

RESOLUTION NO. 00-41

A RESOLUTION OF THE RIDGECREST CITY COUNCIL
AUTHORIZING AN AGREEMENT WITH NSB GOVERNMENT
FINANCE GROUP FOR ASSESSMENT DISTRICT REVIEW,
DELINQUENCY MANAGEMENT AND ASSESSMENT
DISTRICT ADMINISTRATION SERVICES

WHEREAS, the City has formed assessment districts for construction financing of certain public improvements; and

WHEREAS, debt associated with the costs of those improvements is retired by payments from property owners within the district benefiting from the improvements; and

WHEREAS, it has been determined that payments from property owners have not equaled the amounts owed; and

WHEREAS, the City of Ridgecrest does not currently have the capability to perform the financial audit and management services necessary to identify and remedy the causes of the revenue shortfall; and

WHEREAS, it has been determined that the firm of NSB Government Finance Group has the capabilities to provide the required services.

NOW THEREFORE, LET IT BE RESOLVED, that the City Council of the City of Ridgecrest does hereby authorize the City Administrator to enter into the agreement with NSB Government Finance Group attached as Exhibit "A."

APPROVED AND ADOPTED this ^{19th} day of ^{April} ~~December~~, ²⁰⁰⁰ ~~1999~~, by the following vote:

AYES: Mayor Darnell, Council Member Carter, Holloway, Morgan, and Rollins

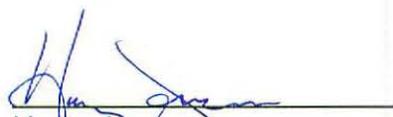
NOES: None

ABSENT: None

ABSTAIN: None


Donna Darnell, Mayor

ATTEST:


Harry Jensen
City Clerk

00-41



Government Finance Group
LAND-BASED FINANCING CONSULTANTS

March 31, 2000

Ms. Christina Palmer
Finance Manager
CITY OF RIDGECREST
100 West California Avenue
Ridgecrest, CA 93555

Subject: Agreement To Provide Assessment District Review, Delinquency Management and Assessment District Administration Services

Dear Ms. Palmer:

Thank you for the opportunity to provide this letter agreement to provide assessment district review, delinquency management and assessment district administration services to the City of Ridgecrest. As per our conversation, NBS will provide these services for Assessment District 16 in three phases:

PHASE I - *Assessment District Review*

First and foremost, NBS will act as the City's "expert resource", and be available to answer questions and offer suggestions.

SCOPE OF SERVICES:

- ◆ Establish District Boundary
- ◆ Establish parcel database
- ◆ Audit parcel history, including payoffs
- ◆ Secure payment history and create detailed delinquency reports
- ◆ Recommend delinquency monitoring program (to be implemented in Phase II)
- ◆ Fund analysis
- ◆ General fund reimbursement analysis, including district maturity analysis

The above Scope of Services assumes that NBS will be provided a detailed list of payoffs, bond call history and current fund balances. Additional document and information research will be billed hourly.

PHASE II - *Delinquency Management Services*

SCOPE OF SERVICES:

NBS will develop a comprehensive delinquency management program which includes a discussion and interpretation of the City's foreclosure covenant together with a review of the existing policies and procedures of the City. When deemed as the appropriate course of action, NBS will perform the following (based on the fees below):

DELINQUENCY REPORTS. NBS will provide the City with a comprehensive updated list of delinquencies prior to sending any of the below letters. This report will also detail the district's percentage of delinquencies, as well as a detailed list of each delinquent parcel.

REMINDER LETTER. At the City's direction, send a reminder letter to the property owner of each delinquent parcel. The purpose of the letter is to inform and educate the property owner of their obligation to pay assessments.

DEMAND LETTER. At the City's direction, send a demand letter to the property owner of each delinquent parcel. The purpose of this letter is to further educate the property owner and advise them of a potential foreclosure.

FORECLOSURE LETTER. This type of letter is typically sent after the parcels have been removed from the tax roll. The letter delineates what amount must be paid directly to the City to forestall the turnover of documents to the foreclosure attorney.

TAX ROLL REMOVAL. NBS will provide the information required to remove parcels from the tax roll and coordinate with the County Auditor Controller to verify the removal. This step is in preparation of turning the parcels over for foreclosure. Once removed from the tax roll, each property owner will receive one final foreclosure letter indicating the amount due and payment instructions.

PAYMENT PLANS. At the City's discretion, offer payment plans to property owners in lieu of turning parcels over to the City's foreclosure counsel.

SUBSEQUENT FORECLOSURE SERVICES. NBS will prepare and deliver all information to the City's foreclosure counsel. We will also continue to supply the City's counsel with additional information throughout the foreclosure process. We will continue to respond to property owner and City staff phone calls regarding the status of all cases, and will coordinate and audit status reports on a bi-monthly basis from the City's foreclosure counsel.

TOLL-FREE PHONE NUMBER. NBS will provide a toll-free phone number for use by the City and all property owners. Our staff will be available to answer questions regarding the formation and ongoing collection of assessments/special taxes for the districts. Bilingual staff is available for Spanish-speaking property owners.

Delinquency Management

Reminder Letters.....	\$10 *
Demand Letters.....	15 *
Foreclosure Letters.....	30
Payment Plan Administration	150
Tax Roll Removal.....	50 **
Subsequent Foreclosure Fees.....	75

Fees are based on a per parcel basis

- * This fee will be recovered on a per parcel basis as part of the next levy.
- ** This fee includes filing of "Notice of Intent to Remove Delinquent Installment" but does not include County fees for removal from the tax roll.

PHASE III - 2000/2001 District Closeout and/or Annual Tax Levy

SCOPE OF SERVICES:

1913/1915 Act Assessment District Administration Services

COST RECOVERY. NBS will identify all costs associated with the administration of the Assessment Districts and recover those costs through the levy process as outlined in §8682 and §8682.1 of the *California Streets and Highways Code*. These costs may include, but not be limited to: Registrar/Transfer/Paying Agent fees, arbitrage rebate calculation and Secondary Disclosure fees, bank fees, and expenses of the Agency and its consultants related to district administration.

ANNUAL ASSESSMENT LEVY. NBS will calculate the annual assessment levy for each parcel in the Districts and submit the amount for each parcel to the County in the format and medium (i.e. tape, diskette) required by the County Auditor Controller.

RESUBMISSION OF REJECTS. NBS will research the status of any parcels rejected by the County Auditor Controller, and resubmit corrected data for collection on the County Tax Roll. Any parcels that are not accepted by the County for collection will be produced as handbills with payment directed to the Agency.

MAINTAIN ASSESSMENT DISTRICT DATA. NBS will track all parcel changes that occur annually to ensure that all changes are documented. Historical parcel change and assessment apportionment data will be maintained by NBS.

PREPAYMENT CALCULATION/AMORTIZATION SCHEDULE. NBS will provide assessment prepayment calculations and amortization schedules to interested parties. The requester will pay the cost of this service; however, there will be no charge to the City or a property owner.

BOND CALLS. NBS will prepare the spread of principal to be called within maturities for all bond calls and coordinate the call with the Paying Agent/Trustee.

TOLL-FREE PHONE NUMBER. NBS will provide a toll-free phone number for use by the Agency and all property owners. Our staff will be available to answer questions regarding the formation and ongoing collection of assessments for the districts. Bilingual staff is available to assist Spanish-speaking property owners.

COUNTY ASSESSOR REPORTING. NBS will work with the County Assessor to aid in complying with the requirements of Revenue & Taxation Code 163. This includes providing data such as parcel number, original assessment and current principal balance to the County Assessor.

Due to the uncertain status of the District, there is a range of fees for each phase and each phase will be billed separately. An evaluation will be done after each phase and our findings and recommendations will be reviewed with City staff before commencing work on the next phase.

- Phase I\$2,500-5,000
- Phase IIAs per the fee schedule on page 3, not to exceed \$5,000
- Phase III\$4,000-5,000

We have included two original copies. Please sign one copy and return to NBS and keep the other for your records. If you have any questions, or if you need any further information, please do not hesitate to call me at (800) 676-7516.

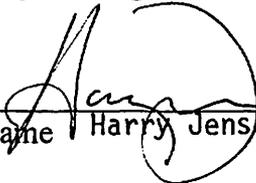
APPROVED BY

NBS Government Finance Group

City of Ridgecrest



Mike Rentner



Name Harry Jensen

Chief Operating Officer

Title

City Administrator

Title

3/31/00

Date

4-27-00

Date