City Council
Successor Redevelopment Agency
Financing Authority
Housing Authority

AGENDA

Wednesday

Regular

Closed Session 5:30 p.m.
Regular Session 6:00 p.m.

February 17, 2016

City Hall
100 West California Avenue
Ridgecrest CA 93555

(760) 499-5000

Peggy Breeden, Mayor
James Sanders, Mayor Pro Tempore
Lori Acton, Vice Mayor
Eddie B. Thomas, Council Member
Mike Mower, Council Member

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CITY OF RIDGECREST

Telephone 760 499-5000
FAX 499-1500
100 West California Avenue, Ridgecrest, California 93555-4054

NOTICE AND CALL OF SPECIAL CLOSED SESSION MEETING OF THE RIDGECREST CITY COUNCIL / SUCCESSOR REDEVELOPMENT AGENCY/ FINANCING AUTHORITY/HOUSING AGENCY

TO THE MEMBERS OF THE RIDGECREST CITY COUNCIL / SUCCESSOR REDEVELOPMENT AGENCY/FINANCING AUTHORITY / HOUSING AGENCY AND CITY CLERK:

PUBLIC NOTICE that a **SPECIAL CLOSED SESSION MEETING** of the Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Agency is hereby called to be held on **Wednesday, February 17, 2016, at 5:30 p.m.**, in the **Council Chambers Conference Room,** 100 W. California Avenue, Ridgecrest, California.

Said **SPECIAL CLOSED SESSION MEETING** shall be for the purpose of:

GC54956.8 Local Agency Real Property Negotiations – Negotiation For Sale – Ridgecrest Business Park Lot Nos. 1, 2, 3, 28, 29, 30, 31, 32, 33, 34, 35, And 36 – Agency Negotiators Economic Development Program Manager Gary Parsons And City Manager Dennis Speer

Dated: February 11, 2016

Peggy Breeden

Peggy Breeden, Mayor / Chair

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Dated: February 11, 2016

Rachel J. Ford

Rachel J. Ford, CMC
City Clerk

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LAST ORDINANCE NO. 16-09
LAST RESOLUTION CITY COUNCIL NO. 16-xx

CITY OF RIDGECREST

CITY COUNCIL
REDEVELOPMENT SUCCESSOR AGENCY
HOUSING AUTHORITY
FINANCING AUTHORITY

AGENDA
Regular Council
Wednesday February 17, 2016

CITY COUNCIL CHAMBERS CITY HALL
100 West California Avenue
Ridgecrest, CA 93555

Closed Session – 5:30 p.m.
Regular Session – 6:00 p.m.

This meeting room is wheelchair accessible. Accommodations and access to City meetings for people with other handicaps may be requested of the City Clerk (499-5002) five working days in advance of the meeting.

In compliance with SB 343. City Council Agenda and corresponding writings of open session items are available for public inspection at the following locations:

1. City of Ridgecrest City Hall, 100 W. California Ave., Ridgecrest, CA 93555
2. Kern County Library – Ridgecrest Branch, 131 E. Las Flores Avenue, Ridgecrest, CA 93555
3. City of Ridgecrest official website at http://ci.ridgecrest.ca.us

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

PUBLIC COMMENT – CLOSED SESSION

CLOSED SESSION

GC54956.8 Local Agency Real Property Negotiations – Negotiation For Sale – Ridgecrest Business Park Lot Nos. 1, 2, 3, 28, 29, 30, 31, 32, 33, 34, 35, And 36 – Agency Negotiators Economic Development Program Manager Gary Parsons And City Manager Dennis Speer

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
- Other

PRESENTATIONS

1. **Presentation Of A Proclamation Recognizing The Month Of February As Safe Surrender Baby Month** **Ford**

2. **Presentation Of Lifesaving Awards To Members Of The Ridgecrest Police Department** **Strand**

3. **Presentation Of The Fiscal Year 2015 Comprehensive Annual Financial Report Of The City Of Ridgecrest** **Staheli**

PUBLIC COMMENT

COUNCIL ANNOUNCEMENTS

CONSENT CALENDAR

4. **Adopt A Resolution To Award A Construction Agreement To A-C Electric Company In The Amount Of Three Hundred Fifty Severn Thousand Dollars ($357,000.00) For The Installation Of A Traffic Signal At The Intersection Of China Lake Boulevard And Bowman Road And Authorize The City Manager To Execute The Agreement** **Speer**

5. **Adopt A Resolution Of The City Council Of The City Of Ridgecrest Setting Dates And Times For The Operation Of Irrigation Systems** **Lemieux**

6. **Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Special Workshop Meeting Dated January 28, 2016** **Ford**

7. **Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Special Closed Session Meeting Dated January 29, 2916** **Ford**

8. **Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Regular Meeting Dated February 3, 2016** **Ford**

ORDINANCES

9. **Second Reading And Adoption, Ordinance No. 16-01, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Water Efficient Landscaping** **Lemieux**

DISCUSSION AND OTHER ACTION ITEMS

10. **Adopt A Resolution Of The City Council Of The City Of Ridgecrest Establishing The Salary Of The Position Of City Manager** **Lemieux**

11. **Presentation And Discussion By The Technology Committee On Reliable, Community-Wide Broadband Implementation** **Breeden**

COMMITTEE REPORTS

(Committee Meeting dates are subject to change and will be announced on the City website)

City Organization and Services Committee
Members: Lori Acton; Mike Mower
Meeting: 4th Wednesday each month at 5:00 p.m. as needed
Location: Council Conference Room B

Infrastructure Committee
Members: Jim Sanders; Mike Mower
Meeting: 3rd Thursday each month at 5:00 p.m. as needed
Location: Council Conference Room B

- **Ad Hoc Water Conservation Committee**
  Members: Jim Sanders; Peggy Breeden
  Meeting: 1st Monday each month at 5:00 p.m. as needed
  Location: Conference Room B

Parks, Recreation, and Quality of Life Committee
Members: Eddie Thomas; Lori Acton
Meeting: 1st Tuesday each month at 12:00 p.m. as needed
Location: Kerr-McGee Center Meeting Rooms

- **Ad Hoc Youth Advisory Council**
  Members: Eddie Thomas
  Meeting: 2nd Wednesday of each month, 12:00 p.m. as needed
  Location: Kerr-McGee Center Meeting Rooms

Activate Community Talents and Interventions For Optimal Neighborhoods Task Force (ACTION)
Members: Eddie Thomas; Lori Acton
Meeting: 3rd Tuesday every other month at 4:00 p.m. as needed
Location: Kerr McGee Center Meeting Rooms

Ridgecrest Area Convention And Visitors Bureau (RACVB)
Members: Lori Acton and Eddie Thomas
Meetings: 1st Wednesday Of The Month, 8:00 A.M.
Next Meeting: To Be Announced

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

CITY MANAGER REPORT

MAYOR AND COUNCIL COMMENTS

ADJOURNMENT

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A Proclamation of
The City Of Ridgecrest, California

SAFELY SURRENDERED BABY AWARENESS MONTH

WHEREAS, The Safely Surrendered Baby Law was created in 2001 with the intent to save the lives of newborn infants at risk of abandonment by encouraging parents or persons with lawful custody to safely surrender the infant within 72 hours of birth, with no questions asked; and

WHEREAS, since the Safely Surrendered Baby Law's inception there have been 55 infants saved in Kern County and placed in loving homes; and

WHEREAS, In Ridgecrest and throughout Kern County, a newborn baby can be safely surrendered into the hands of any hospital emergency room or Fire Station staff; and

WHEREAS, The Safely Surrendered Baby Coalition, under the coordination of the Department of Human Services, works to educate Ridgecrest Citizens and all Kern County residents about this important law. The coalition is made up of a small group of dedicated individuals representing a long list of agencies, non-profits, hospitals, and stakeholders, including First Five Kern, the Kern County Fire Department, Bakersfield City Fire Department, Bakersfield Police Department, Right to Life, Kern Medical Center, Mercy & Memorial Hospitals, San Joaquin Community Hospital & Clinica Sierra Vista, to name a few.

NOW THEREFORE BE IT PROCLAIMED by the City Council of the City of Ridgecrest does hereby proclaim the month of February as Safely Surrendered Baby Awareness Month and encourages all Ridgecrest citizens to reach out and assist the Safely Surrender Baby Coalition with their endeavors.

Proclaimed this 17TH Day of February 2016

Peggy Breeden

Peggy Breeden, Mayor

James B. Sanders

James Sanders
Mayor Pro Tem

Lori Acton

Lori Acton
Vice Mayor

Eddie B. Thomas

Eddie B. Thomas
Council Member

Michael R. Mower

Mike Mower
Council Member

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT: Sgt. Mike Atkins & Ofc. Matthew Bockhahn life-saving award

PRESENTED BY: Chief Strand

SUMMARY: On 01/04/16, Officer Bockhahn and Sergeant Atkins responded to 340 S. Downs St. regarding a suicidal subject. Upon arrival, Officer Bockhahn located the subject standing on a ledge outside a second story bedroom window with a bedsheet tied around his neck. When the subject saw Officer Bockhahn, the subject jumped off of the ledge and was hanging by his neck and gasping for air. Officer Bockhahn stood on an air conditioning unit and tried to lift the subject to create slack in the bedsheet. While lifting the subject, Officer Bockhahn attempted to remove the sheet from the subject's neck. Sergeant Atkins arrived and lifted the subject enough to allow slack in the bedsheet. While Officer Bockhahn was attempting to cut the bedsheet, the subject began fighting with the officers. Officer Bockhahn handed the knife to a family member while he assisted Sergeant Atkins in restraining the subject. The family member was able to cut the bedsheet free. The subject was transported to Ridgecrest Regional Hospital without any significant injuries.

FISCAL IMPACT:

Reviewed by Finance Director

ACTION REQUESTED: Presentation only

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Lori Blowers Action Date: 2/9/16

(Rev. 6/12/09)

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:
PRESENTATION OF THE FISCAL YEAR 2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF RIDGECREST

PRESENTED BY:

Tyrell Staheli, Finance Director

BACKGROUND:

Ken Pun, of Pun & McGeady, LLP, will present an overview of the Fiscal Year Comprehensive Annual Financial Report of the City of Ridgecrest.

This is an informational item only, accept for file.

FISCAL IMPACT: 0

Reviewed by Finance Director

ACTION REQUESTED:
Accept for File.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Tyrell Staheli Finance Director Action Date: 2/17/2016

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City of Ridgecrest

Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2015

City of Ridgecrest, California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2015

Prepared by the Finance Department

W. Tyrell Staheli, Finance Director
Tess Sloan, Assistant Finance Director
Patricia Rockwell, Administrative Assistant - HR
Kelly Brewton, Payroll Technician II
Cheri Freese, Junior Accountant
Kelly Morrison, Account Clerk I

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
Comprehensive Annual Financial Report
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City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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CITY OF RIDGECREST

Phone 760-499-5000
100 West California Avenue, Ridgecrest, CA 93555-4054
www.ridgecrest-ca.gov

December 31, 2015

Honorable Mayor, City Council and
Citizens of the City of Ridgecrest:

Attached herein we hereby submit the Comprehensive Annual Financial Report (CAFR) of the City of Ridgecrest, California (City) for the Fiscal Year ended June 30, 2015. These financial statements are presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of licensed certified public accountants.

The primary purpose in providing this report is to inform the Mayor and City Council of all financial and administrative activities of the previous fiscal year. In addition, this report is directed to two other groups: the citizens of Ridgecrest and the financial community. For the citizens, the report provides an opportunity to correlate City services and accomplishments with the expenditure of financial resources. For the financial community, this report provides information necessary to evaluate financial practices of the City, assure their soundness in accordance with GAAP, and determine the financial capacity of the City to incur and service debt for long-range capital planning.

Responsibility for the accuracy of the data presented and completeness and fairness of the presentation, including disclosures, rests with the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformance with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than an absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

GAAP requires that management provide a narrative introduction, i.e., overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the CAFR.

PROFILE OF THE CITY OF RIDGECREST

The City of Ridgecrest, incorporated in 1963, is located in the southern portion of the Indian Wells Valley and in the northeast corner of Kern County, surrounded by four mountain ranges; the Sierra Nevada on the west, the Coso on the north, the Argus Range on the east, and the El Paso Mountains on the south. It is approximately an hour and quarter from the Lancaster/Palmdale area and approximately two hours from both Bakersfield and San Bernardino. A favorable characteristic of the City is its proximity to two major highways, the 395 and the 14. Air travel in and out of the City is provided through the Inyokern Airport. These attributes make Ridgecrest, a central location for shopping and business for the Eastern Kern County area. Ridgecrest is also easily accessible to the rest of southern California making it an ideal location for industry.

Ridgecrest evolved into a growing and dynamic city during the 1950's and 1960's as a support community, vital to the mission of the Navy, by providing housing and services for Federal employees and contractors. Ridgecrest incorporated in 1963 and now provides shopping for over 40,000 people throughout the Indian Well Valley.

Naval Air Weapons Station (NAWS) China Lake is home to the Naval Air Warfare Center Weapons Division, which continues to be the major source of employment for Ridgecrest residents. The economic stability of Ridgecrest, as a service community for the NAWS, has been essential to its successful emergence as a community in its own right, as well as, the same location characteristics that initially attracted the NAWS; growing space, clean air, good water, highway accessibility, easy access to multiple recreational opportunities, and proximity to Los Angeles and Bakersfield. Ridgecrest's friendly business attitude continues to serve as an attraction for businesses to relocate to Ridgecrest and the Indian Wells Valley.

As the only incorporated community in the Indian Wells Valley, Ridgecrest boasts a thriving economy and a robust population of about 28,348 people. Ridgecrest acts as the shopping and business center for northeastern Kern County.

The City provides a full range of municipal services. These include public safety, recreation and community services, parks, maintenance and improvement of streets and infrastructure, planning and zoning, housing, economic development, transit, and general government. The City also operates and maintains a waste water plant that serves not only the City residents but also provides service to NAWS.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Outlook

After experiencing the worst economic decline in recent history, the City's financial position has begun to stabilize with modest improvements. Transient Occupancy Tax (TOT) and sales tax revenues are more sensitive to the economic swings. These two sources represent 49% of the total General Fund revenue. Fortunately for the City, employment outlook is favorable. Based on the Employment Development Department (EDD) Labor Force data, the City has maintained job levels and the City's unemployment rate down from 7.6% to 5.9%. California's unemployment rate is 5.7%.

Retail sales are rebounding at a slow pace from the doldrums after the burst of the housing bubble in 2008. Consumers continue to remain cautiously optimistic as the economy begins to stabilize. As a result of the June 5, 2012 election, the City successfully passed a local option sales tax called Measure L. This measure adds .75% to the sales tax making it a total of 8%. It became effective on October 1, 2012 and will sunset after five years. The City received $2.6 million in Measure L funds for fiscal year 2015. Future Measure L revenue is anticipated to average $2.6 million annually.

The City is beginning to see an upswing in community development and new construction. As the City leaders continue to concentrate on economic development, this trend is expected to rise. The following table summarizes the historical data for the local construction activity:

Year	Permits	Inspections	Valuation
2008	212	3,861	22.0 M
2009	144	5,086	12.1 M
2010	439	2,759	18.0 M
2011	423	2,510	13.0 M
2012	302	4,299	19.0 M
2013	705	1,603	5.0 M
2014	1020	1,925	9.0 M
2015	615	2,688	5.7M

Economic Development

Economic Development has a positive outlook for 2015.

- The Super Walmart Center has started construction with an estimated completion date scheduled for the last quarter of 2016.
- The RRSA has successfully received final approval from the Department of Finance for its Long Range Property Management Plan and has sold several lots within the Ridgecrest Business Park.
- The City has entered into Economic Development assistance grants with 3 firms utilizing Tax Allocation Bonds which are creating many new jobs within the city with future expansion expected in the coming year.
- The City will continue to expand its retail sector with plans to add several restaurants, retail stores and hotels in the upcoming year.
- The RRSA will begin the projects and improvement within the 2010 Tax Allocation Bond Issuance of eighteen point nine million ($18.9M), less six million ($6M) for the RRSA anticipated payback. The City is currently in litigation for three million ($3M) and will be initiating legislation on an additional three million ($3M), with hopes the City will prevail.
- The City is expecting to see an increase in its retail sector due to expansion of its major employer NAWS by four hundred jobs and a federal employee salary increase of 15% this year.

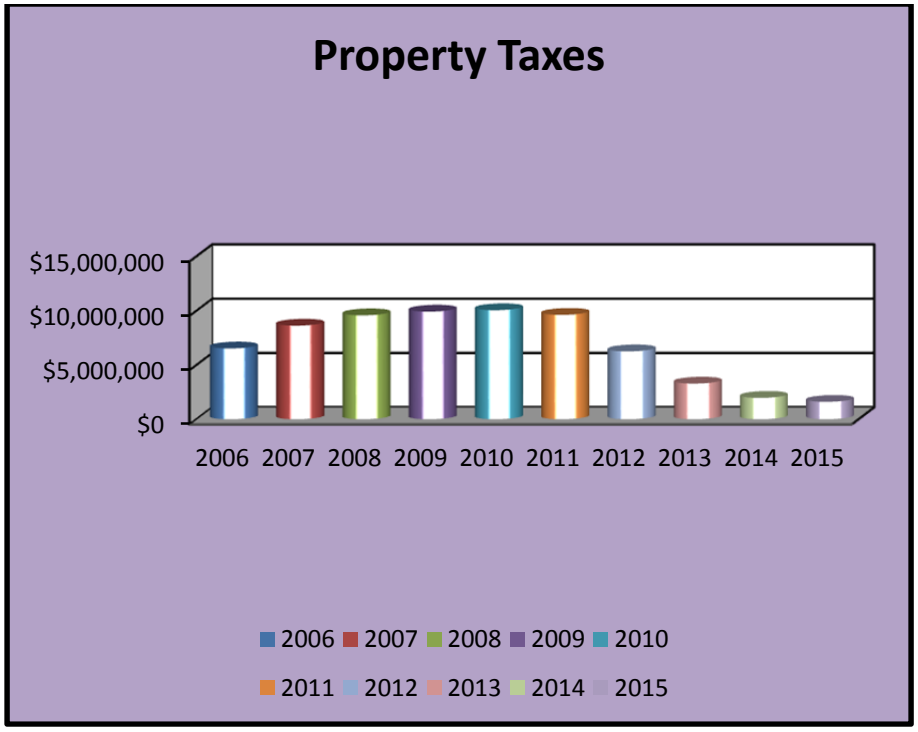
The ever expanding budget crisis of the State of California remains a huge concern for the City as the leadership in Sacramento continues to shift local revenues to help finance the state's budget deficits. The dissolution of the redevelopment agencies that became effective in February 1, 2012 is severely impacting the City's ability to improve its infrastructures and build new ones.

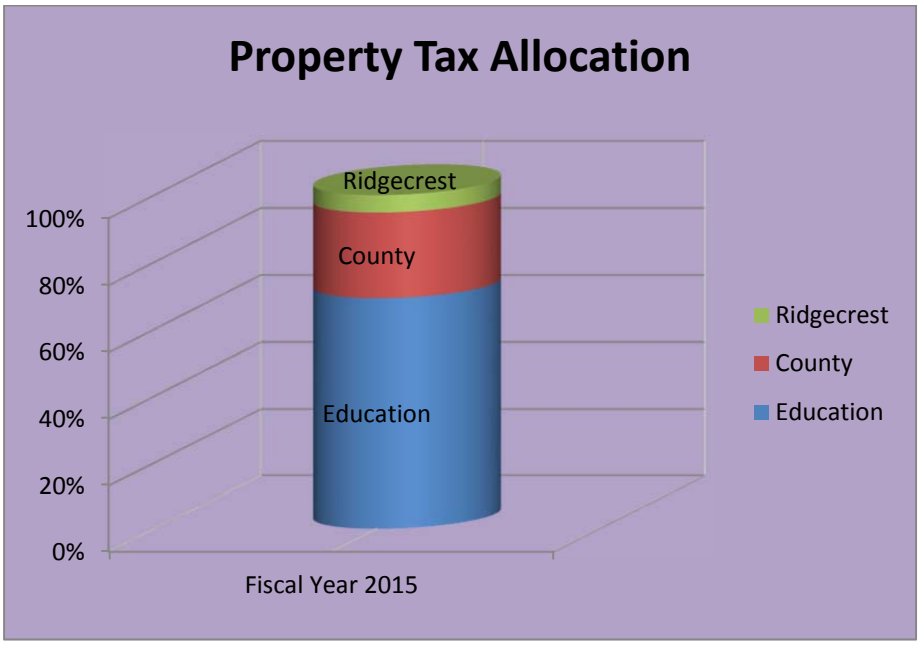
The City is witnessing a leveling off of the recession along with mild growth. Meanwhile, the City is projecting revenues conservatively, while reducing expenditures to maintain core services. The City is cautiously optimistic and is budgeting conservatively for the next year. A reduction of any size could mean reductions in services to the community, and the City is prepared to do it without compromising the basic and critical services to its residents.

Property Tax

Property tax is imposed on real property (land and permanently attached improvements such as buildings) and tangible personal property (moveable property) located within the City. Property is assessed by the County Assessor at a tax rate of 1.0% of the assessed value. The City receives about 5% of the tax rate from the County of Kern – Auditor/Controller's Office.

In fiscal years 2000 to 2001, the property tax revenue had negative growth due to dwindling home valuations. In FY 2002, property tax revenue started to move in upward direction, where it peaked up by 16.6% in FY 2004 and another 30% increase in FY 2005 over the previous year's receipts. This was a well-received indication of rising local property values, as well as, new development activity. In FY 2006, the State started to split the payment of motor vehicle license fees (MVLF) into two components. These components are the statutory rate and the *"property tax in lieu of MVLF" to Property Tax.* The shifting of MVLF to property tax has added an average of $2M annually to the City's property tax revenue, resulting in an increase of 46% in FY 2006. With the dissolution of the RDA, property tax has been drastically reduced, with a 35% reduction in 2012 from 2011, and in 2013 a further decrease of 47% from 2012. FY 2013 property tax revenue suffered a 66% loss from 2012. The 2014 Property Tax is 40% lower, due to a one-time payment in 2013, along with a repayment of $0.29 million for previous year's RDA pass-thru. Additionally, FY 2015 property tax was reduced by 18.6% due to the continued $0.29 million repayment. The City anticipates property taxes will level out and will continue to conservatively budget future year's proceeds.

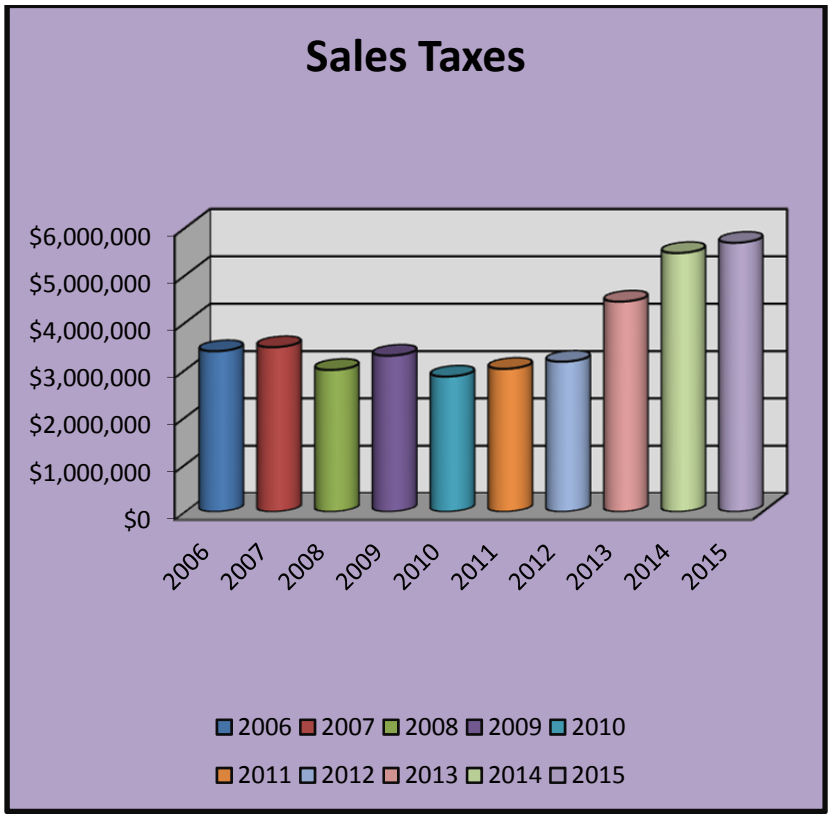




Sales Tax

The City's single largest revenue source is sales tax. The total sales tax in Kern County is 7.25% of the sale price of taxable goods and services sold at retail. Ridgecrest receives 1% of taxable sales from the State Board of Equalization. Effective October 1, 2012, sales tax in the City was raised by .75% due to the passage of Measure L. Sales tax increased by 4% in FY 2014 from prior year, due to moderate growth in overall sales tax receipts. In the last ten years, the City's sales tax revenue has continuously climbed at an average rate of 8%, with 2013, by far, the largest increase due to Measure L. Measure L has been crucial in maintaining Public Safety and Road Maintenance; however, this local sales tax option will expire in five years from its effective date. The City intends to return to voters to continue this local sales tax option to sustain and eventually increase services.

Sales tax leakage to the metropolitan areas of Victorville, Bakersfield and Lancaster-Palmdale continues to be a big concern for the City especially with limited shopping choices for clothing stores, restaurants and car dealerships. Even with the City's lower sales tax rates, a significant amount of local retail sales is spent outside of Ridgecrest. With the addition of JoAnn's and Marshall's, the City hopes to retain local spending along with drawing retail sales from outlying areas.

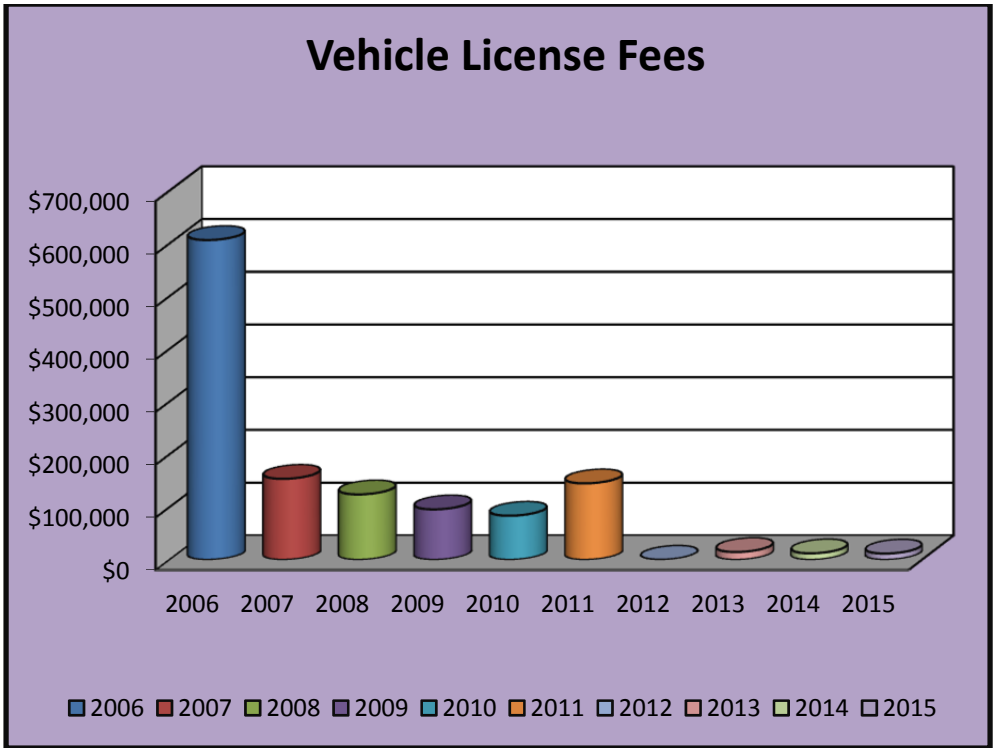


Vehicle License Fees

The Motor Vehicle License Fees was once the third largest source of revenue for the City of Ridgecrest. Vehicle License Fees (VLF), formerly local revenue, is collected by the State of California and apportioned based upon State Department of Finance "certified population".

It should be noted that VLF funds now, like sales tax, have been split by the State into two pieces. These two pieces are the statutory rate and the "property tax in lieu of VLF". In FY 2011, the statutory component (the rate by State law was reduced from 2.0% to 0.65%) brought to the Ridgecrest Treasury $144,761, a 74% increase over prior fiscal year. However, for FY 2012, the City did not receive any VLF monies. The chart below indicates the trend of VLF revenue. The City received $11,772 in FY 2015, $415 less than the City received in FY 2014.

The State started the split in FY 2006. The property-tax in lieu of VLF component remained stable in FY 2015 in the amount of $1,510,451, a slight increase of $104 from FY 2014. This amount is included in the property tax revenue category instead of the VLF revenue category; thereby, the reason for the tremendous decrease in the chart. Also, in FY 2006, the City received a one-time payment of $466,886 from the State per AB 1457 for the MVLF Backfill Gap Loan.



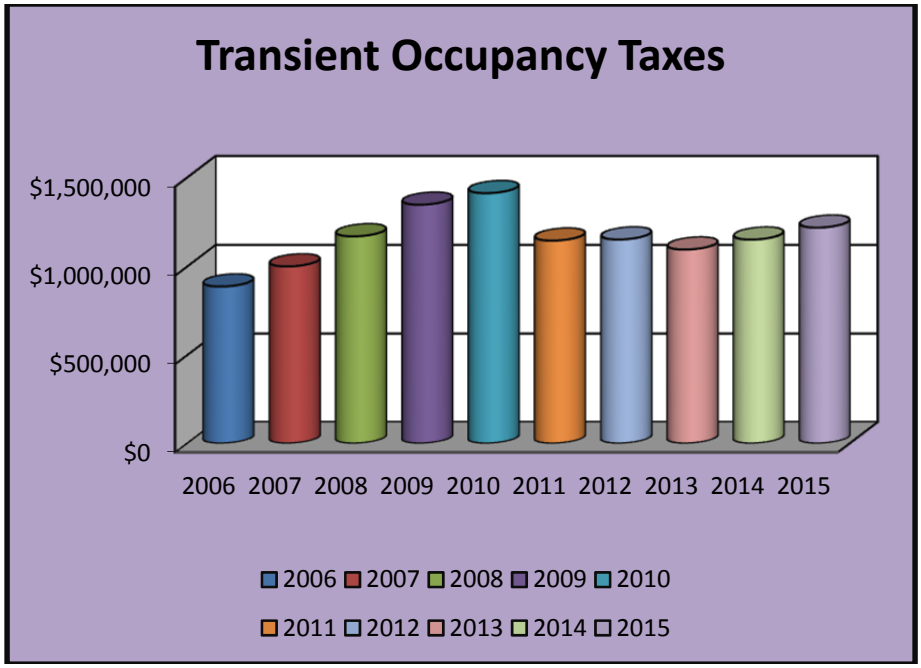
Transient Occupancy Tax

The City's third largest revenue source, transient occupancy tax (TOT,) is imposed on occupants of hotel, motel, inn, tourist home or other lodging facilities unless such occupancy is for 30 continuous days or longer. The tax is applied to the customer's lodging bill. The total tax rate is 12% including the additional assessment of 2% that is a pass-through to the Ridgecrest Area Convention and Visitors Bureau (RACVB).

In the past years, TOT collections provide funding for such economic development initiatives as the RACVB, the Chamber of Commerce, the City's Community and Economic Development program; as well as other city services. However, funding of these programs has either been eliminated or scaled down.

TOT has averaged a 3.9% growth rate for the last ten fiscal years. FY 2011 saw a significant decline in TOT revenue by 19%. This decrease is directly attributable to the relocation of the Empire Challenge which filled hotels to occupancy limits with participants in August; as well as, the reduction of federal defense employee travel. In FY 2012, TOT went up by a very modest .55% from prior year, while FY 2013 went down almost 5% due to sequestration. FY 2014 TOT increased 5.1% due to the end of sequestration along with increased employment on the Navy Base. With continued economic development, the City realized an 5.8% increase in TOT revenue which is expected to continue to rise.

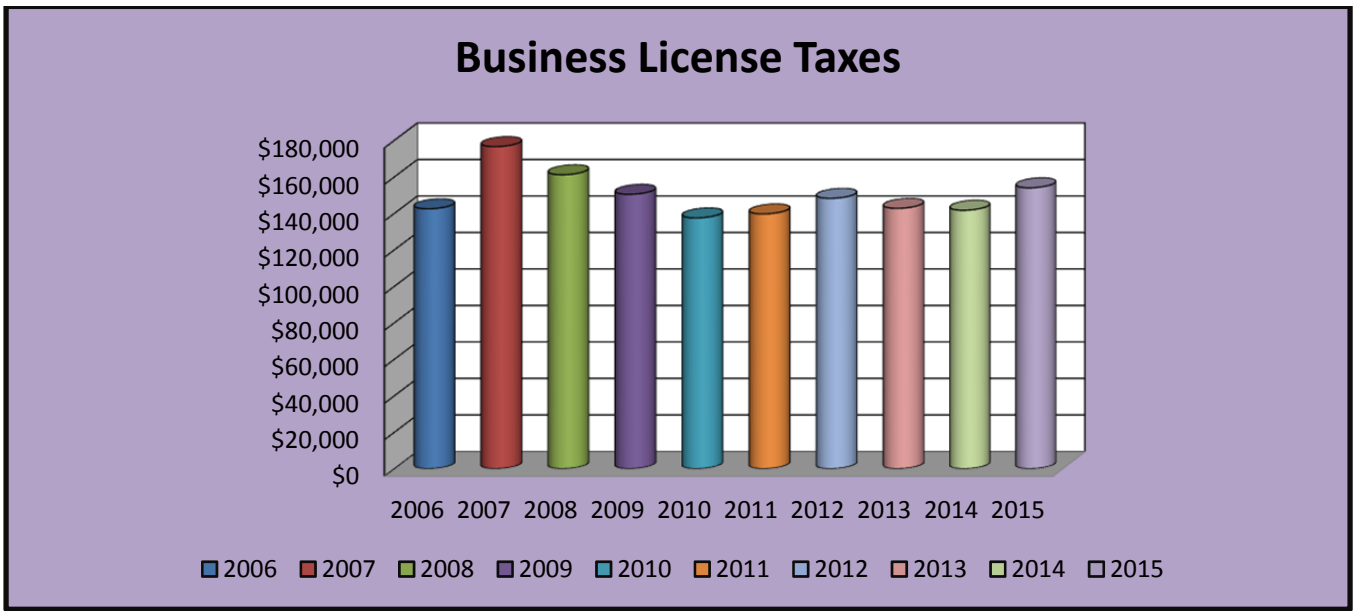
Effective October 1, 2012, lodging operators were required to assess their guests an additional 2%, making the total hotel tax 12%. The additional assessment is a pass through to the RACVB minus collections costs. This will expire five years from its effective date.



Business License Taxes

Another significant source of City revenue is the Business License Tax. This Tax is not regulatory in nature. It is based on unit count as opposed to the more common gross receipt ordinances by other cities throughout the state.

In FY 2007, the City conducted a business license audit targeting certain business groups that the City had overlooked in enforcement of this ordinance. This brought in extra revenue of $37,328 causing a spike in revenue in that fiscal year at a 24% increase compared to FY 2006. FY 2013 saw business license revenue decrease by 3.7% from FY 2012 likely due to business closures, with the NAWS sequestration markedly reduced spending within the community. FY 2015 saw a increase of business licenses, with an increase of 8.6%. With the mild improvement in the economy, the City expects to see a small increase over the next few years. Over the last ten years, the City's business license tax revenue is continuously climbing an average of 1.5% annually.



INTERNAL CONTROL STRUCTURE:

City management establishes and maintains an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

BUDGETARY CONTROLS:

The City maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City maintains an encumbrance accounting system to provide management with information regarding obligations against appropriations. Budgetary compliance is based on expenditures during the period (GAAP), rather than expenditures and encumbrances (non-GAAP). Because appropriations lapse on June 30, encumbrances outstanding as of June 30, 2015 are disclosed in the notes to the financial statements. Appropriations for FY 2015 will provide authority to complete those transactions.

The City is required by its municipal code to adopt an annual budget on or before June 30 for the ensuing fiscal year. From the effective date of the budget, the amounts become the "annual appropriated budget."

The City Council may amend the budget by motion during the fiscal year. The City Manager is authorized to transfer budget amounts within any fund during the budget year as long as it does not increase the total budget within the fund; however, any revisions that alter total expenditures of any fund without coinciding revenue increases must be approved by the City Council.

Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at the end-of the fiscal year. Supplemental appropriations, which increase appropriations, may be made during the fiscal year.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ridgecrest for its CAFR for the fiscal year ended June 30, 2014. This was the tenth consecutive years that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

LOOKING TO THE FUTURE

Many factors from previous years continue to impact the next fiscal year, both positively and negatively. On the positive side, business licenses have increased. The City continues to sponsor the annual Petroglyph festival, which brings in thousands of tourists. TAB funds were released in December 2013 of $24.9 million to be used for economic development and construction projects in FY 2015-16; Measure L continues to bring in an additional $2.6 million annually, which will come back to voters in 2016 for renewal. FY 2015-16 sales tax is trending higher than previous year due to the triple-flip wind down. Transient Occupancy Tax (TOT) is expected to make marginal gains.

On the negative side, with the dissolution of the RDA and the Wastewater Loan to refund in-lieu franchise fees plunged the 2012 General Fund balance to $-4.2 million. The City is closely monitoring the fiscal position to steadily increase the General Fund to a positive balance within the next five years. The third and final repayment of the FY 2012-13 RDA pass-thru of $294,071will be taken in FY 2015-16. Of the $24.9 million in TAB funding, the State of California is disallowing $6.0 million. The City has paid the State $3.0 million and will hold the remaining contested $3.0 million in tax-exempt bonds. The City is in litigation or preparing for litigation with the State of California Department of Finance for the $6.0 million. Although this is a negative, the City has set aside the funds if the City does not prevail in both lawsuits.

Overall, the economy has stabilized and is expected to make modest gains. Fiscal year 2016 budget assumed conservative revenue estimates along with controlled appropriations to ensure increased fund balance annually. The City is continually reviewing increased revenue opportunities in new grants and fees, along with reviewing efficiencies in order to cut cost. The City Council receives periodic reports on projected year-end balance to ensure the City's financial position continues to strengthen. Strategies are being implemented in fiscal year 2015 to improve fund balance in order to bolster reserves in the general fund. New hires after December 31, 2012 who are not currently in the public pension system will be enrolled in substantially lower pension benefit and will be required to pay at least 50% of the pension cost. This reform may have a minimal savings in the current budget but there will be substantial savings in the long term.

Economic Development/Redevelopment

The City is dedicated to expanding community growth and resources, and improving community service. Ridgecrest has undertaken a variety of marketing projects in the specific areas of business retention, growth, relocation, recreation and retirement to achieve a highly developed and integrated regional functionality and community partnership with NAWS, Cerro Coso Community College, Sierra Sands Unified School District and the Indian Wells Valley.

Despite its challenges, Ridgecrest is a city filled with opportunities, where people, commodities, retail, manufacturing, medical resources, innovation, research and development, and the China Lake NAWS converge to create an Eastern Sierra High Desert regional center. Tourism and hospitality services are expanding to meet the potential growth.

ACKNOWLEDGMENTS

While the 2015 CAFR reflects the improvement that Ridgecrest has made to its finances, it also reflects the depth of the impacts that recession and accompanying budget cuts have made on the organization. But, numbers cannot portray the level of commitment that has been and continues to be displayed by City employees. Simply put, the organization would not have survived its budgetary challenges and display the progress shown in this CAFR without the creativity and perseverance of its staff. The citizens of Ridgecrest should be proud to have such dedicated public servants protecting their homes, maintaining their streets, and providing many other services that make life manageable.

The preparation and publication of this report would have not been possible without the dedication, professionalism and teamwork of the entire staff of the Finance Department. We also thank the City's independent auditors, Pun & McGeady, for their assistance and expertise; and all City departments for their cooperation during the audit engagement and their participation in preparing this report. We would like to express our appreciation to the Mayor and City Council for their interest and support in planning and conducting the City's financial affairs in a responsible and progressive manner.

Respectfully submitted,

Dennis Speer
City Manager/RRSA Executive Director

W. Tyrell Staheli
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ridgecrest California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

CITY OF RIDGECREST

Comprehensive Annual Financial Report
For The Year Ended June 30, 2015

City of Ridgecrest

Comprehensive Annual Financial Report

Principal Officials as of June 30, 2015

Peggy Breeden, Mayor
James Sanders, Mayor Pro-Tempore
Lori Acton, Vice Mayor
Michael Mower, Council Member
Eddie Thomas, Council Member

City Staff as of June 30, 2015

Dennis Speer, City Manager/RRSA Executive Director/
Public Works Director
Ronald Strand, Chief of Police
V. Rachelle McQuiston, Finance Director/City-Agency Treasurer
Rachel Ford, City Clerk

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

Financial Section

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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PUN & McGEADY LLP
Certified Public Accountants and Business Advisors

6265 Greenwich Drive
Suite 220
San Diego, California 92122

Phone: (858) 242-5100
Fax: (858) 242-5150
www.pm-llp.com

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council
of the City of Ridgecrest
Ridgecrest, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ridgecrest, California (the "City"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2015, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Implementation of GASB Statements Nos. 68 and 71

As discussed in Note 10 to the basic financial statements, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The adoption of these standards required retrospective application of previously reported net position and reclassification of certain accounts as of July 1, 2014 as described in Note 15 to the basic financial statements. In addition, aggregate net pension liability is reported in the amount of $12,550,469 as of the measurement date, of which, $12,335165 is reported in the Government-Wide Statement of Net Position and $195,104 is reported in the Statement of Fiduciary Net Position. Aggregate net pension liability is calculated by actuaries using estimates and actuarial techniques from an actuarial valuation as of June 30, 2013 which was then rolled-forward by the actuaries to June 30, 2014, the measurement date for California Public Employee Retirement System ("CalPERS"). Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules of the Proportionate Share of the Net Pension Liability and Related Ratios, Schedules of Contributions – Pension Plans, and Schedule of Funding Progress - OPEB on pages 7 through 18 and 96 through 107 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Non-Major Fund Financial Statements and Non-Major Governmental Funds Budgetary Comparison Schedules, and Statistical Section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Non-Major Fund Financial Statements and Non-Major Governmental Funds Budgetary Comparison Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Non-Major Fund Financial Statements and Non-Major Governmental Funds Budgetary Comparison Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Pun & McGeady LLP

San Diego, California
December 18, 2015

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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PUN & McGEADY LLP
Certified Public Accountants and Business Advisors

6265 Greenwich Drive
Suite 220
San Diego, California 92122

Phone: (858) 228-5100
Fax: (858) 228-5150
www.pm-llp.com

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

To the Honorable Mayor and Members of City Council
of the City of Ridgecrest
Ridgecrest, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ridgecrest, California (the "City"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 18, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pun & McGeady LLP

San Diego, California
December 18, 2015

City of Ridgecrest
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Management of the City of Ridgecrest (the "City") provides the Management Discussion and Analysis of the City's Comprehensive Annual Financial Report (CAFR) for readers of the City's financial statements. This narrative overview and analysis of the financial activities of the City is for the fiscal year (FY) ended June 30, 2015. We encourage readers to consider this information in conjunction with the additional information that is furnished in the letter of transmittal, which can be found preceding this narrative, and with the City's financial statements, which follow. Keep in mind that the Financial Highlights, immediately following, are strictly snapshots of information. Net position, changes in net position and fund disclosures are discussed in more detail later in the report.

Financial Highlights – Primary Government

- *Government-Wide Highlights*

  Net Position – Assets of the City exceeded its liabilities at fiscal year ending June 30, 2015 by $69.48 million, this compared to $73.95 million at fiscal year end June 30, 2014. This is an overall decrease of $4.47 million or a decrease of 6% of prior year's net position. Net position for governmental activities exceeded liabilities by $35.9 million and this compares to $40.3 million at June 30, 2014 a decrease of 12%. This reflects the GASB Statement No. 68 and 71 requirements related to the recognition of pension liability. Assets for business-type activities exceeded liabilities by $33.54 million compared to $33.64 million at June 30, 2013, an increase of .3%, an example of the stabilization of the economy.

  Changes in Net Position – The City's net position increased $9.74 million in FY 2014-2015; this compared to a $.74 million decrease in FY 2013-2014. Net position of governmental activities increased $8.3 million compared to a decrease of $1.95 million in 2012-2013. Net position of business-type activities increased by $1.4 million compared to a $1.2 increase in FY 2013-2014. This reflects the leveling of the RDA Successor wind-down, Measure L sales tax option, along with the growth of the economy.

- *Fund Highlights*

  Governmental Funds – At the close of FY 2014-2015 the City's total governmental funds reported a fund balance of $8.69 million, an $.5 million increase from the FY 2013-2014 balance of 8.19 million, an 6% increase, reflective of debt service fund reduction of $0.43 million, realized every year, and increases in fund balance in both the General Fund and in the capital improvements fund.

  General Fund – The fund balance of the general fund on June 30, 2015 was ($1.00 million), an increase of $1.3 million from the June 30, 2014 balance of ($2.32 million). This increase was due to reduction in expenses along with modest growth in revenues.

  Redevelopment Agency – As of February 1, 2012, redevelopment agencies across California cease to exist pursuant to ABIX 26. The City of Ridgecrest opted to become the Successor Agency to administer the dissolution of the Ridgecrest Redevelopment Agency (RRA). The assets and liabilities of the RRA were transferred to a separate private purpose trust fund. The Successor Agency will be allowed to continue projects and pay off outstanding liabilities that have been determined as "enforceable obligations" as defined by the statute.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. They are comprised of the following:

- *Statement of Net Position* - The Statement of Net Position presents summarized information of all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. This financial statement combines and consolidates governmental funds current financial resources with capital assets and long-term obligations.

- *Statement of Activities and Changes in Net Position* - The Statement of Activities and Changes in Net Position presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, transportation, cultural and leisure services and housing and community development. Business type activities include operations of the waste water plant, solid waste collection and the City's transit system.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: Governmental funds, proprietary funds, and fiduciary funds.

The fund financial statements provide detail information about each of the City's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are major funds, was established by GASB Statement No. 34 (GASB 34) and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, while all Non-Major Funds are summarized and presented in a single column.

- *Governmental Funds* - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources; as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

  Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation of both the governmental funds balance sheet and the governmental funds statement of revenues, expenses and changes in fund balance with the government-wide financial statements can be found on pages 35 and 39.

Fund Financial Statements (Continued)

The City has twenty (20) governmental funds, of which 5 are considered major funds for presentation purposes. Each major fund is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenses and changes in fund balances. The City's five (5) major funds are: General Fund, State Gas Tax Fund, Grant Operations Special Revenue Fund, City Debt Service Fund, and Capital Improvements Capital Projects Fund. Data from the non-major governmental funds (e.g., Park Development Impact Fund, TDA Street Fund, etc.) are combined into a single, aggregated presentation. The governmental fund financial statements can be found on pages 32-37. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 112-119.

- *Proprietary Funds* - The City maintains two types of proprietary funds: enterprise funds and internal service funds.

  Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for waste water, solid waste collection and transit activities. Internal service funds are used to report any activity that provides goods or services to other funds, departments or agencies of the primary government and its component units on a cost reimbursement basis. The goal of the internal service funds is to measure the full cost of providing goods or services for the purpose of fully recovering that cost through fees or charges. Because internal services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

  Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary funds financial statements use the accrual basis of accounting.

  The proprietary funds financial statements can be found on pages 45-49.

- *Fiduciary Funds* - Fiduciary (Agency) funds are used to account for resources held for the benefit of parties outside the government. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support City programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 58-93.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The required supplementary information includes budgetary comparison schedules for the major funds, schedules and disclosure of the modified approach for the City pavement infrastructure and information regarding the obligation to provide pension benefits to employees. This information can be found on pages 96-107.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

City of Ridgecrest's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current & Other Assets	$ 6,135,010	$ 11,469,673	$17,777,700	$19,391,066	$23,912,710	$ 30,860,739
Capital Assets	54,595,600	41,343,959	17,573,960	15,581,116	72,169,560	56,925,075
Total Assets	60,730,610	52,813,632	35,351,660	34,972,182	96,082,270	87,785,814
Deferred Outflows	1,271,969	-	134,430	-	1,406,399	-
Current Liabilities	4,754,836	3,704,055	296,157	1,330,301	5,050,993	5,034,356
Long-term Liabilities	18,617,279	8,806,275	1,295,419	-	19,912,698	8,806,275
Total Liabilities	23,372,115	12,510,330	1,591,576	1,330,301	24,963,691	13,840,631
Deferred Inflows	2,693,747	-	351,437	-	3,045,184	-
Net Investment in Capital Assets	42,325,287	34,386,270	15,069,345	15,581,116	57,394,632	49,967,386
Restricted	9,961,497	10,718,146	-	-	9,961,497	10,718,146
Unrestricted	(16,350,067)	(4,801,114)	18,473,732	18,060,765	2,123,665	13,259,651
Total Net Position	$ 35,936,717	$ 40,303,302	$33,543,077	$33,641,881	$69,479,794	$73,945,183

Net Position

The chart above reflects the City's combined net position (governmental and business-type activities) which totals $69.4 million at the close of fiscal year ending June 30, 2015.

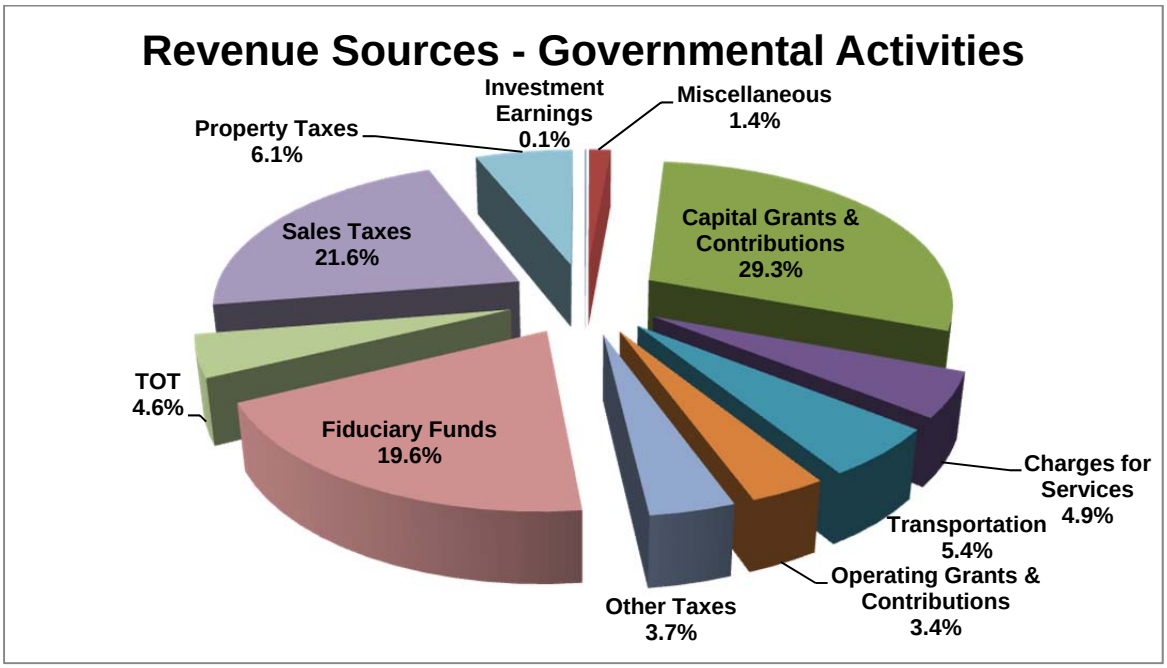
82.6% of the City's total net position reflects its investment in capital assets (e.g., land, streets, sewers, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

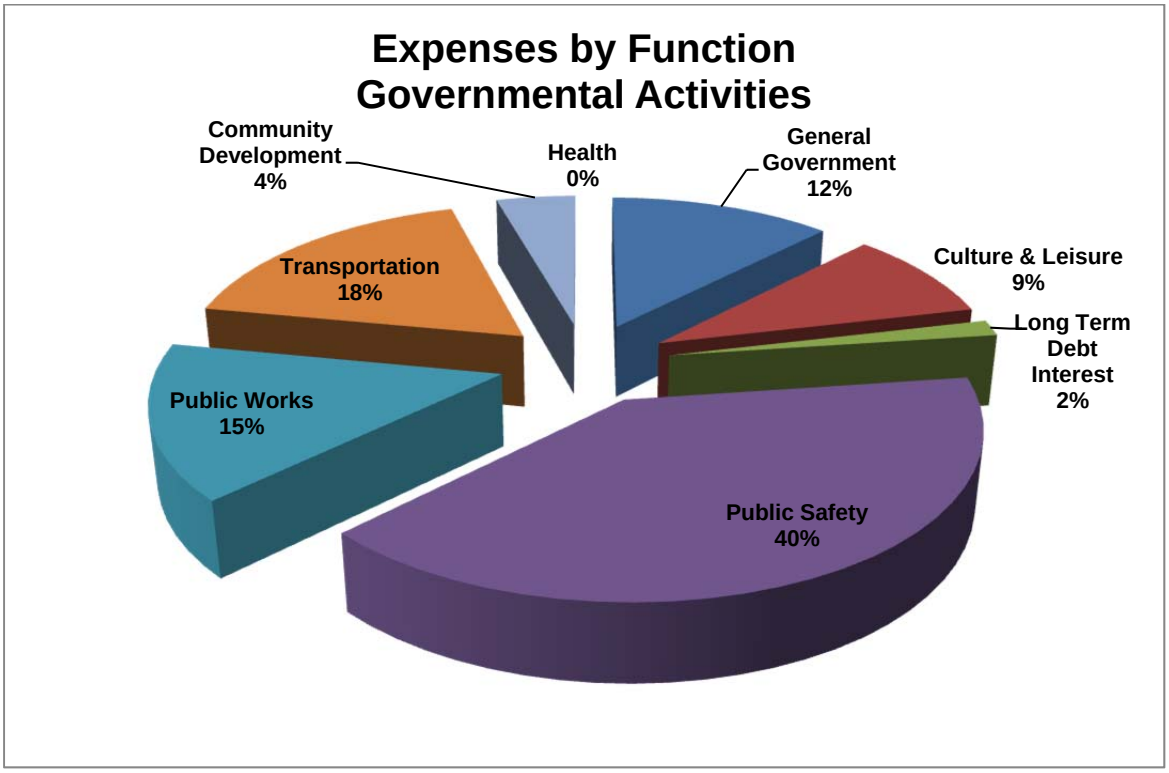
The remaining City net position (17.4%) represents resources that are subject to external restrictions (e.g., capital projects, community development, debt services and special projects) and resources that are unrestricted to meet the City's ongoing obligations to citizens and creditors.

At the end of the FY 2014-15, the City is able to report positive balances in all three categories of net position, both for the government as a whole; as well as, for its separate governmental and business-type activities. The City's net position was decreased by $4.46 million during the fiscal year, a 6.04% decrease. This decrease can be attributed to the recognition long-term pension liability.

Governmental Activities

Governmental activities decreased the City's net position by $4.4 million. The decrease in the net position for governmental activities is attributed to recognition of pension liabilities. The charts that follow show the program revenues, general revenues and expenses by function for all Governmental activities.





Governmental Activities (Continued)

Statement of Activities
For the Year Ended June 30, 2015

	Governmental Activities		Business Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	$ 1,296,391	$ 1,043,372	$4,145,779	$ 2,923,996	$ 5,442,170	$ 3,967,368
Operating grants and contributions	2,315,476	1,982,127	92,834	259,868	2,408,310	2,241,995
Capital grants and contributions	7,728,784	384,661	-	-	7,728,784	384,661
Total program revenues	11,340,651	3,410,160	4,238,613	3,183,864	15,579,264	6,594,024
General revenues:						
Property taxes	1,600,406	1,967,098	-	-	1,600,406	1,967,098
Sales taxes	5,681,776	5,314,304	-	-	5,681,776	5,314,304
Other taxes	2,203,958	1,919,733	577,392	614,050	2,781,350	2,533,783
Investment earnings	18,355	20,619	48,259	41,852	66,614	62,471
Other revenues	5,511,245	2,674,089	18,870	9,969	5,530,115	2,684,058
Total general revenues	15,015,740	11,895,843	644,521	665,871	15,660,261	12,561,714
Total revenues	26,356,391	15,306,003	4,883,134	3,849,735	31,239,525	19,155,738
Expenses:						
General government	2,298,464	2,392,555	-	-	2,298,464	2,392,555
Public safety	7,436,539	7,739,455	-	-	7,436,539	7,739,455
Public works	2,848,720	2,413,076	-	-	2,848,720	2,413,076
Transportation	3,284,356	2,013,025	-	-	3,284,356	2,013,025
Community Development	817,626	703,682	-	-	817,626	703,682
Health	-	(7,998)	-	-	-	(7,998)
Culture & Leisure	1,679,152	1,747,368	-	-	1,679,152	1,747,368
Interest on long-term debt	292,989	319,028	-	-	292,989	319,028
Transit	-	-	757,646	868,224	757,646	868,224
Waste Water	-	-	2,082,287	1,519,731	2,082,287	1,519,731
Solid Waste Collection	-	-	-	-	-	-
Total expenses	18,657,846	17,320,191	2,839,933	2,387,955	21,497,779	19,708,146
Increase (decrease) in net position before transfers	7,698,545	(2,014,188)	2,043,201	1,461,780	9,741,746	(552,408)
Transfers & extraordinary Items	615,822	60,307	(615,822)	(263,539)	-	(203,232)
Change in net position	8,314,367	(1,953,881)	1,427,379	1,198,241	9,741,746	(755,640)
Net position, beginning of year (as restated)	27,622,350	42,257,183	32,115,698	32,443,640	59,738,048	74,700,823
Net position, end of year	$ 35,936,717	$ 40,303,302	$ 33,543,077	$ 33,641,881	$ 69,479,794	$ 75,945,182

Governmental Activities (Continued)

- Charges for services are primarily for recreation, building, planning engineering and waste water services.
- Operating and capital grants and contributions include Federal and State grants and other governments and impact fees.
- Property taxes include the general, transfer tax, voter-approved debt service and the redevelopment property taxes.
- Other taxes include mainly hotel, business, and franchise fees and other special assessments.
- General government expenses include those expenses necessary for the operation of the general operation of the City. These include but are not limited to:
    - City Council,
    - City Manager,
    - City Clerk,
    - Legal Expenses,
    - Human Resources,
    - Financial Administration (Treasury) and
    - Administration which includes non-departmental City Hall expense, Advertising & Promotion.
- Public Safety expenses include both Police and Fire Protection Services.
- Community Development expenses includes planning, building, housing, code enforcement, and economic development expenses.
- Culture & Leisure expenses cover Parks and Recreation services including the operation of the Senior Center building, Recreation Services and the Community Center.
- Public Works include engineering and its administration.

Business Type Activities

The City operates three business-type activities. These are the City's Transit System and its Wastewater System. These business-type activities increased the City's net position by $1.4 million over the prior year compared to an increase of $1.2 million from FY 2013-2014.

As in prior years the City's Transit System was supported primarily through a combination of State and Federal assistance. The largest of these was the State Transportation Development Act (TDA). Since the decline of federal funds beginning in fiscal year 2002, the City has been using TDA, PTMISEA funds and other operational funds to purchase buses. The Solid Waste Collection Fund was supported by user fees collected for delinquent payments. Since the elimination of mandatory trash services, this fund is now funded by cost reimbursement and transfers from General Fund. The Wastewater fund is 100% supported by user fees collected for the City via property tax billing by Kern County.

INTERNAL SERVICE FUNDS

The City has three (3) internal service funds: Human Resources/Risk Management, Self-Insurance Workers' Compensation, and Fleet Maintenance. These funds are used to account for interdepartmental operations where the costs of services provided to the departments are financed or recovered by charging the user department.

Human Resources/Risk Management

In addition to providing for Liability, Workers' Compensation and Property Insurance funding, the Self Insurance and Risk Management Internal Service Fund also provides funding for the liquidation of vacation, sick leave and other compensated absences.

INTERNAL SERVICE FUNDS (Continued)

Self- Insurance Workers' Compensation

The Workers' Compensation Fund accounts for resources that are received and expended on the City's self- insurance plan. This plan has been in effect since July 1, 2007.

Fleet Maintenance

The Fleet Maintenance internal service fund provides for the maintenance, repair and replacement of the City's fleet.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

As previously noted, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Please note that unlike the Government-wide financial statements displayed previously, the fund financial statements that follow are not reflected on a full accrual basis.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

- *Governmental Funds* – The following schedule is a summary of governmental fund revenues for fiscal year ended June 30, 2015, and includes Major and Non-Major Funds. It reflects the amount for each source of revenue and what percentage of the total revenue that source of revenue represents.

Source of Revenue	FY 12-13 Amount	Percent of Total	FY 13-14 Amount	Percent of Total	FY 14-15 Amount	Percent of Total
Taxes	$ 11,295,144	67.2%	$ 9,880,106	63.9%	$ 10,030,177	38.0%
Intergovernmental	2,699,957	16.1%	1,906,762	12.3%	9,384,909	35.6%
Licenses, Permits & Fees	361,759	2.2%	256,780	1.7%	549,406	2.1%
Fines and Forfeitures	115,390	0.7%	84,493	0.5%	72,806	0.3%
Use of Money & Property	135,907	0.8%	245,182	1.6%	253,342	1.0%
Charges for Services	492,815	2.9%	389,830	2.5%	553,864	2.1%
Assessment Revenues	4,393	0.0%	10,526	0.1%	10,526	0.0%
Transfers form Fiduciary Fund	706,518	4.2%	2,278,026	14.7%	5,154,181	19.5%
Other Revenues	990,033	5.9%	403,262	2.6%	358,840	1.4%
Total	**$ 6,801,916**	**100.0%**	**$ 15,454,967**	**100.0%**	**$ 26,368,051**	**100.0%**

Governmental Funds (Continued)

As of the end of the current year, the City of Ridgecrest's governmental funds reported combined ending fund balances of $8.69 million, a decrease of $.5 million in comparison FY 2013-2014 ending funding balance. Of this ending balance the unassigned fund balance is ($2.5 million). The majority of the fund balance, $6.3 million, is non-spendable as the balance represents the advance made to the former RDA to refund the 1999 COP and the payment receive from the Successor Agency can only be used to pay the 2005 Refunding Certificates of Participation.

Of the $3.22 million of restricted fund balance, $247,365 of this belongs to the General Fund, $751,356 to the City Debt Service Fund and $2,198,753 to other governmental funds. As stated above, these funds are restricted in their use to the special purpose for which they were collected.

Committed Fund Balance includes amounts that are committed for specific purposes by formal action of the City Council. Amounts classified as "committed" are not subject to legal enforceability like restricted fund balance; however, those amounts cannot be used for any other purpose unless the City Council removes or changes the limitation by taking the same form of action it employed to previously impose the limitation. Total committed fund balance within the governmental funds is $555,508; $16,508 is committed for Park Development and $539,000 is committed for Sub-Standard Street projects.

Assigned Fund Balance includes amounts that are intended by the City to be used for specific purposes but are neither restricted nor limited. Of the combined ending fund balance of $8,693,270, 19% or $1,647,805 is classified as Assigned Fund Balance, set aside for Capital Improvements and Measure L funded street maintenance.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund is the main operating fund of the City. The primary sources of its revenues are taxes; primarily sales taxes including a collection of Measure L local option sales tax. Final budgeted revenues received were within acceptable budget variance. Reduction in revenue in the final budget is due to a reallocation of overhead costs. Increases in the final budget expenditures are a result of carry-over obligations and commitments from the previous fiscal year. The General fund received an excess $1.3 million in resources over charges to appropriations. This increased the General Fund balance to $ -1 million. The City has made considerable strides to wipe out the negative fund balance; with continued budget reduction, capital outlay deferrals, closely monitoring fiscal position and conservative revenue estimates, the City plans to have a positive fund balance within the next 3-5 years.

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

	For the Fiscal Year Ended June 30, 2015				For the Fiscal Year Ended June 30, 2014			
	Budgeted Amounts		Actual	Positive (Negative) Variance with	Budgeted Amounts		Actual	Positive (Negative) Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
Fund balance, July 1			$ (2,318,911)				$ (2,189,604)	
Resources (inflows):								
Taxes	9,938,031	9,938,031	9,356,253	(581,778)	8,808,127	9,408,127	9,404,971	(3,156)
Intergovernmental revenue	368,187	807,217	840,383	33,166	447,113	718,049	568,216	(149,833)
Licenses, fees, and permits	168,300	168,300	279,334	111,034	163,400	163,400	200,393	36,993
Fines and forfeitures	66,300	66,300	72,806	6,506	59,300	59,300	70,523	11,223
Use of money and property	203,030	203,030	239,605	36,575	112,884	112,884	229,804	116,920
Current service charges	514,381	514,381	553,864	39,483	496,865	525,670	389,830	(135,840)
Other revenues	247,900	247,900	338,491	90,591	268,900	268,900	376,897	107,997
Transfers from other funds	2,726,326	2,116,543	2,446,315	329,772	1,335,444	1,519,714	1,226,707	(293,007)
Amount available for appropriation	14,232,455	14,061,702	14,127,051	65,349	11,692,033	12,776,044	12,467,341	(308,703)
Charges to appropriations (outflows):								
General government	2,015,064	1,997,229	2,506,451	(509,222)	1,945,729	2,150,940	2,171,951	(21,011)
Public safety	6,639,894	7,174,358	7,098,082	76,276	6,026,144	6,695,608	7,264,984	(569,376)
Public works	455,041	365,109	283,672	81,437	269,984	413,708	298,633	115,075
Community development	647,351	658,313	688,464	(30,151)	730,448	872,943	611,480	
Health	50,000	68,140	-	68,140	67,000	70,155	-	70,155
Culture and leisure	1,205,947	1,240,277	1,435,334	(195,057)	1,331,909	1,471,439	1,250,608	220,831
Capital Outlay	551,492	992,275	-	992,275	257,123	343,060	-	343,060
Non-departmental:								
Transfers to other funds	1,287,060	1,405,194	797,168	608,026	882,388	1,637,925	998,990	638,935
Total charges to appropriations	12,851,849	13,900,895	12,809,171	1,091,724	11,510,725	13,655,778	12,596,646	1,059,132
Excess of resources over (under) charges to appropriations	1,380,606	160,807	1,317,880	1,157,073	181,308	(879,734)	(129,305)	750,429
Fund balance, June 30			$ (1,001,031)				$ (2,318,909)	

Capital Asset and Debt Administration

The City's investment in capital assets for its Governmental and Business Type activities as of June 30, 2015, amounts to $63.79 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads and highways, sewers, storm drains and related infrastructure. Total capital assets saw increases, with an increase of $6.86 million from prior year. New assets total $7.5 million for governmental activities, primarily due to new construction on street improvement. With the release of the Tax Allocation Bonds (TAB), new construction will continue to ramp up in 2015-16. The schedule below shows the summary of the City's capital assets by class and by type of activity. The assets are reported at historical cost, net of accumulated depreciation when applicable. These amounts do not represent the market value or replacement cost of the City's assets, which would be substantially more.

Capital Asset and Debt Administration (Continued)

	Government Activities	Business-Type Activities	Total
Non-Depreciable Assets:			
Land	$ 2,415,580	$ 1,614,217	$ 4,029,797
Construction in process	11,118,070	-	11,118,070
Total non-depreciable assets, net	13,533,650	1,614,217	15,147,867
Depreciable Assets:			
Buildings and improvements	6,155,284	3,305,880	9,461,164
Machinery and equipment	6,928,734	3,690,976	10,619,710
Infrastructure	107,924,076	18,877,601	126,801,677
	121,008,094	25,874,457	146,882,551
Less accumulated depreciation	(85,821,457)	(12,419,329)	(98,240,786)
Total depreciable assets, net	35,186,637	13,455,128	48,641,765
Total capital assets	$ 48,720,287	$ 15,069,345	$ 63,789,632

Additional information on the capital assets can be found in Note 7 on pages 75-77 of this report.

- *Long-Term Debt* - At the end of the current fiscal year, the City had a total of Governmental Activities long term debt outstanding of $8.6 million, a net decrease of $0.4 million compared from prior year due to decrease of principle and an increase in compensated absences. The outstanding debt of $8.6 million consists of $6.39 million for the 2005 Refunding COP bonds that were issued in fiscal year 2006 to advance refund the 1999 COP in order to capture favorable interest rates to lower the City's borrowing.

  Long Term Debt from Fiduciary Funds has a balance of $28.4 million from the 2010 Tax Allocation Refunding Bond to provide funds to refund the 1999 Tax Allocation Bonds.

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Due within one year	Due in more than one year
Governmental Activities						
2005 Refunding Certificates of Participation	6,845,000	-	(450,000)	6,395,000	470,000	5,925,000
Capital Lease Obligations	112,689		(112,689)	-	-	-
Compensated Absences	2,094,969	927,167	(819,698)	2,202,438	882,530	1,319,908
Total Government Activities	9,052,658	927,167	(1,382,387)	8,597,438	1,352,530	7,244,908
Fiduciary Funds						
Tax Allocation Bonds	30,060,000	-	(1,070,000)	28,990,000	1,055,000	27,935,000
Less: Bond discount	(591,147)	-	26,870	(564,277)		(564,277)
	29,468,853	-	(1,043,130)	28,425,723	1,055,000	27,370,723
Total	$ 38,521,511	$ 927,167	$ (2,425,517)	$ 37,023,161	$ 2,407,530	$ 34,615,631

Capital Asset and Debt Administration (Continued)

State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent of its assessed valuation. Additional information on the City of Ridgecrest long-term debt can be found in Note 8 on pages 77-79 of this report.

Economic Factors and Next Year's Budget

Many factors from previous years continue to impact the next fiscal year, both positively and negatively. On the positive side, three new businesses (Marshalls, Joanne's and Famous Footwear) opened the beginning of FY 2014. The new Super WalMart project broke ground in October of 2015. The City continues to hold the annual Petroglyph festival in November, which brought in thousands of tourists. Sales tax has been steadily increasing. TAB funds were released in December 2013 of $24.9 million to be used for economic development and construction projects in FY 2014-15 and continuing into FY2015-16; Measure L continues to bring in an additional $2.6 million annually, which will come back to voters in 2016 for renewal.

On the negative side, the Wastewater Loan to refund in-lieu franchise fees plunged the 2012 General Fund balance to $-4.2 million, which the City is closely monitoring the fiscal position to steadily increase the General Fund to a positive balance within the next three to five years. The third and final repayment of the FY 2012-13 RDA pass-thru of $294,071 will be in FY 2015-16. Of the $24.9 million in TAB funding, the State of California is disallowing $6.0 million. The City has paid the State $3.0 million and will hold the remaining contested $3.0 million held in tax-exempt bonds. The City is in litigation or preparing for litigation with the State of California Department of Finance for the $6.0 million. Although this is a negative, the City has set aside the funds if the City does not prevail in both lawsuits.

Overall, the economy has stabilized and is expected to make modest gains. Fiscal year 2016 budget assumed conservative revenue estimates along with controlled appropriations to ensure increased fund balance annually. The City is continually reviewing increased revenue opportunities in new grants and fees, along with reviewing efficiencies in order to cut cost. The City Council receives periodic reports on projected year-end balance to ensure the City's financial position continues to strengthen. Strategies are being implemented in fiscal year 2016 to improve fund balance in order to bolster reserves in the general fund. New hires after December 31, 2012 who are not currently in the public pension system will be enrolled in substantially lower pension benefit and will be required to pay at least 50% of the pension cost. This reform may have a minimal savings in the current budget but there will be substantial savings in the long term.

The State of California has legally taken away the redevelopment assets and revenue from every city in the State, has significantly changed the revenue sources, and has required the City to look for other revenue options with a significant focus on economic development. The passage of Measure L has significantly mitigated the effects on Police and Streets, but if the ¾ sales tax is not renewed in 2016, the City may once again have to look at cutting the services for the City of Ridgecrest.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Ridgecrest's finances for all those with an interest in the government finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 100 W. California Avenue, Ridgecrest, California, 93555.

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

Basic Financial Statements

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

Government-Wide Financial Statements

City of Ridgecrest
Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 6,174,102	$ 13,845,536	$ 20,019,638
Cash and investments with fiscal agent	751,356	-	751,356
Receivables:			
Accounts	1,777,545	72,229	1,849,774
Taxes	1,188,056	-	1,188,056
Interest	13,525	6,894	20,419
Deposits	10,241	-	10,241
Due from fiduciary fund	56,345	-	56,345
Internal balances	(3,853,041)	3,853,041	-
Inventories	16,881	-	16,881
Total current assets	6,135,010	17,777,700	23,912,710
Noncurrent assets:			
Advances to Fiduciary Fund	5,584,159	2,504,615	8,088,774
Loans receivable	254,810	-	254,810
Capital assets:			
Nondepreciable	13,533,650	1,614,217	15,147,867
Depreciable, net	35,186,637	13,455,128	48,641,765
Total capital assets, net	48,720,287	15,069,345	63,789,632
Net OPEB asset	36,344	-	36,344
Total noncurrent assets	54,595,600	17,573,960	72,169,560
Total assets	60,730,610	35,351,660	96,082,270
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions made after measurement date	1,254,402	130,213	1,384,615
Positive difference between City's contribution and proportionate share of contribution	17,567	4,217	21,784
Total deferred outflows of resources	1,271,969	134,430	1,406,399

See accompanying Notes to the Basic Financial Statements.

City of Ridgecrest
Statement of Net Position (Continued)
June 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	782,996	72,258	855,254
Interest payable	93,012	-	93,012
Salaries payable	171,108	21,985	193,093
Other payroll deductions payable	197,617	-	197,617
Deposits payable	86,815	-	86,815
Unearned revenue	1,122,916	201,914	1,324,830
Claims payable - due within one year	947,842	-	947,842
Compensated absences - due within one year	882,530	-	882,530
Long-term debt - due within one year	470,000	-	470,000
Total current liabilities	4,754,836	296,157	5,050,993
Long-term liabilities:			
Claims payable	312,625	-	312,625
Aggregate net pension liability - due in more than one year	11,059,746	1,295,419	12,355,165
Compensated absences - due in more than one year	1,319,908	-	1,319,908
Long-term debt - due in more than one year	5,925,000	-	5,925,000
Total long-term liabilities	18,617,279	1,295,419	19,912,698
Total liabilities	23,372,115	1,591,576	24,963,691
DEFERRED INFLOWS OF RESOURCES			
Negative differences between City's contribution and proportionate share of contribution	87,548	-	87,548
Difference between projected and actual earnings on pension plan investments	2,606,199	351,437	2,957,636
Total deferred inflows of resources	2,693,747	351,437	3,045,184
NET POSTION			
Net investment in capital assets	42,325,287	15,069,345	57,394,632
Restricted for:			
Special projects	187,977	-	187,977
Debt service	6,335,515	-	6,335,515
Capital projects	3,190,640	-	3,190,640
Other purpose	247,365	-	247,365
Total restricted	9,961,497	-	9,961,497
Unrestricted (deficit)	(16,350,067)	18,473,732	2,123,665
Total net position	$ 35,936,717	$ 33,543,077	$ 69,479,794

See accompanying Notes to the Basic Financial Statements.

City of Ridgecrest
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Total
Primary government:					
Governmental activities:					
General government	$ 2,298,464	$ 270,810	$ 76,287	$ -	$ 347,097
Public safety	7,436,539	392,093	802,314	34,827	1,229,234
Public works	2,848,720	-	-	7,675,345	7,675,345
Transportation	3,284,356	-	1,429,161	-	1,429,161
Community development	817,626	287,611	7,714	-	295,325
Culture and leisure	1,679,152	345,877	-	18,612	364,489
Interest on long-term debt	292,989	-	-	-	-
Total governmental activities	18,657,846	1,296,391	2,315,476	7,728,784	11,340,651
Business-Type activities:					
TDA transit	757,646	252,359	41,394	-	293,753
Wastewater improvement	2,082,287	3,893,420	51,440	-	3,944,860
Total business-type activities	2,839,933	4,145,779	92,834	-	4,238,613
Total primary government	$ 21,497,779	$ 5,442,170	$ 2,408,310	$ 7,728,784	$ 15,579,264

See accompanying Notes to the Basic Financial Statements.

City of Ridgecrest
Statement of Activities (Continued)
For the Year Ended June 30, 2015

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Primary government:			
Governmental activities:			
General government	$ (1,951,367)	$ -	$ (1,951,367)
Public safety	(6,207,305)	-	(6,207,305)
Public works	4,826,625	-	4,826,625
Transportation	(1,855,195)	-	(1,855,195)
Community development	(522,301)	-	(522,301)
Culture and leisure	(1,314,663)	-	(1,314,663)
Interest on long-term debt	(292,989)	-	(292,989)
Total governmental activities	(7,317,195)	-	(7,317,195)
Business-Type activities:			
TDA transit	-	(463,893)	(463,893)
Wastewater improvement	-	1,862,573	1,862,573
Total business-type activities	-	1,398,680	1,398,680
Total primary government	(7,317,195)	1,398,680	(5,918,515)
General revenues:			
Taxes:			
Property taxes	1,600,406	-	1,600,406
Sales taxes	5,681,776	-	5,681,776
Transient occupancy tax	1,218,081	-	1,218,081
Franchise tax	691,617	-	691,617
Special assessments	282,488	-	282,488
Vehicle in lieu tax	11,772	577,392	589,164
Total taxes	9,486,140	577,392	10,063,532
Investment earnings	18,355	48,259	66,614
Miscellaneous	357,064	18,870	375,934
Revenues from Fiduciary Fund	5,154,181	-	5,154,181
Transfers	615,822	(615,822)	-
Total general revenues and transfers	15,631,562	28,699	15,660,261
Change in net position	8,314,367	1,427,379	9,741,746
Net position - beginning of year, as restated (Note 15)	27,622,350	32,115,698	59,738,048
Net position - end of year	$ 35,936,717	$ 33,543,077	$ 69,479,794

See accompanying Notes to the Basic Financial Statements.

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
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Fund Financial Statements

Governmental Fund Financial Statements
Proprietary Fund Financial Statements
Fiduciary Fund Financial Statements

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Comprehensive Annual Financial Report
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City of Ridgecrest
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Governmental Fund Financial Statements

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Comprehensive Annual Financial Report
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GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental Funds of the City are outlined below:

The General Fund - This fund accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In Ridgecrest, these services include general government, safety, community development, culture and recreation and public works.

State Gas Tax Special Revenue Fund - This fund is used to account for the City's share of state gas tax revenue restricted for street improvement and maintenance.

Grant Operations Special Revenue Fund - This fund is used to account for the City's restricted resources from federal, state, and other grants.

City Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of principal, interest, and related costs of the debt.

Capital Improvements Capital Projects Fund - This fund is used to account for financial resources to be used for acquisition, construction and improvement of the city's major capital facilities.

Other Governmental Funds - Other Governmental Funds is the aggregate of all the non-major governmental funds.

City of Ridgecrest
Balance Sheet
Governmental Funds
June 30, 2015

	Major Funds				
	General Fund	State Gas Tax Special Revenue Fund	Grant Operations Special Revenue Fund	City Debt Service Fund	Capital Improvements Capital Projects Fund
ASSETS					
Cash and investments	$ 1,633,970	$ 126,978	$ 1,102,092	$ -	$ 560
Cash and investments with fiscal agent	-	-	-	751,356	-
Receivables:					
Accounts	371,480	73,131	-	-	1,135,850
Taxes	1,188,056	-	-	-	-
Interest	11,301	74	823	-	-
Loans	-	-	-	-	-
Due from other funds	270,704	-	-	-	-
Due from fiduciary funds	56,345	-	-	-	-
Deposits	-	-	-	-	-
Inventories	525	-	-	-	-
Advances to Fiduciary Fund	-	-	-	5,584,159	-
Total assets	$ 3,532,381	$ 200,183	$ 1,102,915	$ 6,335,515	$ 1,136,410
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 228,455	$ 205,970	$ -	$ -	$ 294,956
Salaries payable	157,082	9,390	-	-	-
Other payroll deductions payable	197,617	-	-	-	-
Due to other funds	-	-	-	-	270,704
Deposits payable	55,788	-	-	-	31,027
Unearned revenue	41,429	-	1,074,447	-	7,040
Advances from other funds	3,853,041	-	-	-	-
Total liabilities	4,533,412	215,360	1,074,447	-	603,727
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	525	-	-	5,584,159	-
Restricted	247,365	-	28,468	751,356	-
Committed	-	-	-	-	-
Assigned	1,051,917	-	-	-	532,683
Unassigned (deficit)	(2,300,838)	(15,177)	-	-	-
Total fund balances	(1,001,031)	(15,177)	28,468	6,335,515	532,683
Total liabilities, deferred inflows of resources and fund balances	$ 3,532,381	$ 200,183	$ 1,102,915	$ 6,335,515	$ 1,136,410

See accompanying Notes to the Basic Financial Statements.

City of Ridgecrest
Balance Sheet (Continued)
Governmental Funds
June 30, 2015

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	$ 2,625,583	$ 5,489,183
Cash and investments with fiscal agent	-	751,356
Receivables:		
Accounts	180,261	1,760,722
Taxes	-	1,188,056
Interest	1,327	13,525
Loans	254,810	254,810
Due from other funds	-	270,704
Due from fiduciary funds	-	56,345
Deposits	10,241	10,241
Inventories	-	525
Advances to Fiduciary Fund	-	5,584,159
Total assets	$ 3,072,222	$ 15,379,626
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	$ 4,654	$ 734,035
Salaries payable	-	166,472
Other payroll deductions payable	-	197,617
Due to other funds	-	270,704
Deposits payable	-	86,815
Unearned revenue	-	1,122,916
Advances from other funds	-	3,853,041
Total liabilities	4,654	6,431,600
Deferred Inflows of Resources:		
Unavailable revenue	254,756	254,756
Total deferred inflows of resources	254,756	254,756
Fund Balances:		
Nonspendable	-	5,584,684
Restricted	2,198,753	3,225,942
Committed	555,508	555,508
Assigned	63,205	1,647,805
Unassigned (deficit)	(4,654)	(2,320,669)
Total fund balances	2,812,812	8,693,270
Total liabilities, deferred inflows of resources and fund balances	$ 3,072,222	$ 15,379,626

See accompanying Notes to the Basic Financial Statements.

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2015

Total Fund Balances - Total Governmental Funds	$	8,693,270
Capital assets used in governmental activities were not financial resources and therefore were not reported in governmental funds.		
Amount reported in Government-Wide Statement of Net Position		48,720,287
Net OPEB asset resulting from making OPEB contributions in excess of annual OPEB cost.		36,344
Long-term liabilities were not due and payable in the current period and therefore were not reported in the governmental funds.		
Compensated absences - due within one year		(882,530)
Compensated absences - due in more than one year		(1,319,908)
Long-term debt - due within one year		(470,000)
Long-term debt - due in more than one year		(5,925,000)
		(8,597,438)
Net pension liability is not due and payable in the current period and therefore is not required to be reported in the governmental funds.		(11,059,746)
Pension contributions made during the year after the measurement date are reported as expenditures in governmental funds and as deferred outflow of resources in the government-wide financial statements.		1,254,402
Differences between City's contribution and proportionate share of contribution		
Positive differences		17,567
Negative differences		(87,548)
Difference between projected and actual earnings on pension plan investments are reported in the government-wide statements.		
Projected earnings under actual earnings		(2,606,199)
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the Governmental Funds Balance Sheet.		(93,012)
Unavailable revenues recorded in governmental fund financial statements resulting from activities in which revenues were earned but funds were not available were recognized as revenues in the Government-Wide Financial Statements.		254,756
Internal service funds were used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds were reported with governmental activities.		(595,966)
Net Position of Governmental Activities	$	35,936,717

See accompanying Notes to the Basic Financial Statements.

City of Ridgecrest
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	Major Funds				
	General Fund	State Gas Tax Special Revenue Fund	Grant Operations Special Revenue Fund	City Debt Service Fund	Capital Improvements Capital Projects Fund
REVENUES:					
Taxes	$ 9,356,253	$ -	$ -	$ -	$ -
Intergovernmental	840,383	755,236	145,468	-	7,537,592
License and permits	279,334	-	-	-	-
Fines and forfeitures	72,806	-	-	-	-
Assessment levied	-	-	-	-	-
Use of money and property	239,605	231	95	-	392
Charges for services	553,864	-	-	-	-
Other revenues	338,491	350	-	-	4,411
Total revenues	11,680,736	755,817	145,563	-	7,542,395
EXPENDITURES:					
Current:					
General government	2,506,451	-	2,621	-	27,000
Public safety	7,098,082	217,090	-	-	-
Public works	283,672	-	23,071	2,700	128,595
Transportation	-	3,485,537	-	-	-
Community development	688,464	-	-	-	-
Culture and leisure	1,435,334	-	-	-	14,320
Capital outlay	-	-	-	-	9,244,943
Debt service:					
Principal	-	-	-	562,689	-
Interest	-	-	-	301,407	-
Total expenditures	12,012,003	3,702,627	25,692	866,796	9,414,858
REVENUES OVER (UNDER) EXPENDITURES	(331,267)	(2,946,810)	119,871	(866,796)	(1,872,463)
OTHER FINANCING SOURCES (USES):					
Transfers In	1,747,694	1,399,936	-	117,060	158,398
Transfers Out	(797,168)	(897,623)	(114,561)	-	-
Transfers from Successor Agency	698,621	2,058,882	-	299,736	2,096,942
Total other financing sources (uses)	1,649,147	2,561,195	(114,561)	416,796	2,255,340
Net changes in fund balances	1,317,880	(385,615)	5,310	(450,000)	382,877
FUND BALANCES:					
Beginning of year	(2,318,911)	370,438	23,158	6,785,515	149,806
End of year	$ (1,001,031)	$ (15,177)	$ 28,468	$ 6,335,515	$ 532,683

See accompanying Notes to the Basic Financial Statements.

City of Ridgecrest
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2015

	Other Governmental Funds	Total Governmental Funds
REVENUES:		
Taxes	$ 673,924	$ 10,030,177
Intergovernmental	106,230	9,384,909
License and permits	270,072	549,406
Fines and forfeitures	-	72,806
Assessment levied	10,526	10,526
Use of money and property	13,019	253,342
Charges for services	-	553,864
Other revenues	15,588	358,840
Total revenues	1,089,359	21,213,870
EXPENDITURES:		
Current:		
General government	3,990	2,540,062
Public safety	198	7,315,370
Public works	-	438,038
Transportation	320,000	3,805,537
Community development	36,728	725,192
Culture and leisure	-	1,449,654
Capital outlay	-	9,244,943
Debt service:		
Principal	-	562,689
Interest	-	301,407
Total expenditures	360,916	26,382,892
REVENUES OVER (UNDER) EXPENDITURES	728,443	(5,169,022)
OTHER FINANCING SOURCES (USES):		
Transfers In	1,683	3,424,771
Transfers Out	(1,093,327)	(2,902,679)
Transfers from Successor Agency	-	5,154,181
Total other financing sources (uses)	(1,091,644)	5,676,273
Net changes in fund balances	(363,201)	507,251
FUND BALANCES:		
Beginning of year	3,176,013	8,186,019
End of year	$ 2,812,812	$ 8,693,270

See accompanying Notes to the Basic Financial Statements.

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Comprehensive Annual Financial Report
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City of Ridgecrest
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds	$	507,251
Governmental funds report capital outlay as expenditures. Capital outlay expenditures were included in the Statement of Revenue, Expenditures, and Changes in Fund Balances through out various departments. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		10,624,806
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in governmental funds (Net of $19,556 reported in Internal Service Funds).		(3,112,942)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, transfers, and disposals) decreased Net Position.		(115,979)
The net effect of OPEB contributions in excess of annual OPEB cost was to increase net position.		188
Changes in the net pension liability reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.		199,427
Changes in compensated absences were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, compensated absences were not reported as expenditures in governmental funds.		(107,469)
The repayment of debt principal consumes the current financial resources of governmental funds; however, it has no effect on net position.		562,689
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, interest expense was not reported as expenditures in Governmental Funds. The following amount represents the change in accrued interest from the prior year.		8,418
Revenues in the Statement of Activities that did not provide current financial resources were not reported as revenues in the governmental funds.		(13,151)
Internal service funds were used by management to charge the costs of certain activities to individual funds. The net expense of the internal service funds was reported with governmental activities.		(238,871)
Change in Net Position of Governmental Activities	$	8,314,367

See accompanying Notes to the Basic Financial Statements.

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City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

Proprietary Fund Financial Statements

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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PROPRIETARY FUND FINANCIAL STATEMENTS

T.D.A. Transit Fund - The T.D.A. Transit Fund is intended to show the financial position and results of operations of only those transactions attributable to the Ridgecrest Transit System (RTS), operated by the City of Ridgecrest, California.

Wastewater Improvement Fund - This fund was established to receive and disburse funds collected through sewer services charge fees and sewer facilities charges. These funds are used for the operation and maintenance of sewer disposal facilities and the financing of construction outlet sewers.

Internal Service Funds - These funds are used to account for the financing of goods and services provided by one or more departments or agencies to other departments or agencies of the City and to other government units, on a cost reimbursement basis.

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	T.D.A. Transit	Wastewater Improvement	Total	
ASSETS				
Current assets:				
Cash and investments	$ 672,530	$ 13,173,006	$ 13,845,536	$ 684,919
Receivables:				
Accounts	-	72,229	72,229	16,823
Interest	93	6,801	6,894	-
Inventories	-	-	-	16,356
Total current assets	672,623	13,252,036	13,924,659	718,098
Noncurrent assets:				
Advances to other funds	-	3,853,041	3,853,041	-
Advances to Fiduciary Fund	-	2,504,615	2,504,615	-
Capital assets:				
Non-depreciable	-	1,614,217	1,614,217	-
Depreciable	1,089,616	24,784,840	25,874,456	412,893
Less: accumulated depreciation	(712,840)	(11,706,488)	(12,419,328)	(412,893)
Total capital assets	376,776	14,692,569	15,069,345	-
Total noncurrent assets	376,776	21,050,225	21,427,001	-
Total assets	1,049,399	34,302,261	35,351,660	718,098
DEFERRED OUTFLOWS OF RESOURCES				
Pension contributions made after the measurement date	66,539	63,674	130,213	-
Positive differences between City's contribution and proportionate share of contribution	2,155	2,062	4,217	-
Total deferred outflows of resources	68,694	65,736	134,430	-
LIABILITIES				
Current liabilities:				
Accounts payable	1,848	70,410	72,258	48,961
Salaries payable	10,723	11,262	21,985	4,636
Unearned revenue	201,914	-	201,914	-
Claims payable - due within one year	-	-	-	947,842
Total current liabilities	214,485	81,672	296,157	1,001,439
Noncurrent liabilities:				
Net pension liability - due in more than one year	661,962	633,457	1,295,419	-
Claims payable - due in more than one year	-	-	-	312,625
Total noncurrent liabilities	661,962	633,457	1,295,419	312,625
Total liabilities	876,447	715,129	1,591,576	1,314,064
DEFERRED INFLOWS OF RESOURCES				
Difference between projected and actual earnings on pension plan	179,585	171,852	351,437	-
Total deferred inflows of resources	179,585	171,852	351,437	-
NET POSITION				
Net investment in capital assets	376,776	14,692,569	15,069,345	-
Unrestricted (deficit)	(314,715)	18,788,447	18,473,732	(595,966)
Total net position	$ 62,061	$ 33,481,016	$ 33,543,077	$ (595,966)

See accompanying Notes to the Basic Financial Statements.

City of Ridgecrest
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	T.D.A. Transit	Wastewater Improvement	Total	
OPERATING REVENUES:				
Charges for services	$ 252,359	$ 3,893,420	$ 4,145,779	$ 809,351
Other revenue	-	18,870	18,870	750,644
Total operating revenues	252,359	3,912,290	4,164,649	1,559,995
OPERATING EXPENSES:				
Transportation	657,528	-	657,528	-
Health	-	1,629,945	1,629,945	-
Administration	-	-	-	1,874,532
Depreciation	100,118	452,342	552,460	19,556
Total operating expenses	757,646	2,082,287	2,839,933	1,894,088
OPERATING INCOME (LOSS)	(505,287)	1,830,003	1,324,716	(334,093)
NONOPERATING REVENUES:				
Taxes	577,392	-	577,392	-
Intergovernmental	41,394	51,440	92,834	-
Use of money and property	1,139	47,120	48,259	1,492
Total nonoperating revenues	619,925	98,560	718,485	1,492
INCOME (LOSS) BEFORE TRANSFERS	114,638	1,928,563	2,043,201	(332,601)
TRANSFERS:				
Transfers in	-	-	-	1,160,832
Transfers out	(181,482)	(434,340)	(615,822)	(1,067,102)
Total transfers	(181,482)	(434,340)	(615,822)	93,730
Changes in net position	(66,844)	1,494,223	1,427,379	(238,871)
NET POSITION:				
Beginning of year, as restated (Note 15)	128,905	31,986,793	32,115,698	(357,095)
End of year	$ 62,061	$ 33,481,016	$ 33,543,077	$ (595,966)

See accompanying Notes to the Basic Financial Statements.

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	T.D.A. Transit	Wastewater Improvement	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	$ (55,405)	$ 3,963,772	$ 3,908,367	$ 792,528
Cash received from other funds	-	-	-	-
Payments to suppliers or employees for goods and services	(668,040)	(1,639,297)	(2,307,337)	(1,155,936)
Insurance premiums and settlements or insurance recovery	-	-	-	(965,370)
Others	-	18,870	18,870	750,644
Net cash provided by (used in) operating activities	(723,445)	2,343,345	1,619,900	(578,134)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Taxes	577,392	-	577,392	-
Intergovernmental	41,394	51,440	92,834	-
Transfers in	-	-	-	1,160,832
Transfers out	(181,482)	(434,340)	(615,822)	(1,067,102)
Net cash provided by (used in) noncapital financing activities	437,304	(382,900)	54,404	93,730
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	-	(110,938)	(110,938)	-
Transfer of capital assets	70,249	-	70,249	-
Cash received from repayment of advances	-	332,980	332,980	-
Net cash provided by capital and related financing activities	70,249	222,042	292,291	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	1,526	46,106	47,632	2,119
Net cash provided by investing activities	1,526	46,106	47,632	2,119
Net increase (decrease) in cash and cash equivalents	(214,366)	2,228,593	2,014,227	(482,285)
CASH AND CASH EQUIVALENTS:				
Beginning of year	886,896	10,944,413	11,831,309	1,167,204
End of year	$ 672,530	$ 13,173,006	$ 13,845,536	$ 684,919

See accompanying Notes to the Basic Financial Statements.

City of Ridgecrest
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	T.D.A. Transit	Wastewater Improvement	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	$ (505,287)	$ 1,830,003	$ 1,324,716	$ (334,093)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	100,118	452,342	552,460	19,556
Changes in current assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Accounts receivable	720,273	70,352	790,625	(16,823)
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Inventories	-	-	-	4,348
Pension contributions made after the measurement date	4,161	3,981	8,142	-
Positive differences between City's contribution and proportionate share of contribution	(2,155)	(2,062)	(4,217)	-
Accounts payable	(2,953)	(2,140)	(5,093)	(16,665)
Salaries payable	(529)	(485)	(1,014)	2,764
Due to other funds	-	-	-	-
Claims payable	-	-	-	(237,221)
Unearned revenue	(1,028,037)	-	(1,028,037)	-
Net pension liability	(188,621)	(180,498)	(369,119)	-
Difference between projected and actual earnings on pension plan	179,585	171,852	351,437	-
Total adjustments	(218,158)	513,342	295,184	(244,041)
Net cash provided by (used in) operating activities	$ (723,445)	$ 2,343,345	$ 1,619,900	$ (578,134)

See accompanying Notes to the Basic Financial Statements.

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Comprehensive Annual Financial Report
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City of Ridgecrest
Comprehensive Annual Financial Report
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Fiduciary Fund Financial Statements

City of Ridgecrest
Comprehensive Annual Financial Report
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FIDUCIARY FUND FINANCIAL STATEMENTS

Private Purpose Trust Funds

To account for donations received and held by the City of Ridgecrest as an agent for individuals, developers, private organizations and other governmental agencies and to account for activities of the Successor Agency to the dissolved Ridgecrest Redevelopment Agency.

Agency Funds

To account for collections received from special assessment districts and their disbursement to bondholders.

City of Ridgecrest
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and investments	$ 8,790,782	$ 450,923
Cash and investments with fiscal agents	9,041,168	-
Loans receivable	3,050,978	
Interest receivable	125,474	319
Capital assets:		
Non-depreciable	2,202,440	-
Depreciable, net	2,134,349	-
Total assets	25,345,191	$ 451,242
LIABILITIES		
Due to City of Ridgecrest	-	$ 56,345
Due to bondholders	-	394,897
Accounts payable	8,361	-
Deposits payable	2,000	-
Advances from City of Ridgecrest	8,088,774	-
Pension-related liability	328,368	-
Bonds payable	28,398,853	-
Total liabilities	36,826,356	$ 451,242
NET POSITION		
Net Position (Deficit):		
Held in trust for Successor Agency to Ridgecrest Redevelopment Agency	(11,483,196)	
Held in trust for Donation	2,031	
Total net position (deficit)	$ (11,481,165)	

See accompanying Notes to the Basic Financial Statements.

City of Ridgecrest
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

	Private Purpose Trust Funds
ADDITIONS:	
Taxes	$ 3,910,650
Intergovernmental	-
Revenue from use of money and property	93,490
Other revenue	1,934
Total additions	4,006,074
DEDUCTIONS:	
Community development	2,165,375
Depreciation expense	271,968
Interest expense	1,779,733
Transfers to City of Ridgecrest (Note 6)	5,154,181
Total deductions	9,371,257
Change in fiduciary net position	(5,365,183)
NET POSITION:	
Beginning of year, as restated (Note 15)	(6,115,982)
End of year	$ (11,481,165)

See accompanying Notes to the Basic Financial Statements.

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

Notes to the Basic Financial Statements

City of Ridgecrest
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

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Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Ridgecrest, California (the "City"), have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to governmental agencies. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government's exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The following component unit is included in the accompanying basic financial statements of the City:

Ridgecrest Housing Authority (the "Housing Authority") – The Housing Authority was formed on January 11, 2012 to develop or acquire and subsequently operate rental housing projects within the City. The members of the City Council act as the governing board of the Housing Authority. The Housing Authority does not issue separate financial statements.

The above component unit is included in the City's basic financial statements using the blended method since the governing body of the component unit is substantially the same as the governing body of the City and the component units provided services entirely to the City. The activities of the Housing Authority are included in the special revenue fund.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Government–Wide Financial Statements

The City's government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. (In the statement of activities, internal service fund transactions have been eliminated.) However, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

Revenues are recognized as soon as they are both "measurable" and "available". Revenues are considered to be available when they are collectible within the current period as soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

The reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences.

Governmental funds of the City are outlined below:

General Fund – This fund accounts for all revenues and expenditures to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In the City, these services include general government, safety, community development, culture and recreation and public works.

State Gas Tax Special Revenue Fund – This fund is used to account for the City's share of state gas tax revenue restricted for street improvement and maintenance.

Grant Operations Special Revenue Fund – This fund is used to account for the City's restricted resources derived from grants received from federal and state agencies and other organizations.

City Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of principal, interest, and related costs of the debt.

Capital Improvement Fund – This fund is used to account for financial resources to be used for acquisition, construction and improvement of the city's major capital facilities.

Other Governmental Funds – Other Governmental Funds is the aggregate of all the non-major governmental funds.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows for each major proprietary fund.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

Proprietary funds are accounted for using the *"economic resources"* measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Proprietary funds of the City are outlined below:

T.D.A. Transit Fund – The T.D.A. Transit Fund is intended to show the financial position and results of operations of only those transactions attributable to the Ridgecrest Transit System (RTS), operated by the City.

Wastewater Improvement Fund – This fund was established to receive and disburse funds collected through sewer services charge fees and sewer facilities charges. These funds are used for the operation and maintenance of sewer disposal facilities and the financing of construction outlet sewers.

Internal Service Funds – The City has three internal service funds. Human Resources and Risk Management Fund is used to account for the costs of the City's risk management and self-insurance programs and its personnel management costs. The Self Insurance Workers Comp Fund is used to account for the actual payments made to the third party administrator for all workers comp claims filed against the City. Lastly, the Fleet Maintenance Fund is used to account for the cost of maintenance of the motor vehicles, heavy and light equipment and equipment replacements.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a statement of fiduciary net position and a statement of changes in fiduciary net position. The City has two types of fiduciary funds. They are the private purpose trust funds and agency funds.

The private purpose trust funds account for 1) donations received and held by the City as an agent for individuals, developers, private organizations and other governmental agencies and 2) activities of the Successor Agency to the Ridgecrest Redevelopment Agency (the "Successor Agency"). The specific purposes for these donations are for parks and recreation and senior citizens related programs.

The agency funds account for collections received from special assessment districts and their disbursement to bondholders. The agency fund is custodial in nature and does not involve measurement of results of operations. Spending of agency fund resources is controlled primarily through legal agreements and applicable State and Federal laws. Both private purpose trust funds and agency funds are reported using the accrual basis of accounting.

C. Cash, Cash Equivalents and Investment

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash, Cash Equivalents and Investment (Continued)

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

The City participates in an investment pool managed by the State of California titled *Local Agency Investment Fund* (LAIF) which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as to change in interest rates.

D. Restricted Cash and Investments

Certain restricted cash and investments are held by a fiscal agent for the redemption of bonded debt and for acquisition and construction of capital projects.

E. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated. City policy has set the capitalization threshold for reporting infrastructure at $100,000; all other capital assets are set at $5,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings and improvements	15-50 years
Machinery and Equipment	5-20 years
Infrastructure	15-50 years

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, sewer, and park lands. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

For all infrastructure systems, the City elected to use the Basic Approach for infrastructure reporting.

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Long-Term Debt

Government-Wide Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the appropriate funds.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed in the period when incurred.

Fund Financial Statements

The fund financial statements do not present long-term debt but rather show it in the reconciliation of the governmental funds balance sheet to the government-wide statement of net position.

G. Compensated Absences

Government-Wide Financial Statements

City employees have vested interest in varying levels of vacation and sick leave based on their length of employment and bargaining unit they belong. Vacation leave is payable to employees at the time a vacation is taken or upon termination of employment. Vacation leave cannot be accrued for more than twice the employee's annual accrual rate. Sick leave is payable only when an employee is unable to work due to personal or family illness or at separation from employment at different levels depending on the length of employment and the bargaining group. There is no cap on the amount of sick leave that can be accrued but there is a cap on the amount that can be cashed out at termination. Employees with less than five years of employment do not have vested privilege on sick leave and their sick leave is forfeited upon termination. The amount of compensated absences is accrued when incurred in the government-wide financial statements.

Fund Financial Statements

In governmental funds, compensated absences are recorded as expenditures in the years paid, as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources. When an employee is terminated at fiscal year end, the amount of his or her reimbursable unused vacation and/or sick leave is recorded as a liability in the governmental funds. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

H. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 10). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Pensions (Continued)

The following timeframes are used for pension reporting:

CalPERS	
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Measurement Period	July 1, 2013 to June 30, 2014

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

I. Property Taxes

Property taxes are levied on January 1 and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is March 1. The County of Kern, California (County) bills and collects the property taxes and remits them to the City according to a payment schedule established by the County. City property tax revenues are recognized when received in cash except at year end when they are accrued pursuant to the modified accrual basis of accounting. The City recognizes as revenues at June 30 available taxes or those collected within 90 days.

The County is permitted by State law to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax rate no more than 2% per year. The City receives a share of this basic levy proportionate to what it received during the years 1976 to 1978.

I. Net Position

For government-wide and proprietary fund financial statements, net position is categorized as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes for which both restricted and unrestricted net position is available, the City's policy is to apply restricted net position first.

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Fund Balances

For governmental fund financial statements, fund balances are categorized as follows:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories and long term receivables, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations imposed by the formal action of the government's highest level of decision making authority normally through resolutions, etc., and that remain binding unless rescinded or modified in the same manner. The City Council is considered the highest authority for the City.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. On June 1, 2011, the City Council adopted Resolution 11-36 adopting the fund balance policy authorizing the Finance Director to make the determination.

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned for those purposes, it may be necessary to report negative unassigned fund balance in that particular fund.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balances first, then unrestricted fund balances as they are needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

L. Accounting Changes

GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This Statement establishes standards for measuring and recognizing liabilities, deferred outflow of resources, deferred inflows of resources, and expense/expenditures for pension plans. This Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This Statement became effective for periods beginning after June 15, 2014. See Note 15 for prior period adjustment as a result of implementation.

GASB has issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement became effective for periods beginning after December 15, 2013 and did not have a significant impact on the City's financial statements for year ended June 30, 2015.

GASB has issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement establishes standards relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement became effective for periods beginning after June 15, 2014. See Note 15 for prior period adjustment as a result of implementation.

Note 2 – Cash and Investments

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2015:

	Primary Government				
	Governmental Activities	Business-type Activities	Total	Fiduciary Funds	Total
Cash and investments	$ 6,174,102	$ 13,845,536	$ 20,019,638	$ 9,241,705	$ 29,261,343
Cash and investments with fiscal agent	751,356	-	751,356	9,041,168	9,792,524
Total	$ 6,925,458	$ 13,845,536	$ 20,770,994	$ 18,282,873	$ 39,053,867

Note 2 – Cash and Investments (Continued)

Cash, cash equivalents, and investments, excluding investments with fiscal agents, consisted of the following at June 30, 2015:

Cash and cash equivalents:	
Petty cash	$ 1,620
Demand deposits	2,535,795
Investments:	
Local Agency Investment Fund	26,723,928
Money market funds	2,873,737
Municipal bonds	6,167,431
U.S. Agencies	751,356
Total	$ 39,053,867

A. Cash Deposits

The carrying amounts of the City's demand deposits were $2,535,795 at June 30, 2015. Bank balances were $2,599,587 at that date. The total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name is discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits; however, the City has not waived the collateralization requirements.

B. Investments

Under the provisions of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

- Securities of the U.S. Government or its agencies.
- Certificates of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan companies.
- Negotiable Certificates of Deposit.
- California Local Agency Investment Fund.
- Investment-grade obligations of state, local governments or public authorities.
- Money market mutual funds.
- Passbook savings account and demand deposits.

No current adjustments have been made to the accompanying basic financial statements because the City's investments were primarily in the State of California Local Agency Investment Fund and the fair value adjustment was immaterial. The fair value of the City's position in LAIF approximates the value of the pool shares.

Note 2 – Cash and Investments (Continued)

C. External Investment Pool

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments in LAIF at June 30, 2015 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2015, the City had $26,723,928 invested in LAIF, which had invested 2.08% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available.

D. Risk Disclosures

Disclosures Relating to Interest Rate Risk

Interest Rate Risk is the risk that the market value of investments in the portfolio will fall due to changes in market interest rates. The City has an investment policy of lengthening its maturities when rates are falling and shortening its maturities when rates are rising as a means of managing its exposure to fair value losses and to take advantage of favorable interest rates. The City's operating funds are primarily invested in State of California Local Agency Investment Fund, money market mutual funds, or similar investment pools to ensure liquidity.

		Maturities	
	Amount	1 year or less	1 - 5 years
Cash and cash equivalent:			
Petty cash	$ 1,620	$ 1,620	$ -
Demand deposits	2,535,795	2,535,795	-
Investments:			
Local Agency Investment Fund	26,723,928	26,723,928	-
Money market funds	2,873,737	2,873,737	-
Municipal bonds	6,167,431	2,083,593	4,083,838
U.S. Agencies	751,356	751,356	-
Total	$ 39,053,867	$ 34,970,029	$ 4,083,838

Note 2 – Cash and Investments (Continued)

D. Risk Disclosures (Continued)

Disclosures Relating to Credit Risk

Credit Risk is the risk of loss due to failure of the security issuer. The risk can be identified thru the rating assigned by a nationally recognized statistical rating organization to the issuers of securities. The City minimizes this risk by investing only on type of investments allowed for municipalities by the Government Code as listed on the City's investment policy and investing only on instruments that are most credit worthy.

		Credit Quality Ratings	
	Amount	Moody's	Standard & Poor's
Investments:			
Local Agency Investment Fund	$ 26,723,928	Not Rated	Not Rated
Money market funds	2,873,737	Not Rated	Not Rated
Municipal bonds	6,167,431	AA - AAA	AA - AAA
U.S. Agencies	751,356	Not Rated	Not Rated
Total	$ 36,516,452		

Disclosures Relating to Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the City's investments were subject to custodial credit risk.

Note 3 – Loan Program

A. Governmental Activities

At June 30, 2015, the outstanding balance of the City loan program is as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Loans receivables:				
Women's shelter	$ 2,357	$ -	$ (2,357)	$ -
High Desert loans	265,551	-	(10,741)	254,810
Total	$ 267,908	$ -	$ (13,098)	$ 254,810

Women's Shelter

In 2005 the former Ridgecrest Redevelopment Agency sold a tract of land to the Women's Center High Desert Inc. for $15,000 to build their new transitional housing facility. The payment term is for ten years at 5% interest per annum. As of June 30, 2015 the loan balance was paid in full.

Note 3 – Loan Program (Continued)

A. Governmental Activities (Continued)

High Desert Loans

The City entered into a loan agreement with High Desert Haven in the amount of $375,000 on October 5, 2001. The purpose of the loan was for the construction and operation of twenty-six unit senior assisted housing. The loan is to be paid over thirty years and bears interest of the 3% compounded annually. As of June 30, 2015, the loan balance is $254,810.

B. Fiduciary Fund Financial Statements

At June 30, 2015, the outstanding balance of the Fiduciary Activities loans receivable is as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Loans receivables:				
AMG Ridgecrest Pacific Associates	$ 3,000,000	$ -	$ -	$ 3,000,000
Globe Project	50,978	-	-	50,978
Total	$ 3,050,978	$ -	$ -	$ 3,050,978

The Ridgecrest Redevelopment Agency (RRA) prior to its dissolution gave Ridgecrest Pacific Associates a development loan in the amount of $3 million to build the Ridgecrest Senior Apartments, a 32 unit apartment complex on 4.6 acres of land located at southwest corner of Downs Street and Church Avenue. The payment term for this loan is fifty five (55) years from the date of the promissory note and shall bear simple interest at the rate of four percent (4%) per annum. The payment due and payable is equal to sixty percent (60%) of the Residual Receipts until all principal and interest owing under the Promissory Note has been paid in full. In addition, and as further consideration for the loan, Ridgecrest Pacific shall pay to the agency after repayment of the principal and interest, 20% of Cash Flow from operation of the Project. Payments towards the loan shall be applied first to costs and fees owing under the promissory note, then to accrued interest, and finally to any principal owing under the promissory note.

The Globe Project loan was to purchase the first deed of trust owned by Mojave Desert Bank on a Globe Project property that the Ridgecrest Redevelopment Agency has a second deed of trust. Globe Project is in delinquent status and Mojave Desert Bank was about to foreclose the property. In order to protect its investment on this property, RRA loaned Globe Protect and purchased the first deed of trust for $50,978. The payment term for this loan is seven (7) years at 3% per annum. This loan is currently in default but is secured by a property located at 2559 N. EL Prado, Ridgecrest, CA. However the property is currently in probate.

Note 4 – Interfund Transactions

A. Due To and From Other Funds

At June 30, 2015, the City had the following short-term interfund receivables and payables to cover cash shortfalls:

		Due from other funds	
		General Fund	Total
Due to other funds	Capital Improvements	$ 270,704	$ 270,704
	Agency Funds	56,345	56,345
	Total	$ 327,049	$ 327,049

The loans to the Agency Funds were made to cover their temporary cash shortfalls in order to make bond payments.

B. Advances To and From Other Funds

In 2013, the General Fund entered into loan agreement with Wastewater Improvement Enterprise Fund in the amount of $4,250,000. The loan is to be repaid over 30 years at 0.5% interest rate per year. This loan is for paying back the franchise fees the Wastewater Fund had paid General Fund from fiscal years ended June 30, 2006 through 2012. At June 30, 2015, the outstanding balance of the agreement was $3,853,041.

The annual requirements to amortize the loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 133,645	$ 19,265	$ 152,910
2017	134,313	18,597	152,910
2018	134,985	17,925	152,910
2019	135,660	17,250	152,910
2020	136,338	16,572	152,910
2021-2025	691,985	72,565	764,550
2026-2030	709,458	55,092	764,550
2031-2035	727,373	37,177	764,550
2036-2040	745,740	18,810	764,550
2041-2042	303,544	2,278	305,822
Total	$ 3,853,041	$ 275,531	$ 4,128,572

Note 4 – Interfund Transactions (Continued)

C. Transfers

At June 30, 2015, the City had the following transfers:

		Transfers Out							
		General Fund	State Gas Tax Special Revenue Fund	Grant Operations Special Revenue Fund	Non-major Governmental Funds	TDA Transit Enterprise Fund	Wastewater Improvement Enterprise Funds	Internal Service Funds	**Total**
Transfers In	General Fund	$ -	$ 800,661	$ -	$ 106,367	$ 161,992	$ 384,525	$ 294,149	$ 1,747,694
	State Gas Tax Fund	430,896	-	-	969,040	-	-	-	1,399,936
	City Debt Service Fund	117,060	-	-	-	-	-	-	117,060
	Capital Improvements	-	-	114,561	16,837	-	-	27,000	158,398
	Non-major Governmental Funds	600	-	-	1,083	-	-	-	1,683
	Internal Service Funds	248,612	96,962	-	-	19,490	49,815	745,953	1,160,832
	Total	$ 797,168	$ 897,623	$ 114,561	$ 1,093,327	$ 181,482	$ 434,340	$ 1,067,102	$ 4,585,603

Generally, transfers were used to (1) move revenues from the funds that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt services from funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

Additional details regarding transfers in and out are as follows:

The transfers from General Fund to other funds and their purposes are as follows: 1) $430,896 to Gas Tax Fund for Measure L funding of streets maintenance; 2) $117,060 to City Debt Service Fund for final payment of the loans that financed the City Hall re-roofing and HVAC replacement; 3) $600 to Special Projects Fund for the housing element project; 4) $248,612 to Internal Service Funds for insurance allocation.

The transfer from the State Gas Tax special revenue fund to the General Fund for $800,661 is for overhead allocations and the transfer to the Internal Service Funds for $96,962 is for insurance allocation.

The transfer from the Grant Operations fund to the Capital Improvements Fund of $114,561 was from PTMISEA (Prop 1B) funding of the construction of the vehicle maintenance facility.

The transfers from Non-major governmental funds to the other funds and their purposes are as follows: 1) $106,367 to General Fund was for AB 3229 transfer for public safety; 2) $969,040 to State Gas Tax fund for TDA Article 4 funding of street maintenance; 3) $16,837 to Capital Improvements Fund for two street construction projects with the funding coming from the Traffic Impact Fee Fund; and 4) $1,083 to Special Projects Fund with funding coming from housing set aside funds to pay for the housing element project.

Transit Enterprise Fund transfers to the General Fund for a total of $161,992 are for administrative overhead allocation and the transfer to Internal Service Funds for $19,490 is for insurance allocation.

Note 4 – Interfund Transactions (Continued)

C. Transfers (Continued)

Wastewater Improvement Enterprise Fund transfers to the General Fund for a total of $384,525 are for administrative overhead allocation and the transfer to Internal Service Funds for $49,815 was for insurance allocation.

Internal Service Funds transfers to General Fund for $294,149 are for administrative overhead allocation. While the transfer of $745,953 consists of $735,109 to Self Insurance Workers Compensation Fund for payments of claims and settlements for the year and the balance was for the Fleet Maintenance Internal Service Fund insurance allocation. The transfer of $27,000 to Capital Improvements Fund was to settle a legal dispute with a contractor of one of the City's construction projects.

Note 5 – Advances to Fiduciary Fund

At June 30, 2015, the City had advanced the Fiduciary Fund $8,088,774.

On November 1, 2005, the City and the Agency have entered into a reimbursement agreement, pursuant to which the Agency has agreed to reimburse the City for all Lease payments. The Agency's reimbursement obligation is secured by a pledge of certain tax increment revenues arising in the Agency's Ridgecrest Redevelopment Project. Certain outstanding and future bonds of the Agency have or may have a claim on tax increment revenues that is senior to the Agency's reimbursement obligation under the Reimbursement Agreement. On February 1, 2012, the outstanding balance was transferred to the Successor Agency due to the dissolution of the Agency. At June 30, 2015, the outstanding balance of the agreement was $5,584,159. Payment of the loan is done annually. It is reduced by the principal portion of the lease payment of the dissolved Agency towards the 2005 Refunding Certificates of Participation.

On June 19, 2002, the Wastewater Improvement Enterprise Fund loaned the Agency Fund $2,000,000 for the purpose of paying costs and expenses in connection with implementing the redevelopment plan. The loan is to be repaid over 10 years. On February 1, 2012, the outstanding balance was transferred to the Successor Agency due to the dissolution of the Agency. On February 28, 2015, the final payment of the outstanding balance of $200,000 was made as approved by Department of Finance on ROPS 14-15B. At June 30, 2015, the outstanding balance was paid off.

On June 16, 2010, per resolution 10-49, the City Council and Agency Board approved the funding of the construction of the Ridgecrest Photovoltaic Solar Energy Production Field. The field is located at 125 South Warner St., also known as the Helmer's Park. This 495.9 kW DC Solar Photovoltaic System is designed to produce 90% of the Civic Center's current annual electrical power consumption and decrease the Center's energy bill by more than $136,000 annually. The resolution also authorized the Agency to borrow money from the Wastewater Improvement Fund to finance the construction cost of the solar field which amounted to $3,123,000, to be paid in 5 years at the interest rate of 1/2% per annum. On February 1, 2012, the outstanding balance was transferred to the Successor Agency due to the dissolution of the Agency. At June 30, 2015, the outstanding balance of the agreement was $2,504,615. The City submitted approval requests for the payment of this loan and has yet to be received from the Department of Finance.

Note 5 – Advances to Fiduciary Fund (Continued)

The annual requirements to amortize the loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 2,504,615	$ 31,386	$ 2,536,001
Total	$ 2,504,615	$ 31,386	$ 2,536,001

Note 6 – Transfers from Fiduciary Fund

During the year ended June 30, 2015, the Successor Agency made the following transfers: 1) $250,000 to the City's General Fund for the administrative allowance for the Redevelopment Agency dissolution and $448,621 for the 2010 Tax Allocation Bond funding of the Boydston property acquisition; 2) $299,736 to the City's Debt Service Fund to cover the preparation cost of the 2005 COP arbitrage analysis and its fiscal agent fees and the lease payment to cover the interest payment to the 2005 Certificate of Participation Bonds; 3) $2,096,942 to the Capital Projects Fund for the 2010 TAB funding of several street construction projects; and 4) $2,058,882 to the State Gas Tax Fund for the 2010 TAB funding of streets micro-paving projects. The total transferred was $5,154,181 and was reviewed and approved by the California Department of Finance through ROPS.

Note 7 – Capital Assets

A. Governmental Activities

Summary of changes in capital assets for governmental activities for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Additions	Deletions	Reclassifications	Transfer from Business-Type Activities	Balance June 30, 2015
Nondepreciable assets:						
Land	$ 1,897,870	$ 517,710	$ -	$ -	$ -	$ 2,415,580
Construction in progress	3,833,203	9,337,345	(7,719)	(2,115,008)	70,249	11,118,070
Total nondepreciable assets	5,731,073	9,855,055	(7,719)	(2,115,008)	70,249	13,533,650
Depreciable assets						
Building and improvements	5,878,334	276,950	-	-	-	6,155,284
Machinery and equipment	6,435,933	492,801	-	-	-	6,928,734
Infrastructure	105,987,577	-	(178,509)	2,115,008	-	107,924,076
Subtotal	118,301,844	769,751	(178,509)	2,115,008	-	121,008,094
Less accumulated depreciation						
Building and improvements	(1,988,383)	(227,114)	-	-	-	(2,215,497)
Machinery and equipment	(5,508,871)	(342,926)	-	-	-	(5,851,797)
Infrastructure	(75,191,705)	(2,562,458)	-	-	-	(77,754,163)
Subtotal	(82,688,959)	(3,132,498)	-	-	-	(85,821,457)
Total depreciable assets, net	35,612,885	(2,362,747)	(178,509)	2,115,008	-	35,186,637
Total	$ 41,343,958	$ 7,492,308	$ (186,228)	$ -	$ 70,249	$ 48,720,287

Note 7 – Capital Assets (Continued)

A. Governmental Activities (Continued)

Governmental activities depreciation expenses for capital assets for the year ended June 30, 2015 are as follows:

General government	$ 183,321
Public safety	224,589
Public works	2,299,484
Community development	101,774
Culture and leisure	303,774
Internal service fund	19,556
Total depreciation expense	$ 3,132,498

B. Business-Type Activities

Summary of changes in capital assets for business-type activities for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Additions	Deletions	Reclassifications	Transfer to Governmental Activities	Balance June 30, 2015
Nondepreciable assets:						
Land	$ 1,614,217	$ -	$ -	$ -	$ -	$ 1,614,217
Construction in progress	70,249	-	-	-	(70,249)	-
Total nondepreciable assets	1,684,466	-	-	-	(70,249)	1,614,217
Depreciable assets						
Building and improvements	3,305,880	-	-	-	-	3,305,880
Machinery and equipment	3,580,038	110,938	-	-	-	3,690,976
Infrastructure	18,877,601	-	-	-	-	18,877,601
Subtotal	25,763,519	110,938	-	-	-	25,874,457
Less accumulated depreciation						
Building and improvements	(1,235,421)	(102,329)	-	-	-	(1,337,750)
Machinery and equipment	(2,757,633)	(181,719)	-	-	-	(2,939,352)
Infrastructure	(7,873,815)	(268,412)	-	-	-	(8,142,227)
Subtotal	(11,866,869)	(552,460)	-	-	-	(12,419,329)
Total depreciable assets, net	13,896,650	(441,522)	-	-	-	13,455,128
Total	$ 15,581,116	$ (441,522)	$ -	$ -	$ (70,249)	$ 15,069,345

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2015 are as follows:

T.D.A. Transit	$ 100,118
Wastewater Improvement	452,342
Total depreciation expense	$ 552,460

Note 7 – Capital Assets (Continued)

C. Fiduciary Funds

Summary of changes in capital assets for fiduciary activities for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Nondepreciable assets:				
Land	$ 2,202,440	$ -	$ -	$ 2,202,440
Total nondepreciable assets	2,202,440	-	-	2,202,440
Depreciable assets				
Building and improvements	12,092,609	-	-	12,092,609
Subtotal	12,092,609	-	-	12,092,609
Less accumulated depreciation				
Building and improvements	(9,686,291)	(271,969)	-	(9,958,260)
Subtotal	(9,686,291)	(271,969)	-	(9,958,260)
Total depreciable assets, net	2,406,318	(271,969)	-	2,134,349
Total	$ 4,608,758	$ (271,969)	$ -	$ 4,336,789

Note 8 – Long-term Obligations

A. Governmental Activities

Summary of changes in long-term liabilities for the governmental activities for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Classification: Due within One Year	Classification: Due in more than One Year
Governmental Activities:						
2005 Refunding Certificates of Participation	$ 6,845,000	$ -	$ (450,000)	$ 6,395,000	$ 470,000	$ 5,925,000
Capital lease	112,689	-	(112,689)	-	-	-
Compensated absences	2,094,969	927,167	(819,698)	2,202,438	882,530	1,319,908
Total governmental activities	$ 9,052,658	$ 927,167	$ (1,382,387)	$ 8,597,438	$ 1,352,530	$ 7,244,908

2005 Refunding Certificates of Participation

On November 22, 2005, the City issued Refunding Certificates of Participation in the amount of $10,275,000. The purpose of the bonds was to refund the City's 1999 Refunding Certificates of Participation. The bonds accrue interest rates between 3.00% and 4.50%. Interest on the bonds is payable semiannually on each September 1 and March 1, commencing March 1, 2006. Principal is payable in annual installments ranging from $335,000 to $710,000, commencing March 1, 2006 through March 1, 2026.

Note 8 – Long-term Obligations

A. Governmental Activities

2005 Refunding Certificates of Participation (Continued)

The City has covenanted in the Lease Agreement to include the Lease Payments required by the Lease Agreement in each of its budgets and to make the necessary annual appropriations for all such Lease Payments. The Lease Payments, however, are subject to abatement under certain circumstances. In addition, the City and the Agency have entered into a Reimbursement Agreement dated as of November 1, 2005, pursuant to which the Agency has agreed to reimburse the City for all Lease payments. The Agency's reimbursement obligation is secured by a pledge of certain tax increment revenues arising in the Agency's Ridgecrest Redevelopment Project. Certain outstanding and future bonds of the Agency have or may have a claim on tax increment revenues that is senior to the Agency's reimbursement obligation under the Reimbursement Agreement.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 470,000	$ 279,036	$ 749,036
2017	485,000	260,236	745,236
2018	510,000	240,351	750,351
2019	525,000	218,931	743,931
2020	555,000	184,216	739,216
2021-2025	3,140,000	514,212	3,654,212
2026	710,000	31,950	741,950
TOTAL	$ 6,395,000	$ 1,728,933	$ 8,123,933

Capital Lease Obligations

The City entered into various capital lease agreements for cooling/heating system and other assets during the fiscal years ended June 30 2002 and 2006. The leases have been classified as capital lease obligations. The gross amount of assets acquired under capital leases is $1,288,183. At June 30, 2015, the capital lease obligations have been paid in full.

Compensated Absences

Compensated absences at June 30, 2015, amounted to $2,202,438. Typically, the Self-Insurance Fund (Internal Service Fund) has been used to liquidate the liability for compensated absences. There is no fixed payment schedule for compensated absences.

Note 8 – Long-term Obligations (Continued)

B. Fiduciary Funds

Summary of changes in long-term liabilities for the fiduciary funds for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Classification: Due within One Year	Classification: Due in more than One Year
Fiduciary Funds:						
Tax Allocation Bonds	$ 30,060,000	$ -	$ (1,070,000)	$ 28,990,000	$ 1,055,000	$ 27,935,000
Less: Bond discount	(618,017)	-	26,870	(591,147)	-	(591,147)
Total fiduciary activities	$ 29,441,983	$ -	$ (1,043,130)	$ 28,398,853	$ 1,055,000	$ 27,343,853

2010 Tax Allocation Refunding Bonds

On July 8, 2010, the Agency issued the 2010 Tax Allocation Refunding Bonds to provide funds to refund the 1999 Tax Allocation Bonds of the Agency, to fund a debt service reserve account and to pay the costs of issuing the bond. The current refunding fully refunded the 1999 Tax Allocation Bonds and the 1999 Tax Allocation Bonds were removed from the Agency's long-term debt in 2011. There was an economic gain in the amount of $59,787 as a result of the current refunding.

The 2010 Tax Allocation Refunding bonds are comprised of $11,680,000 serial bonds and three term bonds total to $22,700,000. Principal on serial bonds mature in amounts from $1,005,000 to 1,215,000 through June 30, 2021. Interest on the bonds is payable semi-annually at rates ranging from 3% to 5.5%. The three term bonds maturing on June 30, 2024 (bearing interest at 5.375%) and June 30, 2037 (bearing interest at 6.125% and 6.25%), are subject to mandatory redemption on each June 30, commencing on June 30, 2022, and June 30, 2025, respectively, at a redemption price equal to the principal amount with accrued interest to the redemption date, without premium, ranging from $420,000 to $1,035,000. Bonds and related deferred cost of issuance and bond discount outstanding at January 31, 2012 were $33,375,000, $247,999 and $683,042, respectively, and were transferred to the Successor Agency on February 1, 2012 due to the dissolution of the Agency. Total principal and interest remaining on the bond is $59,898,635 at June 30, 2013 payable through 2037.

The annual requirements to amortize the bonds outstanding at June 30, 2015, are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 1,055,000	1,711,268	$ 2,873,011
2017	1,055,000	1,658,518	2,821,393
2018	1,050,000	1,605,768	2,766,268
2019	1,050,000	1,550,643	2,713,518
2020	1,040,000	1,492,893	2,713,518
2021-2025	5,135,000	6,629,699	12,681,608
2026-2030	7,090,000	4,956,756	11,615,869
2031-2035	8,110,000	2,577,831	11,808,106
2036-2037	3,405,000	317,338	9,905,344
TOTAL	$ 28,990,000	$ 22,500,714	$ 59,898,635

Note 9 – Risk Management

The City is a member of California State Association of Counties - Excess Insurance Authority (CSAC-EIA). The Authority is comprised of 55 California counties and currently consists of 262 public agencies, which includes municipalities, school districts, special districts and other Joint Powers Authorities (JPA). CSAC-EIA was formed as a Joint Powers Authority in 1979, pursuant to the California Government Code. The purpose of the Authority is to arrange, provide and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

The Board of Directors is comprised of 62 members, one representative from each member county and seven members elected by the public entity membership.

General Liability Insurance

Annual deposits are paid by member cities and are adjusted retroactively to cover costs. Each member city has a specific retention level. The City has a retention level of $100,000 and pays 100% of all losses incurred under $100,000. The City does not share or pay for losses of other cities under $100,000. Losses of $100,000 to $5,000,000 are prorated among all participating cities on a payroll basis. Losses in excess of $5,000,000 are covered by excess insurance purchased by the participating cities, as a part of the pool, to a limit of $10,000,000. This cost is also prorated on a payroll basis. The City purchased an optional excess coverage which covers up to $20,000,000 and catastrophic coverage up to $50,000,000.

Workers' Compensation

Beginning July 1, 2006, the City became fully self-insured with respect to Workers' Compensation. The City has a Self-Insured Retention (SIR) of $150,000 per claim and additional coverage above its SIR with CSAC Excess Insurance Authority (EIA) to $5 million per claim; there is an additional $45 million of reinsurance above CSAC-EIA coverage bringing the total coverage to over $50 million per claim. The CSAC-EIA is ranked as the second largest public entity risk pool and the largest property and casualty pool in the nation.

The workers' compensation and general liability claims payable of $1,260,467 reported at June 30, 2015. Of the total claims payable, $947,842 is due within the next fiscal year. During the past three fiscal (claims) years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage in the prior year.

Changes in the claims liability amounts were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2012-2013	$ 824,865	$ 1,368,882	$ (650,471)	$ 1,543,277
2013-2014	1,543,277	541,754	(587,343)	1,497,688
2014-2015	1,497,688	710,621	(947,842)	1,260,467

Note 9 – Risk Management (Continued)

The latest financial information of the CSAC Excess Insurance Authority for fiscal year ended June 30, 2014, is as follows:

Total assets	$ 592,584,275
Total liabilities	$ 479,255,274
Total equities	$ 113,329,001
Total revenues	$ 591,748,376
Total expenses	$ 585,525,053
Expenses over revenues	$ 6,223,323

Note 10 – Public Employees' Retirement System

Summary

Net Pension Liability

Net pension liability is reported in the accompanying Statements of Net Position as follows:

		Business-Type Activities		Fiduciary Funds	
		Enterprise Funds			
	Governmental Activities	TDA Transit Fund	Wastewater Fund	Successor Agency to the Ridgecrest Community Redevelopment Agency	Total
CalPERS Miscellaneous Classic Plan - 655	$ 4,844,046	$ 661,962	$ 633,457	$ 328,368	$ 6,467,833
CalPERS Miscellaneous Safety Plan - 656	6,215,614	-	-	-	6,215,614
CalPERS Miscellaneous Safety PEPRA	86	-	-	-	86
Total	$ 11,059,746	$ 661,962	$ 633,457	$ 328,368	$ 12,683,533

Deferred Outflows of Resources

Deferred outflows of resources are reported in the accompanying Statements of Net Position as follows:

Pension Contributions Made after the Measurement Date

		Business-Type Activities		
		Enterprise Funds		
	Governmental Activities	TDA Transit Fund	Wastewater Fund	Total
CalPERS Miscellaneous Classic Plan - 655	$ 506,527	$ 66,539	$ 63,674	$ 636,740
CalPERS Miscellaneous Safety Plan - 656	715,378	-	-	715,378
CalPERS Miscellaneous Safety PEPRA	32,497	-	-	32,497
Total	$ 1,254,402	$ 66,539	$ 63,674	$ 1,384,615

Note 10 – Public Employees' Retirement System (Continued)

Summary (Continued)

Positive Differences between City's Contribution and Proportionate Share of Contribution

	Governmental Activities	Business-Type Activities Enterprise Funds: TDA Transit Fund	Business-Type Activities Enterprise Funds: Wastewater Fund	Total
CalPERS Miscellaneous Classic Plan - 655	$ 16,402	$ 2,155	$ 2,062	$ 20,619
CalPERS Miscellaneous Safety PEPRA	1,165	-	-	1,165
Total	$ 17,567	$ 2,155	$ 2,062	$ 21,784

Deferred Inflows of Resources

Deferred inflows of resources are reported in the accompanying Statements of Net Position as follows:

Difference between Projected and Actual Earnings on Pension Plan Investments

	Governmental Activities	Business-Type Activities Enterprise Funds: TDA Transit Fund	Business-Type Activities Enterprise Funds: Wastewater Fund	Total
CalPERS Miscellaneous Classic Plan - 655	$ 1,367,082	$ 179,585	$ 171,852	$ 1,718,519
CalPERS Miscellaneous Safety Plan - 656	1,239,091	-	-	1,239,091
CalPERS Miscellaneous Safety PEPRA	26	-	-	26
Total	$ 2,606,199	$ 179,585	$ 171,852	$ 2,957,636

Negative Differences between City's Contribution and Proportionate Share of Contribution

	Governmental Activities
CalPERS Miscellaneous Safety Plan - 656	$ 87,548
Total	$ 87,548

Pension Expense/(Income)

Pension expense/(income) is included in the accompanying Statement of Revenues, Expenses, and Changes in Net Position as follows:

	Governmental Activities	Business-Type Activities Enterprise Funds: TDA Transit Fund	Business-Type Activities Enterprise Funds: Wastewater Fund
CalPERS Miscellaneous Classic Plan - 655	$ 453,018	$ 59,510	$ 56,948
CalPERS Miscellaneous Safety Plan - 656	461,201	-	-
CalPERS Miscellaneous Safety PEPRA	(884)	-	-
Total	$ 913,335	$ 59,510	$ 56,948

Note 10 – Public Employees' Retirement System (Continued)

Plan Description

The City contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2013 Annual Actuarial Valuation Report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Benefits Provided

The *Miscellaneous Plan* provides employees hired before January 1, 2013 with a Tier 1 benefit equal to 2.7% at 55 years of age, calculated based on the single highest year of qualifying compensation. In addition, PEPRA legislation created another benefit formula for new hires who are either new to CalPERS or who have had a break in CalPERS service of at least six months. In the case of the City, this will constitute the "Tier 2 Miscellaneous Plan" which provides a retirement benefit formula of 2.0% at 62 years of age calculated based on the average of the highest 36 consecutive months of qualifying compensation. For the 2015 calendar year, there is a cap of $117,020 on the pensionable compensation for Tier 2 miscellaneous employees. Retirees under both tiers are eligible to receive a maximum annual 2% cost of living adjustment increase.

The *Safety Plan* provides employees hired before January 1, 2013 with a Tier 1 benefit equal to 3.0% at 55 years of age, calculated based on the single highest year of qualifying compensation. In addition, PEPRA legislation created another benefit formula for new hires who are either new to CalPERS or who have had a break in CalPERS service of at least six months. In the case of the City, this will constitute a "Tier 2 Safety Plan" which provides a retirement benefit formula of 2.7% at 57 years of age calculated based on the average of the highest 36 consecutive months of qualifying compensation. For the 2015 calendar year, there is a cap of $117,020 on the pensionable compensation for Tier 2 safety employees. Retirees under both tiers are eligible to receive a maximum annual 2% cost of living adjustment increase.

Employees Covered by Benefit Terms

At June 30, 2015, the following employees were covered by the benefit terms for each plan:

	Miscellaneous Classic	Safety Classic	Safety PEPRA
Active employees	58	24	7
Inactive employees or beneficiaries currently receiving benefits	97	46	0
Inactive employees entitled to, but not yet receiving benefits	32	15	0
Total	187	85	7

Note 10 – Public Employees' Retirement System (Continued)

Contributions

For fiscal year ended June 30, 2015, Safety and Miscellaneous plan participants were required to contribute 9% and 8% of their covered salary respectively. However due to multiyear bargaining agreement, the City paid for the required employee contribution for employees belonging to Local 8 bargaining unit for full fiscal year and for employees belonging to Police Employee Association of Ridgecrest (PEAR) bargaining from July 1, 2012 to August 14, 2012. On August 15, 2012 an amendment to PEAR labor agreement took effect whereby their members will pay the full amount of the required employee contribution in exchange to salary increase of 4.3% for sworn members and 6.8% for non-sworn members. On August 31, 2012 the California Legislature passed AB 340, the Public Employees' Pension Reform Act of 2013 (PEPRA). As part of this reform, "new members" hired starting January 1, 2013 will have to pay their required employee contribution. Since their benefit level is much lower than the 'classic members" their contribution rate is also lower. PEPRA defines "new member" as an employee hired on or after January 1, 2013 who falls into one of the following:

1. Has no prior membership in any California public retirement system,
2. Has prior membership with another California public retirement system that has no reciprocity with CalPERS; or
3. Has an established membership with CalPERS prior January 1, 2013 and is re-hired by a different CalPERS employer after a break in service of greater than six months.

The City paid $85,863 for the required employee contributions for all the "classic" members of the Local 8 bargaining unit as required by their bargaining agreement for fiscal year 2015. All other employees belonging to other groups paid for their own employee required contribution.

The following table details the contribution rate for the City and its employees by bargaining unit as of June 30, 2015:

Bargaining Unit	Employee Contribution paid by City	Employee Contribution paid by Employee	New Hires as of January 1, 2013 - paid by Employee
Elected Officials - City Council Members	0.00%	8.00%	6.25%
Unrepresented - Management	0.00%	8.00%	6.25%
Unrepresented - Mid-Management	0.00%	8.00%	6.25%
Unrepresented - Confidential Employees	0.00%	8.00%	6.25%
UFCW Local 8 (RACE)	8.00%	0.00%	6.25%
Police Employee Association of Ridgecrest			
Sworn Members	0.00%	9.00%	11.50%
Non-sworn Members	0.00%	8.00%	6.25%

Additionally, the City is required to contribute at an actuarially determined rate applied to covered payroll. The rate for "classic members" for fiscal year 2015 is 19.703% for miscellaneous employees and 33.115% for safety employees. However, for employees hired on or after January 1, 2013 and classified as CalPERS "new members", the rate is 6.25% for miscellaneous employees and 11.50% for safety employees. These rates are effective until June 30, 2015.

Note 10 – Public Employees' Retirement System (Continued)

Contributions (Continued)

For the measurement date year ended June 30, 2014, the plan's contribution and the proportionate share of aggregate employer contributions of the cost-sharing plan made for each plan was as follows:

	Miscellaneous Classic	Safety Classic	Safety PEPRA	Total
Contributions - employer	$ 623,008	$ 754,506	$ 13,990	$ 1,391,504

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the City reported net pension liabilities for its proportionate share for each plan as follows:

	Miscellaneous Classic	Safety Classic	Safety PEPRA	Total
Proportionate share of net pension liability	$ 6,334,569	$ 6,215,614	$ 86	$ 12,550,269

The City's net pension liability for each plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

(1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2013). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.

(2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2014). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2014 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (fiscal year 2014).

(3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date.

(4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.

(5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

(6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Note 10 – Public Employees' Retirement System (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The City's proportionate share of the net pension liability for each plan as of June 30, 2014 was as follows:

	Miscellaneous Classic	Safety Classic	Safety PEPRA
Proportion June 30, 2014	0.10180%	0.09989%	0.00000%

For the measurement year ended June 30, 2014, the City recognized pension expense of $1,029,793. At June 30, 2015 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Classic

	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	$ 636,740	$ -
Difference between expected and actual experience	-	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(1,718,519)
Adjustments due to difference in proportions	20,619	-
Total	$ 657,359	$ (1,718,519)

Safety Classic

	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	$ 715,378	$ -
Difference between expected and actual experience	-	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(1,239,091)
Adjustments due to difference in proportions	-	(87,548)
Total	$ 715,378	$ (1,326,639)

Safety PEPRA

	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	$ 32,497	$ -
Difference between expected and actual experience	-	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(26)
Adjustments due to difference in proportions	1,165	-
Total	$ 33,662	$ (26)

Note 10 – Public Employees' Retirement System (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The $1,384,615 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	Deferred Outflows/(Inflows) of Resources		
Measurement Period	Miscellaneous Classic	Resources Safety Classic	Resources Safety PEPRA
2015	$ 214,474	$ 374,338	$ 32,906
2016	(422,266)	(341,040)	409
2017	(423,739)	(334,787)	326
2018	(429,629)	(309,772)	(5)
2019	-	-	-
Thereafter	-	-	-

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2014, the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 [1]	Real Return Years 11 + [2]
Global equity	47.00%	5.25%	5.71%
Global fixed income	19.00%	0.99%	2.43%
Inflation sensitive	6.00%	0.45%	3.36%
Private equity	12.00%	6.83%	6.95%
Real estate	11.00%	4.50%	5.13%
Infrastructure and forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%

[1] An expected inflation of 2.5% was used for this period.

[2] An expected inflation of 3.0% was used for this period.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under "Forms and Publications."

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent, which is net of administrative expenses. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

Note 10 – Public Employees' Retirement System (Continued)

Discount Rate (Continued)

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 [1]	Real Return Years 11 + [2]
Global equity	47.00%	5.25%	5.71%
Global fixed income	19.00%	0.99%	2.43%
Inflation sensitive	6.00%	0.45%	3.36%
Private equity	12.00%	6.83%	6.95%
Real estate	11.00%	4.50%	5.13%
Infrastructure and forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%

[1] An expected inflation of 2.5% was used for this period.

[2] An expected inflation of 3.0% was used for this period.

Note 10 – Public Employees' Retirement System (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for each Fire Plan, calculated using the discount rate for each plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
Misc. Classic	$ 10,494,020	$ 6,334,569	$ 2,882,623
Safety Classic	9,456,829	6,215,614	3,544,992
Safety PEPRA	149	86	(28)

Pension Plan Fiduciary Net Position

Detailed information about the Plans' fiduciary net position is available in the separately issued CalPERS financial report.

Note 11 – Other Postemployment Benefits

Plan Description

The City provides $122 per month subject to the minimum required employer contribution (plus any administration fees) under the CalPERS Health Plan for eligible retirees and surviving spouses in receipt of a pension benefit from CaIPERS. An employee is eligible for this employer contribution provided they are vested in their CalPERS pension benefit and commence payment of their pension benefit within 60 days of retirement with the City. The surviving spouse of an eligible retiree who elected spouse coverage under the CalPERS Health Plan is eligible for the employer contribution upon the death of the retiree. For calendar year 2016, the required employer contributions under the CalPERS Health plan will be $125 per month. CalPERS adjusts this amount annually based on an inflation index.

Retired employees who have health coverage outside CALPERS do not get any premium reimbursement from the City with the exception of those who are members of the Police Employees Association of Ridgecrest ("PEAR"). For PEAR members who retired between the dates of March 17, 2005 and August 31, 2011, they are eligible for a reimbursement of up to $100 per month for non-CalPERS health coverage. For those who retire starting September 1, 2011 and after, that monthly amount goes up to $250.

Funding Policy

The ARC is calculated in accordance with certain variables which includes the Normal Cost and the component for amortization of the total unfunded actuarial accrued liability (UAAL) over a period not to exceed 30 years.

On April 2, 2008, the City entered into an agreement with CalPERS to prefund its other post-employment benefits through California Employer's Retiree Benefit Trust (CERBT) program. The plan is an agent multiple employer plan. It is the City's funding policy to contribute at least 100% of the annual required contribution as calculated in the actuarial valuation prepared biannually. OPEB benefits are currently paid either directly to the eligible retirees who are not enrolled in the CalPERS Health Benefit program or to CalPERS for those eligible retirees who are enrolled in the CalPERS Health Benefit program. The total amount of these benefits paid may be deducted from the annual required contribution or be reimbursed directly from the trust.

Note 11 – Other Postemployment Benefits (Continued)

Annual OPEB Cost and Net OPEB Obligation (Asset)

For fiscal year ended June 30, 2015, the City's annual OPEB cost was $82,018. The City's annual required contribution (ARC) was $82,206 and was deposited in to the trust account and the balance of the amount was used to pay for the actual retirees' benefit cost for the fiscal year.

The following table shows the components of the City's Annual OPEB Cost for the year ended June 30, 2015, the amount actually contributed to the plan, and changes in the City's Net OPEB obligation (asset):

Annual Required Contribution (ARC)	$ 82,206
Interest on Net OPEB Obligation (Assets) @ 7.75%	(2,751)
Adjustment to ARC	2,563
Annual OPEB Cost	82,018
Contribution Made (ARC Inclusive of Benefit Payments)	(82,206)
(Increase) in Net OPEB Obligation (Assets)	(188)
Net OPEB Obligation (Assets) - Beginning of year	(36,156)
Net OPEB Obligation (Assets) - End of year	$ (36,344)

Below is the summary of the City's OPEB cost and net OPEB obligation (asset):

	Annual OPEB Cost	Actual Contributions	Percentage Contribution	Change in Net OPEB Obligation (Asset)	Net OPEB Obligation (Asset) at June 30
2012-2013	$ 80,767	$ 81,120	100.4%	$ (353)	$ (35,969)
2013-2014	77,761	77,948	100.2%	(187)	(36,156)
2014-2015	82,018	82,206	100.2%	(188)	(36,344)

Actuarial Methods and Assumptions

The ARC was determined as part of the June 30, 2013, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.61% investment rate of return (net of administrative expenses), (b) 7.61% discount rate, (c) projected annual salary increases range of 3.0%, (d) inflation rate of 2.8%, (e) CalPERS Assumption Model was used in determining the factor for pre-retirement turnover, pre-retirement mortality, post-retirement mortality and retirement age. Employee currently retired who have elected CalPERS medical coverage are assumed to continue coverage for their lifetime and the lifetime of their spouse if covered. 50% of future non-PEAR active employees are assumed to elect retiree health coverage at retirement. 100% of future PEAR retirees are assumed to elect retiree health coverage at retirement with 50% electing the $250 reimbursement benefit over the CalPERS benefit. Of those electing coverage approximately 20% are assumed to elect coverage for their spouse. A female spouse is assumed to be 3 years younger than a male spouse. The City's $100 monthly benefit is not assumed to increase in future years. On the other hand, the CalPERS minimum required employer contribution is assumed to increase by 4% each year. The unfunded actuarial accrued liability is being amortized over an initial 30 years using the level percentage-of-pay method on a closed-basis. The remaining amortization period at June 30, 2015 is assumed to be 23 years. The 2013 actuarial study did not include an assumption on the health care trend.

Note 11 – Other Postemployment Benefits (Continued)

Funded Status and Funding Progress

As of June 30, 2015, the most recent actuarial valuation date, the plan was 47% funded. The actuarial accrued liability for benefits was $961,858, and the actuarial value of assets was $449,520, resulting in an unfunded actuarial accrued liability ("UAAL") of $512,338. The covered payroll (annual payroll for active employees covered by the plan) was $5,189,000, and the ratio of the UAAL to the covered payroll was 9.87%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend rate (estimated annually at between 5% and 7%). Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 12 – Other Required Disclosures

A. Deficit Net Position/Fund Balances

At June 30, 2015, the Governmental Activities on the Statement of Net Position had an unrestricted net position deficit of ($16,350,067).

At June 30, 2015, the following funds had a fund balances (deficit) or unrestricted net position (deficit), which will be eliminated through the reduction in future expenditures and/or the use of new funding sources:

Fund	Fund Type	Deficit
General Fund	General Fund	$ (1,001,031)
State Gas Tax Fund	Special Revenue Fund	(15,177)
Special Projects Fund	Special Revenue Fund	(4,654)
Human Resource and Risk Management	Internal Service Fund	(792,601)
RDA Retirement Obligation	Fiduciary Fund	(11,483,196)

Note 13 – Classification of Fund Balances

	Major Funds						
	General Fund	State Gas Tax Fund	Grant Operations Fund	City Debt Service Fund	Capital Improvements	Other Governmental Funds	Total
Nonspendable:							
Inventory	$ 525	$ -	$ -	$ -	$ -	$ -	$ 525
Advances to Fiduciary Fund	-	-	-	5,584,159	-	-	5,584,159
Total nonspendable	525	-	-	5,584,159	-	-	5,584,684
Restricted:							
Asset seizure	46,472	-	-	-	-	-	46,472
Asset Seizure - drug/gang	12,233	-	-	-	-	-	12,233
DARE/CHAMPS car donations	2,951	-	-	-	-	-	2,951
Proposition 172	109,724	-	-	-	-	-	109,724
Spay & neuter donations	74,555	-	-	-	-	-	74,555
Freedom park donation	1,430	-	-	-	-	-	1,430
Housing	-	-	-	-	-	59,829	59,829
Debt service	-	-	-	751,356	-	-	751,356
Grant operations	-	-	28,468	-	-	-	28,468
TCRF capital projects	-	-	-	-	-	74,302	74,302
Capital projects	-	-	-	-	-	2,064,484	2,064,484
Community partnership	-	-	-	-	-	138	138
Total restricted	247,365	-	28,468	751,356	-	2,198,753	3,225,942
Committed:							
Park development	-	-	-	-	-	16,508	16,508
Substandard street improvement	-	-	-	-	-	539,000	539,000
Total committed	-	-	-	-	-	555,508	555,508
Assigned:							
Capital improvements	-	-	-	-	532,683	-	532,683
Measure L	1,051,917	-	-	-	-	-	1,051,917
Landscaping & lighting district	-	-	-	-	-	25,378	25,378
Business park capital projects	-	-	-	-	-	37,827	37,827
Total assigned	1,051,917	-	-	-	532,683	63,205	1,647,805
Unassigned	(2,300,838)	(15,177)	-	-	-	(4,654)	(2,320,669)
Total Fund Balances	$ (1,001,031)	$ (15,177)	$ 28,468	$ 6,335,515	$ 532,683	$ 2,812,812	$ 8,693,270

Note 14 – Commitments and Contingencies

A. Litigation

The City is a defendant in certain legal actions arising in the normal course of operations. The accompanying basic financial statements reflect a liability for the probable amounts of loss associated with these claims.

B. Grants

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. While no matters of non-compliance were disclosed by the audit of the financial statements or single audit of the Federal grant programs, grantor agencies may subject grant programs to additional compliance tests, which may result in disallowed costs. In the opinion of management, future disallowances of current or prior grant expenditures, if any, would not have a material adverse effect on the financial position of the City.

Note 15 – Prior Period Adjustments

The beginning net position was restated as follows:

			Enterprise Funds		Fiduciary Funds
	Governmental Activities	Business-Type Activities	TDA Transit Fund	Wastewater Fund	Successor Agency to the Ridgecrest Community Redevelopment Agency
Net Position at July 1, 2014	$ 40,303,302	$ 33,641,881	$ 908,788	$ 32,733,093	$ (5,787,613)
(1) CalPERS Miscellaneous Classic Plan:					
Net Pension Liabilities (Note 10)	(6,279,909)	(1,664,538)	(850,583)	(813,955)	(328,369)
Deferred outflows of resources	538,200	138,355	70,700	67,655	-
(2) CalPERS Safety Classic Plan:					
Net Pension Liabilities (Note 10)	(7,448,233)	-	-	-	-
Deferred outflows of resources	509,093	-	-	-	-
(3) CalPERS Safety PEPRA Plan:					
Net Pension Liabilities (Note 10)	(114)	-	-	-	-
Deferred outflows of resources	11	-	-	-	-
Subtotal	(12,680,952)	(1,526,183)	(779,883)	(746,300)	(328,369)
Net Position at July 1, 2014, as Restated	$ 27,622,350	$ 32,115,698	$ 128,905	$ 31,986,793	$ (6,115,982)

The City implemented GASB Statements No. 68 and No. 71 during the year ended June 30, 2015. The restatement to the beginning net position is to report the net pension liabilities for the City's CalPERS plans in accordance with GASB Statements No. 68 and No. 71 based on the measurement date of June 20, 2014.

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

Required Supplementary Information (Unaudited)

Note 1 – Budgetary Information

The City maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City maintains an encumbrance accounting system to provide management with information regarding obligations against appropriations. Budgetary compliance is based on expenditures during the period (GAAP), rather than expenditures and encumbrances (non-GAAP). Because appropriations lapse at June 30, encumbrances outstanding at June 30, 2015 are disclosed in the notes to the financial statements. Appropriations for fiscal year 2015 will provide authority to complete those transactions.

The City is required by its municipal code to adopt an annual budget on or before June 30 for the ensuing fiscal year. From the effective date of the budget, the amounts become the "annual appropriated budget."

The City Council may amend the budget by motion during the fiscal year. The City Manager is authorized to transfer budget amounts within any fund during the budget year as long as it does not increase the total budget within the fund. However, any revisions that alter total expenditures of any fund without coinciding revenue increases must be approved by the City Council.

Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at the end-of the fiscal year. Supplemental appropriations, which increase appropriations, may be made during the fiscal year.

Note 1 – Budgetary Information (Continued)

Budgetary Comparison Schedule - General Fund

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	$ 9,938,031	$ 9,938,031	$ 9,356,253	$ (581,778)
Intergovernmental	368,187	807,217	840,383	33,166
License and permits	168,300	168,300	279,334	111,034
Fines and forfeitures	66,300	66,300	72,806	6,506
Use of property and money	203,030	203,030	239,605	36,575
Charges for services	514,381	514,381	553,864	39,483
Other revenues	247,900	247,900	338,491	90,591
Total revenues	11,506,129	11,945,159	11,680,736	(264,423)
EXPENDITURES:				
Current:				
General government	2,015,064	1,997,229	2,506,451	(509,222)
Public safety	6,639,894	7,174,358	7,098,082	76,276
Public works	455,041	365,109	283,672	81,437
Community development	647,351	658,313	688,464	(30,151)
Health	50,000	68,140	-	68,140
Culture and leisure	1,205,947	1,240,277	1,435,334	(195,057)
Capital outlay	551,492	992,275	-	992,275
Total expenditures	11,564,789	12,495,701	12,012,003	483,698
REVENUES OVER (UNDER) EXPENDITURES	(58,660)	(550,542)	(331,267)	219,275
OTHER FINANCING SOURCES (USES):				
Transfers In	2,226,326	1,167,370	1,747,694	580,324
Transfers Out	(1,287,060)	(1,405,194)	(797,168)	608,026
Transfers from Successor Agency	500,000	949,173	698,621	(250,552)
Total other financing sources (uses)	1,439,266	711,349	1,649,147	937,798
Net change in fund balances	$ 1,380,606	$ 160,807	1,317,880	$ 1,157,073
FUND BALANCES:				
Beginning of year			(2,318,911)	
End of year			$ (1,001,031)	

Note 1 – Budgetary Information (Continued)

Budgetary Comparison Schedule – State Gas Tax Special Revenue Fund

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES:				
Intergovernmental	$ -	$ 595,000	$ 755,236	$ 160,236
Use of property and money	-	-	231	231
Other revenues	-	-	350	350
Total revenues	-	595,000	755,817	160,817
EXPENDITURES:				
Current:				
Public safety	240,000	237,000	217,090	19,910
Transportation	4,503,538	4,011,492	3,485,537	525,955
Total expenditures	4,743,538	4,248,492	3,702,627	545,865
REVENUES OVER (UNDER) EXPENDITURES	(4,743,538)	(3,653,492)	(2,946,810)	706,682
OTHER FINANCING SOURCES (USES):				
Transfers In	575,000	3,737,184	1,399,936	(2,337,248)
Transfers Out	(300,000)	(300,000)	(897,623)	(597,623)
Transfers from Successor Agency	-	-	2,058,882	2,058,882
Total other financing sources (uses)	275,000	3,437,184	2,561,195	(875,989)
Net change in fund balances	$ (4,468,538)	$ (216,308)	(385,615)	$ (169,307)
FUND BALANCE:				
Beginning of year			370,438	
End of year			$ (15,177)	

Note 1 – Budgetary Information (Continued)

Budgetary Comparison Schedule – Grant Operations Special Revenue Fund

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Intergovernmental	$ 3,220	$ 3,220	$ 145,468	$ 142,248
Use of property and money	-	-	95	95
Total revenues	3,220	3,220	145,563	142,343
EXPENDITURES:				
Current:				
General government	-	-	2,621	(2,621)
Public works	-	3,000	23,071	(20,071)
Total expenditures	-	3,000	25,692	(22,692)
REVENUE OVER (UNDER) EXPENDITURES	$ 3,220	$ 220	119,871	$ 119,651
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	(114,561)	(114,561)
Total other financing sources (uses)	-	-	(114,561)	(114,561)
Net change in fund balances	$ 3,220	$ 220	5,310	$ 5,090
FUND BALANCE:				
Beginning of year			23,158	
End of year			$ 28,468	

Note 2 – Schedules of the City's Proportionate Share of the Net Pension Liability and Related Ratios

Miscellaneous Classic Plan - 655

		6/30/2014 [1]
Plan's proportion of the net pension liabliity		0.10180%
Plan's proportionate share of the net pension liability	$	6,334,571
Plan's covered-employee payroll [2]	$	3,379,925
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll		187.42%
Plan's fiduciary net position	$	25,018,992
Plan's fiduciary net position as a percentage of the total pension liability		79.80%
Plan's proportionate share of aggregate employer contributions [3, 4]	$	676,555

Notes to Schedule:

Benefit changes. In 2015, benefit terms were modified to base miscellaneous employee pensions on a final three-year average salary instead of a final five-year average salary.

Changes in assumptions. In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.

* - Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

[1] Historical information is required only for measurement periods for which GASB 68 is applicable.

[2] Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

[3] The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the

[4] This data is not required to be displayed by GASB 68 for employers participating in cost-sharing plans, but it is being shown here because it is used in the calculation of the Plan's pension expense.

Note 2 – Schedules of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)

Safety Classic Plan – 656

		6/30/2014 [1]
Plan's proportion of the net pension liabliity		0.00999%
Plan's proportionate share of the net pension liability	$	6,215,614
Plan's covered-employee payroll [2]	$	2,283,887
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll		272.15%
Plan's fiduciary net position	$	17,982,036
Plan's fiduciary net position as a percentage of the total pension liability		74.31%
Plan's proportionate share of aggregate employer contributions [3, 4]	$	509,093

Notes to Schedule:

Benefit changes. In 2015, benefit terms were modified to base miscellaneous employee pensions on a final three-year average salary instead of a final five-year average salary.

Changes in assumptions. In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.

* - Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

[1] Historical information is required only for measurement periods for which GASB 68 is applicable.

[2] Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

[3] The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the

[4] This data is not required to be displayed by GASB 68 for employers participating in cost-sharing plans, but it is being shown here because it is used in the calculation of the Plan's pension expense.

Note 2 – Schedules of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)

Safety PEPRA Plan – 25708

		6/30/2014 [1]
Plan's proportion of the net pension liabliity		0.00000%
Plan's proportionate share of the net pension liability	$	86
Plan's covered-employee payroll [2]	$	51,217
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll		0.17%
Plan's fiduciary net position	$	378
Plan's fiduciary net position as a percentage of the total pension liability		81.47%
Plan's proportionate share of aggregate employer contributions [3, 4]	$	246

Notes to Schedule:

Benefit changes. In 2015, benefit terms were modified to base miscellaneous employee pensions on a final three-year average salary instead of a final five-year average salary.

Changes in assumptions. In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.

* - Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

[1] Historical information is required only for measurement periods for which GASB 68 is applicable.

[2] Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

[3] The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the

[4] This data is not required to be displayed by GASB 68 for employers participating in cost-sharing plans, but it is being shown here because it is used in the calculation of the Plan's pension expense.

Note 3 – Schedules of Contributions

Miscellaneous Classic Plan – 655

	2014-15 [1]	2013-14 [1]
Contractually determined contribution (actuarially determined)	$ 506,527	$ 623,008
Contributions in relation to the actuarially determined contributions [2]	(506,527)	(623,008)
Contribution deficiency (excess)	$ -	$ -
Covered-employee payroll [3, 4]		$ 3,379,925
Contributions as a percentage of covered-employee payroll [3]		18.43%

[1] Historical information is required only for measurement periods for which GASB 68 is applicable.

[2] Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[3] Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

[4] Payroll from prior year ($4,278,018) was assumed to increase by the 3.00% payroll growth assumption.

Notes to Schedule

Valuation date: 6/30/2013

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2011 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* - Fiscal year 2015 was the first year of implementation, therefore only two years are shown.

Note 3 – Schedules of Contributions (Continued)

Safety Classic Plan – 656

	2014-15 [1]	2013-14 [1]
Contractually determined contribution (actuarially determined)	$ 715,378	$ 754,506
Contributions in relation to the actuarially determined contributions [2]	(715,378)	(754,506)
Contribution deficiency (excess)	$ -	$ -
Covered-employee payroll [3, 4]		$ 2,283,887
Contributions as a percentage of covered-employee payroll [3]		33.04%

[1] Historical information is required only for measurement periods for which GASB 68 is applicable.

[2] Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[3] Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

[4] Payroll from prior year ($62,282) was assumed to increase by the 3.00% payroll growth assumption.

Notes to Schedule

Valuation date: 6/30/2013

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2011 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* - Fiscal year 2015 was the first year of implementation, therefore only two years are shown.

Note 3 – Schedules of Contributions (Continued)

Safety PEPRA Plan – 25708

	2014-15 [1]	2013-14 [1]
Contractually determined contribution (actuarially determined)	$ 32,497	$ 13,990
Contributions in relation to the actuarially determined contributions [2]	(32,497)	(13,990)
Contribution deficiency (excess)	$ -	$ -
Covered-employee payroll [3, 4]		$ 51,217
Contributions as a percentage of covered-employee payroll [3]		27.32%

[1] Historical information is required only for measurement periods for which GASB 68 is applicable.

[2] Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[3] Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

[4] Payroll from prior year ($201,225) was assumed to increase by the 3.00% payroll growth assumption.

Notes to Schedule

Valuation date: 6/30/2013

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2011 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* - Fiscal year 2015 was the first year of implementation, therefore only two years are shown.

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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Note 4 – Schedule of Funding Progress – Other Postemployment Benefits Plan

Actuarial Valuation Date	Actuarial Assets Valuation	Entry Age Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Accrued Liability as Percentage of Covered Payroll
6/30/2009	$ 129,549	$ 661,750	$ 532,201	19.58%	$ 6,063,000	8.78%
6/30/2011	318,724	917,842	599,118	34.73%	5,569,000	10.76%
6/30/2013	449,520	961,858	512,338	46.73%	5,189,000	9.87%

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

Supplementary Information

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Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

Non-Major Governmental Funds

City of Ridgecrest
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2015

	Special Revenue Funds			
	Park Development	TDA Street Fund	Business Park	Supplemental Law Enforcement
ASSETS				
Cash and investments	$ 16,499	$ -	$ 37,807	$ -
Receivables:				
Accounts	-	180,261	-	-
Interest	9	-	20	-
Loans	-	-	-	-
Deposits	-	-	-	-
Total assets	$ 16,508	$ 180,261	$ 37,827	$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted	-	180,261	-	-
Committed	16,508	-	-	-
Assigned	-	-	37,827	-
Unassigned (deficit)	-	-	-	-
Total fund balances	16,508	180,261	37,827	-
Total liabilities, deferred inflows of resources and fund balances	$ 16,508	$ 180,261	$ 37,827	$ -

City of Ridgecrest
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2015

	Special Revenue Funds			
	Traffic Congestion Relief	Special Projects	Fire Facilities Improvements	Traffic Impact Fee
ASSETS				
Cash and investments	$ 74,263	$ -	$ 176,959	$ 400,616
Receivables:				
Accounts	-	-	-	-
Interest	39	-	91	207
Loans	-	-	-	-
Deposits	-	-	-	-
Total assets	$ 74,302	$ -	$ 177,050	$ 400,823
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ 4,654	$ -	$ -
Total liabilities	-	4,654	-	-
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted	74,302	-	177,050	400,823
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	(4,654)	-	-
Total fund balances	74,302	(4,654)	177,050	400,823
Total liabilities, deferred inflows of resources and fund balances	$ 74,302	$ -	$ 177,050	$ 400,823

(Continued)

City of Ridgecrest
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2015

	Special Revenue Funds			
	Park Development Impact Fee	Law Enforcement Improvement Fee	Storm Drainage Facilities	Community Partnership Grant
ASSETS				
Cash and investments	$ 247,289	$ 117,525	$ 940,861	$ 138
Receivables:				
Accounts	-	-	-	-
Interest	128	61	486	-
Loans	-	-	-	-
Deposits	-	-	-	-
Total assets	$ 247,417	$ 117,586	$ 941,347	$ 138
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted	247,417	117,586	941,347	138
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	247,417	117,586	941,347	138
Total liabilities, deferred inflows of resources and fund balances	$ 247,417	$ 117,586	$ 941,347	$ 138

(Continued)

City of Ridgecrest
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2015

	Special Revenue Funds		Capital Projects Funds	
	Housing Authority	Landscaping and Lighting	Sub-Standard Streets Improvements	Total Other Governmental Funds
ASSETS				
Cash and investments	$ 59,775	$ 25,365	$ 528,486	$ 2,625,583
Receivables:				
Accounts	-	-	-	180,261
Interest	-	13	273	1,327
Loans	254,810	-	-	254,810
Deposits	-	-	10,241	10,241
Total assets	$ 314,585	$ 25,378	$ 539,000	$ 3,072,222
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 4,654
Total liabilities	-	-	-	4,654
Deferred Inflows of Resources:				
Unavailable revenue	254,756	-	-	254,756
Total deferred inflows of resources	254,756	-	-	254,756
Fund Balances:				
Restricted	59,829	-	-	2,198,753
Committed	-	-	539,000	555,508
Assigned	-	25,378	-	63,205
Unassigned (deficit)	-	-	-	(4,654)
Total fund balances	59,829	25,378	539,000	2,812,812
Total liabilities, deferred inflows of resources and fund balances	$ 314,585	$ 25,378	$ 539,000	$ 3,072,222

(Concluded)

City of Ridgecrest
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds			
	Park Development	TDA Street Fund	Business Park	Supplemental Law Enforcement
REVENUES:				
Taxes	$ -	$ 673,924	$ -	$ -
Intergovernmental	-	-	-	106,230
License and permits	-	-	-	-
Assessment levied	-	-	-	-
Use of money and property	32	241	74	84
Other revenues	-	-	-	-
Total revenues	32	674,165	74	106,314
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Community development	-	-	-	-
Total expenditures	-	-	-	-
REVENUE OVER (UNDER) EXPENDITURES	32	674,165	74	106,314
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers Out	-	(969,039)	-	(106,367)
Total other financing sources (uses)	-	(969,039)	-	(106,367)
Net changes in fund balances	32	(294,874)	74	(53)
FUND BALANCES:				
Beginning of year	16,476	475,135	37,753	53
End of year	$ 16,508	$ 180,261	$ 37,827	$ -

City of Ridgecrest
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds			
	Traffic Congestion Relief	Special Projects	Fire Facilities Improvements	Traffic Impact Fee
REVENUES:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
License and permits	-	-	5,512	22,588
Assessment levied	-	-	-	-
Use of money and property	148	25	342	786
Other revenues	-	-	-	-
Total revenues	148	25	5,854	23,374
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Community development	-	36,728	-	-
Total expenditures	-	36,728	-	-
REVENUE OVER (UNDER) EXPENDITURES	148	(36,703)	5,854	23,374
OTHER FINANCING SOURCES (USES):				
Transfers In	-	1,683	-	-
Transfers Out	(560)	-	-	(16,278)
Total other financing sources (uses)	(560)	1,683	-	(16,278)
Net changes in fund balances	(412)	(35,020)	5,854	7,096
FUND BALANCES:				
Beginning of year	74,714	30,366	171,196	393,727
End of year	$ 74,302	$ (4,654)	$ 177,050	$ 400,823

(Continued)

City of Ridgecrest
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds			
	Park Development Impact Fee	Law Enforcement Improvement Fee	Storm Drainage Facilities	Community Partnership Grant
REVENUES:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
License and permits	6,056	9,192	226,724	-
Assessment levied	-	-	-	-
Use of money and property	481	222	1,832	-
Other revenues	-	-	-	-
Total revenues	6,537	9,414	228,556	-
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	320,000	-
Community development	-	-	-	-
Total expenditures	-	-	320,000	-
REVENUE OVER (UNDER) EXPENDITURES	6,537	9,414	(91,444)	-
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	6,537	9,414	(91,444)	-
FUND BALANCES:				
Beginning of year	240,880	108,172	1,032,791	138
End of year	$ 247,417	$ 117,586	$ 941,347	$ 138

(Continued)

City of Ridgecrest
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds		Capital Projects Funds	
	Housing Authority	Landscaping And Lighting	Sub-Standard Streets Improvements	Total Other Governmental Funds
REVENUES:				
Taxes	$ -	$ -	$ -	$ 673,924
Intergovernmental	-	-	-	106,230
License and permits	-	-	-	270,072
Assessment levied	-	10,526	-	10,526
Use of money and property	7,618	99	1,035	13,019
Other revenues	13,788	-	1,800	15,588
Total revenues	21,406	10,625	2,835	1,089,359
EXPENDITURES:				
Current:				
General government	-	3,990	-	3,990
Public safety	-	198	-	198
Transportation	-	-	-	320,000
Community development	-	-	-	36,728
Total expenditures	-	4,188	-	360,916
REVENUE OVER (UNDER) EXPENDITURES	21,406	6,437	2,835	728,443
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	1,683
Transfers Out	(1,083)	-	-	(1,093,327)
Total other financing sources (uses)	(1,083)	-	-	(1,091,644)
Net changes in fund balances	20,323	6,437	2,835	(363,201)
FUND BALANCES:				
Beginning of year	39,506	18,941	536,165	3,176,013
End of year	$ 59,829	$ 25,378	$ 539,000	$ 2,812,812

(Concluded)

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Park Development Fee - Special Revenue Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of property and money	$ -	$ -	$ 32	$ 32
Total revenues	-	-	32	32
EXPENDITURES:				
Community development	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	$ -	$ -	32	$ 32
FUND BALANCE:				
Beginning of year			16,476	
End of year			$ 16,508	

City of Ridgecrest
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
TDA Street Fund - Special Revenue Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	$ -	$ -	$ 673,924	$ 673,924
Use of money and property	-	-	241	241
Total revenues	-	-	674,165	674,165
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(575,000)	(969,039)	(394,039)
Total other financing sources (uses)	-	(575,000)	(969,039)	(394,039)
Net change in fund balance	$ -	$ (575,000)	(294,874)	$ 280,126
FUND BALANCE:				
Beginning of year			475,135	
End of year			$ 180,261	

City of Ridgecrest
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Business Park - Special Revenue Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of property and money	$ -	$ -	$ 74	$ 74
Total revenues	-	-	74	74
Net change in fund balance	$ -	$ -	74	$ 74
FUND BALANCE:				
Beginning of year			37,753	
End of year			$ 37,827	

City of Ridgecrest
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Supplemental Law Enforcement - Special Revenue Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Intergovernmental	$ -	$ -	$ 106,230	$ 106,230
Use of property and money	-	-	84	84
Total revenues	-	-	106,314	106,314
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(106,367)	(106,367)
Total other financing sources (uses)	-	-	(106,367)	(106,367)
Net change in fund balance	$ -	$ -	(53)	$ (53)
FUND BALANCE:				
Beginning of year			53	
End of year			$ -	

City of Ridgecrest
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Traffic Congestion Relief - Special Revenue Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of property and money	$ -	$ -	$ 148	$ 148
Total revenues	-	-	148	148
Net change in fund balance	$ -	$ -	(412)	$ (412)
FUND BALANCE:				
Beginning of year			74,714	
End of year			$ 74,302	

City of Ridgecrest
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Special Projects - Special Revenue Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Licenses and permits	$ -	$ -	$ -	$ -
Use of property and money	-	-	25	25
Total revenues	-	-	25	25
EXPENDITURES:				
Current:				
Community development	-	106,679	36,728	69,951
Total expenditures	-	106,679	36,728	69,951
REVENUE OVER (UNDER) EXPENDITURES	-	(106,679)	(36,703)	69,976
OTHER FINANCING SOURCES (USES):				
Transfers in	-	27,700	1,683	(26,017)
Total other financing sources (uses)	-	27,700	1,683	(26,017)
Net change in fund balance	$ -	$ (78,979)	(35,020)	$ 43,959
FUND BALANCE:				
Beginning of year			30,366	
End of year			$ (4,654)	

City of Ridgecrest
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Fire Facilities Improvements - Special Revenue Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Licenses and permits	$ -	$ -	$ 5,512	$ 5,512
Use of property and money	-	-	342	342
Total revenues	-	-	5,854	5,854
Net change in fund balance	$ -	$ -	5,854	$ 5,854
FUND BALANCE:				
Beginning of year			171,196	
End of year			$ 177,050	

City of Ridgecrest
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Traffic Impact Fee - Special Revenue Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Licenses and permits	$ -	$ -	$ 22,588	$ 22,588
Use of property and money	-	-	786	786
Total revenues	-	-	23,374	23,374
EXPENDITURES:				
Current:				
Transportation	-	-	-	-
Total expenditures	-	-	-	-
REVENUE OVER (UNDER) EXPENDITURES	-	-	23,374	23,374
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(16,277)	(16,278)	(1)
Total other financing sources (uses)	-	(16,277)	(16,278)	(1)
Net change in fund balance	$ -	$ (16,277)	7,096	$ -
FUND BALANCE:				
Beginning of year			393,727	
End of year			$ 400,823	

City of Ridgecrest
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Park Development Impact Fee - Special Revenue Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Licenses and permits	$ -	$ -	$ 6,056	$ 6,056
Use of property and money	-	-	481	481
Total revenues	-	-	6,537	6,537
Net change in fund balance	$ -	$ -	6,537	$ 6,537
FUND BALANCE:				
Beginning of year			240,880	
End of year			$ 247,417	

City of Ridgecrest
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Law Enforcement Improvement Fee - Special Revenue Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Licenses and permits	$ -	$ -	$ 9,192	$ 9,192
Use of property and money	-	-	222	222
Total revenues	-	-	9,414	9,414
Net change in fund balance	$ -	$ -	9,414	$ 9,414
FUND BALANCE:				
Beginning of year			108,172	
End of year			$ 117,586	

City of Ridgecrest
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Storm Drainage Facilities - Special Revenue Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Licenses and permits	$ -	$ -	$ 226,724	$ 226,724
Use of property and money	-	-	1,832	1,832
Total revenues	-	-	228,556	228,556
EXPENDITURES:				
Current:				
Transportation		320,000	320,000	-
Total expenditures	-	320,000	320,000	-
REVENUE OVER (UNDER) EXPENDITURES	-	(320,000)	(91,444)	228,556
Net change in fund balance	$ -	$ -	(91,444)	$ 228,556
FUND BALANCE:				
Beginning of year			1,032,791	
End of year			$ 941,347	

City of Ridgecrest
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Community Partnership Grant - Special Revenue Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of property and money	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Net change in fund balance	$ -	$ -	-	$ -
FUND BALANCE:				
Beginning of year			138	
End of year			$ 138	

City of Ridgecrest
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Housing Authority - Special Revenue Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of property and money	$ -	$ -	$ 7,618	$ 7,618
Other revenues	-	-	13,788	13,788
Total revenues	-	-	21,406	21,406
EXPENDITURES:				
Current:				
Community development	-	-	-	-
Total expenditures	-	-	-	-
REVENUE OVER (UNDER) EXPENDITURES	-	-	21,406	21,406
OTHER FINANCING SOURCES:				
Transfers out	-	-	(1,083)	(1,083)
Total other financing sources	-	-	(1,083)	(1,083)
Net change in fund balance	$ -	$ -	20,323	$ 20,323
FUND BALANCE:				
Beginning of year			39,506	
End of year			$ 59,829	

City of Ridgecrest
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Landscaping and Lighting - Special Revenue Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of property and money	$ -	$ 5,200	$ 10,526	$ 5,326
Other revenues	-	-	99	99
Total revenues	-	5,200	10,625	5,425
EXPENDITURES:				
Current:				
General government	-	5,090	3,990	1,100
Public safety	-	-	198	198
Total expenditures	-	5,090	4,188	1,298
REVENUE OVER (UNDER) EXPENDITURES	-	110	6,437	6,723
Net change in fund balance	$ -	$ 110	6,437	$ 6,723
FUND BALANCE:				
Beginning of year			18,941	
End of year			$ 25,378	

City of Ridgecrest
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Sub-Standard Streets Improvements - Capital Projects Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of property and money	$ -	$ -	$ 1,035	$ 1,035
Other revenues	20,000	20,000	1,800	(18,200)
Total revenues	20,000	20,000	2,835	(17,165)
Net change in fund balance	$ 20,000	$ 20,000	2,835	$ (17,165)
FUND BALANCE:				
Beginning of year			536,165	
End of year			$ 539,000	

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

Internal Service Funds

INTERNAL SERVICE FUND FINANCIAL STATEMENTS

Internal Service Funds of the City are outlined below:

Human Resources and Risk Management Fund - This fund is used to account for the costs of the City's risk management and self-insurance programs as well as its personnel management costs.

Self Insurance Workers Comp Fund - This fund is used to account for the cost of self-insurance workers' compensation program.

Fleet Maintenance Fund - The fund is used to account for the cost of maintenance of motor vehicles, heavy and light equipment and equipment replacements.

City of Ridgecrest
Combining Statement of Net Position
All Internal Service Funds
June 30, 2015

	Human Resource and Risk Management	Self Insurance Workers Comp	Fleet Maintenance	Total
ASSETS				
Current assets:				
Cash and investments	$ 454,020	$ 31,995	$ 198,904	$ 684,919
Accounts receivable	16,720	-	103	16,823
Inventories	-	-	16,356	16,356
Total current assets	470,740	31,995	215,363	718,098
Noncurrent assets:				
Capital assets:				
Depreciable	-	-	412,893	412,893
Less: accumulated depreciation	-	-	(412,893)	(412,893)
Total capital assets	-	-	-	-
Total noncurrent assets	-	-	-	-
Total assets	470,740	31,995	215,363	718,098
LIABILITIES				
Current Liabilities:				
Accounts payable	$ -	$ 31,995	$ 16,966	48,961
Salaries payable	2,874	-	1,762	4,636
Claims payable - due within one year	947,842	-	-	947,842
Total current liabilities	950,716	31,995	18,728	1,001,439
Noncurrent liabilities:				
Claims payable - due in more than one year	312,625	-	-	312,625
Total noncurrent liabilities	312,625	-	-	312,625
Total liabilities	1,263,341	31,995	18,728	1,314,064
NET POSITION				
Net investment in capital assets	-	-	-	-
Unrestricted (deficit)	(792,601)	-	196,635	(595,966)
Total net position	$ (792,601)	$ -	$ 196,635	$ (595,966)

City of Ridgecrest
Combining Statements of Revenues, Expenses and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2015

	Human Resource and Risk Management	Self Insurance Workers Comp	Fleet Maintenance	Total
OPERATING REVENUES:				
Charges for services	$ 327,146	$ -	$ 482,205	$ 809,351
Other revenue	750,644	-	-	750,644
Total operating revenues	1,077,790	-	482,205	1,559,995
OPERATING EXPENSES:				
Administration	773,609	735,109	365,814	1,874,532
Depreciation	-	-	19,556	19,556
Total operating expenses	773,609	735,109	385,370	1,894,088
OPERATING INCOME (LOSS)	304,181	(735,109)	96,835	(334,093)
NONOPERATING REVENUES:				
Use of money and property	1,172	-	320	1,492
Total nonoperating revenues	1,172	-	320	1,492
INCOME (LOSS) BEFORE TRANSFERS	305,353	(735,109)	97,155	(332,601)
TRANSFERS:				
Transfers in	425,723	735,109	-	1,160,832
Transfers out	(970,267)	-	(96,835)	(1,067,102)
Total transfers	(544,544)	735,109	(96,835)	93,730
Changes in net position	(239,191)	-	320	(238,871)
NET POSITION:				
Beginning of year	(553,410)	-	196,315	(357,095)
End of year	$ (792,601)	$ -	$ 196,635	$ (595,966)

City of Ridgecrest
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2015

	Human Resource and Risk Management	Self Insurance Workers Comp	Fleet Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from user departments	$ 310,426	$ -	$ 482,102	$ 792,528
Payments to suppliers or employees for goods and services	(44,074)	(751,763)	(360,099)	(1,155,936)
Insurance premiums and settlements and insurance recovery	(965,370)	-	-	(965,370)
Others	750,644	-	-	750,644
Net cash provided by (used in) operating activities	51,626	(751,763)	122,003	(578,134)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	425,723	735,109	-	1,160,832
Transfers out	(970,267)	-	(96,835)	(1,067,102)
Net cash provided by (used in) noncapital financing activities	(544,544)	735,109	(96,835)	93,730
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	1,745	-	374	2,119
Net cash provided by investing activities	1,745	-	374	2,119
Net change in cash and cash equivalents	(491,173)	(16,654)	25,542	(482,285)
CASH AND CASH EQUIVALENTS				
Beginning of year	945,193	48,649	173,362	1,167,204
End of year	$ 454,020	$ 31,995	$ 198,904	$ 684,919
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	$ 304,181	$ (735,109)	$ 96,835	$ (334,093)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	19,556	19,556
Changes in current assets and liabilities:				
Accounts receivable	(16,720)	-	(103)	(16,823)
Inventories	-	-	4,348	4,348
Accounts payable	(1,430)	(16,654)	1,419	(16,665)
Salaries payable	2,816	-	(52)	2,764
Claims payable	(237,221)	-	-	(237,221)
Total adjustments	(252,555)	(16,654)	25,168	(244,041)
Net cash provided by (used in) operating activities	$ 51,626	$ (751,763)	$ 122,003	$ (578,134)

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

Fiduciary Funds

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
Statement of Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
June 30, 2015

	Private Purpose Trust Funds		
	Donations	RDA Obligation Retirement	Total
ASSETS			
Cash and investments	$ 2,031	$ 8,788,751	$ 8,790,782
Investments with fiscal agents	-	9,041,168	9,041,168
Accounts receivable	-	-	-
Interest receivable	-	125,474	125,474
Loans receivable	-	3,050,978	3,050,978
Capital assets:			
Non-depreciable	-	2,202,440	2,202,440
Depreciable, net	-	2,134,349	2,134,349
Total assets	2,031	25,343,160	25,345,191
LIABILITIES			
Accounts payable	-	8,361	8,361
Deposits payable	-	2,000	2,000
Advances from City of Ridgecrest	-	8,088,774	8,088,774
Pension-related liability	-	328,368	328,368
Long-term debt	-	28,398,853	28,398,853
Total liabilities	-	36,826,356	36,826,356
NET POSITION			
Held in trust	2,031	(11,483,196)	(11,481,165)
Total net position	$ 2,031	$ (11,483,196)	$ (11,481,165)

City of Ridgecrest
Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
For the Year Ended June 30, 2015

	Private Purpose Trust Funds		
	Donations	RDA Obligation Retirement	Total
ADDITIONS:			
Taxes	$ -	$ 3,910,650	$ 3,910,650
Revenue from use of money and property	-	93,490	93,490
Other revenue	1,934	-	1,934
Total additions	1,934	4,004,140	4,006,074
DEDUCTIONS:			
Community development	-	2,165,375	2,165,375
Depreciation expense	-	271,968	271,968
Interest expense	-	1,779,733	1,779,733
Transfers to City of Ridgecrest (Note 6)	-	5,154,181	5,154,181
Total deductions	-	9,371,257	9,371,257
Changes in net position	1,934	(5,367,117)	(5,365,183)
NET POSITION:			
Beginning of year, as restated (Note 15)	97	(6,116,079)	(6,115,982)
End of year	$ 2,031	$ (11,483,196)	$ (11,481,165)

City of Ridgecrest
Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ALL AGENCY FUNDS				
Assets:				
Cash and investments	$ 448,716	$ 2,207	$ -	$ 450,923
Interest receivable	272	319	(272)	319
Total assets	$ 448,988	$ 2,526	$ (272)	$ 451,242
Liabilities:				
Due to City of Ridgecrest	$ 56,345	$ -	$ -	$ 56,345
Due to bondholders - special assessment district	392,643	2,254	-	394,897
Total liabilities	$ 448,988	$ 2,254	$ -	$ 451,242

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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CITY OF RIDGECREST - STATISTICAL SECTION

This part of the City of Ridgecrest's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health

CONTENTS Page

Financial Trends - These schedules contain trend information to help the reader understand how the City of Ridgecrest's financial performance and well being have changed over time

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Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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Sources: Unless otherwise noted, the information in these schedules is derived from the City's comprehensive annual financial reports for the relevant year.

City of Ridgecrest
Schedule 1
Net Position by Component
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Years				
	2015	2014	2013	2012	2011
Governmental activities					
Invested in capital assets, net of related debt	$ 42,325,287	$ 34,386,270	$ 35,668,108	$ 35,805,602	$ 8,428,496
Restricted	9,961,497	10,718,146	2,614,715	2,730,315	36,879,459
Unrestricted	(16,350,067)	(4,801,114)	3,974,360	2,126,223	11,269,841
Total governmental activities net position	35,936,717	40,303,302	42,257,183	40,662,140	56,577,796
Business type activities					
Invested in capital assets, net of related debt	15,069,345	15,581,116	16,054,395	16,378,348	16,045,080
Restricted	-	-	-	-	-
Unrestricted	18,473,732	18,060,765	16,389,245	15,849,625	9,755,416
Total business type activities net position	33,543,077	33,641,881	32,443,640	32,227,973	25,800,496
Primary government					
Invested in capital assets, net of related debt	57,394,632	49,967,386	51,722,503	52,183,950	24,473,576
Restricted	9,961,497	10,718,146	2,614,715	2,730,315	36,879,459
Unrestricted	2,123,665	13,259,651	20,363,605	17,975,848	21,025,257
Total primary government net position	$ 69,479,794	$ 73,945,183	$ 74,700,823	$ 72,890,113	$ 82,378,292

City of Ridgecrest
Schedule 1
Net Position by Component
Last Ten Fiscal Years (accrual basis of accounting) (Continued)

	Fiscal Years				
	2010	2009	2008	2007	2006
Governmental activities					
Invested in capital assets, net of related debt	$ 31,515,820	$ 32,676,918	$ 34,321,803	$ 36,151,924	$ 36,723,055
Restricted	25,130,907	23,615,054	18,483,103	12,758,127	9,423,134
Unrestricted	(220,511)	798,741	2,858,388	2,914,754	3,210,134
Total governmental activities net position	56,426,216	57,090,713	55,663,294	51,824,805	49,356,323
Business type activities					
Invested in capital assets, net of related debt	16,522,152	16,979,238	17,259,625	17,439,700	16,761,833
Restricted	-	-	-	-	-
Unrestricted	11,109,512	11,807,479	11,511,303	13,002,769	12,279,782
Total business type activities net position	27,631,664	28,786,717	28,770,928	30,442,469	29,041,615
Primary government					
Invested in capital assets, net of related debt	48,037,972	49,656,156	51,581,428	53,591,624	53,484,888
Restricted	25,130,907	23,615,054	18,483,103	12,758,127	9,423,134
Unrestricted	10,889,001	12,606,220	14,369,691	15,917,523	15,489,916
Total primary government net position	$ 84,057,880	$ 85,877,430	$ 84,434,222	$ 82,267,274	$ 78,397,938

City of Ridgecrest
Schedule 2
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Years				
	2015	2014	2013	2012	2011
Expenses					
Governmental activities:					
General government	$ 2,298,464	$ 2,393,838	$ 1,818,304	$ 1,876,073	$ 110,641
Public safety	7,436,539	7,833,984	7,161,993	6,683,638	7,990,857
Public works	2,848,720	2,413,076	2,787,797	2,758,511	3,041,354
Transportation	3,284,356	2,097,999	753,762	1,005,682	1,677,918
Community development	817,626	703,912	1,178,359	4,963,100	3,394,765
Health	-	5,270	76,939	-	63,565
Culture and leisure	1,679,152	1,756,316	1,745,953	1,648,072	2,088,659
Interest and fiscal agent fees	292,989	319,028	345,295	1,530,204	2,434,697
Total governmental activities expenses	18,657,846	17,523,423	15,868,402	20,465,280	20,802,455
Business type activities:					
TDA Transit	757,646	868,224	887,416	619,971	589,224
Wastewater	2,082,287	1,519,731	1,558,143	1,485,273	2,606,452
Solid Waste Collection		-	38,905	161,257	699,218
Total business type activities expenses	2,839,933	2,387,955	2,484,464	2,266,501	3,894,894
Total primary government expenses	$ 21,497,779	$ 19,911,378	$ 18,352,866	$ 22,731,781	$ 24,697,349
Program Revenues					
Governmental activities:					
Charges for services:					
General government	270,810	326,982	192,539	195,656	184,130
Public safety	392,093	186,170	304,361	298,244	310,398
Public works		223,811	25,000	-	-
Transportation		13,970	230	-	-
Community development	287,611	-	357,550	225,504	517,003
Health		-	-	41,754	-
Culture and leisure	345,877	292,439	326,930	425,213	475,348
Operating grants and contributions	2,315,476	1,982,127	1,979,447	1,622,484	1,885,581
Capital grants and contributions	7,728,784	384,661	2,332,772	1,057,999	998,583
Total governmental activities program revenues	11,340,651	3,410,160	5,518,829	3,866,854	4,371,043
Business type activities:					
Charges for services:					
TDA Transit	252,359	273,698	346,509	212,819	213,410
Wastewater	3,893,420	2,650,298	1,814,935	2,019,185	1,911,187
Solid Waste Collection	-	-	-	820	29,158
Operating grants and contributions	92,834	259,868	225,974	1,597,115	131,539
Capital grants and contributions	-	-	-	-	-
Total business type activities program revenues	4,238,613	3,183,864	2,387,418	3,829,939	2,285,294
Total primary government program revenues	$ 15,579,264	$ 6,594,024	$ 7,906,247	$ 7,696,793	$ 6,656,337
Net (Expense)/Revenue					
Governmental activities	(7,317,195)	(14,113,263)	(10,349,573)	(16,598,426)	(16,431,412)
Business type activities	1,398,680	795,909	(97,046)	1,563,438	(1,609,600)
Total primary government net expense	$ (5,918,515)	$ (13,317,354)	$ (10,446,619)	$ (15,034,988)	$ (18,041,012)

City of Ridgecrest
Schedule 2
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting) (Continued)

	Fiscal Years				
	2010	2009	2008	2007	2006
Expenses					
Governmental activities:					
General government	$ 822,032	$ 639,444	$ 1,968,944	$ 1,248,003	$ 1,788,039
Public safety	7,577,267	7,706,699	7,390,384	6,272,651	5,977,850
Public works	319,912	2,056,581	1,858,022	2,755,773	1,144,047
Transportation	3,590,557	2,559,837	2,460,727	847,028	1,491,230
Community development	6,214,074	3,412,566	2,379,597	2,726,996	3,010,805
Health	23,813	92,882	174,055	1,135,383	897,909
Culture and leisure	2,087,149	2,428,923	2,425,245	2,062,233	1,661,169
Interest and fiscal agent fees	897,803	927,854	973,731	927,572	2,176,002
Total governmental activities expenses	21,532,607	19,824,786	19,630,705	17,975,640	18,147,051
Business type activities:					
TDA Transit	661,514	789,718	714,560	664,494	657,291
Wastewater	2,167,812	2,117,372	2,922,903	1,322,303	1,877,549
Solid Waste Collection	850,423	-	-	-	-
Total business type activities expenses	3,679,749	2,907,090	3,637,463	1,986,797	2,534,840
Total primary government expenses	$ 25,212,356	$ 22,731,876	$ 23,268,168	$ 19,962,437	$ 20,681,891
Program Revenues					
Governmental activities:					
Charges for services:					
General government	173,352	196,411	189,506	216,526	53,026
Public safety	391,308	371,973	340,599	265,239	210,805
Public works	-	-	-	-	-
Transportation	70	1,034	850	-	-
Community development	739,191	147,325	696,801	636,286	1,013,269
Health	-	-	-	25	-
Culture and leisure	500,996	484,910	462,904	417,666	404,028
Operating grants and contributions	1,253,997	1,384,420	1,112,823	890,959	763,657
Capital grants and contributions	939,616	766,742	1,474,279	1,277,771	432,633
Total governmental activities program revenues	3,998,530	3,352,815	4,277,762	3,704,472	2,877,418
Business type activities:					
Charges for services:					
TDA Transit	254,543	247,294	251,131	159,721	93,024
Wastewater	1,765,195	1,982,131	1,768,552	2,147,081	2,105,194
Solid Waste Collection	76,532	-	-	-	-
Operating grants and contributions	97,657	-	94,663	54,811	
Capital grants and contributions	-	-	-	-	
Total business type activities program revenues	2,193,927	2,229,425	2,114,346	2,361,613	2,198,218
Total primary government program revenues	$ 6,192,457	$ 5,582,240	$ 6,392,108	$ 6,066,085	$ 5,075,636
Net (Expense)/Revenue					
Governmental activities	(17,534,077)	(16,471,971)	(15,352,943)	(14,271,168)	(15,269,633)
Business type activities	(1,485,822)	(677,665)	(1,523,117)	374,816	(336,622)
Total primary government net expense	$ (19,019,899)	$ (17,149,636)	$ (16,876,060)	$ (13,896,352)	$ (15,606,255)

City of Ridgecrest
Schedule 2
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting) (Continued)

	Fiscal Years				
	2015	2014	2013	2012	2011
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	1,600,406	1,967,098	3,284,155	6,252,553	9,616,160
Sales taxes	5,681,776	5,314,304	4,440,039	3,171,044	3,020,160
Transient occupancy taxes	1,218,081	1,150,741	1,094,855	1,151,215	1,144,883
Special assessments	282,488	74,113	170,658	292,654	-
Other taxes	703,389	694,879	720,671	573,695	1,771,046
Investment earnings	18,355	20,619	21,423	111,677	261,784
Miscellaneous	357,064	396,063	973,607	409,138	245,232
Gain (loss) on disposal of capital assets	-	-	-	-	-
Loss from dissolution of former RDA	-	-	-	(8,072,793)	-
Revenues from Fiduciary Fund	5,154,181	2,278,026	706,518	571,414	-
Transfers	615,822	263,539	532,690	(3,777,827)	523,727
Total governmental activities	15,631,562	12,159,382	11,944,616	682,770	16,582,992
Business type activities:					
Other taxes	577,392	614,050	768,613	890,633	248,368
Investment earnings	48,259	41,852	40,947	39,196	45,705
Miscellaneous	18,870	9,969	35,843	156,383	8,086
Capital Contribution	-	-	-	-	-
Transfers	(615,822)	(263,539)	(532,690)	3,777,827	(523,727)
Total business type activities	28,699	402,332	312,713	4,864,039	(221,568)
Total primary government	$ 15,660,261	$ 12,561,714	$ 12,257,329	$ 5,546,809	$ 16,361,424
Change in Net Position					
Governmental activities	8,314,367	(1,953,881)	1,595,043	(15,915,656)	151,580
Business type activities	1,427,379	1,198,241	215,667	6,427,477	(1,831,168)
Total primary government	$ 9,741,746	$ (755,640)	$ 1,810,710	$ (9,488,179)	$ (1,679,588)

City of Ridgecrest
Schedule 2
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting) (Continued)

	Fiscal Years				
	2010	2009	2008	2007	2006
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	10,044,411	9,915,676	9,573,705	8,621,750	6,520,691
Sales taxes	2,856,313	3,297,900	2,996,734	3,477,010	3,392,280
Transient occupancy taxes	1,411,903	1,347,063	1,168,986	999,839	886,816
Special assessments	-	-	-	-	-
Other taxes	1,838,583	1,613,908	2,520,571	1,797,384	2,121,018
Investment earnings	131,130	99,550	743,954	743,571	454,613
Miscellaneous	116,840	1,180,496	868,501	819,361	2,171,014
Gain (loss) on disposal of capital assets	-	-	-	-	809,326
Loss from dissolution of former RDA	-	-	-	-	-
Revenues from Fiduciary Fund	-	-	-	-	-
Transfers	470,400	444,799	1,318,981	280,735	401,031
Total governmental activities	16,869,580	17,899,392	19,191,432	16,739,650	16,756,789
Business type activities:					
Other taxes	665,449	776,431	563,141	614,994	718,734
Investment earnings	127,570	349,595	596,679	683,951	502,255
Miscellaneous	8,150	12,227	10,737	7,828	13,388
Capital Contribution	-	-	-	-	257,375
Transfers	(470,400)	(444,799)	(1,318,981)	(280,735)	(401,031)
Total business type activities	330,769	693,454	(148,424)	1,026,038	1,090,721
Total primary government	$ 17,200,349	$ 18,592,846	$ 19,043,008	$ 17,765,688	$ 17,847,510
Change in Net Position					
Governmental activities	(664,497)	1,427,421	3,838,489	2,468,482	1,487,156
Business type activities	(1,155,053)	15,789	(1,671,541)	1,400,854	754,099
Total primary government	$ (1,819,550)	$ 1,443,210	$ 2,166,948	$ 3,869,336	$ 2,241,255

City of Ridgecrest
Schedule 3
Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Years				
	2015	2014	2013	2012	2011
General Fund					
Nonspendable	$ 525	$ 996	$ 1,935	$ -	$ -
Restricted	247,365	213,216	300,242	69,667	164,835
Committed	-	-	-		
Assigned	1,051,917		-		375,678
Unassigned	(2,300,838)	(2,533,123)	(2,491,783)	(4,300,138)	(613,171)
Total General Fund	(1,001,031)	(2,318,911)	(2,189,606)	(4,230,471)	(72,658)
All other governmental funds					
Nonspendable	5,584,159	6,034,159	6,464,159	6,874,159	-
Restricted	2,978,577	3,341,192	3,065,829	3,412,004	44,735,139
Committed	555,508	923,079	544,340	527,029	30,421
Assigned	595,888	206,500	466,216	274,695	4,208,621
Unassigned	(19,831)	-	838,902	(339,858)	(164,741)
Total all other governmental funds	$ 9,694,301	$ 10,504,930	$ 11,379,446	$ 10,748,029	$ 48,809,440
TOTAL FUND BALANCES	$ 8,693,270	$ 8,186,019	$ 9,189,840	$ 6,517,558	$ 48,736,782

City of Ridgecrest
Schedule 3
Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting) (Continued)

	Fiscal Years				
	2010	2009	2008	2007	2006
General Fund					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	302,583	665,322	465,103	619,360	305,836
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	236,708	903,897	1,124,552	1,587,568	2,359,373
Total General Fund	539,291	1,569,219	1,589,655	2,206,928	2,665,209
All other governmental funds					
Nonspendable					
Restricted	11,019,602	11,158,572	11,121,284	11,361,910	13,184,361
Committed					
Assigned					
Unassigned	13,937,333	12,508,015	7,437,018	704,862	(5,434,237)
Total all other governmental funds	$ 24,956,935	$ 23,666,587	$ 18,558,302	$ 12,066,772	$ 7,750,124
TOTAL FUND BALANCES	$ 25,496,226	$ 25,235,806	$ 20,147,957	$ 14,273,700	$ 10,415,333

City of Ridgecrest
Schedule 4
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Years				
	2015	2014	2013	2012	2011
Revenues					
Taxes	$ 10,030,177	$ 9,880,106	$ 11,295,144	$ 11,696,784	$ 15,793,330
Intergovernmental	9,384,909	1,906,762	2,699,957	2,353,056	2,602,093
Licenses, permits and fees	549,406	256,780	361,759	506,334	721,502
Fines and forfeitures	72,806	84,493	115,390	77,254	87,534
Use of money and property	253,342	245,182	135,907	240,867	392,414
Charges for services	553,864	389,830	492,815	569,653	633,109
Assessment revenues	10,526	10,526	4,393	-	-
Transfers from Fiduciary Fund	5,154,181	2,278,026	706,518	571,414	
Other revenue	358,840	403,262	990,033	369,651	226,512
Total revenues	26,368,051	15,454,967	16,801,916	16,385,013	20,456,494
Expenditures					
General Government	2,540,062	2,170,611	1,544,277	1,916,341	672,184
Public safety	7,315,370	7,513,168	6,230,447	6,872,186	7,190,421
Public works	438,038	392,764	165,284	376,341	466,230
Transportation	3,805,537	2,109,108	659,715	1,087,475	1,100,140
Community development	725,192	619,829	756,476	4,450,458	2,546,036
Health	-	-	-	-	-
Culture and leisure	1,449,654	1,250,608	1,557,343	1,604,073	1,847,674
Capital outlay	9,244,943	1,963,373	2,867,058	1,319,036	6,368,168
Debt service:					
Principal	562,689	537,102	534,190	534,418	7,901,849
Interest	301,407	328,494	354,312	1,356,477	2,410,055
Cost of Issuance	-	-	-	-	262,832
Total expenditures	26,382,892	16,885,057	14,669,102	19,516,805	30,765,589
Excess of revenues over (under) expenditures	(14,841)	(1,430,090)	2,132,814	(3,131,792)	(10,309,095)
Other financing sources (uses)					
Proceeds from capital lease	-	-	-	-	34,380,000
Bond discount	-	-	-	-	(725,259)
Transfers in	3,424,771	2,771,099	3,211,991	5,288,101	14,026,383
Transfers out	(2,902,679)	(2,344,830)	(2,672,523)	(8,137,761)	(14,131,473)
Total other financing sources (uses)	522,092	426,269	539,468	(2,849,660)	33,549,651
Net change in fund balances	$ 507,251	$ (1,003,821)	$ 2,672,282	$ (5,981,452)	$ 23,240,556
Debt service as a percentage of non-capital expenditures	5.0%	5.8%	7.5%	10.4%	42.3%

City of Ridgecrest
Schedule 4
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting) (Continued)

	Fiscal Years				
	2010	2009	2008	2007	2006
Revenues					
Taxes	$ 15,530,273	$ 16,223,465	$ 16,313,383	$ 14,137,641	$ 12,247,901
Intergovernmental	2,575,356	2,111,122	2,309,609	1,783,935	1,917,323
Licenses, permits and fees	986,291	490,564	587,531	1,361,033	649,325
Fines and forfeitures	131,851	110,785	99,751	93,950	93,498
Use of money and property	255,750	422,410	673,407	640,658	464,460
Charges for services	828,784	656,543	816,897	786,753	923,449
Assessment revenues	-	-	-	4,520	26,427
Transfers from Fiduciary Fund					
Other revenue	127,332	850,061	1,033,309	1,148,125	12,874,961
Total revenues	20,435,637	20,864,950	21,833,887	19,956,615	29,197,344
Expenditures					
General Government	934,445	1,083,484	1,479,393	1,236,437	1,657,522
Public safety	7,302,660	7,248,370	6,972,804	5,921,981	5,752,857
Public works	323,167	2,056,584	897,772	1,217,673	594,434
Transportation	1,174,816	-	-	-	-
Community development	5,370,242	2,543,211	2,283,268	1,822,720	1,441,906
Health	205	61,417	156,948	1,105,735	873,806
Culture and leisure	1,899,143	2,184,997	2,095,579	1,899,677	1,815,338
Capital outlay	1,321,645	-	1,275,392	2,108,419	1,388,073
Debt service:					
Principal	1,109,695	1,065,747	1,075,690	1,069,235	10,361,445
Interest	900,785	932,768	978,031	1,053,156	1,731,348
Cost of Issuance	-				230,386
Total expenditures	20,336,803	17,176,578	17,214,877	17,435,033	25,847,115
Excess of revenues over (under) expenditures	98,834	3,688,372	4,619,010	2,521,582	3,350,229
Other financing sources (uses)					
Proceeds from capital lease	231,645	-	-	527,626	-
Bond discount	-	-	-	-	(146,800)
Transfers in	10,627,925	10,114,766	8,591,148	4,969,572	6,728,624
Transfers out	(10,697,985)	(8,715,289)	(7,335,901)	(4,160,413)	(6,861,722)
Total other financing sources (uses)	161,585	1,399,477	1,255,247	1,336,785	(279,898)
Net change in fund balances	$ 260,419	$ 5,087,849	$ 5,874,257	$ 3,858,367	$ 3,070,331
Debt service as a percentage of non-capital expenditures	10.6%	11.6%	12.9%	13.8%	49.4%

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
Schedule 5
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years (modified accrual basis of accounting)

Sources of Tax Revenues	Business Licenses	Franchise Fees [3]	Property Tax [1]	Sales Tax [4]	Transient Occupancy	Gas Tax [2]	TOTAL
2014-2015	$ 153,909	$ 691,617	$ 1,600,406	$ 5,681,776	$ 1,218,081	$ 755,236	$ 10,101,025
2013-2014	141,689	682,692	1,967,098	5,465,676	1,150,741	856,525	10,264,420
2012-2013	142,744	705,946	3,284,155	4,440,039	1,094,855	612,967	10,280,706
2011-2012	148,213	573,695	6,252,553	3,171,044	1,151,215	765,633	12,062,353
2010-2011	139,663	464,083	9,616,160	3,020,160	1,144,883	726,188	15,111,137
2009-2010	137,487	542,910	10,044,411	2,856,313	1,411,903	427,938	15,420,962
2008-2009	150,431	595,356	9,915,676	3,297,900	1,347,063	429,560	15,735,986
2007-2008	161,156	655,350	9,573,705	2,996,734	1,168,986	465,806	15,021,737
2006-2007	176,583	539,355	8,621,750	3,477,010	999,839	451,270	14,265,807
2005-2006	142,476	556,115	6,520,691	3,392,279	886,816	452,071	11,950,448

NOTES:

1) Property tax amounts include state reimbursement of homeowners property tax relief and real property transfer tax
Property tax for fiscal years 2012 and earlier included redevelopment tax increment.

2) Increase in Gas Tax from FY 2010 onward was due to the "Fuel Tax Swap of 2010". This was the addition of Section 2103 fund allocation from a new motor vehicle excise tax that replace the allocation from Prop. 42 sales tax on gasoline.
Figures for fiscal years 2010 and earlier did not include the Prop. 42 revenue.

3) Franchise fees for fiscal year 2006 thru 2011 were adjusted to remove the waste water franchise fees that was refunded to the Waste Water Enterprise Fund per Resolution 11-73

4) The City passed "Measure L" allowing an additional increase of 0.75% in the local sale tax rate. This local measure became effective October 1, 2012 and will end on October 1, 2017

City of Ridgecrest
Schedule 6
Assessed Value of Taxable Property
Last Ten Fiscal Years

CATEGORY	2015	2014*	2013	2012	2011
Residential	$ 1,092,525,005	$ 1,069,793,922	$ 1,073,678,607	$ 1,107,100,892	$ 1,078,999,165
Commercial	223,912,566	233,678,787	233,122,309	232,239,002	232,784,394
Industrial	17,932,576	18,100,825	18,635,376	18,661,585	18,532,812
Government	64,153	171,731	168,551	165,432	164,272
Institutional	9,867,943	11,683,412	19,549,674	8,442,440	8,534,530
Miscellaneous	158,642	157,926	154,830	237,022	235,252
Recreational	8,131,483	8,120,756	7,863,497	8,968,482	5,308,333
Vacant Land	57,178,455	59,944,917	63,789,381	73,750,197	72,475,273
SBE Non-Unitary	89,975	89,975	863,043	863,043	842,761
Unsecured	36,089,423	35,264,251	40,690,119	38,000,781	34,479,690
Exempt	(5,116,781)	(4,865,220)	(4,632,331)	(4,320,437)	(4,173,918)
Unknown	-	-	-	-	-
TOTALS	$ 1,445,950,221	$ 1,437,006,502	$ 1,458,515,387	$ 1,488,428,876	$ 1,452,356,482
Total Direct Rate	0.06443%	0.06459%	0.68945%	0.69386%	0.68764%

NOTES:

Exempt values are not included in Total

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

* Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: HdL Coren Cone

City of Ridgecrest
Schedule 6
Assessed Value of Taxable Property
Last Ten Fiscal Years (Continued)

CATEGORY	2010	2009	2008	2007	2006
Residential	$ 1,108,999,868	$ 1,084,808,408	$ 1,058,498,321	$ 911,494,904	$ 788,678,966
Commercial	237,376,125	205,319,656	179,110,827	174,032,874	157,444,654
Industrial	17,843,091	18,105,232	17,971,395	11,837,503	10,882,183
Government	167,751	161,605	128,221	146,152	136,999
Institutional	8,540,128	14,877,479	15,142,018	14,742,327	12,205,814
Miscellaneous	240,526	238,916	234,383	157,037	154,247
Recreational	5,603,484	5,000,813	4,698,128	4,642,201	4,721,225
Vacant Land	75,024,042	71,345,463	65,109,045	49,323,706	36,481,201
SBE Non-Unitary	842,761	842,761	842,761	842,761	842,761
Unsecured	38,641,463	38,435,738	29,790,351	29,827,806	27,176,839
Exempt	(4,314,950)	(4,173,979)	(4,178,993)	(1,069,989)	(984,427)
Unknown	-	543,791	662,290	544,550	533,877
TOTALS	$ 1,493,279,239	$ 1,439,679,862	$ 1,372,187,740	$ 1,196,521,832	$ 1,039,258,766
Total Direct Rate	0.69471%	0.68295%	0.67271%	0.62767%	0.57120%

NOTES:

Exempt values are not included in Total

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

* Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: HdL Coren Cone

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City of Ridgecrest
Schedule 7
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years (RATE PER $100 OF TAXABLE VALUE)

10 Year Detail of Rates producing Revenue for City of Ridgecrest					
City General Fund Direct Rates				RDA Incremental Rate[2]	Total Direct Rate [5]
Year	City Share of 1% Levy per Prop. 13	Debt Rate(s)	Total City Rates	1% + applicable voter approved debt	
2014-2015	0.05190%	0.00000%	0.05190%	-	0.06443%
2013-2014	0.00509%	0.00000%	0.00509%	-	0.06459%
2012-2013	0.05190%	0.00000%	0.05190%	-	0.68945%
2011-2012	0.05468%	0.00000%	0.05468%	1.00000%	0.69386%
2010-2011	0.05469%	0.00000%	0.05469%	1.00000%	0.68764%
2009-2010	0.05196%	0.00000%	0.05196%	1.00000%	0.69471%
2008-2009	0.05196%	0.00000%	0.05196%	1.00000%	0.68295%
2007-2008	0.05175%	0.00000%	0.05175%	1.00000%	0.67271%
2006-2007	0.05068%	0.00000%	0.05068%	1.00000%	0.62767%
2005-2006	0.05190%	0.00000%	0.05190%	1.00000%	0.57120%

10 Year Detail Breakdown of the Property Tax Dollar										
Agency	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
City of Ridgecrest [1]	0.05190	0.05190	0.05468	0.05469	0.05469	0.05196	0.05196	0.05175	0.05068	0.05190
Sierra Sands Child Dev	0.00509	0.00509	0.00000	0.00509	0.00509	0.00509	0.00509	0.00000	0.00000	0.00509
County Advertising	0.00072	0.00069	0.00069	0.00070	0.00070	0.00070	0.00070	0.00070	0.00070	0.00070
East Kern Res Con	0.00066	0.00066	0.00066	0.00066	0.00066	0.00066	0.00066	0.00066	0.00066	0.00066
Education	0.01917	0.01917	0.01917	0.01917	0.01917	0.01917	0.01917	0.01917	0.01917	0.01917
Education Revenue Augmentation Fund	0.12510	0.12510	0.12712	0.12210	0.12211	0.12490	0.12490	0.12900	0.12989	0.12504
Fire	0.10580	0.10580	0.10580	0.10580	0.10580	0.10580	0.10580	0.10560	0.10577	0.10577
Kern Community College	0.06770	0.06770	0.06770	0.06770	0.06770	0.06770	0.06789	0.06770	0.06770	0.06770
Kern County	0.14110	0.14110	0.14140	0.14130	0.14130	0.14130	0.14130	0.14263	0.14263	0.14117
Kern County Water Agency	0.00718	0.00718	0.00718	0.00719	0.00718	0.00718	0.00719	0.00719	0.00719	0.00719
Sierra Unified School	0.47560	0.47561	0.47560	0.47560	0.47560	0.47560	0.47560	0.47560	0.47560	0.47560
TOTAL PROP. 13 RATE [4]	**1.00000**	**1.00000**	**1.00000**	**1.00000**	**1.00000**	**1.00000**	**1.00000**	**1.00000**	**1.00000**	**1.00000**
Kern Community College	0.01045	0.01264	0.00850	0.00906	0.01012	0.00940	0.00905	0.00804	0.00528	0.00963
Sierra Sand Unified School District	0.06163	0.06261	0.05698	0.05833	0.05688	0.05113	0.04077	0.04231	0.04209	0.00000
Total Voter Approved Rate [3]	**0.07208**	**0.07525**	**0.06548**	**0.06739**	**0.06700**	**0.06053**	**0.04982**	**0.05035**	**0.04737**	**0.00963**
TOTAL TAX RATE	**1.07208**	**1.07525**	**1.06548**	**1.06739**	**1.06700**	**1.06053**	**1.04982**	**1.05035**	**1.04737**	**1.00963**

NOTES:

1) City share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.

2) Redevelopment rate is based on the largest RDA tax rate area and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/2013 and years thereafter.

3) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

4) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within. In addition to the 1% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

5) Total Direct Rate is the weighted average of all individual direct rates applied by the City of Ridgecrest and excludes revenues derived from aircraft. Beginning in FY 2013/2014 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: HdL Coren Cone

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City of Ridgecrest
Schedule 8
Top Ten Principal Property Taxpayers
Fiscal Year 2015 and Ten Years Prior

	2014-2015			2005-2006		
Taxpayer	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
K Partners Ridgecrest I LP	1	$ 18,628,328	1.29%			
Walmart Real Estate BSNS Trust	2	9,345,802	0.65%	5	$ 6,992,190	0.67%
Ridgecrest Regional Hospital	3	8,711,581	0.60%			
Home Depot Dev Maryland Inc	4	8,470,719	0.59%	2	9,253,657	0.89%
Alta One Federal Credit Union	5	7,994,272	0.55%	8	5,695,207	0.55%
ABS California O LLC	6	6,062,709	0.42%			
Randall Benderson 1993 1 Trust	7	6,000,000	0.41%			
China Lake & Ridgecrest LLC	8	5,900,000	0.41%			
Ridgecrest Capital LLC	9	5,365,828	0.37%	10	4,718,927	0.45%
Izak Kharrazi	10	5,344,327	0.37%			
1402 Alta Vista Partners LLC				1	14,865,050	1.43%
Carriage Inn				3	8,150,652	0.78%
Albertson's Inc				4	7,240,625	0.70%
Drummond Medical Group Inc				6	6,871,878	0.66%
Ridgecrest Heritage Inn				7	6,323,412	0.61%
SB North China Lake Road LLC				9	5,100,000	0.49%
Top Ten Totals		$ 81,823,566	5.66%		$ 75,211,598	7.24%
CITY TOTALS		1,445,950,221			1,039,272,766	

Source: HdL Coren Cone

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City of Ridgecrest
Schedule 9
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years [2]	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	$ 428,703	$ 332,893	77.65%	-	$ 332,893	77.65%
2014	436,307	347,104	79.55%	3,381	350,485	80.33%
2013	480,951 [1]	408,417	84.92%	33,359	441,776	91.85%
2012	10,336,490	10,192,452	98.61%	69,477	10,261,929	99.28%
2011	10,148,466	9,799,545	96.56%	94,130	9,893,675	97.49%
2010	10,226,667	9,993,536	97.72%	122,080	10,115,616	98.91%
2009	10,276,431	9,719,401	94.58%	119,557	9,838,958	95.74%
2008	9,911,568	8,996,236	90.77%	55,685	9,051,922	91.33%
2007	8,489,827	7,316,939	86.18%	29,394	7,346,332	86.53%
2006	6,374,975	5,798,725	90.96%	21,064	5,819,789	91.29%

NOTES:

1) The amounts presented include City property taxes and Redevelopment Agency tax increment for all fiscal years except in fiscal year 2013/2014 and forward.

2) Delinquent tax collections are recorded in the current levy year and the County does not give the detail as to the levy year for delinquent tax collections. Delinquent tax collections do not include interest and penalties.

Source: Kern County Auditor-Controller
www.co.kern.ca.us/auditor/confirmations

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City of Ridgecrest
Schedule 10
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	GOVERNMENTAL ACTIVITIES							
Fiscal Year	General Obligation Bonds	Redevelopment Bonds [b]	Special Assessment Bonds	Loans Payable	Capital Lease	Total Primary Government	Percentage of Personal Income [a]	Per Capita [a]
2015	$ 6,395,000	$ -	$ -	$ -	$ -	$ 6,395,000	0.80%	$ 225
2014	6,845,000	-	-	-	112,689	6,957,689	0.83%	243
2013	7,275,000	-	-	-	219,790	7,494,790	0.93%	264
2012	7,685,000	-	-	-	343,981	8,028,981	1.02%	286
2011	8,080,000	34,280,000	-	-	483,399	42,843,399	5.49%	1,543
2010	8,460,000	7,290,000	-	400,000	615,249	16,765,249	2.25%	591
2009	8,830,000	7,905,000	-	600,000	739,943	18,074,943	2.45%	647
2008	9,190,000	8,490,000	115,000	800,000	860,688	19,455,688	2.62%	694
2007	9,535,000	9,050,000	220,000	1,000,000	1,031,380	20,836,380	2.89%	746
2006	9,870,000	9,590,000	315,000	1,200,000	1,225,614	22,200,614	4.49%	837

NOTES:

a) See Schedule 15 Demographic and Economic Statistics for personal income and population data.

b) As of February 1, 2012 all redevelopment agencies in California ceased to exist per AB X1 26. The Ridgecrest Redevelopment Agencies's obligations were transferred to the Successor Agency.

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City of Ridgecrest
Schedule 11
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

	GOVERNMENTAL ACTIVITIES					
Fiscal Year	General Obligation Bonds	Redevelopment Bonds [c]	Special Assessment Bonds	Total	Percentage of Taxable Assessed Property Values [a]	Per Capita [b]
2015	$ 6,395,000	$ -	$ -	$ 6,395,000	0.44%	$ 225
2014	6,845,000	-	-	6,845,000	0.48%	239
2013	7,275,000	-	-	7,275,000	0.51%	257
2012	7,685,000	-	-	7,685,000	0.53%	274
2011	8,080,000	34,280,000	-	42,360,000	2.85%	1,525
2010	8,460,000	7,290,000	-	15,750,000	1.08%	555
2009	8,830,000	7,905,000	-	16,735,000	1.12%	599
2008	9,190,000	8,490,000	115,000	17,795,000	1.30%	635
2007	9,535,000	9,050,000	220,000	18,805,000	1.57%	673
2006	9,870,000	9,590,000	315,000	19,775,000	1.90%	746

NOTES:

a) See Schedule 6 - Assessed Value and Actual Value of Taxable Property

b) See Schedule 15 - Demographic and Economic Statistics for personal income and population data

c) As of February 1, 2012 all redevelopment agencies in California ceased to exist per AB X1 26. The Ridgecrest Redevelopment Agencies's obligations were transferred to the Successor Agency.

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City of Ridgecrest
Schedule 12
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015

OVERLAPPING TAX AND ASSESSMENT DEBT:	Debt Outstanding 6/30/2015	% Applicable [1]	City's Share of Debt as of 6/30/15
Kern Community College District Safety, Repair & Improvement District	$ 147,710,854	1.700%	$ 2,511,085
Sierra Sands Joint Unified School District	21,777,279	74.765%	16,281,783
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$ 18,792,868
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Kern County Certificates of Participation	111,245,000	1.513%	1,683,137
Kern County Pension Obligation Bonds	294,335,506	1.513%	4,453,296
Kern County Board of Education Certificates of Participation	40,145,000	1.513%	607,394
Kern County Community College District Certificates of Participation	38,795,000	1.541%	597,831
Kern County Community College District Benefit Obligations	81,460,000	1.541%	1,255,299
Sierra Sands Joint Unified School District General Fund Obligations	17,685,000	74.765%	13,222,190
City of Ridgecrest Certificates of Participation	**6,395,000**	**100.000%**	**6,395,000**
City of Ridgecrest Capital Lease Obligation	**-**	**100.000%**	**-**
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			$ 28,214,147
OVERLAPPING TAX INCREMENT DEBT	28,990,000	100.000%	$ 28,990,000
TOTAL DIRECT DEBT			**$ 6,395,000**
TOTAL OVERLAPPING DEBT			$ 69,602,015
COMBINED TOTAL DEBT			**$ 75,997,015** [2]

NOTES:

1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property tax value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's local taxable assessed value.

2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: MuniServices, LLC

City of Ridgecrest
Schedule 13
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Assessed value	$ 1,445,950,221	$ 1,437,006,502	$ 1,458,515,387	$ 1,488,428,876	$ 1,452,356,482
Debt limit (15% of assessed value)	216,892,533	215,550,975	218,777,308	223,264,331	217,853,472
Debt applicable to limit:					
General obligation bonds	6,395,000	6,845,000	7,275,000	7,685,000	42,360,000
Less: Amount set aside for repayment of general obligation debt	751,356	751,356	751,356	751,356	4,247,727
Total net debt applicable to limit	$ 5,643,644	$ 6,093,644	$ 6,523,644	$ 6,933,644	$ 38,112,273
Legal Debt Margin	$ 211,248,889	$ 209,457,331	$ 212,253,664	$ 216,330,687	$ 179,741,199
Total debt applicable to the limit as a percentage of debt limit	2.60%	2.83%	2.98%	3.11%	17.49%

NOTES:

Under State Finance Law, the City's outstanding general obligation debt should not exceed 15% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

The percentage of total debt to debt limit has been re-calculated for all the fiscal years. The percentage in prior CAFR was errorneously calculated based on the legal debt margin

City of Ridgecrest
Schedule 13
Legal Debt Margin Information
Last Ten Fiscal Years (Continued)

Legal Debt Margin Calculation	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
Assessed value	$ 1,493,279,239	$ 1,439,679,862	$ 1,372,187,740	$ 1,196,521,832	$ 1,039,258,766
Debt limit (15% of assessed value)	223,991,886	215,951,979	205,828,161	179,478,275	155,888,815
Debt applicable to limit:					
General obligation bonds	15,750,000	16,735,000	17,795,000	18,805,000	19,775,000
Less: Amount set aside for repayment of general obligation debt	1,807,736	1,808,337	1,814,042	2,640,512	2,265,223
Total net debt applicable to limit	$ 13,942,264	$ 14,926,663	$ 15,980,958	$ 16,164,488	$ 17,509,777
Legal Debt Margin	$ 210,049,622	$ 201,025,316	$ 189,847,203	$ 163,313,787	$ 138,379,038
Total debt applicable to the limit as a percentage of debt limit	6.22%	6.91%	7.76%	9.01%	11.23%

NOTES:

Under State Finance Law, the City's outstanding general obligation debt should not exceed 15% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

The percentage of total debt to debt limit has been re-calculated for all the fiscal years. The percentage in prior CAFR was errorneously calculated based on the legal debt margin

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City of Ridgecrest
Schedule 14
Pledged Revenue Coverage
Last Ten Fiscal Years

SPECIAL ASSESSMENT BONDS

Fiscal Year	Special Assessment Collections	Current Account Balance	Debt Service Principal	Debt Service Interest	Coverage
2015	$ -	$ 24,659	$ -	$ -	-
2014	-	24,659	-	-	-
2013	-	24,659	-	-	-
2012	-	24,659	-	-	-
2011	-	24,659	-	-	-
2010	-	24,659	-	-	-
2009	-	125,700	115,000	4,773	1.05
2008	116,927	125,700	105,000	13,903	2.04
2007	115,531	125,700	95,000	22,179	2.06
2006	113,633	125,700	90,000	29,810	2.00

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City of Ridgecrest
Schedule 15
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population	Personal Income	Personal Per Capita Income	Median Age	School Enrollment**	Unemployment Rate
2015	28,419	$ 802,997,317	$ 28,256	35.0	5,367	6.90%
2014	28,638	835,599,564	29,178	35.8	5,316	6.70%
2013	28,348	808,463,982	28,519	33.8	5,358	7.60%
2012	28,089	789,556,510	28,109	36.1	5,378	7.90%
2011	27,768	780,176,392	28,096	33.8	5,511	8.30%
2010	28,362	745,268,274	26,277	30.9	5,652	8.30%
2009	27,951	737,095,821	26,371	31.8	5,690	5.50%
2008	28,038	743,680,000	26,524	n/a	5,727	4.60%
2007	27,944	720,647,816	25,789	30.0	5,929	4.20%
2006	26,515	494,133,540	18,636	29.8	5,972	3.40%

NOTES:

Population projections are provided by California Department of Finance

Income Data is provided by the United States Census Data and is adjusted for inflation

Unemployment rates are provided by the EDD, Bureau of Labor Statistics Department

FY 2012 school enrollment data was recalculated and corrected from 4732 to 5378

** School Enrollment includes enrollment from the school district and charter school.

n/a = not available

Source: MuniServices, LLC
www.cde.ca.gov

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City of Ridgecrest
Schedule 16
Principal Employers
Fiscal Year 2015 and Ten Years Prior

	2014-2015			2005-2006		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Naval Air Weapons Station China Lake	7013	1	49.39%	5764	1	38.95%
Ridgecrest Regional Hospital	700	2	4.93%	380	4	2.57%
Searles Valley Minerals	650	3	4.58%	550	3	3.72%
Sierra Sands Unified School District	600	4	4.23%	600	2	4.05%
Alta One Federal Credit Union	212	5	1.49%	160	10	1.08%
Albertson's	175	6	1.23%			
Englity Corp	160	7	1.13%			
Cerro Coso Community College	151	8	1.06%	317	5	2.14%
Jacobs Technology	150	9	1.06%			
City of Ridgecrest	130	10	0.92%	200	7	1.35%
Wal-Mart				268	6	1.81%
Wyle Laboratories				174	8	1.18%
SA-Tech (System Applic. & Tech)				164	9	1.11%
			70.01%			57.96%
	Total City Employment**		14,200			14,798

NOTES:

** Total city employment was provided by EDD Labor Force Data

Source: MuniServices LLC

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
Schedule 17
Full Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years (As of June 30)

FUNCTION/PROGRAM	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
City Council	5	5	5	5	5	5	5	5	5	5
City Manager	1.5	1	1	1	3	3	4.5	4	4	3.75
City Clerk	1	1	1	1	1	1.25	1	1.5	2.75	1
Finance	5.5	5.5	5	6	6	6	6	12	9.75	9.75
Information Technology	2	2	2	3	3	3.5	3.5			
Human Resources	1.5	1.5	1	0	1.5	1.5	1.5	1.5	2.5	1
Community Development	4.5	5	5	6	8	8	8	8	7	7
Planning Commissioners	5	5	5	5	5	5	5	5	5	5
Public Safety										
Police Officers-Sworn	32	32	31	31	34	35	33	37	38	35
Other Full Time Employees	17	17	14.5	16	16	15.75	16	16.25	16	15.5
PACT Volunteers	89	83	45	50	9	9	9	9	9	10
Public Works										
Engineering	4	3	3	4	4	4	3	4	5	3
Maintenance	7	7	6	7	8	8	9	8	9	9
Transit Services	8	8	8	7	7	7	7	7.5	8	8
Wastewater/Sewer	5	5	4	4	6	7	6	5	5	5
Culture & Recreation	27	24	23	39	32.5	22.5	29	31.97	23.44	22.4

Source: City's Budget Documents as approved by the City Council

City of Ridgecrest
Schedule 18
Operating Indicators by Function/Program
Last Ten Fiscal Years (As of June 30)

FUNCTION/PROGRAM	2015	2014	2013	2012	2011
Police					
Physical Arrests	2,805	1,281	2,346	2,417	2,416
Parking Violations	148	114	293	188	97
Traffic Violations	458	792	1,540	937	1,150
Community Development					
Building Permits Issued	604	1,020	705	302	423
Building Permits Valuation (in millions)	6	9	5	19	13
Building Inspections Performed	2,684	1,925	1,603	4,299	2,510
Planning Permits Issued	173	163	137	113	69
Public Services					
Street Resurfacing (miles)	8	1.8	2	2.5	2.5
Street Light Replacement [a]	n/a	n/a	n/a	n/a	n/a
Potholes Filled	2,200	2,400	3,600	2,783	2,565
Waste Water Average Daily Treatment (millions of gallons)	2.16	2.33	2.31	2.52	2.621
Transit Route (Service) Miles	96,112	95,869	76,849	64,438	92,925
Transit Passenger Count	17,101	17,724	13,516	17,131	27,223
Parks & Recreation					
Sports Field Participation	81,259	75,113	70,917	85,409	89,293
Community Center/Gym/Pool Participation	105,984	103,218	95,785	90,655	68,325
Other Participation	65,713	72,615	45,312	45,816	35,370

NOTES:

a) Street light replacement is done by Southern California Edison

Source: Various City Departments

City of Ridgecrest
Schedule 18
Operating Indicators by Function/Program
Last Ten Fiscal Years (As of June 30) (Continued)

FUNCTION/PROGRAM	2010	2009	2008	2007	2006
Police					
Physical Arrests	2,605	2,667	2,213	2,448	2,519
Parking Violations	237	278	294	161	134
Traffic Violations	2,054	2,034	1,439	2,001	2,338
Community Development					
Building Permits Issued	439	144	212	585	768
Building Permits Valuation (in millions)	18	12	22	20	35
Building Inspections Performed	2,759	5,086	3,861	5,455	5,850
Planning Permits Issued	77	161	137	135	197
Public Services					
Street Resurfacing (miles)	1	3	0.5	1.75	1
Street Light Replacement [a]	n/a	n/a	n/a	n/a	n/a
Potholes Filled	540	600	3,500	1,500	2,011
Waste Water Average Daily Treatment (millions of gallons)	2.674	2.57	2.65	2.6	2.6
Transit Route (Service) Miles	61,092	86,965	91,178	82,277	91,998
Transit Passenger Count	12,977	27,478	35,595	38,529	33,967
Parks & Recreation					
Sports Field Participation	89,735	91,359	88,078	88,140	87,536
Community Center/Gym/Pool Participation	68,645	73,499	67,421	101,242	99,638
Other Participation	35,370	35,370	35,730	35,730	35,730

NOTES:

a) Street light replacement is done by Southern California Edison

Source: Various City Departments

City of Ridgecrest
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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City of Ridgecrest
Schedule 19
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

FUNCTION/PROGRAM	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units (marked)	18	17	17	10	13	13	18	16	12	10
Motorcycle unit	5	8	7	3	6	6	2	1	1	1
K-9 unit	1	1	1	1	1	2	1	1	2	1
Streets										
Streets (miles)	216	216	132	131	130	130	130	130	131.5	130.5
Streetlights [2]	1,502	1,469	1,520	1,523	1,524	1,515	1,492	1,467	1,472	1,463
Traffic Signals										
CalTrans maintained	7	7	7	7	7	6	6	6	6	6
City of Ridgecrest maintained	12	10	9	9	9	8	7	7	7	7
Culture & Recreation										
Total Park Acreage	46.88	46.88	46.88	46.88	46.88	21.88	25.88	25.88	25.88	25.88
Parks [1]	5	5	5	5	5	5	6	6	6	6
Baseball Fields	4	4	4	4	4	4	4	4	4	4
Softball Fields	3	3	3	3	3	3	3	3	3	3
Soccer Fields	4	4	4	4	4	4	4	4	4	4
Football Fields	1	1	1	1	1	1	1	1	1	1
Tennis Courts	6	6	6	6	6	6	6	6	6	6
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Community Centers	2	2	2	2	2	2	2	2	2	2
Waste Water										
Sanitary Sewers (miles)	142	142	142*	170	170	165	265	265	224	223.5
Storm Sewers (miles)	5	5	5	5	5	5	5	2	2	2
Treatment Capacity (millions of gallons/day)	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
Transit Services										
Minibuses										
Fixed Route	8	7	6	0	0	0	0	0	0	0
Dial A Ride	2	2	3	5	5	6	7	7	5	5
Bus Shelters	8	8	5	5	5	5	5	5	5	5

NOTES:

* FY 2013 sanitary sewer miles were measured using GIS system while the prior fiscal years were measured using curb miles.

1) Hellmer's Park was closed in FY 2010 due to budget cuts and is now the City's solar field.

2) The numbers presented here are for streetlights located within the city limit. Numbers presented in previous CAFR were lights located on city properties

Source: Various City Departments

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT: A Resolution To Award A Construction Agreement To A-C Electric Company In The Amount Of Three Hundred Fifty Severn Thousand Dollars ($357,000.00) For The Installation Of A Traffic Signal At The Intersection Of China Lake Boulevard And Bowman Road And Authorize The City Manager To Execute The Agreement

PRESENTED BY:
Dennis Speer, Public Works Director

SUMMARY:
On Tuesday January 19, 2016, bids were received and opened for the China Lake Boulevard and Bowman Avenue Traffic Signal Project. Two bid were received, as follows:

Bidder	Bid Amount
A-C Electric Company	$357,000.00
PTM General Engineering Services Inc	$367,067.00

The total funds allocated from HSIP(Highway Safety improvement Program) for the project is $440,000.00. The funds allocated for this project are as follows:

Engineering	$ 40,365.00
Construction Contract	$348,000.00
Construction Engineering	$51,635.00

Total HSIP Funds $440,000.00
Local Funds Required (10% Match) $44,000.00

In the City of Ridgecrest Notice to Bidders Special Provisions, it states that the selection of bidder shall be based on the lowest responsible and responsive bid. Therefore, staff recommends that the City award the contract for the Installation Of A Traffic Signal At The Intersection Of China Lake Boulevard and Bowman Road to the lowest responsible and responsive bidder, A-C Electric Company. A purchase order in the amount of $357,000.00 will be issued. The additional amount of $35,700.00, ten percent (10%) of the purchase order, is being requested for any contingencies.

The local funds required were provided in Fiscal Year 13/14 by Measure L Funding and has already been allocated to this project. This project is underfunded and additional funds in the amount of Forty-Four Thousand Seven Hundred Dollars ($44,700.00) are needed to complete the project. Staff is recommending that these funds be taken from Traffic Impact Fees that are part of the WalMart Project that will impact this intersection.

Funding for the execution of the contract shall come from the capital improvement account 018-4760-430-4601with the project number TS1402.

FISCAL IMPACT: $80,400.00

Reviewed by Finance Director

ACTION REQUESTED: Adopt A Resolution To Award A Construction Agreement To A-C Electric Company In The Amount Of Three Hundred Fifty Severn Thousand Dollars ($357,000.00) For The Installation Of A Traffic Signal And Intersection Improvements At The Intersection Of China Lake Boulevard And Bowman Road And Authorize The City Manager To Execute The Agreement
CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION: Action as requested:

Submitted by: Karen Harker Action Date:February 17, 2016

(Rev. 02/13/12)

RESOLUTION NO. 16-xx

A RESOLUTIONTO AWARD A CONSTRUCTION AGREEMENT TO A-C ELECTRIC COMPANY IN THE AMOUNT OF THREE HUNDRED FIFTY SEVERN THOUSAND DOLLARS ($357,000.00) FOR THE INSTALLATION OF A TRAFFIC SIGNAL AT THE INTERSECTION OF CHINA LAKE BOULEVARD AND BOWMAN ROAD AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT

WHEREAS, On Tuesday January 19, 2016, bids were received and opened for the China Lake Boulevard and Bowman Road Traffic Signal Project; and

WHEREAS, A total of two bids were received and the result of the lowest bidder is as follows:

Bidder	Bid Amount
A-C Electric Company	$357,000.00
PTM General Engineering Services Inc.	$367,067.00

WHEREAS, The bid were reviewed by the Resident Engineer/Consultant, Mike Bustos with Willdan Engineering, for a determination of the lowest responsible and responsive bidder; and

WHEREAS, It was determined that A-C Electric Company was the low bidder with the low bid of $357,000.00; and

WHEREAS, A purchase order will be issued to A-C Electric Company in a total amount of $357,000.00 for the installation of a Traffic Signal at the intersection of China Lake Boulevard and Bowman Road, and

WHEREAS, The additional amount of $35,700.00 ten percent (10%) of the purchase order is being requested for any contingencies; and

WHEREAS, the project is funded under Highway Safety Improvement Program (HSIP); and

WHEREAS, The local funds required were provided in Fiscal Year 13/14 by Measure L Funding and have already been allocated to this project; and

WHEREAS, An additional Forty-Four Thousand Seven Hundred Dollars ($44,700.00) are needed for the under funded project; and

WHEREAS, Staff is recommending that these funds be taken from Traffic Impact Fees allocated by the Walmart Project; and

WHEREAS, Funding for the execution of the contract shall come from the capital improvement account 018-4760-430-4601 project number TS1402.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Ridgecrest hereby:

1. Authorizes award of the contract for the China Lake Boulevard and Bowman Road Traffic Signal Project to the lowest responsible and responsive bidder, A-C Electric Company, in the Amount of Three Hundred Fifty Severn Thousand Dollars ($357,000.00).
2. Authorizes the Finance Director to amend the budget to reflect all appropriate capital, revenue and transfer accounts.
3. Authorizes the City Manager to execute the agreement.

APPROVED AND ADOPTED this 17th day of February 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Peggy Breeden, Mayor

ATTEST:

_____
Rachel J. Ford, CMC
City Clerk

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST SETTING DATES AND TIMES FOR THE OPERATION OF IRRIGATION SYSTEMS

PRESENTED BY:
Keith Lemieux – City Attorney

SUMMARY:

State of California, by way of Governor's Executive Order No. B-29-15 (California Code of Regulations 490, et seq.) ("Regulations"), mandates that certain public entities, including the City of Ridgecrest, implements regulations regarding irrigation. Pursuant to the Regulations, City adopted section 12-9 - Water Efficient Landscape Ordinance, which in part stipulates that "[allowable irrigation days and hours shall be determined by the City Council by way of resolution.

City of Ridgecrest seeks to harmonize the irrigation days and hours permitted by City with those permitted by the Indian Wells Valley Water District

This resolution compliments current ordinances by setting allowable dates and times for irrigation.

FISCAL IMPACT:
None
Reviewed by Finance Director

ACTION REQUESTED:
Approve a resolution establishing dates and times for irrigation.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Rachel J. Ford Action Date: February 17, 2016
(Rev. 6/12/09)

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RESOLUTION NO. 16-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST SETTING DATES AND TIMES FOR THE OPERATION OF IRRIGATION SYSTEMS

1. PURPOSE AND SCOPE.

This resolution compliments Ordinance No. 16-01 ("Irrigation Ordinance") by setting allowable dates and times for irrigation.

2. FINDINGS.

The City Council finds, determines, and declares:

WHEREAS, the State of California, by way of Governor's Executive Order No. B-29-15 (California Code of Regulations 490, et seq.) ("Regulations"), mandates that certain public entities, including the City of Ridgecrest, implements regulations regarding irrigation;

WHEREAS, City, pursuant to the Regulations, adopted section 12-9 - Water Efficient Landscape Ordinance, which in part stipulates that "[allowable irrigation days and hours shall be determined by the City Council by way of resolution;" [12-9.13(a)(4)] and

WHEREAS, City seeks to harmonize the irrigation days and hours permitted by City with those permitted by the Indian Wells Valley Water District.

3. RESOLUTION.

Based on the foregoing findings, the City Council hereby resolves:

a) During the months of April, May, June, July, August, September and October, all water users within City's jurisdiction having even-numbered addresses may only operate irrigation systems on Tuesday, Thursday and Saturday and odd numbered addresses may only operate irrigation systems on Wednesday, Friday and Sunday. Irrigation systems may not be operated on Mondays. Landscape Areas shall not be irrigated on the surface, except for hand watering and/or the use of a drip irrigation system, between the hours of 8:00 AM - 8:00 PM, unless a special permit is issued to accommodate newly planted material.

b) During the months of November, December, January and February, all water users within City's jurisdiction with even-numbered addresses may only operate irrigation systems on Saturday and odd numbered addresses may only operate irrigation systems on Sunday. Irrigation systems may not be operated on Mondays, Tuesdays, Wednesdays, Thursdays or Fridays. There will be no daytime watering restriction during these months.

APPROVED AND ADOPTED this 17th day of February, 2016, by the following vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

Peggy Breeden, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
HOUSING AUTHORITY/FINANCING AUTHORITY AGENDA ITEM

SUBJECT:
Minutes of the Special City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of January 28, 2016

PRESENTED BY:
Rachel J. Ford, City Clerk

SUMMARY:

Draft Minutes of the Special City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of January 28, 2016

FISCAL IMPACT:
None
Reviewed by Finance Director:

ACTION REQUESTED:
Approve minutes

CITY MANAGER 'S RECOMMENDATION:

Action as requested: Approve Draft Minutes

Submitted by: Rachel Ford Action Date: February 17, 2016
(Rev. 6-12-09)

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MINUTES OF THE SPECIAL WORKSHOP OF THE RIDGECREST CITY SUCCESSOR AGENCY, FINANCING AUTHORITY, AND HOUSING AUTHORITY

City Council Chambers
100 West California Avenue
Ridgecrest, California 93555

January 28, 2016
1:00 p.m.

This meeting was recorded and will be on file in the Office of the City Clerk for a certain period of time from date of approval by City Council/Redevelopment Agency. Meetings are recorded solely for the purpose of preparation of minutes.

CALL TO ORDER – 1:00 p.m.

ROLL CALL

Members Present	Mayor Peggy Breeden; Mayor Pro Tempore Jim Sanders; Council Member Mike Mower
Members Absent	Vice Mayor Lori Acton; Council Member Eddie Thomas
Staff Present	City Manager Dennis Speer and other staff

PUBLIC COMMENT

- None Presented

DISCUSSION

1. **Presentation And Discussion Of The Wastewater Treatment Facility Study**

Dennis Speer
- Presented Staff Report and Introduced representatives for Provost and Pritchard

Provost and Pritchard
- Presented a PowerPoint presentation regarding their study of the wastewater treatment facility project; options available for construction; costs associated with construction; and environmental impact.
- Members of the public and Council presented questions and concerns.

ADJOURNMENT at 4:00 p.m.

Rachel J. Ford, CMC
City Clerk

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
HOUSING AUTHORITY/FINANCING AUTHORITY AGENDA ITEM

SUBJECT:
Minutes of the Special City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of January 29, 2016

PRESENTED BY:
Rachel J. Ford, City Clerk

SUMMARY:

Draft Minutes of the Special City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of January 29, 2016

FISCAL IMPACT:
None
Reviewed by Finance Director:

ACTION REQUESTED:
Approve minutes

CITY MANAGER 'S RECOMMENDATION:

Action as requested: Approve Draft Minutes

Submitted by: Rachel Ford Action Date: February 17, 2016
(Rev. 6-12-09)

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MINUTES OF THE SPECIAL CLOSED SESSION OF THE RIDGECREST CITY SUCCESSOR AGENCY, FINANCING AUTHORITY, AND HOUSING AUTHORITY

City Council Chambers **January 29, 2016**
100 West California Avenue **1:00 p.m.**
Ridgecrest, California 93555

This meeting was recorded and will be on file in the Office of the City Clerk for a certain period of time from date of approval by City Council/Redevelopment Agency. Meetings are recorded solely for the purpose of preparation of minutes.

CALL TO ORDER – 1:00 p.m.

ROLL CALL

Members Present	Mayor Peggy Breeden; Mayor Pro Tempore Jim Sanders; Vice Mayor Lori Acton; Council Member Eddie Thomas; Council Member Mike Mower
Staff Present	City Manager Dennis Speer and other staff

PUBLIC COMMENT

- None Presented

CLOSED SESSION

GC54957 Personnel Matter – Public Employee Performance Evaluation – City Manager

The Mayor and Members of the Council met in closed session with the City Manager and City Attorney to conclude the City Manager's performance evaluation. No reportable action was taken.

ADJOURNMENT at 2:28 p.m.

Rachel J. Ford, CMC
City Clerk

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
HOUSING AUTHORITY/FINANCING AUTHORITY AGENDA ITEM

SUBJECT:
Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of February 3, 2016

PRESENTED BY:
Rachel J. Ford, City Clerk

SUMMARY:

Draft Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of February 3, 2016

FISCAL IMPACT:
None
Reviewed by Finance Director:

ACTION REQUESTED:
Approve minutes

CITY MANAGER 'S RECOMMENDATION:

Action as requested: Approve Draft Minutes

Submitted by: Rachel Ford Action Date: February 17, 2016
(Rev. 6-12-09)

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MINUTES OF THE REGULAR MEETING OF THE RIDGECREST CITY SUCCESSOR AGENCY, FINANCING AUTHORITY, AND HOUSING AUTHORITY

City Council Chambers **February 3, 2016**
100 West California Avenue **5:30 p.m.**
Ridgecrest, California 93555

This meeting was recorded and will be on file in the Office of the City Clerk for a certain period of time from date of approval by City Council/Redevelopment Agency. Meetings are recorded solely for the purpose of preparation of minutes.

CALL TO ORDER – 5:30 p.m.

ROLL CALL

Council Present: Mayor Peggy Breeden; Mayor Pro Tempore James Sanders; Council Members Eddie B. Thomas, and Mike Mower

Council Absent: Vice Mayor Lori Acton

Council Absent: None

Staff Present: Acting City Manager/Chief of Police Ron Strand; City Clerk Rachel J. Ford; City Attorney Keith Lemieux, and other staff

APPROVAL OF AGENDA

Substitute Documents:

- Item No. 7
  - Substitute unformatted ordinance with formatted ordinance
  - Attach draft resolution for watering schedule

Motion To Approve Agenda As Amended Made By Council Member Mower, Second By Council Member Thomas. Motion Carried By Roll Call Vote Of 4 Ayes (Mayor Breeden, Council Members Sanders, Thomas, And Mower); 0 Noes; 0 Abstain; And 1 Absent (Vice Mayor Acton).

PUBLIC COMMENT *(Closed Session)*

- None Presented

CLOSED SESSION

GC54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation –Kern County Superintendent Of Schools v. City Of Ridgecrest

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
  - Kern County Superintendent of Schools – Report received, no reportable action taken
- Other
  - None

PUBLIC COMMENT *(Regular Session)*

Mr. Bell

- Extended invitation to groundbreaking ceremony at the new Murray Middle School site.

Tom Wiknich

- Spoke on email from Sheriff Office regarding closing of the local jail and transfer of personnel to Lerdo due to budget cuts. Cuts will take place February 20.
- Commented on feeling outraged that Ridgecrest is the city that will be most impacted. Suggested bringing unfunded vacancies to Ridgecrest.
- Impact to Ridgecrest police department will take officers off the streets to transport prisoners.
- City pays over $200k per year for jail services and asked council to consider this in their budget discussions.

Robert Shine

- Resident of Heritage Village and spoke on the Helicopter Pad at the Hospital which is not usable.
- Commented on letter sent to Heritage Village residents indicating the pad would be used rarely and now the flights have increased. Provided statistics and highlighted night hours keeping residents awake.
- Suggested Mercy Air could fly over the empty field near Kmart rather than over the high school or residential sections.
- Commented on Helicopter flying in then taking off to Inyokern to refuel and returning.
- Residents tired of night flights that are waking them repeatedly.
- Commented on the new location purchased and an estimate of 3-5 year construction given by the Hospital.

Jay Winkle

- Lives next to the Helipad
- Have been in the back yard and been prop-washed by the helicopters.
- Asked for a solution to how the pilots take off and land
- Has a video of being sand washed and children afraid of helicopters because of the way they are taking off and landing.

Bill Campbell

- Live near the Helipad and it seems the more we speak with Mercy Air the more intentional the pilots get with the low flying.

Roger Stewart

- Understand emergencies and the need for a helipad for people but did not think I would be up in the middle of the night listening to sorties.
- Everyone I call gives me the run around.
- Asking council who to go to in order to cut down on the flights.

Speaker

- Hospital says Mercy Air is responsible and Mercy Air says the Hospital is responsible. Have called several people and have not received responses back other than to be told to stop badgering staff by Mr. Suver.

Benny Ford

- Commented on grant opportunities for installation of the Digital 395.
- Asked for information and name of the group to be presented on February 17.
- People are interested in attending and requested the presentation be interactive.

Mike Neel

- Read sections of California Constitution.
- Commented on Dale Howard property situation and stated these rights given by the California Constitution are being ignored.
- Read a portion of an email Mr. Howard received from the conservatorship threatening to foreclose on the property if he does not pay $60,000
- Made comments about the conservator and City
    - Mike Mower – commented on the number of birds and sea vans and how contractors would not buy a lot next to the property because of the inability to sell a house near the property.

Ron Porter

- Asked questions about bullying, laws and rights.
- Commented on the Dale Howard situation as being a black cloud over the City
- Commented on the process of a hearing versus trial
- Reminded Council of their oath of office to uphold the Constitution of the United States and California

Ron Porter *(continued)*

- Stated a citizen who can't afford to defend themselves does not receive justice.
- Compared the City to a bully
- Spoke on the government judicial branch
- Questioned where this will stop.
- Commented on freedoms
- Asked if we wanted a mobocracy or a government that protects the individuals.
- Asked for agenda item with public comment regarding this issue.

Elizabeth Friary

- Followed up on the comments made about the helicopter
- Related one occurrence where the helicopter flew in extremely low at night.
- Spoke on her attempts to report the issue to the FAA and receiving responses that the pilot may have been inexperienced
- Spoke on flight patterns being altered due to complaints of cars getting dirty over the parking lot.
- Commented increased flight traffic has created structural damage to her home
- Asked about the increased flights.
- Expressed concern that the pilot was putting everyone's lives and property in peril.
- Read a portion of article from 1972 about the approval of the helipad.
- Ridgecrest council resolution in 1987 approves the present day helipad.
- Current council approved sale of land for new helipad and encouraged council to ensure the construction is done quickly.

Marilyn Neel

- Commented on American's blood spilled in the snow in Oregon because he dared to stand up for constitutional rights.
- Commented on people here tonight appealing to those who should be standing up for our rights.
- More people are having property taken from them and lives being destroyed and those who sit in high places are sitting deafly
- Compared seeing blood spilled in the snow to seeing blood spilled in the sand with Mr. Howard.
- Stated Mr. Howard did not get his day in court and was not allowed to face his accusers.
- Commented about citizens sitting on the street watching as Mr. Howard's life blood has been spilled.

Dave Matthews

- Commented on Tom Wiknich comments about the closure of the Jail. I too am outraged that the County Sheriff wants to close the jail in Ridgecrest. We do not have sufficient funds or facilities to run our own jail. Questioned if Sheriff Youngblood has seen this and urged everyone to let the Sheriff and County Supervisors know how outraged we are.
- Commented on Dr. Drummond's airport being visible in 1958. There has been an increase in flights and I live about a mile away from the Helipad. Helicopters are noisy but it seems they are coming in lower than they need to. Questioned why Hospital has not changed their policy. For some reason they seem to be flying in and out more patients. Asked what the difference in requirement for land transportation over air transportation.
- Commented on the constitution and court cases that are stripping away constitutional rights. The court system is broken. Commented on the viable list of candidates for president. Commented on Mr. Howard not being the only person denied their rights, mostly because of lack of financial means.

COUNCIL ANNOUNCEMENTS

- None

CONSENT CALENDAR

1. **Adopt A Resolution To Amend The Professional Service Agreement In The Amount Of Ten Thousand And Eighty Dollars ($10,080.00) With The Engineer Of Record, Willdan Engineering, For Additional Construction Inspection Services On The Cycle 5 Signing And Striping For 12 Intersections, And Authorize The City Manager, Dennis Speer, To Execute The Amended Agreement** **Speer**

2. **Adopt A Resolution To Approve The Professional Service Agreement With The Firm Willdan Engineering To Provide Environmental Assessment, Surveying, And Design Engineering, For Tax Allocation Bond (TAB) Street Improvement Projects For A Fee Of Thirty-Nine Thousand One Hundred Dollars ($39,100.00) And Authorize The City Manager, Dennis Speer, To Sign The Professional Services Agreement** **Speer**

3. **Adopt A Resolution Declaring Equipment As Surplus According To Administrative Service Policy As 05-03 And By Resolution Number 05-55 Authorizing Disposal Of Equipment In The Engineering Division** **Speer**

4. **Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Minutes Dated January 20, 2016** **Ford**

Items Pulled From Consent Calendar

- Item No. 3

Motion To Approve Consent Calendar Item Nos. 1, 2, And 4 Made By Council Member Mower, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 4 Ayes (Mayor Breeden, Council Members Sanders, Thomas, And Mower); 0 Noes; 0 Abstain; And 1 Absent (Vice Mayor Acton)

Item No. 3 Discussion

Dave Matthews

- Did not have opportunity to read the list and questioned if the items would be put up for auction.

Loren Culp

- Reviewed the equipment list.
- Many of the items are inoperable and not serviced by the manufacturer.

Motion To Approve Consent Calendar Item No. 3 Made By Council Member Mower, Second By Council Member Thomas. Motion Carried By Roll Call Vote Of 4 Ayes (Mayor Breeden, Council Members Sanders, Thomas, And Mower); 0 Noes; 0 Abstain; And 1 Absent (Vice Mayor Acton)

DISCUSSION AND OTHER ACTION ITEMS

5. **Discussion And Provide Direction To The City Manager To Execute A Task Order With Lemieux & O'Neill To Negotiate And Draft A Joint Powers Agreement For The Indian Wells Valley Groundwater Sustainability Agency**

Lemieux

Keith Lemieux

- Presented Staff Report
- This is not a motion to approve a JPA or any other form of GSA
- The work the office is being performed is not covered by the retainer so asking Council to direct City manager to enter into a task order to do the preliminary work needed to enter into a GSA
- Rate is billed at a lower cost than normal
- Have done some preliminary work already and have asked this to be billed as well
- Commented on concerns of the Mutual Water Companies. So far discussions have been positive and work is being done to see if those parties can get a say with the board without actually sitting on the board. Currently discussing the form this would take. Further meetings have been scheduled with the goal of wrapping this up later this month.

Keith Lemieux *(continued)*

- Draft agreement is floating around and we will work on this and hopefully bring back to Council for detailed discussion in the near future.

Public Comment

Ron Porter

- Understand Attorney narrowed this however there is a problem that City and County should be concerned about. Need to be concerned about how much power is given to this agency.
- If City is incurring costs with this, then State should be billed. This may become more involved and we don't know how radical it will come out and may have to pay Mr. Lemieux's staff to do all kinds of research. This should be billed to the State.
    - Keith Lemieux – this is not an unfunded mandate. The alternative is to step back and let the State take control. The City is voluntarily getting involved to retain local control. We will continue to update the City Manager.
- Commented this may become far more involved and this is under threat. City should bill the State

Stan Rajtora

- Questioned who Mr. Lemieux would be negotiating with to draft a Joint Powers Authority Agreement.
    - Keith Lemieux – other agencies that will be members of the GSA
- Expressed concern about what the County is trying to push and later is sometimes too late. Feel we have a water problem and need to find a solution. To do this we need all parties working together and build a consensus with all involved. Afraid that what the County has in mind is building walls rather than consensus and when the walls get too high it will lead to litigation. Concerned we already have too much litigation and will get so much we won't remember what the real problem is.
- Referenced the various ways available to set up a GSA.
- Referred to Mr. Sanders concern of not letting this agency have non-elected board members. Questioned how much power this organization really needs.
- Reiterated the idea of building consensus rather than walls.
    - Keith Lemieux – points of building consensus are well taken and this seems to be the County's goal. Regarding the powers, by statute the GSA would have powers that go beyond what currently exist.
- Referenced County council indicating that if you allow a private group into the GSA then the control is neutral. Through an MOA organization you would have all the power.
    - Keith Lemieux – referring to Common Powers doctrine and we are exploring options that allow private groups to have input without having the power to vote on the board

Stan Rajtora *(continued)*

- My concern is you will have one holdout that would take us to court and that is not what we need.
    - Peggy Breeden – Keith will negotiate and make recommendations that will be reviewed and approved at a public meeting.
- Commented on council giving early direction.
    - Peggy Breeden – our original direction was a letter that stated we wanted to be a voting member of the GSA.
- Things have changed since that letter.
    - Peggy Breeden – we will receive reports from Mr. Lemieux. There is a public meeting February 19 at 9:30 a.m. in Council Chambers
- Applaud you if you can get the structure you are working toward. Appreciate your efforts.
    - Keith Lemieux – because of the Brown Act I cannot engage in private meetings with the Council. all I can do is work on an agreement and then bring back to council for their decision. Everything will be done in public meetings. Also keep in mind to not get too excited about the back-and-forth positions. People end up in different places before there is ink on paper.

Mike Neel

- Commented on conflicting documents about the powers of the GSA including imminent domain
    - Keith Lemieux – this is a governing agency with all powers regarding the groundwater sustainability. Think of it as all governing boards working in concert.
- Commented on residents getting representation by both Council and Water District however county residents are only getting one vote.
- Expressed concern this is upside down and backwards. There are ways to get equal and fair representation for everyone in this aquifer.

Jim Sanders

- Clarified that guidelines needed would be done in public.
- Asked about a budget discussion.
    - Keith Lemieux – can bring a draft budget back for discussion, do not anticipate spending that many hours on this before April.
- Not sure where we set on the legal budget.

Mike Mower

- Recommend this item be on the agenda every meeting so we can give direction as needed.

Item No. 5 *(continued)*

Motion To Approve The Execution Of Task Order Made By Council Member Mower, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 4 Ayes (Mayor Breeden, Council Members Sanders, Thomas, And Mower); 0 Noes; 0 Abstain; And 1 Absent (Council Member Acton)

6. <u>Review And Discussion Of The Special Consulting Agreement Between The City Of Ridgecrest And Justin O'Neill</u> Breeden

Justin O'Neill

- Presented Staff Report and PowerPoint presentation reviewing projects assigned and completed or currently being worked and overall accomplishments and goals.

Peggy Breeden

- Asked the item to be brought forward because it appeared to be under the Mayor's direction and am uncomfortable with this. Feel it is important to send this to committee and the information can come back to council so we can understand what is going on.
- Met with the City Attorney and Council Member Acton.
- Want this set up better and seems best to put this through committee.

Mike Mower

- Reviewed contract provisions which cover reporting and budgeting and invoicing.
- Contract says this all comes back to Council

Peggy Breeden

- Appreciate the work that has been done and there is potential for more.
- Eric Bruin sent a letter that I have shared with Council.

<u>Public Comment</u>

Eric Bruin

- Please the letter was shared.
- Simple fact is we are bogging ourselves down. Exampled business and investment in digital technology and social media which has increased business.
- If you want Mr. O'Neill to use the skills he has, don't bog it down with committees and discussions.
- Reason the 50th was so successful is we let him do it independently. When we had the other layers then we bog it down.
- Younger generation feels left out because we are not involving them with social media.
- You have the contract in place so let him loose, what is the worst thing that can happen?

Peggy Breeden

- We know that we do not get our voice out there. Only way we will get people involved is to get the word out in any way we can. Good things happen and it is important to get the word out and sometimes the media isn't fast enough. I want us to sing our song.

Benny Fuller

- The television channel is not great; there is noise in the background that makes it hard to hear. Asked if anyone has tuned in. Noise is mostly static.
- Recommend a push to get people here in a couple weeks to hear the broadband presentation.
- Broadband is a big economic development driver.
- Town is currently dependent on the base and the younger generation looking at housing plans and developments is not encouraging.
- Not focus on young single millennials because some of them came here with girlfriends and young families.
- Need to look at other businesses that can be brought in to diversify the job market.
- Most young people who grew up in Ridgecrest don't stick around and young talent does not stay here. Need to focus on bringing in more youth and retaining them.
- If you already have a family starting then Ridgecrest is fine but for single people there aren't a lot of single people or places for singles to meet.
- Need to foster an environment where people can get together and meet. Singles don't want to go to places where there aren't other singles.
- Need to have the ability to retain the younger singles.

Peggy Breeden

- Expressed gratitude to Mr. Fuller for attending the Council meetings.

Tina Warren

- Had pleasure of working with Justin on the millennial focus group. Praised Justin's efforts for his work on the event. He was instrumental in engaging the young people in a way that did not shut them down. Final product was he results of the survey which was very well written. These individuals have nice jobs and are great people.
- Justin is of a different generation and it is important for us to be influenced by that and learn off of each other. This is about helping each other, sharing, and learning.

Tom Wiknich

- Thanked Mr. Mower about referencing the contract which requires projects being brought thru city council. When I was trying to find out who was making the decisions on a project and I could not find out whom. Perhaps we need to reassess the control and the 3 new council members should review the projects assigned by the previous council. Would not hurt to review the projects and make sure he is going the direction you want him to go.
- Believe we do need to focus on the millennials but at the same time not forget about the rest of us, the baby boomers and other generations.
- We do have to do the social media but we cannot forget about the rest of the community.
- Related an experience with a millennial and recognizes that the younger generation is focused on social media but do not want to forget about the rest of us.
    - Peggy Breeden – commented on the USO event having more people in older generations in attendance than young people. We want to make sure everybody feels wanted.
- Would encourage the current council to review the ongoing projects and ensure they are going the direction Council wants it to go.

Justin O'Neill

- Question about his participation on committees and how those go. Reviewed the roles he played in the USO event for each committee involved. Currently in a similar situation with technology committee and the base leadership and retention.

Mike Mower

- Feel this is why you should be assigned to a committee to provide reports and invoicing, suggested City Org committee.
    - Keith Lemieux – city council would delegate to report to the City Organization committee. Need to make sure your authority is not delegated by the committee you are sitting on.
- This would make it more concrete.

Dave Matthews

- Mr. Bruin made a good suggestion in that we need to let the expert do what he does and get off his back. Justin has been doing a good job on the technology committee. I don't follow any of the social media because I see the way it is set up is nothing more than a gossip mill. For government or any government entity to be deeply involved in social media is wrong. These entities need to have structure and guidelines. None of you want to be monitoring hundreds of complaints a day. You can send out information but don't necessarily have to take it back.
- You have discovered what I discovered 40 years ago. That we are heavily dependent on the base. You need to look at how we can change it. I don't like

the millennial term, there is a lot that the younger generation can learn from the older generation if they would come and seek it. Many people come to work and have never been concerned with what is happening with the governing bodies surrounding them. Perhaps that is a lack of education, I learned in high school and that is how I got involved. I encourage the younger generation, if you don't have anything to do then come down here and beat up on Council.

Eric Bruin

- Commented that if a committee is dark then is a waste of time.
- This generation craves instant results.
- Direction versus reporting, these are two different problems.
- You want participation in the government so use the channel they will talk to you on.
- We aren't selling it the way they want to get it but get upset when they aren't buying it.

Mike Neel

- Heard comment there have been no monthly reports to Council?
    - Justin O'Neill – assumed invoices were forwarded to Council. there were a couple months that were aggregated.
- Supposed to be working for Council and is not supposed to be getting direction from staff.
    - Jim Sanders – that is an inaccurate statement. He chose to report and it did not get to us, but none of us took issue with that.
    - Peggy Breeden – exampled the beginning invoicing. This has evolved and we are fixing it now, so don't criticize us for not fixing it.
- If staff messed up and gave your consultant direction then need to deal with that. The City Manager complained about this and refused to be a part of it.
- If you have not received a monthly report then I see failure to comply with the terms of the contract. Perhaps he should send you monthly reports like he is supposed to do.
- There is a lot of duplication of effort in this contract, such as economic development and we are paying someone to help the base recruit and retain their employees? When did this get involved? We are already paying someone in human resources on the base.
- This funding could pay to fix an intersection or something else rather than pay for duplication of effort.

Benny Fuller

- Regarding instant gratification.
- People could live stream on the internet and then people could tweet or facebook in with comments.
- If you provide a way to access but also provide interactive access and have someone to monitor during the meetings and bring it up.
- Suggested food items in the back for people to eat.

Benny Fuller *(continued)*

- Justin is being paid because the City is facing the problem of the retention of people in the community.
- What the city is trying to accomplish is more than just human resources, but to help make these young people a part of the community and grow Ridgecrest.

Al Huey

- A lot of this, I have concerns with. Mr. Bruin talked about an event page or website. Why would the City pay Justin to do this when we already have the RACVB and Chamber of Commerce to do this?
    - Peggy Breeden – RACVB is paid by the tourism improvement district.
- Point is these two organizations are supposed to be doing this and now we are paying more money to have it done? As tight as the city budget is I would wrestle with it.
- Regarding social media, we have someone out there making comments that could come back to bite the city as a government entity.
    - Peggy Breeden – responses should be in a factual basis. Related experience from Michelle Vance at Tehachapi and the responses. Present facts.
- During USO event planning stage, was able to get a hold of USO and RACVB and was unable to contact the Navy. Attempted to contact Mr. O'Neill but did not receive a response until it was too far down the road.
    - Justin O'Neill – responded with explanation of process and the need to collaborate with the base. While there was not an enormous amount of communication but want you to feel you were not forgotten. Sometimes responding to every phone call is not possible.

Justin O'Neill

- Concerned with public expectation regarding social media. It is far from my intent to push the old out to make room for the new. It is one thing to use social media but is more important to create mechanisms for participation. A balanced community represents all generations.

Tina Warren

- There is no way the 50th or other events could have been done without the help received by Justin. With regard to the base it is important to get the word out with the new employees and work together.

Peggy Breeden

- Questioned Council if this should go before City Organization Committee.

Jim Sanders

- One drawback I see is Justin has 5 bosses, don't know the best way to address this and not sure sending to committee is the solution because they meet less often.
    - Mike Mower – don't think we are necessarily going to be giving direction all the time but more to receive regular reports. If city organization wants to add another project then it has to come before council. there are 4 people on the committee and feel we need to do this on a month by month basis.
- So if Justin gets approved for a project and we set aside funding. We need to find a way to get him quick response for minute discussion.
    - Keith Lemieux – this can be delegated to the committee and special meetings could be arranged as needed.
- This is all about transparency; do not want to violate the brown act.

Mike Mower

- Direction given to make sure Justin O'Neill's report is placed on the City Organization committee.

ORDINANCES

7. **Introduction And First Reading, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Water Efficient Landscape** **Lemieux**

Keith Lemieux

- Presented Staff Report

Public Comment

Tom Wiknich

- Asked about enforcement
    - Peggy Breeden – water district has authority
    - Mike Mower – Building Department
    - Keith Lemieux – City will enforce this ordinance
- Asked about a resolution
    - Keith Lemieux – waiting for water district. They are under a specific mandate by the State water board. In theory City might but at the time being we are electing to have them enforce it.

Item No. 7 *(continued)*

a. *Motion To Waive Reading In Full Of An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Water Efficient Landscape Made By Council Member Mower, Second By Council Member Thomas. Motion Carried By Roll Call Vote Of 4 Ayes (Mayor Breeden, Council Members Sanders, Thomas, And Mower); 0 Noes; 0 Abstain; And 1 Absent (Vice Mayor Acton)*

b. *Motion To Introduce, By Title Only, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Water Efficient Landscape Made By Council Member Mower, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 4 Ayes (Mayor Breeden, Council Members Sanders, Thomas, And Mower); 0 Noes; 0 Abstain; And 1 Absent (Vice Mayor Acton)*

COMMITTEE REPORTS

(Committee Meeting dates are subject to change and will be announced on the City website)

City Organization and Services Committee

Members: Lori Acton; Mike Mower
Meeting: 4th Wednesday each month at 5:00 p.m. as needed
Location: Council Conference Room B

- No Report, next meeting announced

Infrastructure Committee

Members: Jim Sanders; Mike Mower
Meeting: 3rd Thursday each month at 5:00 p.m. as needed
Location: Council Conference Room B

Jim Sanders

- Met on January 21
- Discussed Murray Middle School traffic issue
- Water ordinance
- Update on downs widening project
- Request received to permanently change meeting to 4th Thursday of the month

❖ **Ad Hoc Water Conservation Committee**

Members: Jim Sanders; Peggy Breeden
Meeting: 1st Monday each month at 5:00 p.m. as needed
Location: Conference Room B

- No Report

Parks, Recreation, and Quality of Life Committee

Members: Eddie Thomas; Lori Acton
Meeting: 1st Tuesday each month at 12:00 p.m. as needed
Location: Kerr-McGee Center Meeting Rooms

- No Report

❖ **Ad Hoc Youth Advisory Council**

Members: Eddie Thomas
Meeting: 2nd Wednesday of each month, 12:00 p.m. as needed
Location: Kerr-McGee Center Meeting Rooms

- No Report

Activate Community Talents and Interventions For Optimal Neighborhoods Task Force (ACTION)

Members: Eddie Thomas; Lori Acton
Meeting: 3rd Tuesday every other month at 4:00 p.m. as needed
Location: Kerr McGee Center Meeting Rooms

- No Report

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Lori Acton and Eddie Thomas
Meetings: 1st Wednesday Of The Month, 8:00 A.M.
Next Meeting: To Be Announced

Eddie Thomas

- Read RACVB Directors Report (Attachment A)

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

Mike Mower

- Kern COG report presentation on new all electric transit buses
- Kern COG article read regarding funding for transportation reduction. In 2010 fuel weight fee swap transferred debt to bonds. This year 75% of the money is going to pay the bonds and creating a shortfall which is falling on cities and counties.

CITY MANAGER REPORT

Ron Strand *(acting City Manager)*

- Spoke on announcement of the local jail closure and impacts to the City. Looking at about 4000 hours of lost time of police officers on the street. Officers will be on the road transporting prisoners rather than patrolling the streets. Complications with how you transport because certain conditions do not allow co-mingling of prisoners.

Ron Strand *(continued)*

- Will look at ways to transport multiple prisoners compliant with regulations but no grants available to fund this option. Meeting tomorrow at 3:00 p.m. to discuss at the staff level.
    - Peggy Breeden – at this time we do not have additional monies in the budget to do this.
        - Ron Strand – Measure 'L' funding is necessary or the alternative is to not arrest certain felons, only cite and release. There are no good aspects to this. May have to establish a new classification of employee to do transports only and a lower cost.
    - Mike Mower – asked about holding facilities
        - Ron Strand – still have to book in Bakersfield. Our facility is a 12 hour facility but there are a lot of people we cannot enter into our facility such as person's intent on harming themselves or with injuries.

MAYOR AND COUNCIL COMMENTS

Mike Mower

- After that dire report I don't have any comments

Eddie Thomas

- No report

Jim Sanders

- Discouraging and frustrating. I keep waiting for the good news we are trying to find.
- This is the first I have heard of it. I am upset but I am not going to have a knee jerk reaction. I will take my time to review all this information and get all the facts.

Peggy Breeden

- None of us want to react in a knee jerk reaction but we will react once we have all the facts. The supervisors did what they felt was best and we need to voice our concerns. Staff will look at this and determine how we can best deal with it.

ADJOURNMENT at 9:08 p.m.

_____
Rachel J. Ford, CMC
City Clerk

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ATTACHMENT A

Monthly Director's Report for RACVB
For January 2016
Held at Kerr McGee Center

February 3, 2016

- Doug Lueck to become a member of a sub-committee for Film Liaisons In California Statewide (FLICS). Recommended by Janice Arrington, FLICS President, and Film Commissioners, Lucy Steffens, of Sacramento and Beverly Lewis, of Lake Tahoe, NV.

- January 14, 2016 - RACVB attended IWV EDC Luncheon, guest speak was former Governor Pete Wilson.

- January 27, 2016 - Doug Lueck attended Kern County "State of the County Dinner" in Bakersfield, CA.

- RACVB will have an article in Greater Antelope Valley Economic Alliance 2016 Economic Roundtable Report.

- Elizabeth Nalagan introduced "new" 2016 format for Ridgecrest Film Commission Filming Report, providing more "transparent" information.

- Deborah Corlett updated 2016 membership billing, and advised Directors of research completed on advertising for RACVB Marketing Committee.

- G. Popat reported on RACVB Marketing Committee meeting held Tuesday February 2, 2016.

- February 27 & 28, 2016 – RACVB and a Board Member will have a booth at "Los Angeles Travel & Adventure Show" in Long Beach, CA.

- April 16, 2016 - "Kern County 150th Birthday Bash", RACVB 1st District coordinator Lauryn Petty advised 12 organization agreed to participate in the event activities.

- June 18 – 22, 2016 – IPW will be held in New Orleans, LA, Doug Lueck will attend and work with Visit California promoting the desert region.

FILMING: Ridgecrest Regional Film Commission

For the month of January 2016, there was a total of **1** production for the Ridgecrest Film Commission.

At **Inyokern Airport**, there was **0** productions for January 2016 filming.

***Total* for January 2016: $ 75,000.00**

Next Board of Director's meeting will be Wednesday, ***March 2*, 2016**, location will be Kerr McGee Center.

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:
Second Reading and Adoption, Ordinance No. 16-01, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Water Efficient Landscape

PRESENTED BY:
Keith Lemieux – City Attorney

SUMMARY:
This item was brought for discussion at the regular City Council meeting of November 18.

It was agreed by Council that the City Attorney would revise the State's model ordinance to be more comprehensible to the public and incorporate revisions which would more closely correspond with the Indian Wells Valley Water District ordinance, with regard to watering schedules. It was further agreed the draft Ordinance would be reviewed by the Infrastructure Committee prior to introduction and first reading by Council.

This ordinance is for the general purpose of promoting the values and benefits of landscaping practices that integrate conservation and efficient use of water, as outlined in Governor's Executive Order No. B-29-15 (California Code of Regulations 490, et seq.).

The Ordinance was brought back for introduction and first reading at the regular meeting of Council held February 3, 2016 and a summary of the Ordinance has been published. It is returned now for second reading and adoption by the following motions:

Recommended Motions

1. Motion To Waive Reading In Full And To Adopt Ordinance No. 16-01, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Water Efficient Landscape

   Requires A Second

2. Motion To Adopt, By Title Only, Ordinance No. 16-01, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Water Efficient Landscape

   Requires A Second

FISCAL IMPACT:
None
Reviewed by Finance Director

ACTION REQUESTED:
Approve a motion to waive reading in full and a motion to adopt by title only, an ordinance amending the Ridgecrest Municipal Code as it relates to water efficient landscape.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:
Action as requested:

Submitted by: Rachel J. Ford Action Date: February 3, 2016
(Rev. 6/12/09)

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ORDINANCE NO. 16-01

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIDGECREST, AMENDING THE CITY OF RIDGECREST MUNICIPAL CODE BY ADOPTING WATER EFFICIENT LANDSCAPE REGULATIONS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RIDGECREST as follows:

Section 1. Purpose.

This ordinance is adopted for the general purpose of promoting the values and benefits of landscaping practices that integrate conservation and efficient use of water, as outlined in Governor's Executive Order No. B-29-15 (California Code of Regulations 490, et seq.) (hereinafter "Regulations").

Section 2. Amendments.

CHAPTER XII of the Ridgecrest Municipal Code is hereby amended and reenacted by adding the following sections:

"SECTION 1. TITLE

12-9 - Water Efficient Landscape Ordinance.

12-9.1 - Title.

This section shall be known and may be cited as the Water Efficient Landscape Ordinance.

12-9.2 – Purpose.

This ordinance is adopted for the general purpose of promoting the values and benefits of landscaping practices that integrate conservation and efficient use of water, as outlined in Governor's Executive Order No. B-29-15 (California Code of Regulations 490, et seq.) (hereinafter "Regulations"), which is hereby incorporated into this ordinance in full by this reference.

12-9.3 - Applicability.

(a) After December 1, 2015, this ordinance shall apply to all of the following landscape projects:

(1) New construction projects with an aggregate landscape area equal to or greater than 500 square feet requiring a building or landscape permit, plan check or design review;

(2) Rehabilitated landscape projects with an aggregate landscape area equal to or greater than 2,500 square feet requiring a building or landscape permit, plan check, or design review;

(3) Existing landscapes limited to Sections 493, 493.1 and 493.2 of the Regulations; and

(4) Cemeteries. Recognizing the special landscape management needs of cemeteries, new and rehabilitated cemeteries are limited to Sections 492.4, 492.11, and 492. 12 of the Regulations; and existing cemeteries are limited to Sections 493, 493.1, and 493.2 of the Regulations.

(b) For local land use agencies working together to develop a regional water efficient landscape ordinance, the reporting requirements of this ordinance shall become effective December 1, 2015 and the remainder of this ordinance shall be effective no later than February 1, 2016.

(c) Any project with an aggregate landscape area of 2,500 square feet or less may comply with the performance requirements of this ordinance or conform to the prescriptive measures contained in Appendix D of the Regulations.

(d) For projects using treated or untreated graywater or rainwater captured on site, any lot or parcel within the project that has less than 2500 square feet of landscape and meets the lot or parcel's landscape water requirement (Estimated Total Water Use) entirely with treated or untreated graywater or through stored rainwater captured on site is subject only to Appendix D section (5) of the Regulations.

(e) This ordinance does not apply to:

(1) Registered local, state or federal historical sites;

(2) Ecological restoration projects that do not require a permanent irrigation system;

(3) Mined-land reclamation projects that do not require a permanent irrigation system; or

(4) Existing plant collections, as part of botanical gardens and arboretums open to the public.

12-9.4 - Definitions.

The terms used in this ordinance have the meaning set forth in section 491 of the Regulations.

12-9.5 - Compliance with Landscape Documentation Package.

Prior to construction, the project applicant shall submit a Landscape Documentation Package to the local agency. If the Landscape Documentation Package is approved by

the local agency, the project applicant shall (1) receive a permit or approval of the plan check or design review and record the date of the permit in the Certificate of Completion; (2) submit a copy of the approved Landscape Documentation Package along with the record drawings, and any other information to the property owner or his/her designee; and (3) submit a copy of the Water Efficient Landscape Worksheet to the local water purveyor.

12-9.6 - Elements of the Landscape Documentation Package.

(a) The Landscape Documentation Package shall include the following six (6) elements:

(1) Project information, including (A) date, (B) project applicant, (C) project address, (D) total landscape area in square feet, (E) project type, (F) water supply type (G) checklist of all documents in Landscape Documentation Package, (H) project contacts to include contact information for the project applicant and property owner, and (I) applicant signature and date with the statement: "I agree to comply with the requirements of the water efficient landscape ordinance and submit a complete Landscape Documentation Package."

(2) Water Efficient Landscape Worksheet, including (A) hydrozone information table, (B) water budget calculations (Maximum Applied Water Allowance (MAWA)), and (C) Estimated Total Water Use (ETWU).

(3) Soil management report.

(4) Landscape design plan.

(5) Irrigation design plan.

(6) Grading design plan.

12-9.7 - Water Efficient Landscape Worksheet.

(a) A project applicant shall complete the Water Efficient Landscape Worksheet, which is attached as Appendix B to the Regulations. A project applicant shall thereafter calculate and ensure that the evapotranspiration adjustment factor (ETAF) for the landscape project does not exceed a factor of 0.55 for residential areas and 0.45 for non-residential areas, exclusive of Special Landscape Areas. The ETAF for a landscape project is based on the plant factors and irrigation methods selected. The Maximum Applied Water Allowance is calculated based on the maximum ETAF allowed (0.55 for residential areas and 0.45 for non-residential areas) and expressed as annual gallons required. The Estimated Total Water Use (ETWU) is calculated based on the plants used and irrigation method selected for the landscape design. ETWU must be below the MAWA. In calculating the Maximum Applied Water Allowance and Estimated Total Water Use, a project applicant shall use the ETo values from the Reference Evapotranspiration Table in Appendix A of the Regulations. For geographic areas not

covered in Appendix A, use data from other cities located nearby in the same reference evapotranspiration zone, as found in the CIMIS Reference Evapotranspiration Zones Map, Department of Water Resources, 1999.

(b) Water budget calculations shall adhere to the following requirements: (1) The plant factor used shall be from WUCOLS or from horticultural researchers with academic institutions or professional associations as approved by the California Department of Water Resources (DWR) (the plant factor ranges from 0 to 0.1 for very low water using plants, 0.1 to 0.3 for low water use plants, from 0.4 to 0.6 for moderate water use plants, and from 0.7 to 1.0 for high water use plants); (2) all water features shall be included in the high water use hydrozone and temporarily irrigated areas shall be included in the low water use hydrozone; (3) all Special Landscape Areas shall be identified and their water use calculated as shown in Appendix B of the Regulations; and (4) ETAF for new and existing (non-rehabilitated) Special Landscape Areas shall not exceed 1.0.

12-9.8 - Soil Management Report.

(a) In order to reduce runoff and encourage healthy plant growth, a soil management report shall be completed by the project applicant, or his/her designee, in compliance with section 492.5 of the Regulations.

12-9.9 - Landscape Design Plan.

(a) For the efficient use of water, a landscape shall be carefully designed and planned for the intended function of the project. A landscape design plan meeting the following design criteria shall be submitted as part of the Landscape Documentation Package, and shall meet the criteria set forth in section 492.6 of the Regulations.

12-9.10 - Irrigation Design Plan.

This section applies to landscaped areas requiring permanent irrigation, and not areas that require temporary irrigation solely for the plant establishment period. For the efficient use of water, an irrigation system shall meet all the requirements listed in this section and the manufacturers' recommendations. The irrigation system and its related components shall be planned and designed to allow for proper installation, management, and maintenance. An irrigation design plan shall be submitted as part of the Landscape Documentation Package, and shall meet the criteria set forth in section 492.7 of the Regulations.

12-9.11 - Grading Design Plan.

(a) For the efficient use of water, grading of a project site shall be designed to minimize soil erosion, runoff, and water waste. A grading plan shall be submitted as part of the Landscape Documentation Package. A comprehensive grading plan prepared by a civil

engineer for other local agency permits satisfies this requirement. The grading plan shall comply with the requirements set forth in section 492.8 of the Regulations.

12-9.12 - Certificate of Completion.

The Certificate of Completion shall include be issued in accordance with the specifications set forth in section 492.9 of the Regulations.

12-9.13 - Irrigation Scheduling.

(a) For the efficient use of water, all irrigation schedules shall be developed, managed, and evaluated to utilize the minimum amount of water required to maintain plant health. Irrigation schedules shall meet the following criteria:

(1) Irrigation scheduling shall be regulated by automatic irrigation controllers.

(2) For implementation of the irrigation schedule, particular attention must be paid to irrigation run times, emission device, flow rate, and current reference evapotranspiration, so that applied water meets the Estimated Total Water Use. Total annual applied water shall be less than or equal to Maximum Applied Water Allowance (MAWA). Actual irrigation schedules shall be regulated by automatic irrigation controllers using current reference evapotranspiration data (e.g., CIMIS) or soil moisture sensor data.

(3) Parameters used to set the automatic controller shall be developed and submitted following the criteria set forth in section 492.10 of the Regulations.

(4) Allowable irrigation days and hours shall be determined by the City Council by way of resolution.

12-9.14 - Landscape and Irrigation Maintenance Schedule.

(a) Landscapes shall be maintained to ensure water use efficiency. A regular maintenance schedule shall be submitted with the Certificate of Completion.

(b) A regular maintenance schedule shall include, but not be limited to, routine inspection; auditing, adjustment and repair of the irrigation system and its components; aerating and dethatching turf areas; topdressing with compost, replenishing mulch; fertilizing; pruning; weeding in all landscape areas, and removing obstructions to emission devices. Operation of the irrigation system outside the normal watering window is allowed for auditing and system maintenance.

(c) Repair of all irrigation equipment shall be done with the originally installed components or their equivalents or with components with greater efficiency.

(d) A project applicant is encouraged to implement established landscape industry sustainable Best Practices for all landscape maintenance activities.

12-9.15 - Irrigation Audit, Irrigation Survey, and Irrigation Water Use Analysis.

(a) All landscape irrigation audits shall be conducted by a local agency landscape irrigation auditor or a third party certified landscape irrigation auditor. Landscape audits shall not be conducted by the person who designed the landscape or installed the landscape.

(b) In large projects or projects with multiple landscape installations (i.e. production home developments) an auditing rate of 1 in 7 lots or approximately 15% will satisfy this requirement.

(c) For new construction and rehabilitated landscape projects installed after December 1, 2015, as described in Section 490.1 of the Regulations, (1) the project applicant shall submit an irrigation audit report with the Certificate of Completion to the local agency that may include, but is not limited to: inspection, system tune-up, system test with distribution uniformity, reporting overspray or run off that causes overland flow, and preparation of an irrigation schedule, including configuring irrigation controllers with application rate, soil types, plant factors, slope, exposure and any other factors necessary for accurate programming; and (2) the local agency shall administer programs that may include, but not be limited to, irrigation water use analysis, irrigation audits, and irrigation surveys for compliance with the Maximum Applied Water Allowance.

12-9.16 - Recycled Water.

(a) The installation of recycled water irrigation systems shall allow for the current and future use of recycled water.

(b) All recycled water irrigation systems shall be designed and operated in accordance with all applicable local and State laws.

(c) Landscapes using recycled water are considered Special Landscape Areas. The ET Adjustment Factor for new and existing (non-rehabilitated) Special Landscape Areas shall not exceed 1.0.

12-9.17 - Graywater Systems.

Graywater systems promote the efficient use of water and are encouraged to assist in on-site landscape irrigation. All graywater systems shall conform to the California Plumbing Code (Title 24, Part 5, Chapter 16) and any applicable local ordinance standards. Refer to § 490.1 (d) for the applicability of this ordinance to landscape areas less than 2,500 square feet with the Estimated Total Water Use met entirely by graywater.

12-9.18 - Stormwater Management and Rainwater Retention.

(a) Stormwater management practices minimize runoff and increase infiltration which recharges groundwater and improves water quality. Implementing stormwater best management practices into the landscape and grading design plans to minimize runoff and to increase on-site rainwater retention and infiltration are encouraged.

(b) Project applicants shall refer to the local agency or Regional Water Quality Control Board for information on any applicable stormwater technical requirements.

(c) All planted landscape areas are required to have friable soil to maximize water retention and infiltration.

(d) It is strongly recommended that landscape areas be designed for capture and infiltration capacity that is sufficient to prevent runoff from impervious surfaces (i.e. roof and paved areas) from either: the one inch, 24-hour rain event or (2) the 85th percentile, 24-hour rain event, and/or additional capacity as required by any applicable local, regional, state or federal regulation."

Section 3. Other.

Except as otherwise provided, the Ridgecrest Municipal Code is reaffirmed and readopted.

PASSED, APPROVED, AND ADOPTED at a regular meeting of said City Council held on _____, 2016, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Peggy Breeden, Mayor

ATTEST:

_____
Rachel J. Ford, City Clerk

(Seal)

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF KERN

Public
Notice

Case Number 135773

DECLARATION OF PUBLICATION (2015.5 C.C.P.)

State of California, County of Kern, ss:

Declarant says:

That at all times, herein mentioned declarant is and was a citizen of the United States, over the age of twenty-one years, and not a party to nor interested in the within matter; that declarant is the principal clerk of the printer and the publisher of THE DAILY INDEPENDENT, a newspaper of general circulation printed and published daily in the City of Ridgecrest, Indian Wells Judicial District, County of Kern, State of California, which newspaper has been adjudged a newspaper of general circulation by the said Superior Court by order made and renewed July 8, 1952, in Civil Proceeding No. 58584 of said Court: that the instrument of which the annexed in a printed copy has been published in each regular and like issue of said newspaper (and not any supplement thereof) on the following dates, to-wit:

2-9-16

I declare under penalty of perjury that the foregoing is true and correct.

EXECUTED ON February 9, 2016, at Ridgecrest California.

Declarant

CITY OF RIDGECREST PUBLIC NOTICE

SUMMARY OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIDGECREST, AMENDING THE CITY OF RIDGECREST MUNICIPAL CODE BY ADOPTING WATER EFFICIENT LANDSCAPE REGULATIONS

INTRODUCTION: Under Government Code Section 36933 (c) (1), the City may publish a summary of a proposed ordinance or a proposed amendment to an ordinance provided that a summary of the proposal is prepared by the person designated by the City Council and provided further that the summary is published at least five (5) days prior to adoption of the proposal and within fifteen (15) days after the adoption with the names of the Council Members voting for and against the proposal. This summary of a proposed amendment to the Ridgecrest Municipal Code is pursuant to Government Code Section 36933 (c) (1). A CERTIFIED COPY OF THE FULL TEXT OF THE PROPOSAL IS AVAILABLE FOR INSPECTION IN THE OFFICE OF THE CITY CLERK, CITY HALL, 100 WEST CALIFORNIA AVENUE, RIDGECREST, CA. TITLE: "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIDGECREST, AMENDING THE CITY OF RIDGECREST MUNICIPAL CODE BY ADOPTING WATER EFFICIENT LANDSCAPE REGULATIONS " At their regular meeting on February 3, 2016, the City Council approved this ordinance on first reading and authorized and instructed the City Clerk to prepare a summary for publication. Approval on 2nd reading, by title only, will be considered at the Regular City Council meeting to be held on February 17, 2016. GENERAL SUMMARY: This ordinance is adopted for the general purpose of promoting the values and benefits of landscaping practices that integrate conservation and efficient use of water, as outlined in Governor's Executive Order No. B2915 (California Code of Regulations 490, et seq.)

City of Ridgecrest
Rachel J. Ford, CMC
City Clerk
Dated: February 4, 2016

(02/09/2016)

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:
A Resolution Establishing The Salary For the Position of City Manager

PRESENTED BY:
Keith Lemieux – City Attorney

SUMMARY:

The Municipal Code requires that the City Council perform an an annual review of the City Manager's performance so that the City Council may consider an increase in salary and benefits in such amounts and to such an extent as may be determined in keeping with the personnel policies and procedures. Pursuant to this provision, the City Council performed Mr. Speer's performance evaluation in a series of closed session meetings that concluded on January 20, 2016.

As this evaluation was on balance favorable, the City Council directed that an action item be placed on the City Council's public agenda for consideration of a pay increase. This increase was suggested be in the amount of 5% to be consistent with the City's policy for step pay increases.

The City Manager currently has an annual base salary of $165,900. Based on the instruction of the City Council, the recommended action is to approve a resolution that directs the City to execute an amended agreement that increases the City Manager's base salary by 5% to an amount of $174,195 per year.

This adjustment is suggested in recognition for the fact that the City Manager has satisfactorily performed the work of two department heads at significant cost savings to the City.

FISCAL IMPACT:
$
Reviewed by Finance Director

ACTION REQUESTED:
Adopt A Resolution Approving A 5% Salary Increase For The City Manager

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Rachel J. Ford Action Date: February 17, 2016
(Rev. 6/12/09)

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RESOLUTION NO 16-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST ESTABLISHING THE SALARY OF THE POSITION OF CITY MANAGER

WHEREAS, The City Council is responsible for evaluating the performance of the city manager pursuant to municipal code section 2-4.104; and

WHEREAS, The City Council has authority to negotiate and establish the salary of the City Manager.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIDGECREST DOES HEREBY RESOLVE to direct the execution of an amended contract of employment with the City Manager that increases the base annual salary of the City Manager to $174,195 effective March 1, 2016.

APPROVED AND ADOPTED this 17th day of February, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Peggy Breeden, Mayor

ATTEST:

_____
Rachel J. Ford, CMC
City Clerk

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CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:
Technology Committee Presentation on Reliable, Community-wide Broadband Implementation

PRESENTED BY:
Jay Chun, Dr. Earl Ferguson, Bill Sumners, Justin O'Neill, Chip Holloway, Dave Matthews

SUMMARY:

Presentation agenda:

- Introduction
- Community Benefits of High Speed Broadband
- Recommendations
- Communities that Upgraded to High Speed Broadband
- Recommended Goals
- Summary
- Wrap-up

FISCAL IMPACT: N/A

Reviewed by Finance Director

ACTION REQUESTED: City Council direct city staff to plan and implement a phased approach to providing a one gigabit broadband community.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Jay Chun Action Date: February 17, 2016
(Rev. 6/12/09)

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Broadband Technology Committee Update, Outlook and Recommendation

Brief to

City of Ridgecrest, City Council

Feb 17, 2016

Introduction

- **The Broadband Committee is Sub-Committee of the Economic Development Committee**
  - Its purpose is to facilitate implementation of a gigabit Internet fiber optic network for Ridgecrest that is critical for economic development
  - Committee members are Dr. Earl Ferguson, Dave Matthews, Chip Holloway, Bill Sumners, Justin O'Neill, and Jay Chun, with contributions from Timothy Neipp and Ray Hocker
  - With the exception of Justin O'Neill, all members are unpaid volunteers with no official ties with the city

Broadband Internet is required for healthcare, public safety, education, and economic development to support our community.

- **What is Broadband Internet?**
  - Broadband is a high-capacity transmission system for reliable Internet communications. State-of-the-art fiber optic cable can transmit much more than gigabits per second. Other broadband techniques, like coaxial cable and wireless/WiFi, are much more limited than fiber, typically to 100 Mbps or a little faster.
- **California Broadband Cooperative (CBC)**
  - CBC is a cooperative owned and operated by members in the Eastern Sierra Region. It is a major resource for regional gigabit fiber optic network implementation.
  - CBC completed the Digital 395 Project in 2014: The 583-mile network actually operates as an Internet backbone between Carson City, NV and Barstow, CA connecting to two Level III Internet backbones, although funding agencies define it as "middle mile". The project was funded by the U.S. Department of Commerce under the American Recovery and Reinvestment Act of 2009 (ARRA), and the California Advanced Services Fund administered by the California Public Utilities Commission.

Broadband Internet is required for healthcare, public safety, education, and economic development to support our community.

- **Our Community must have robust, reliable broadband**
  - High capacity broadband is essential economic development
  - It is essential for healthcare
    - Ridgecrest Regional Hospital has gigabit connectivity for rapidly growing health information technologies. Its needs for Internet connectivity will continue to grow rapidly. Telemedicine/telehealth requirements, for example, are expected to double yearly for the next few years, especially with mobile monitoring devices and other technologies to support patients at home.
  - It is essential education
    - Sierra Sands
    - Cerro Coso Community College
  - It is essential for the quality of life of the citizens of Ridgecrest and the frequent visitors to our city

Broadband Internet is required for healthcare, public safety, education, and economic development to support our community.

Funding Opportunities

- Healthways -- Blue Zones Project
  - Grant development and support for communities selected as Blue Zone projects
- California Accountable Communities for Health
  - Community Partners website: http://www.communitypartners.org/cachi
- TAB funds for initial implementation
- RFP for last mile implementation to business and community residences
  - To drive dialog with and proposals from incumbent service providers
- Infrastructure planning and permit collaborations to bring down cost
  - right-of-ways
  - utility poles
  - un-used pipes and conduits
  - trenching and installation methods
- Revenue Bonds

Municipality or Private Sector Broadband Ownership Options

- **Municipality, city installs the network**
  - City owns the network, city utility
  - RFP for service providers – very competitive
  - Fees from service provider(s) go towards
    - Paying off revenue bond
    - Fees to CBC connectivity and management of network
    - Support City network operations, maintenance and upgrades
      (Outsourcing is an alternative)
- **Private Sector**
  - Owns the network
  - Responsible for network operations, maintenance and upgrades

Recently Upgraded Community Broadband Infrastructures

- **Mammoth Lakes, CA**
  - Private venture by incumbent service provider
- **Sandy, OR (pop: 10,000)**
  - Municipal approach with use of revenue bond
- **Santa Monica, CA**
  - Revenue from savings by terminating access to private lines
- **Glasgow, Kentucky**
  - Revenue bond

California Communities Now Getting Gigabit Broadband Infrastructure

- Boron
- Randsburg
- Johannesburg
- Crowley Lake
- Stallion Springs
- Mammoth Lakes
- Ridgecrest?????

Cost-Benefit Analysis

- **Cost-Benefit Analysis (CBA) estimates and totals up the equivalent money value of the benefits and costs to the community of projects to establish whether they are worthwhile. These projects may be dams and highways or can be training programs and health care systems.**

Gigabit Ridgecrest

- **Cost to install $$**
  - Phased approach
    - Develop Implementation plan 3 Month
    - Socialize Plan with community 30 days
    - Ask for city residents to invest, Pay it forward, Large $ investor, Loans from residents, Partnering with existing ISP's, utility grants, Bonds
    - Set up ISP owned and operated by the City. Billing, Support, Partnering agreements
    - RFP to Contractors, use locals
    - Free wireless throughout the city 1Mb. Bandwidth on demand. Fee for service, like hotels and airlines
    - Start laying fiber to the high density and business areas while wireless pays the bills

Cost Breakdown

- Monthly connection cost to CBC, $7k =1gb
- Installation cost. $25m
- If the City ISP gets 60% subscriber rate as Sandy OR did at $60 monthly of 4000 subscribers. Monthly gross income would be $240,000
- Over 12 months total gross income would be

  $2,880,000

- Over 20 years, $57,600,000

Changing the Numbers

- If the City ISP gets 70% subscriber rate as Sandy, OR, did at $75 monthly of 5000 subscribers, monthly gross income would be $375,000
- Over 12 months total gross income would be

$4,500,000

- Over 20 years, $90,000,000

Cost savings to Residents

- Phone $72 currently to $9.95
- Cable, Internet and Satellite TV $120 to $75
- Internet $70
- Total from $262 monthly to $84.95

Savings of $177.05 Monthly

Broadband Internet is required for healthcare, public safety, education, and economic development to support our community

- **Recommendations: City Council Engagement**
  - Direct City Staff to work with City Council, Broadband Committee and the public to develop and implement a Broadband policy over the next 3 months.
    - Draft is Completed
  - Reviews and progress reports by staff monthly at City Council meeting
  - General Plan Change
    - Implement one dig policy
    - City Staff engaged with Broadband committee.
    - Assign IT type person from the City to help.
  - Broadband Committee engage with Planning Commission and Infrastructure Committee to assist implementation plan.

Broadband Internet is required for healthcare, public safety, education, and economic development to support our community

- **Additional Recommendations**
  - Request for proposal
    - City draft RFP (with help from the broadband committee) to hire an employee to prepare an implementation plan for Gigabit Internet installation throughout the city
      - Plan would engage existing and other Internet providers to examine connectivity throughout the city and propose options for future connectivity and buildout.
    - Prepare cost matrices and performance criteria.
      - With comprehensive detail for implementation, cost and return on investment.
    - Decide on municipality or private sector service providers
    - Develop phased approach for implementation of gigabit internet to each household and business
  - Invest TAB funds to pay for RFP and potential investment into start-up efforts

Recommended Goal's for the City of Ridgecrest and the surrounding area.

- **Goal 1. Plan for development of Ridgecrest as a gigabit community to serve all businesses and community users by or before 2019.**
- **Goal 2. Provide development standards to ensure that deployment and implementation minimizes impacts on visual and natural resources.**
- **Goal 3. Seeking cost-effective, efficient and reliable solutions that will be supported by the community.**

Resource Documents for City Staff

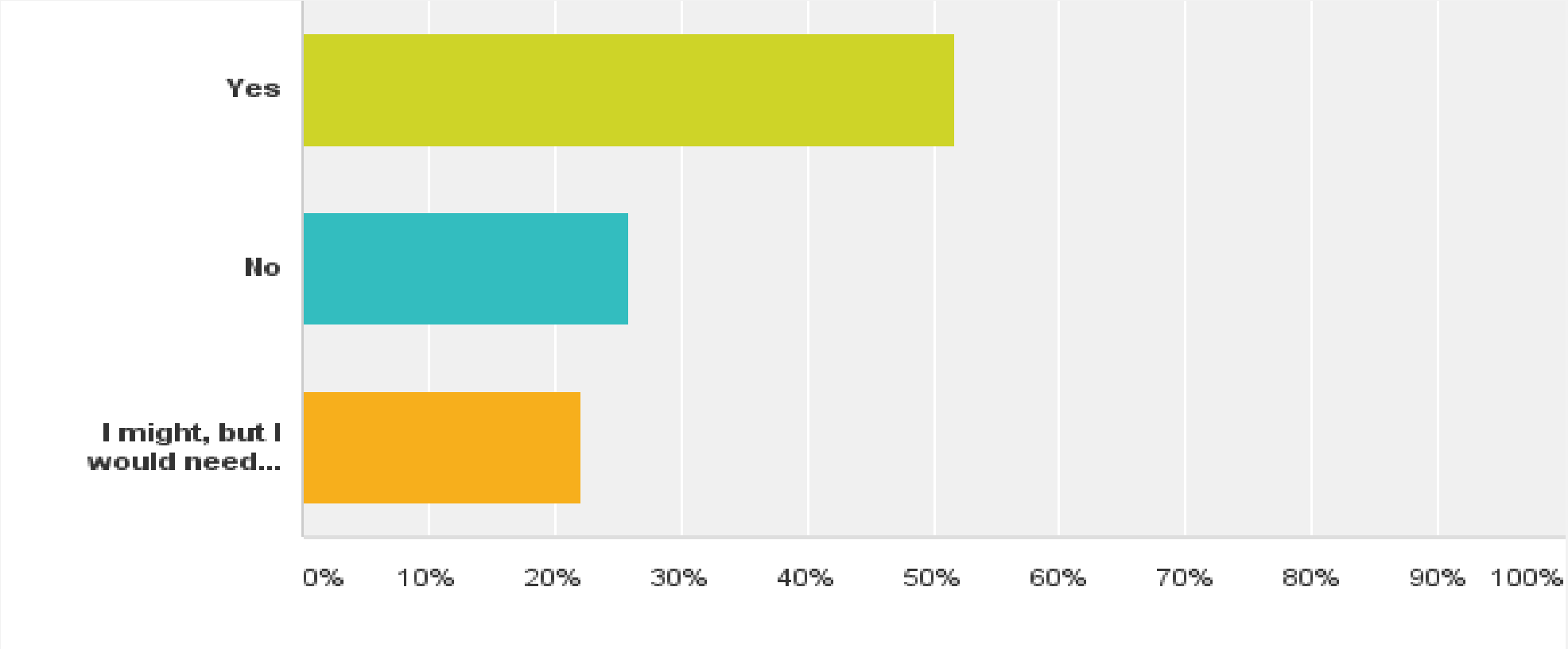
- Broadband Presentation Outline
- Broadband Survey Results
  - Residential & Business Reports
- Broadband Community Strategy
- Draft Ridgecrest Gigabit Broadband Policy
- Millennial Focus Group Report

Summary

- **Summary**
  - **Click here for Video: Gig City Sandy**
  - Relevant for the entire community
    - **World-class, reasonably priced, high capacity Internet access where you live, work and play**
    - **Provides opportunities to thrive for all generational groups, businesses and residences**
  - Further actions/analysts/decisions by city officials/staff
  - Brief Summary of Surveys

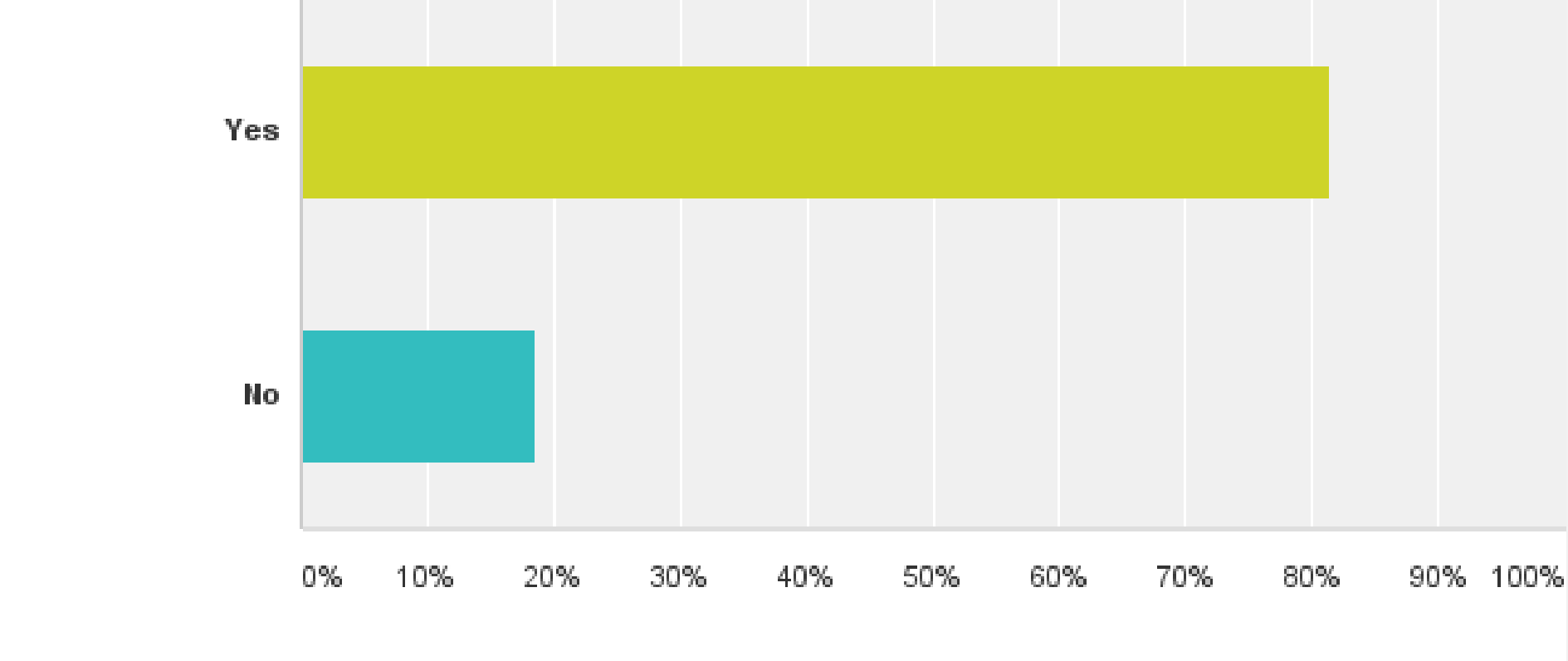
Buy-in, Data supporting recommendation

Question 12: If you had access to unlimited bandwidth and were able to afford it, would you diversify or grow your business?



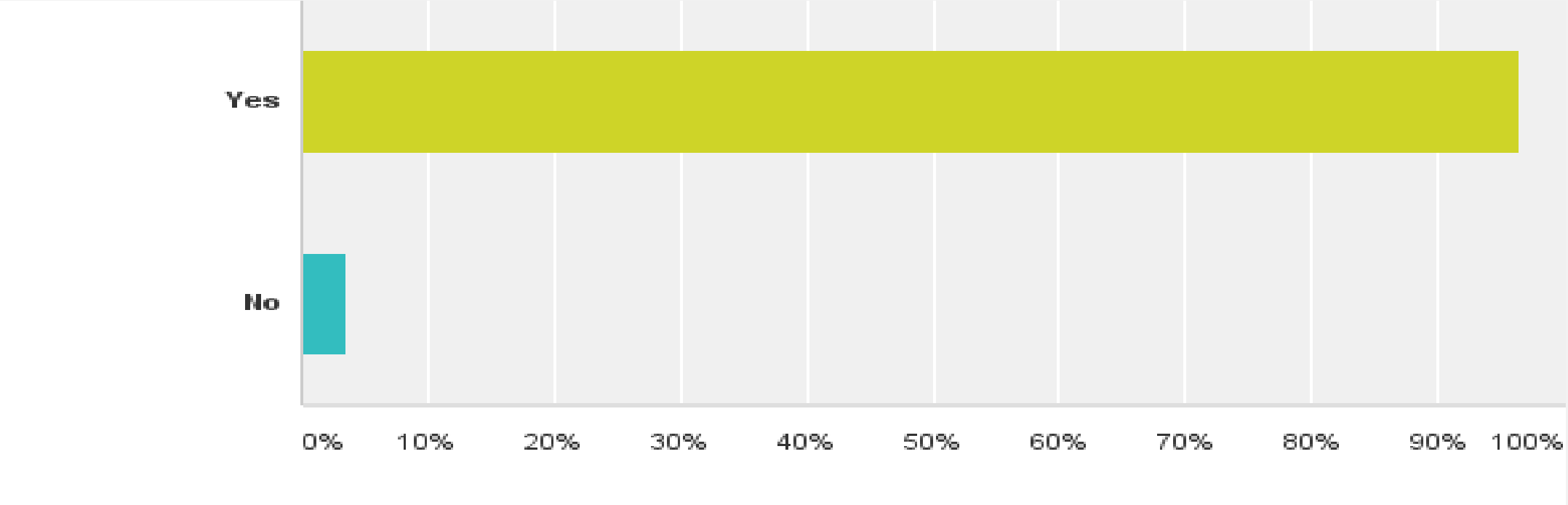
Buy-in, Data supporting recommendation

Question 14: In order to make the initial fiber connection cost more affordable, would you be willing to partner with other businesses?



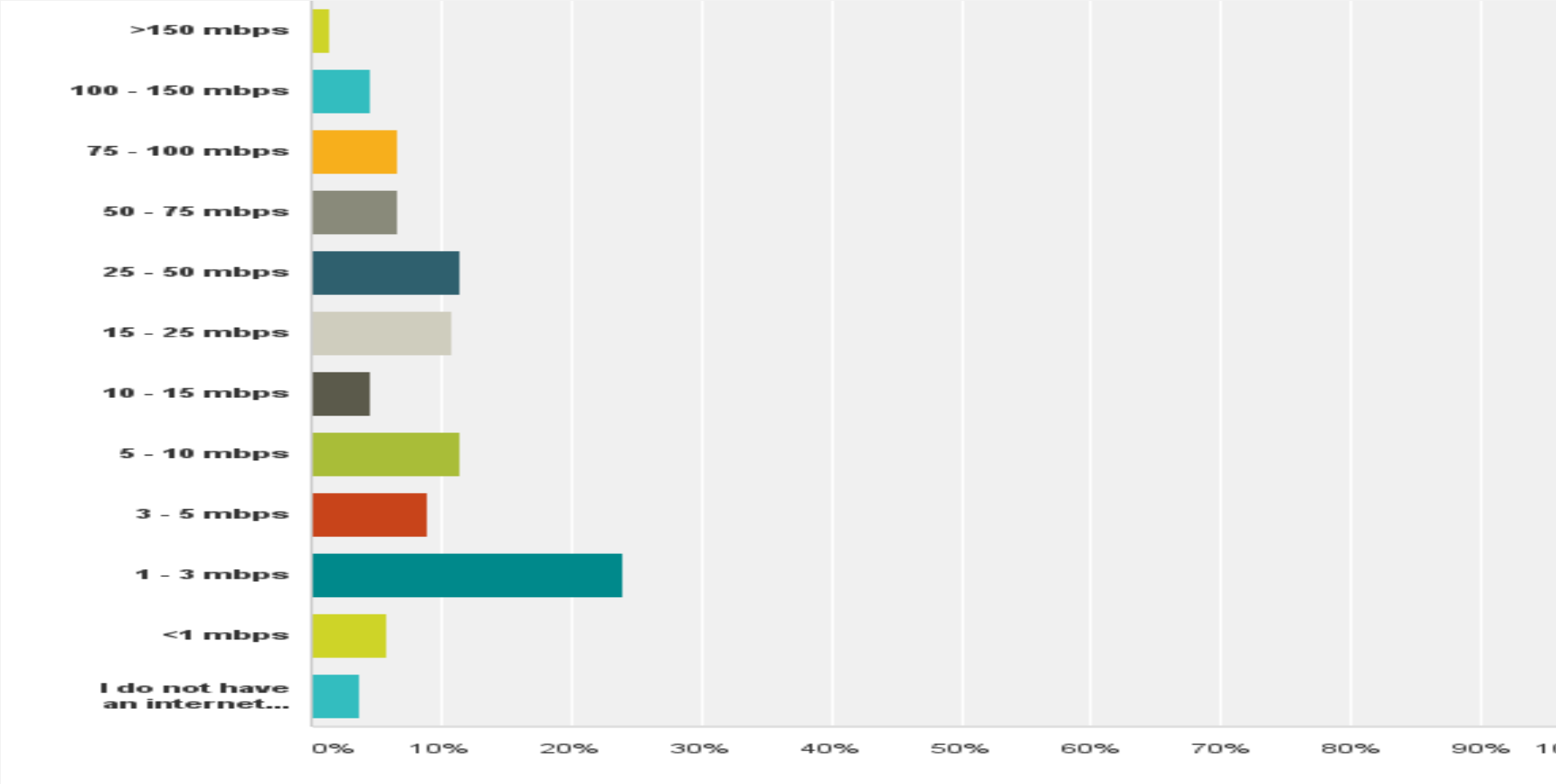
Buy-in, Data supporting recommendation

QUESTION 1: DO YOU HAVE INTERNET ACCESS AT HOME?



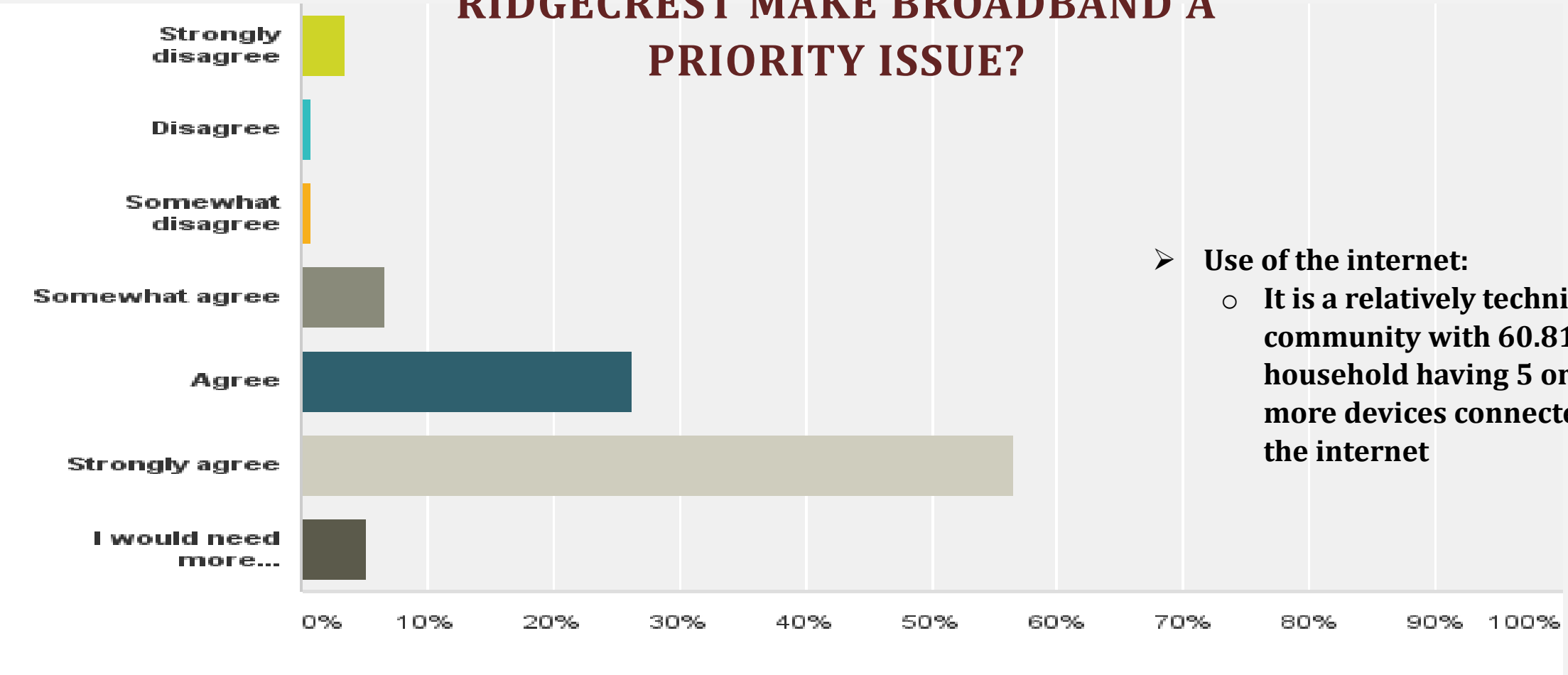
Buy-in, Data supporting recommendation

QUESTION 7: WHAT IS YOUR ACTUAL INTERNET DOWNLOAD SPEED AT HOME?



Two Content Layout with Table

QUESTION 19: SHOULD THE CITY OF RIDGECREST MAKE BROADBAND A PRIORITY ISSUE?



- **Use of the internet:**
  - **It is a relatively technical community with 60.81% of household having 5 or more devices connected to the internet**

Questions?

"**And here's the kicker: polls show that world-class internet access is becoming a voting issue in America**." - *National League of Cities: Broadband Report (Jan. 7, 2016)*

"**What water and power were in 1910 or 1930, Internet access is in 2016. Cities needn't wait for Google like a home-bound Cinderella waited for her prince to rescue her from her ashes and sack clothes. Cities and towns could deliver such services more cheaply and comprehensively than private companies, and even more importantly, could spark new business ventures within their borders in ways impossible to calculate**." - *Governing Magazine*

Broadband Strategy Presentation

Presentation to Ridgecrest City Council

2.17.16

Vision

The internet has completely changed the way we interact. Communications is just one area affected by the expansion of instantaneous data exchange. Businesses market and deliver products in a whole new way. The government implements programs through online portals. Healthcare is becoming increasingly dependent on internet connection for eHealth records and telemedicine services. We are dependent like never before on the internet connection we have at home, at work, and in the places we frequent.

But even more than how the internet has changed what was, it has created new opportunities for what could be. We are moving forward into a digital future dependent on the internet. The way we shop will continue to evolve as online purchases become easier, safer, and delivery methods (think drones) more immediate. The way we drive will evolve as the self-driving car from Google mixes with the drive-share model of Uber and suddenly, we may never need to purchase cars again. The way we learn will evolve as highly interactive, digital environments can recreate historic and conceptual information in a dynamic and inspirational way. This is the way the world is moving. And the internet is at its core.

Building a strong, reliable network requires a public-private partnership. It is an immense, infrastructural undertaking akin to highways, electrical networks, and aqueducts. To make it economically viable, communities must pool resources and strategize how to best fund and implement broadband infrastructure. It should be everyone's priority – government, business, public – to see a strong, reliable connection reach every building. From economic development, to public safety, to healthcare, to education, to quality of life, communities need reliable and fast connections that are built to last. It's time to usher in the future.

Vision Focus

To achieve this vision, all sectors of the community must be engaged and educated on broadband opportunities. Through an aggregated strategy and collaborative effort, the follow goals will be achieved:

1. Develop an aggregated strategy that incorporates the entire community, including anchor institutions, homes, and businesses, in a fiber-optic deployment plan
2. Create a policy and implement in the general plan
3. Educate local stakeholders, business owners/developers, and anchor institutions on the broadband tools available and the way to use them in order to create a modern community
4. Appoint staff who will be champions of broadband in the community, looking for strategies to connect businesses and enhance the local economy and quality of life

Terminology

- **Adoption** – the purchase and use of the internet in a home, business, or public facility
- **Anchors** – refers to institutions within a community that fall under one of the following categories: government, education, medical, and safety.
- **Applications** – anything the user can interact with and benefit from on their computer or device
- **Backhaul** – the internet connection between the internet service provider and the government connection into the national internet infrastructure.
- **Bandwidth** – the range of frequencies within a given band, particularly those used for transmitting a signal. Bandwidth is a measurement of the amount of signal that can be transferred, like the amount of water that can run through a pipe, depending on the size of the pipe.
- **Broadband** – a high-capacity transmission technique which uses a wide range of frequencies and enable a large number of messages to be communicated simultaneously. Broadband effectively multiplies the amount of bandwidth that a network is capable of.
- **Capacity** – refers to the amount of data transference in a given internet technology.
- **Cable** – Internet is provided over coaxial cable (same as used for Cable TV). Speeds can be up to 1 Gbps.
- **Deployment** – refers to the extension of internet connections or the increase in adoption in any given community.
- **Digital 395 (D395)** – a fiber-optic middle-mile that runs from Barstow to Reno roughly along Highway 395. D395 is an extremely sophisticated fiber network, offering theoretically limitless capacity to those that connect. D395 was paid for by a combination of Federal and State grant funds and is managed by a cooperative that sells at wholesale prices to anchor institutions and internet service providers.
- **Digital Divide** – refers to the gap in access to resources, such as education and medical services, that are available through the internet. Often refers to economically or educationally disadvantaged, including low-income communities and senior citizens.
- **Fiber to the Premise (FttP)** – Fiber optic cable that provides the highest quality data transport, and in this model, is run directly to the house or business. Speeds over fiber are typically in the 1 Gbps range, but are theoretically limitless.
- **Internet Service Provider (ISP)** – the company that manages the 'last-mile' and provides internet services to homes, businesses, and public facilities.
- **Last-Mile** – the extension of an internet network from the middle-mile and the end user. Usually, from a main internet cable or satellite that brings the internet into a community to the homes and business that use it. The last-mile is what is managed and maintained by internet service providers.
- **Middle-Mile** – the main cable or satellite that extends from any connected community to the government connection point into the national internet infrastructure.
- **Network** – a broad term referring to all internet infrastructure, including diverse technologies (wireless & wireline) that connects homes, businesses, and public facilities to the internet.
- **Point-to-Point (wireless)** – a type of internet service delivery technology that uses radio transmissions to relay signals from one transmitter/receiver to another. Tends to be cost effective because it doesn't require the installation of much physical infrastructure, but suffers from low quality data transmission and physical interruption of the signal.
- **Wireless** – a general term for any technology that delivers internet service without a physical cable or wire, usually via radio or microwave transmission.
- **Wireless Internet Service Providers (WISP)** – a provider that exclusively utilizes wireless technology to deliver internet services.
- **Wireline** – a general term for any technology that delivers internet service by a physical cable or wire.

Overview

This overview provides a timeline of effort and accomplishments of the Technology Committee to date:

Surveys

- In conjunction with Eastern Sierra Connect Regional Broadband Consortium (ESCRBC), separate residential and businesses surveys were circulated throughout the community to determine internet use, customer satisfaction, and level of understanding on broadband issues.
- Survey data was broken out and a full report was written in a collaboration between the Technology Committee and ESCRBC
- The surveys demonstrated:
    - potential for business growth
    - demand for improved capacity and reliability
    - disapproval of incumbent service providers (Mediacom & Verizon, especially)
    - need for education on broadband issues
    - demand for fiber networks
    - anticipated need for much greater capacity in the future

Policy Development

- Acquired policy samples from Mono County to be used as a template for policy development and implementation of policy in City of Ridgecrest's General Plan
- Began red-lining policy to adapt it to Ridgecrest's particular needs
- Explored the process of developing a Communication Policy:
    - Meeting w/ Economic Development Committee including Beth Summner, Loren Culp, & Gary Parsons
    - Meeting w/ City staff & officials (Peggy Breeden, Mike Mower, Gary Parsons) to discusses process
    - Meeting w/ Dennis Speer to discuss proper development and implementation of General Plan
- Met with consultant and broadband policy expert Jeffery Sinsheimer regarding Ridgecrest's unique characteristics and a strategy for full fiber deployment throughout the community
- Met with Mono County IT Director Nate Greenberg and Town of Mammoth Lakes Councilmember John Wentworth regarding the development and implementation process for Mono County's Communication Policy

Aggregated Strategy

- Collaborated with ESCRBC to populated community data matrix for Ridgecrest that captures basic connectivity needs, gaps, barriers and opportunities
- Heard presentation of Broadband Community Strategy from ESCRBC and discussed the ability to enact this strategy through government, anchor institutions, business leaders, and public relations.
- Met with Michael Ort, CEO of Praxis Associates and the chief architect of the Digital 395 project, regarding the aggregation of Ridgecrest's needs, development of an incremental deployment strategy, and the need for an applications-focused educational effort

Provider Engagement

- Attended and gave testimony at the California Public Utilities Commission public hearing of Verizon's transfer of wireline assets to Frontier Communications
- Heard report from ESCRBC on meetings with Frontier and Mediacom regarding the plans to upgrade/expand networks in Ridgecrest
- Met with Cliff Beddingfield of Inyo Networks (last-mile provider connected with Digital 395) regarding cost and strategy associated with a community-wide fiber-optic build out

Benefits of Broadband

To best express the impact of broadband deployment throughout the community, the following breakdown identifies benefits or potential benefits that would affect different categories or sectors of the community:

Economic Development

Developers

1. Ridgecrest enjoys the unique asset of a near-limitless capacity middle-mile (Digital 395) which can be leveraged for enhanced value to local developers
2. Undeveloped areas can be equipped with fiber infrastructure that would dramatically increase land value and improve local attractiveness to major businesses, including software companies, data centers, and other technology-based industries.
3. Partnering near-limitless capacity fiber, low cost of living, low property costs, an advanced technical workforce, and alternative energy options (solar), Ridgecrest can become an extremely attractive development location for technology-based industries to develop secondary or primary presence.

Businesses

1. The delivery of products and services via online applications expands a business' market reach
2. Businesses who employ modern & digital business practices (including and especially marketing) attract younger consumers[1]
3. Online applications offer businesses dramatically enhance efficiency options, such as online bookkeeping, inventory, customer service, marketing, and sales.
4. DoD contractors require extremely high capacity connections to conduct business. Development of a fiber-optic network enhances existing business, while creating a potential to attract/expand more business.
5. Businesses that have already made the investment to connect to high-capacity fiber (Digital 395) have demonstrated significant growth and capability (ex: Desert Valley Federal Credit Union)

Workforce

1. NAWS & NAWCWD have already committed to a focus on workforce improvement, specifically addressing retention & recruitment. Developing a high-capacity, reliable network translates to a local asset that improves the value of living/working in Ridgecrest.
2. A high-capacity network for residents and businesses that employ modern best practices creates a high-tech community with great appeal to a Millennial workforce[2]

Quality of Life

Healthcare

1. Healthcare services are increasingly moving toward preventative services and a focus on wellness. This translates into a focus on in-home wellness products and services that will be delivered via broadband.
2. Telehealth services continue to expand, closing the divide between rural and urban healthcare options. Patients will now have access to specialized services, whether those services are based locally, across the country, or internationally. These services will require extremely high-capacity and reliable connections to be usable.

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[1] According to the Pew Research Institute, Millennials will be the largest consumer group to date. Their interest in business is often defined by an online connection or application. Surveyed Millennials in Ridgecrest (Millennial Focus Group Report) have identified a lack of modern business practices as a reason for not frequenting local shops.

[2] NAWCWD leadership has presented multiple times, including to Ridgecrest City Council, on the great need to address the issue of leakage and develop a community that attracts and retains a younger workforce

3. Online healthcare tools are not just to be implemented in hospitals, but also through clinics and private practice offices. This means a high-capacity connection must reach all these venues to realize the full impact of online healthcare services in Ridgecrest.
4. Many healthcare services, including diet education, insurance, prescription ordering & delivery, and communication with healthcare professions, have shifted to convenient online access portals. This means that it is just as imperative that homes have high-capacity connections as clinics and offices.

Education

1. Classrooms are now fully integrated with technology, which requires high-capacity connections for nearly all educational applications.
2. Students return home with assignments which require online researching, learning applications, virtual classroom interactions, and more. These are increasingly becoming the norm, but require at-home connectivity in order to take advantage.
3. Online study programs through colleges & universities have become a primary source of continued education. Cerro Coso Community College was among the first offer online programming, and continues to expand its offerings. These opportunities to locals as well as the ability for our educational institutions to expand depend on high-capacity connections to homes as well as campuses.
4. Numerous non-accredited learning tools, such as Lynda.com or Khan Academy, allow individuals to continue to explore interests. These have become significant learning tools for individuals to expand career opportunities and develop themselves. This translates to a quality of life issue dependent on high-capacity broadband.

Public Safety

1. Emergency communications and reporting have continued to shift to online applications and delivery systems. These systems are dependent on reliable and high-capacity connections. Above-ground wireline (on poles) and wireless (via microwave or satellite) can be interrupted by inclement weather. Particularly for a remote community, such as Ridgecrest, emergency services provided via Digital 395 is a public safety issue.
2. Numerous mobile applications and monitoring devices have 'socialized' public safety, providing a wide range of technological tools for responders and law enforcement to utilize. Broadband remains the mode of connectivity between these devices and public safety professionals, such as police and emergency response personnel (fire & ambulance).

Residents

1. Numerous surveys have reported the decline of cable and satellite services to be replaced by online entertainment options, such as Netflix or Hulu. Video streaming remains highest in bandwidth use, and therefore requires an extremely high-capacity, broadband connection to allow all homes to make use of these services.
2. Home applications for broadband continue to expand, now including the aforementioned applications of healthcare, education, safety, and entertainment. Projections indicate this trend will only accelerate, placing larger and larger data burdens on provider networks. This can only be resolved with high-capacity connections with potential for continuous upgrades.

Proposed City of Ridgecrest General Plan Communication Policies

Feb 1 2016

I. ISSUES / OPPORTUNITIES / CONSTRAINTS

Communications

1. Telecommunications infrastructure and services are critical components for long-term growth and sustainability for the City , as they provide the basic resources necessary for businesses to operate and add to the quality of life for residents. Increasingly, business success is tied to online accessibility, including e-commerce solutions, discoverability, and the overall necessity of high-quality broadband capable of high speeds with symmetric up and down transfer rates. Of equal importance is broadband to residents for access to online education, research, employment, health care, and government resources.

2. Historically, has suffered from a lack of quality broadband due to our aging and low population with dispersed community areas. With the installation of Digital 395 (see III.C. Definitions for more information) in 2015, however, capacity issues may be resolved and new opportunities have and can be addressed.

3. With the rapid advances in mobile device technology, both providers and subscribers are increasingly looking to mobile solutions to help fill communication gaps and provide alternatives to typical fixed deployments. While the mobile alternatives are extremely valuable at fulfilling their role, they are not a panacea for solving broadband issues throughout the City.

4. The primary issues with the mobile broadband solution are the data caps that are placed on customers, the overall cost of the service, the typical requirement of a long-term contract in order to receive the service and the aging infrastructure. While these are hurdles typically overcome by those looking to utilize this technology as a secondary method for accessing the Internet, for those who are looking at it as their primary, they may be insurmountable.

5. For the most part, some form of cellular coverage exists in almost every community; however, it is carrier dependent. AT&T, Mediacom and Verizon are the three main carriers, whose coverage models overlap, but do not provide the same coverage in all of the same areas. In addition to some communities not having cellular service, there are significant sections of our primary highway corridors without coverage, which poses safety concerns and convenience issues for travelers.

6. With Digital 395, cellular coverage throughout the City may improve as new sites are developed and existing sites improved with upgraded technology that adopts a fiber-fed backhaul. This development pattern is important, and should be considered strategically and implemented thoughtfully in order to meet goals and objectives while adhering to policies and parameters.

7. Within the context of non-mobile broadband technology, City of Ridgecrest continues to struggle with the basic aspects of accessibility, reliability, and adoption. These three aspects are closely related to each other, as the region as a whole has been starved of quality Internet until very recently. Where service is accessible (mainly in the major community areas), the reliability and usability of that service has not always been great enough to motivate everyone to adopt. Coupled with the demographics of the region (a mix of income levels, education, age, and ethnicities), a portion of the population still does not use the Internet.

8. Outside of the community, most communities do not have more than one Internet Service Provider. For the most part, smaller communities are serviced by a single fixed wireless provider (Schat.net), leaving only one other small, wireline provider (IWVISP) to compete with the bigger companies offering wireline service.

9. Due to limited competition, the market in each community has been dominated by a single (non-mobile) carrier, which limits consumer choice, stifles competition, and does not afford redundancy. In addition, business use of Internet is limited to residential grade service plans, with only a small number of T1 type connections, or similar higher speed service offerings. In general, this has not only resulted in those businesses being confined to Local area, but also made it difficult or financially impractical for businesses to get higher speeds or symmetric service offerings.

10. A high priority is placed on broadband market development, and the engagement of City of Ridgecrest in the regional deployment of this critical infrastructure. Participation in local, regional, statewide, and federal efforts that are aimed at the improved diffusion of broadband and communications technology is an important part of achieving the goals and objectives.

II. DEFINITIONS

Communications

1. Digital 395: A 583-mile long Middle Mile fiber optic project between Carson City, NV and Barstow, CA. This project was jointly funded by the U.S. Department of Commerce under the American Recovery and Reinvestment Act of 2009 (ARRA), and a ratepayer fund dedicated to broadband development known as the California Advanced Services Fund which is administered by the California Public Utilities Commission.

2. California Broadband Cooperative: A not-for-profit telephone cooperative that will serve as the long-term owner and operator of the Digital 395 network.

3. Praxis Associates, Inc.: A recognized California-based fiber optic development firm responsible for securing the funding and serving as the lead on the design, management, and construction of the Digital 395 project.

4. Middle Mile: In utilities and telecommunication networks, this is the core portion of the infrastructure that provides the high-capacity, long-haul routes from points of origin for service to local service providers and smaller distribution networks.

5. Last Mile: In utilities and telecommunication networks, this is the local network that delivers service to consumers, as developed and carried out by Internet Service Providers (ISPs).

6. Anchor: As it relates to Digital 395, these are government, education and medical facilities, and service provider points of interconnect where services are provided by Digital 395.

7. Node: As it relates to Digital 395, these are locations along the fiber route where hardware is located that amplifies signal in the fiber, routes traffic on the network, and provides points of interconnect.

8. Fiber Access Point (FAP): Typically located in underground vaults, these are points of access to fibers broken out from the Digital 395 backbone for the purpose of providing a point of interconnect for future middle or last mile services.

9. Network Interface Device (NID): A piece of technology installed at anchors where the Digital 395 network is terminated and can be interfaced with a local network.

10. Mobile Wireless: A general term used to describe broadband service that is offered typically by cellular carriers via 3G, 4G, LTE or similar types of networks to smartphones, tablets, and other mobile technology.

11. Fixed Wireless: A term used to describe broadband service that is offered by an Internet Service Provider via wireless infrastructure that is installed on premise and aimed at a repeater site.

12. Wireline: A general term that is used to describe a connection to the Internet which is provided via hardwire, as in the case of DSL, Cable, or Fiber based technologies.

II. POLICIES

Communications

Broadband Distribution and Quality of Service

Goal 1. Facilitate the distribution of the best broadband service possible, to as many users within community areas and key transportation corridors as possible, in a timely and cost effective manner that minimizes impacts to visual and natural resources.

Objective 1.A. Work with providers to deliver the best service possible to City of Ridgecrest residents, businesses, and visitors.

Policy 1.A.1. Providers shall develop new infrastructure projects using the best available technology that meets or exceeds current industry standards and is consistent with Goal 2.

Action 1.A.1.a. Providers shall meet or exceed standards set by the California Advanced Services Fund (CASF) for 'Served' communities.[1]

Action 1.A.1.b. Encourage new infrastructure projects to use high-capacity wireline solutions (such as Fiber-to-the-Premise). Providers should demonstrate a justification for alternative technologies requirements when wireline is impractical.

Policy 1.A.2. Providers shall develop and deliver services that improve accessibility to high quality broadband while protecting consumers and ensuring fair and equal access to those utilizing services within the City .

Action 1.A.2.a. Ensure Internet Service Providers (ISPs) possess a current Business License, and be current on all applicable Franchise Licenses, taxes, and fee payments.

Action 1.A.2.b. ISPs shall furnish and uphold Customer Service Standards that provide privacy protection, clear service and billing procedures, reliability, or a similar service level agreement, and means by which to contest service not meeting said standards.

Action 1.A.2.c. The City should work with providers to establish and maintain consumer awareness information and materials. Periodically review and publish information on local providers based on service standards, including but not limited to coverage area, speeds, etc.

Objective 1.B. Deploy broadband to as many community areas and key transportation corridors as possible, and pursue additional providers to increase competition, and improve quality of service.

Policy 1.B.1. Work with providers and other entities to develop projects that deliver broadband service to all communities.

Action 1.B.1.a. Establish and maintain a list of high priority communities that can be referred to when providers are looking to build new projects.

Action 1.B.1.b. Actively seek out providers and other reasonable alternatives to establish broadband service in unserved communities throughout the City .

[1] California Advanced Services Fund is a division of the California Public Utilities Commission (CPUC) and is responsible for increasing broadband adoption in hard to reach areas of California. More information at http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/CASF/index.htm.

Action 1.B.1.c. Coordinate and work with Eastern Sierra Connect Regional Broadband Consortium (ESCRBC) and other entities to locate funding opportunities for providers interested in building projects in 'unserved' and 'underserved' communities.

Action 1.B.1.d. Pursue additional providers or other reasonable alternatives to improve the quality of service, competition, and reliability in communities throughout the City .

Action 1.B.1.e. Look for opportunities to establish access to broadband in other rural or outlying areas for the purpose of enhancing Health & Safety or Economic Development purposes where traditional approaches or solutions are impractical.

Policy 1.B.2. Establish free WiFi in public spaces including City buildings, parks, community centers, and in commercial corridors in community areas.

Action 1.B.2.a. Provide free WiFi for public use in City offices and facilities.

Action 1.B.2.b. Work with service providers to establish free WiFi in commercial corridors and other public areas to support and promote local businesses.

Action 1.B.2.c. Limit speeds on public WiFi networks so as not to compete with residential or business connections offered by local service providers.

Design and Placement of Communications Infrastructure

Goal 2. Ensure deployment and implementation minimizes impacts to visual and natural resources. Provide development standards for communication infrastructure located throughout the community.

Objective 2.A. Minimize the impact on the environment and scenic resources of communications projects and infrastructure.

Policy 2.A.1. Providers shall utilize distribution practices that cause the least amount of long-term/significant environmental and visual impacts, including the use of design and screening tactics (also see City of Ridgecrest Design Guidelines).

Action 2.A.1.a. Projects shall comply with requirements in Chapter 11, Section 11.010, of the Land Use Element.

Action 2.A.1.b. To support utilization of existing infrastructure and co-location, the City should maintain a database of existing communications infrastructure that can be referenced when evaluating projects and prior to permitting, and that is available to providers.

Action 2.A.1.c. Encourage placement of towers outside of community areas.

Policy 2.A.2. Underground existing overhead infrastructure when possible.

Action 2.A.2.a. Seek and utilize Rule 20, grant funds, public-private partnerships, or other creative funding opportunities, such as loans or mortgages, to underground infrastructure.

Action 2.A.2.b. Utilize a community-based public planning process to help identify and prioritize future undergrounding projects; review area plans for existing community direction.

Action 2.A.2.c. Establish an inventory and set of priorities for each community for future undergrounding projects based on areas of high preference or priority, as driven by public safety, reliability, community benefit (commercial cores, downtowns, etc.), or visual blight issues.

Action 2.A.2.d. Maintain an inventory of all underground districts and past funded projects in the City .

Policy 2.A.3. Utilize existing permit review procedures, such as the Land Development and planning Committee, to ensure project compliance and engage interested City departments, including Information Technology (IT), and other stakeholders.

Objective 2.B. Develop and manage underground infrastructure as 'basic infrastructure' that adheres to standards, is available for public use, and is managed as an asset in line with other public property.

Policy 2.B.1. Underground infrastructure shall be installed in accordance with standards specified in Chapter 11, 11.010, regarding placement, material, and method, and should adhere to other best practices.

Action 2.B.1.a. Conduit in public streets should be placed a minimum depth of three feet.

Action 2.B.1.b. Conduit installed for the purposes of Middle-Mile or long-haul routes, or that is installed in major streets or arterials should be the equivalent minimum of 4" in diameter.

Action 2.B.1.c. Conduit installed for the purposes of Last-Mile or distribution routes should be a minimum of 1½" in diameter.

Action 2.B.1.d. Conduit should be installed at the intersection of streets that is the equivalent of at least 4" in diameter and made accessible via vaults or similar appropriate means.

Action 2.B.1.e. Encourage the use of microduct or similar technology in conduit installations so as to segregate providers.

Action 2.B.1.f. A reasonable amount of space shall be retained by the owner of the underground infrastructure for the purpose of their potential future use.

Action 3.B.1.g. Allow developers who install conduit to recover their costs through renting or leasing space in conduit at a fair and competitive price until the point that the cost of installation is paid off.

Strategic Planning For Communications Infrastructure

Goal 3. Plan for the improvement and expansion of the communications infrastructure network by seeking cost-effective and efficient solutions.

Objective 3.A. Utilize City property and rights-of-way, or other public spaces and resources, for communication sites or infrastructure.

Policy 3.A.1. The City shall provide sites or space for communication facilities, including cabinet structures, pedestals, antennas, etc. where appropriate and feasible.

Action 3.A.1.a. Develop and maintain an inventory of viable sites, permissible uses, associated costs, power and backhaul access, and other relevant information on City property and rights-of-way.

Action 3.A.1.b. Consolidate and co-locate facilities on City property or rights-of-way without interfering with City infrastructure, and design new facilities and projects taking into consideration future communication infrastructure.

Action 3.A.1.c. Review locations of Digital 395 Fiber Access Points (FAPs) within City Rights of Way and determine how providers may utilize or access FAP and install necessary infrastructure in Right of Way.

Policy 3.A.2. Projects conducted on City property, including rights-of-way, shall follow a 'Dig Once' objective.

Action 3.A.2.a Install conduit in public streets during construction/re-construction for future communications infrastructure use.

Action 3.A.2.b. Accommodate construction of conduit laterals leading to private property for potential future use.

Policy 3.A.3. Interested parties shall be notified of any opportunity for installing additional conduit or infrastructure in open trenches in City right-of-way.

Action 3.A.3.a. Look for opportunities to place new conduit through joint utility trenches.

Action 3.A.3.b. Require formal notification of utilities and interested parties of a joint trench opportunity prior to issuance of permit for construction work.

Action 3.A.3.c. Require installation of secondary or tertiary conduit whenever new conduit is being installed in public Rights of Way to accommodate future use/growth.

Policy 3.A.4. Underground infrastructure in City rights-of-way shall be accessible and remain available for use by qualified providers.

Action 3.A.4.a. Accept offers of dedication for underground infrastructure from private developers and maintain conduit in the public's interest.

Action 3.A.4.b. Work with special districts, quasi-public entities, or third-party companies and vendors for long-term ownership or management of underground conduit, so long as the infrastructure remains available to the public at a fair price and in an open and competitive manner.

Policy 3.A.5. Leverage existing broadband infrastructure, including Digital 395, before constructing new infrastructure.

Action 3.A.5.a. Lease existing bandwidth, dark fiber, or conduit space from California Broadband Cooperative when network routes parallel Digital 395 infrastructure.

Policy 3.A.6. Collaborate with public land managers and other agencies to provide infrastructure locations consistent with The City City 's policies and regulations.

Action 3.A.6.a. Encourage use of public land for site location and pursue opportunities with federal agencies, special districts, or local agencies.

Action 3.A.6.b. Work with land management agencies to ensure knowledge and understanding of future development plans, City General Plan policies and guidelines, and find opportunities to synchronize policies and objectives between entities.

Objective 3.B. Design communication infrastructure for future use into City projects.

Policy 3.B.1. Communication projects shall be added to the City Comprehensive Capital Facilities Plan for consideration through the established process for prioritization and funding.

Policy 3.B.2. The City shall consider communications conduit as a standard aspect of a street and shall take advantage of opportunities to install infrastructure when appropriate.

Action 3.B.2.a. Conduit shall be incorporated in the design and cost estimate phases of new street, sidewalk, or other related transportation projects.

Action 3.B.2.b. Establish dedicated revenue account(s) to be funded through leases or rents of City property for communications infrastructure, and to be made available for future conduit development and maintenance projects.

Action 3.B.2.c. When funding is not available for conduit, look for alternative sources including grants, special districts, public-private partnerships, private funding, or improvement district(s) in advance of actual construction effort.

Objective 3.C. Evaluate opportunities and establish a plan for future communications infrastructure needs and development opportunities.

Policy 3.C.1. Utilize existing committees, such as the Collaborative Planning Team, to coordinate and review communication development projects in neighboring jurisdictions or with a regional perspective.

Action 3.C.1.a. Work to develop a common set of standards and protocols for permitting, design, etc. that ensure consistency for providers and ensure the best delivery of service to our constituents.

Action 3.C.1.b. Evaluate Capital Improvement Plans (CIPs) for potential integration of broadband/communication projects.

Policy 3.C.i2. Work with the private sector to identify future projects.

Action 3.C.2.a. Work with cellular providers and third party tower developers to gain an understanding of future development intentions.

Objective 3.D. Develop and maintain a comprehensive inventory of communications, and related infrastructure for planning purposes.

Policy 3.D.1. The City shall establish and maintain a GIS database containing information and data on existing infrastructure. (Basic infrastructure information is also located in the Master Environmental Assessment [MEA]).

Action 3.D.1.a. Develop and maintain an inventory of communication infrastructure, capacity, and relevant characteristics for underground conduit, cell tower sites, and other facilities, with a focus on City properties and rights-of-way.

Action 3.D.1.b. Develop and maintain a list of priority "unserved" and "underserved" areas throughout City of Ridgecrest in need of broadband and engage Last-Mile Providers with the intent of developing projects in those areas.

Action 3.D.1.c. Develop and maintain an inventory of cell phone coverage gaps, shadow areas, and potential locations (when/if identified).

Action 3.D.1.d. Catalog potential projects and future development plans in a GIS database for internal reference purposes and planning efforts.

Action 3.D.1.e. Acquire maps, data, and other relevant information from special districts and service districts throughout the City who provide service to local residents.

Action 3.D.1.f. Inventory and develop a publicly accessible dataset that contains the best known locations for infrastructure that may be used by future providers, as well as public sites anticipated to be problematic.

Objective 3.E. Improve and expand the communications network to meet critical public needs, improve government services, and support vibrant communities and local economies.

Policy 3.E.1. Leverage Digital 395 and other broadband and communications resources to improve public safety.

Action 3.E.1.a. Implement an Emergency Services Network using Digital 395 that connects the satellite facilities of emergency services personnel within the City , as well as surrounding jurisdictions with the intent of improving the exchange of information between all parties.

Action 3.E.1.b. Utilize the Emergency Services Network to improve Enhanced 911 services by coordinating information shared between dispatch and responders.

Policy 3.E.2. Improve cellular coverage area and establish redundant communications in communities.

Action 3.E.2.a. Direct future providers to key transportation corridors and community areas without cellular service due to coverage gaps or shadow areas. (See Action 3.D.1.c.)

Policy 3.E.3. Utilize Digital 395 and technology as a whole to improve government accountability and accessibility, improve efficiency, and reduce environmental and fiscal impacts.

Action 3.E.3.a. Develop and/or promote use of video conferencing, virtual meetings, a ride-share program, and other methods to reduce trips between City offices and to non-City locations.

Action 3.E.3.b. Budget for, install, and make available video conferencing equipment at City locations, such as community centers, libraries, and satellite offices.

Action 3.E.3.c. Utilize mobile data terminals or other similar computing devices to provide service to customers in the field.

Action 3.E.3.d. Explore and utilize paperless approaches for meetings, public information, and publication of reports, etc.

Action 3.E.3.e. Develop policies and guidelines for City staff to work remotely or telecommute when appropriate.

Action 3.E.3.f. Utilize the Internet, including websites, emails, and other similar communication vehicles to disseminate information to constituents and the general public.

Action 3.E.3.g. Provide access to public meetings via the Internet, "Public, Education, and Government (PEG) Access Channels", or other similar communication vehicles.

Policy 3.E.4. Develop a broadband economic development strategy for the City .

Action 3.E.4.a. Develop information and products including marketing collateral, white papers, case studies, and other relevant materials that can assist with the promotion of technology-focused business in The City .

Action 3.E.4.b. Develop a strategic outreach and marketing plan utilizing the developed materials and targeting technology focused businesses.

Action 3.E.4.c. Promote telecommuting as a viable method allowing visitors to stay in the region longer and work remotely, and attract new permanent residents to relocate to the area and work from the City .

Action 3.E.4.d. Promote workforce development and educational opportunities to train local residents and stakeholders about benefits and uses of technology, focused on the expansion of existing business and development of new business ventures.

Action 3.E.4.e. Utilize the broadband network to attract new businesses and promote business development.

Policy 3.E.5. Perform a business opportunity analysis study.

Action 3.E.5.a. Evaluate locations in the City that would be viable for various types and sizes of new technology businesses.

Action 3.E.5.b. Evaluate issues, opportunities, and constraints pertaining to business development in various locations of the City .

Action 3.E.5.c. Consider changes to policies that may hinder or otherwise complicate development of technology or green business development, including waiving of permit or licensing fees.

Action 3.E.5.d. Evaluate broadband adoption and digital literacy programs and initiatives to support business retention and expansion.

Objective 3.F. Build support and funding for improving and expanding the communication infrastructure system through collaboration.

Policy 3.F.1. Support programs and initiatives that improve broadband adoption and digital literacy.

Action 3.F.1.a. Work with regional broadband consortia, state and national initiatives, and local service providers to offer broadband to low-income, at-risk, and under-/un-served populations.

Policy 3.F.2. Leverage and support the California Broadband Cooperative, Eastern Sierra Connect Regional Broadband Consortium, and other similar not-for-profit broadband organizations to help achieve City goals and objectives.

Action 3.F.2.a. Maintain a City seat on the Eastern Sierra Connect Regional Broadband Consortium and maintain the City 's interest in regional broadband development and adoption programs.

Action 3.F.2.b. Appoint a non-elected representative to the Board of Directors for the California Broadband Cooperative.

Policy 3.F.3. Seek grants and other funding opportunities for communication infrastructure projects consistent with these General Plan Policies.

BROADBAND COMMUNITY STRATEGY

VISION

The internet has completely changed the way we interact. Communications is just one area affected by the expansion of instantaneous data exchange. Businesses market and deliver products in a whole new way. The government implements programs through online portals. Healthcare is becoming increasingly dependent on internet connection for eHealth records and telemedicine services. We are dependent like never before on the internet connection we have at home, at work, and in the places we frequent.

But even more than how the internet has changed what was, it has created new opportunities for what could be. We are moving forward into a digital future dependent on the internet. The way we shop will continue to evolve as online purchases become easier, safer, and delivery methods (think drones) more immediate. The way we drive will evolve as the self-driving car from Google mixes with the drive-share model of Uber and suddenly; we may never need to purchase cars again. The way we learn will evolve as highly interactive, digital environments can recreate historic and conceptual information in a dynamic and inspirational way. This is the way the world is moving. And the internet is at its core.

Building a strong, reliable network requires a public-private partnership. It is an immense, infrastructural undertaking akin to highways, electrical networks, and aqueducts. To make it economically viable, communities must pool resources and strategize how to best fund and implement broadband infrastructure. It should be everyone's priority – government, business, public – to see a strong, reliable connection reach every building. From economic development, to public safety, to healthcare, to education, to quality of life, communities need reliable and fast connections that are built to last. It's time to usher in the future.

PURPOSE

Connecting every home and business in the community should be of paramount importance to elected officials, community leaders, and stakeholders. Connections should not meet minimum requirements, which will be antiquated and inadequate in a few years. A community strategy should deploy a sophisticated network that meets the entire community's needs for years to come.

Internet is no longer a luxury. It is a requirement for healthcare, public safety, education, business, and quality of life. Modern business and government practices utilize the internet to deliver products and services to everyone. Making these services available with a fast, reliable internet connection is therefore a requirement to support this standard of living. It should be a priority for community leaders and stakeholders to make it possible for their citizens and their businesses to make full use of these resources, regardless of the geographic or financial challenges of connecting.

This proposal will lay out a strategy for community leaders and local governments to ultimately deploy a reliable, high-speed connection. This strategy will accomplish the following goals:

- Build public support for a high-capacity network by educating the community on application opportunities
- Assemble teams of local stakeholders who will explore creative funding solutions for their market sector
- Implement policy that paves the way for internet service providers to improve or expand their network
- Assess public assets that can be leveraged to encourage providers to make improvements and/or expand
- Engage providers with leveraged assets and community demands to begin improvement/expansion
- Develop a strategy for continuing the education of online tools and resources to keep adoption up and the community moving forward

TERMINOLOGY

Adoption – the purchase and use of the internet in a home, business, or public facility

Anchors – refers to institutions within a community that fall under one of the following categories: government, education, medical, and safety.

Applications – anything the user can interact with and benefit from on their computer or device

Backhaul – the internet connection between the internet service provider and the government connection into the national internet infrastructure.

Bandwidth – the range of frequencies within a given band, particularly those used for transmitting a signal. Bandwidth is a measurement of the amount of signal that can be transferred, like the amount of water that can run through a pipe, depending on the size of the pipe.

Broadband – a high-capacity transmission technique which uses a wide range of frequencies and enable a large number of messages to be communicated simultaneously. Broadband effectively multiplies the amount of bandwidth that a network is capable of.

Capacity – refers to the amount of data transference in a given internet technology.

Cable – Internet is provided over coaxial cable (same as used for Cable TV). Speeds can be up to 1 Gbps.

Deployment – refers to the extension of internet connections or the increase in adoption in any given community.

Digital 395 (D395) – a fiber-optic middle-mile that runs from Barstow to Reno roughly along Highway 395. D395 is an extremely sophisticated fiber network, offering theoretically limitless capacity to those that connect. D395 was paid for by a combination of Federal and State grant funds and is managed by a cooperative that sells at wholesale prices to anchor institutions and internet service providers.

Digital Divide – refers to the gap in access to resources, such as education and medical services, that are available through the internet. Often refers to economically or educationally disadvantaged, including low-income communities and senior citizens.

Fiber to the Premise (FttP) – Fiber optic cable that provides the highest quality data transport, and in this model, is run directly to the house or business. Speeds over fiber are typically in the 1 Gbps range, but are theoretically limitless.

Internet Service Provider (ISP) – the company that manages the 'last-mile' and provides internet services to homes, businesses, and public facilities.

Last-Mile – the extension of an internet network from the middle-mile and the end user. Usually, from a main internet cable or satellite that brings the internet into a community to the homes and business that use it. The last-mile is what is managed and maintained by internet service providers.

Middle-Mile – the main cable or satellite that extends from any connected community to the government connection point into the national internet infrastructure.

Network – a broad term referring to all internet infrastructure, including diverse technologies (wireless & wireline) that connects homes, businesses, and public facilities to the internet.

Point-to-Point (wireless) – a type of internet service delivery technology that uses radio transmissions to relay signals from one transmitter/receiver to another. Tends to be cost effective because it doesn't require the installation of much physical infrastructure, but suffers from low quality data transmission and physical interruption of the signal.

Wireless – a general term for any technology that delivers internet service without a physical cable or wire, usually via radio or microwave transmission.

Wireless Internet Service Providers (WISP) – a provider that exclusively utilizes wireless technology to deliver internet services.

Wireline – a general term for any technology that delivers internet service by a physical cable or wire.

STRATEGY OUTLINE

1. Government
    a. Policy development
    b. Commitment of staff/leadership
    c. Assessment of assets for leverage against provides to upgrade/expand networks
    d. Collaborative leadership with local & regional groups
2. Anchor Institutions
    a. Maximize the benefit to the community and the opportunities for implementing online tools by investigating options
    b. Collaborate on last-mile construction with money made more available to anchor institutions through government grants
3. Business Community
    a. Demonstration of online applications for businesses
    b. Collaborate leadership with local & regional groups
    c. Investigation into creative funding options
    d. Conduction of webinars and workshops that promote modern business practices
4. General Public
    a. Retrieve reliable and current data using CalSPEED tool for provider & CPUC engagement
    b. Provide education on applications that improve every home and lifestyle with online tools

GOVERNMENT

The deployment of internet services to every home, business, and public facility in America will require similar government involvement as any other utility: a private-public partnership that establishes a minimum standard and reduces, wherever possible, the other prohibitive cost of deployment. To that end, the following four steps can be taken by municipal and county governments to ensure the fastest and cheapest development of broadband networks in their region.

POLICY DEVELOPMENT

A policy implemented through the General Plan and executed by resolution of the Council or Board empowers staff to partner with providers in the construction of middle and last-mile projects. Such a policy will define the minimum standard of broadband connectivity and service as well as provide a template by which providers can upgrade or expand their network with the greatest efficiency and cheapest cost. Policies can establish a binding relationship between a provider and a community that is mutually beneficial for both, providing deployment support with public assets while at the same time holding providers to a reasonable and beneficial standard for the community's broadband needs.

At a minimum, policies can and should include:

1. **One-Dig Policy** – a policy that enables public works to lay pipe whenever a road or trench is open for infrastructure improvements. A one-dig policy dramatically reduces the cost of network expansions, by laying usable infrastructure that can be accessed at any time. Since this infrastructure is owned by the public, it is therefore a leverage-able asset with providers. One-dig policies also prevent the need to re-open roads and require repaving.

2. **Under/Aboveground Policy** – broadband networks can be buried underground or attached to utility poles to run aboveground. The process for accessing utility poles, which tends to be the cheaper method of deployment, can be streamlined for fast and efficient construction. Laying fiber underground can ensure the fiber's protection against weather, disaster, or a downed pole, but it can also be more costly.

Under/aboveground policies establish a template for construction which can assist providers make connections to homes and businesses faster and cheaper.

3. **Minimum Speed & Reliability Expectations** – a policy can frame the minimum expectations that a community wants to maintain with its internet service providers. These expectations assist the conversation with providers and can be attached to agreements when public assets are offered in exchange for services. Establish minimum speed and reliability expectations is a process of assess the value of services to the community, and encouraging those levels of service that develop the community's economy. Establishing minimum standards is best done in collaboration with stakeholders throughout the community.

4. **Maintenance & Installation Expectations** – in addition to setting service expectations, standards can be established for the maintenance and installation expectations. Many of these standards are likely covered in public works policies already in place. But additional expectations can be good to establish in order to encourage specific construction limitations. For example, micro-trenching can reduce the impact to the street during construction. To encourage micro-trenching, requirement for street restoration can be lowered for construction agreeing to micro-trenching. These specific differentiations make it easier and more efficient for construction companies to develop and execute a deployment plan.

COMMITMENT OF STAFF

The challenges of community-wide deployment of broadband are vast and complicated. Navigate the various codes, laws, and logistics requires a high degree of collaboration from all local entities. Staff dedicated to broadband issues can assist by educating elected officials and stakeholders in the development and implementation of policy, outreach to the business community through economic development departments, education of the public through public affairs, and the efficient installation of broadband infrastructure through public works.

The only way to make construction on a community-wide scale economically feasible is to aggregate needs and resources. When the costs are divided enough and the pool of resources is large enough, broadband connects to every local building becomes a possibility. Leading this collaborative effort should be government staff who understand the logistical and legal challenges and can help navigate the field.

ASSESSMENT OF ASSETS FOR LEVERAGE

Because upgrades and expansions of existing internet networks are often prohibitively expensive, incumbent providers are reluctant to make investments. To encourage development and engage these incumbents with incentives, public assets can be leveraged to (1) get homes and businesses connected and (2) hold providers to a basic standard through agreements. Assets that can be used to leverage include, but are not limited to: (1) permitting fees, (2) right-of-ways, (3) existing utility infrastructure that can be used for network construction, and (4) public lands that can be leased as little or no cost.

To more efficiently and cost-effectively deploy broadband, governments should have an understanding of provider/construction needs to complete a broadband last-mile. By understanding these needs, governments can utilize whatever assets would be advantageous to leverage for provider support and a commitment to service. Creatively finding ways to use existing infrastructure or waive permitting/fee requirements has proven among the most effective ways to encourage and expedite the process of network upgrades/expansions.

COLLABORATION WITH LOCAL & REGIONAL ENTITIES

Given that the aggregation of needs considerably reduces the cost of network upgrades/expansions and that numerous and diverse funding sources exist for broadband deployment, it is therefore most effective to collaborate within communities and within the region.

Within each community, committees should be established with all local stakeholders. These committees should be dedicated to exploring creative funding methods, both as a community and fro their individual industries. A strategy that incorporates the most need has access to more resources and has divide the cost as much as possible. These collaborations need to exist under the umbrella of strong leadership and, ideally, government in order to be constructive and successful.

Within the region, taking a leadership role with organizations such as the Consortium and other economically-focused regional groups encourages aggregation between counties and an even greater commitment to absolute and progressive deployment. Regional strategies for upgrades and expansions allow providers to reach tremendously more users. This can act as an incentive for provider engagement. Positioning an entire region to upgrade/expand can make even more resources available, both in funding from grantors and in leveraged assets. Regional collaboration attracts greater attention from State and Federal elected officials because it tends to meet more needs than a local deployment strategy.

The creation of collaborative committees on a local and regional level helps to galvanize a vision for broadband and its tremendous potential for each community. Often in the discussion of broadband deployment, there still exists a question as to its benefit and the opportunities it presents to communities. Collaborative committees allow the education of benefits and the dissemination of that information back into the public, businesses, and government circles. Through this collaboration, specific and forward-thinking goals can be made achievable through collective action and engagement.

ANCHOR INSTITUTIONS

Anchor institutions are defines as organizations and businesses having to do with government, education, medicine, and safety. These organizations tend to be the focus of State and Federal funding programs and should be an important focus, especially in communities struggling with connectivity. Funding for anchor instructions can help establish a middle-mile where there isn't one, and tends to be a particularly effective strategy for the demonstrable benefit of broadband technology.

IMPLEMENTATION & MAXIMIZATION

One of the most beneficial actions an anchor institution can take to contribute to broadband deployment is to adopt advanced online tools and maximize their use within the organization. This creates a pilot program, of sorts, that demonstrates the efficient and effective use of broadband technology. These kinds of demonstrations tend to galvanize elected official and public support for a focus on broadband deployment.

It is critical in the broadband discussion to focus on the practical applications of broadband tools for each sector of a community. Nothing is more productive in this discussion than the visible and obvious benefit broadband technology is providing an anchor institution. For example, a telemedicine program at the local health clinic demonstrates first-hand the multiplied resources that can be made available to a community through video-conferencing and electronic health records. Advocates for broadband deployment can use this success to demonstrate the improvements to the community at large when business, public facilities, and institutions adopt advanced online tools.

Adoption of broadband tools also demonstrates a progressive attitude toward deployment to providers. Encouraging providers to upgrade/expand broadband infrastructure can boil down to demonstrating the adoption potential within a community. A town or city that is making great strides in implementing interactive, online learning environments in schools, telemedicine programs in the hospitals, and online marketing in the business community stands out as a progressive community. It is therefore more likely that businesses and homes will adopt services. In effective, this activity drives up demand and can attract providers to respond by improving supply.

FINANCIAL SOLUTIONS

Anchor institutions can act as the spearhead for broadband deployment due to their financial advantage with access to government and foundational funding. State and Federal programs tend to focus tremendous resources on the improvement of education, health, and safety. As these are the pillars of quality of life within a community, improve any or all of these sectors advances the broadband discussion and encourages further deployment.

As a function of the aforementioned community/regional collaborative, anchor institutions especially should focus on exploring funding solutions through grant programs. The amount of resources that anchor institutions can draw into a community can then be leveraged for further resources, and ultimately, the development of a much larger and expansive infrastructure build. The research of what funding programs are available should be primary objective of anchor institutions, and how to effectively make use of those funds should be a priority for each institution.

As anchor institutions are already at the center of community needs, the introduction of the benefits of broadband technology go a long way in improving the standard of living. This practical and visible application of the internet and its value is the best way to move broadband deployment from concept to action and generate the groundswell of support for deployment.

BUSINESS COMMUNITY

Businesses are the core of communities and the lifeblood of economy. Expanding or improving businesses with broadband tools can dramatically enhance the economic environment of a community. While the applications to a business often focuses on social media and online presence, broadband tools can apply to numerous areas of daily operation, including inventory, point-of-sale, ordering, management, and customer service.

DEMONSTRATING APPLICATIONS

Like with anchor institutions, demonstrating the applications of broadband tools on a practical and visible level encourages increased adoption and advances the broadband discussion. Applications can apply to every aspect of a business, from marketing to inventory to management. Finding the right application and maximizing its benefit should be the objective of every individual business, but leaders and stakeholders in the community can help establish the vision for a progressive and modern business culture.

A vision for adopting modern tools and the resources needed to maximize those tools starts with positive leadership. Implementing programs and hosting the discussion with community organizations such as Chambers of Commerce or Economic Development Corporations helps introduce the topic of broadband tools and disseminate information on their use and benefit. The Boards of such organizations should thoroughly understand the benefits of such tools and work to see those benefits realized in the business community of each town, city, or region.

Broadband tools can help owners conduct business efficiently and effectively with less stress and fewer man-hours. The bottom line is that the process to conduct business becomes cheaper and easier. That message, when realized and advocated by business/community leaders, is an undeniable justification for the upgrade and expansion of broadband networks.

COLLABORATION WITH LOCAL & REGIONAL ENTITIES

Along with government and anchor institutions, the business community is a vital and essential component of any town, city, and region. It therefore belongs at the collaborative table with government and organizational entities, exploring the many opportunities for broadband deployment.

Like anchor institutions, each business has a different business model and set of goals. Achieving these goals and following the business plan is an individual responsibility, but certain needs may be shared by other businesses or institutions. Partnerships aggregate need and lower costs. If two businesses side-by-side are looking to invest in an expansion of fiber to their buildings, the cost is divided nearly in half when they partner on the construction and installation of improved service. Taking this concept and expanding it to cover an entire community or region offers exponential cost-savings. While individual businesses alone may not be able to afford such construction costs, partnerships make community upgrades/expansions economically viable.

Collaboration also allows business to share success stories and best practices. If a business implements a tool that amounted to considerable savings, other businesses can learn by that example and implement the same or similar tools. With businesses sharing, the broadband discussion will move forward so that communities do not fall behind in a quickly evolving, digital world.

FUNDING SOLUTIONS

Same as anchor institutions, businesses who individual exploring funding mechanisms for upgrades and expansions can bring additional resources to the collaboration table. There are numerous funding programs for businesses through Federal, State, and foundation programs. While these options do not tend to have the high dollar amounts offered to anchor institutions, they can still have a terrific impact in reducing costs.

Funding options will vary in how they can be applied and who they can serve. But the core concept that must be advocated by business leadership is for all businesses to begin exploring their options. This can be helped by creating a library of funding options. A Chamber of Commerce, EDC, or Consortia can work to produce a database of available funding programs. By newsletter, website, or other technique, information on these programs – how much they offer, who can apply, how they can be used – can be disseminated to the entire business community.

As individual business find and apply for funding, more resources get added to a pool that can be aggregated for multiplied benefit. It is therefore important for businesses to explore and apply for funding in collaboration with the rest of the community. Collaboration in funding solutions can be the difference between a single business and an entire business park getting connected for the same cost to each business.

WEBINARS, WORKSHOPS, & EDUCATION

Generating interest, working collaboratively, and finding and applying for resources gets businesses connected and adopting broadband tools. But to maximize benefit or provide further demonstration for online applications, educational resources should and must be provided to the business community.

Working through Chambers, EDCs, or Consortia can help centralize an educational program that demonstrates the use and benefit of online tools. Often, businesses see some benefit of using an online tool. But limited understanding of the tool or lacking enthusiasm for the tool can act as a barrier of entry. To advocate for the modernization of business practices, leadership groups should provide training in one or more forms to reduce these barriers.

Workshops can help give business owners and operators hands-on experience with an online tool, while receiving expert advice and support from an instruction. This tends to be the highest quality education, but can also be costly with travel, lodging, and compensation for the instructor. Webinars tend to be much more cost effectively and allows business owners/managers to engage the instruction on more convenient terms. However, webinars themselves require a level of technical knowledge, which may be a barrier for participation. Other educational models can be the implementation of basic and/or standard computer and internet skills through local education institutions, such as schools or community colleges. It can also take the form of independent and ongoing classes taught independent of any organization.

There are many ways to provide education to business owners on anything from the use of the tool, to how to maximize it, to how to connect their business to broadband. But it is an important goal for business leadership to

focus on the information that needs to be disseminated and make that information accessible in a method with the fewest barriers of entry.

GENERAL PUBLIC

While government, anchors, and businesses are the drivers in a community, the public is still the majority user as a home adopter of internet service, a political constituent, and a patron of local anchors and business. It is therefore critical to engage the public and build a groundswell of support. Public support for broadband internet access encourage elected officials, provides critical data on speeds and connectivity, and drives up demand for businesses to make use of online tools. The public's role in the broadband discussion is critical and must be grown and focused for deliberate impact.

DATA GATHERING

The criteria for many funding mechanisms are basic levels of internet service within a community. Data speeds and connectivity play an important role in grant applications, so data must be up-to-date and reliable. Gathering data is faster, cheaper, and farther reaching when entire community participates. Therefore, marketing and disseminating a single tool that will gather this data from the entire general public is a crucial first step in understanding a community's needs.

For the purpose of gathering reliable data and providing it to the State regulatory agency for internet service, the California Public Utility Commission (CPUC), CalSPEED is an application that was developed and released by the CPUC. Utilizing and sharing CalSPEED encourages an entire community to provide data at home and businesses on the quality of their internet services. This data goes into a database that is used to regulate service providers as well as support broadband funding applications.

Using CalSPEED is a simple and easy process:

1. Visit www.calspeed.org
2. Download the application by selecting an operating system (Windows or Apple OS)
3. Once the application is downloaded, open the file and install the tool
4. Make sure the computer or device is connected to the internet via cable or wifi (using mobile data won't be as helpful)
5. Once installed, agree to the terms of use and run a test
6. (Optional) Periodically run tests to continue to update the speed data. Especially on laptops or mobile devices, go to different locations and help fill out the local map by showing wifi connections around town.

By following these steps, the general public becomes part of the broadband discussion and an important supplier of the data needed to support applications and identify areas of need.

APPLICATIONS & EDUCATION

As it is with businesses, individuals for their home-use must understand the benefit of online applications that improve their lives. To address this need, education and demonstrations need to be implemented by a central organization that spearheads the broadband deployment effort.

Consortia are ideal for developing educational programming and/or demonstration tools that prove the benefits of online applications. But through joint effort, marketing and implementation through other local/regional organizations can improve the education saturation within a community.

There are numerous ways to provide education, but the greater focus should be on reach and developing depth over time. Proving how the internet makes each life better is the question at the center of the broadband discussion. When this question is answered with all the numerous ways of utilizing online resources, demand

grows exponentially, adoption rates increase, providers are more engaged with needs, and leadership can take bolder strides in modernizing the region.

A demonstration tool that comprehensively exhibits the numerous benefits of a wide range of individual, online applications will build up public support for better, more reliable internet services. This tool can be used to demonstrate every available tool, from online communications applications, such as Facebook, Skype, or Instagram, to online banking, to medical and governmental programs. To demonstrate these tools in an understandable way is to connect the potential user with resources that improves their lives. Whether this relates to health, education, finances, or quality of life, getting individuals to understand the value of internet tools is the foundation of demanding upgraded/expanded internet services.

CONCLUSION

Broadband has become a necessary utility for every sector of a community: heathcare, education, safety, business, and general quality of life. To support this standard of living and the economy of each community, local and regional leadership must collaborate on joint solutions that makes the cost of network upgrades/expansions more affordable, resources more available, and maximizes the impact.

Each business, organization, and public entity should engage the broadband discussion with an assessment of what they bring to the table. By following these steps, communities will have the greatest chance to grow demand for internet services, engage providers interested in meeting that demand, provide a blueprint for effective and cost-efficient deployment, and pool the resources necessary to make investments.

Broadband is the nervous system of modern technology. Any community that gets left behind in the deployment of broadband will be handicapped in its economic development. With collaboration and a joint strategy, communities can close the digital divide and usher in the future.

MILLENNIAL FOCUS GROUP

REPORT & ANALYSIS

AUGUST 6TH, 2015

ONEILL DYNAMICS

tell your story better

JUSTIFICATION

THE MILLENNIAL FOCUS GROUP IS A JOINT VENTURE BETWEEN LEADERSHIP AT NAVAL AIR WEAPONS STATION (NAWS): CHINA LAKE AND THE CITY OF RIDGECREST. IT IS A COMPONENT OF THE RETENTION/RECRUITMENT INITIATIVE STARTED BY NAVAL AIR WARFAIRE CENTER WEAPONS DIVISION (NAWCWD), IN COLLABORATION WITH NAWS CHINA LAKE, THE CITY OF RIDGECREST, COUNTY OF KERN, RIDGECREST CHAMBER OF COMMERCE, AND VARIOUS COMMUNITY LEADERS.

THE GOAL OF THE MILLENNIAL FOCUS GROUP AND ITS RESULTING PROGRAMS/PROJECTS IS TO ENCHANCE THE QUALITY OF LIFE WITHIN THE RIDGECREST COMMUNITY. IN SO DOING, NAWCWD AND NAWS, AS THE LEADING EMPLOYER IN THE AREA (86% OF THE LOCAL ECONOMY) WILL BE BETTER EMPOWERED TO RECRUIT AND RETAIN A YOUNG, ENERGETIC, AND ENGAGED WORKFORCE.

A RESPONSE FROM THE BUSINESS COMMUNITY THAT BETTER ENGAGES CUSTOMER DEMANDS CAN ENHANCE REVENUE BY DEVELOPING PRODUCTS AND SERVICES THAT WILL ENCOURAGE MORE LOCAL SPENDING. WITH A MEDIAN HOUSEHOLD INCOME OF $68K AND LOW COST OF LIVING, RIDGECREST RESIDENTS ENJOY A RELATIVELY HIGH LEVEL OF DISPOSABLE INCOME. HOWEVER, THE REGION FAILS TO CAPTURE SALES TAX REVENUE DUE TO LEAKAGE, WHICH IS A RESULT OF HIGH AMOUNTS OF PERSONAL TRAVEL AND ONLINE PURCHASES. PRODUCTS AND SERVICES THAT BETTER ADDRESS MILLENNIAL WORKFORCE WILL INCREASE REVENUE FOR LOCAL BUSINESS IN BOTH THE CITY AND COUNTY.

THIS REPORT WILL BE MADE AVAILABLE TO NAVAL LEADERSHIP, CITY, AND COUNTY THE LOCAL BUSINESS COMMUNITY, NONPROFITS, AND ANY OTHER STAKEHOLDER LOOKING TO USE THIS INFORMATION FOR THE IMPROVEMENT OF REGIONAL PRODUCTS AND SERVICES.

RECOGNITION

THIS INITIAL EVENT FOR THE MILLENNIAL FOCUS GROUP WAS MADE POSSIBLE BY THE GENEROUS SUPPORT OF THE RIDGECREST CHAMBER OF COMMERCE AND DESERT VALLEYS FEDERAL CREDIT UNION. THEIR COLLABORATIVE EFFORTS, ALONG WITH NAWS AND NAWCWD LEADERSHIP, PROVIDED FOCUS AND DIRECTION IN THE DEVELOPMENT OF THIS PROGRAM, IN ADDITION TO FINANCIAL SUPPORT.

THIS FOCUS GROUP WAS CONDUCTED WITH SUPPORT AND IN COLLABORATION WITH:

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SYNOPSIS

The purpose of this focus group is to gather feedback on how to best attract a high-quality workforce, foster employee retention, and drive economic growth by providing services and products that interest and engage millennial workers in the area and through advancing cultural and community enrichment.

The Millennial Focus Group was a selection of individuals from the millennial workforce, who could provide input as a case sample.

At registration, each attendee completed a survey which posed sixteen (16) multiple choice and three (3) open ended questions regarding various activities, behaviors, and areas of interest. The data from the survey is intended to provide a snapshot of the level of satisfaction with current community products and services, and to provide direction for potential products that would have the greatest impact. Thirty seven (37) responses were received from an audience of forty two (42).

The facilitated discussion was framed around the survey in order to fully explore each question and gather information and experiences from the audience.

It began with an open ended, small group discussion in response to the question: "If we could wave a magic wand and make Ridgecrest the ideal community for you, what would you keep, what would you add, and what would you take away?" The goal of this line of questioning is to reveal values about what a healthy community looks like to millennial workers. This activity led to a robust discussion, focusing heavily on marketing, design, local politics, and opportunities for participation (see full analysis under *Analysis: Group Activity*).

The remainder of the facilitated discussion worked through each question that was on the survey (see full analysis for each questions under *Survey Questions*). The discussion was lively with an abundance of input from the participants. Input focused heavily on the lack of diversity and attention to detail from local businesses and organizations. The sweeping sentiment was that the community's methodology of business is antiquated and therefore does not attract a modern consumer. Conversations regarding marketing, customer service, and consumer experience centered on millennial workers' high degree of value for modern amenities.

The evening finished with a call to action for increasing millennial workforce participation in local policy making and business/event planning. The response was considerable, clearly indicating a desire for more opportunities for millennials to participate in the building of their community – they are looking to be more than passive participants.

GENERAL APPROACH

EMPIRICAL SURVEY

The intention of the survey was to capture a snapshot of usable data that would illustrate the general attitudes of the millennial focus group as consumers and community members. Questions were designed in conjunction with Naval leadership, Ridgecrest Chamber of Commerce, Desert Valleys Federal Credit Union, Mountainside Media, and O'Neill Dynamics. The survey was made available on Survey Monkey, with a provided URL and QR code on the agenda at the event.

The questions and collected answers are provided in the *Survey Questions: Data/Discussion*.

FACILITATED DISCUSSION

Facilitated discussion followed an organic format that allowed individuals to comment and shape the conversation. The discussion allows us to better understand the data from the survey, and, at times, clarify the position of the attendees.

By allowing the audience to drive the conversation on each topic, we were better able to determine the level of importance a given issue has. For example, "dining culture" and "local politics" are two individual questions on the survey, and survey takers ranked them as equally important. However, during discussion, participants may have stayed focused on "dining culture" for thirty (30) minutes, which "local politics" was a five (5) minute discussion. This allows us to gauge the level of importance and passion felt by the attendees.

Rough polling, conducted by a simple raising of hands and a quick count, was conducted during the facilitated discussion, to get quick numbers on a given issue and illuminate common themes. This allowed us to hone in on additional empirical data than the survey alone. In some scenarios, it allowed us to respond to any confusion or misunderstanding about the survey questions. For example, on the question regarding local news/information, four (4) attendees said they watch local TV for news. But when polled during the discussion, no one raised their hand when asked if they watch the local TV station – most were unaware of the existence of a local station. This illustrates that the survey questions have a margin of error which can be reduced by merging its results with those from the facilitated discussion.

GENERAL FEEDBACK

The following feedback did not fit well under any specific survey question, but was revisited or met with enthusiasm from the millennial group. Some of this feedback played a key role in deriving the *Take-Aways* and *Strategies* resulting from the overall event:

- Volunteering is an important part of being a member of the community and a chance to get involved in local activities/organizations. However, due to a mix of other issues (marketing/design), information on volunteer opportunities or an appealing volunteer opportunity is "difficult to find".
- Individuals are looking to be a part of the community in a strong and deciding way. They want an outlet to express their consumer interests as well as take a role in shaping public policy.
- The issue of modernizing certain elements of the community, especially within the business community, repeated came up throughout the evening. This included:
    - Businesses, organizations, and local government should enhance their marketing tactics via the adoption of modern marketing through online methods and website presence
    - More sophisticated and better designed branding that develops a fuller experience for consumers
    - Adoption of in-store technologies, such as better inventory processes and credit card machines
    - Updated aesthetics of in-store and façade designs
    - Inventory that follows more current trends – the local shoppers are older because the products that are being offered do not appeal as much to younger generations of consumers
- Millennials are looking for a more collaborative environment out of their community, including:
    - Better areas/businesses for casual socializing
    - Business integration – collaboration for an overall enhanced shopping & community experience
    - An open City Hall that is more accessible, open to input, and willing to allow volunteerism to help
- There were many comments throughout the evening that reflect a general dissatisfaction and skepticism about the lack of transparency and involvement for major business and political decisions.

- General suspicion was repeated that only a few are empowered to make decisions and that "City Council keeps a lot of businesses out". While they admitted they "didn't know if it's true" they noted that "that's the perception" and it harms the political atmosphere.
- This generation feels that the community involvement is closed to them and that local stakeholders are unwilling to adapt to modern demands.
    - There was significant mention of "corruption" and "cronyism" – indicating a strong and impactful perception that, **whether or not it is true**, must be addressed
- Ultimately, the effect was that the millennials feel as though the community "is not theirs".

ANALYSIS

METHODOLOGY

For each survey question, the data is provided with an analysis of the numbers. Experiences and further input is provided through the discussion on each question, which is a result of the facilitated discussion which unpacked the survey responses.

Further analysis is provided that investigates the reasons for these responses and potential ways of addressing these concerns.

Analysis of the Open Ended Questions is as follows: Information is bulleted from the facilitated discussion and from the open-ended response on the survey. The open ended responses from the survey were coded and ranked according to richness and uniformity. To identify the richness of responses, open-ended questions were ranked by character count. In general, the more an individual writes on a given topic, the more passionate they are about it. To identify uniformity, open-ended questioned were categorized by topic. Each response was given up to five (5) categories. From there we looked for popular categories. Categories that were most frequently mentioned and that offered the most rich responses are deemed the most important for this study.

GROUP ACTIVITY

Attendees were asked "If we could waive a magic wand and make Ridgecrest your ideal community, what would you keep, what would you add, and what would you take away". Attendees worked within groups of 8 or less to come up with a list, which was then presented to the room. The following are the results of this activity:

KEEP

- Low cost of living and reliable consistency in rent and housing quality
- Uncongested traffic and short commute time
- Small town community atmosphere
- Patriotic feel: support of the military mission at NAWS China Lake and events that support this theme
- "lot of local artists, photographs, and musicians are featured" at local events
- Local business: unique "Mom & Pop" atmosphere of small town shopping
- Proximity to nature: easy to take advantage of outdoor recreation in the region
- Cerro Coso Community College and its presence as an education resource for the community
- "the dog park is awesome"
- Historic USO events: community atmosphere through local talent

- Shooting ranges and opportunities for recreational shooting (gun clubs, open ranges, gun culture, etc.)
- "Gold course is great…don't want to lose that"
- Wide open deserts for outdoor recreation
- The friendliness of the community – "everybody knows everybody"
- "we like the patriotic feel of the community – patriotic events, support of the military"

ADD

- Travel
  - Commercial air service for easy travel
  - "It's like Mad Max trying to get out of town on [Highway] 395"
- Events
  - Enhanced advertising for events and local opportunities
  - Organization dedicated to local musicians
  - More consistent and routine park events
  - Bigger events: larger names, more involvement from outside communities
  - Cultural events focus on specific groups for diversity
  - Non-family oriented events: events specific for different demographics, not "one-size-fits-all"
- Business Enhancement
  - Nightlife options: must extend beyond 10:00pm
  - Dating environment: the heavily male workforce cannot easily date within Ridgecrest.
    - This is reflective of the STEM workforce employed by the government at NAWS China Lake, which is more male than female. We acknowledge that US Census data reflects a 45% female population in Ridgecrest.
  - More shopping options
  - Better internet services through a more engaged provider
  - More dining options: improve dining culture overall
  - Nicer downtown area: walkable streets and close down the street to traffic
  - Business hours to better match base hours: open after 6:00pm and on Sundays, Flex-Fridays, etc.
  - Local area attraction tours
  - Modern business practices: online presence and acceptance of credit cards
- Community Enhancement
  - Cleaner street, especially for biking
  - Better facilities for recreation
    - Roller derby
    - rink
  - Farmers market
  - Improved City ordinances for maintain community aesthetics: yards, business facades, etc.
  - Community effort to engage municipal issues, such as petty crime, vandalism, drugs, and domestic violence
  - Improve the roads
- Education
  - More community learning courses

REMOVE

- Seemingly random high rental costs – appears and feels like gouging
- Issues related to poverty
  - Attraction of criminal element due to AB 109[1] and similar programs
  - Inattention paid to low income areas, allowing criminality to spread
- Address issues of empty business buildings falling into disrepair
- Medians that are ineffective and cluttered
- Garbage and trash that dirties the City
- City Council inactivity and perceived corruption that prevents out-of-town businesses to establish a local shop
- Excessive fast food options

ANALYSIS

- Comments reflected the sentiment that the local political arena and business community have created a pattern of noncompetitive behavior, sufficient for Ridgecrest (due to remoteness), but ultimately failing to keep up with consumer demands.
- Comments further reflected the millennial insistence on design elements that communicate a high level of business acumen and investment.
- Millennials are seeking an experience from their community that is not currently being provided. This is reflected in the comments about how to diversify and improve events, customer options, nightlife, etc.
- It is clear from the overall discussion that the community lacks a common "meeting place" – business or civic area – for gathering and mingling. Businesses, such as restaurants and bars, do not offer the right kind of environment, and areas for mingling, such as downtown, do not have shade, seating, or the right environment.
- Many issues were identified that are obvious problems – such as crime, poverty, and drug culture – that everyone wants to address. The conversation shifted to ways of addressing these issues, and attendees were eager to help through involvement with local organizations, Police Dept., and other programs.
- The issues of business diversity of experience options was probably the most revisited issue throughout the evening. The general attitude is that Ridgecrest does not offer a particularly unique or impressive experience in its dining or recreational culture, even though it seems to have the resources to do so (especially considering the high median income).

[1] In April 2011, the California Legislature and Governor Brown passed sweeping public safety legislation (AB 109) that effectively shifted responsibility for certain populations of offenders from the State to the Counties. Assembly Bill 109 establishes the California Public Safety Realignment Act of 2011 which allows for current non-violent, non-serious, and non-sex offenders, who after they are released from California State prison, are to be supervised at a local County level. Instead of reporting to state parole officers, these offenders are to report to local county probation officers.

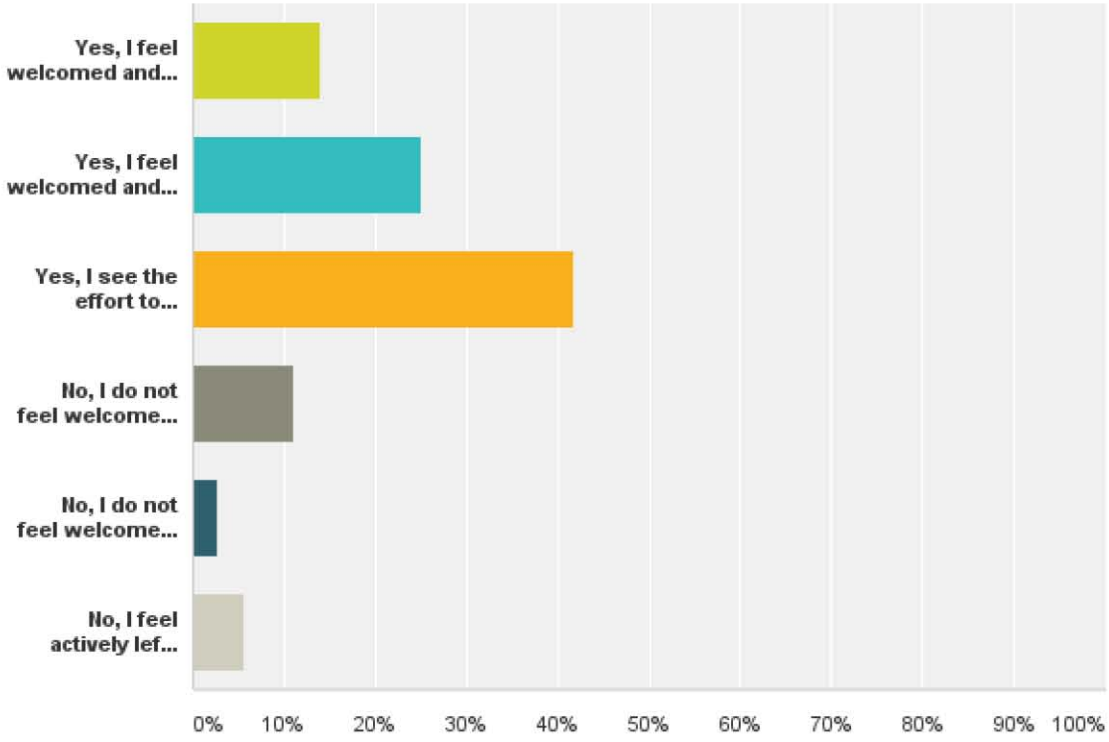
SURVEY QUESTIONS

QUESTION 1

DO YOU FEEL WELCOME IN THE RIDGECREST COMMUNITY?

RESPONSES

Answer Choices	Responses	
Yes, I feel welcomed and included everywhere I go. I love this place!	13.89%	5
Yes, I feel welcomed and included, but it's like other place I've lived.	25.00%	9
Yes, I see the effort to welcome and include me.	41.67%	15
No, I do not feel welcomed or included. There just isn't anything here for me.	11.11%	4
No, I do not feel welcomed or included. I never see anyone my age.	2.78%	1
No, I feel actively left out of them Ridgecrest Community.	5.56%	2
Total		**36**



DISCUSSION

- There is a general apathy felt from the City of Ridgecrest, reflected in the lack of aesthetics and community events/activities
- People are friendly – small town atmosphere
- 80+% see roads as a "huge" problem and must be/remain a priority
- On medians (China Lake & Ridgecrest Blvd): split 50/50 on whether it is an enhancement or a waste
- Many comments pointed out the lack of a community "brand" or "identity"
    - It was remarked that "there isn't much of a brand identity". This makes it difficult to define a social center or ways of gathering in the community.
    - 25% felt there is nothing here other than the base – the community does nothing for them

ANALYSIS

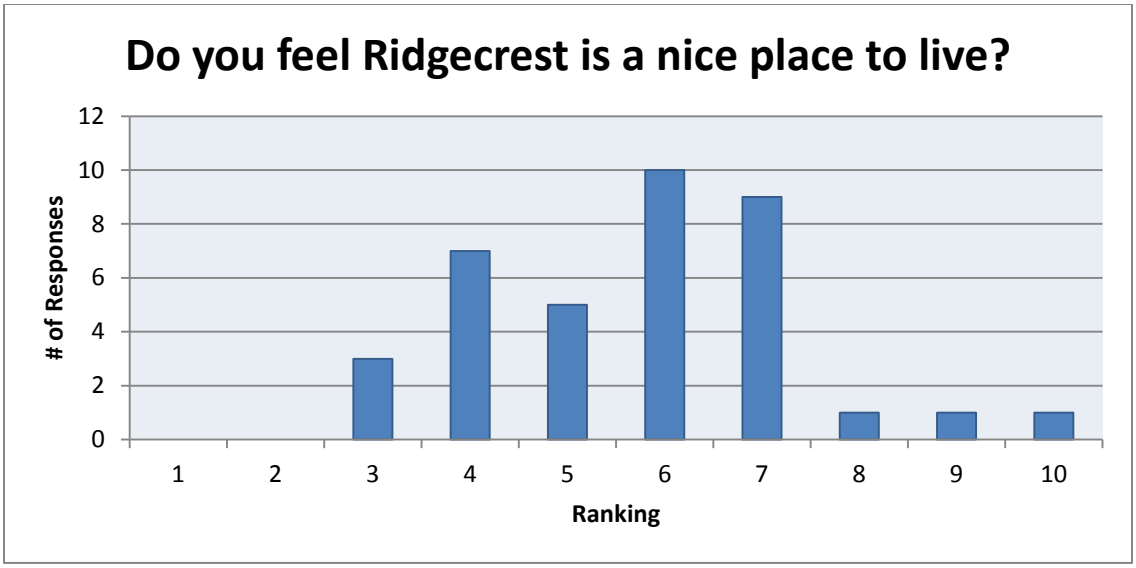
- Millennials make consumer decisions based heavily on design and branding[2]. In the absence of strong branding decisions or good design, a millennial consumer will be reluctant to move away from reliable, inexpensive, and convenient purchasing options, like Amazon.com.
    - There was indication that a strong and well-designed experienced would attract Millennials, and even increase their willingness to pay more to shop local.
- Millennials are interested in engaging with their products with a more fully realized experience. Much of this focus group's comments reflected a lack of experience with the overall community. It illustrated that the town has a utilitarian atmosphere in service to the base.
- It was pointed out that the town as a whole feels welcoming, but the individual experiences with groups, business, etc. is not: "they know they are the only game in town so they feel they do not have to provide good customer service."
    - This is heavily reflective of a community that does not have a rally point or a "center" that can bring the focus of the community together to enjoy a shared experience.

QUESTION 2

ON A SCALE OF 1 TO 10, DO YOU FEEL THAT RIDGECREST IS A NICE PLACE TO LIVE? (1 BEING NOT AT ALL NICE AND 10 BEING SPECTACULAR)

1	2	3	4	5	6	7	8	9	10	Total	Weighted Average
0.00% 0	0.00% 0	8.11% 3	18.92% 7	13.51% 5	27.03% 10	24.32% 9	2.70% 1	2.70% 1	2.70% 1	37	5.73

[2] The concept of design and branding involves the message of the business and the method by which a consumer interacts and "buys in" to that business. In a recent panel discussion published by the Pew Research Center in March 2010, panelists note the technology-heavy method by which Millennials absorb marketing and the designs that resulted in the greatest responses. Adopting these "modern" methods served businesses better than traditional marketing, such as print and television, which was noted as more of a "force feeding". To avoid this pitfall, utilizing the social media, creating a strong story for the organization, and allowing consumers to buy in to the concept encourages more patronage from Millennials. For the full results of this panel and the substantiating data to support these assertions, see http://www.pewresearch.org/2010/03/11/millennials-media-and-information/



DISCUSSION

- Comments regarding the "niceness" of the City focused largely on the positive elements of safety, general friendliness, the slowness/calmness of a small town, and the "Mom & Pop" opportunities in the business district
- Critiques identify that make the City "not nice" were:
  - "lot of trash flying around"
  - Ridgecrest "still [has] a lot of empty businesses and it detracts from the ones that are trying"
  - Unwelcoming atmosphere of many business: "know they are the only game in town"
  - General feeling that the community is not intended for the millennial generation: "still seems there is a good 'ol boy network calling the shots"
  - Lack of strong design or attractive aesthetics
  - Areas of poverty and the resulting criminal/drug culture

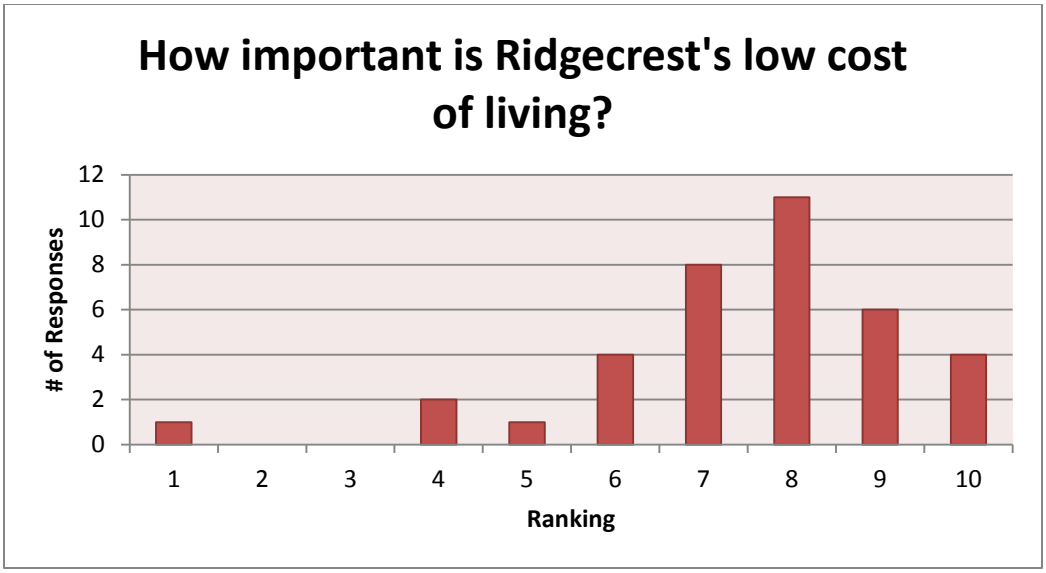
ANALYSIS

- It seems that the City has a tremendous amount of potential and could make itself much more attractive to millennial consumers with adjustments to design, marketing, and a focus on experience
- Opening up opportunities for millennials to get involved and understand the problems (small City budget, AB 109 displacement of criminals to small cities, etc.) would alleviate concerns and produce positive change

QUESTION 3

ON A SCALE OF 1 TO 10, HOW IMPORTANT IS RIDGECREST'S LOW COST OF LIVING? (1 BEING NOT AT ALL IMPORTANT AND 10 BEING EXTREMELY IMPORTANT)

	1	2	3	4	5	6	7	8	9	10	Total	Weighted Average
(no label)	2.70% 1	0.00% 0	0.00% 0	5.41% 2	2.70% 1	10.81% 4	21.62% 8	29.73% 11	16.22% 6	10.81% 4	37	7.46



ANALYSIS

- While not specifically addressed, it was identified in the survey and throughout conversations that Ridgecrest's low cost of living was a significant high point for the community
  - Creates a disposable income for Navy/DoD employees
  - Is a highly marketable quality about the area
- The issue of inexplicably high rent did come up in conversation and in the open-ended questions, which makes the community appear like it is gouging
  - The housing market appears inconsistent: "house can be hit or miss" and "some places were asking $1,000 but it [is] like walking back in time". The marketed seems "marked up a little bit for no apparent reason"
- Low cost of living could be more emphasized as an extreme advantage to living in and developing business in Ridgecrest
  - "lower cost of living compared to the rest of California"
- Without a involved population of millennials, the community may be imbalanced in its culture and economy
  - Research shows Millennials as the largest consumer group in history and a deciding factor in determining trends[3]
  - To capture this majority share of modern consumers, businesses must adapt their products and methods of marketing to Millennial demands

[3] The Pew Research Center published findings that Baby Boomers will be overtaken by Millennials, growing to 75.3 million according to the Census Bureau. This means that majority buying power can be found in Millennials, who will increasing define consumer products with their tastes and preferences. See the full publications at http://www.pewresearch.org/fact-tank/2015/01/16/this-year-millennials-will-overtake-baby-boomers/

QUESTION 4

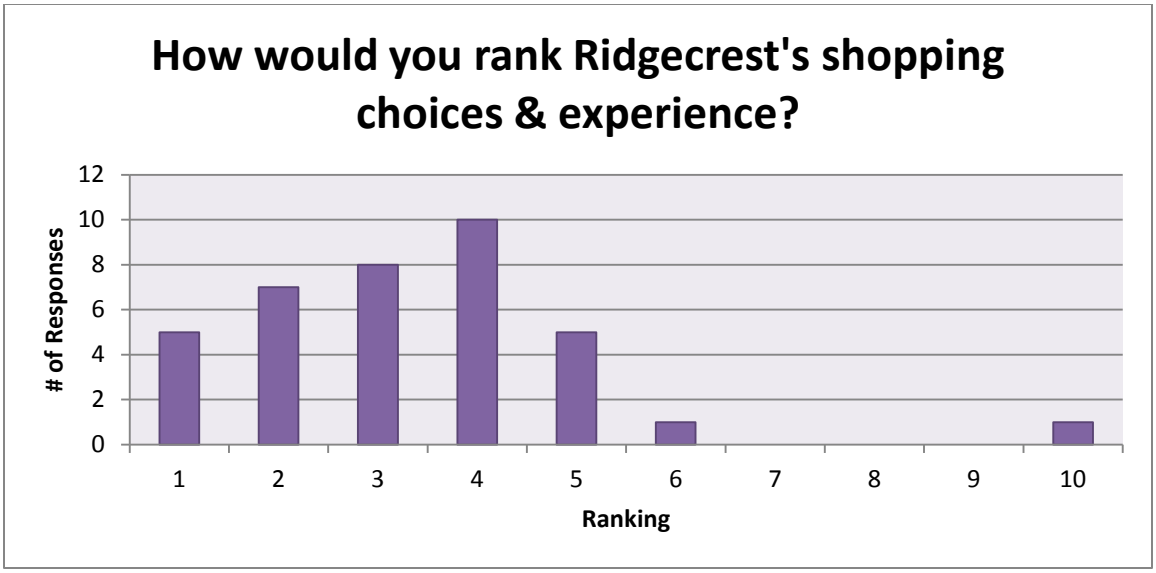
ON A SCALE OF 1 TO 10, HOW IMPORTANT ARE SHOPPING CHOICES & EXPERIENCE? (1 BEING NOT AT ALL IMPORTANT AND 10 BEING EXTREMELY IMPORTANT)

	1	2	3	4	5	6	7	8	9	10	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	2.70% 1	2.70% 1	2.70% 1	8.11% 3	18.92% 7	29.73% 11	13.51% 5	21.62% 8	37	7.89

QUESTION 5

ON A SCALE OF 1 TO 10, HOW WOULD YOU RANK RIDGECREST'S SHOPPING CHOICES & EXPERIENCE? (1 BEING TERRIBLE AND 10 BEING AMAZING)

	1	2	3	4	5	6	7	8	9	10	Total	Weighted Average
(no label)	13.51% 5	18.92% 7	21.62% 8	27.03% 10	13.51% 5	2.70% 1	0.00% 0	0.00% 0	0.00% 0	2.70% 1	37	3.35



DISCUSSION

- Only one person raised their hand when asked if Ridgecrest's retail options were sufficient
- Roughly 65% feel that if shops looked better, had better customer service, and implemented more modern practices they would be significantly more likely to spend money locally
- Discussed good customer service and identified how that looks to millennial consumers:
  - Friendliness
  - Proactivity in trying to meet customer needs and anticipate consumer trends
  - Make both the employees and the store front approachable
  - Focus on the customer
  - Show knowledge of the products/services and engage the customer with that knowledge
  - Improve marketing that allows the customer to connect with the business and its mission
- Commented on the hours of operation for most businesses:
  - Later in the evening to accommodate base hours: "businesses…shut down right about [base] work hours"
  - "Have a lot of businesses closed down on Sunday and that's half my weekend [that millennials] can't go out" – causes many to have to leave town to shop on weekends
  - Flex Thursday and Friday promotions/events to prevent weekend leakage
- Store to store, there seems to be a City-wide lack of variety: "there's only one source where you can got get something"
- General willingness to buy local if the experience was good and the products were offered (up to 5% from rough polling of the room)

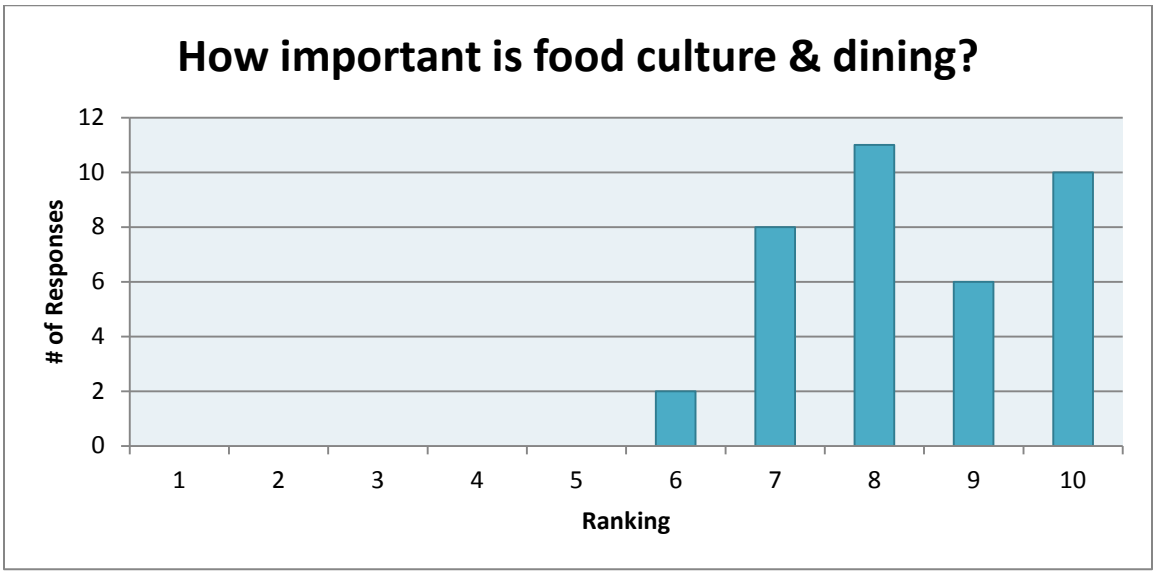
ANALYSIS

- Businesses who are willing to adapt to consumer needs – modernity, hours of operation, marketing – have a chance to be highly competitive among this new consumer group
- Consumer interests could be better gauged by businesses polling their customers and the Chamber of Commerce engaging the community to offer business education and information for improvement
- Millennials are looking for specific experiences out of the stores they frequent
- Customer service is the primary reason for repeat business. Attendees reported a general dissatisfaction with customer service, including systemic decisions (like operation hours) as well as personal connection with the business employees.

QUESTION 6

ON A SCALE OF 1 TO 10, HOW IMPORTANT IS FOOD CULTURE & DINING (1 BEING NOT AT ALL IMPORTANT AND 10 BEING EXTREMELY IMPORTANT)

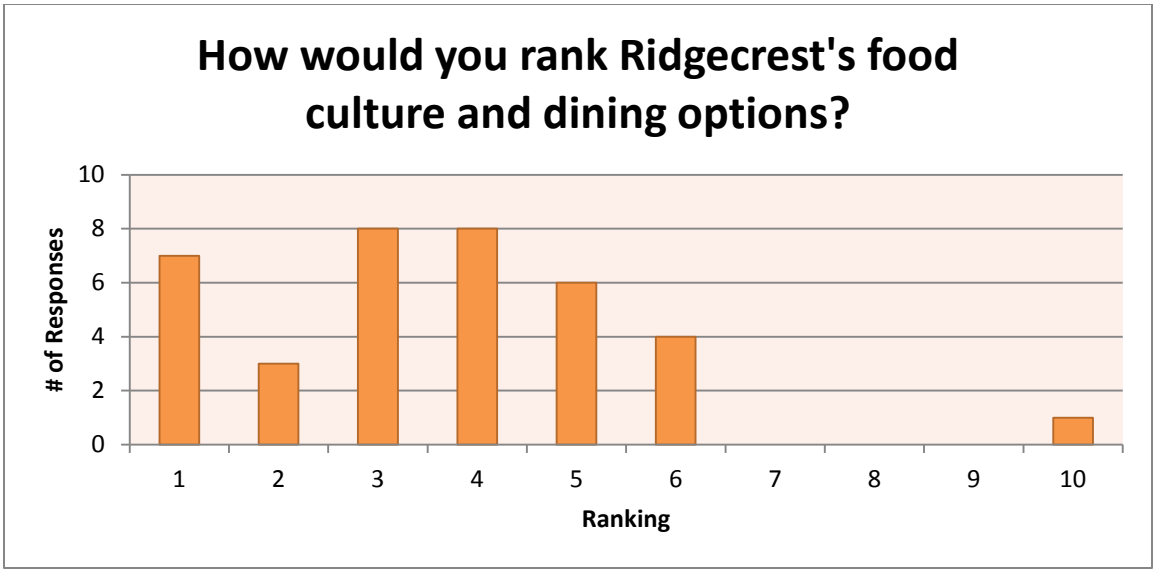
	1	2	3	4	5	6	7	8	9	10	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	5.41% 2	21.62% 8	29.73% 11	16.22% 6	27.03% 10	37	8.38



QUESTION 7

ON A SCALE OF 1 TO 10, HOW WOULD YOU RANK RIDGECREST'S FOOD CULTURE & DINING OPTIONS? (1 BEING TERRIBLE AND 10 BEING AMAZING)

	1	2	3	4	5	6	7	8	9	10	Total	Weighted Average
(no label)	18.92% 7	8.11% 3	21.62% 8	21.62% 8	16.22% 6	10.81% 4	0.00% 0	0.00% 0	0.00% 0	2.70% 1	37	3.59



DISCUSSION

- Considerable concern about the rumored trend of cronyism and corruption preventing new business development was addressed
  - "City Council keeps a lot of businesses out – don't know if it's true, but that's the perception"
  - It was clear from the discussion that this attitude was a product of rumor and conjecture not hard evidence. However, it is important to note the amount of concern and distrust that attendees felt regarding their City government and business community
- Specific experiences for dining culture were identified throughout the evening:
  - Variety of restaurants with specializations (not long menus without specialization)
  - Atmosphere and ambience is extremely important in a dining experience (would significantly increase the willingness to spend money in local restaurants)
    - Lighting
    - Customer service
    - Design
    - Branding
      - "don't have a place where [they] can hang out or where [they] can bring co-workers or groups of friends"
  - Better cooking and better quality food (significant willingness to pay more for better options)
  - Lack of options: "there is an abundance of some kind of food options and a total lack of others"
  - Over 50% of attendees feel that local food is overpriced for their quality
  - Better organized and branded events that offer diverse experience
  - Identified and beautified locations for events (ex: downtown area)
  - Community-wide, there is a low level of customer service which prevents local patronage
    - "they know they are the only game in town so they feel they do not have to provide good customer service"
- Better lighting for businesses and throughout the city could be a fundraising project for a public entity (nonprofit)

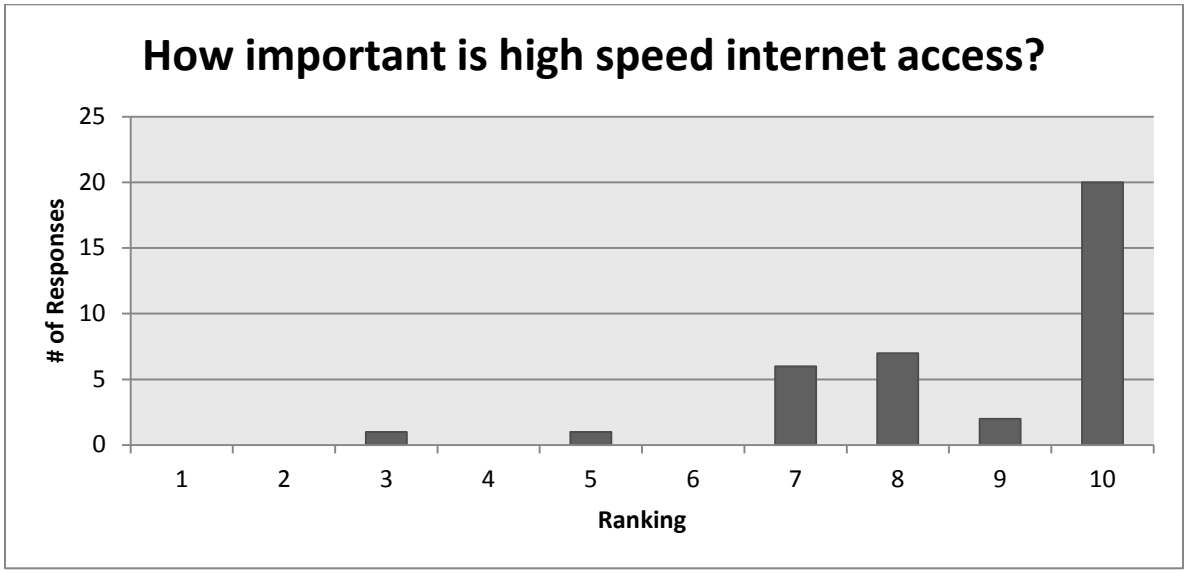
ANALYSIS

- The difference between the importance of dining culture and the ranking of Ridgecrest's dining culture illustrates gaps which, when closed by quality experience and quality food, could lead to increased revenue and overall community appreciation.
- There was a general note of "cheapness" that repeatedly came up during the discussion of dining culture. There is a clear willingness to spend more money on superior dining experiences.
- Marketing came up as an issue that directly relates to the "cheapness" issue – if an event looks cheap, then it feels cheap, and ultimately *is* cheap. "Cheapness" is a perception issue that can be eliminated when the total image of an experience is improved, from the moment they see an advertisement to the moment they are signing the check. Strong branding and well-designed artwork will eliminate the cheap image and increase the willingness to spend money.

QUESTION 8

ON A SCALE OF 1 TO 10, HOW IMPORTANT IS HIGH SPEED INTERNET? (1 BEING NOT AT ALL IMPORTANT AND 10 BEING EXTREMELY IMPORTANT)

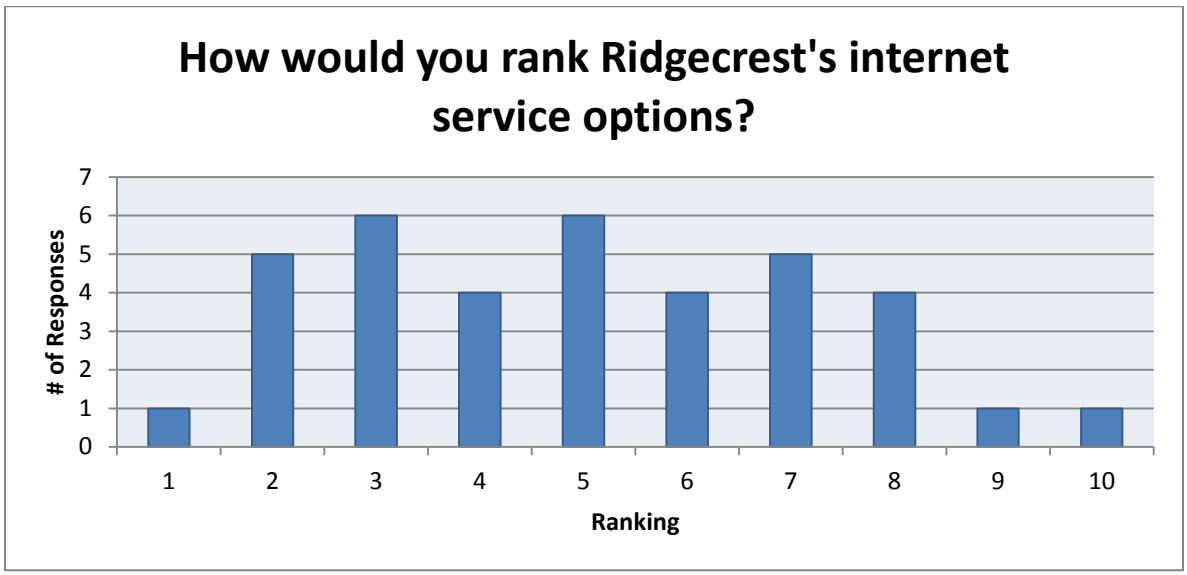
	1	2	3	4	5	6	7	8	9	10	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	2.70% 1	0.00% 0	2.70% 1	0.00% 0	16.22% 6	18.92% 7	5.41% 2	54.05% 20	37	8.76



QUESTION 9

ON A SCALE OF 1 TO 10, HOW WOULD YOU RANK RIDGECREST'S INTERNET SERVICE OPTIONS? (1 BEING TERRIBLE AND 10 BEING AMAZING)

	1	2	3	4	5	6	7	8	9	10	Total	Weighted Average
(no label)	2.70% 1	13.51% 5	16.22% 6	10.81% 4	16.22% 6	10.81% 4	13.51% 5	10.81% 4	2.70% 1	2.70% 1	37	5.00



DISCUSSION

- A majority of the attendees expressed that the current internet is not adequate to meet current demand
- Reliability was cited as a major issue
- More than half are interested in being a part of the effort to attract better services (a local push to express/prove the level of demand)
- Approximately 20% feel that quality of life would be drastically improved for them with the improvement of internet services
- "Mediacom is the only high speed internet and can be hit or miss"

ANALYSIS

- There are currently efforts to improve internet services in Ridgecrest, but involvement from millennials could produce creative solutions and further demonstrate high demand.
  - Given the rapid acceleration of online use and demand, improved internet service options will become an absolute necessity for a community to maintain a competitive standard of living[4]
- The importance of internet access could be harness by the business community to encourage development of marketing methods or services that are accessed online. Given internet's critical importance to

[4] The Pew Research Center published a report in February 2014 recognizing the rapid increase in internet usage and the profound integration of online tools and interactions into daily life. The report demonstrates that the growth is not likely to curb anytime soon and that increased integration will put greater demand on already antiquated networks. For the full report, see http://www.pewinternet.org/2014/02/27/the-web-at-25-in-the-u-s/

millennials, marketing, products, and services that are offered through online platforms would be better accessed, more visible, and ultimately more successful.[5]

- The difference between the importance of internet access and Ridgecrest internet service ranking illustrates not only a gap, but an area of weakness for workforce recruitment and retention. If this is an area of tremendous importance, but the community is not meeting the standard, it could be the difference between a Ridgecrest-based job and somewhere else.
- It is important to keep in mind that internet service is a daily, reoccurring value. Every day, access to internet will be important. Where events may be seasonal or periodic, a fast, reliable connection will be a daily reminder of the benefit or deficit to living in Ridgecrest.
- Given that Digital 395 passes through Ridgecrest and is an extremely sophisticated asset as middle mile for extremely fast and reliable service, the community's utilization of that asset could be a significant investment to improve the community's overall ranking/attractiveness and provide a powerful recruitment/retention tool to local employers (NAWCWD & NAWS especially, given their workforce demographic).

QUESTION 10

ON A SCALE OF 1 TO 10, HOW IMPORTANT ARE EVENTS & FESTIVALS? (1 BEING NOT AT ALL IMPORTANT AND 10 BEING EXTREMELY IMPORTANT)

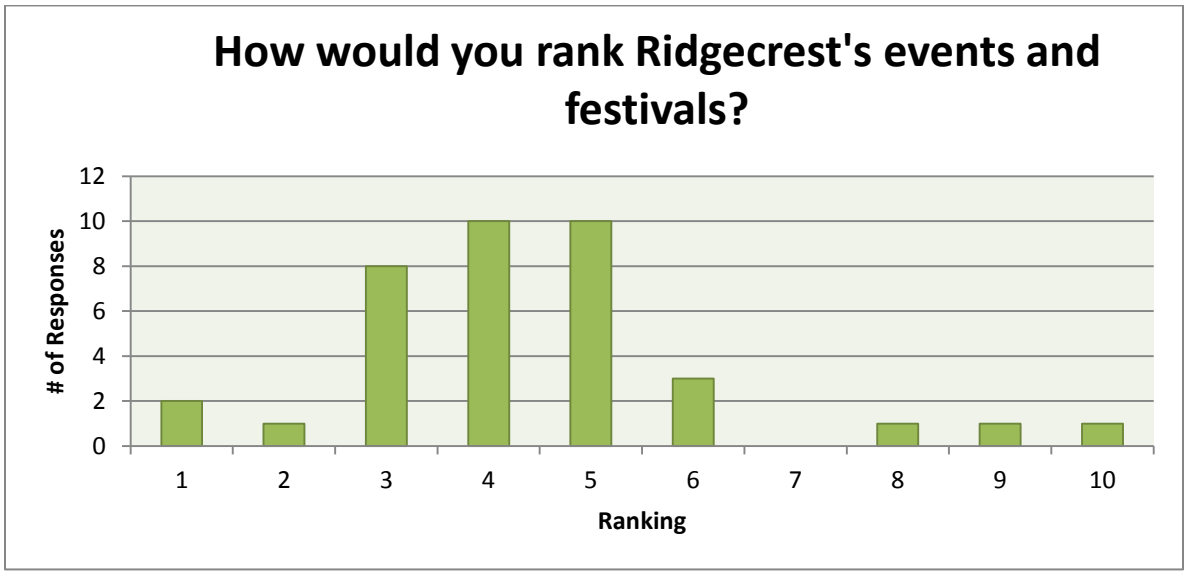
	1	2	3	4	5	6	7	8	9	10	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	2.78% 1	2.78% 1	11.11% 4	2.78% 1	38.89% 14	22.22% 8	0.00% 0	19.44% 7	36	7.36

[5] In 2013, The Case Foundation published the Millennial Impact Report demonstrating the economic and social impact of Millennials as a large consumer group. The findings recognize millennial consumer trends, including the use of online devices to connect to businesses and maintain that connection through social media platforms. For the full report, see http://casefoundation.org/wp-content/uploads/2014/11/MillennialImpactReport-2013.pdf

QUESTION 11

ON A SCALE OF 1 TO 10, HOW WOULD YOU RANK RIDGECREST'S EVENTS & FESTIVALS? (1 BEING TERRIBLE AND 10 BEING AMAZING)

	1	2	3	4	5	6	7	8	9	10	Total	Weighted Average
(no label)	5.41% 2	2.70% 1	21.62% 8	27.03% 10	27.03% 10	8.11% 3	0.00% 0	2.70% 1	2.70% 1	2.70% 1	37	4.41



DISCUSSION

- Expressed an interest to have events that would take people to "cool" locations throughout the area
- Events that were listed as having been attended:
  - Petroglyph Festival
  - Food Truck Event
  - Wine Walk
  - Music (at restaurants)
  - Santa's Workshop
- Expressed an interest in seeing food and music at any themed event with strong advertisement
  - "Would like to see theme driven events"
  - "would like to see activities gear toward kids"
- Multi-day events were wanted during throughout the weekend, or event week long
- How were experiences in general:
  - Poorly attended
  - Badly advertised
  - Little thought given to design
    - "Excited for the new Food Truck thing…[but] disappointed: selection is slim and spread too thin"
- Strong events:
  - "Petroglyph Festival & Wine Walk in November were awesome"

- "The event held by the base on Mirror Lake…had a similar [communal] feeling…hopefully things like that will continue"

- Ideas for new and themed events that would be of interest:
  - Blue Angels/Air Shows
  - Art Walk
  - Bloc Party on a regular basis (close off street)
  - Activity based events – desert sports
  - Dancing
  - Events that drive patrons into businesses (integrate event with business model)
- 50+% felt they do not know about events or businesses (and promotions) due to a lack of web presence and strong marketing

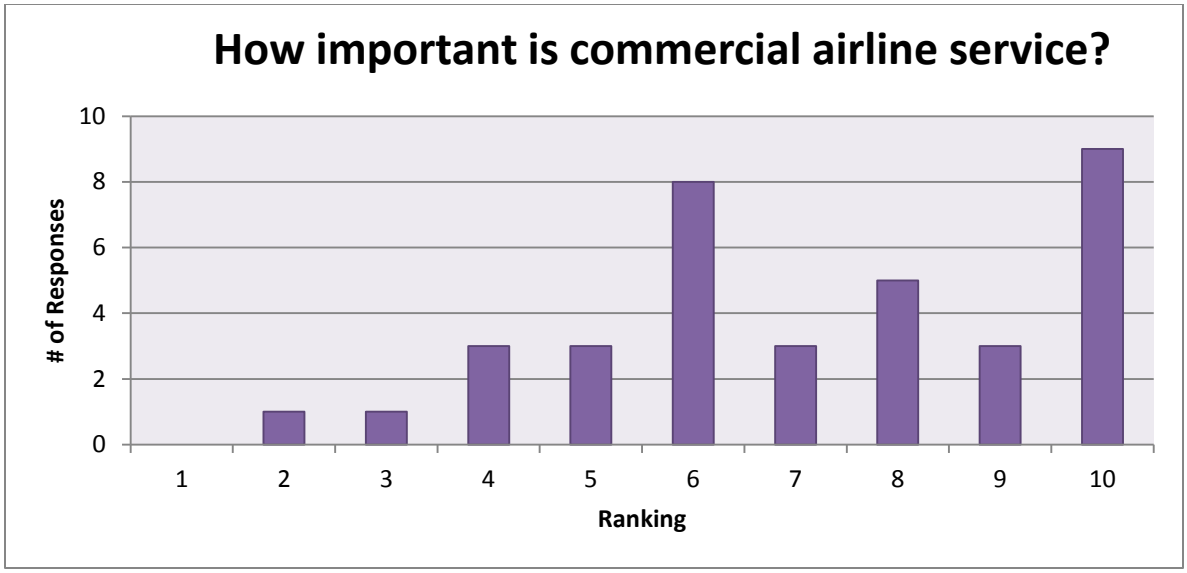
ANALYSIS

- The difference between the importance of events & festivals and Ridgecrest's events & festivals ranking illustrates a weakness in community's attractiveness to millennials and an opportunity to close the gap and discourage traveling to spend money in nearby shopping areas (leakage).
- There is a demand for designed and "specialized" events & festivals which would focus on specific themes and/or demographics. This relates to a "one-size-fits-all" mentality about community events, which ultimately weakens each event's individual brand.
- There were two styles of events that were attractive:
  - Events with high production value – large amounts of participation (street fairs) or large spectacle attractions (air shows)
  - Specialized or niche events with unique attractions and high design
- Attendees are looking for more regular opportunities to participate in an event, such as weekly or monthly:
  - Food truck rallies are a great start, but it was felt that the event needs more design and more consideration of the customer experience
  - Other opportunities:
    - Dancing night
    - Theme nights at various locations
    - Other specialized events

QUESTION 12

ON A SCALE OF 1 TO 10, HOW IMPORTANT IS COMMERCIAL AIRLINE SERVICE? (1 BEING NOT AT ALL IMPORTANT AND 10 BEING EXTREMELY IMPORTANT)

	1	2	3	4	5	6	7	8	9	10	Total	Weighted Average
(no label)	0.00% 0	2.78% 1	2.78% 1	8.33% 3	8.33% 3	22.22% 8	8.33% 3	13.89% 5	8.33% 3	25.00% 9	36	7.17

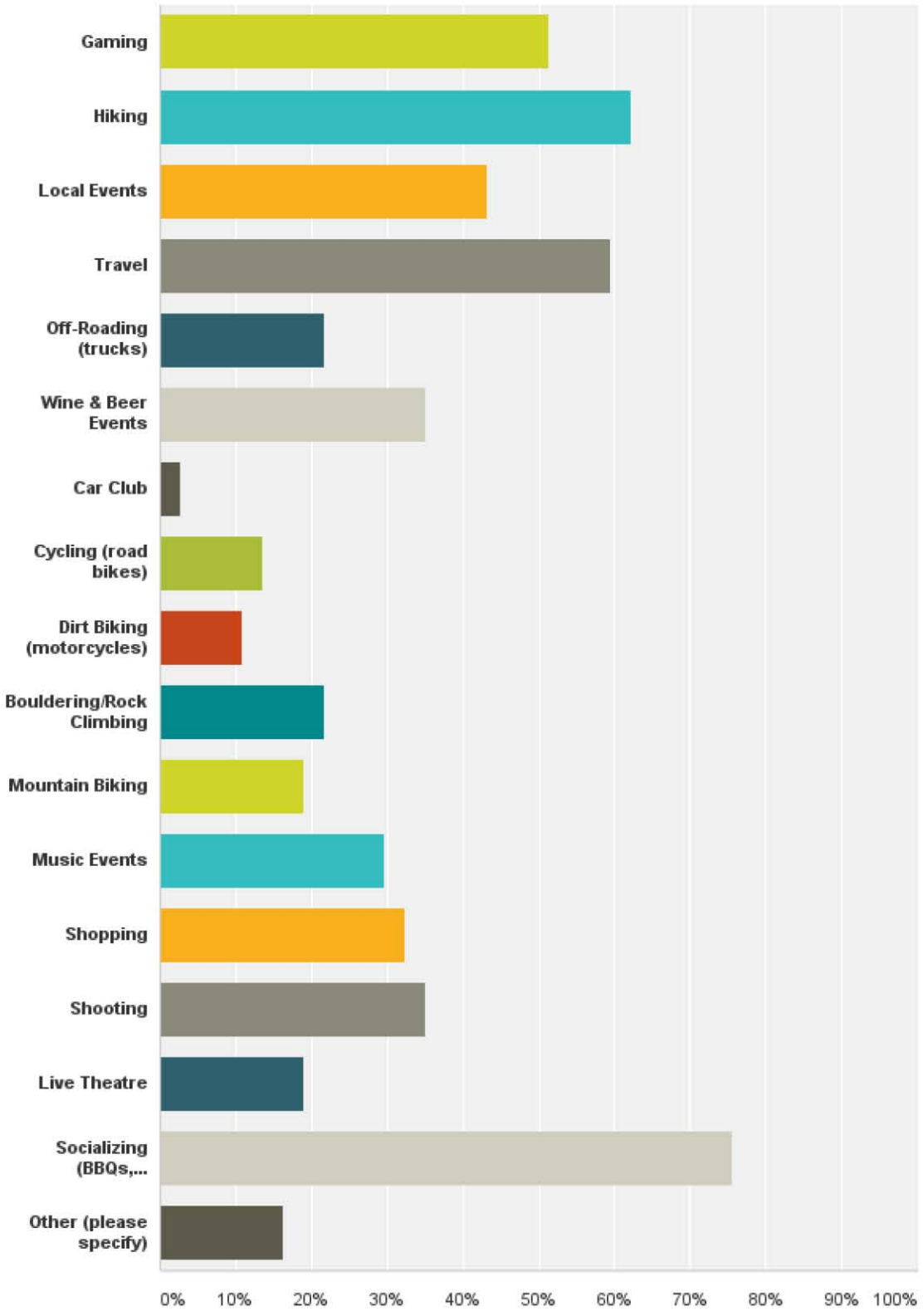


ANALYSIS

- Current methods of getting out of the community pose a challenge to locals
  - Commercial air service would be "better than driving to L.A. or Las Vegas"
  - "It's like being in Mad Max trying to get out of town on [Highway] 395"
- Commercial airline service would lessen the challenge of Ridgecrest's remoteness. While not preventing leakage, it would eliminate the remoteness as a concern is affordable commercial services were offered and be leveraged as a recruitment/retention tool.
- The price point for Millennials to travel via air service may be high enough to support such service
  - "If I could spend a couple hundred dollars on a ticket, I would rather fly out of Inyokern" than drive out of town
- Local tourism groups could seize upon the opportunities with commercial air service by offering package rates (flight/hotel/local attractions).
- Tourism could produce additional revenue if commercial air service and local attractions were jointly and properly marketed.

QUESTION 13

WHAT ARE YOU ALREADY DOING FOR FUN? (CHOOSE ALL THAT APPLY)



Answer Choices	Responses	
Gaming	**51.35%**	19
Hiking	**62.16%**	23
Local Events	**43.24%**	16
Travel	**59.46%**	22
Off-Roading (trucks)	**21.62%**	8
Wine & Beer Events	**35.14%**	13
Car Club	**2.70%**	1
Cycling (road bikes)	**13.51%**	5
Dirt Biking (motorcycles)	**10.81%**	4
Bouldering/Rock Climbing	**21.62%**	8
Mountain Biking	**18.92%**	7
Music Events	**29.73%**	11
Shopping	**32.43%**	12
Shooting	**35.14%**	13
Live Theatre	**18.92%**	7
Socializing (BBQs, kickbacks, etc)	**75.68%**	28
Other (please specify)	**16.22%**	6
Total Respondents: 37		

Showing 6 responses

Running 8/6/2015 6:12 PM	View respondent's answers
Golf on base 8/6/2015 6:11 PM	View respondent's answers
Board games, frisbee, soccer 8/6/2015 6:10 PM	View respondent's answers
Baseball/Softball 8/6/2015 6:09 PM	View respondent's answers
Crossfit 8/6/2015 6:01 PM	View respondent's answers
Roller derby 8/6/2015 5:56 PM	View respondent's answers

Total Respondents: 37

DISCUSSION

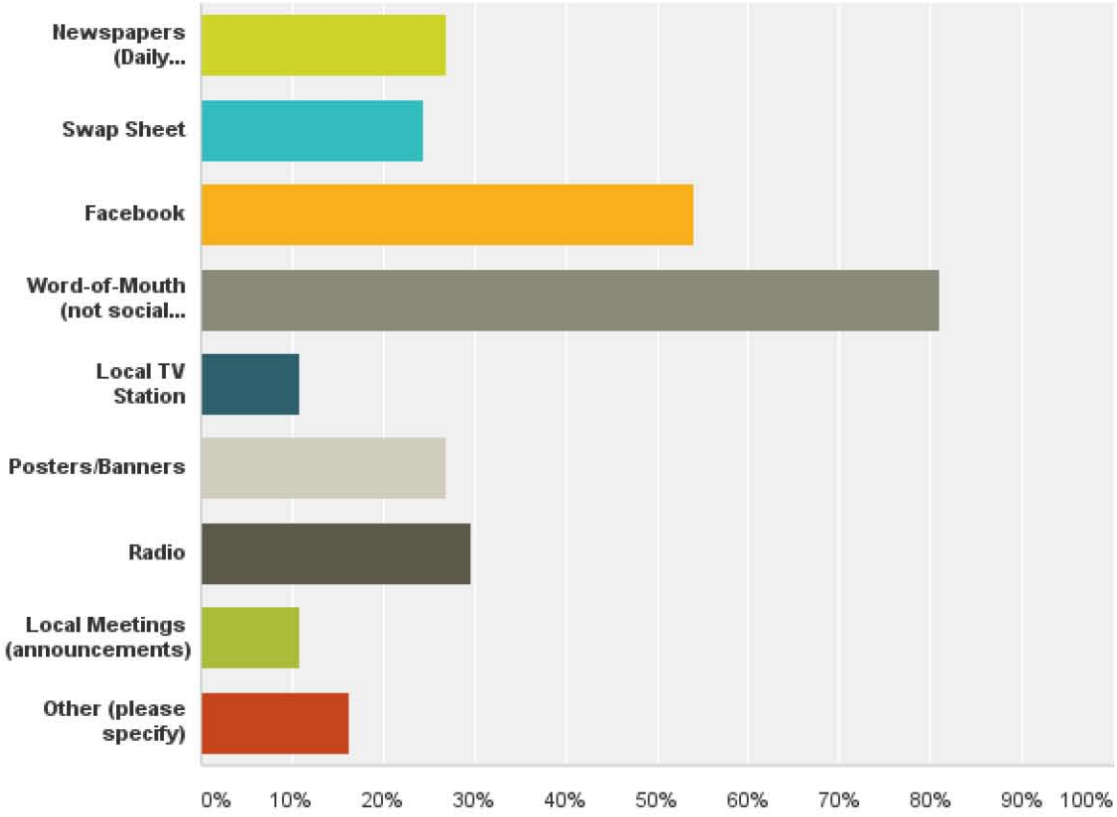
- There is a desire for "more themed events" specializing on certain activities and groups
  - "more kid activities…ways to keep cool and busy in the summer"
- Events do not reoccur often enough to provide weekly or monthly activity
  - Millennials "don't have anything to do, especially on the three days weekends we have"
- There needs to be some sort of introduction to the local opportunities
  - Millennials "all come here from other areas and don't know how to do [local activities] – hiking, biking, mountain climbing, shooting"

ANALYSIS

- While there is a perception that Ridgecrest does not offer enough activities, millennials are effectively forming social groups around activities. This presents an opportunity to capitalize on millennial interests. Local businesses and organizations can develop activity-based events, products, or services that tap into this already developed millennial interest.
- For the purpose of retention and recruitment, "sanctioning" these social activities by sponsoring them through local businesses or organizations will improve on the welcoming and community environment. The message will be that Ridgecrest responds to millennial needs and *is* a place great for young professionals and young families.
- Many of the activities listed do not require heavy investment. To begin, "proof of concept" projects can be implemented that will demonstrate the willingness for millennials to attend and pay for events/products/services. As this interest groups by routinely offering the activity, businesses and organizations can begin to adopt these ideas for increased local revenue, preventing leakage, and improving the over community atmosphere.
- The most attractive social activity according to the data is "general socializing". This emphasizes the focus of young millennials on a well-designed, marketing, and welcoming environment. It is more about the ambiance that encourages socializing than it is about any single activity or product. Creating an attractive atmosphere would go a long way in bring business to local venues.

QUESTION 14

WHERE DO YOU FIND LOCAL INFORMATION (ABOUT POLITICS, EVENTS, GENERAL NEWS, ETC)? (CHECK ALL THAT APPLY)



Answer Choices	Responses	
Newspapers (Daily Independent & News Review)	**27.03%**	10
Swap Sheet	**24.32%**	9
Facebook	**54.05%**	20
Word-of-Mouth (not social media)	**81.08%**	30
Local TV Station	**10.81%**	4
Posters/Banners	**27.03%**	10
Radio	**29.73%**	11
Local Meetings (announcements)	**10.81%**	4
Other (please specify)	**16.22%**	6
Total Respondents: 37		

Showing 6 responses

Friends 8/6/2015 6:12 PM	View respondent's answers
Work 8/6/2015 6:10 PM	View respondent's answers
All hands social emails 8/6/2015 6:10 PM	View respondent's answers
Email 8/6/2015 6:09 PM	View respondent's answers
Cooking 8/6/2015 6:04 PM	View respondent's answers
ESDP local event list 8/6/2015 6:02 PM	View respondent's answers

Total Respondents: 37

DISCUSSION

- 50+% felt they do not know about events or businesses (and promotions) due to a lack of web presence and strong marketing
- Expressed the need for "a better way of telling everybody about an event or whatever is happening"
  - This lack of such a mechanism has caused low engagement, since Millennials "never know when things are happening"
  - A better mechanism would consolidate effort, since now Millennials have to "scour the Swap Sheet, newspapers, and published media for info every Thursday"
- A concern regarding base security and the use of Facebook was brought up
  - This was addressed by someone from HR, who wanted to make it clear that Facebook was not an issue. But the concept is out there and must be addressed for Facebook to be perfectly effective as a marketing/social tool
- Quick polling to clarify any confusion over the options provided additional input:
  - 40% look to Facebook
  - Only a few look to newspapers
  - 10 (of 42) look to Swap Sheet
  - No one responded that they utilize local television
  - A few look to posters/banners in town
  - Approximately 25% listen to local radio
  - 50% responded that the All-Hands emails are effective
- Ideas for more effective tools:
  - Weekly newsletter
  - Detailed ads
  - Local blog
  - Centralized marketing platform (requires codification)
  - A more effective community calendar (discussed Chamber of Commerce calendar)
  - Better copywriting on advertisements for draw and understandability

ANALYSIS

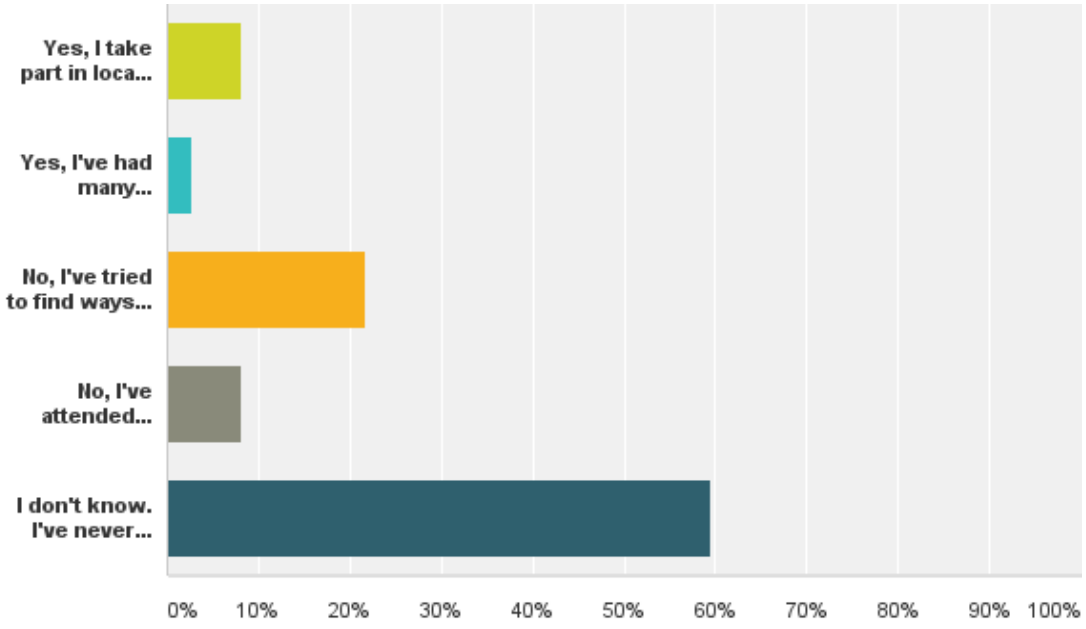
- The data and discussion reflects an obvious lack of cohesion in marketing. Designing an attractive marketing tool or method and implementing it on a large scale would codify the way millennials (and the entire community, in fact) receive information about local happenings and news.

- Some of the data from the survey was clarified in the discussion, such as the impact of TV advertisements. The data suggested that it had some impact, though the discussion revealed that no one watched the local channel. It can be assumed that there is a margin of error in the data due to confusion, and that those who marked "TV" as a source of local news on the survey thought it to mean general news from a national broadcast station. This is likely attributed to a lack of clarity about local versus national news sources (i.e. Daily Independent versus The L.A. Times or KZGN versus CNN)
- Given that word-of-mouth is demonstrated as the most effective marketing method, marketing campaigns must have strong drivers that encourage sharing and discussion. In other words, the strategy of the campaign itself is more important than the sheer number of posters hung around town. An effective campaign will encourage individuals to buy-in, share the excitement, and effectively become ambassadors for the event/product/service.
    - It should be noted that Ridgecrest appears to consider itself small enough to be a word-of-mouth town. In reality, word-of-mouth communities have a maximum population of approximately 7,000 people. The fact that Ridgecrest considers itself that small has likely harmed the effectiveness of marketing efforts in the past. This issue should be considered when strategizing a campaign.
- Social media platforms have replaced local TV and many other local news outlets as the source of information[6]
- During nearly every discussion, marketing was revealed as a challenge. Ridgecrest is combating a systemic problem: even when demanded products/services are offered, the word is not getting out. Improving on local marketing would prevent leakage.
- Non-local marketing was not fully discussed, but it worth mentioning considering the impact on local culture. With numerous natural attractions in the area, a fully realized regional brand, marketing outside the City, will grow and appreciation (and revenue stream) for the local community. When the area is considered an attractive place to visit for tourists, in improves its attractiveness to locals.
    - This will also be a considerable tool for retention/recruitment purposes: the local community can trumpet the attractiveness of the area louder and more effectively.

[6] The Pew Research Center released a study in June 2015 that demonstrates the reliance in Millennials to use social media, especially Facebook, as a main source of news. 61% of Millennials turn to Facebook over 37% to local TV, versus Boomers, where 60% rely on local TV while 39% turn to Facebook. See the full study at http://www.journalism.org/2015/06/01/millennials-political-news/

QUESTION 15

DO YOU FEEL THERE ARE OPPORTUNITIES FOR YOU TO PARTICIPATE IN LOCAL POLITICS AND POLICY MAKING?



Answer Choices	Responses	
Yes, I take part in local politics and it was easy to get involved.	**8.11%**	3
Yes, I've had many opportunities to get involved, I just haven't.	**2.70%**	1
No, I've tried to find ways to get involved, but I couldn't find any.	**21.62%**	8
No, I've attended meetings and they are unwelcoming.	**8.11%**	3
I don't know. I've never tried to get involved.	**59.46%**	22
Total		**37**

DISCUSSION

- Approximately 30% - 40% said they would be interested in participating in local politics
- A Young Professions Group was discussed as a good idea for bringing together millennial effort and creating a voice for the 18 – 35 age demographic
- Most responded that they did not feel invited to participated in the local political affairs
- Information is scattered and difficult to understand regarding times where participation is possible
    - Better public relations needs to be implemented to attract millennials to the table
- There was considerable discussion over the perception of corruption, collusion, and/or cronyism in local politics
    - "City Council keeps a lot of businesses out – don't know if it's true, but that's the perception"
    - Whether or not this observation is true it is a critical issue that should be addressed

ANALYSIS

- The general response from the group demonstrates a lack of information regarding involvement opportunities in local policy-making. This may account for the discrepancy between the willingness to get involved during group discussion and the survey results that show only 10% as involved or seeking opportunities to be involved.
- Many who have attempted to find information reported the difficulty in finding times for public meetings. Even more reported a complete confusion about when/where public input would be effective.
- A campaign to disseminate information and even education about local political landscape would encourage participation from millennials.
- In every discussion, concern was raised about City Council preventing the expansion or acquisition of new business. There is a perception that conflicts of interest are unchecked and corruption is preventing growth in the community. Give this perception, there is a great opportunity for community leaders to conduct better outreach and reporting on community-based initiatives and programs as well as to more fully involve millennials in projects and initiatives they care about.
- Public meetings focusing on millennial involvement, focus groups that has direct communication with the Council, Young Professional Programs through Chamber of Commerce, business roundtables with millennials, and focused marketing/outreach to include millennials would help integrate these professionals into the community and improve the community atmosphere.
- Millennials participate in politics differently than previous generations[7]
    - Often, Millennial participation relies more on group mobilization through networking, rather than relying on service clubs, organizations, or political parties. Not only are more registered independent, but political activity is coordinated not through community groups, but through personalized groups assembled using social media.

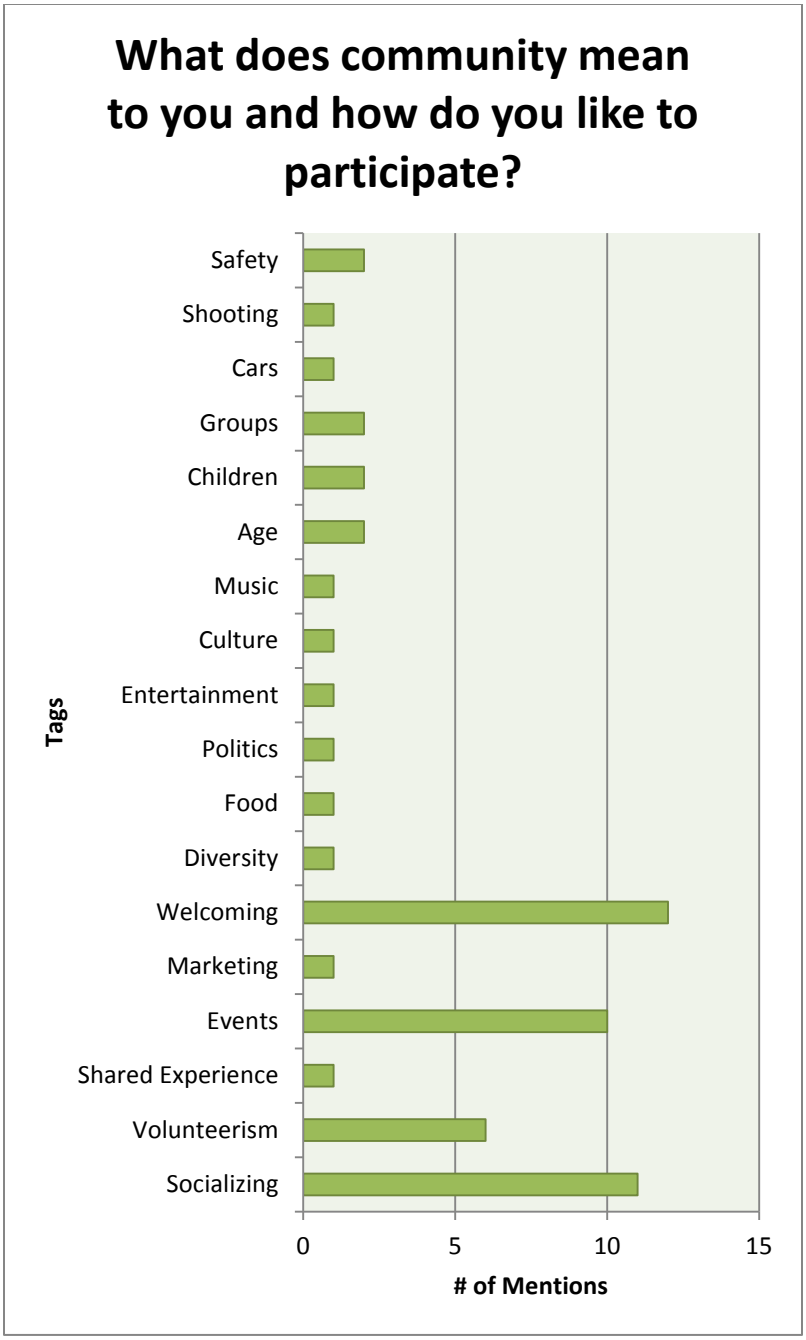
[7] The Pew Research Center published a report in March 2014 chronicling major characteristics comparing Millennials to Generations X, Boomer, and Silent. Among its findings, *Chapter 1: Political Trends* recognizes the mobilization patterns for Millennials as considerably less party affiliated. It also recognizes trend in Millennials to develop groups independently of clubs or organizations, as was done in the Silent and Boomer generations. Full report at http://www.pewsocialtrends.org/2014/03/07/chapter-1-political-trends/

QUESTION 16

WHAT DOES COMMUNITY MEAN TO YOU AND HOW DO YOU LIKE TO PARTICIPATE?

Total Richness: 2150

Responses	Richness
I like to create long term relationships with people. So as wonderful as building and cleaning projects are to the community, I'd like to tutor students throughout the school year and have mentoring programs. EYH was a great event but it's still only one day.	259
Community means coming together to share an experience. I like to participate in such a way that I can feel included and part of the shared experience while also doing my own thing.	182
I like to be a huge participant in local and community activities and events. Community is a place of people to come/live together and take an active role in advancing the group.	178
To me community means going outside and feeling welcomed. I enjoy volunteering and giving back but I dont hear about much events and if I do they are usually during work hours.	176
Community is a social bond with others who have a common goal. I would like to see more diversity in the ridgecrest community which includes politics food and entertainment.	174
Community involves local events and culture. Also a neighborly friendliness. I like to attend cultural or club events.	118
Community is a state of neighbors working together to foster a welcoming environment for visitors and locals alike	114
Community means involvement and togetherness. I like festivals, live music, organized events.	94
Community means getting together for different events. I like organizing and attending events	93
A sense of belonging. There isn't much for my age group to do. Especially for children.	88
Events geared towards target age groups and/or hobbies. Not one size fits all events.	85
I think this community is close nit and I like to keep it that way	67
By being understanding and bringing happiness to the table :)	62
Group of people I know and have events I participate in with	60
I want family friendly events and stuff	39
Socializing with friends and family	36
I like to go to festivals and bbqs.	35
Friends and meeting new people.	31
I like events and socializing.	31
Shooting events and car events	31
A close-knit group of friends.	30
It's like an extended family	28
Great place to raise kids	25
Organizations and clubs	23
Ridgeproject clean ups	22
Just be inclvolved.	19
Nice place to live.	19
it my home town	17
friends	7



DISCUSSION

- Volunteering was identified as a significant method by which individuals grow to feel a part of the community
  - Expressed a desire for more information about volunteer opportunities
- Expressed a difficulty in finding information on typical volunteer groups:
  - Music events
  - Church events
- The Star Party at Cerro Coso was singled out as an outstanding event
- Christmas light displays and maps to find good displays was singled out as a particularly strong event for community feeling
- There was a high demand for better advertisements and more usable information centers (i.e. websites)

ANALYSIS

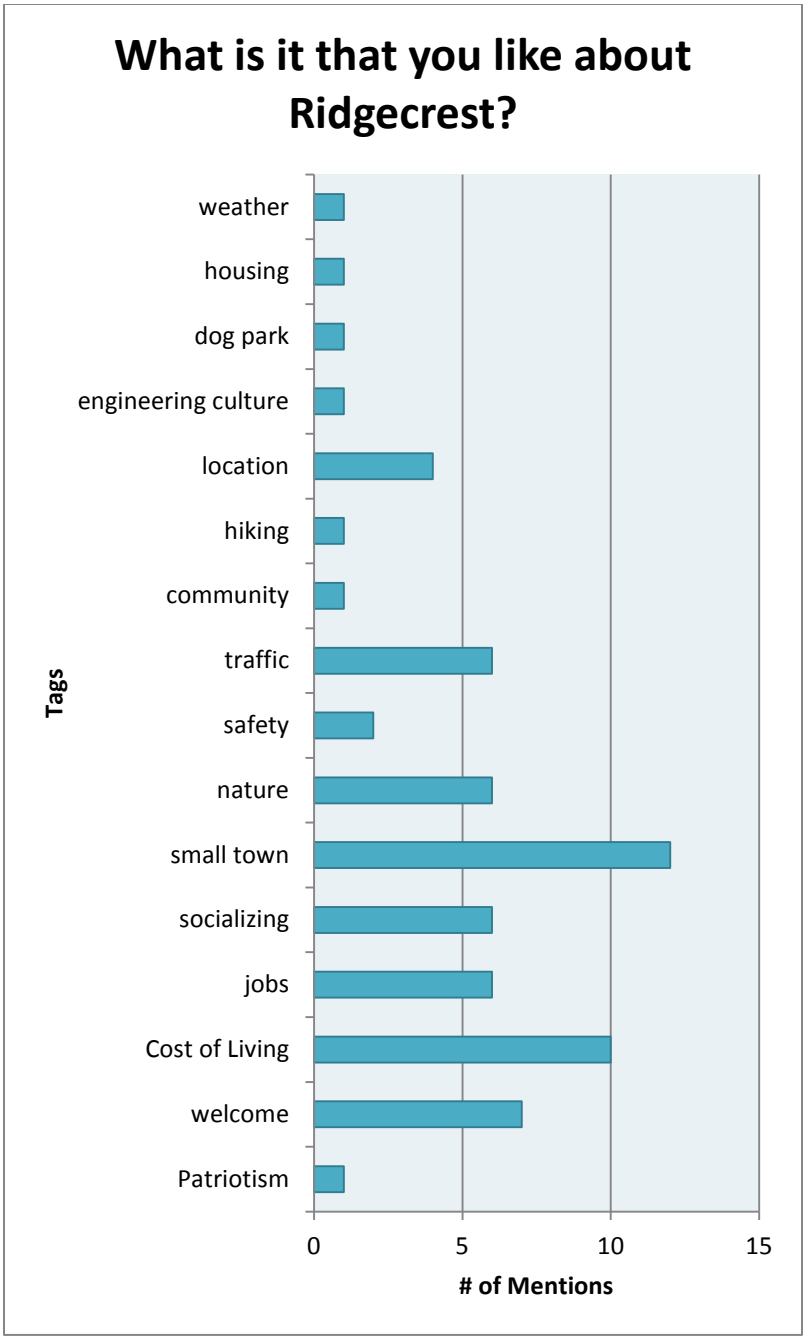
- To improve upon the sense of community, the following areas of focus would have the most benefit according to the provided data:
  - Create more regular and routine events. Specialize events on specific themes or areas of interest.
  - Develop opportunities for routine socializing
    - Shared experiences happening weekly
    - Improved design for mingling at local restaurants
    - Hosted meetups with different organizations and/or businesses
  - Create and market volunteer opportunities to include millennials in local efforts
  - Encourage a welcoming atmosphere – emphasize customer service in the business community and create collateral that encourages newcomers in town to participate or try local options
- A sense of community is critical to retention/recruitment. When the community feels like home, it becomes increasingly difficult to leave. The result is more local investment and less loss of the trained workforce.
- An improvement to the sense of community taps an important millennial value: millennials spend money based partially on moral considerations. For example, corporations that donate or have a strong "green" policy are considered superior and more worthy of patronage. Developing a sense of community encourages local spending by making a local purchase or investment more worthy, thus increasing revenue and developing a greater local identity.
- The willingness for millennials to volunteer and be involved in their community means that the burden for producing events and launching initiatives does not solely rest on community leaders. There is a huge opportunity to leverage Millennials for successfully launching and implementing new programs and initiatives.

QUESTION 17

WHAT IS IT THAT YOU LIKE ABOUT RIDGECREST?

Total Richness: 1429

Responses	Richness
Patriotism/military support, familiarity, friendliness, base job opportunities, lower cost of living than other ca areas	122
I do like the small-town feel and almost-zero commute time, and I love the friends that I've made over the years.	113
i like its size and ease of livability. I like my fellow coworkers and friends and the job I'm doing.	101
I like the small town and the lack of traffic. I feel there is a lot of potential in this town.	95
The small town feel. Friendly people. Beautiful surrounding area. Low crime and traffic rate.	94
I like the cost of living the most. It is affordable and easy to save money.	76
no traffic. Low cost of living. Larger homes and plots of land.	63
Pretty warm atmosphere. Both community wise and weather wise	61
Lower cost of living compared to the rest of California.	56
Outdoors access, low cost of living, small town feel	52
I like the friendly people and low cost of living.	51
its not coastal California. Housing is affordable.	50
The community rallies together when it counts	45
The proximity to LA and Mammouth lakes.	39
A small group of wonderful people :)	37
Very close to some very good hiking.	36
My work and affordable housing	30
The people. Very welcoming.	28
open space. Cheap housing	26
Inexpensive place to live	25
The work and the people	23
Small and no traffic	21
It's small and nerdy.	21
Proximity to nature.	20
Safe with low crime	19
Dog park is awesome	19
The country feel.	17
The great people	16
Short commutes	14
Awesome work	12
Small town	10
Small town	10
No traffic	10
Small town	10
My job.	7



ANALYSIS

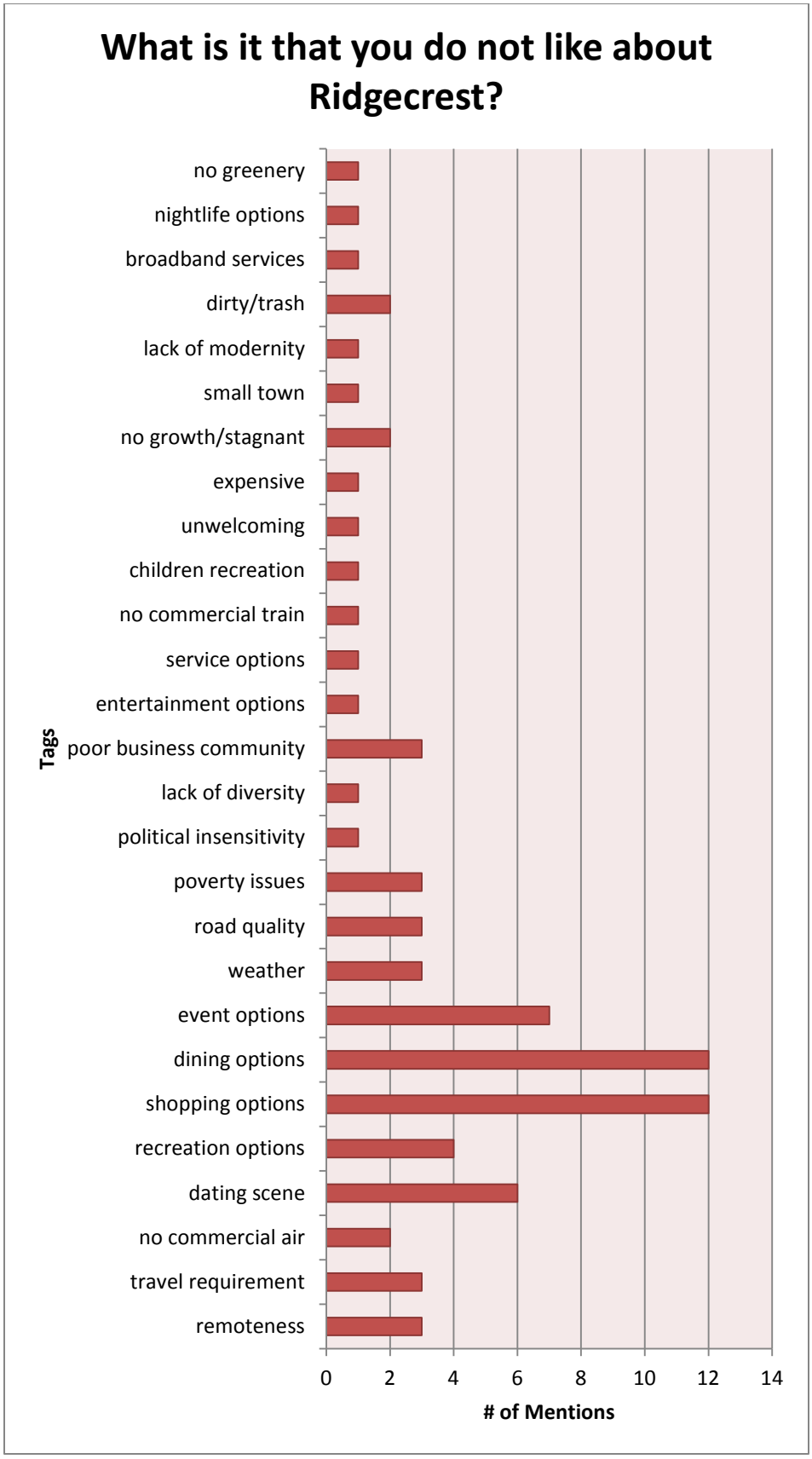
- A majority of the open ended response confirm findings from the survey and discussion
- Additional areas to emphasize that are making on impact on millennials:
  - The small town environment is attractive and inviting to millennials and could be emphasized with improvements that emphasize those qualities that make Ridgecrest quaint and pleasant
    - Downtown improvements for more "small town" socializing
    - Town Hall meetings (in public places) to address local interests and issues
    - Meet & greet type events that introduce public figures, such as the City Council, Navy leadership, business owners, etc.
  - Cost of living is a tremendous driver for Ridgecrest: could be emphasized in recruitment materials

QUESTION 18

WHAT IS IT THAT YOU DO NOT LIKE ABOUT RIDGECREST?

Total Richness: 2313

Responses	Richness
While the small town life isn't bad the town is very remote. It takes to long to get anywhere outside of town e.g commerically served airports, towns with available services (doctors, shopping centers etc). There is also a lack of young SINGLE females in town compared to the young single male population.	305
its lack of overall choices in extracurricular. Whether that be activities to do or places to go or to shop at or eat at. I like its smallness but would like more overall options.	179
Lack of options, in all aspects (shopping, dining, attending music festivals, etc.) and that it's quite a drive to get to do any of those things.	145
The heat, poor road quality, poor neighborhoods, lack of options as far as shopping, wide economic gap, distance from metropolitan areas.	138
Limited food options. Sometimes people are a little prejudiced or overtly socially conservative in a potentially offensive manner.	130
Male to female ratio Small businesses have no desire to change or adapt to a younger crowd	92
Not close to enough choices. That ranges from entertainment, food, services and shopping.	89
Little to do outside of work. Low income folks coming in from other communities.	81
The lack of shopping and events, some more restaurants would be nice.	71
Limited dining, shopping, travel options (train, commercial airline)	69
not enough feel of a community. Not enough food and shopping options	68
Lack of activities for kids. Lack of shopping and food options.	64
still expensive. More a California issue than a Ridgecrest issue	64
Food, entryways to business are steep, everyone is married/kids	63
Lack of infrastructure. Lack of fun restaurants and events.	60
Not much to do. Nothing to keep me in town on weekends	56
Limited everything. I want a Fry's food store people!	54
No stores to shop in can't even get a super walmart	51
Lack of women, town is bad but also not improving	49
How small town it is for the large population	46
My small group of friends and coworkers :)	43
Hard to meet people, especially singles.	40
Roads and scewed male to female ratio	38
Lack of shopping and modern amenities	37
it can be a little scummy sometimes	35
Internet, bad neighbors, trash	32
Food and dining, lack of events	31
90 min perimeter of remoteness	30
Few nightlife social options	29
No enough community events	26
No variety closes early	23
Minimal family events	22
Isolation and weather	21
The lack of greenery.	21
No shopping	11


What is it that you do not like about Ridgecrest?
Tags
no greenery
nightlife options
broadband services
dirty/trash
lack of modernity
small town
no growth/stagnant
expensive
unwelcoming
children recreation
no commercial train
service options
entertainment options
poor business community
lack of diversity
political insensitivity
poverty issues
road quality
weather
event options
dining options
shopping options
recreation options
dating scene
no commercial air
travel requirement
remoteness
0
2
4
6
8
10
12
14
# of Mentions

ANALYSIS

- Improvement is heavily demanded for more product/service options. It was expressed and corroborated by the data that the local options lack diversity and quality. An improvement would significantly increase local spending
- Stores could hone in on more specialization: consumer behavior for millennials is dependent on unique, niche marketing options more so than superstore purchases (experience over inventory). The business community (lead by Chamber of Commerce) could provide generation data and education courses to help businesses adapt to this new consumer expectation. Thus decreasing leakage and improve community buy-in.
- Socialization was a major concern, particular quality social interactions, which can be addressed through improved design to restaurants and bars. Dating, in particular, is a major challenge for a predominately male workforce without quality socialization options. For example, the bar scene in Ridgecrest does not provide a relaxed, modern, lounge atmosphere, and therefore limits local patronage and opportunities for socializing.

CONCLUSION

TAKE-AWAYS

- Design
  - Design is extremely important to millennials and historically overlooked in Ridgecrest
- Business Community
  - Customer considerations need significant improvement in the local business community
  - A greater variety of shopping options/experiences need to be offered to prevent leakage and encourage local patronage
  - Downtown needs development, particularly with regards to aesthetics and diversity of options
- Marketing/Public Relations
  - Communication needs drastic improvement for all areas (business, political, events, etc.)
  - A cohesive marketing method would dramatically increase local revenue by decreasing the money spent on individual marketing efforts and increasing attendance/patronage to local events, promotions, etc.
  - Lacking communication (business & political) is harming the feeling of community, particularly for those new to the region
- Branding
  - Ridgecrest needs an identity/branding that can be a driving force for patronage
  - A clear and marketable brand for the region can encourage tourism, increase revenue, develop the community, and improve local patronage

STRATEGIES

BRANDING

- Begin a collaborative discussion amongst Ridgecrest stakeholders to begin focusing on a cohesive brand
  - Involve:
    - City of Ridgecrest
    - County of Kern
    - NAWS/NAWCWD Leadership (Command, Human Resources, recruitment programs)

        - Ridgecrest Chamber of Commerce
        - Ridgecrest Areas Conventions & Visitors Bureau
        - China Lake Alliance
        - Ridgecrest Economic Development Corporation
        - Major local stakeholders (businesses, organizations)
    - Focus discussion on economics of branding – explore brands that encourage local patronage
        - Survey different demographics to provide empirical data on viability of concept
- The branding should be focused on what is sellable about the region and appealing to *current* trends
- There was specific mention of distinguishing the downtown area (Ridgecrest Blvd. & Balsam St.) with branding and planning that encourages socialization, events, and foot-traffic.
    - It was stated that this improvement could have a dramatic effect on the overall social atmosphere of the community
- Branding should be broad enough to allow buy-in and collaboration from local businesses & organizations
    - Branding should imply an aesthetic that businesses, organizations, and City/County infrastructure can address
    - Branding should not be reserved or owned by pilot organizations, but available and open so the entire community can adopt the brand

MARKETING

- A single, cohesive marketing platform needs to be developed, maintained, and itself marketed so that it becomes the standard go-to for local information
    - Develop a landing page for all Ridgecrest business, activities, events, etc.
    - Follow current marketing trends to make the platform attractive and usable:
        - Strong design for intuitive use
        - Include multimedia platforms to optimize attractiveness
        - Create a hub-like platform that brings all information into the same place, connecting outward through external links
        - Allow buy-in through rankings, blogging, and sharing options
        - Include all local businesses & organizations
        - Have a curated "best of" or "featured" area to make distinct choices
- Begin a campaign to train local businesses & organizations how to effectively implement modern marketing
    - Implement educational courses through Ridgecrest Chamber of Commerce
    - Demonstrate how to effectively use the following tools:
        - Website development & maintenance for *all* businesses
        - Integration of website and content marketing on all relevant social media platforms:
            - Facebook
            - Twitter
            - Yelp
            - TripAdvisor
            - Google+
            - YouTube
        - Demonstrate effective use of online presence:
            - Websites
            - Social Media
            - eCommerce
    - Begin to train the public to look to and use these modern tools effectively to diminish cost of marketing efforts and maximize the impact of each marketing campaign
- Demonstrate the effectiveness of strong marketing artwork and copywriting

    - Provide classes or emphasize success stories of strong marketing campaigns (prove concept)
    - Provide resources, such as contacts or seminars, with consultants or marketing firms to begin to train local businesses owners on marketing campaign strategies and implementation
- Begin conversation with NAWS/NAWCWD to implement marketing on base to encourage patronage by from DoD and military employees

BUSINESS COMMUNITY

- Conduct millennial focus groups with business community (implemented through Ridgecrest Chamber of Commerce) to emphasize the need for adapting to current trends
- Create a Young Professionals Group or similar committee to enfranchise millennials and create a mechanism by which millennials can provide clear, constructive input
    - Begin developing two-way communication to uncover millennial consumer demands and marketing businesses and the adapt products and services to meet those demands
- Address customer service concerns:
    - Ridgecrest Chamber of Commerce and/or Ridgecrest Economic Development Corporation could conduct studies and provide data on the increase of revenue and expansion of business possible when customer service is improved
    - Provide workshops or courses through Ridgecrest Chamber of Commerce to encourage and teach the implementation of modern customer service (may not look the same for millennials)
- Provide resources, including courses or contact information for consultants, on how to update aesthetics and adapt environments to create a more demanded customer experience
    - Utilize community Pinterest boards to showcase strong designs
    - Conduct stylized classes implemented through Ridgecrest Chamber of Commerce
    - Conduct proof-of-concept events where themes can be tried for each business
    - Conduct surveys to explore the effectiveness of different design options within each business, each district, or community-wide

POLICY MAKING

- Enfranchise millennials by outreaching to young professions to participate in local committees
- Ensure information about local political events/discussions are readily available and updated on public platforms
    - Announce events/discussions through social media to circulate information
    - Start a newsletter that give brief updates and dates on upcoming issues
        - Build an ongoing subscription base using an online tool for effective outreach
    - Update website regularly and ensure that links to information is intuitively easy to find
- During 'welcome' events on base or in the community, provide information to incoming professionals recently recruited to DoD or military workforce
- Create a discussion platform for regular input opportunities
    - Utilize on online tools such as social media for informal discussions on topics
- Conduct regular surveys to consistent track the opinions/preferences of millennials on current issues
- Solicit constructive input from public on different issues

COMMUNITY

- Encourage organizations to solicit volunteer support from millennials

    - Marketing effective and get feedback to ensure that volunteer opportunities are in keeping with current trends
    - Explore different ideas if volunteer opportunities are unappealing to millennials – find out what they want to participate in and provide it
- Encourage local clubs/organizations to develop recruitment/marketing tools:
    - Encourage the development of websites for all local clubs, groups, and organizations
    - Encourage subscription options so locals can stay updated on events/opportunities
    - Encourage the implementation of 'community days' or 'introductory courses' where people can try activities for the first time
        - Especially important for clubs or groups with activities that require purchasing of equipment or knowledge of the activity:
            - Off-road vehicles
            - Shooting
            - Climbing/repelling
            - Gaming
- Remind businesses to include millennials by implementing the Young Professionals Group and hosting events/socializing at different venues
- Provide resources/workshops on how to adapt aesthetics and design to attract millennials to organization events and community activities

MILLENNIAL ENGAGEMENT

- Develop opportunities that require volunteers to involve Millennials in community projects
    - Find projects that will attract Millennials by engaging their values and interests
    - Market the volunteer opportunity through NAWS/NAWCWD/DoD channels to access millennial workers
- Create a "landing page" website that would centralize information about local activities, venues, businesses, etc.
- Encourage local activity-based clubs & groups to provide information on how to get involved and "try out" activities in the area (ex: shooting, off-roading, cycling, etc.)
- Market political meetings and opportunities to engage local policy-making through NAWS/NAWCWD/DoD channels
- Create a millennial newsletter that could continue to grow in its reach, but that would focus the energy of Millennials on political issues, business offerings, volunteer opportunities, and other local news
- Create panels/committees populated with Millennials to provide generation-specific input to businesses, policy-makers, and other community leaders
    - Implement policy discussion at the City and County level
    - Implement businesses discussion through Ridgecrest Chamber of Commerce
    - Market the panel/committee opportunity through NAWS/NAWCWD/DoD channels
- Host a workshop through the Ridgecrest Chamber of Commerce that would focus on marketing/consumer trends in Millennials
    - Continue the work of this focus group and expand outward
    - Revisit discussions/themes that came out of the 2015 Economic Outlook Conference, which featured speakers who focused on generational gaps in workforce and consumer trends

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SUE CLODT

FOR MORE INFORMATION ON HOW TO IMPLEMENT THE STRATEGIES MENTIONED OR TO CONDUCT FURTHER SURVEYS, PLEASE CONTACT O'NEILL DYNAMICS FOR A CONSULTATION:

(760) 495-2959 JUSTINTHOMASONEILL@GMAIL.COM

ONEILLDYNAMICS.COM

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RIDGECREST BUSINESS INTERNET SURVEY

REPORT & ANALYSIS

October 22nd, 2015

JUSTIFICATION

THE BUSINESS INTERNET SURVEY WAS CONDUCTED BY THE TECHNOLOGY COMMITTEE OF THE CITY OF RIDGECREST IN COLLABORATION WITH EASTERN SIERRA CONNECTION REGIONAL BROADBAND CONSORTIUM (ESCRBC). THE PURPOSE OF THE SURVEY IS TO UNDERSTAND THE USE AND VALUE OF THE INTERNET TO RIDGECREST BUSINESSES AND POTENTIAL FOCUS AREAS FOR IMPROVING BROADBAND IN THE CITY.

THE SURVEY IS INTENDED TO MEASURE KEY AREAS OF THE BROADBAND MARKET, INCLUDING: ACTIVITY, CONNECTIVITY, AVERAGE SPEEDS, DEMAND, PROJECTED DEMAND, PRICE-POINT, AND LEVEL OF IMPORTANCE. THE DATA HEREIN WILL HELP THE CITY OF RIDGECREST AND STAKEHOLDERS MAKE STRATEGIC DECISIONS REGARDING THE DEPLOYMENT AND/OR ENHANCEMENT OF BROADBAND IN THE AREA.

COLLABORATIVE PARTNERS

CITY OF RIDGECREST CALIFORNIA
NOVEMBER 29, 1963
THE KEY TO NEW HORIZONS

ESCRBC
Eastern Sierra Connect Regional Broadband Consortium

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METHODOLOGY

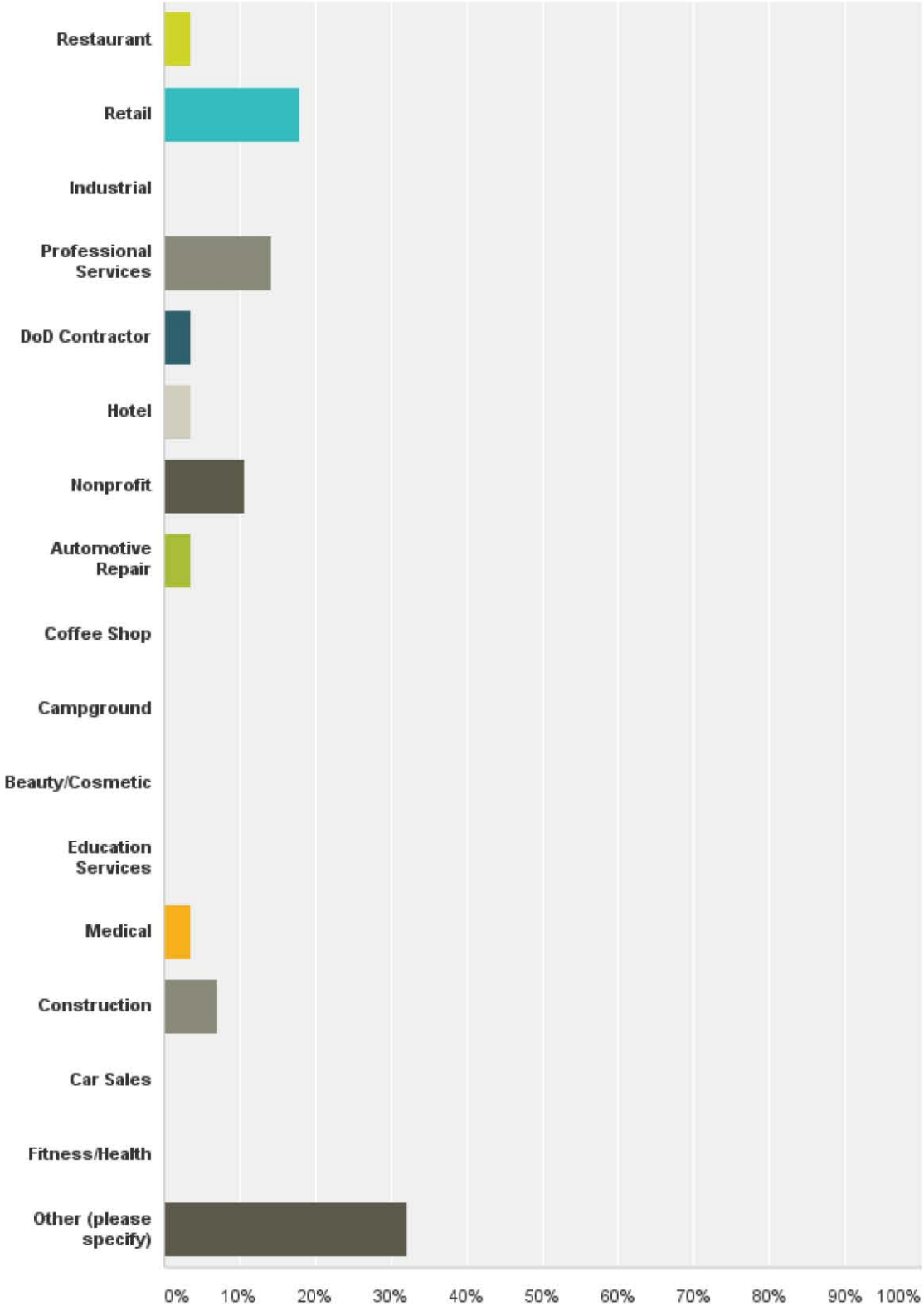
The survey itself was developed in collaboration with local stakeholders representing the business, healthcare, and political community. The survey questions were carefully vetted to gather specific data on the use, value, and demand of broadband resource in Ridgecrest.

The survey was released through social media, newspapers, and in-person requests. Online, surveys were distributed on social media (namely Facebook) as well as through email and newsletter channels. The survey remained open for responses for approximately two months at the time that this report was developed.

Combined, twenty eight (28) responses were gathered.[1] The results have been broken down for analytic review and an analysis of these results has been included to draw actionable conclusions for the data.

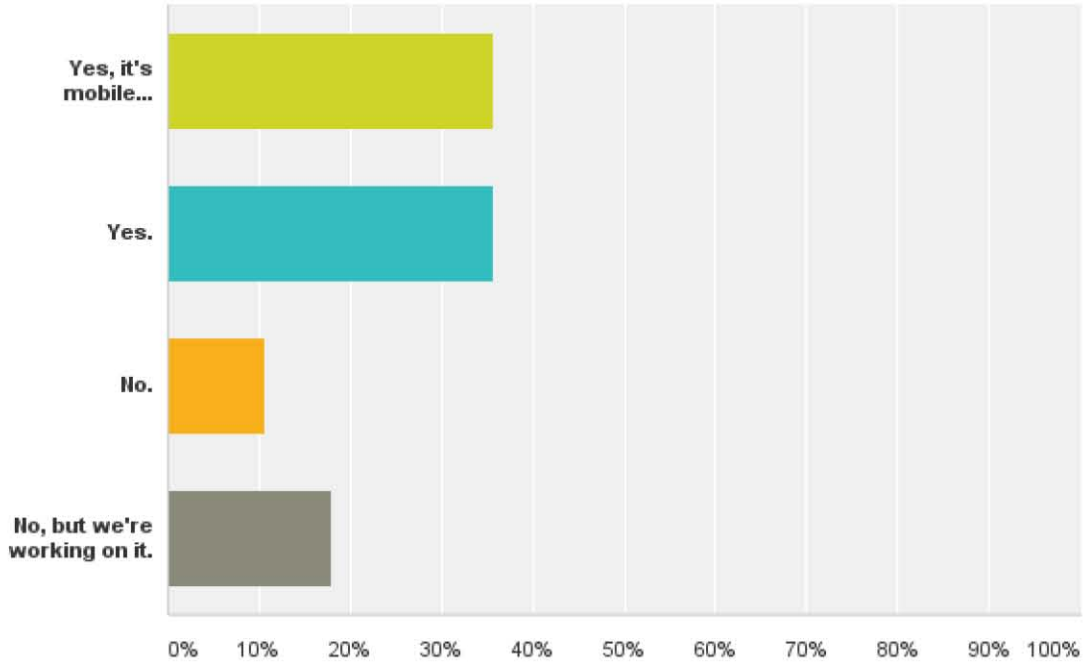
[1] This committee recognizes the high volume of responses gathered by online circulation and the effect of this disproportionate distribution on the results. The committee recognizes that these results will not effectively demonstrate the use and demand of broadband resources in the disadvantaged communities that lack connectivity. The report will therefore focus on use, demand, and value of broadband resources for current users.

QUESTION 1: WHAT TYPE OF BUSINESS DO YOU OWN?



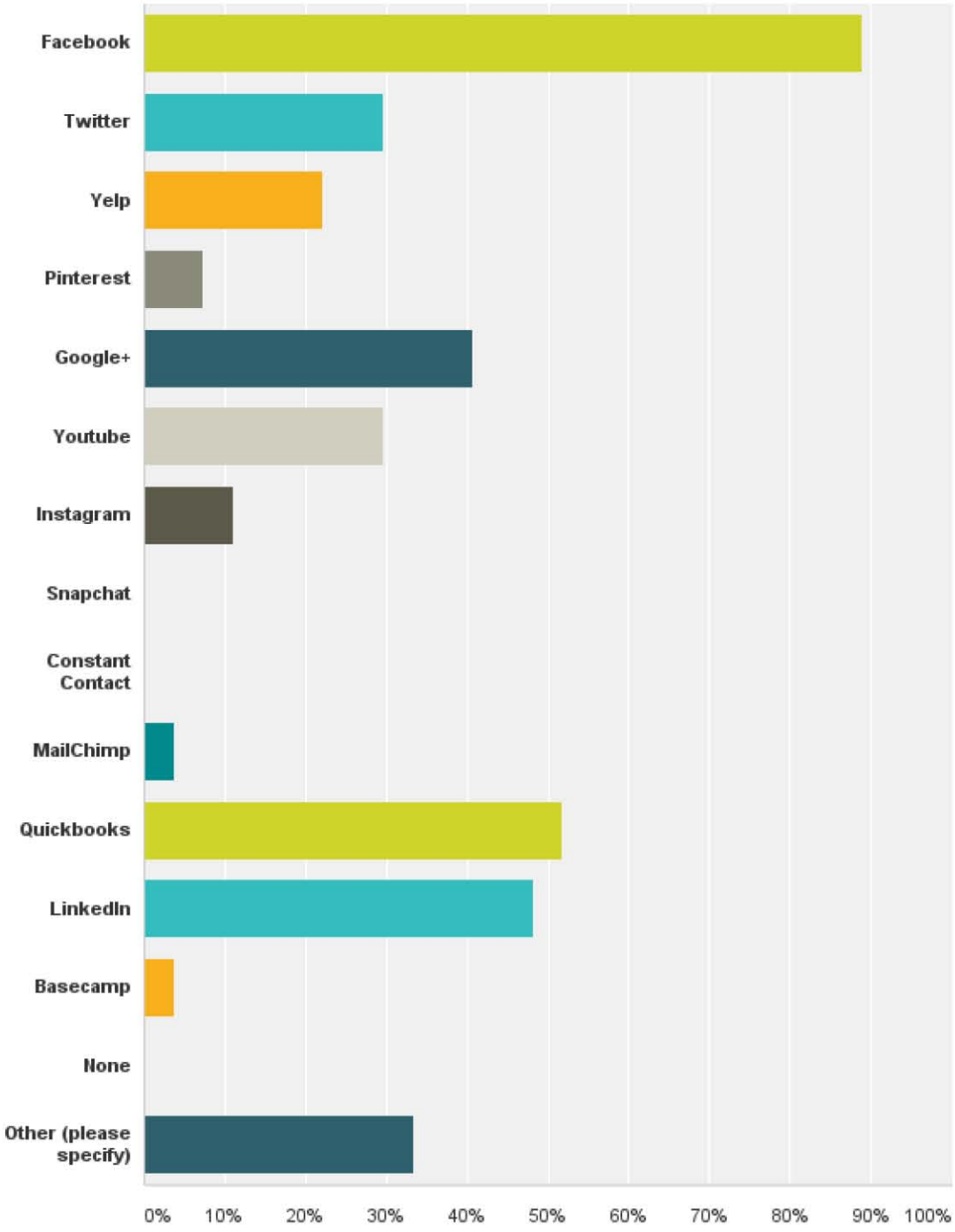
Answer Choices	Responses	
Restaurant	**3.57%**	1
Retail	**17.86%**	5
Industrial	**0.00%**	0
Professional Services	**14.29%**	4
DoD Contractor	**3.57%**	1
Hotel	**3.57%**	1
Nonprofit	**10.71%**	3
Automotive Repair	**3.57%**	1
Coffee Shop	**0.00%**	0
Campground	**0.00%**	0
Beauty/Cosmetic	**0.00%**	0
Education Services	**0.00%**	0
Medical	**3.57%**	1
Construction	**7.14%**	2
Car Sales	**0.00%**	0
Fitness/Health	**0.00%**	0
Other (please specify)	**32.14%**	9
Total		**28**

QUESTION 2: DOES YOUR BUSINESS HAVE A WEBSITE?



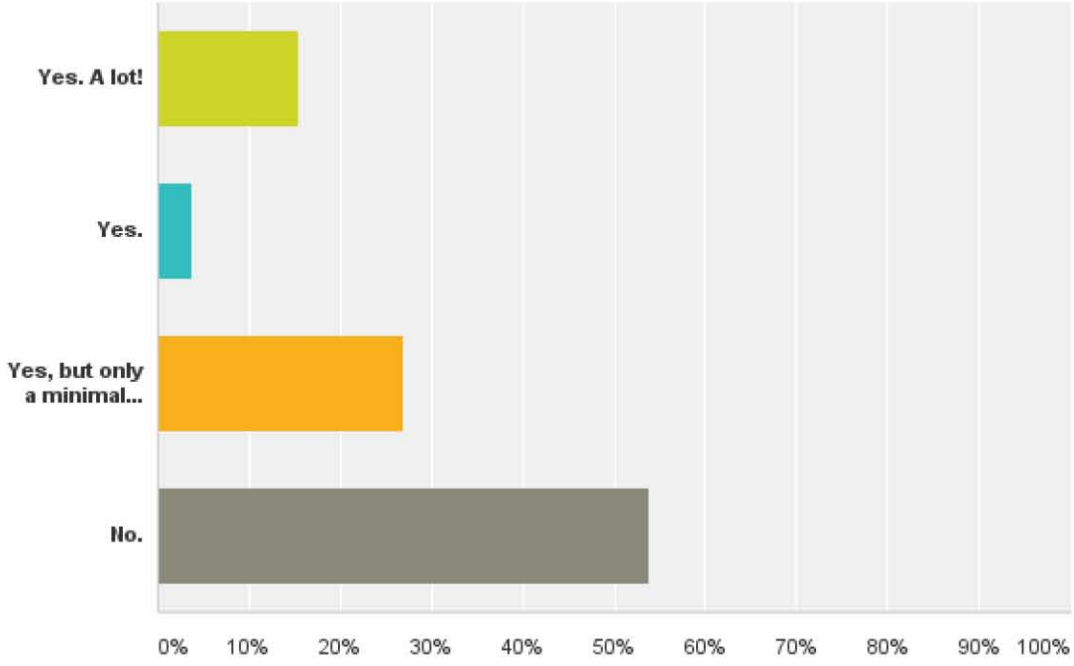
Answer Choices	Responses	
Yes, it's mobile responsive.	**35.71%**	10
Yes.	**35.71%**	10
No.	**10.71%**	3
No, but we're working on it.	**17.86%**	5
Total		**28**

QUESTION 3: WHAT ONLINE TOOLS DO YOU CURRENTLY USE FOR YOUR BUSINESS?



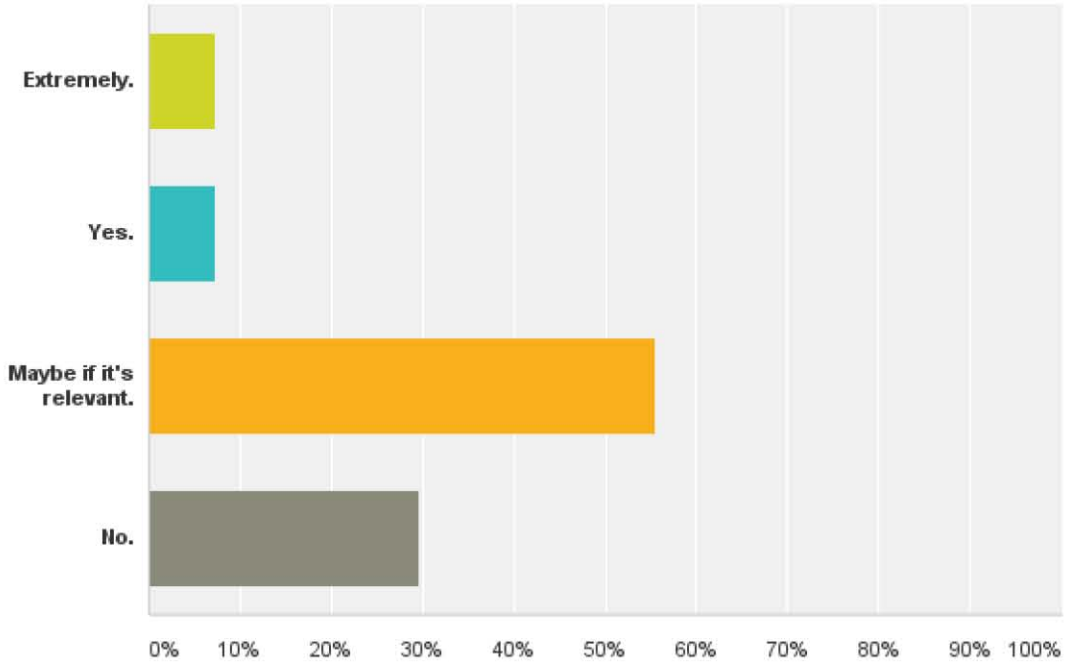
Answer Choices	Responses	
Facebook	**88.89%**	24
Twitter	**29.63%**	8
Yelp	**22.22%**	6
Pinterest	**7.41%**	2
Google+	**40.74%**	11
Youtube	**29.63%**	8
Instagram	**11.11%**	3
Snapchat	**0.00%**	0
Constant Contact	**0.00%**	0
MailChimp	**3.70%**	1
Quickbooks	**51.85%**	14
LinkedIn	**48.15%**	13
Basecamp	**3.70%**	1
None	**0.00%**	0
Other (please specify)	**33.33%**	9
Total Respondents: 27		

QUESTION 4: WOULD YOU BE WILLING TO PAY FOR SERVICE TO START USING THESE TOOLS FOR YOUR BUSINESS?



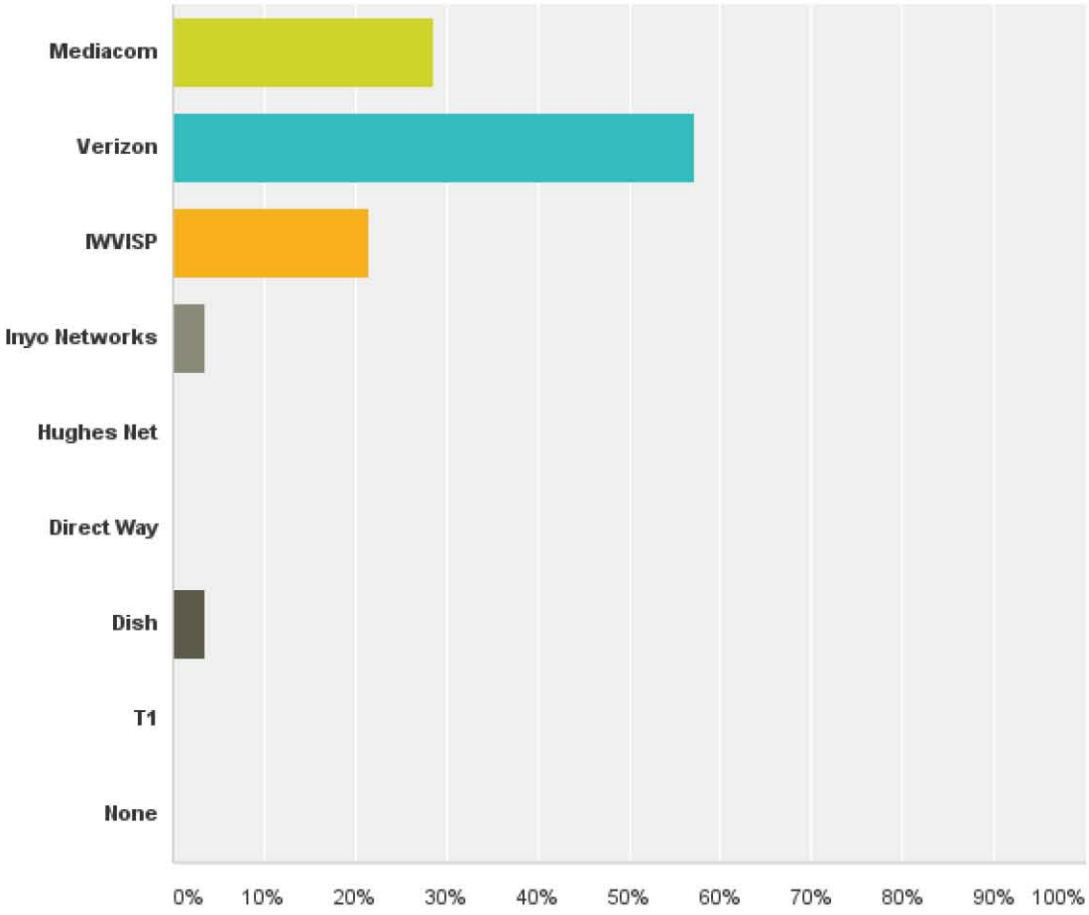
Answer Choices	Responses	
Yes. A lot!	**15.38%**	4
Yes.	**3.85%**	1
Yes, but only a minimal amount.	**26.92%**	7
No.	**53.85%**	14
Total		**26**

QUESTION 5: WOULD YOU BE INTERESTED IN TRAINING FOR ONLINE BUSINESS TOOLS?



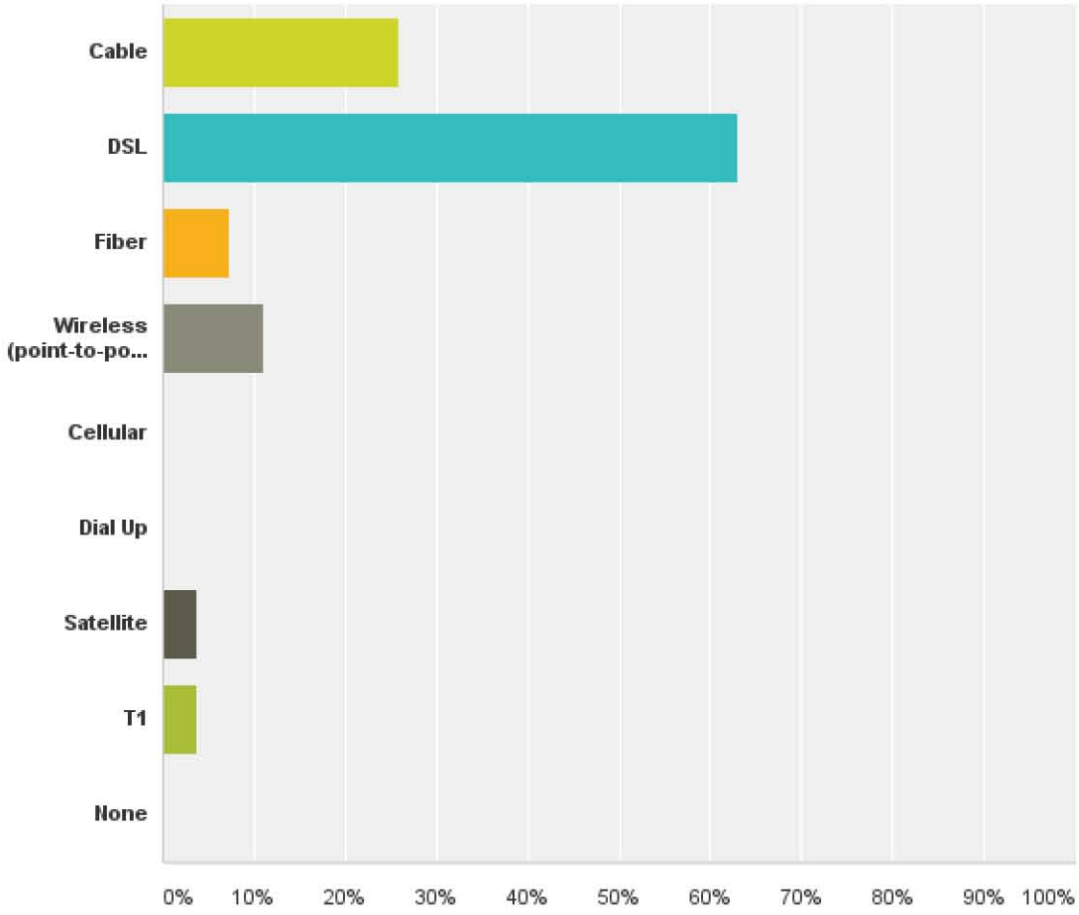
Answer Choices	Responses	
Extremely.	**7.41%**	2
Yes.	**7.41%**	2
Maybe if it's relevant.	**55.56%**	15
No.	**29.63%**	8
Total		**27**

QUESTION 6: WHO IS YOUR INTERNET SERVICE PROVIDERS?



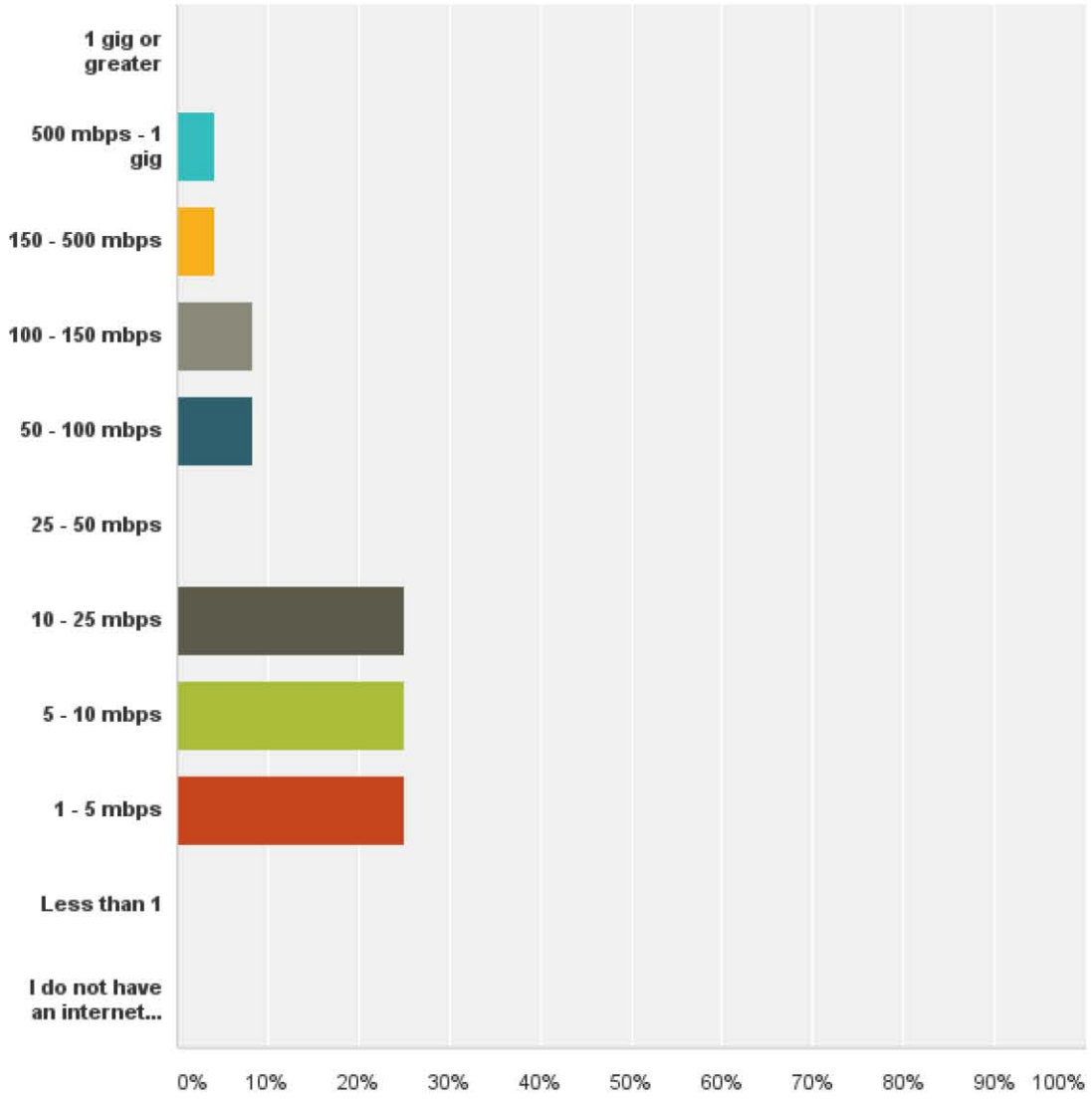
Answer Choices	Responses	
Mediacom	**28.57%**	8
Verizon	**57.14%**	16
IWVISP	**21.43%**	6
Inyo Networks	**3.57%**	1
Hughes Net	**0.00%**	0
Direct Way	**0.00%**	0
Dish	**3.57%**	1
T1	**0.00%**	0
None	**0.00%**	0
Total Respondents: 28		

QUESTION 7: WHAT TYPE OF CONNECTION ARE YOU USING?



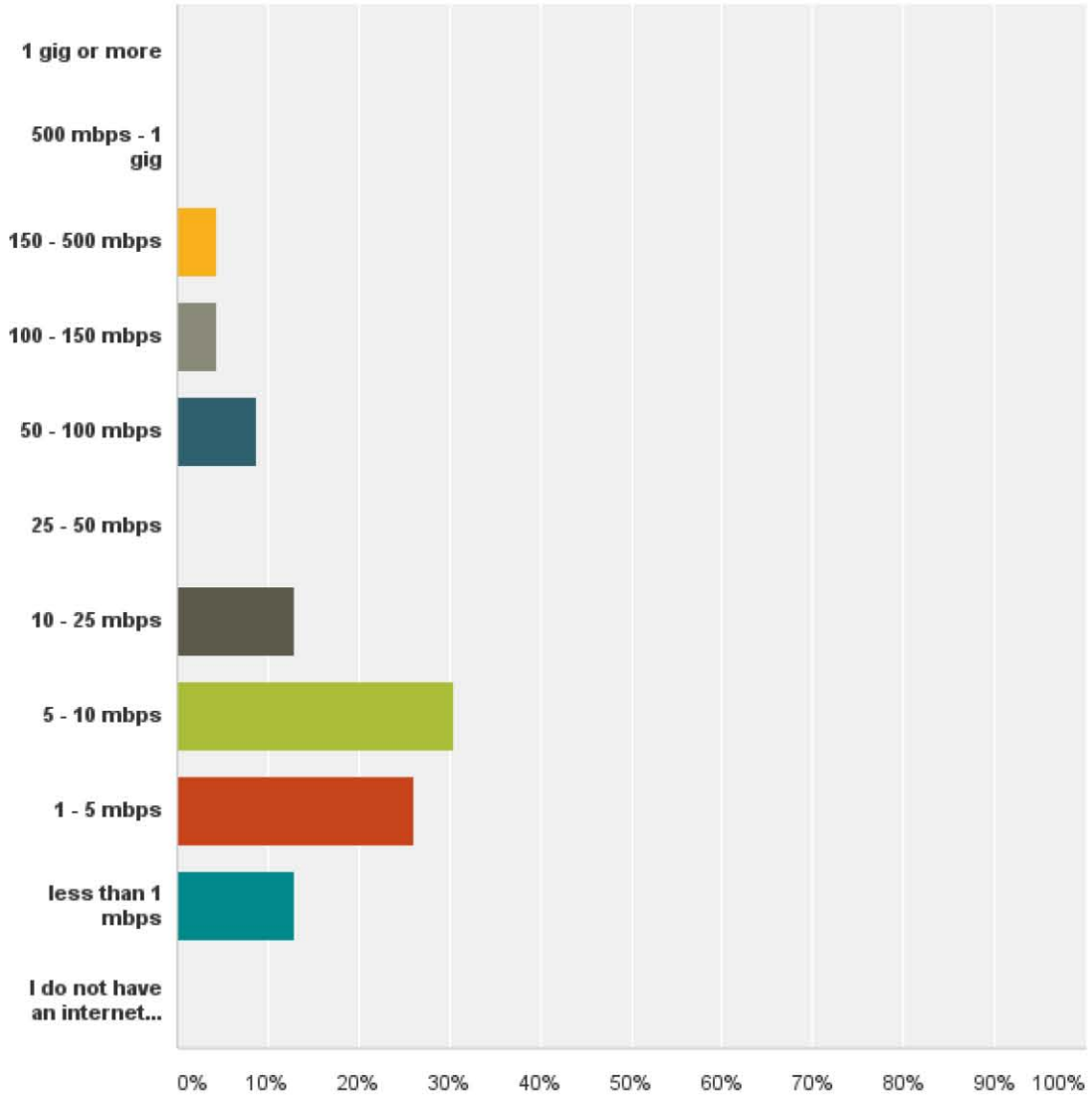
Answer Choices	Responses	
Cable	**25.93%**	7
DSL	**62.96%**	17
Fiber	**7.41%**	2
Wireless (point-to-point)	**11.11%**	3
Cellular	**0.00%**	0
Dial Up	**0.00%**	0
Satellite	**3.70%**	1
T1	**3.70%**	1
None	**0.00%**	0
Total Respondents: 27		

QUESTION 8: WHAT IS THE INTERNET SERVICE DOWNLOAD SPEED YOU ARE PAYING FOR AT YOUR BUSINESS?



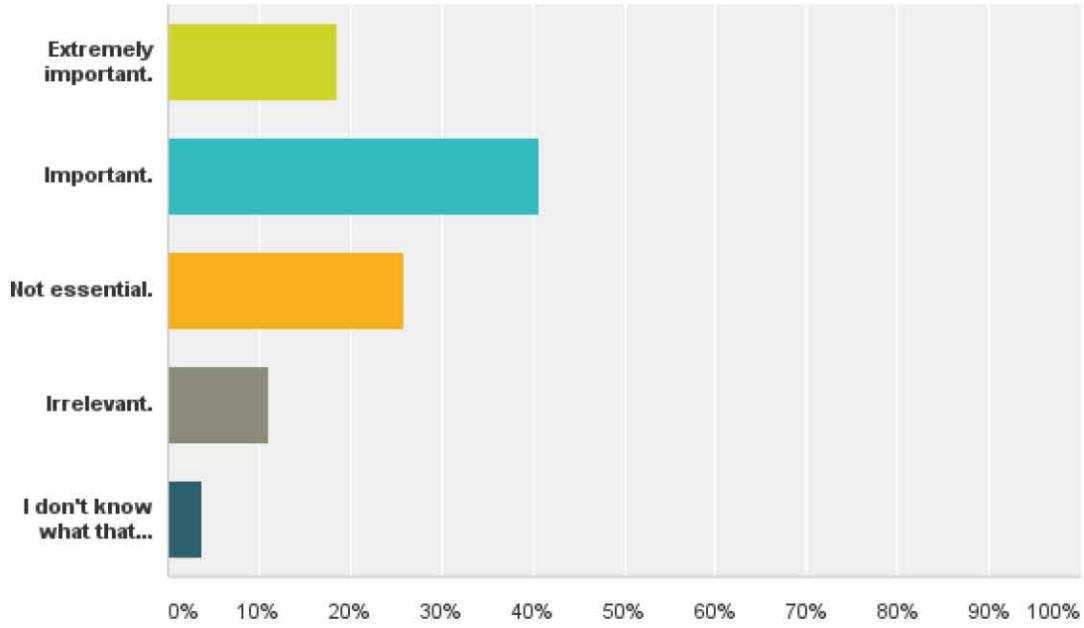
Answer Choices	Responses	
1 gig or greater	**0.00%**	0
500 mbps - 1 gig	**4.17%**	1
150 - 500 mbps	**4.17%**	1
100 - 150 mbps	**8.33%**	2
50 - 100 mbps	**8.33%**	2
25 - 50 mbps	**0.00%**	0
10 - 25 mbps	**25.00%**	6
5 - 10 mbps	**25.00%**	6
1 - 5 mbps	**25.00%**	6
Less than 1	**0.00%**	0
I do not have an internet connection.	**0.00%**	0
Total		**24**

QUESTION 9: WHAT ARE YOUR ACTUAL DOWNLOAD SPEEDS ON AVERAGE?



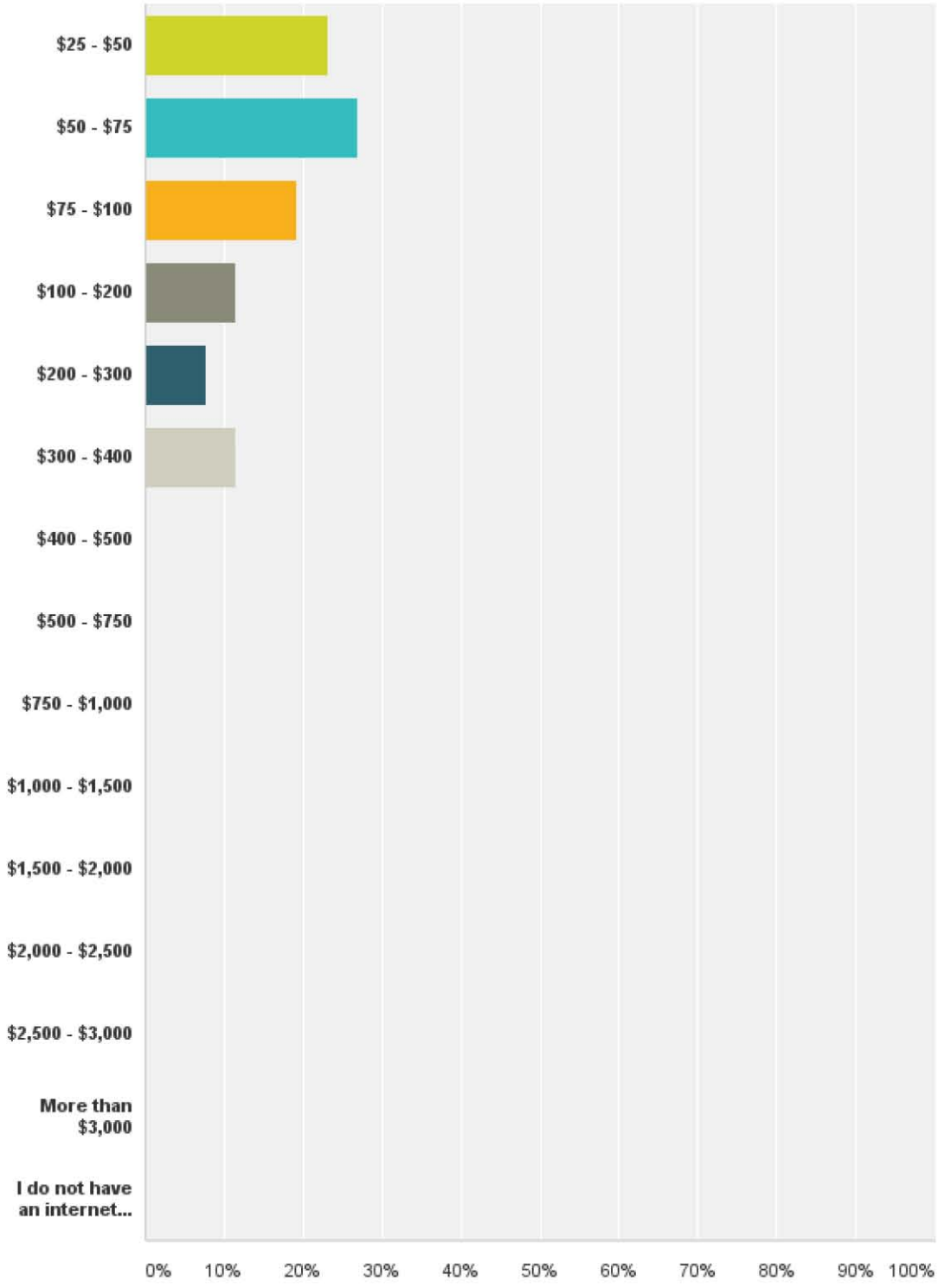
Answer Choices	Responses	
1 gig or more	**0.00%**	0
500 mbps - 1 gig	**0.00%**	0
150 - 500 mbps	**4.35%**	1
100 - 150 mbps	**4.35%**	1
50 - 100 mbps	**8.70%**	2
25 - 50 mbps	**0.00%**	0
10 - 25 mbps	**13.04%**	3
5 - 10 mbps	**30.43%**	7
1 - 5 mbps	**26.09%**	6
less than 1 mbps	**13.04%**	3
I do not have an internet connection.	**0.00%**	0
Total		**23**

QUESTION 10: HOW IMPORTANT IS SYMMETRICAL SERVICE TO YOU?



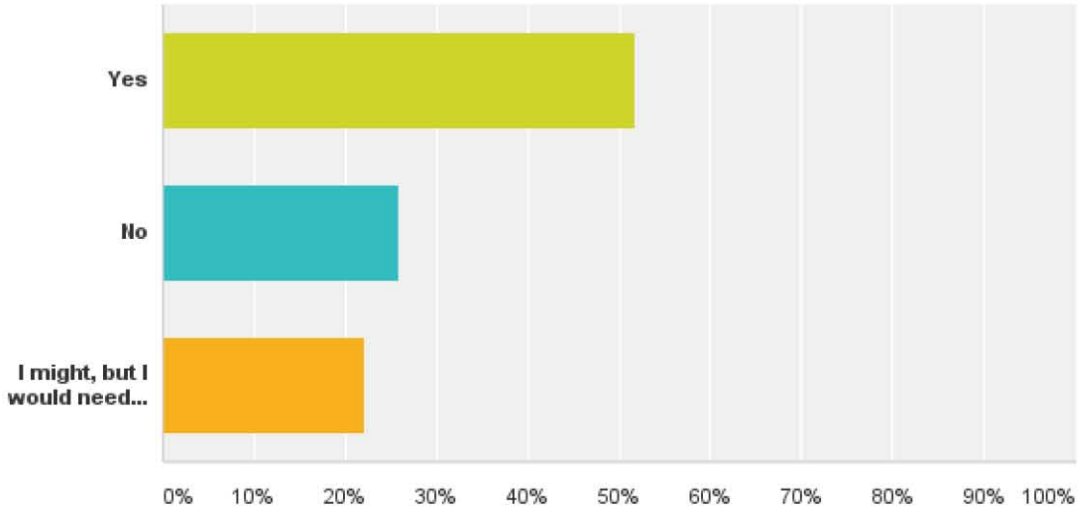
Answer Choices	Responses	
Extremely important.	**18.52%**	5
Important.	**40.74%**	11
Not essential.	**25.93%**	7
Irrelevant.	**11.11%**	3
I don't know what that means.	**3.70%**	1
Total		**27**

QUESTION 11: WHAT DOES YOUR CURRENT INTERNET SERVICE COST YOU MONTHLY?



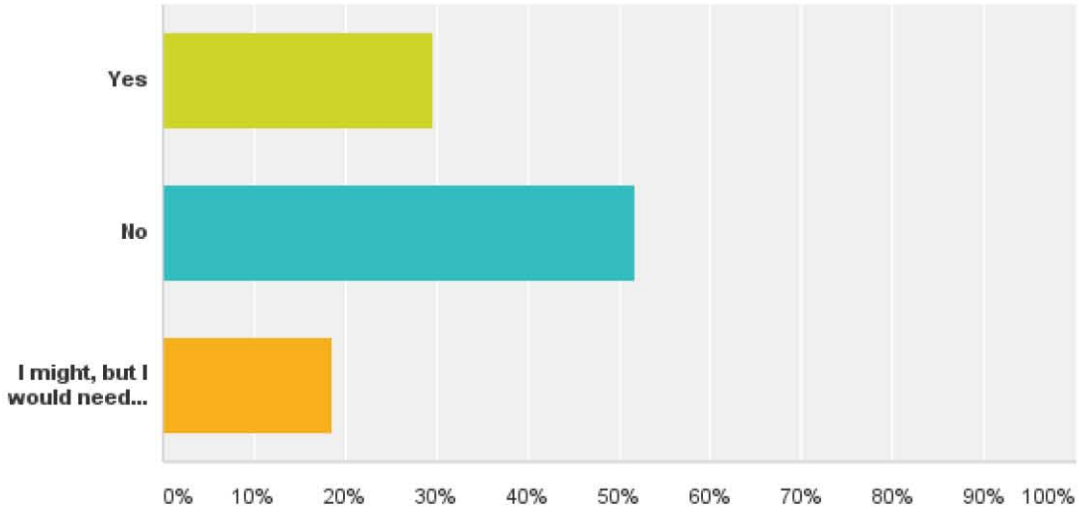
Answer Choices	Responses	
$25 - $50	**23.08%**	6
$50 - $75	**26.92%**	7
$75 - $100	**19.23%**	5
$100 - $200	**11.54%**	3
$200 - $300	**7.69%**	2
$300 - $400	**11.54%**	3
$400 - $500	**0.00%**	0
$500 - $750	**0.00%**	0
$750 - $1,000	**0.00%**	0
$1,000 - $1,500	**0.00%**	0
$1,500 - $2,000	**0.00%**	0
$2,000 - $2,500	**0.00%**	0
$2,500 - $3,000	**0.00%**	0
More than $3,000	**0.00%**	0
I do not have an internet connection.	**0.00%**	0
Total		**26**

QUESTION 12: IF YOU HAD ACCESS TO UNLIMITED BANDWIDTH AND WERE ABLE TO AFFORD IT, WOULD YOU DIVERSIFY OR GROW YOUR BUSINESS?



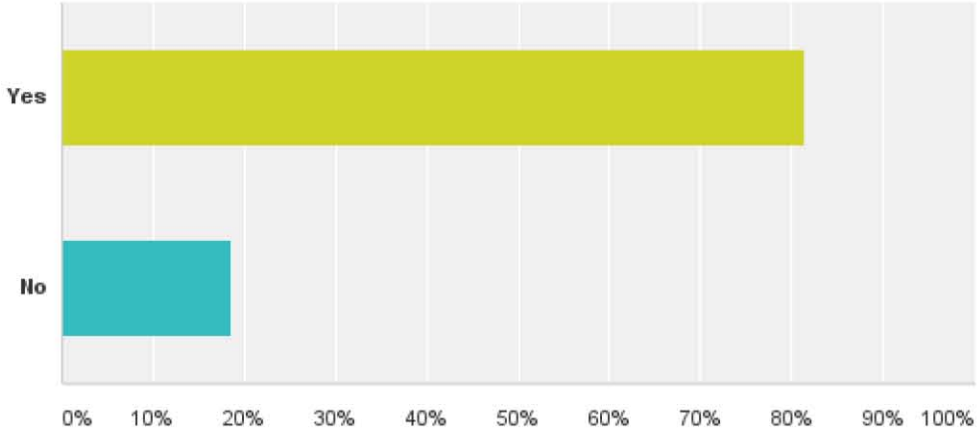
Answer Choices	Responses	
Yes	**51.85%**	14
No	**25.93%**	7
I might, but I would need training.	**22.22%**	6
Total		**27**

QUESTION 13: IF YOU HAD ACCESS TO UNLIMITED BANDWIDTH AND COST WAS NO ISSUE, WOULD YOU START A NEW BUSINESS?



Answer Choices	Responses	
Yes	**29.63%**	8
No	**51.85%**	14
I might, but I would need training.	**18.52%**	5
Total		**27**

QUESTION 14: IN ORDER TO MAKE THE INITIAL FIBER CONNECTION COST MORE AFFORDABLE, WOULD YOU BE WILLING TO PARTNER WITH OTHER BUSINESSES?



Answer Choices	Responses	
Yes	**81.48%**	22
No	**18.52%**	5
Total		**27**

CONCLUSION

FINDINGS

- Online Presence
  - There is a need to expand the online presence of local businesses (27.86% responders do not have a website)
  - A very high percentage of responders are on Facebook (88.89%) and various other social media platforms
  - A deeper study of the use of these social media platforms
- Digital Literacy
  - 46.15% expressed interest in paying for services that would enhance their business's online presence
  - 70.38% expressed some interest in receiving training for online business tools
- Internet Use & Services
  - A large percentage of businesses (75%) are paying for low capacity service (1 – 25 mbps)
  - Because businesses are paying for low capacity service only, the speeds that are being delivered are relatively close to what is begin purchased
  - The majority of businesses use DSL technology (62.96%) followed by cable (25.93%)
  - 59.26% expressed the need for symmetrical service
  - Many business are paying low cost for low capacity service (50% paying $25 - $75), but there are several businesses (19.23%) willing to pay more than $200 per month
- Providers
  - Mediacom has 28.57% of the market share
  - Verizon has 57.14% of the market share
  - IWVISP has 21.43% of the market share
  - Inyo Networks & Dish have 3.57% of the market share
- Economic Development
  - 29.63% expressed interest in expanding or starting a new business if unlimited and affordable bandwidth was available
  - 81.48% of businesses expressed a willingness to partner in order to make last mile development affordable

- Expand Online Presence
  - While many businesses are utilizing a social media platform (especially Facebook), a deeper study may be needed to measure the effectiveness of these marketing methods according to industry best practices
  - Websites, especially mobile responsive, should be developed for the remainder of the community (27.86% without websites
  - The effectiveness of the current websites should be measured according to industry best practices
- Addressing Digital Literacy
  - Offer webinar and workshops through Chamber of Commerce that would educate business on how to utilize online tools according to industry best practices
  - Find consultant services that would be willing to marketing to Ridgecrest businesses to help enhance online presence
- Pilot Projects/Case Studies
  - Take a few select businesses as pilot projects and document the benefit of fully utilizing online tools including back-room software and marketing
  - Use these case studies to encourage adoption of increased services for businesses
- Increase Businesses Use
  - Businesses must be encouraged to expand their use of online services in order to raise the demand for improve broadband to economic viable levels
  - With a large percentage paying for low capacity service (75%), the level of demand is not high enough to support the cost of investing in technology like fiber
- Aggregation
  - With so many business expressing a willingness to partner in order to make last mile deployment affordable, a concerted effort to develop a project for a business district would built out high speed service incrementally
-

RIDGECREST RESIDENTIAL INTERNET SURVEY

REPORT & ANALYSIS

October 15th, 2015

JUSTIFICATION

THE RESIDENTIAL INTERNET SURVEY WAS CONDUCTED BY THE TECHNOLOGY COMMITTEE OF THE CITY OF RIDGECREST IN COLLABORATION WITH EASTERN SIERRA CONNECTION REGIONAL BROADBAND CONSORTIUM (ESCRBC). THE PURPOSE OF THE SURVEY IS TO UNDERSTAND THE USE AND VALUE OF THE INTERNET TO RIDGECREST RESIDENTS AND POTENTIAL FOCUS AREAS FOR IMPROVING BROADBAND IN THE CITY.

THE SURVEY IS INTENDED TO MEASURE KEY AREAS OF THE BROADBAND MARKET, INCLUDING: ACTIVITY, CONNECTIVITY, AVERAGE SPEEDS, DEMAND, PROJECTED DEMAND, PRICE-POINT, AND LEVEL OF IMPORTANCE. THE DATA HEREIN WILL HELP THE CITY OF RIDGECREST AND STAKEHOLDERS MAKE STRATEGIC DECISIONS REGARDING THE DEPLOYMENT AND/OR ENHANCEMENT OF BROADBAND IN THE AREA.

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NOVEMBER 29, 1963
THE KEY TO NEW HORIZONS

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tell your story better

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Questions 4: Who is your internet service provider at home? 6
Questions 5: What type of connection are you using at home? 7
Questions 6: What internet service download speed are you paying for at home? 8
Questions 7: What is your actual internet download speeds at home on average? 10
Questions 8: How much do you pay for internet service at your home per month? 12
Questions 9: How fair do you feel your at-home internet costs & services are? 13
Questions 10: Do you have enough at-home internet speed now? 14
Questions 11: Will you need more at-home internet speed/capacity in the future? 15
Questions 12: How much are you willing to pay for fast, reliable internet service per month? 16
Questions 13: What are your three biggest uses of the internet in your home? 18
Questions 14: What technology for internet service delivery do you prefer? 20
Questions 15: Are excess data charges an issue for your internet connection at home? 21
Questions 16: What would you do with more at-home internet speed? 22
Questions 17: What is the most important quality you expect from your ISP? 24
Questions 18: How important is at-home symmetrical service to you? 25
Questions 19: Should the City of Ridgecrest make broadband a priority issue? 26
Conclusion 27
Findings 27
Strategies 28

METHODOLOGY

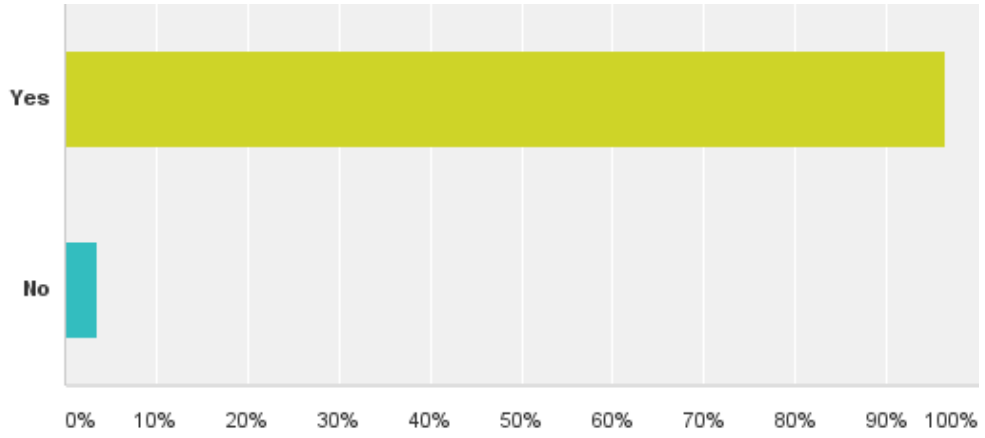
The survey itself was developed in collaboration with local stakeholders representing the business, healthcare, and political community. The survey questions were carefully vetted to gather specific data on the use, value, and demand of broadband resource in Ridgecrest.

The survey was released through social media and traditional methods. Paper-copies were provided at selected locations, which were advertised in the local papers and at organization meetings. Online, surveys were distributed on social media (namely Facebook) as well as through email and newsletter channels. The survey remained open for responses for approximately two months at the time that this report was developed.

Combined, three hundred and forty eight (348) responses were gathered.[1] The results have been broken down for analytic review and an analysis of these results has been included to draw actionable conclusions for the data.

SURVEY QUESTIONS

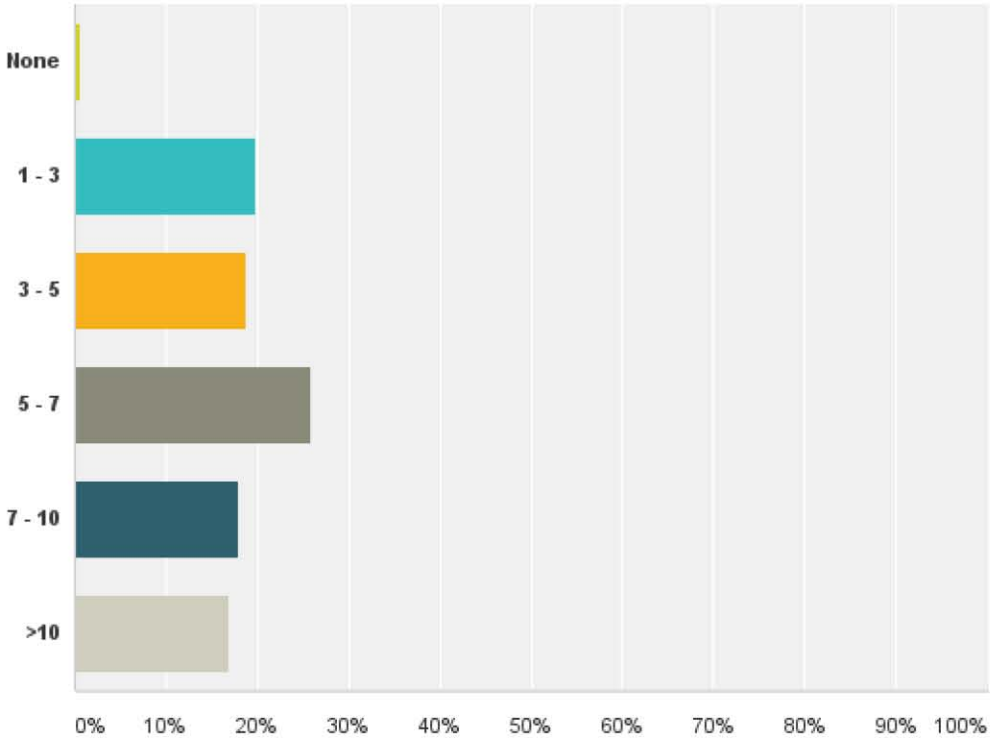
QUESTION 1: DO YOU HAVE INTERNET ACCESS AT HOME?



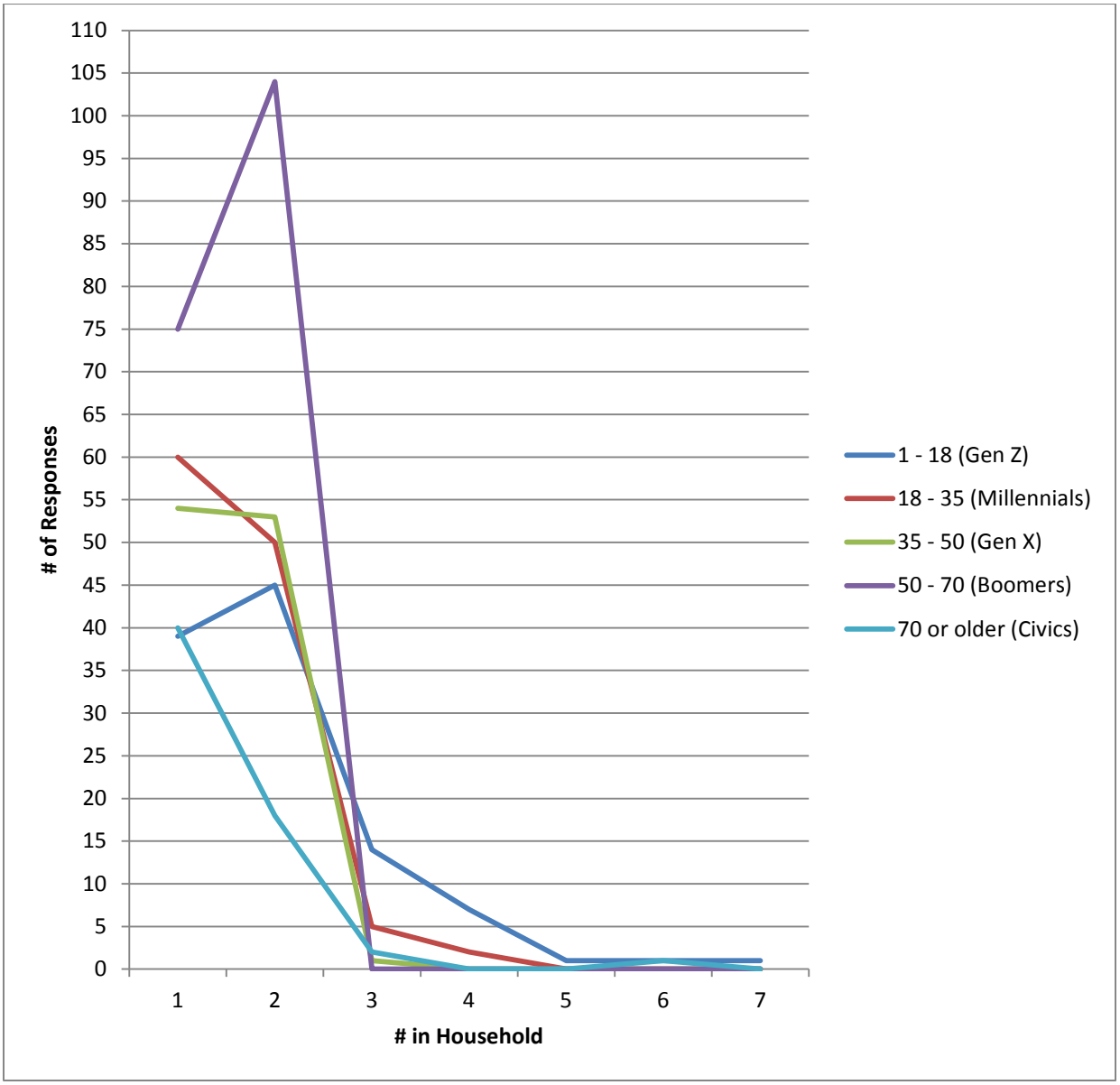
Answer Choices	Responses	
Yes	**96.55%**	336
No	**3.45%**	12
Total		**348**

[1] This committee recognizes the high volume of responses gathered by online circulation and the effect of this disproportionate distribution on the results. The committee recognizes that these results will not effectively demonstrate the use and demand of broadband resources in the disadvantaged communities that lack connectivity. The report will therefore focus on use, demand, and value of broadband resources for current users.

QUESTION 2: HOW MANY DEVICES IN YOUR HOME ARE CURRENTLY ONLINE?

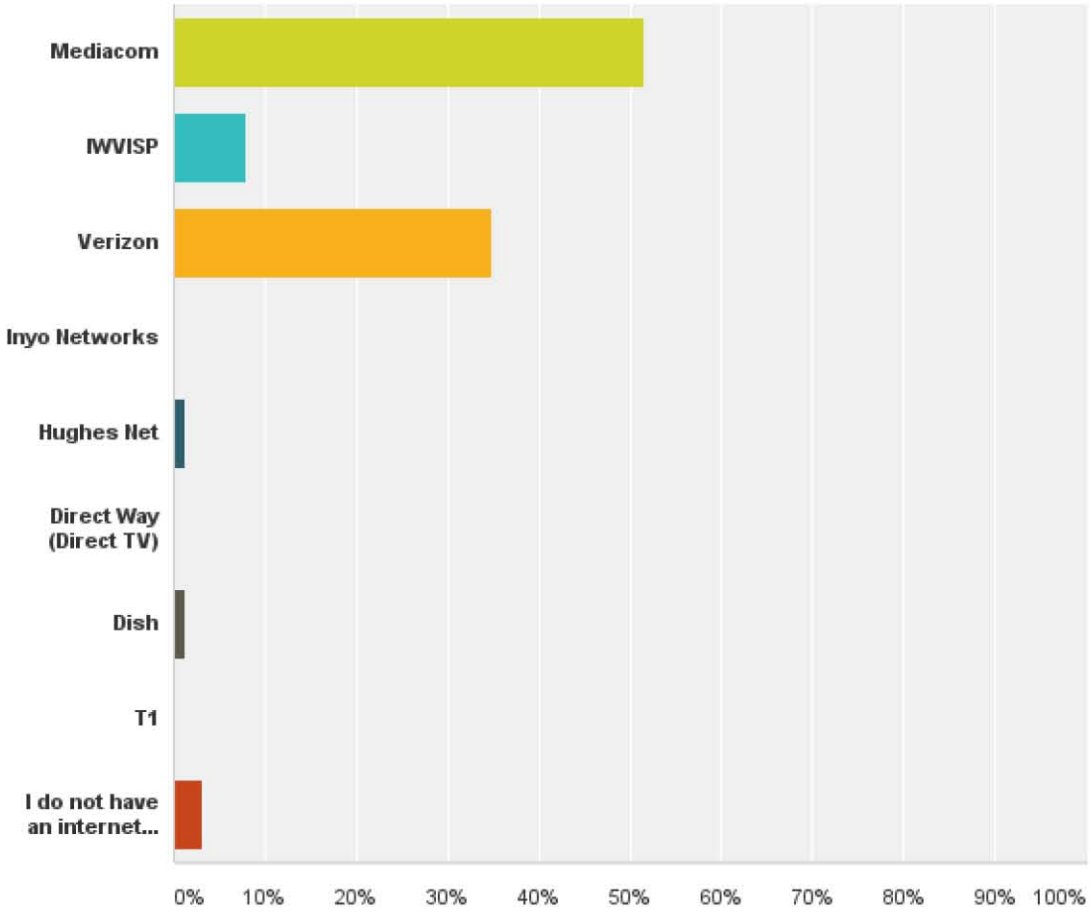


Answer Choices	Responses	
None	**0.58%**	2
1 - 3	**19.88%**	69
3 - 5	**18.73%**	65
5 - 7	**25.94%**	90
7 - 10	**17.87%**	62
>10	**17.00%**	59
Total		**347**



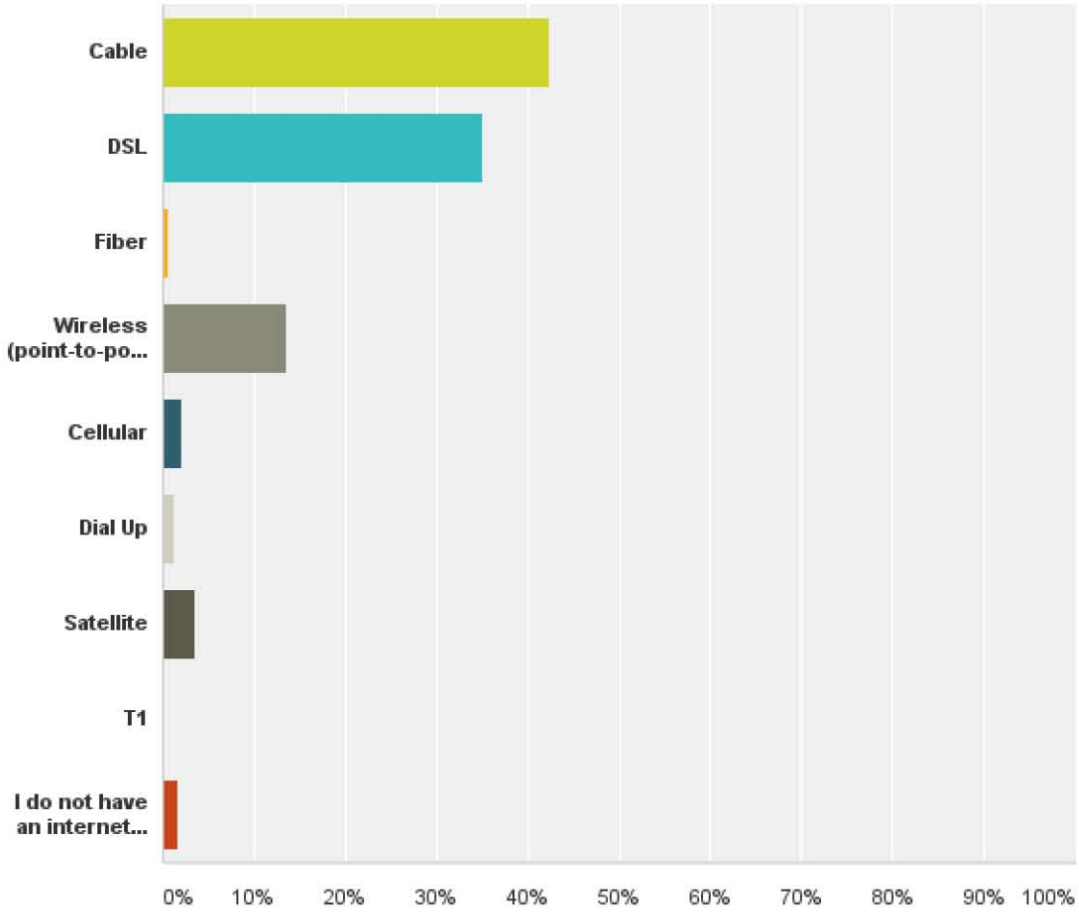
Number of People (scroll down)													
	1	2	3	4	5	6	7	8	9	10	11	12	Total
1 - 18 (Gen Z)	36.11% 39	41.67% 45	12.96% 14	6.48% 7	0.93% 1	0.93% 1	0.93% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	108
18 - 35 (Millennials)	51.28% 60	42.74% 50	4.27% 5	1.71% 2	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	117
35 - 50 (Gen X)	50.00% 54	49.07% 53	0.93% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	108
50 - 70 (Boomers)	41.90% 75	58.10% 104	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	179
70 or older (Civics)	65.57% 40	29.51% 18	3.28% 2	0.00% 0	0.00% 0	1.64% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	61

QUESTION 4: WHO IS YOUR INTERNET SERVICE PROVIDER AT HOME?



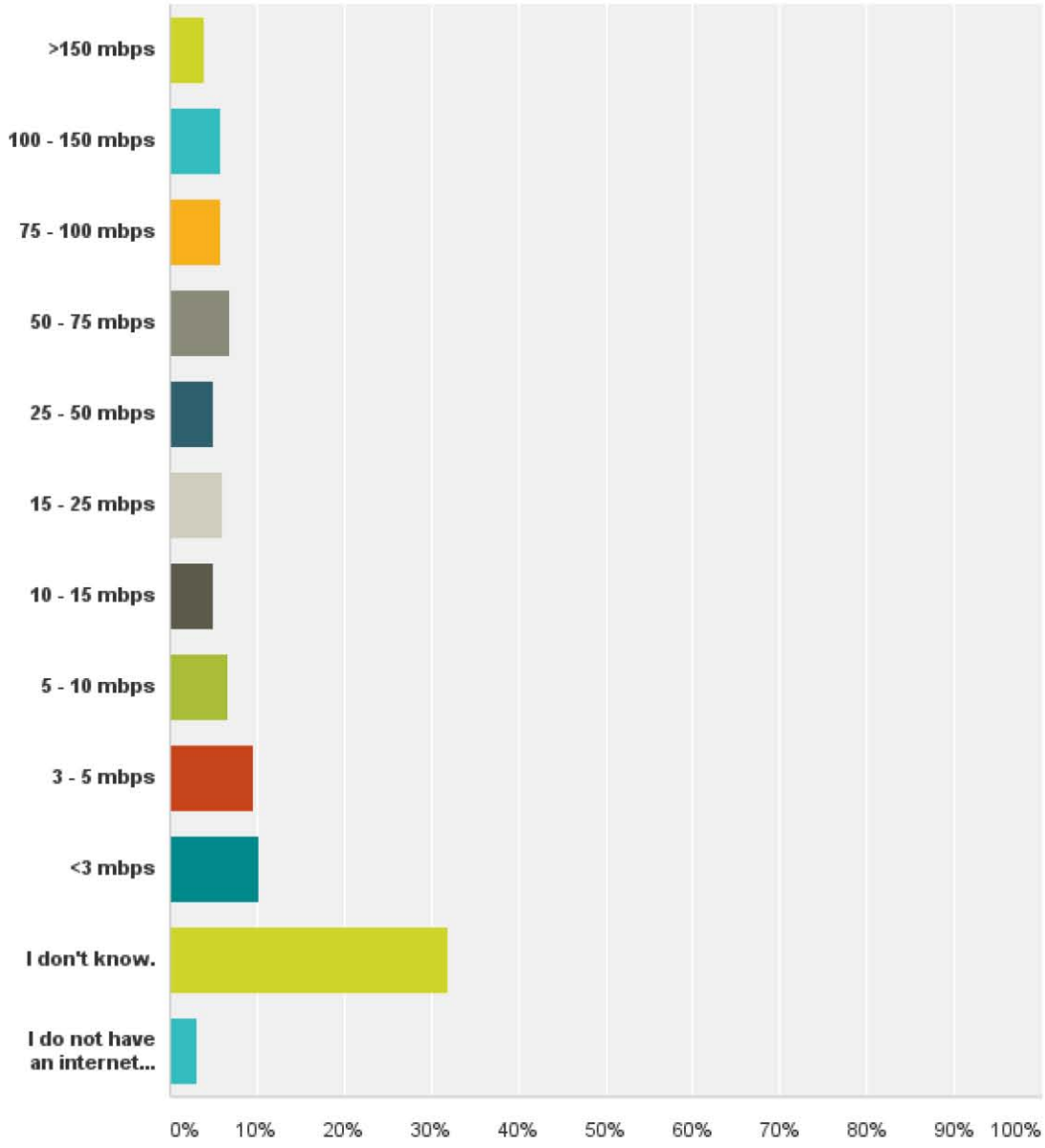
Answer Choices	Responses	
Mediacom	**51.46%**	176
IWVISP	**7.89%**	27
Verizon	**34.80%**	119
Inyo Networks	**0.00%**	0
Hughes Net	**1.17%**	4
Direct Way (Direct TV)	**0.29%**	1
Dish	**1.17%**	4
T1	**0.00%**	0
I do not have an internet connection at home.	**3.22%**	11
Total		**342**

QUESTION 5: WHAT TYPE OF CONNECTION ARE YOU USING AT HOME?



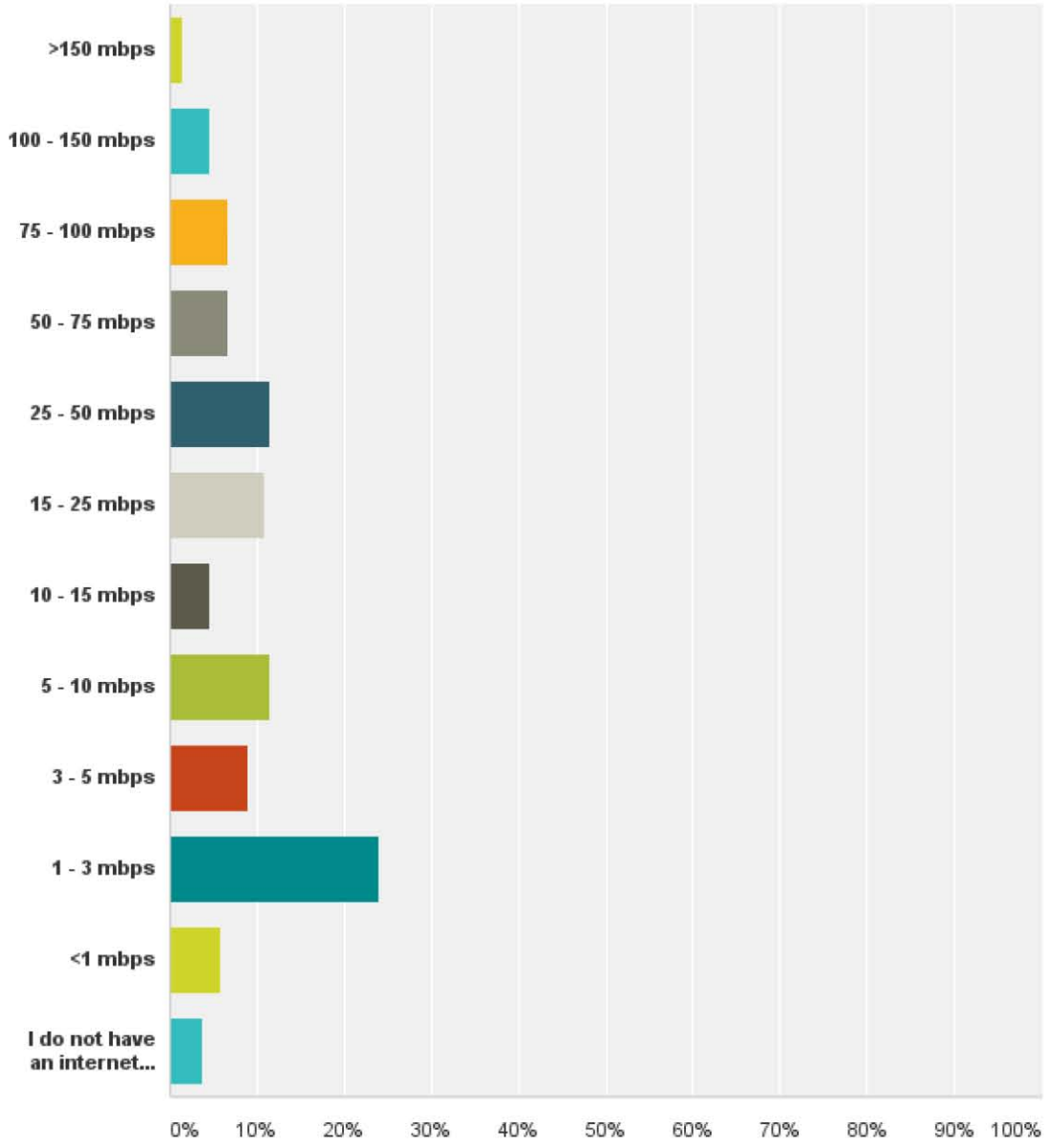
Answer Choices	Responses	
Cable	**42.36%**	147
DSL	**35.16%**	122
Fiber	**0.58%**	2
Wireless (point-to-point)	**13.54%**	47
Cellular	**2.02%**	7
Dial Up	**1.15%**	4
Satellite	**3.46%**	12
T1	**0.00%**	0
I do not have an internet connection at home.	**1.73%**	6
Total		**347**

QUESTION 6: WHAT DOWNLOAD SPEED ARE YOU PAYING FOR?



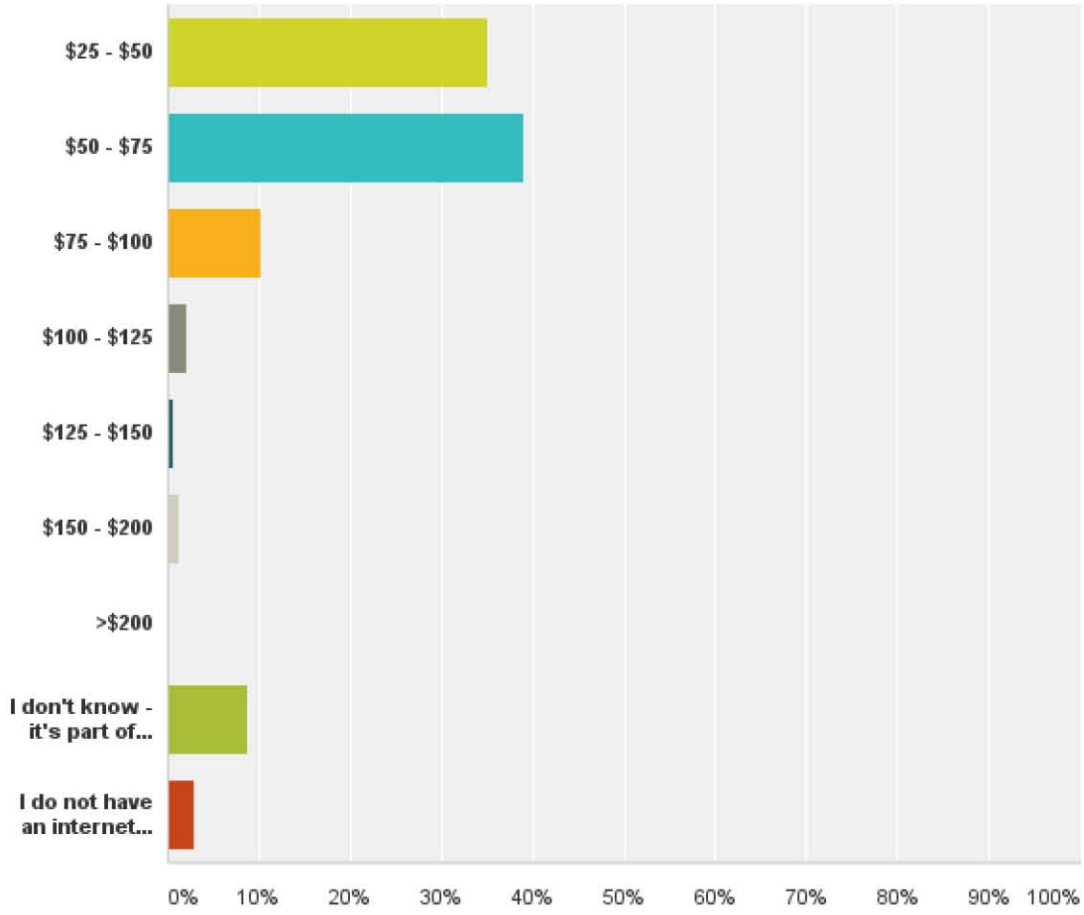
Answer Choices	Responses	
>150 mbps	**4.06%**	14
100 - 150 mbps	**5.80%**	20
75 - 100 mbps	**5.80%**	20
50 - 75 mbps	**6.96%**	24
25 - 50 mbps	**4.93%**	17
15 - 25 mbps	**6.09%**	21
10 - 15 mbps	**4.93%**	17
5 - 10 mbps	**6.67%**	23
3 - 5 mbps	**9.57%**	33
<3 mbps	**10.14%**	35
I don't know.	**31.88%**	110
I do not have an internet connection at home.	**3.19%**	11
Total		**345**

QUESTION 7: WHAT IS YOUR ACTUAL INTERNET DOWNLOAD SPEED AT HOME?



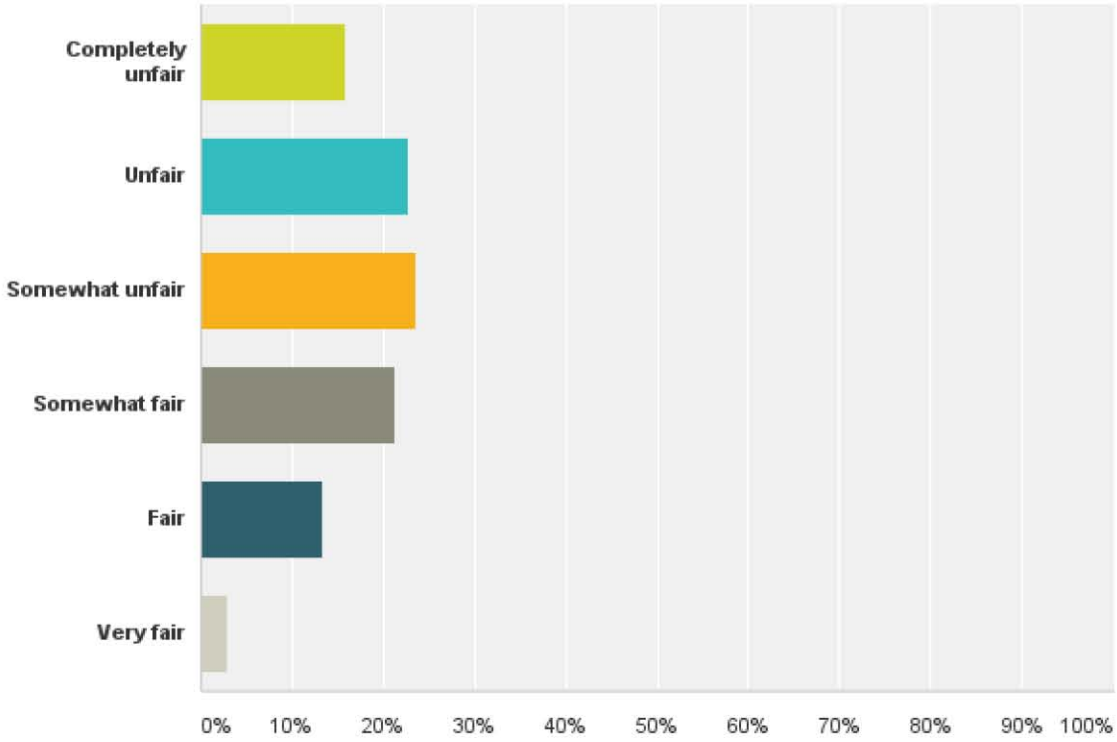
Answer Choices	Responses	
>150 mbps	**1.39%**	4
100 - 150 mbps	**4.51%**	13
75 - 100 mbps	**6.60%**	19
50 - 75 mbps	**6.60%**	19
25 - 50 mbps	**11.46%**	33
15 - 25 mbps	**10.76%**	31
10 - 15 mbps	**4.51%**	13
5 - 10 mbps	**11.46%**	33
3 - 5 mbps	**9.03%**	26
1 - 3 mbps	**23.96%**	69
<1 mbps	**5.90%**	17
I do not have an internet connection at home.	**3.82%**	11
Total		**288**

QUESTION 8: HOW MUCH DO YOU PAY FOR INTERNET SERVICE PER MONTH?



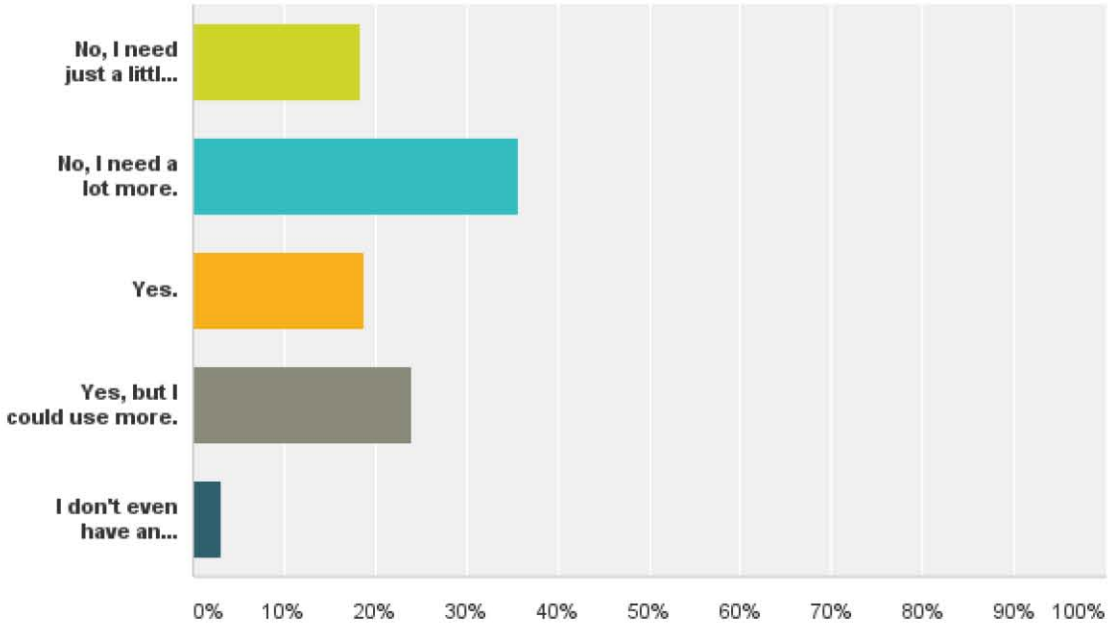
Answer Choices	Responses	
$25 - $50	**34.99%**	120
$50 - $75	**39.07%**	134
$75 - $100	**10.20%**	35
$100 - $125	**2.04%**	7
$125 - $150	**0.58%**	2
$150 - $200	**1.17%**	4
>$200	**0.29%**	1
I don't know - it's part of a bundle	**8.75%**	30
I do not have an internet connection at my house.	**2.92%**	10
Total		**343**

QUESTION 9: HOW FAIR DO YOU FEEL YOUR INTERNET COSTS & SERVICES ARE?



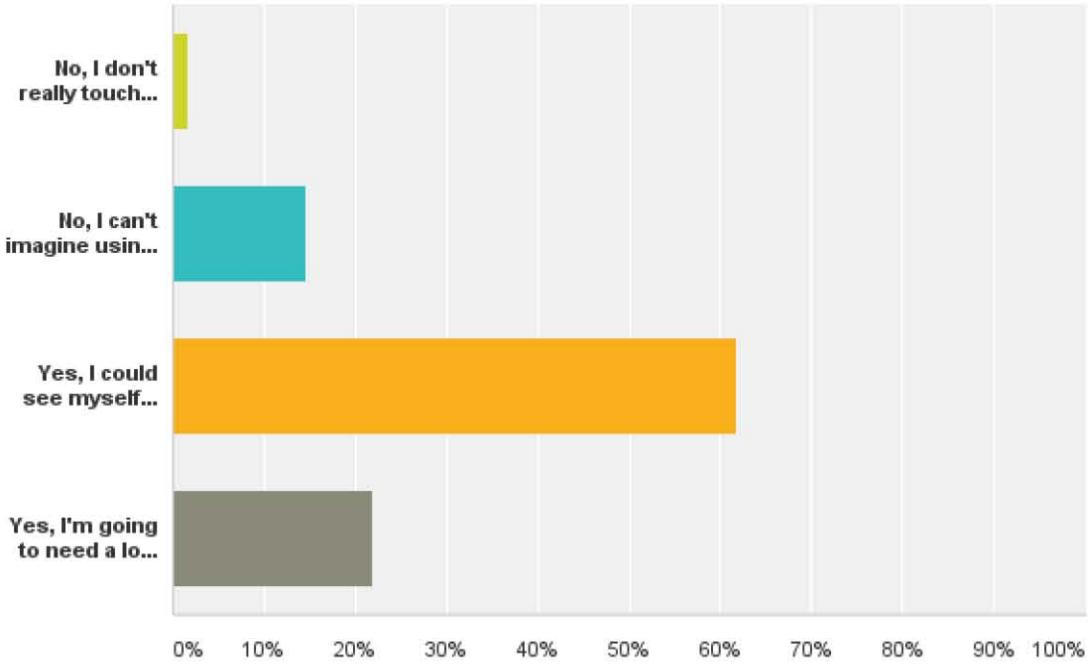
Answer Choices	Responses	
Completely unfair	**15.79%**	54
Unfair	**22.81%**	78
Somewhat unfair	**23.68%**	81
Somewhat fair	**21.35%**	73
Fair	**13.45%**	46
Very fair	**2.92%**	10
Total		**342**

QUESTION 10: DO YOU HAVE ENOUGH AT-HOME INTERNET SPEED NOW?



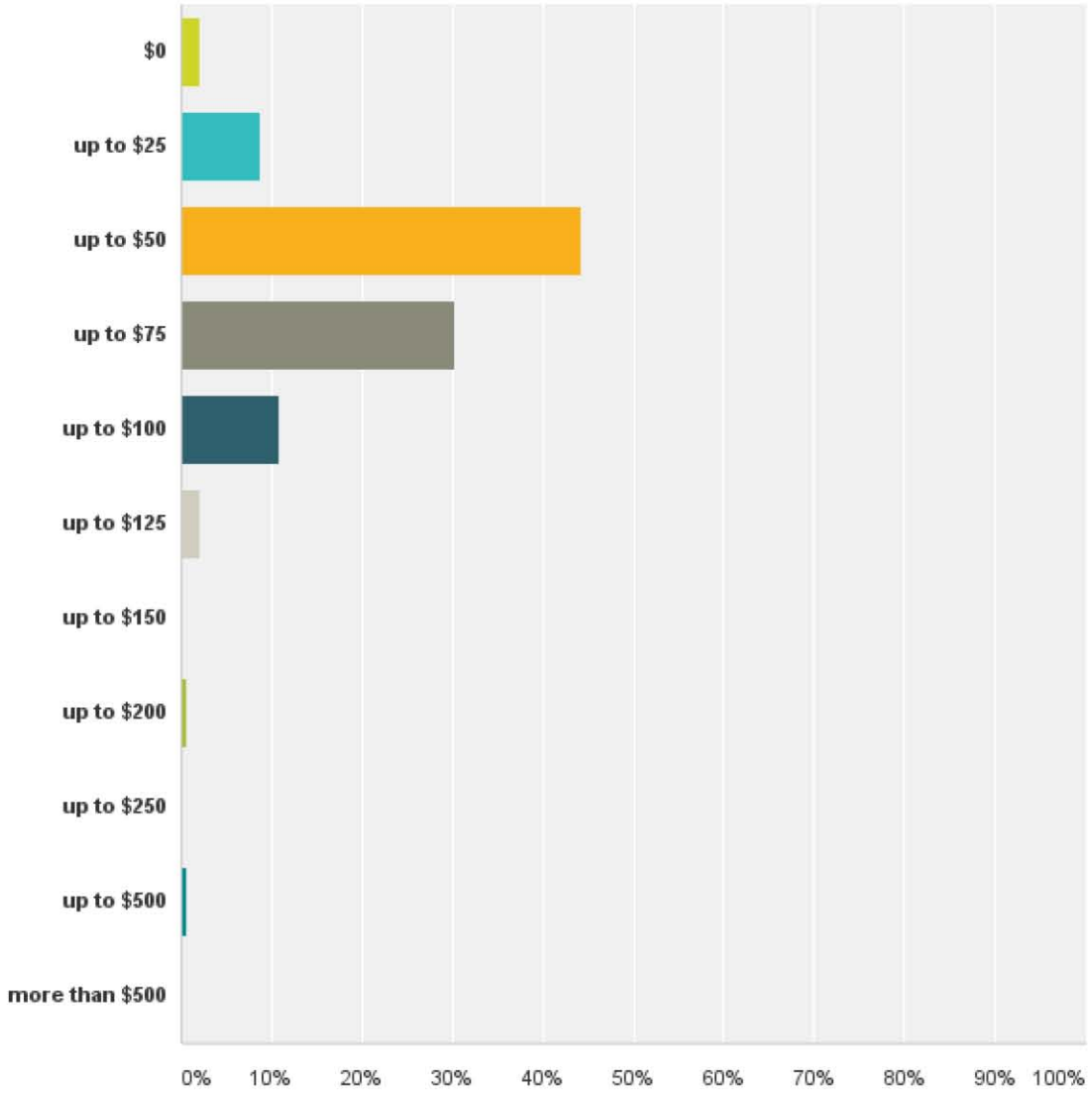
Answer Choices	Responses	
No, I need just a little more.	**18.44%**	64
No, I need a lot more.	**35.73%**	124
Yes.	**18.73%**	65
Yes, but I could use more.	**23.92%**	83
I don't even have an internet connection at home.	**3.17%**	11
Total		**347**

QUESTION 11: WILL YOU NEED MORE INTERNET SPEED/CAPACITY IN THE FUTURE?



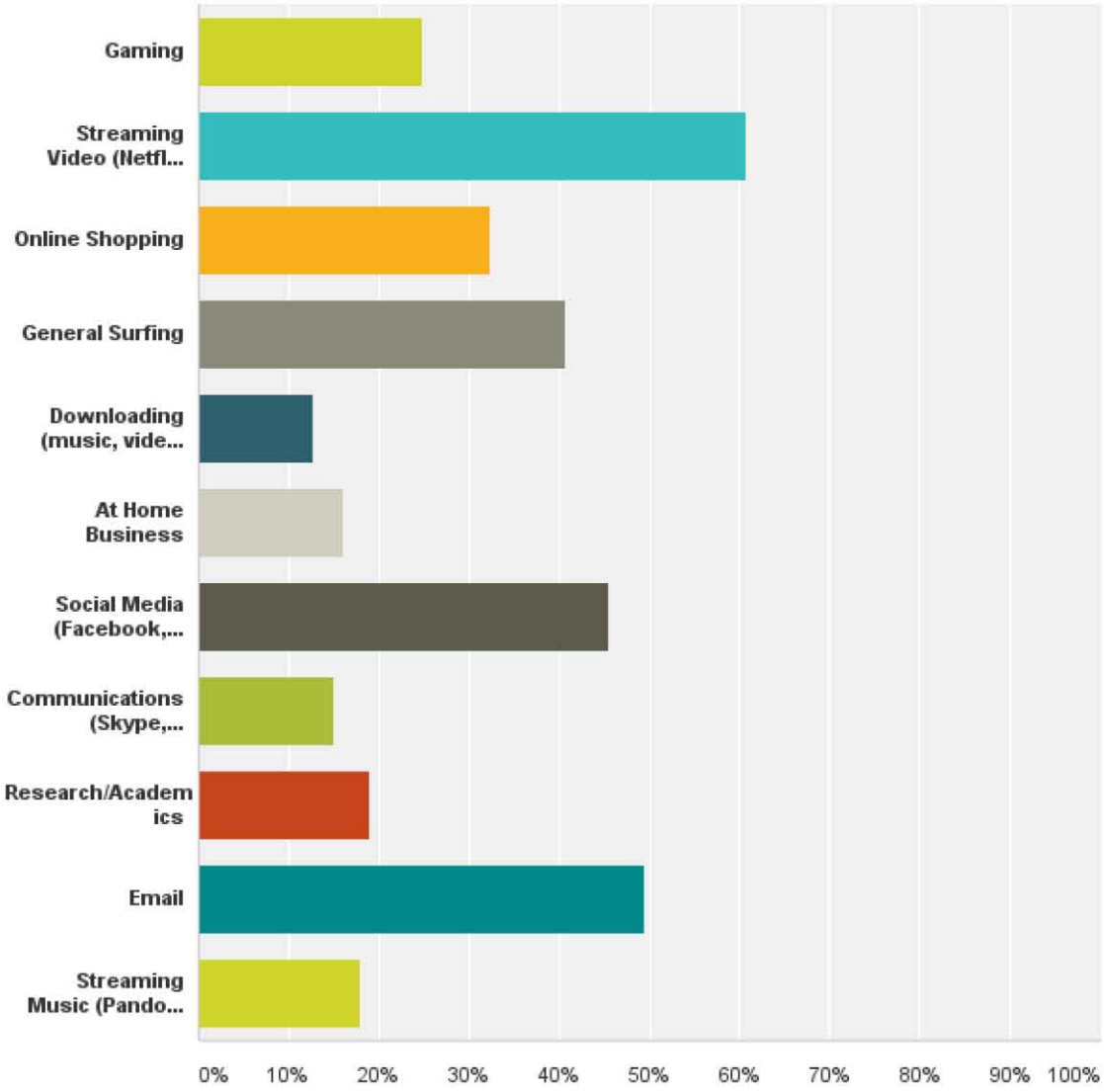
Answer Choices	Responses	
No, I don't really touch what I have.	**1.75%**	6
No, I can't imagine using more than what I'm using now.	**14.62%**	50
Yes, I could see myself doing more.	**61.70%**	211
Yes, I'm going to need a lot more in the future.	**21.93%**	75
Total		**342**

QUESTION 12: HOW MUCH ARE YOU WILLING TO PAY FOR GOOD INTERNET SERVICE?



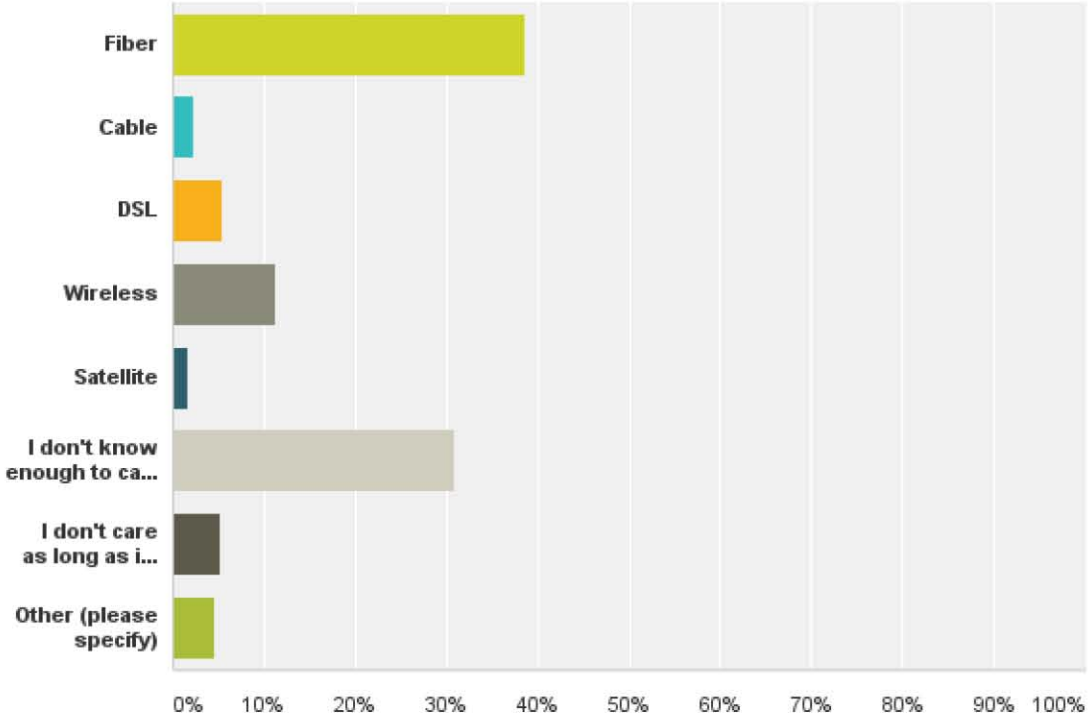
Answer Choices	Responses	
$0	**2.05%**	7
up to $25	**8.80%**	30
up to $50	**44.28%**	151
up to $75	**30.21%**	103
up to $100	**10.85%**	37
up to $125	**2.05%**	7
up to $150	**0.29%**	1
up to $200	**0.59%**	2
up to $250	**0.00%**	0
up to $500	**0.59%**	2
more than $500	**0.29%**	1
Total		**341**

QUESTION 13: WHAT ARE YOUR THREE BIGGEST USES OF THE INTERNET IN YOUR HOME?



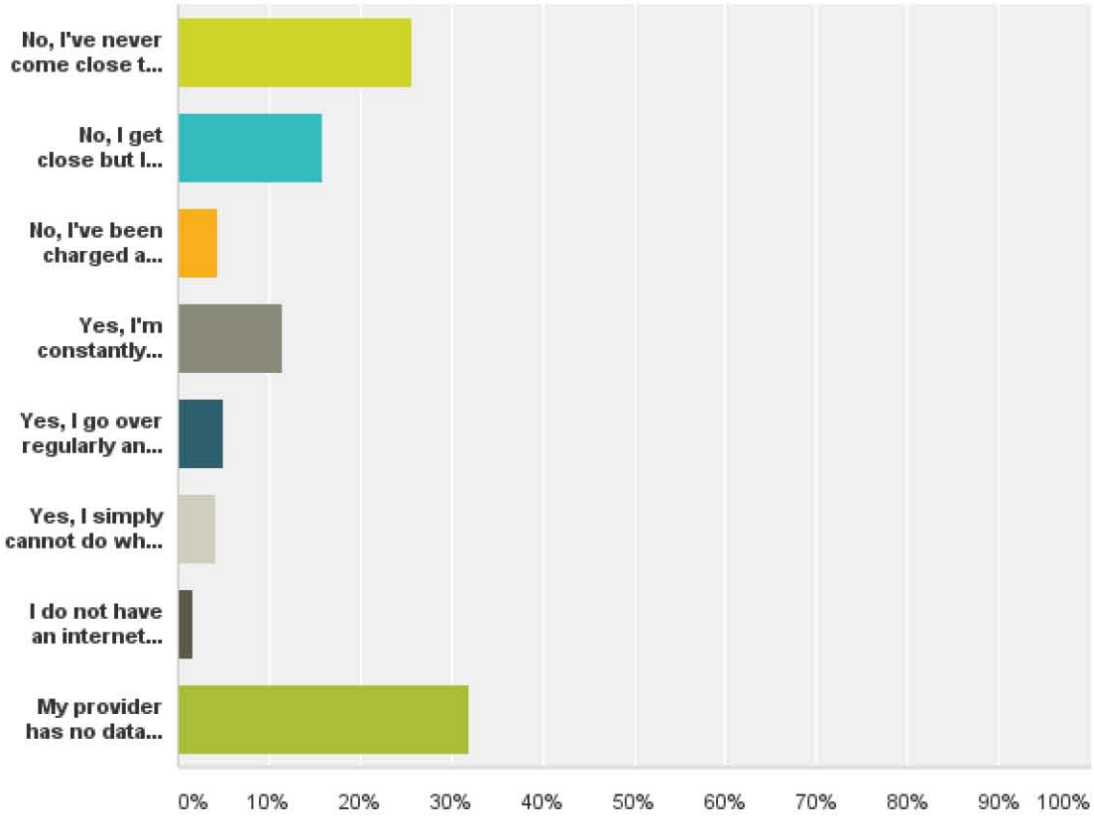
Answer Choices	Responses	
Gaming	**24.78%**	86
Streaming Video (Netflix, Hulu, Amazon Prime, etc)	**60.81%**	211
Online Shopping	**32.28%**	112
General Surfing	**40.63%**	141
Downloading (music, video, etc)	**12.68%**	44
At Home Business	**16.14%**	56
Social Media (Facebook, Twitter, Pinterest, etc)	**45.53%**	158
Communications (Skype, Facetime, etc)	**14.99%**	52
Research/Academics	**19.02%**	66
Email	**49.57%**	172
Streaming Music (Pandora, Spotify, Soundcloud, etc)	**17.87%**	62
Total Respondents: 347		

QUESTION 14: WHAT TECHNOLOGY FOR INTERNET SERVICE DELIVERY DO YOU PREFER?



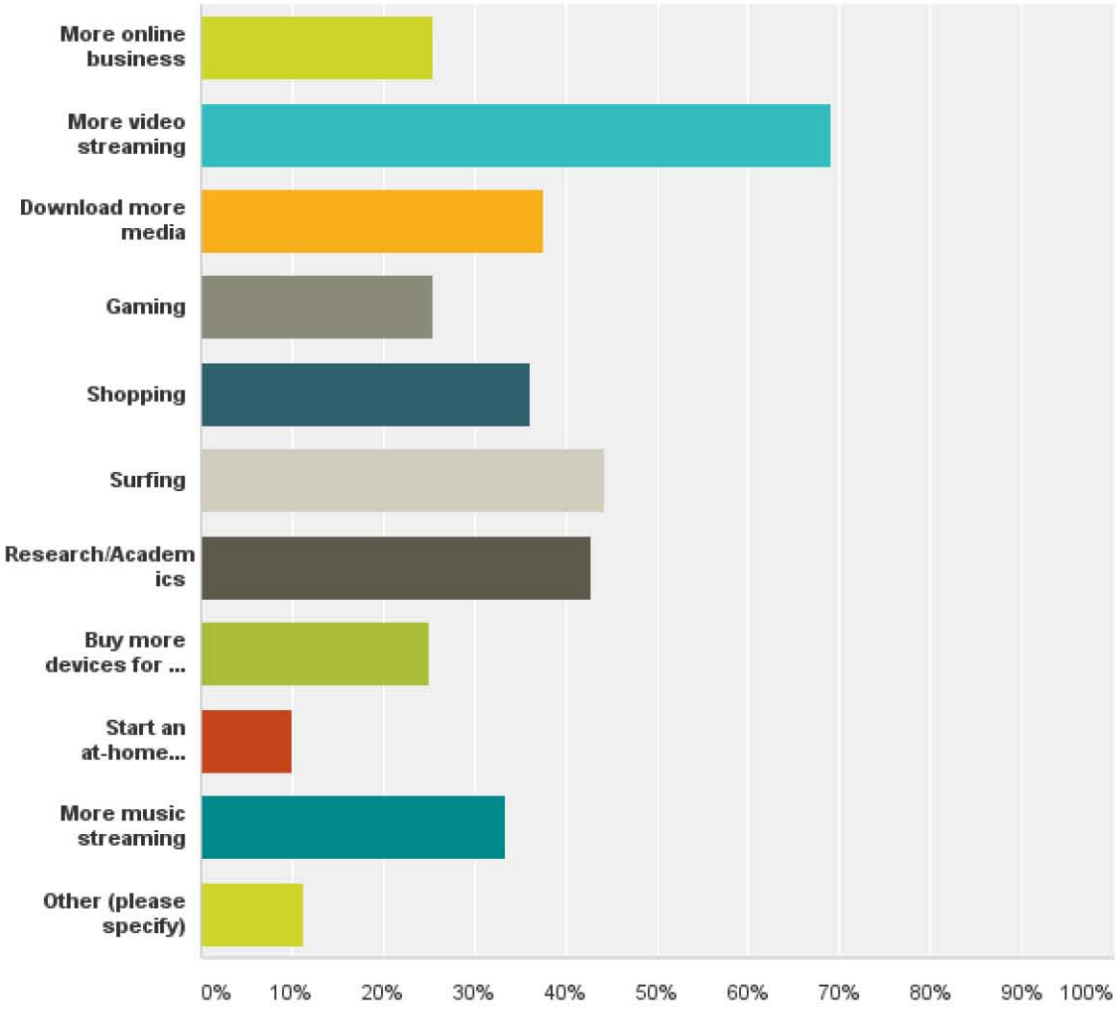
Answer Choices	Responses	
Fiber	**38.62%**	134
Cable	**2.31%**	8
DSL	**5.48%**	19
Wireless	**11.24%**	39
Satellite	**1.73%**	6
I don't know enough to care, as long as the service is good.	**30.84%**	107
I don't care as long as it's cheap.	**5.19%**	18
Other (please specify)	**4.61%**	16
Total		**347**

QUESTION 15: ARE EXCESS DATA CHARGES AN ISSUE FOR YOUR INTERNET CONNECTION?



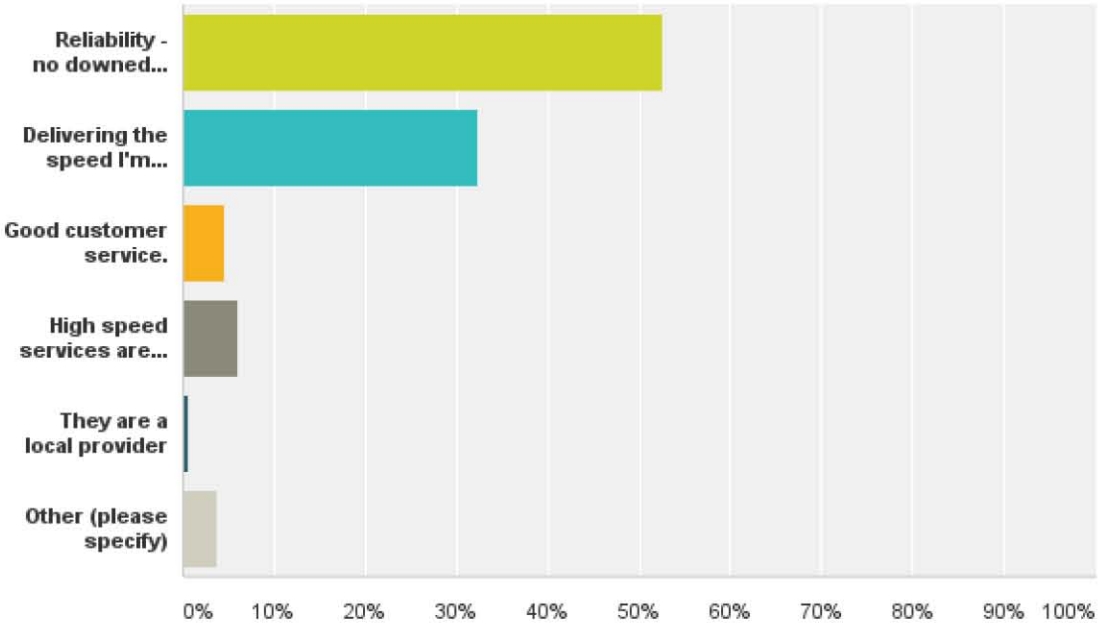
Answer Choices	Responses	
No, I've never come close to my limits.	**25.73%**	88
No, I get close but I always stay under my limit.	**15.79%**	54
No, I've been charged a couple times but it's no problem.	**4.39%**	15
Yes, I'm constantly afraid of going over and being charges.	**11.40%**	39
Yes, I go over regularly and get charged.	**4.97%**	17
Yes, I simply cannot do what I want to online because of them.	**4.09%**	14
I do not have an internet connection.	**1.75%**	6
My provider has no data capacity limits.	**31.87%**	109
Total		**342**

QUESTION 16: WHAT WOULD YOU DO WITH MORE AT-HOME INTERNET SPEED?

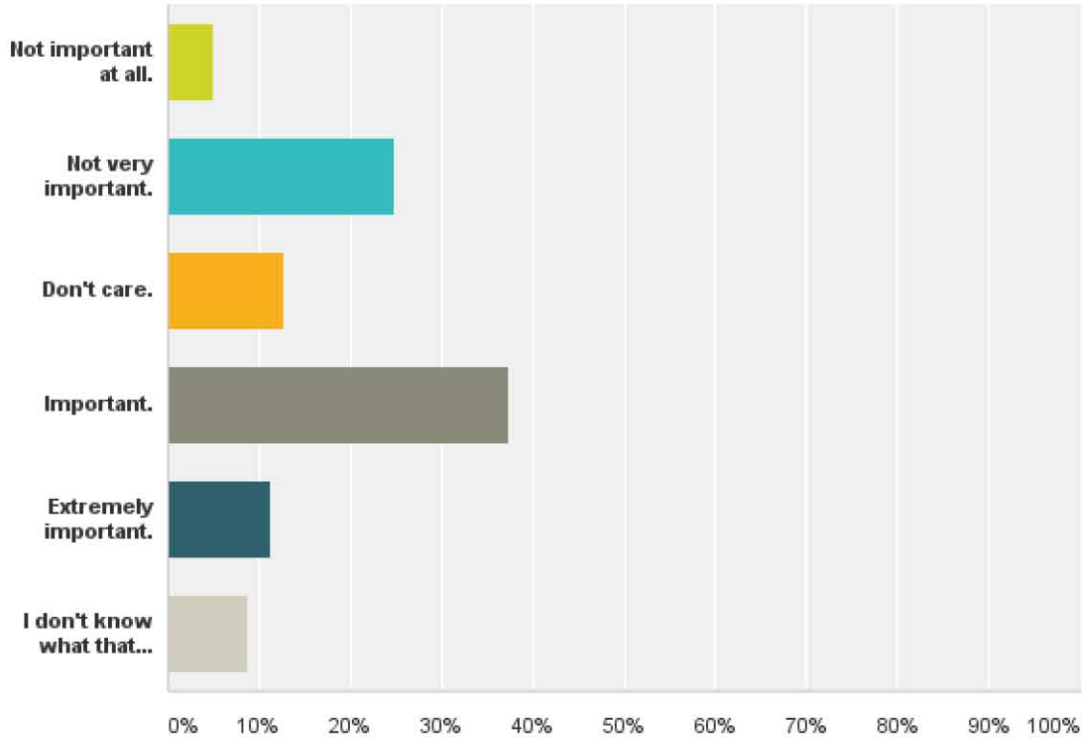


Answer Choices	Responses	
More online business	**25.45%**	84
More video streaming	**69.09%**	228
Download more media	**37.58%**	124
Gaming	**25.45%**	84
Shopping	**36.06%**	119
Surfing	**44.24%**	146
Research/Academics	**42.73%**	141
Buy more devices for the home	**25.15%**	83
Start an at-home business	**10.00%**	33
More music streaming	**33.33%**	110
Other (please specify)	**11.21%**	37
Total Respondents: 330		

QUESTION 17: WHAT IS THE MOST IMPORTANT QUALITY YOU EXPECT FROM YOUR ISP?

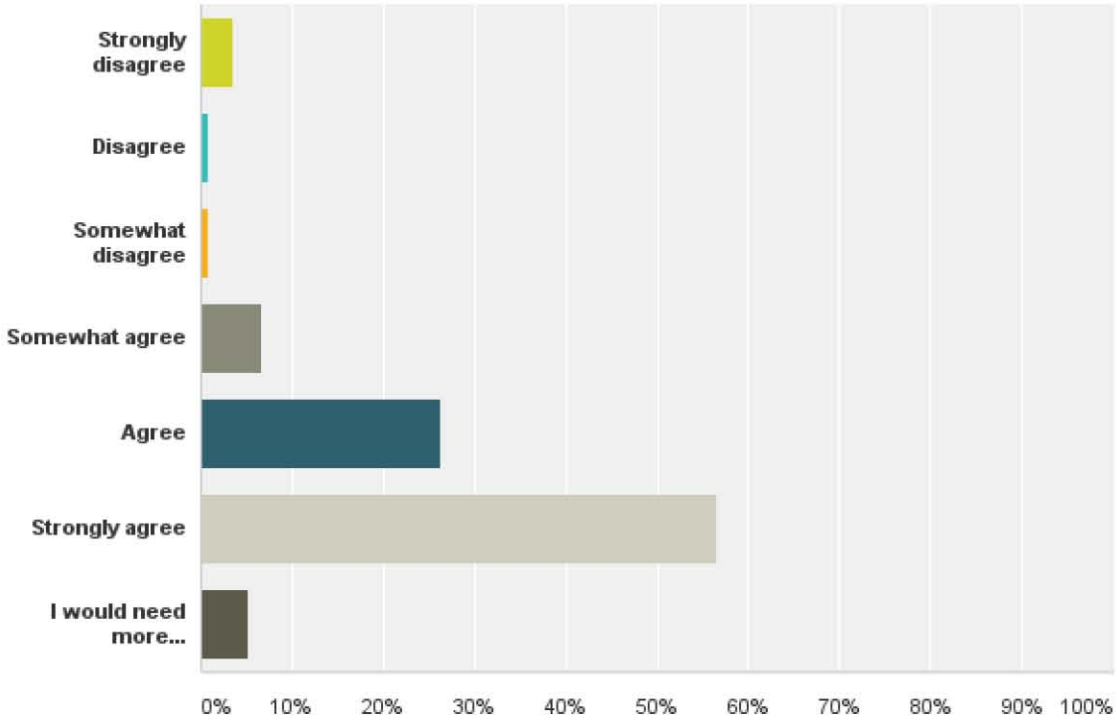


Answer Choices	Responses	
Reliability - no downed service.	**52.60%**	182
Delivering the speed I'm buying, consistently	**32.37%**	112
Good customer service.	**4.62%**	16
High speed services are available.	**6.07%**	21
They are a local provider	**0.58%**	2
Other (please specify)	**3.76%**	13
Total		**346**



Answer Choices	Responses	
Not important at all.	**4.93%**	17
Not very important.	**24.93%**	86
Don't care.	**12.75%**	44
Important.	**37.39%**	129
Extremely important.	**11.30%**	39
I don't know what that means.	**8.70%**	30
Total		**345**

QUESTION 19: SHOULD THE CITY OF RIDGECREST MAKE BROADBAND A PRIORITY ISSUE?



Answer Choices	Responses	
Strongly disagree	**3.47%**	12
Disagree	**0.87%**	3
Somewhat disagree	**0.87%**	3
Somewhat agree	**6.65%**	23
Agree	**26.30%**	91
Strongly agree	**56.65%**	196
I would need more information before answering.	**5.20%**	18
Total		**346**

CONCLUSION

FINDINGS

- Use of the internet:
  - It is a relatively technical community with 60.81% of household having 5 or more devices connected to the internet
  - Uses vary greatly, though bandwidth intensive video streaming ranked highest as a major use of internet in local homes
  - 20.46% expressed that data caps/limits were an issue
- Current services:
  - The majority of customers expressed dissatisfaction in current service pricing (62.28% said "somewhat unfair" to "completely unfair")
  - 54.17% of responders expressed a need for more internet capacity immediately; 83.63% anticipate needing more capacity in the future
  - There was a noticeable discrepancy in the level of speed paid for and the level provided (most likely leading to the high level of dissatisfaction in current service)
  - According to the survey, the two highest qualities in an internet service provider are:
    - Reliability with no downed service (52.60%)
    - Delivering the purchased speed consistently (32.37%)
  - 89.60% agreed that the City of Ridgecrest should make broadband a priority issue (56.65% strongly agreed)
- Pricing:
  - The majority of customers are paying between $25 and $75 for their service
  - The majority of customers are willing to pay between $50 and $100 for good service (slight increase in price point for better service)
- Connection types:
  - 42.36% of customers are using cable services
  - 35.16% of customers are using DSL services
  - 38.62% expressed preferential interest in a fiber internet connection
  - After fiber, 30.84% expressed apathy toward the type of connection, so long as it supported good service
  - 48.69% expressed that at-home symmetrical service was important
- Providers:
  - Mediacom has 51.46% of the local customer base
  - Verizon has 34.80% of the local customer base
  - IWVISP has 7.89% of the local customer base

- Education
  - The survey results demonstrated the need for increased education so that the majority public will understand broadband issues.
  - There is a lack of understanding in the relationship between technology type, level of service, and price point that was made clear by the survey. Education could align the communities goals based on the shared demand for quality service.
  - To understand how to develop a fiber last mile (which is clearly demanded), the public must be empowered to aggregate need and gain access to creative methods of funding.
  - Helping the average individual understanding the saving benefits to bundling services and aggregating need may be a lengthy and involved process
- Public Policy
  - With clear support that government should take a role in broadband issues, the City of Ridgecrest (and any government agency) should developed policies that help the deployment of broadband
    - A "one dig" policy and communication strategy can be amended into the General Plan
    - Council can pass a resolution to empower staff to explore creative ways of expanding broadband infrastructure or making expansion more affordable.
  - There needs to be a groundswell of support from the public to see City Council and Staff develop a communication strategy/policy that meets the needs of both the residential and business communities.
- Aggregation
  - Districts in town with pooled resources should investigate the cost of expanding higher speed technology (fiber)
  - Business districts, such as Balsam St., should take advantage of the benefit to aggregated partnership and demonstrate the benefits of improved service

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