>	<b>\$ 3,297,436</b>	<b>\$ (13,649)</b>





**Community Development**

**General Fund**  
**Planning**

<u>Fund</u>	<b>100</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>5000</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>					
	Account				
Salaries	5100	\$ 24,367	\$ 16,376	\$ 24,954	\$ 587
Salary Part-Time	5165	189	101	189	-
Vacation Buyback	5180	772	-	772	-
Benefits	5200	13,543	9,039	12,876	(667)
Subtotal, Salaries and Benefits		38,871	25,516	38,790	(81)
Office Supplies	5400	300	717	800	500
Department Supplies	5500	500	-	500	-
Prof Services/Permit/Inspections	6025	1,000	108	1,000	-
Personnel Services	6035	500	-	-	(500)
Cell Phones (A)	6205	200	113	200	-
Advertising	6300	500	-	-	(500)
Travel & Conferences	7000	500	545	545	45
Certification	7012	-	80	80	80
Planning Commission	7600	3,000	2,274	4,000	1,000
Televised Meeting Costs	7616	3,000	940	1,300	(1,700)
Subtotal, Services and Supplies		9,500	4,777	8,425	(1,075)
Capital Outlay		-	-	-	-
Capital Outlay	8000	1,500	-	1,500	-
		1,500	-	1,500	-
<b>Total:</b>		<b>\$ 49,871</b>	<b>\$ 30,293</b>	<b>\$ 48,715</b>	<b>\$ (1,156)</b>



**Community Development**

**Restricted Fund  
Development Review**

**Development Review and Building  
Fund 120**

	<b>2016-17 Budget</b>	<b>2016-17 YTD thru 2-17</b>	<b>2016-17 Mid Year Est</b>
<u>Revenues:</u>			
Fees	\$ 312,000	\$ 221,044	\$ 312,000
Grant	-	-	-
General Fund Support	54,650	8,815	42,370
	<u>366,650</u>	<u>229,859</u>	<u>354,370</u>
<u>Expenditures:</u>			
Building Division	219,026	144,990	217,789
Development Review Division	147,624	84,869	136,580
Grant	-	-	-
	<u>366,650</u>	<u>229,859</u>	<u>354,370</u>
<b>Net Annual Activity</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Fund  
Department**

	<b>120</b>	<b>2016-17 Budget</b>	<b>2016-17 YTD thru 2-17</b>	<b>2016-17 Mid Year Est</b>	<b>Mid-Year Budget Adjustments</b>
<b>Department</b>	<b>3100</b>				
<u>History of Expenditures</u>					
Account					
Salaries	5100	\$ 86,443	\$ 52,363	\$ 82,771	\$ (3,672)
Salary Part-Time	5165	-	4,194	5,000	5,000
Overtime	5170	-	-	-	-
Vacation Buyback	5180	2,587	314	2,587	-
Benefits	5200	42,894	24,162	36,022	(6,872)
Subtotal, Salaries and Benefits		<u>131,924</u>	<u>81,033</u>	<u>126,380</u>	<u>(5,544)</u>
Office Supplies	5400	100	-	100	-
Computer Software	5410	-	740	-	-
Departmental Supplies	5500	100	-	100	-
Engineering Services	6005	15,000	3,096	10,000	(5,000)
Zoning Code Update		-	-	-	-
Advertising	6300	500	-	-	(500)
Prior Year		-	-	-	-
Subtotal, Services and Supplies		<u>15,700</u>	<u>3,836</u>	<u>10,200</u>	<u>(5,500)</u>
Capital Outlay		-	-	-	-
<b>Total:</b>		<b>\$ 147,624</b>	<b>\$ 84,869</b>	<b>\$ 136,580</b>	<b>\$ (11,044)</b>



Restricted Fund  
Building

Community Development

<u>Fund</u>	120	2016-17	2016-17	2016-17	Mid-Year Budget
<u>Department</u>	3000	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>					
	Account				
Salaries	5100	\$ 131,666	\$ 86,221	\$ 132,050	\$ 384
Salary Part-Time	5165	377	1,250	2,000	1,623
Overtime	5170	-	-	-	-
Vacation Buyback	5180	3,177	546	3,177	-
Benefits	5200	68,306	46,731	66,162	(2,144)
Subtotal, Salaries and Benefits		203,526	134,748	203,389	(137)
Office Supplies	5400	500	180	500	-
Department Supplies	5500	500	640	650	150
Fuel & Oil	5505	2,000	702	1,100	(900)
Equipment Maintenance	5705	100	55	100	-
Code Enforcement	5708	500	-	500	-
Software Maintenance	5710	-	-	-	-
Vehicle Repair & Maintenance	5715	500	-	500	-
Janitorial Service	5735	-	-	-	-
Building Repairs	5740	100	-	-	(100)
Engineering Services	6005	4,000	2,750	4,000	-
Prof Svc/Permit/Insp	6025	500	-	-	(500)
Personnel Services	6035	500	-	-	(500)
Telephone	6200	200	115	200	-
Cell Phones (A)	6205	1,000	543	1,000	-
Advertising	6300	-	-	-	-
Insurance (A)	6350	1,500	875	1,500	-
Utilities	6500/5	100	520	-	(100)
Travel & Conferences	7000	500	-	500	-
Training	7005	500	-	500	-
Certification Exams	7010	200	-	200	-
Dues & Subscriptions	7015	100	135	150	50
Distributed Chgs from other dept.	9250	-	875	-	-
Subtotal, Services and Supplies		13,300	7,390	11,400	(1,900)
Capital Outlay/Code Books	8103-8141	2,200	2,852	3,000	800
<b>Total:</b>		<b>\$ 219,026</b>	<b>\$ 144,990</b>	<b>\$ 217,789</b>	<b>\$ (1,237)</b>



**Parks and Recreation**

**General Fund  
Recreation**

<u>Fund</u>	<b>100</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>5400</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>					
	Account				
Salaries	5100	\$ 60,939	\$ 41,967	\$ 65,003	\$ 4,064
Salary Part-Time	5165	80,034	53,116	80,034	-
Vacation/Sick Leave Buyback	5180	445	2,076	445	-
Benefits	5200	46,825	27,286	40,319	(6,506)
Subtotal, Salaries and Benefits		<u>188,243</u>	<u>124,445</u>	<u>185,800</u>	<u>(2,443)</u>
Office Supplies	5400	700	117	250	(450)
Software (A)	5410	2,335	-	-	(2,335)
Department Supplies	5500	400	16	100	(300)
Janitorial Supplies	5565	-	-	-	-
Network Support (A)	5775	4,160	3,307	4,160	-
Telephone Network Support	5776	-	228	-	-
Website Hosting & Maintenance (A)	5780	1,175	1,126	1,175	-
Tools & Small Equipment	5900	-	-	-	-
Personnel Services	6035	2,500	239	650	(1,850)
Credit Card Processing/Bank Fees	6060/1	2,500	1,558	2,200	(300)
Telephone	6200	4,000	2,666	3,800	(200)
Advertising	6300	200	-	200	-
Water	6500	1,200	559	850	(350)
Utilities	6505	3,300	2,376	3,200	(100)
Travel & Conferences	7000	500	-	200	(300)
Dues & Subscriptions	7015	100	-	100	-
Sports League Officials	7200	14,000	-	14,000	-
Adult Sports League/Sports Field Maint	7215	1,500	394	1,200	(300)
Summer Fun Program	7220	5,000	3,679	5,000	-
School Rec. Program	7221	500	495	600	100
Kiddie Kamp	7222	2,500	2,075	2,500	-
Youth Basketball League	7225	3,000	2,475	2,500	(500)
Skating Program	7230	1,500	984	1,500	-
CPR Recreation Program	7232	1,250	-	-	(1,250)
Excel after school supplies	7235	-	-	-	-
Teen Dance Rec Program	7247	200	-	-	(200)
Volleyball Program	7252	200	-	-	(200)
Allocation to Recreation District		-	-	-	-
Subtotal, Services and Supplies		<u>52,720</u>	<u>22,294</u>	<u>44,185</u>	<u>(8,535)</u>
Capital Outlay					
Pickle Ball	8254	-	-	-	-
Disk Golf	8254	1,000	-	-	(1,000)
Lawn Mower	8254	-	-	-	-
Weed eater	8254	-	-	-	-
Computer	8254	-	-	-	-
Office 2013 Pro	8254	-	-	-	-
LED Lights for Pavilion	8254	500	-	500	-
Scoreboard for Pavilion	8254	1,000	-	1,200	200
Website	8000	-	1,890	1,890	1,890
Subtotal, Capital Outlay		<u>2,500</u>	<u>1,890</u>	<u>3,590</u>	<u>1,090</u>
<b>Total:</b>		<b>\$ 243,463</b>	<b>\$ 148,629</b>	<b>\$ 233,575</b>	<b>\$ (9,888)</b>



**Parks and Recreation**

**General Fund  
Parks Maintenance**

<u>Fund</u>	<b>100</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>5450</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>					
Salaries	5100	\$ 160,488	\$ 103,173	\$ 157,650	\$ (2,838)
Salary Part-Time	5165	48,633	16,745	48,633	-
Overtime	5170/5	450	53	450	-
Vacation/Sick Leave Buyback	5180/5	1,697	2,831	3,000	1,303
Benefits	5200	115,648	77,073	100,221	(15,427)
Subtotal, Salaries and Benefits		326,916	199,875	309,954	(16,962)
Office Supplies	5400	400	975	1,000	600
Software (A)	5410	-	-	-	-
Department Supplies	5500	24,000	9,284	23,000	(1,000)
Vehicle Fuel & Oil	5505	6,000	3,243	5,500	(500)
Equipment Fuel & Oil	5510	-	29	-	-
Janitorial & Paper Supplies	5565	9,000	5,296	9,000	-
Special Event Supplies	5570	1,500	334	1,500	-
Kitchen Chemical	5575	-	577	-	-
Office Equipment Maintenance (A)	5705	1,900	1,459	1,900	-
Vehicle Repairs & Maintenance	5715	2,500	1,639	2,500	-
Equipment Maintenance	5720	4,500	1,532	5,800	1,300
Alarm System Maintenance	5730	1,200	215	1,200	-
Janitorial Service	5735	-	-	-	-
Building Repairs & Maintenance	5740	3,000	1,430	2,600	(400)
Newburg Park Maintenance	5741	3,500	1,385	3,500	-
Median Maintenance Supplies	5742	5,100	499	5,100	-
Pavilion Maintenance	5743	1,000	-	800	(200)
Vandalism Repair	5745	2,000	917	2,000	-
Weed Abatement	5750	400	209	400	-
Contract Tree Trimming	5755	1,500	-	9,000	7,500
Tools & Small Equipment	5900	2,000	178	1,800	(200)
Engineering Services	6005	-	-	-	-
Personnel Services	6035	1,100	1,027	1,400	300
Late Fees	6067	-	1	-	-
Cell Phones (A)	6205	500	387	500	-
Water	6500	42,000	30,014	41,000	(1,000)
Utilities	6505	26,000	26,533	32,000	6,000
Fire Assessment	6720	-	612	650	650
Travel & Conferences	7000	750	571	750	-
Training Parks Maintenance	7005	1,000	777	1,000	-
Adult Sports	7215	2,000	85	1,500	(500)
Other Programs	7225	-	-	-	-
Subtotal, Services and Supplies		142,850	89,208	155,400	12,550
Capital Outlay		-	-	-	-
Office 2013 Standard Pro	8103	-	-	-	-
Various Projects	8254	15,400	5,120	15,400	-
Subtotal, Capital Outlay		15,400	5,120	15,400	-
<b>Total:</b>		<b>\$ 485,166</b>	<b>\$ 294,203</b>	<b>\$ 480,754</b>	<b>\$ (4,412)</b>



**General and Restricted Funds**  
**Museum**

**Parks and Recreation**

<u>Fund</u>	<b>100</b>		<b>2016-17</b>		<b>2016-17</b>		<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>5600</b>		<u>Budget</u>		<u>YTD thru 2-17</u>		<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>								
	Account							
Salaries/Wages	5100	\$	17,756	\$	10,852	\$	18,373	\$ 617
Benefits	5200		1,785		1,192		1,682	(103)
Subtotal, Salaries and Benefits			<u>19,541</u>		<u>12,044</u>		<u>20,055</u>	<u>514</u>
Office Supplies	5400		250		211		250	-
Software (A)	5410		478		-		478	-
Department Supplies	5500		250		148		200	(50)
Gift Shop Porch Railroad Museum	5550		-		-		-	-
Office Equipment Maintenance (A)	5705		400		38		400	-
Alarm System	5730		700		607		700	-
Building Repair & Maintenance	5740		500		284		400	(100)
Network Support (A)	5775		520		442		520	-
Website Hosting & Maintenance (A)	5780		1,175		1,126		1,175	-
Telephone	6200		-		-		-	-
Advertising	6300		300		87		200	(100)
Water	6500		725		488		650	(75)
Utilities	6505		2,750		2,199		2,800	50
Training Expenses	7005		-		-		-	-
Dues & Subscriptions	7015		75		83		100	25
Subtotal, Services and Supplies			<u>8,123</u>		<u>5,713</u>		<u>7,873</u>	<u>(250)</u>
Capital Outlay	8000		-		437		500	500
<b>Total Museum:</b>			<u><b>27,664</b></u>		<u><b>18,194</b></u>		<u><b>28,428</b></u>	<u><b>764</b></u>
<b><u>Fund</u></b>	<b>165</b>							
<b><u>Department</u></b>	<b>5610</b>							
<b><u>Museum Exhibit Acquisition Fund</u></b>								
Department Supplies	5500		500		-		200	(300)
Equipment Fuel	5510		-		-		-	-
Gift Shop Purchases/CGS	5550		1,500		751		1,200	(300)
Water	6500		120		-		-	(120)
Subtotal, Services and Supplies			<u>2,120</u>		<u>751</u>		<u>1,400</u>	<u>(720)</u>
Capital Outlay:								
UV Filtering	8000		-		-		-	-
Office 2013 Pro	8103		-		-		-	-
Security Upgrades	8000		1,500		-		2,800	1,300
Collection Acquisitions	8279		1,000		142		200	(800)
Subtotal, Capital Outlay			<u>2,500</u>		<u>142</u>		<u>3,000</u>	<u>500</u>
<b>Total Exhibit Acquisition:</b>			<u><b>4,620</b></u>		<u><b>893</b></u>		<u><b>4,400</b></u>	<u><b>(220)</b></u>
<b>Combined Total:</b>		<b>\$</b>	<b>32,284</b>	<b>\$</b>	<b>19,087</b>	<b>\$</b>	<b>32,828</b>	<b>\$ 544</b>



**Parks and Recreation**

**Supported by General Fund  
River Lodge & Monday Club**

<b><u>River Lodge &amp; Monday Club Fund History</u></b>	<b>2016-17 Budget</b>	<b>2016-17 YTD thru 2-17</b>	<b>2016-17 Mid Year Est</b>
<b>Revenues:</b>			
Fees	\$ 213,350	\$ 125,932	\$ 213,350
General Fund Support	140,118	113,334	116,174
Joint Agencies Reimbursement	-	-	-
	<u>353,468</u>	<u>239,266</u>	<u>329,524</u>
<b>Expenditures:</b>			
River Lodge	341,468	231,811	317,970
Monday Club	12,000	7,455	11,554
	<u>353,468</u>	<u>239,266</u>	<u>329,524</u>
<b>Net Activity</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b><u>Fund</u></b>	<b>160</b>	<b>2016-17 Budget</b>	<b>2016-17 YTD thru 2-17</b>	<b>2016-17 Mid Year Est</b>	<b>Mid-Year Budget Adjustments</b>
<b><u>Department</u></b>	<b>5800</b>				
<b><u>History of Expenditures</u></b>					
<b><u>River Lodge</u></b>					
	Account				
Salaries	5100	\$ 84,411	\$ 54,782	\$ 83,438	\$ (973)
Salary Part-Time	5165	29,780	13,406	29,780	-
Overtime	5170/5	275	34	275	-
Vacation/Sick Leave Buyback	5180/5	1,858	3,215	3,500	1,642
Benefits	5200	84,969	51,059	70,257	(14,712)
Subtotal, Salaries and Benefits		<u>201,293</u>	<u>122,496</u>	<u>187,251</u>	<u>(14,042)</u>
Office Supplies	5400	1,000	692	1,000	-
Software Licenses (A)	5410	1,860	-	1,860	-
Department Supplies	5500	4,000	2,713	3,500	(500)
Kitchen Supplies	5539	2,000	1,357	1,800	(200)
Facility Catering	5540	13,000	9,709	12,000	(1,000)
Facility Catering Linen	5545	-	-	-	-
Catering - Other Misc. Costs	5546	1,500	652	1,500	-
User Group Linen	5547	7,200	7,429	7,200	-
Gift Shop Purchases/CGS	5550	5,000	2,873	4,000	(1,000)
Visitor Center Supplies	5560	250	-	250	-
Janitorial Supplies	5565	5,200	3,810	5,200	-
Special Events - Bridal Faire	5571	2,500	1,863	2,843	343
Special Events - Craft Faire	5572	2,000	1,573	1,573	(427)
Kitchen Chemicals	5575	2,000	1,199	1,800	(200)
River Lodge Discounts	5581	-	-	-	-
Office Equipment Maintenance (A)	5705	750	282	-	(750)
Equipment Lease	5706	1,200	807	1,200	-
Software Maintenance	5710	-	-	-	-
Equipment Maintenance/Repair	5720	1,600	1,399	1,600	-
Alarm System	5730	300	128	300	-
Building Maintenance/Repair	5740	6,000	2,977	5,000	(1,000)
Landscaping	5744	500	563	750	250
Network Support (A)	5775	3,640	2,287	-	(3,640)
Website Host & Maintenance (A)	5780	1,175	1,366	-	(1,175)
Personnel Services	6035	1,000	176	1,000	-
Bank / CC Fees	6060/61	1,300	1,251	1,300	-
Telephone	6200	7,000	5,554	4,800	(2,200)
Cell Phones (A)	6205	900	570	850	(50)
Advertising	6300	5,000	2,293	3,000	(2,000)
Water	6500	10,000	6,605	9,500	(500)
Utilities	6505	15,000	14,835	20,000	5,000
Property Tax	6720	-	180	-	-
Travel & Conference/Training	7000	1,000	-	200	(800)
Subtotal, Services and Supplies		<u>103,875</u>	<u>75,143</u>	<u>94,026</u>	<u>(9,849)</u>



**Parks and Recreation**

**Supported by General Fund  
River Lodge & Monday Club**

<u>Continued...</u>		<u>2016-17 Budget</u>	<u>2016-17 YTD thru 2-17</u>	<u>2016-17 Mid Year Est</u>	<u>Mid-Year Budget Adjustments</u>
Capital Outlay					
Computer Purchase(s) -(2)	8103	800	-		(800)
Office 2013	8103	-	-		-
Various Projects	8000	-	1,443	35,250	35,250
Automated Defibrillator	8258	35,500	32,729	1,443	(34,057)
Subtotal: Capital Outlay		36,300	34,172	36,693	393
<b>River Lodge Total:</b>		<b>\$ 341,468</b>	<b>\$ 231,811</b>	<b>\$ 317,970</b>	<b>\$ (23,498)</b>
<b><u>Department</u></b>	<b>5700</b>				
<b><u>Monday Club</u></b>					
Salary Part-Time	5165	2,000	730	2,000	-
Benefits	5200	200	74	74	(126)
Department Supplies	5500	350	130	300	(50)
Catering - Linens	5546	50	-	50	-
Mon Club Disc	5582	-	-	-	-
Equipment Maintenance/Repair	5720	3,000	1,844	2,500	(500)
Janitorial/Building Repairs	5740	1,000	525	900	(100)
Telephone	6035	-	-	-	-
Telephone	6200	300	131	200	(100)
Advertising	6300	300	-	150	(150)
Water	6500	1,300	1,563	2,200	900
Utilities	6505	3,500	2,278	3,000	(500)
Property Tax	6720	-	180	180	180
Automated Defibrillator	8257	-	-	-	-
<b>Monday Club Total:</b>		<b>12,000</b>	<b>7,455</b>	<b>11,554</b>	<b>(446)</b>
<b>Combined Total:</b>		<b>\$ 353,468</b>	<b>\$ 239,266</b>	<b>\$ 329,524</b>	<b>\$ (23,944)</b>





**Parks and Recreation**

**General and Restricted Funds  
Rohner Recreation District**

	<u>2016-17 Budget</u>	<u>2016-17 YTD thru 2-17</u>	<u>2016-17 Mid Year Est</u>	<u>Mid-Year Budget Adjustments</u>
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
	-	-	-	-
<u>Expenditures:</u>				
Service And Supplies	-			
Capital Outlay	23,000	11,487	24,000	1,000
	23,000	11,487	24,000	1,000
Net Activity	(23,000)	(11,487)	(24,000)	(1,000)
<b>Ending Available Fund Balance</b>	<b>\$ (23,000)</b>	<b>\$ (11,487)</b>	<b>\$ (24,000)</b>	<b>\$ (1,000)</b>
<b><u>Fund</u></b>	<b>110</b>			
<b><u>Department</u></b>	<b>5450</b>			
<b><u>History of Expenditures</u></b>	Account			
Operating Budget	5400	-	-	-
Subtotal, Services and Supplies		-	-	-
Capital Outlay				
Playground Fall Material	8254	23,000	11,487	24,000
		23,000	11,487	24,000
<b>Total:</b>	<b>\$ 23,000</b>	<b>\$ 11,487</b>	<b>\$ 24,000</b>	<b>\$ 1,000</b>



**City of Fortuna  
FY 2016-17 Budget**

**Public Works Department**

**General Fund  
Public Works Administration**

<u>Fund</u> <u>Department</u>	<b>100</b> <b>4000</b>	<b>2016-17</b> <b>Budget</b>	<b>2016-17</b> <b>YTD thru 2-17</b>	<b>2016-17</b> <b>Mid Year Est</b>	<b>Mid-Year Budget</b> <b>Adjustments</b>
<b><u>History of Expenditures</u></b>					
	Account				
Salaries	5100	\$ 7,954	\$ 5,098	\$ 8,036	\$ 82
Overtime	5170	-	-	-	-
Vacation/Sick Leave Buyback	5180	-	-	-	-
Benefits	5200	2,268	805	1,369	(899)
Subtotal Salaries and Benefits		10,222	5,903	9,405	(817)
Office Supplies	5400	500	643	750	250
Software (A)	5410	2,230	260	2,230	-
Department Supplies	5500	500	190	350	(150)
Vehicle Fuel	5505	-	250	250	250
Office Equip. Maint. (A)	5705	1,200	775	1,200	-
Vehicle Repairs	5715	-	-	-	-
Network Support (A)	5775	3,640	2,287	3,640	-
Website Hosting & Maintenance (A)	5780	1,175	1,126	1,175	-
Legal Services	6020	-	-	-	-
Professional Services	6025	500	26	50	(450)
Personnel Services	6035	400	-	-	(400)
Telephone	6200	-	-	-	-
Cell Phones (A)	6205	250	135	250	-
Advertising	6300	200	-	-	(200)
Travel & Conferences	7000	500	1,065	1,065	565
Training	7005	500	149	500	-
Subtotal Services and Supplies		11,595	6,906	11,460	(135)
Capital Outlay		-	1,948	2,000	2,000
<b>Total:</b>		<b>\$ 21,817</b>	<b>\$ 14,757</b>	<b>\$ 22,865</b>	<b>\$ 1,048</b>



**City of Fortuna**  
**FY 2016-17 Budget**

**General Fund**  
**Engineering**

**Public Works Department**

<u>Fund</u> <u>Department</u>	<b>100</b> <b>5100</b>	<b>2016-17</b> <b>Budget</b>	<b>2016-17</b> <b>YTD thru 2-17</b>	<b>2016-17</b> <b>Mid Year Est</b>	<b>Mid-Year Budget</b> <b>Adjustments</b>
<b><u>History of Expenditures</u></b>					
	Account				
Salaries	5100	\$ 20,739	\$ 12,757	\$ 20,140	\$ (599)
Vacation Buyback	5180	-	-	-	-
Benefits	5200	6,376	3,370	5,213	(1,163)
Subtotal Salaries and Benefits		<u>27,115</u>	<u>16,127</u>	<u>25,352</u>	<u>(1,763)</u>
Office Supplies	5400	300	-	150	(150)
Software (A)	5410	217	250	217	-
Department Supplies	5500	800	544	700	(100)
Fuel & Oil	5505	2,000	438	700	(1,300)
Office Equipment Maintenance (A)	5705	450	42	450	-
Vehicle Repair	5715	500	25	100	(400)
Equipment Repairs	5720	200	-	-	(200)
Network Support (A)	5775	520	442	520	-
Telephone Network Support	5776	-	-	-	-
Website Hosting & Maintenance (A)	5780	1,175	1,126	1,175	-
Tools & Small Equipment	5900	250	-	200	(50)
Contract Engineer	6005	2,000	-	2,000	-
Professional Services	6025	-	-	-	-
Personnel Services	6035	500	-	-	(500)
Telephone	6200	300	-	-	(300)
Cell Phones (A)	6205	400	330	400	-
Advertising	6300	-	-	-	-
Utilities	6505	400	153	250	(150)
Travel & Conference	7000	1,500	-	-	(1,500)
Training	7005	500	669	700	200
Dues & Subscriptions	7015	4,200	1,255	4,200	-
Contingency	7612	-	-	-	-
Subtotal, Services and Supplies		<u>16,212</u>	<u>5,274</u>	<u>11,762</u>	<u>(4,450)</u>
Capital Outlay	8235	-	-	-	-
New Phone System (1%)	8235	-	-	-	-
<b>Total:</b>		<b>\$ 43,327</b>	<b>\$ 21,401</b>	<b>\$ 37,114</b>	<b>\$ (6,213)</b>



**City of Fortuna**  
**FY 2016-17 Budget**

**General Fund**  
**Street Maintenance**

**Public Works Department**

<u>Fund</u>	<b>100</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>4100</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>					
	Account				
Salaries	5100	\$ 84,729	\$ 54,262	\$ 83,004	\$ (1,725)
Salary Part-Time	5165	10,605	2,544	10,605	-
Overtime	5170	1,000	84	1,000	-
Vacation Buy back	5180	763	242	763	-
Labor Distribution	5195	-	-	-	-
Benefits	5200	57,720	38,450	61,650	3,930
Subtotal Salaries and Benefits		<u>154,817</u>	<u>95,582</u>	<u>157,023</u>	<u>2,206</u>
Office Supplies	5400	200	-	100	(100)
Department Supplies	5500	24,000	11,030	23,000	(1,000)
Vehicle Fuel & Oil	5505	14,000	8,683	12,000	(2,000)
Equipment Fuel & Oil	5510	250	52	200	(50)
Vehicle Repairs	5715	6,000	5,750	6,500	500
Equipment Maintenance	5720	3,500	3,430	4,500	1,000
Traffic Signal	5725	-	389	400	400
Building Repair & Maintenance	5740	900	340	900	-
Tree Trimming & Removal	5755	4,000	2,000	4,000	-
Tools & Small Equipment	5900	1,200	1,362	1,400	200
Engineering Services	6005	3,000	1,547	2,800	(200)
General Contacting	6015	-	15,069	1,000	1,000
Professional Services	6025	500	-	-	(500)
Personnel Services	6035	1,100	2,189	2,800	1,700
Late Fees	6067	-	8	-	-
Telephone	6200	-	-	-	-
Cell Phones (A)	6205	800	583	800	-
Permits	6612	-	-	-	-
Travel & Conference	7000	1,000	336	550	(450)
Training	7005	1,500	726	1,000	(500)
Dues & Subscriptions	7015	300	-	100	(200)
Subtotal Services and Supplies		<u>62,250</u>	<u>53,494</u>	<u>62,050</u>	<u>(200)</u>
Capital Outlay					
Office 2013 Software / Computer	8103	-	-	-	-
Various Projects	8235	2,150	1,039	2,150	-
Subtotal Capital Outlay		<u>2,150</u>	<u>1,039</u>	<u>2,150</u>	<u>-</u>
<b>Total:</b>		<b>\$ 219,217</b>	<b>\$ 150,115</b>	<b>\$ 221,223</b>	<b>\$ 2,006</b>



**Public Works Department**

**Restricted Funds  
General Services**

<u>Fund</u>	<b>280</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>4200</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>					
<b><u>Traffic Control</u></b>					
	Account				
Salaries	5100	\$ 128,415	\$ 81,915	\$ 126,891	\$ (1,524)
Salary Part-Time	5165	14,805	4,415	14,805	-
Overtime	5170	500	1,661	2,000	1,500
Vacation/Sick Leave Buyback	5180	2,233	444	2,233	-
Benefits	5200	86,750	57,923	87,964	1,214
Subtotal, Salaries and Benefits		232,703	146,358	233,893	1,190
Office Supplies	5400	300	-	150	(150)
Department Supplies	5500	11,000	15,819	19,000	8,000
Vehicle Fuel & Oil	5505	8,000	3,056	6,500	(1,500)
Base Materials	5520	1,000	169	500	(500)
Asphalt	5525	6,000	3,834	6,000	-
Crack Seal Material	5526	1,000	-	1,000	-
ADA Sidewalk Upgrades	5527	-	-	-	-
Vehicle Repairs	5715	2,500	-	600	(1,900)
Equipment Repairs	5720	-	6,580	6,600	6,600
Sweeper Repairs & Maintenance	5720/1	5,000	-	1,000	(4,000)
Retroreflective Sign Compliance	5722	8,000	1,719	8,000	-
Crosswalk Safety Improvements	5723	5,000	810	4,500	(500)
ADA Parking Improvements	5724	-	-	-	-
Traffic Signal Maintenance	5725	5,000	1,883	3,400	(1,600)
Street Light Maintenance	5726	1,000	386	1,000	-
Street Striping	5765	20,000	16,602	18,500	(1,500)
Tools & Small Equipment	5900	1,200	425	1,200	-
Utilities	6505	35,000	18,150	29,000	(6,000)
Travel & Conference	7000	1,000	361	1,000	-
Training	7005	1,000	640	1,000	-
Subtotal, Services and Supplies		112,000	70,434	108,950	(3,050)
Capital Outlay					
Various Projects	8235	7,000	3,942	6,000	(1,000)
Computer	8103	-	-	-	-
Subtotal Capital Outlay		7,000	3,942	6,000	(1,000)
<b>Total Fund:</b>		<b>\$ 351,703</b>	<b>\$ 220,734</b>	<b>\$ 348,843</b>	<b>\$ (2,860)</b>

<b><u>Fund</u></b>	<b>295</b>				
<b><u>Department</u></b>	<b>4800</b>				
<b><u>Gas Tax, Engineering &amp; Admin</u></b>					
Salaries	5100	\$ 4,117	\$ 1,665	\$ 3,179	\$ (938)
Salary Part-Time	5165	-	450	500	500
Vacation/Sick Leave Buyback	5180	55	-	55	-
Benefits	5200	1,568	492	950	(618)
Subtotal, Salaries and Benefits		5,740	2,607	4,684	(1,056)
Personnel Services	6035	-	-	-	-
<b>Total Fund:</b>		<b>\$ 5,740</b>	<b>\$ 2,607</b>	<b>\$ 4,684</b>	<b>\$ (1,056)</b>

<b><u>Fund</u></b>	<b>260</b>				
<b><u>Department</u></b>	<b>4150</b>				
<b><u>TDA Street Repairs</u></b>					
Grinding/Inlay	8239	\$ 70,000	\$ -	\$ 45,000	\$ (25,000)
Alley Maintenance	8235	10,000	-	10,000	-
<b>Total Fund:</b>		<b>\$ 80,000</b>	<b>\$ -</b>	<b>\$ 55,000</b>	<b>\$ (25,000)</b>



**City of Fortuna**  
**FY 2016-17 Budget**

**Restricted Funds**  
**General Services**

**Public Works Department**

<u>Fund</u>	<b>265</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>4250</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>TDA Bikes/Pedestrian</u></b>					
Annual Striping Contract	5765	\$ 30,000	\$ 6,968	\$ 10,000	\$ (20,000)
<b>Total Fund</b>		<b>\$ 30,000</b>	<b>\$ 6,968</b>	<b>\$ 10,000</b>	<b>\$ (20,000)</b>

<u>Fund</u>	<b>200</b>				
<u>Department</u>	<b>4300</b>				
<b><u>Storm Drain Maintenance</u></b>					
Salaries	5100	\$ 8,374	\$ 6,492	\$ 10,597	\$ 2,223
Salary Part-Time	5165	6,258	2,871	6,258	-
Overtime	5170	1,000	204	1,000	-
Vacation/Sick Leave Buyback	5180	170	69	170	-
Labor Distribution	5195	-	-	-	-
Benefits	5200	6,514	4,961	7,190	676
Subtotal, Salaries and Benefits		22,316	14,597	25,216	2,900
Office Supplies	5400	-	-	-	-
Department Supplies	5500	2,000	655	1,000	(1,000)
Personnel Services	6035	-	-	-	-
Training	7005	-	-	-	-
Allocations to Maintenance Districts					
Subtotal, Services and Supplies		2,000	655	1,000	(1,000)
Capital Outlay					
Citywide Storm Drain Repair	8235	2,500	1,130	1,130	(1,370)
Computer/Printers/Monitors	8103	-	-	-	-
Subtotal Capital Outlay		2,500	1,130	1,130	(1,370)
Subtotal:		<b>\$ 26,816</b>	<b>\$ 16,382</b>	<b>\$ 27,346</b>	<b>\$ 530</b>

<u>Fund</u>	<b>200</b>				
<u>Department</u>	<b>4310</b>				
<b><u>Stormwater Management</u></b>					
Salary Part-Time	5165	\$ 14,542	\$ 4,236	\$ 14,542	\$ -
Benefits	5200	930	270	270	(660)
Subtotal, Salaries and Benefits		15,472	4,506	14,812	(660)
Software (A)	5410	-	-	-	-
Department Supplies	5500	250	-	250	-
Professional Services	6025	5,000	-	500	(4,500)
Personnel Services	6035	250	-	-	(250)
Telephone	6200	-	-	-	-
Advertising	6300	600	-	-	(600)
NPDS Permit	6612	9,700	8,980	9,000	(700)
IDDE Testing	6613	500	-	-	(500)
Stormwater Hotline	6614	-	-	-	-
IDDE Implementation	6617	500	-	-	(500)
SWMP Implementation	6618	5,000	2,947	5,000	-
Travel & Conferences	7000	-	-	-	-
Training	7005	1,100	-	900	(200)
Application/Certification Fees	7012	-	-	-	-
Dues & Subscriptions	7015	400	290	300	(100)
Phase II MS4 Permit	8237	-	-	-	-
Subtotal, Services and Supplies		23,300	12,217	15,950	(7,350)
Capital Outlay		-	-	-	-
Subtotal:		<b>38,772</b>	<b>16,723</b>	<b>30,762</b>	<b>(8,010)</b>
<b>Total Fund:</b>		<b>\$ 65,588</b>	<b>\$ 33,105</b>	<b>\$ 58,108</b>	<b>\$ (7,480)</b>



**Public Works Department**

**Restricted Funds  
Solid Waste & Recycling**

<u>Fund History</u>	2016-17	2016-17	2016-17	Mid-Year Budget
<u>Consolidated Funds 210 and 215</u>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
Beginning Available Fund Balance	\$ 109,211	\$ 109,211	\$ 109,211	\$ -
<u>Revenues:</u>				
Solid Waste Management Fees	17,100	9,688	17,100	-
Grant Revenue	10,000	-	10,000	-
Other	6,300	-	6,300	-
	33,400	9,688	33,400	-
<u>Operating Expenditures:</u>				
Salaries and Benefits	17,317	8,968	14,807	(2,510)
Service and Supplies	30,847	6,777	13,650	(17,197)
Capital Outlay	-	-	-	-
	48,164	15,745	28,457	(19,707)
Net Annual Activity	(14,764)	(6,057)	4,943	19,707
<b>Ending Available Fund Balance</b>	<b>\$ 94,447</b>	<b>\$ 103,154</b>	<b>\$ 114,154</b>	<b>\$ 19,707</b>

<u>Fund</u>	210	2016-17	2016-17	2016-17	Mid-Year Budget
<u>Department</u>	5300	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<u>History of Expenditures</u>					
<u>Recycling Division</u>					
Salaries	5100	\$ 9,960	\$ 5,051	\$ 8,235	\$ (1,725)
Vacation Buy back	5180	292	7	292	-
Benefits	5200	4,176	1,910	3,484	(692)
Subtotal, Salaries and Benefits		14,428	6,968	12,011	(2,417)
Illegal Dumping Recycling	5752	1,400	1,301	1,450	50
Personnel Services / Late Fees	6035/67	-	2	-	-
Advertising	6300	300	-	-	(300)
Training	7005	200	-	-	(200)
Dues & Subscriptions	7015	200	-	-	(200)
Household Hazardous Waste	8117	3,000	1,218	2,000	(1,000)
Grant Recycling	8122	10,000	4,256	5,200	(4,800)
Special Projects	8237	5,000	-	5,000	-
Subtotal, Services and Supplies		20,100	6,777	13,650	(6,450)
Capital Outlay	8253	-	-	-	-
<b>Total Fund:</b>		<b>\$ 34,528</b>	<b>\$ 13,745</b>	<b>\$ 25,661</b>	<b>\$ (8,867)</b>

<u>Fund</u>	215	2016-17	2016-17	2016-17	Mid-Year Budget
<u>Department</u>	5300	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<u>State of California</u>					
<u>CA Environmental Protection Agency</u>					
<u>Household Hazardous Waste Grant</u>					
Salaries	5100/65	\$ 2,098	\$ 869	\$ 1,388	\$ (710)
Benefits	5200	791	1,131	1,408	617
Subtotal, Salaries and Benefits		2,889	2,000	2,796	(93)
Supplies	5500	747	-	-	(747)
Household Hazardous Waste Collector	8117	5,000	-	-	(5,000)
Special Projects/Education	8237	5,000	-	-	(5,000)
Transfer Out	9200	-	-	-	-
Subtotal, Services and Supplies		10,747	-	-	(10,747)
<b>Total Fund:</b>		<b>\$ 13,636</b>	<b>\$ 2,000</b>	<b>\$ 2,796</b>	<b>\$ (10,840)</b>



**Public Works Department**

**Restricted Funds  
Wastewater Fund**

<u>Fund</u>	<b>550</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>6500</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>					
<b><u>Collection Fund</u></b>					
Salaries	5100	\$ 165,006	\$ 105,569	\$ 164,082	\$ (924)
Salary Part-Time	5165	10,000	-	10,000	-
Overtime	5170	-	-	-	-
Vacation Buyback	5175/80	1,144	506	1,144	-
Benefits	5200	114,961	62,508	96,011	(18,950)
Subtotal, Salaries and Benefits		<u>291,111</u>	<u>168,583</u>	<u>271,237</u>	<u>(19,874)</u>
Office Supplies	5400	50	-	-	(50)
Department Supplies	5500	10,000	5,614	7,500	(2,500)
Vehicle Fuel & Oil	5505	1,000	-	-	(1,000)
Vehicle Repairs	5715	10,000	871	2,000	(8,000)
Info Tech (Telemetry)	5719	2,000	-	2,000	-
Equipment Repairs	5720	10,000	3,173	5,000	(5,000)
Building Maint/Repairs	5740	4,000	1,387	2,500	(1,500)
Tools & Small Equipment	5900	2,000	-	2,000	-
General Contracting	6015	-	14,117	15,000	15,000
Personnel Services	6035	1,500	278	1,200	(300)
Telephone	6200	2,800	1,748	2,500	(300)
SWRCB Annual Permit	6612	2,500	-	2,500	-
Regional Fines	6630	1,000	-	-	(1,000)
Compliance Fees	6631	5,000	2,088	3,000	(2,000)
SSMP Compliance	6632	2,000	-	2,000	-
Training	7005	2,000	1,398	2,000	-
Certifications	7012	1,000	-	-	(1,000)
Due and Subscriptions	7015	100	-	-	(100)
Transfer to Balance		-	-	-	-
Subtotal, Services and Supplies		<u>56,950</u>	<u>30,674</u>	<u>49,200</u>	<u>(7,750)</u>
Capital Outlay					
Genicom Printer	8103	-	-	-	-
Various Projects	8268	141,625	-	89,400	(52,225)
Total Capital Outlay		<u>141,625</u>	<u>-</u>	<u>89,400</u>	<u>(52,225)</u>
<b>Total:</b>		<b>\$ 489,686</b>	<b>\$ 199,257</b>	<b>\$ 409,837</b>	<b>\$ (79,849)</b>

<b><u>Fund</u></b>	<b>550</b>				
<b><u>Department</u></b>	<b>6600</b>				
<b><u>History of Expenditures</u></b>					
Salaries	5100	\$ 374,457	\$ 221,622	\$ 352,355	\$ (22,102)
Salary Part-Time	5165	-	-	-	-
Overtime	5170	813	865	813	-
Vacation Buyback	5175/80	428	2,624	3,000	2,572
Benefits	5200	236,277	150,537	227,330	(8,947)
Subtotal, Salaries and Benefits		<u>611,975</u>	<u>375,648</u>	<u>583,498</u>	<u>(28,477)</u>
Office Supplies	5400	1,000	27	500	(500)
Computer Software	5410	-	-	-	-
Department Supplies	5500	25,000	16,599	20,000	(5,000)
Vehicle Fuel & Oil	5505	17,500	8,045	12,000	(5,500)
Gift Shop Purch	5540	-	-	-	-
Chemical Supplies	5555	150,000	121,346	150,000	-
Lab Supplies	5557	15,000	9,404	13,000	(2,000)
Vehicle Repairs	5715	1,500	6,002	8,000	6,500
Info Tech (Telemetry)	5719	5,000	1,973	2,500	(2,500)
Equipment Repairs	5720	90,000	64,486	90,000	-
Alarm System Maintenance	5730	1,000	1,124	1,500	500
Building Maintenance/Repair	5740	5,000	1,378	2,500	(2,500)





**Public Works Department**

**Restricted Funds  
Wastewater Fund**

<u>Continued...</u>		<b>2016-17 Budget</b>	<b>2016-17 YTD thru 2-17</b>	<b>2016-17 Mid Year Est</b>	<b>Mid-Year Budget Adjustments</b>
Illegal Dumping	5752	-	-	-	-
Bio Solids Management	5766	30,000	36,139	36,500	6,500
Percolation Pond Const.	5770	45,000	-	54,000	9,000
Tools & Equipment	5900	3,000	1,597	3,000	-
Engineering Contract Service	6005	10,000	622	2,500	(7,500)
Electrical Contract Service	6015	4,000	-	-	(4,000)
Professional Services	6025	10,000	2,204	5,000	(5,000)
Personnel Services	6035	250	21	250	-
Outside Lab Services	6045	35,000	11,042	20,000	(15,000)
Late Fees	6067	-	7	-	-
Telephone	6200	-	-	-	-
Cell Phones	6205	400	-	400	-
Water	6500	38,000	19,558	25,000	(13,000)
Utilities	6505	250,000	144,724	200,000	(50,000)
Lab Permit Fees	6605	2,500	2,666	2,750	250
NPDES Permit	6612	28,000	3,510	10,000	(18,000)
Regional Board Fines	6630	15,000	10,429	15,000	-
Regulatory Compliance	6633	25,000	19,090	20,000	(5,000)
Fortuna Fire District Assessment	6720	-	-	-	-
Travel & Conference	7000	6,000	111	2,000	(4,000)
Training	7005	3,000	1,342	2,500	(500)
Application/Certification Fees	7012	2,500	780	1,500	(1,000)
Dues & Subscriptions	7015	2,000	728	1,500	(500)
Subtotal, Services and Supplies		<u>820,650</u>	<u>484,954</u>	<u>701,900</u>	<u>(118,750)</u>
Capital Outlay					
Various Projects	8268	453,425	102,936	105,000	(348,425)
Wastewater Equipment	8269	-	351	151,000	151,000
Total Capital Outlay		<u>453,425</u>	<u>103,287</u>	<u>256,000</u>	<u>(197,425)</u>
<b>Total:</b>		<b>\$ 1,886,050</b>	<b>\$ 963,889</b>	<b>\$ 1,541,398</b>	<b>\$ (344,652)</b>

<b>Fund</b>	<b>550</b>				
<b>Department</b>	<b>6700</b>				
<b>Administration</b>					
Salaries	5100	\$ 185,936	\$ 97,999	\$ 165,330	\$ (20,606)
Salary Part-Time	5165	24,241	29,786	35,000	10,759
Overtime	5170	1,575	103	1,575	-
Vacation Buyback	5180/85	5,056	2,274	5,056	-
Benefits	5200	98,540	53,595	85,060	(13,480)
Total Salaries and Benefits		<u>315,348</u>	<u>183,757</u>	<u>292,020</u>	<u>(23,328)</u>
Office Supplies	5400	14,000	7,975	14,000	-
Software (A)	5410	3,618	500	3,618	-
Dept. Supplies	5500	2,500	1,193	2,500	-
Office Equipment Maintenance (A)	5705	800	976	800	-
Software Maintenance	5710	-	2,617	3,000	3,000
Janitorial Service		-	-	-	-
Building Repairs	5740	1,000	448	500	(500)
Network Support (A)	5775	6,760	4,504	6,760	-
Telephone System Support (A)	5776	-	-	-	-
Website Hosting & Maintenance (A)	5780	1,175	1,126	1,175	-
Audit Fees (A)	6000	8,000	3,281	8,000	-
Engineering Services	6005	3,000	-	1,500	(1,500)
Professional Services	6025	10,000	3,802	5,000	(5,000)
Personnel Services	6035	2,500	-	-	(2,500)
Bank Fees	6060	5,000	-	5,000	-



**City of Fortuna**  
**FY 2016-17 Budget**

**Public Works Department**

**Restricted Funds**  
**Wastewater Fund**

<u>Continued...</u>		<u>2016-17</u> <u>Budget</u>	<u>2016-17</u> <u>YTD thru 2-17</u>	<u>2016-17</u> <u>Mid Year Est</u>	<u>Mid-Year Budget</u> <u>Adjustments</u>
Credit Card Fees	6061	-	4,300	5,000	5,000
Telephone	6200	4,000	2,513	3,500	(500)
Cell Phones (A)	6205	1,500	1,069	1,500	-
Advertising		-	-	-	-
Property and Liability Insurance (A)	6350	57,231	37,306	57,231	-
Utilities	6505	5,000	2,601	4,000	(1,000)
Fortuna Fire District Assessment	6720	52	432	500	448
Travel & Conference	7000	2,000	475	1,000	(1,000)
Training	7005	2,000	-	1,000	(1,000)
Dues & Subscriptions	7015	500	-	500	-
Bad Debts	7800	10,000	-	10,000	-
Transfer to Balance		-	-	-	-
Subtotal, Services and Supplies		<u>140,636</u>	<u>75,118</u>	<u>136,084</u>	<u>(4,552)</u>
Capital Purchases/Equipment					
Capital Outlay	8000	-	2,865	3,000	3,000
Equipment	8269	12,000	11,145	12,000	-
IT Equipment Computers/Monitors, et	8103	-	-	-	-
Various Projects	8268	2,667	18,805	20,000	17,333
Office 2013 Standard	8103	-	-	-	-
Total Capital Outlay		<u>14,667</u>	<u>32,815</u>	<u>35,000</u>	<u>20,333</u>
<b>Total:</b>		<u><b>\$ 470,651</b></u>	<u><b>\$ 291,690</b></u>	<u><b>\$ 463,104</b></u>	<u><b>\$ (7,547)</b></u>



**Public Works Department** **Restricted Funds**  
**Water Fund**

<u>Fund</u>	<b>500</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>6300</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>History of Expenditures</u></b>					
<b><u>Administration</u></b>					
Salaries	5100	\$ 196,937	\$ 104,153	\$ 175,407	\$ (21,530)
Salary Part-Time	5165	24,241	29,786	35,000	10,759
Overtime	5170	1,575	103	1,575	-
Vacation Buyback	5180/5185	5,004	2,274	5,004	-
Benefits	5200	96,053	51,667	82,437	(13,616)
Subtotal, Salaries and Benefits		<b>323,810</b>	<b>187,983</b>	<b>299,423</b>	<b>(24,387)</b>
Office Supplies	5400	10,000	8,118	14,000	4,000
Software (A)	5410	2,620	500	2,620	-
Department Supplies	5500	2,000	521	1,000	(1,000)
Office Equipment Maintenance (A)	5705	800	976	800	-
Software Maintenance	5710	3,000	2,617	3,000	-
Vehicle Repairs	5715	-	44	100	100
Building Repairs & Maintenance	5740	2,000	-	2,000	-
Network Support (A)	5775	3,640	2,657	3,640	-
Telephone System Support	5776	-	-	-	-
Website Hosting & Maintenance (A)	5780	1,175	1,126	1,175	-
Audit Fees (A)	6000	8,000	2,344	8,000	-
Engineering Contract Svc.	6005	2,000	210	1,000	(1,000)
Legal Services	6020	3,000	-	1,000	(2,000)
Professional Services	6025	5,000	685	1,200	(3,800)
Personnel Services	6035	1,000	542	800	(200)
Bank Fees	6060	6,000	-	-	(6,000)
CC / Ck Trans Fees	6061/63	12,000	17,338	23,000	11,000
Telephone	6200	4,000	2,513	3,500	(500)
Cell Phones (A)	6205	1,200	854	1,200	-
Property and Liability Insurance (A)	6350	42,568	19,575	42,568	-
Utilities	6500/5	4,500	2,601	3,800	(700)
Ftna Fire District Assessment	6720	300	-	300	-
Travel & Conference	7000	2,000	475	1,000	(1,000)
Training	7005	2,000	115	1,000	(1,000)
Application/Certification Fees	7012	500	-	-	(500)
Dues & Subscriptions	7015	-	-	-	-
Bad Debts	7800	10,000	5,955	10,000	-
Subtotal, Services and Supplies		<b>\$ 129,303</b>	<b>\$ 69,766</b>	<b>\$ 126,703</b>	<b>\$ (2,600)</b>
Capital Outlay					
Various Projects	8269	2,667	18,805	19,000	16,333
Capital Outlay	8000	-	2,290	2,300	2,300
Subtotal, Capital Outlay		<b>2,667</b>	<b>21,095</b>	<b>21,300</b>	<b>18,633</b>
<b>Total:</b>		<b>\$ 455,780</b>	<b>\$ 278,844</b>	<b>\$ 447,426</b>	<b>\$ (8,354)</b>

<b><u>Fund</u></b>	<b>500</b>				
<b><u>Department</u></b>	<b>6000</b>				
<b><u>Pumping, Treatment &amp; Storage</u></b>					
Salaries	5100	\$ 134,726	\$ 79,319	\$ 123,438	\$ (11,288)
Salary Part-Time	5165	-	-	-	-
Overtime	5170	15	169	500	485
Vacation Buyback	5175/80	336	629	1,000	664
Benefits	5200	86,929	51,910	77,012	(9,917)
Subtotal, Salaries and Benefits		<b>222,006</b>	<b>132,027</b>	<b>201,950</b>	<b>(20,056)</b>
Office Supplies Wtr Pump/Treat	5400	500	45	250	(250)
Computer Software	5410	1,500	-	1,500	-
Department Supplies	5500	1,500	1,740	2,250	750



City of Fortuna  
FY 2016-17 Budget

**Public Works Department** **Restricted Funds**  
**Water Fund**

<u>Continued...</u>		<u>2016-17</u> <u>Budget</u>	<u>2016-17</u> <u>YTD thru 2-17</u>	<u>2016-17</u> <u>Mid Year Est</u>	<u>Mid-Year Budget</u> <u>Adjustments</u>
Vehicle Fuel & Oil	5505	5,000	-	-	(5,000)
Chemical Supplies	5555	4,000	-	4,000	-
Lab Supplies	5557	3,500	3,866	4,250	750
Software Maintenance	5710	2,000	-	2,000	-
Vehicle Repairs	5715	2,000	247	750	(1,250)
Info Tech (Telemetry)	5719	1,000	739	1,000	-
Equipment Repairs	5720	8,500	4,267	6,500	(2,000)
Alarm System Maintenance	5730	1,500	748	1,250	(250)
Bldg Main/Repr Wtr Pum/Tre	5740	5,000	1,892	2,500	(2,500)
Tools & Small Equipment	5900	1,000	1,310	1,600	600
Audit Fees	6000	2,000	2,875	3,000	1,000
Engineering Services	6005	5,000	-	3,000	(2,000)
Professional Services	6025	7,500	2,354	5,000	(2,500)
Personnel Services	6035	1,500	42	750	(750)
Laboratory Services	6045	4,000	4,649	5,000	1,000
Utilities	6505	200,000	121,279	175,000	(25,000)
Lab Permit Fees	6605	1,000	889	1,000	-
Regulatory Compliance	6633	-	1,538	2,000	2,000
CA CDPH	6715	10,000	4,677	24,000	14,000
Travel & Conference	7000	2,000	-	500	(1,500)
Training	7005	3,000	180	500	(2,500)
Application/Certification Fees	7012	1,000	82	550	(450)
Dues & Subscriptions	7015	1,000	-	500	(500)
Annual Water Report	7820	3,000	(4,031)	3,000	-
Subtotal, Services and Supplies		<u>278,000</u>	<u>149,388</u>	<u>251,650</u>	<u>(26,350)</u>
Capital Outlay		20,000	-	20,000	-
Equipment	8268	-	49	-	-
Telemetry Radios	8269	2,700	47,833	-	(2,700)
Small flatbed trailer (for transporting n	8269	5,334	-	5,334	-
Telemetry Trouble Shooting Laptop 5i	8269	1,000	-	1,000	-
iPad tablet for admin	8269	350	-	100	(250)
Washer/Dryer 50/50 water/wastewater	8269	1,000	-	1,000	-
Well Rehabilitation	8269	30,000	-	30,000	-
Lab Certification for coliform/E Coli	8269	5,000	-	5,000	-
Subtotal, Capital Outlay		<u>65,384</u>	<u>47,882</u>	<u>62,434</u>	<u>(2,950)</u>
<b>Total:</b>		<u><b>\$ 565,390</b></u>	<u><b>\$ 329,297</b></u>	<u><b>\$ 516,034</b></u>	<u><b>\$ (49,356)</b></u>

**Fund** **500**  
**Department** **6100**  
**Transmission & Distribution**

Salaries	5100	\$ 195,269	\$ 126,567	\$ 197,481	\$ 2,212
Salary Part-Time	5165	14,500	2,864	14,500	-
Overtime	5170	1,512	1,123	1,512	-
Vacation Buyback	5175/80	1,225	512	1,225	-
Benefits	5200	144,443	77,675	120,495	(23,948)
Subtotal, Salaries and Benefits		<u>356,949</u>	<u>208,741</u>	<u>335,213</u>	<u>(21,736)</u>
Office Supplies	5400	500	-	500	-
Department Supplies	5500	75,000	44,479	67,500	(7,500)
Vehicle Fuel & Oil	5505	20,000	9,453	15,000	(5,000)
Software Maintenance	5710	-	62	-	-
Vehicle Repairs	5715	10,000	5,064	8,500	(1,500)
Info Tech (Telemetry)	5719	-	-	-	-
Equipment Repairs	5720	16,500	6,673	12,000	(4,500)
Bldg Maintenance and Repair	5740	2,000	2,572	3,000	1,000
Water Meters	5760	30,000	62,409	65,000	35,000
Tools & Small Equipment	5900	3,000	174	2,000	(1,000)



**City of Fortuna**  
**FY 2016-17 Budget**

<b>Public Works Department</b>		<b>Restricted Funds</b>			
		<b>Water Fund</b>			
<u>Continued...</u>		<u>2016-17</u>	<u>2016-17</u>	<u>2016-17</u>	<u>Mid-Year Budget</u>
		<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
Engineering Services	6005	5,000	-	2,000	(3,000)
Professional Services	6025	5,000	-	2,500	(2,500)
Personnel Service	6035	800	291	500	(300)
Telephone	6200	1,500	1,056	1,500	-
Cell Phones	6205	1,800	-	1,000	(800)
Utilities - G&E	6505	-	254	500	500
Travel & Conference	7000	3,000	146	500	(2,500)
Training	7005	5,000	726	1,200	(3,800)
Certifications	7012	1,000	393	1,000	-
Dues & Subscriptions	7015	500	-	500	-
Subtotal, Services and Supplies		180,600	133,752	184,700	4,100
<b>Capital Outlay</b>					
16" Backhoe Bucket	8269	1,000	469	-	(1,000)
Atmospheric Tester	8269	800	-	800	-
Backflow Tester	8269	3,000	-	3,000	-
Chipping Hammer	8269	700	-	700	-
Compressor	8269	10,250	-	10,250	-
GIS Tablet	8269	1,000	-	1,000	-
GIS Water	8269	25,000	-	25,000	-
Hydraulic Hot Tap Machine	8269	27,000	-	-	(27,000)
Leak Detection Equipment	8269	4,500	-	4,500	-
Lift Gate for Pickup	8269	2,000	-	2,000	-
Mitchell Mech. Software (1/3)	8269	1,150	-	-	(1,150)
Pavement Breaker	8269	1,050	-	1,050	-
Pipe Rack for Pickup	8269	750	-	-	(750)
Pipe Shed	8269	30,000	-	30,000	-
Power gate controller for Stewart Tanl	8269	3,000	-	-	(3,000)
Roof for Corp Yard Building	8269	35,000	-	-	(35,000)
Trench Compactor (Jumping Jack)	8269	2,000	-	2,000	-
Valve Excersiser	8269	5,000	-	-	(5,000)
Work Truck with Utility body	8269	24,000	-	24,000	-
Subtotal, Capital Outlay		177,200	469	104,300	(72,900)
<b>Total:</b>		<b>\$ 714,749</b>	<b>\$ 342,962</b>	<b>\$ 624,213</b>	<b>\$ (90,536)</b>
<b>Fund</b>		<b>500</b>			
<b>Department</b>		<b>6200</b>			
<b>Customer Account Expense</b>					
Salaries	5100	\$ 31,680	\$ 19,677	\$ 30,991	(689)
Overtime	5170	200	-	200	-
Vacation Buyback	5180	246	249	246	-
Benefits	5200	26,462	14,272	21,475	(4,987)
Subtotal, Salaries and Benefits		58,588	34,198	52,912	(5,676)
Department Supplies	5500	300	-	300	-
Personnel Services	6035	1,500	62	1,500	-
<b>Total:</b>		<b>\$ 60,388</b>	<b>\$ 34,260</b>	<b>\$ 54,712</b>	<b>\$ (5,676)</b>



**Public Works Department**

**Restricted Funds  
Maintenance Districts**

**Individual Districts**

<b><u>Fund</u></b>	<b>670</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<b><u>Department</u></b>	<b>6505</b>	<b><u>Budget</u></b>	<b><u>YTD thru 2-17</u></b>	<b><u>Mid Year Est</u></b>	<b><u>Adjustments</u></b>
<b><u>Rancho Buena Vista Lift Station</u></b>					
<b><u>Maintenance District</u></b>					
Beginning Available Fund Balance		\$ 36,993	\$ 36,993	\$ 36,993	\$ -
Revenue:		6,752	3,301	6,752	-
Expenditures:					
Labor Distribution	5195	2,900	-	2,900	-
Benefit Distribution	5295	975	-	975	-
Subtotal, Salaries and Benefits		3,875	-	3,875	-
Legal Services	6020	-	-	-	-
Administrative Charge	6055	250	-	250	-
Utilities	6505	365	262	365	-
County Admin Fee	6700	10	6	10	-
Subtotal, Services and Supplies		625	268	625	-
		4,500	268	4,500	-
Annual Activity		2,252	3,033	2,252	-
<b>Ending Available Fund Balance</b>		<b>\$ 39,245</b>	<b>\$ 40,026</b>	<b>\$ 39,245</b>	<b>\$ -</b>
<b><u>Fund</u></b>					
<b>671</b>					
<b><u>Department</u></b>					
<b>6510</b>					
<b><u>Kenwood Meadows Lift Station</u></b>					
Beginning Available Fund Balance		\$ 69,839	\$ 69,839	\$ 69,839	\$ -
Revenue:		9,173	4,731	9,173	-
Expenditures:					
Labor Distribution	5195	2,900	-	2,900	-
Benefit Distribution	5295	975	-	975	-
Subtotal, Salaries and Benefits		3,875	-	3,875	-
Administrative Charge	6055	250	-	250	-
Utilities	6505	500	292	500	-
County Admin Fee	6700	10	6	10	-
Subtotal, Services and Supplies		760	298	760	-
		4,635	298	4,635	-
Annual Activity		4,538	4,433	4,538	-
<b>Ending Available Fund Balance</b>		<b>\$ 74,377</b>	<b>\$ 74,272</b>	<b>\$ 74,377</b>	<b>\$ -</b>
<b><u>Fund</u></b>					
<b>672</b>					
<b><u>Department</u></b>					
<b>6515</b>					
<b><u>Forest Hills Booster Station</u></b>					
Beginning Available Fund Balance		\$ 150,014	\$ 150,014	\$ 150,014	\$ -
Revenue:		26,446	11,489	26,446	-
Expenditures:					
Labor Distribution	5195	9,000	-	9,000	-
Benefit Distribution	5295	1,850	-	1,850	-
Subtotal, Salaries and Benefits		10,850	-	10,850	-



**Public Works Department**

**Restricted Funds  
Maintenance Districts**

		<u>2016-17 Budget</u>	<u>2016-17 YTD thru 2-17</u>	<u>2016-17 Mid Year Est</u>	<u>Mid-Year Budget Adjustments</u>
Department Supplies	5500	-	-	-	-
Equipment Repairs	5720	400	1,978	400	-
Administrative Charge	6055	250	-	250	-
Utilities	6505	2,400	1,397	2,400	-
County Admin Fee	6700	10	8	10	-
Subtotal, Services and Supplies		3,060	3,383	3,060	-
		13,910	3,383	13,910	-
Annual Activity		12,536	8,106	12,536	-
<b>Ending Available Fund Balance</b>		<b>\$ 162,550</b>	<b>\$ 158,120</b>	<b>\$ 162,550</b>	<b>\$ -</b>
<b><u>Fund</u></b>	<b>673</b>				
<b><u>Department</u></b>	<b>6520</b>				
<b><u>Forest Hills Estates Storm Water</u></b>					
Beginning Available Fund Balance		\$ 31,501	\$ 31,501	\$ 31,501	\$ -
Revenue:		7,091	3,096	7,091	-
Expenditures:					
Labor Distribution	5195	2,900	-	2,900	-
Benefit Distribution	5295	975	-	975	-
Subtotal, Salaries and Benefits		3,875	-	3,875	-
Equipment Repairs	5720	-	-	-	-
Administrative Charge	6055	225	-	225	-
County Admin Fee	6700	10	9	10	-
Subtotal, Services and Supplies		235	9	235	-
		4,110	9	4,110	-
Annual Activity		2,981	3,087	2,981	-
<b>Ending Available Fund Balance</b>		<b>\$ 34,482</b>	<b>\$ 34,588</b>	<b>\$ 34,482</b>	<b>\$ -</b>
<b><u>Fund</u></b>	<b>674</b>				
<b><u>Department</u></b>	<b>6522</b>				
<b><u>Dove Subdivision Storm Water</u></b>					
Beginning Available Fund Balance		\$ 11,026	\$ 11,026	\$ 11,026	\$ -
Revenue:		1,273	595	1,273	-
Expenditures:					
Labor Distribution	5195	80	-	80	-
Benefit Distribution	5295	20	-	20	-
Subtotal, Salaries and Benefits		100	-	100	-
Administrative Charge	6055	25	-	25	-
County Admin Fee	6700	5	5	5	-
Subtotal, Services and Supplies		30	5	30	-
		130	5	130	-
Annual Activity		1,143	590	1,143	-
<b>Ending Available Fund Balance</b>		<b>\$ 12,169</b>	<b>\$ 11,616</b>	<b>\$ 12,169</b>	<b>\$ -</b>



**Public Works Department**

**Restricted Funds  
Maintenance Districts**

<u>Fund</u>	<b>675</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>Mid-Year Budget</b>
<u>Department</u>	<b>6524</b>	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>Gulliksen Subdivision Storm Water</u></b>					
Beginning Available Fund Balance		\$ 19,404	\$ 19,404	\$ 19,404	\$ -
Revenue		2,566	1,196	2,566	-
Expenditures					
Labor Distribution	5195	80	-	80	-
Benefit Distribution	5295	20	-	20	-
Subtotal, Salaries and Benefits		100	-	100	-
Administrative Charge	6055	25	-	25	-
County Admin Fee	6700	5	4	5	-
Subtotal, Services and Supplies		30	4	30	-
		130	4	130	-
Annual Activity		2,436	1,192	2,436	-
<b>Ending Available Fund Balance</b>		<b>\$ 21,840</b>	<b>\$ 20,596</b>	<b>\$ 21,840</b>	<b>\$ -</b>
<b><u>Fund</u></b>					
	<b>676</b>				
<b><u>Department</u></b>					
	<b>6525</b>				
<b><u>Drainage Assessment Area 2009-01</u></b>					
<b><u>Astor Subdivision</u></b>					
Beginning Available Fund Balance		\$ 14,022	\$ 14,022	\$ 14,022	\$ -
Revenue:		2,999	2,006	2,999	-
Expenditures:					
Salaries	5195	80	-	80	-
Benefits	5295	20	-	20	-
Subtotal, Salaries and Benefits		100	-	100	-
Administrative Charge	6055	25	-	25	-
County Admin Fee	6700	5	5	5	-
Subtotal, Services and Supplies		30	5	30	-
		130	5	130	-
Annual Activity		2,869	2,001	2,869	-
<b>Ending Available Fund Balance</b>		<b>\$ 16,891</b>	<b>\$ 16,023</b>	<b>\$ 16,891</b>	<b>\$ -</b>





**Public Works Department**

**Restricted Funds  
Maintenance Districts**

<u>Fund</u>	677	2016-17	2016-17	2016-17	Mid-Year Budget
<u>Department</u>	6526	<u>Budget</u>	<u>YTD thru 2-17</u>	<u>Mid Year Est</u>	<u>Adjustments</u>
<b><u>Sewer Maintenance Fee Area 2009-02</u></b>					
<b><u>Astor Subdivision Lift Station</u></b>					
Beginning Available Fund Balance		\$ 17,399	\$ 17,399	\$ 17,399	\$ -
Revenue:		6,531	4,175	6,531	-
Expenditures:					
Labor Distribution	5195	2,900	-	2,900	-
Benefit Distribution	5295	975	-	975	-
Subtotal, Salaries and Benefits		3,875	-	3,875	-
Department Supplies	5500	-	-	-	-
Equipment Repairs	5720	-	-	-	-
Administrative Charge	6055	250	-	250	-
Utilities	6505	265	250	265	-
County Admin Fee	6700	5	4	5	-
Subtotal, Services and Supplies		520	254	520	-
		4,395	254	4,395	-
Annual Activity		2,136	3,921	2,136	-
<b>Ending Available Fund Balance</b>		<b>\$ 19,535</b>	<b>\$ 21,320</b>	<b>\$ 19,535</b>	<b>\$ -</b>
<b><u>Drainage Assessment Area 2010-03</u></b>					
<b><u>Wright Subdivision</u></b>					
Beginning Available Fund Balance		\$ 8,823	\$ 8,823	\$ 8,823	\$ -
Revenue		1,858	909	1,858	-
Expenditures					
Labor Distribution	5195	80	-	80	-
Benefit Distribution	5295	20	-	20	-
Subtotal, Salaries and Benefits		100	-	100	-
Administrative Charge	6055	25	-	25	-
County Admin Fee	6700	-	-	-	-
Subtotal, Services and Supplies		25	-	25	-
		125	-	125	-
Annual Activity		1,733	909	1,733	-
<b>Ending Available Fund Balance</b>		<b>\$ 10,556</b>	<b>\$ 9,732</b>	<b>\$ 10,556</b>	<b>\$ -</b>



**Transportation**

**Restricted Fund  
Transit**

<u>Fund History</u>	<u>2016-17 Budget</u>	<u>2016-17 YTD thru 2-17</u>	<u>2016-17 Mid Year Est</u>	<u>Mid-Year Budget Adjustments</u>
Beginning Available Fund Balance	\$ 117,521	\$ 117,521	\$ 117,521	\$ -
<u>Revenues:</u>				
Senior Bus Fees	12,000	8,421	12,000	-
TDA Rev Allocation	290,697	310,666	290,697	-
Other	400	1,320	400	-
	<u>303,097</u>	<u>320,407</u>	<u>303,097</u>	<u>-</u>
<u>Operating Expenditures:</u>				
Salaries and Benefits	115,433	66,007	106,449	(8,984)
Service and Supplies	21,450	10,319	21,450	-
Contract Services -HTA	148,418	152,577	148,418	-
	<u>285,301</u>	<u>228,903</u>	<u>276,317</u>	<u>(8,984)</u>
Net Activity	<u>17,796</u>	<u>91,504</u>	<u>26,780</u>	<u>8,984</u>
<b>Ending Available Fund Balance</b>	<b>\$ 135,317</b>	<b>\$ 209,025</b>	<b>\$ 144,301</b>	<b>\$ 8,984</b>

<u>Fund</u>	<b>590</b>	<u>2016-17 Budget</u>	<u>2016-17 YTD thru 2-17</u>	<u>2016-17 Mid Year Est</u>	<u>Mid-Year Budget Adjustments</u>
<u>Department</u>	<b>4400</b>				
<u>History of Expenditures</u>					
<u>Senior Bus</u>					
Wages	5100	\$ 46,963	\$ 32,613	\$ 50,908	\$ 3,945
Salary Part-Time	5165	33,958	19,201	33,958	-
Overtime	5170/5	10	3	10	-
Vacation Buyback	5180/5	400	795	400	-
Benefits	5200	34,102	13,395	21,173	(12,929)
Subtotal, Salaries and Benefits		<u>115,433</u>	<u>66,007</u>	<u>106,449</u>	<u>(8,984)</u>
Office Supplies	5400	250	29	250	-
Department Supplies	5500	1,000	416	1,000	-
Vehicle Fuel & Oil	5505	10,000	5,648	10,000	-
Repairs	5715/20	4,000	2,261	4,000	-
Personnel Services	6035	400	-	400	-
Bank Fees	6060	-	-	-	-
Telephone	6200	200	142	200	-
Advertising	6300	200	1	200	-
Insurance (A)	6350	3,400	-	3,400	-
Utilities-G&E	6505	-	183	-	-
Travel & Conferences	7000	1,500	1,179	1,500	-
Dues & Subscriptions	7015	500	460	500	-
Subtotal, Services and Supplies		<u>21,450</u>	<u>10,319</u>	<u>21,450</u>	<u>-</u>
None		-	-	-	-
Total Capital Outlay		-	-	-	-
<b>Senior Bus Total:</b>		<b>\$ 136,883</b>	<b>\$ 76,326</b>	<b>\$ 127,899</b>	<b>\$ (8,984)</b>

<u>Fund</u>	<b>590</b>				
<u>Department</u>	<b>4450</b>				
<u>Public Transit</u>					
HTA- Contract Services	6620	\$ 148,418	\$ 152,577	\$ 148,418	\$ -
<b>Transit Total:</b>		<b>148,418</b>	<b>152,577</b>	<b>148,418</b>	<b>-</b>
<b>Fund Total:</b>		<b>\$ 285,301</b>	<b>\$ 228,903</b>	<b>\$ 276,317</b>	<b>\$ (8,984)</b>



**Capital Improvement Project List**

**Restricted Funds  
Capital Improvement Projects**

		<b>2016-17 Budget</b>	<b>2016-17 YTD thru 2-17</b>	<b>2016-17 Mid Year Est</b>	<b>Mid-Year Budget Adjustments</b>
<b><u>General Fund</u></b>					
9078	ADA Access to Monday Club	\$ 20,000	\$ 6,661	\$ 25,600	\$ 5,600
9493	City Hall Entrance ADA Parking Remodel - city costs	30,000	16,823	21,000	(9,000)
0138	Newburg Park Replace Parking Lot Lights & Poles	10,000	7,670	10,000	-
		<b>60,000</b>	<b>31,154</b>	<b>56,600</b>	<b>(3,400)</b>
<b><u>2007 Bond Proceeds Capital Project Fund</u></b>					
0981	Replacement Police Facility - Design and Improvements	500,000	1,854	2,500	(497,500)
		<b>500,000</b>	<b>1,854</b>	<b>2,500</b>	<b>(497,500)</b>
<b><u>CDBG and Business Development Loan Funds</u></b>					
9986	320 Main Street Roof - Business Development Loan Fund	-	-	-	-
9493	City Hall Entrance ADA Parking Remodel - CDBG	140,000	140,362	140,362	362
		<b>140,000</b>	<b>140,362</b>	<b>140,362</b>	<b>362</b>
<b><u>Drainage Projects - Drainage Facilities Fund</u></b>					
0902	12th St, I to L - 24" SD	300,000	-	-	(300,000)
0903	8th St - Southern Outlet	-	-	-	-
9601	Rohner Ck Widening / Habitat Improvement (DWR 50% City Match)	-	-	-	-
9656	P, 12th to 14th (with Road Work)	240,000	3,146	40,300	(199,700)
9935	Newburg Rd. between 12th and Fortuna Blvd., Install 2 Manholes	26,500	4,890	4,890	(21,610)
9938	Culvert at Strong Creek Footbridge	10,000	-	-	(10,000)
9987	Kenmar between Remie and Kendal Ct, Install (2)DI's and 40' of 18" Pipe	20,000	-	-	(20,000)
9068	Ditch by Drake Hill Lift Station Rehabilitation	30,000	-	-	(30,000)
9989	Jameson Creek Culvert at Rohnerville Road	-	-	-	-
		<b>626,500</b>	<b>8,036</b>	<b>45,190</b>	<b>(581,310)</b>
<b><u>Drainage Projects - Capital Grant Funds</u></b>					
9601	Rohner Ck Widening / Habitat Improvement (DWR 50% cost share)	2,689,537	1,048,501	1,300,000	(1,389,537)
9601	Rohner Ck Widening / Habitat Improvement (RDA Bond Proceeds)	2,840,972	68,072	150,000	(2,690,972)
9601	Rohner Ck Widening / Habitat Improvement (DWR Urban Streams)	391,018	33,853	391,018	-
9988	Rohner Creek Fish Passage Grant Design	57,233	919	57,233	-
0196	Strong's Creek Fish Passage Grant Construction	735,217	412	100,000	(635,217)
		<b>6,713,977</b>	<b>1,151,757</b>	<b>1,998,251</b>	<b>(4,715,726)</b>
<b><u>Street Reconstruction, Expansion, Overlays &amp; Microsurfacing - TDA Fund</u></b>					
9071	12th St Reconstruction	-	104	-	-
9640	Rohnerville Road, Redwood Way to Jordan - STIP Allocation	-	10,859	11,000	11,000
9650	9th, 10th, 11th, 12th Main to P Street plus N Street 9th to 12th	-	-	-	-
9653	Citywide Microsurfacing	50,000	-	50,000	-
9656	P, 12th to 14th (with drainage work)	180,000	9,439	13,400	(166,600)
9990	Smith Lane, Fortuna Blvd. East to Rohnerville Road	170,000	-	-	(170,000)
9994	Annual Paving Contract	100,000	-	75,000	(25,000)
9995	Sustainable	-	588	588	588
		<b>500,000</b>	<b>20,990</b>	<b>149,988</b>	<b>(350,012)</b>



**Capital Improvement Project List**

**Restricted Funds  
Capital Improvement Projects**

		<b>2016-17 Budget</b>	<b>2016-17 YTD thru 2-17</b>	<b>2016-17 Mid Year Est</b>	<b>Mid-Year Budget Adjustments</b>	
<b><u>Street Reconstruction/Expansion Grant Fund Projects- Street Grants Funds</u></b>						
9640	Rohnerville Road, Redwood Way to Jordan - STIP Allocation	270	1,191,000	971,988	1,191,000	-
9072	Newburg Road ADA Barrier Removal Project	275	175,000	-	25,000	(150,000)
9640	Rohnerville Rd. Jordan to School St., Main at Newell Safety Project- HSIP	273	471,006	269,263	471,006	-
9640	Rohnerville Rd. Jordan to School St., Main at Newell Safety Project- Local Match	280	260,000	131	80,000	(180,000)
9984	College, Thelma, Ross Hill Road, Rohner St. Ca Dept of Transportation ATP	353	890,448	28,028	200,000	(690,448)
9995	Sustainable	357		6,411	6,411	6,411
			<b>2,987,454</b>	<b>1,275,821</b>	<b>1,973,417</b>	<b>(1,014,037)</b>
<b><u>Water Capital Projects Fund</u></b>						
9122	Holman Tank	510		-	-	-
9834	Jones Court Water Line replacement	510		-	-	-
0925	Tank Recoating	510	200,000	-	-	(200,000)
9423	Vancil Reservoir Roofing Replacement	510	250,000	234,147	240,000	(10,000)
9064	Alley Between High Street & Vancil South	510	35,000	-	-	(35,000)
9065	12th Street (Newburg to L) Replace Existing Mains with 12" C900	510	300,000	-	-	(300,000)
9991	Alley from I St. to L St. ( 9th/12th) and N to P(13th/14th) Replace 2" with 6" C-900	510	55,000	-	-	(55,000)
9992	Meadow Lane - Replace 2" w/ 6" C900	510	20,000	-	-	(20,000)
9994	Annual Paving Contract	510	150,000	-	-	(150,000)
			<b>1,010,000</b>	<b>234,147</b>	<b>240,000</b>	<b>(770,000)</b>
<b><u>Sewer Capital Projects Fund</u></b>						
0165	Replace 10" Main from 12th St. to Forbusco Parking Lot(MH403-414)w/12"	560	38,000	-	-	(38,000)
0167	WWTP Facility Flood Prot Proj (28% City cost)	560	-	-	-	-
0171	NPDES Compliance	560	500,000	1,148	150,000	(350,000)
9517	P St., Garden Ln. to 9th (MH 723 to MH 724) Replace with 6" SDR 35 & Laterals	560	85,000	-	-	(85,000)
9948	Replace Wall is Chlorine Contact Basin	560	-	-	-	-
9964	WWTP Equalization Ponds Rehab & Flow Equalization	560	550,000	-	-	(550,000)
9993	2nd Ave (Between Meadow and Lawndale) - Install 2 Manholes	560	-	-	-	-
			<b>1,173,000</b>	<b>1,148</b>	<b>150,000</b>	<b>(1,023,000)</b>
<b><u>Sewer Capital Projects - Capital Grant Fund</u></b>						
0167	WWTP Facility Flood Prot Proj (72% FEMA)	351	-	65,531	65,531	65,531
			-	<b>65,531</b>	<b>65,531</b>	<b>65,531</b>
<b><u>Transit Capital Projects</u></b>						
0157	Park Office Upgrade - SR Bus	590	171,281	58,276	171,281	-
			<b>171,281</b>	<b>58,276</b>	<b>171,281</b>	-
			<b>\$ 13,882,212</b>	<b>\$ 2,989,676</b>	<b>\$ 4,993,120</b>	<b>\$ (8,889,092)</b>

# Mid-Year Budget Review

## FY 2016-17



May 1, 2017

## Purpose of Mid-Year Budget Review

Review the City's Budget status and projection to year end

Know where the City is at - Financially

Assist in development of next year's budget



## General Fund Revenues

	Adopted Budget	YTD thru 2-17	% of Budget	Mid-Year Adjustments
Property Tax	\$ 423,000	\$ 234,511	55%	\$ -
Property Tax In-lieu/VLF	1,045,000	536,560	51%	-
Sales Tax	1,690,000	861,909	51%	-
Transient Occupancy Tax	604,000	376,706	62%	-
Franchise Fees	285,000	113,429	40%	-
Business Licenses	80,000	86,379	108%	6,000
Parks and Recreation	187,500	155,232	83%	9,000
Police	358,730	240,612	67%	-
Successor Agency	245,000	-	0%	-
Other	200,718	81,657	41%	(60,000)
<b>TOTAL</b>	<b>\$ 5,118,948</b>	<b>\$ 2,686,995</b>	<b>52%</b>	<b>\$ (45,000)</b>



## General Fund Operating Expenses

	Adopted Budget	YTD thru 2-17	Mid Year Est	Mid-Year Adjustments
City Council	\$ 34,826	\$ 20,957	\$ 33,967	\$ (859)
City Attorney	100,000	31,310	100,000	-
City Manager	96,316	53,988	92,835	(3,481)
City Clerk	43,496	27,137	44,058	562
General Government	197,384	118,333	195,280	(2,104)
Risk HR	280,033	129,022	277,161	(2,872)
Community Promotion	153,386	142,131	165,508	12,122
Finance	138,246	75,726	137,196	(1,050)
Police	2,979,454	1,936,321	2,921,084	(58,370)
Community Development	49,871	30,293	48,715	(1,156)
Parks & Recreation	756,293	461,026	742,757	(13,536)
Public Works	284,361	186,273	281,202	(3,159)
<b>TOTAL</b>	<b>\$ 5,113,666</b>	<b>\$ 3,212,517</b>	<b>\$ 5,039,762</b>	<b>\$ (73,904)</b>



## Fund Summary – General Fund

	Adopted Budget	Mid-Year Est
<b>SOURCES:</b>		
Revenues	\$ 5,118,948	\$ 5,073,948
<b>USES:</b>		
Operating Budgets	5,113,666	5,039,762
Debt Service	228,133	228,133
Projects	60,000	56,600
Transfer to Development Fund	54,650	42,370
Transfer to Riverlodge Fund	140,118	116,174
Total Uses	5,596,567	5,483,038
<b>Net Sources (Uses)</b>	<b>\$ (477,619)</b>	<b>\$ (409,090)</b>



## Fund Summary – Water Fund

	Adopted Budget	Mid-Year Est
<b>SOURCES:</b>		
Charges for Services	\$ 2,175,000	\$ 2,175,000
Miscellaneous	143,000	143,000
Total Sources	2,318,000	2,318,000
<b>USES:</b>		
Operating Budgets	1,796,307	1,642,385
Debt Service	529,548	529,548
Projects	1,010,000	240,000
Total Uses	3,335,855	2,411,933
<b>Net Sources (Uses)</b>	<b>\$ (1,017,855)</b>	<b>\$ (93,933)</b>



## Fund Summary – Wastewater Fund

	Adopted Budget	Mid-Year Est
<b>SOURCES:</b>		
Charges for Services	\$ 3,365,000	\$ 3,365,000
Miscellaneous	245,000	245,000
Total Sources	<u>3,610,000</u>	<u>3,610,000</u>
<b>USES:</b>		
Operating Budgets	2,846,387	2,414,339
Debt Service	861,072	861,072
Projects	1,173,000	150,000
Total Uses	<u>4,880,459</u>	<u>3,425,411</u>
<b>Net Sources (Uses)</b>	<u>\$ (1,270,459)</u>	<u>\$ 184,589</u>



## Questions?





# **STAFF REPORT**

## *City Council Business Agenda Item*

---

**DATE:** May 1, 2017

**TO:** Honorable Mayor and Council Members

**FROM:** Merritt Perry, Public Works Director/City Engineer

**THRU:** Mark Wheatley, Interim City Manager

**SUBJECT:** **Approve the Preparation and Submittal of a Grant Application to the Federal Emergency Management Agency Hazard Mitigation Grant Program for Flood Control and Habitat Improvements on Hillside Creek and Authorize the Commitment of up to \$625,000 from General Fund Reserves to Provide Matching Funds**

**STAFF RECOMMENDATION:**

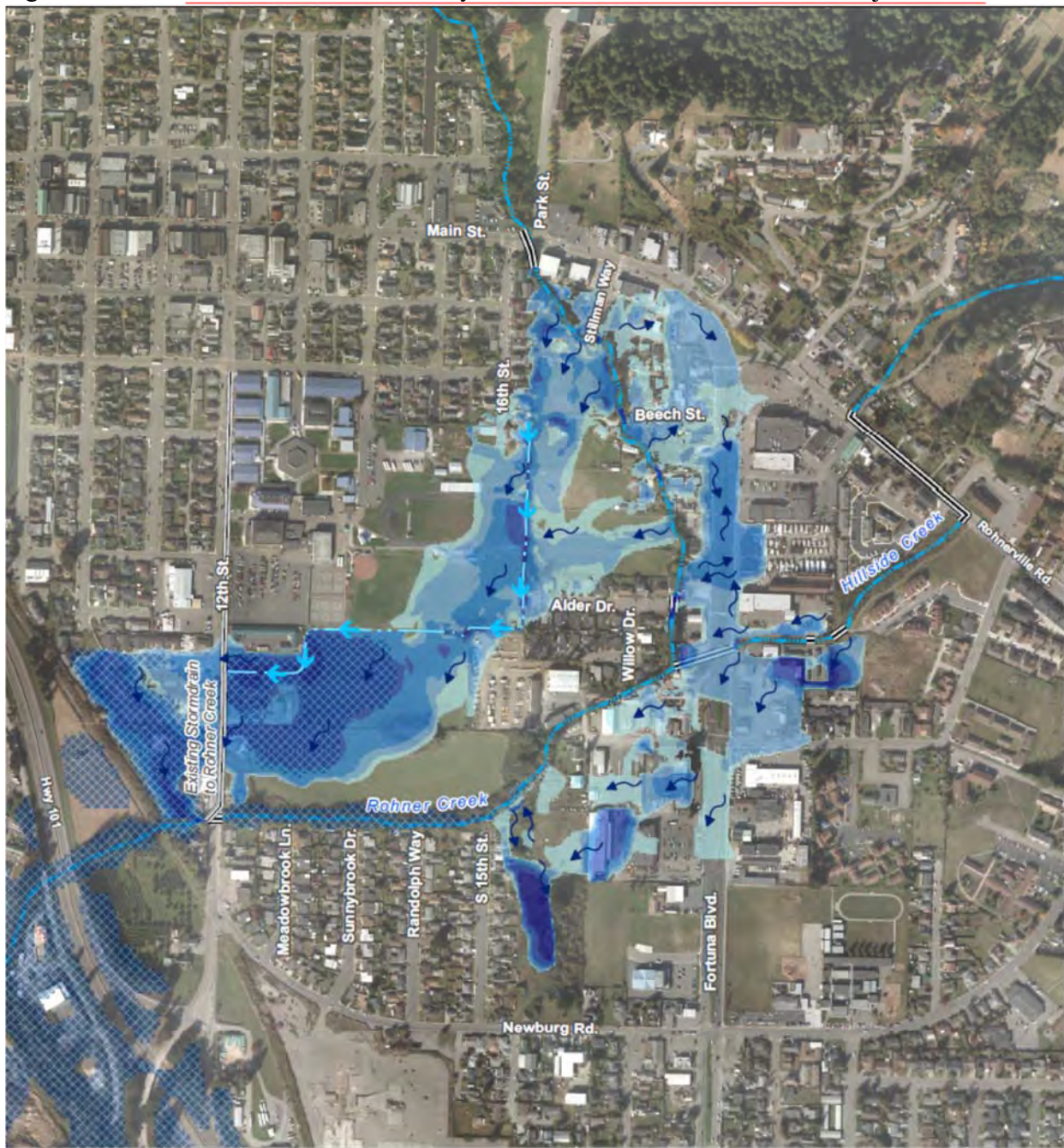
Authorize Staff to prepare and submit a grant application to the Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program (HMGP) and authorize the City Manager to sign a commitment letter committing City General Fund Reserves up to the amount of \$625,000 to serve as the required 25% match required to qualify for the grant program.

**EXECUTIVE SUMMARY:**

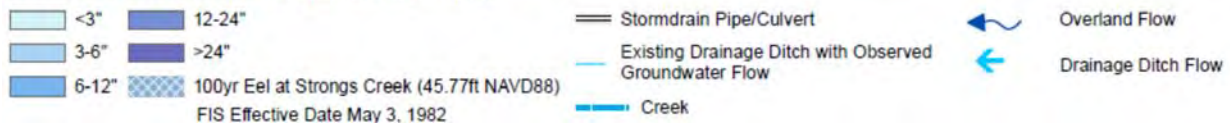
The City of Fortuna (City) has experienced significant flooding over the years from overtopping of Rohner Creek and Hillside Creek during moderate rainfall events along the reach between the Main Street crossing and 12<sup>th</sup> Street. Figure 1 shows the flooding from the 100-year flood that occurred prior to the City undertaking any flood control improvements on Rohner Creek.

In 2012, the City was awarded a Prop 1E Grant to fund approximately 50% of the Rohner Creek Flood Control Habitat and Seismic Improvements Project (Rohner Creek Flood Control Project). The City used redevelopment bond funds to fund the remaining portion of the project, in combination with other matching funds from the Department of Water Resources and Humboldt County. The project included hydrologic and hydraulic modelling, the development of a conceptual design for the entire watershed, and the acquisition of environmental permits to prevent the 100-year flood from inundating the developed portion of Fortuna. The flood control components funded through construction as a part of that project included widening of the Rohner Creek channel and flood plain, and the construction of a high flow bypass channel that will allow a 100-year flood event to be conveyed by Rohner Creek without overtopping its banks (the grant only required a 10-year flood to be conveyed), but did not include construction funding for portions of Hillside Creek or downstream of 12<sup>th</sup> Street where Rohner Creek is subject to backwater flooding from the Eel River.

Figure 1. Rohner Creek Phases and 100- year Flood Prior to Flood Control Project



**100 Year Storm Modeled Maximum Inundation**



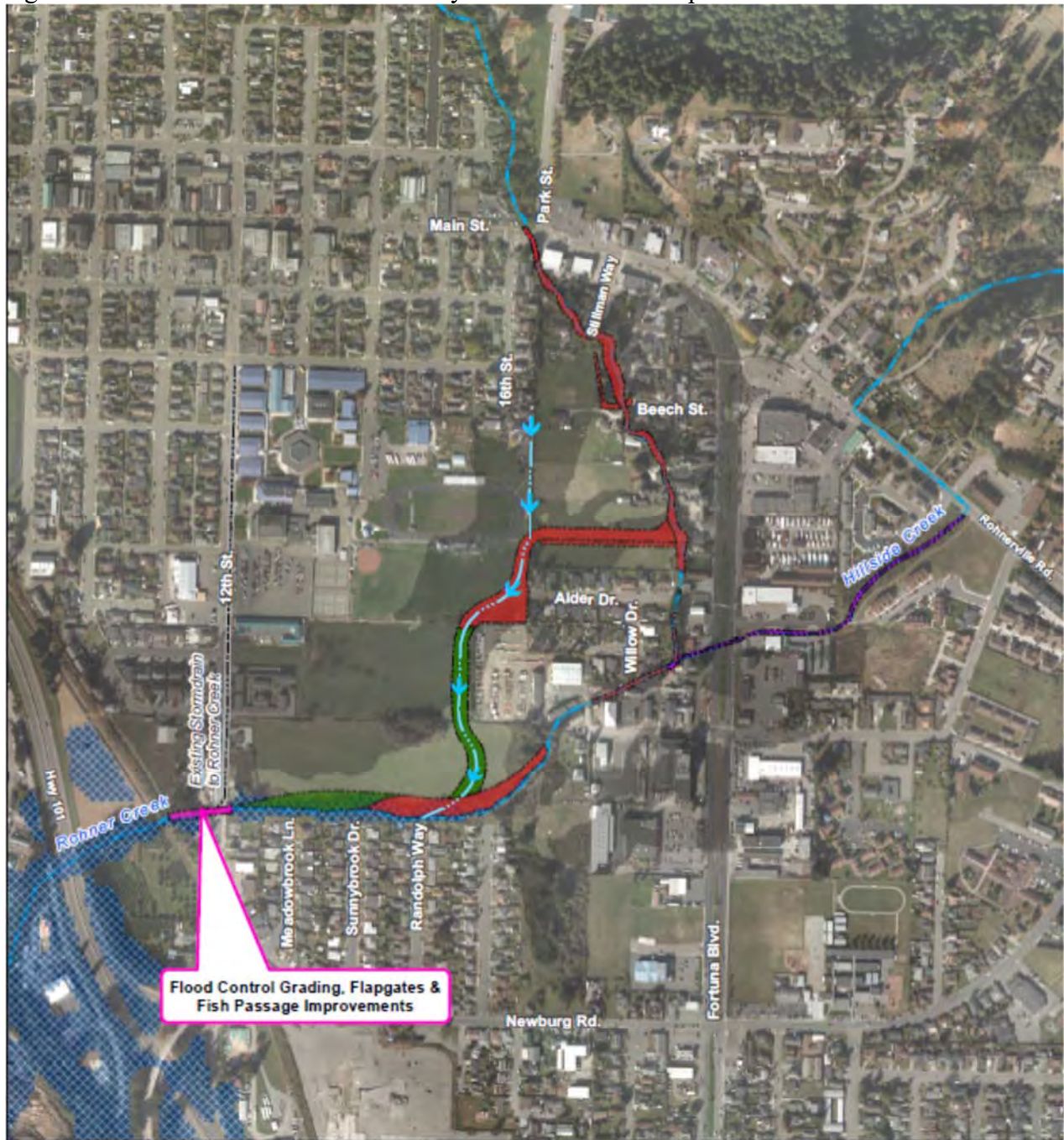
As a part of the Rohner Creek Flood Control Project, the City completed hydrologic and hydraulic modeling of both Rohner Creek and Hillside Creek. Once complete, the City submitted its completed models to FEMA for review as a part of a Conditional Letter of Map Revision (CLOMR) Application. FEMA ultimately approved the CLOMR, which indicates that FEMA agreed with the City's hydraulic models, and will ultimately modify its flood insurance rate maps to match the model after the construction of the flood control improvements on Rohner Creek and Hillside Creek are complete.

Figure 2 shows four separate phases of the flood control projects identified by the City to remove all of the flooding caused by Rohner Creek and Hillside Creek. The shaded area in Figure 2 depicts the area that will be removed from the 100-year flood plain when all of the phases are completed. All of these phases were included in the project environmental permits and CLOMR completed for the Project, but only the construction of Phase 1 and Phase 2 were funded through construction Prop 1E Grant. Phase 1 and Phase 2 include flood improvements along the Rohner Creek Channel, and a high flow bypass channel that will convey high flows around portions of the channel that do not have enough capacity, downstream to a where the channel does have adequate capacity.

Phase 3 includes flood control improvements along Hillside Creek between its confluence with Rohner Creek upstream to Rohnerville Road, including the replacement of a culvert under Fortuna Boulevard and widening of the channel upstream of the culvert. Phase 4 flood control improvements include raising the elevation of a portion of creek bank and the installation of flap gates on existing culverts downstream of 12<sup>th</sup> Street to prevent the backwater from the Eel River from inundating areas around Loni Drive.



Figure 2. Rohner Creek Phases and 100- year Flood After Completion of Four Phases



**100 Year Storm Modeled Maximum Inundation**

- 100yr Eel at Strong's Creek (45.77ft NAVD88)  
FIS Effective Date May 3, 1982
- Existing Conditions Flooding Extent
- Phase 1
- Phase 2
- Phase 3
- Phase 4
- Drainage
- Stormdrain Pipe
- Creek
- Drainage Ditch Flow

Although the completion of the Phase 1 and Phase 2 of the Rohner Creek Flood Control Project will remove several properties from the 100-year flood zone once complete, a significant portion of the City along Fortuna Boulevard will still experience flooding caused by Hillside Creek, a tributary to Rohner Creek, that enters Rohner Creek just south of Alder Drive in a culvert that passes under Fortuna Boulevard. Figure 3 shows the flooding that is anticipated after the construction of the Phase 1 and 2 are complete that will continue to be caused by Hillside Creek.

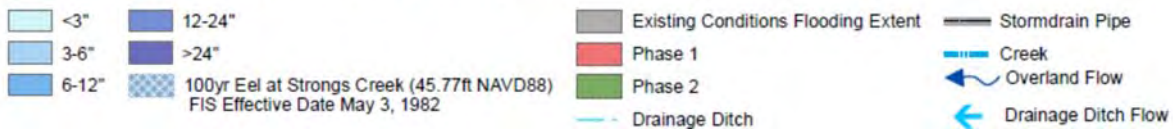
Business Agenda Item B



Figure 3. Rohner Creek Phases and 100- year Flood after Completion of Phases 1 and 2 (Currently Under Construction)



**100 Year Storm Modeled Maximum Inundation**



As shown in Figure 3, several properties will still be impacted by the 100-year flooding caused by Hillside Creek until Phase 3 of the project is completed including approximately 30 structures along Fortuna Boulevard including:

- Fortuna Veterinary Clinic
- Mini Storage
- Caltrans Maintenance Facility
- CalFire Facility
- Cook Apartments
- Ivy's Automotive
- Small businesses north of Les Schwab
- Preston Centre
- Ace Hardware
- Pod Racing (behind Ace)

The City has been seeking grant funds to construct Phase 3 and Phase 4 with limited success. The design of Phase 4 has been funded as part of a Fisheries Restoration Grant Program Grant administered by California Department of Fish and Wildlife and staff intends to apply for construction funding later this year from that same program. The City prepared a Notice of Interest to submit a HMGP grant for Phase 3 on Hillside Creek in 2015 but was not invited to submit a full application, most likely due to the lack of funding associated with the disaster that made that funding available. Staff also submitted the Phase 3 of the project for a Prop1 Grant, administered by the Department of Fish and Wildlife last year which was also unsuccessful.

Following the heavy rains that occurred in January and February of this year and subsequent flooding that resulted, two State and Federal disaster declarations were made that covered Humboldt County. As a result, Hazard Mitigation Funds became available from FEMA for well developed, shovel-ready projects that reduce the long-term risk of flooding in the counties impacted by the disaster. Staff reviewed the Hillside Creek Flood Control Project (Phase 4 of the Rohner Creek Flood Control Project) with FEMA and explained that the conceptual design and environmental permits for the project were complete. FEMA representatives indicated that they thought the City's project would be extremely competitive and would have a high likelihood of obtaining funding under the HMGP. The HMGP will fund up to \$3M in Federal funds and requires a 25% match from local or State Funds. FEMA is only accepting applications for this funding source until May 15<sup>th</sup> of this year.

The planning level budget to complete Phase 3 and Phase 4 of the Project

Design and Grant Preparation	\$ 150,000
Construction Management	\$ 200,000
Construction	\$ 1,800,000
20% Construction Contingency	\$ 350,000
<b>Total</b>	<b>\$ 2,500,000</b>

A \$2,500,000 project would require \$625,000 in matching funds to received \$1,875,000 in grant funds.

Developing an Immediate Assistance HMGP Grant Application requires a lot of effort and documentation and it is a very tight timeline to complete an application like that in two weeks. Staff have requested a proposal from GHD for assistance with the preparation of an application and have indicated they can help to complete the application by the grant deadline on May 15<sup>th</sup>. Staff has requested some assistance already to develop some of the preliminary data necessary to complete the application should the council decide to proceed. A copy of GHDs proposal for assistance is attached. They have provided a contingent fee of \$7,000 to complete the application if the grant is not successful and a maximum fee of up to \$18,675 for the grant preparation and coordination if the grant is ultimately successful. If the grant is successful, the costs of the grant preparation can be reimbursed as a part of the HMGP.

The disaster that resulted in HMGP funds becoming available is a unique opportunity and comes at the right time for the City, as completing Phase 3 and Phase 4 would result in removing the entirety of the City downtown from the Rohner Creek Flood Plain. Not proceeding with this work would allow flooding to continue during moderate storm events and would not alleviate the requirement for flood insurance for many property owners.

The city is required to submit a letter committing to providing matching funds with a HMGP application. The HMGP application is due on May 15<sup>th</sup> and requires a letter confirming the City's commitment to providing matching fund. Therefore, the council must decide whether to proceed with an application and fund the necessary match at this time.

### **FINANCIAL IMPACT:**

Currently Phase 1 and Phase 2 of the Rohner Creek Flood Control Project are anticipated to be completed within \$225 of the available budget. The City Council has agreed to allow the use of up to \$219,608 from Fund 130 (Drainage Fund) for contingency purposes, which would leave a remaining balance of approximately \$300,000 in Fund 130 if used. Currently there are more drainage projects in the City's Capital Improvement Program (CIP) than can be funded by Fund 130 and the City Council will have to prioritize those drainage projects for completion as a part of the 2017/2018 budget development process. The projects identified in the City CIP need to be completed, therefore, it is unreasonable to expect that the drainage funds can be expended as a match for this grant. A copy of the 2016/2017 Drainage Projects in the City's CIP is attached. The Hillside Creek Flood Control Project is identified in the current CIP for construction in 2019/2020 in the amount of \$1.2M, but there is no viable funding source identified at this time.

General Fund Reserves are the only non-restricted funds available to match a HMGP. Currently the City's General Fund Reserve balance is estimated at approximately \$4M. The current fiscal year is currently anticipated to end with a General Fund deficit of approximately \$400,000. With the increased sales tax revenue expected following the passage of Measure E, City revenues are anticipated to increase by approximately \$1.2M which could provide the funds necessary to serve as a match for the HMGP.

If awarded a hazard mitigation grant, the project would likely be designed in 2017/2018 and constructed in 2018/2019. The 25% match that would be needed in 2017/2018 is estimated to be

approximately \$125,000 and approximately \$500,000 would be needed to provide the match for construction in 2019/2020. Additional State grants could be sought to offset the match required by the City, however they cannot be counted on.

**RECOMMENDED COUNCIL ACTION:**

1. Receive staff presentation and review Council questions with staff
2. Open Public Comment
3. Close Public Comment
4. Authorize Staff to prepare and submit a grant application to the Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program (HMGP) and authorize the City Manager to sign a commitment letter committing City General Fund Reserves up to the amount of \$625,000 to serve as the required 25% match required to qualify for the grant program, and Authorize the City Manager to approve GHD to proceed with providing assistance to complete the HMGP application. Voice vote.

**Attachments:**

- Attachment A – 2016/2017 Capital Improvement Program Drainage Projects
- Attachment B – Proposal from GHD to Complete HMGP Application



Attachment A – 2016/2017 Capital Improvement Program Drainage Projects

2016/2017 Capital Improvement Program Drainage Projects									
DPW Track #	CIP Number	Project Description	Funding Source	Total DRAINAGE 5-yr CIP Cost	City Budget Year				
					16-17	17-18	18-19	19-20	20-21
		<b>Drainage Projects</b>							
R10035	9656	P Street Storm Drainage	130	240,000	240,000				
D11004	9935	Newburg Road Manhole	130	26,500	26,500				
D14003	9938	Strong Creek Culvert	130	10,000	10,000				
D11002	9987	Kenmar Storm Drain	130	20,000	20,000				
D09001	0902	12th Street Storm Drain	130	300,000	300,000				
D16001	9068	Drake Hill Water Pump House Drainage	510	30,000	30,000				
D16003	9069	Loop Court Drainage	130	30,000	30,000				
D09016	9706	3rd Street Storm Drain Replacement	130	110,000		110,000			
D16002	9070	Renner Drive Culvert	130	60,000		60,000			
D13001	0903	8th Street Storm Drain	130	80,000		80,000			
D09007	9704	Home Ave Storm Drain	130	711,000		105,300	302,850	302,850	
D14002	9937	South 15 Storm Drain	130	63,000			13,000	50,000	
D09010		Osprey Terrace Detention Basin	130	170,000					170,000
		<i>Subtotal Drainage Projects</i>		<b>1,850,500</b>	<b>656,500</b>	<b>355,300</b>	<b>315,850</b>	<b>352,850</b>	<b>170,000</b>
		<b>Rohner Creek Bonds Projects</b>							
D09013a	9601	Rohner Ck Widening (City 50% match)	354	2,689,537	2,689,537				
		<i>Subtotal Bond Projects</i>		<b>2,689,537</b>	<b>2,689,537</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>Grant Fund Drainage Projects</b>							
D09013b	9601	Rohner Ck Widening (DWR 50% cost share)	352	2,840,972	2,840,972				
D13003b	9988	Rohner Creek/12th Street Fish Passage (DFW share)	359	57,233	57,233				
D13002b	0196	Strongs Creek Fish Passage (100% DFW share)	359	735,217	735,217				
D13003a	9988	Rohner Creek/12th Street Fish Passage (DWR match)	352	39,852	39,852				
D16004	9601	Rohner Ck Widening (Urban Streams)	355	391,018	391,018				
D14004	9983	Hillside Creek	352	1,250,000		50,000	1,200,000		
		<i>Subtotal Grant Funded Drainage Projects</i>		<b>5,314,292</b>	<b>4,064,292</b>	<b>50,000</b>	<b>1,200,000</b>	<b>0</b>	<b>0</b>
		<b>Total Drainage Projects:</b>		<b>9,854,329</b>	<b>7,410,329</b>	<b>405,300</b>	<b>1,515,850</b>	<b>352,850</b>	<b>170,000</b>



**Attachment B**  
**Scope of Services**  
**For**  
**Preparation of a Hazard Mitigation Grant Application**  
**for**  
**The Hillside Creek Flood Mitigation Project**  
**City of Fortuna**

## **Project Understanding**

The City of Fortuna is pursuing a flood mitigation project along Hillside Creek from Rohnerville Road to the confluence of Rohner Creek. This project is the last phase of the larger Rohner Creek Flood Control, Seismic and Habitat Improvement Project. The City has had difficulty securing grant funding for this phase of the project which has primarily flood protection benefits and limited environmental enhancements, which have been attractive to previous funders. The recent winter storms of 2017 have resulted in three Federal Disaster declarations, which has made available Federal FEMA funding potentially available for project implementation.

FEMA is currently accepting applications for Immediate Need projects, which include any flood mitigation project, even those not induced by damage from the recent winter storms. The City and GHD discussed the Hillside project with representative from FEMA on April 17, 2017. FEMA indicated the project looked very promising and highly encouraged the City to apply for funds under the Immediate Need Solicitation. Applications for this program are due May 15<sup>th</sup>. FEMA can pay up to 7% of project cost to a maximum grant of \$3 million.

The scope presented below is to complete the DR- 4301, 4305, 4308 Project Application for FEMA grant funding for the Hillside Creek Flood Mitigation Project.

## **Scope of Services**

Based on the above understanding of the project intent, we propose to provide the following professional engineering services. GHD will complete the disaster declaration DR-4301, 4305, 4308 Hazard Mitigation Grant Program (HMGP) Project Application, per the steps outlined in the tasks described below.

### **Task 1: Preliminary Benefit Cost Analysis**

A preliminary benefit cost analysis will be prepared using FEMA's Benefit Cost Analysis (BCA) Tool version 5.3. The cost benefit analysis includes collection of information on loss of service of roads, damage to roads, business and critical facilities (CalFire) disruption costs, rental facility costs, and residential flooding damage. The initial evaluation will focus on the 100-year storm event before and after project costs for which GHD has already estimated the extent and duration of impacts from the modeling efforts. This information will just need to be combined with FEMA standard values to estimate damages and run through the FEMA BCA model.

The second step will be to evaluate the before and after project costs for two additional storm recurrence events. The FEMA BCA model requires three events to finalize the benefit cost modeling. It is anticipated that the second two events will be a 20- year 24 hour recurrence event and a 50-year 24 hour recurrence event. The final two recurrence events will be determined based on the preliminary benefits under the 100-year event. If the preliminary benefit cost analysis does not result in a benefit cost ratio above or close to one, then GHD will discuss with the City and FEMA if there are any secondary benefits that are being missed and if the project can move forward.



## **Task 2: Final Benefit Cost Analysis and Report**

Assuming that the preliminary Benefit cost analysis results are favorable, GHD will finalize the model and the required Benefit Cost Analysis Report. The report will include data documentation to support the damages claimed in the model, supporting information on the proposed flood mitigation project and how it will prevent future damages, and other supporting information used in the benefit cost modeling such as summaries or excerpts of model results, mapping, assessor's data, and other information on values used in the FEMA model. Developing the cost benefit analysis is the most important and difficult part of developing the HGMP application, and it is critical to a successful application.

## **Task 3: HMGP Application Sections**

Completion of the of the HGMP application beyond the cost benefit analysis includes a detailed project description, problem description, alternatives considered, and how the proposed project addresses the hazard. A detailed scope of work to support the cost estimate and a project schedule will be developed for the application. Information on Humboldt County's Hazard mitigation plan will be input into the application. The last major piece to be input into the application is detailed information on environmental issues. While all the environmental work has been completed for the project, it will require some effort to pull it together in a format for FEMA to quickly and easily understand.

## **Task 4: Meetings and Grant Review**

Staff from GHD will conduct up to two project meetings. A draft of the application will be prepared to allow the City time for review and input prior to the May 15, 2017 submission deadline. As this is a very tight turn around from notice of the grant availability to the submission deadline, it is anticipated that the City will need to turn around comments within 2 days of receiving the draft documents. It is also anticipated that GHD staff will coordinate with FEMA on the application under this task, per the discussion with FEMA staff on April 17, 2017.

### Deliverables:

- *2 completed HGMP sub-applications (hard-copy), including BCA in zip file format and all attachments on CD's, in separately grouped packages for Cal EMA*
- *1 hard copy for the City*
- *1 Electronic copy of the application package.*

## **Exclusions and Additional Services**

This scope of services is based on the following assumptions and exclusions:

- This task does not complete final design of this project.
- This task does not include any NEPA related work



### Engineering Fee

GHD is pleased to propose the following time and materials fees broken down by tasks as follows:

Task:	Budget	Maximum fee pre- grant award	Maximum Total Fee charge to City post grant award
1 Preliminary BCA	\$7,000	\$2,100	\$5,250
2 Final BCA and Report	\$7,100	\$2,100	\$5,325
3 HMGP Application	\$9,000	\$2,100	\$6,750
4 Meetings/ Coordination	\$1,800	\$700	\$1,350
<b>Total Budget:</b>	<b>\$24,900</b>	<b>\$7,000</b>	<b>\$18,675</b>

GHD will charge a maximum fee of \$7,000 per the line items above for the initial grant effort prior to any grant awarded by FEMA to the City. The effort to complete the grant application will be included in the Project costs and is eligible for reimbursement at a rate of 75%. If the Hillside Creek Flood Mitigation Project is funded by FEMA the City will be billed for 75% of the actual effort to develop the HMGP grant application and the remaining 25% will be donated to the project as match by GHD.

### Estimated Project Schedule

The scope of services presented above can be completed to meet the HMGP application submittal deadline of May 15, 2017, if authorized by Tuesday April 25, 2017.

# STAFF REPORT

## *City Council Business Agenda Item*

---

**DATE:** May 1, 2017

**TO:** Honorable Mayor and Council Members

**FROM:** Mark Wheatley, City Manager

**SUBJECT:** **Adoption of a Resolution Granting Consent to the County of Humboldt to Renew the Humboldt County Tourism Business Improvement District and Include the City of Fortuna in the District; Resolution 2017-16**

**STAFF RECOMMENDATION:**

Adopt Resolution 2017-16 granting consent to the County of Humboldt to renew the Humboldt County Tourism Business Improvement District (HCTBID) and include the City of Fortuna in the HCTBID.

**DISCUSSION:**

State law provides counties with the ability to form special benefit assessment districts for the purpose of business improvement, subject to the support of a majority of affected businesses.

The County of Humboldt is working with the Humboldt Lodging Alliance and local lodging businesses to renew the HCTBID pursuant to the Property and Business Improvement District Law of 1994 ('94 Law). The County of Humboldt has requested by resolution (attached) the inclusion of the City of Fortuna in the HCTBID. The HCTBID management district plan sets forth the assessment rate. The annual assessment rate shall be two percent (2%) of gross short-term room rental revenue. Based on the benefit received, the assessment shall not be collected on stays of more than thirty (30) consecutive days and stays pursuant to contracts executed prior to July 1, 2012. In order to renew the HCTBID, a majority of the businesses paying the assessment must petition the City for HCTBID renewal (by amount paid).

The '94 Law allows for the renewal of multi-jurisdictional TBIDs, with consent of the included jurisdictions being granted to one "lead" jurisdiction. The County of Humboldt has requested consent to act as the lead jurisdiction in renewing the HCTBID, as shown in the attached Management District Plan. Adopting this resolution will give the County of Humboldt authority to include the City of Fortuna in the renewed HCTBID. To renew the HCTBID, the County of Humboldt will follow the renewal proceedings specified in the '94 Law, including accepting petitions, adopting a resolution declaring its intention to renew the HCTBID, holding a public meeting and public hearing to allow for comments, and adopting a resolution renewing the HCTBID.

Attached is a map that defines the boundary of the renewed HCTBID.

**FISCAL IMPACT:**

Adopting this resolution will have no immediate fiscal impact. The HCTBID, if renewed, will work to bring visitors to the City, potentially increasing transient occupancy and sales tax revenues. Because the City will collect the HCTBID assessment from assessed lodging businesses, it will be paid a fee equal to one percent (1%) of the assessment collected from businesses within the HCTBID in the City of Fortuna.

Adopting this resolution will have minor administrative impact. The City Clerk will be directed to forward a copy of the adopted resolution to the Humboldt County Clerk of the Board. With eventual HCTBID renewal, the City will continue to be responsible for collecting the assessment funds on a Quarterly basis and forward collections to the Humboldt Lodging Association.

The renewed HCTBID will have an overall positive impact on the City of Fortuna.

**RECOMMENDED COUNCIL ACTION:**

1. Receive staff presentation and review Council questions with staff
2. Open Public Comment
3. Close Public Comment; Voice Vote
4. Motion to adopt Resolution 2017-16 and read by title only. Roll Call Vote

**ATTACHMENTS:**

- 1) Resolution 2017-16; *Resolution of the City of City Council of the City of Fortuna Granting Consent to the County of Humboldt to Renew the HCTBID*
- 2) Resolution 17-27 of the County of Humboldt Requesting Consent from the Cities of Arcata, Eureka, Ferndale, Fortuna, Rio Dell and Trinidad to Renew the HCTBID
- 3) HCTBID Boundary Map

**RESOLUTION 2017-16**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FORTUNA, GRANTING  
CONSENT TO THE COUNTY OF HUMBOLDT TO RENEW THE HUMBOLDT  
COUNTY TOURISM BUSINESS IMPROVEMENT DISTRICT (HCTBID)**

**WHEREAS**, the County of Humboldt is beginning the process to renew the Humboldt County Tourism Business Improvement District (HCTBID) pursuant to the Property and Business Improvement District Law of 1994, Streets and Highways Code section 36600 et seq., to promote tourism and the lodging businesses in Humboldt County; and

**WHEREAS**, the Board of Supervisors of the County of Humboldt has requested consent to renew the HCTBID in the City of Fortuna with adoption of Humboldt Board of Supervisors Resolution No. 17-27, dated March 21, 2017;

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Fortuna, that:

Section 1: The above recitals are true and correct.

Section 2: The City Council consents to the County of Humboldt renewing the HCTBID, which District shall include the City of Fortuna.

Section 3: The City Clerk is hereby directed to transmit a certified copy of this Resolution to the Clerk of the County of Humboldt Board of Supervisors.

Section 4: This Resolution is effective upon its adoption.

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Fortuna, State of California, held on this 1<sup>st</sup> day of May, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Sue Long, Mayor

ATTEST:

\_\_\_\_\_  
Linda McGill, City Clerk



**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA**

Certified copy of portion of proceedings, Meeting of March 21, 2017

RESOLUTION NO. 17-27

**RESOLUTION REQUESTING CONSENT OF THE CITIES OF ARCATA, EUREKA, FERNDALE, FORTUNA, RIO DELL, AND TRINIDAD TO RENEW THE HUMBOLDT COUNTY TOURISM BUSINESS IMPROVEMENT DISTRICT**

**WHEREAS**, the Board of Supervisors of the County of Humboldt desires to begin proceedings to renew the Humboldt County Tourism Business Improvement District ("District"); and

**WHEREAS**, certain tourism business owners have requested that the Board of Supervisors of the County of Humboldt renew the District; and

**WHEREAS**, a portion of the territory proposed to be included in the renewed District lies within the boundaries of the cities of Arcata, Eureka, Ferndale, Fortuna, Rio Dell, and Trinidad (the "cities"), as shown on the map attached hereto as Exhibit A and incorporated herein by such attachment; and

**WHEREAS**, the area of the cities which lies within the boundaries of the proposed renewed District will, in the opinion of the Board, be benefited by the improvements and activities, and the purpose sought to be accomplished by the work can best be accomplished by a single comprehensive scheme of work.

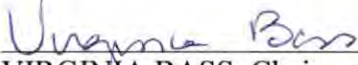
**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS THAT:**

Section 1: The above recitals are true and correct.

Section 2: Consent of the cities, through their city councils, is hereby requested to create the District, and to grant to the Board jurisdiction for all the purposes in connection with creation, operation and future renewals of the proposed District.

Section 3: The Clerk of the Board is hereby directed to transmit a certified copy of this Resolution to the city clerks of the cities of Arcata, Eureka, Ferndale, Fortuna, Rio Dell, and Trinidad.

Dated: March 21, 2017

  
\_\_\_\_\_  
VIRGINIA BASS, Chair  
Humboldt County Board of Supervisors

Adopted on motion by Supervisor Fennell, seconded by Supervisor Sundberg, and the following vote:

AYES:	Supervisors	Sundberg, Fennell, Bass, Bohn, Wilson
NAYS:	Supervisors	--
ABSENT:	Supervisors	--
ABSTAIN:	Supervisors	--



**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA**

Certified copy of portion of proceedings, Meeting of March 21, 2017

RESOLUTION NO. 17-27

STATE OF CALIFORNIA    )  
County of Humboldt        )

I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be an original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.



\_\_\_\_\_  
By ANA HARTWELL  
Deputy Clerk of the Board of Supervisors of the  
County of Humboldt, State of California

# Humboldt County

Tourism Business  
Improvement District



SISKIYOU  
COUNTY

PACIFIC  
OCEAN

Trinidad

McKinleyville

Arcata

Eureka

HUMBOLDT  
COUNTY

TRINITY  
COUNTY

Fortuna

Femdale

Rio Dell

101

299

101

TBID Boundary

# STAFF REPORT

## *City Manager's Report*

---

**DATE:** May 1, 2017  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Mark Wheatley, City Manager

### 1. Upcoming Council Meeting Dates

Monday, May 15, 2017 6:00 p.m.	<b>Regular City Council Meeting</b> Council Chambers at City Hall
Monday, June 6, 2017 6:00 p.m.	<b>Regular City Council Meeting</b> Council Chambers at City Hall

### 2. Upcoming Planning Commission Meeting Dates

Tuesday, May 9, 2017 7:00 p.m.	<b>Regular Planning Commission Meeting</b> Council Chambers at City Hall
Tuesday, 23, 2017 7:00 p.m.	<b>Regular Planning Commission Meeting</b> Council Chambers at City Hall
Tuesday, June 13, 2017 7:00 p.m.	<b>Regular Planning Commission Meeting</b> Council Chambers at City Hall

### 3. Verbal Report:

- Update on Humboldt County Cannabis Regulations & Related Activities
- Legislative Updates