

**HESPERIA CITY COUNCIL  
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
HOUSING AUTHORITY  
COMMUNITY DEVELOPMENT COMMISSION  
FIRE PROTECTION DISTRICT  
WATER DISTRICT  
AGENDA**

*Regular Joint Meetings  
1<sup>st</sup> and 3<sup>rd</sup> Tuesday*

**Date: March 20, 2018  
REGULAR MEETING**

**Time: 5:30 P.M.** (Closed Session)  
**6:30 P.M.** (Regular Meeting)  
**8:30 P.M. C.S.T.**

**CITY COUNCIL MEMBERS**

Russ Blewett, Mayor

Bill Holland, Mayor Pro Tem

Larry Bird, Council Member

Paul Russ, Council Member

Rebekah Swanson, Council Member

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Nils Bentsen, City Manager

Eric L. Dunn, City Attorney



**City of Hesperia**

**Council Chambers**

**9700 Seventh Avenue**

**Hesperia, CA 92345 and**

**Teleconference Locations:**

**5855 Citrus Blvd, Apt. 120,**

**Harahan, LA 70123 and**

**16850 Bear Valley Road, Room 282,**

**Victorville, CA 92395**

**City Clerk's Office: (760) 947-1007**

**Agendas and Staff Reports are  
available on the City Website**

**[www.cityofhesperia.us](http://www.cityofhesperia.us)**

Documents produced by the City and distributed less than 72 hours prior to the meeting, regarding items on the agendas, will be made available in the City Clerk's Office located at 9700 Seventh Avenue during normal business hours.



**NOTE:** In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (760) 947-1007 or (760) 947-1056. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.

**REGULAR MEETING AGENDA  
HESPERIA CITY COUNCIL  
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
HESPERIA HOUSING AUTHORITY  
HESPERIA COMMUNITY DEVELOPMENT COMMISSION  
HESPERIA FIRE PROTECTION DISTRICT  
HESPERIA WATER DISTRICT**

**Meeting to be held at the following locations:**

**9700 Seventh Avenue, Hesperia, CA 92345 and  
5855 Citrus Blvd, Apt. 120, Harahan, LA 70123 (teleconferencing location)  
16850 Bear Valley Road, Room 282, Victorville, CA 92395 (teleconference location)**

**As a courtesy, please silence your cell phones and other electronic devices while the meeting is in session. Thank you.**

*Prior to action of the Council, any member of the audience will have the opportunity to address the legislative body on any item listed on the agenda, including those on the Consent Calendar.*

*Individuals wishing to speak during General Public Comments or on a particular numbered item must submit a speaker slip to the City Clerk with the agenda item noted. Speaker slips should be turned in prior to the public comment portion of the agenda or before an agenda item is discussed. Comments will be limited to three minutes for General Public Comments, Consent Calendar items and New Business items. Comments are limited to five minutes for Public Hearing items.*

*In compliance with the Brown Act, the City Council may not discuss or take action on non-agenda items or engage in question and answer sessions with the public. The City Council may ask brief questions for clarification; provide a reference to staff or other resources for factual information and direct staff to add an item to a subsequent meeting.*

**CLOSED SESSION - 5:30 PM**

**Roll Call**

*Mayor Russell Blewett  
Mayor Pro Tem Bill Holland  
Council Member Larry Bird  
Council Member Paul Russ  
Council Member Rebekah Swanson*

Conference with Legal Counsel - Potential Litigation:  
Government Code Section 54956.9(d)2

1. One (1) case

Conference with Legal Counsel – Existing Litigation  
Government Code Section 54956.9(d)1

1. City of Hesperia v. Lake Arrowhead Community Service District, et al., Court of Appeal Case No. E067679 (Superior Court Case No. CIVDS1602017)

Conference with Real Property Negotiators – Property Negotiations  
Government Code Section – 54956.8

1. Negotiating Parties: Interstate Technologies and Community Development Commission

Location: 0410-061-01, -02, -03, -04; 0410-061-06 & -07; 0410-061-11; 0410-071-25 & -26; 0410-071-06 & -07 (Eleven parcels)

Under Negotiations: Price and Terms

**CALL TO ORDER - 6:30 PM**

**A. Invocation**

**B. Pledge of Allegiance to the Flag**

**C. Roll Call**

*Mayor Russell Blewett  
Mayor Pro Tem Bill Holland  
Council Member Larry Bird  
Council Member Paul Russ  
Council Member Rebekah Swanson*

**D. Agenda Revisions and Announcements by City Clerk**

**E. Closed Session Reports by City Attorney**

**ANNOUNCEMENTS/PRESENTATIONS**

1. Employee of the Month for March to Randy Horn, Maintenance Worker by Craig Godfrey, Maintenance Crew Supervisor Streets
2. Community Events Calendar

**GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)**

*Individuals wishing to speak during General Public Comments or on a particular numbered item must submit a speaker slip to the City Clerk with the agenda item noted. Speaker slips should be turned in prior to the public comment portion of the agenda or before an agenda item is discussed. Comments will be limited to three minutes for General Public Comments, Consent Calendar items and New Business items. Comments are limited to five minutes for Public Hearing items.*

*In compliance with the Brown Act, the City Council may not discuss or take action on non-agenda items or engage in question and answer sessions with the public. The City Council may ask brief questions for clarification; provide a reference to staff or other resources for factual information and direct staff to add an item to a subsequent meeting.*

- 1) City Council
- 2) Fire District
- 3) Water District

**JOINT CONSENT CALENDAR**



1. Page 9 Consideration of the Draft Minutes from the Regular Meeting held Tuesday, March 6, 2018

**Recommended Action:**

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, March 6, 2018.

**Staff Person:** City Clerk Melinda Sayre

**Attachments:** [Draft CC Min 2018-03-06](#)
2. Page 15 Warrant Run Report (City - Successor Agency - Housing Authority - Community Development Commission - Fire - Water)

**Recommended Action:**

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

**Staff Person:** Director of Finance Casey Brooksher

**Attachments:** [SR Warrant Run 3-20-2018](#)  
[Attachment 1 - Warrant Runs](#)
3. Page 17 Treasurer's Cash Report for the unaudited period ended January 31, 2018

**Recommended Action:**

It is recommended that the Council/Board accept the Treasurer's Cash Report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

**Staff Person:** Director of Finance Casey Brooksher

**Attachments:** [SR Treasurer's Report 3-20-2018](#)  
[Attachment 1 - Investment Reports](#)
4. Page 27 Purchase Piping and Material

**Recommended Action:**

It is recommended that the Board of Directors of the Hesperia Water District authorize the City Manager to approve a one-time purchase from Core & Main for piping and materials needed for the Pipeline Water Line Replacement Program Construction Order #3406 in the not-to-exceed amount of \$101,405.

**Staff Person:** Public Works Manager Mark Faherty and Public Works Supervisor/Water Jeremy McDonald

**Attachments:** [SR Purchase Piping and Material 3-20-2018](#)  
[Attachment 1 - Bid Comparison](#)
5. Page 29 Award Contract for FY 2017-18 CDBG Street Improvement Project Amend the Existing Professional Services Agreement with Geocon West, Inc. Adopt Resolution

## 2018-022 Amending the FY 2017-18 CIP Budget

**Recommended Action:**

It is recommended that the City Council:

- (1) Award a contract for the FY 2017-18 CDBG Street Improvement project to the lowest responsive and responsible bidder, Match Corporation for the Base Bid amount of \$982,000, plus Add Alternate A in the amount of \$214,000, plus Add Alternate B in the amount of \$222,000 for a total amount of \$1,418,000; approve an additional 10% contingency in the amount of \$142,000 for a total construction budget of \$1,560,000; approve the design of the project represented by the plans and specifications; and authorize the City Manager to execute the contract, and
- (2) Amend the existing Professional Services Agreement (PSA) with Geocon West, Inc. for on-call geotechnical engineering services by increasing the PSA \$150,000 in order to have adequate funding to continue providing quality assurance and quality control on the City's capital improvement projects, and
- (3) Adopt Resolution 2018-022 amending the Fiscal Year 2017-18 Capital Improvement Program (CIP) Budget and appropriating an additional \$100,000 from the CDBG Housing Program to the FY 2017-18 CDBG Street Improvements project (C.O. No. 7142).

**Staff Person:** Assistant City Manager Michael Blay

**Attachments:** [SR Street Improvement Project 3-20-2018](#)  
[Resolution 2018-22](#)

6. Page 33 Amendment to Earth Development Contract

**Recommended Action:**

It is recommended that the City Council authorize the City Manager to approve an amendment in the amount of \$15,000 to the contract with Earth Development. This will result in a total contract of \$65,000 for Earth Development to continue to conduct abatements as needed through the end of Fiscal Year 2017-18.

**Staff Person:** Assistant City Manager Michael Blay

**Attachments:** [SR Earth Development Contract 3-20-2018](#)

7. Page 35 Uniform Services Contract

**Recommended Action:**

It is recommended that the City Council and the Board of Directors of the Hesperia Water District authorize the City Manager to approve a two-year agreement with Prudential Overall Supply to provide uniform services in the total not-to-exceed amount of \$52,139.

**Staff Person:** Assistant City Manager Michael Blay and Director of Finance Casey Brooksher

**Attachments:** [SR Uniform Services 3-20-2018](#)

8. Page 37 2017 Hazard Mitigation Plan Update

**Recommended Action:**

It is recommended that the Council adopt Resolution No. 2018-16, adopting the 2017 Local Hazard Mitigation Plan Update and authorize staff to make future non-substantive revisions to the Hazard Mitigation Plan.

**Staff Person:** Assistant to the City Manager Rachel Molina

**Attachments:** [SR 2017 Hazard Mitigation Plan 3-20-2018](#)

[Resolution 2018-16](#)

[Attachment 2 - FEMA Review Letter](#)

[Attachment 3 - Mitigation Plan \(available on the City's website\)](#)

9. Page 43 Resolution No. 2018-09 denying General Plan Amendment GPA17-00001 from Rural Residential with a minimum lot size of 2.5 acres (RR-2 1/2) to Public (P-GOVT) on 350 acres, and Resolution No. 2018-10 denying Conditional Use Permit CUP17-00008 to construct a solar farm on 4.7 gross acres located on the east side of Arrowhead Lake Road, south of Hesperia Lake Park (Applicant: Lake Arrowhead Community Services District; APNs: 0397-013-03, 04, 05, 17 thru 22).

**Recommended Action:**

It is recommended that the City Council adopt Resolution Nos. 2018-09 and 2018-10 denying GPA17-00001 from RR-2 1/2 to P-GOVT on 350 acres and CUP17-00008 to construct a solar farm on 4.7 gross acres.

**Staff Person:** Senior Planner Daniel Alcayaga

**Attachments:** [SR Lake Arrowhead Community Service District 3-20-2018](#)

[Resolution 2018-09](#)

[Resolution 2018-10](#)

10. Page 51 Excused Absence Request- Mayor Blewett

**Recommended Action:**

It is recommended that the City Council approve Mayor Blewett's absence at the January 16, 2018 and March 6, 2018 City Council Meetings due to illness.

**Staff Person:** City Clerk Melinda Sayre

**Attachments:** [SR Mayor Russ Blewett Absence Request 3-20-2018](#)

11. Page 53 Excused Absence Request- Council Member Russ

**Recommended Action:**

It is recommended that the City Council approve Council Member Russ's absence at the February 6, 2018 City Council Meeting due to illness.

**Staff Person:** City Clerk Melinda Sayre

**Attachments:** [SR Council Member Paul Russ Absence Request 3-20-2018](#)

## **CONSENT ORDINANCES**

### **WAIVE READING OF ORDINANCES**

*Approve the reading by title of all ordinances and declare that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.*

- 12.** Page 55 Amendment to Ordinance 2017-15 and Ordinance 2017-16 related to Regulation of Commercial Cannabis Activity

#### **Recommended Action:**

Place on second reading and adopt by title waiving the text of Ordinance No. 2018-01 (amending Ordinance No. 2017-16), which amends Chapter 5.50 of the Hesperia Municipal Code related to Commercial Cannabis activities, and which rescinds Ordinance No. 2017-22. The Planning Commission recommends that the City Council deny Ordinance No 2018-02, related to the removal of a distance requirement from residences within the cannabis zone. It is recommended that the City Council discuss and introduce, for first reading by title only and further reading waived, Ordinance No. 2018-03, (amending Ordinance No. 2017-15), which amends Chapter 16.16 of the Hesperia Municipal Code related to Commercial Cannabis activities.

**Staff Person:** Assistant City Manager Michael Blay and Administrative Analyst Tina Bulgarelli

**Attachments:** [SR Regulation of Commercial Cannabis Activity 3-20-2018](#)

[Ordinance 2018-01](#)

[Attachment 2 - Exhibit A \(Amendment to Title 5\)](#)

[Ordinance 2018-02](#)

[Attachment 4 - Exhibit B \(Amendment to Title 16-Distance Requirement\)](#)

[Ordinance 2018-03](#)

[Attachment 6 - Exhibit C \(Amendment to Title 16-License Types\)](#)

## **PUBLIC HEARINGS**

*Individuals wishing to comment on public hearing items must submit a speaker slip to the City Clerk with the numbered agenda item noted. Speaker slips should be turned in prior to an agenda item being taken up. Comments will be limited to five minutes for Public Hearing items.*

### **WAIVE READING OF ORDINANCES**

*Approve the reading by title of all ordinances and declare that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.*

## **PUBLIC HEARING**

- 13.** Page 87 Local Agency Management Program (LAMP)

#### **Recommended Action:**

It is recommended that the City Council and Board of Directors of the Hesperia Water District introduce and place on first reading Ordinance No. 2018-04 amending Hesperia Municipal Code (HMC) Title 14, Chapter 14.08, Section 14.08.040 to include the City of Hesperia Local Agency Management Program (LAMP) regarding the use of onsite wastewater treatment systems (OWTS).

**Staff Person:** Assistant City Manager Michael Blay

**Attachments:** [SR Local Agency Management Program 3-20-2018](#)  
[Ordinance 2018-04](#)  
[Attachment 2 - Exhibit "A"](#)

## **NEW BUSINESS**

- 14.** Page 93 Support of the 2018 Victor Valley Bicycle Tour

**Recommended Action:**

It is recommended that the City Council provide direction to staff on supporting the 2018 Victor Valley Bicycle Tour.

**Staff Person:** Assistant to the City Manager Rachel Molina

**Attachments:** [SR Support of Victor Valley Bicycle Tour 3-20-2018](#)

- 15.** Page 95 Resolution 2018-18 Establishing Performance Appraisals and Honors Program Policy

**Recommended Action:**

It is recommended that the City Council, Board of Directors and Board of Commissioners rescind Resolution Nos. 2004-65, HCRA 2004-07, HFPD 2004-23 and HWD 2004-14; and adopt Joint Resolution Nos. 2018-18, HWD 2018-11, HCDC 2018-03 and HHA 2018-03 Hesperia Performance Appraisals and Honors Program to clarify performance appraisal procedures and establish a system for exceptional employees at the top of their salary range to receive recognition.

**Staff Person:** Assistant City Manager Michael Blay, Assistant to the City Manager Rachel Molina and Human Resources Manager Rita Perez

**Attachments:** [SR Performance Appraisals and Honors Program 3-20-2018](#)  
[Joint Resolution](#)  
[Attachment 2 - Exhibit A \(Proposed Organizational Policy 42\)](#)  
[Attachment 3 - Exhibit B \(Organizational Policy 15\)](#)

- 16.** Page 141 Annexation to San Bernardino County Fire Protection District North Desert Service Zone and the Divestiture of the Functions of Fire, Emergency Medical Response and Ambulance from the Hesperia Fire Protection District

**Recommended Action:**

It is recommended that the City Council and Board Members of the Hesperia Fire Protection District Board adopt Joint Resolution 2018-20 and HFPD

2018-05 approving the annexation of the Hesperia Fire Protection District into the San Bernardino County Fire Protection District-North Desert Service Zone and the divestiture of the functions of Fire, Emergency Medical Response and Ambulance. This action approves the property tax sharing agreement and pass-through revenue sharing agreement between the City of Hesperia, the Hesperia Fire Protection District, the San Bernardino County Fire Protection District, and the County of San Bernardino.

**Staff Person:** Assistant City Manager Michael Blay

**Attachments:** [SR Fire District Annexation 3-20-2018](#)

[Attachment 1 - Joint Resolution and attachments](#)

### **COUNCIL COMMITTEE REPORTS AND COMMENTS**

*The Council may report on their activities as appointed representatives of the City on various Boards and Committees and/or may make comments of general interest or report on their activities as a representative of the City.*

### **CITY MANAGER/CITY ATTORNEY/STAFF REPORTS**

*The City Manager, City Attorney or staff may make announcements or reports concerning items of interest to the Council and the public.*

### **ADJOURNMENT**

*I, Melinda Sayre, City Clerk of the City of Hesperia, California do hereby certify that I caused to be posted the foregoing agenda on Thursday, March 15, 2018 at 5:30 p.m. pursuant to California Government Code §54954.2.*

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Melinda Sayre,  
City Clerk

*Documents produced by the City and distributed less than 72 hours prior to the meeting regarding items on the agenda will be made available in the City Clerk's Office during normal business hours.*



# City of Hesperia

## Meeting Minutes - Draft

### City Council

City Council Chambers  
9700 Seventh Ave.  
Hesperia CA, 92345

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Tuesday, March 6, 2018

6:30 PM

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**REGULAR MEETING AGENDA  
HESPERIA CITY COUNCIL  
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
HESPERIA HOUSING AUTHORITY  
HESPERIA COMMUNITY DEVELOPMENT COMMISSION  
HESPERIA FIRE PROTECTION DISTRICT  
HESPERIA WATER DISTRICT**

**Meeting held at the following location:  
9700 Seventh Avenue, Hesperia, CA 92345 and  
5855 Citrus Blvd, Apt. 120, Harahan, LA 70123 (teleconferencing location)**

#### **CLOSED SESSION - 6:00 PM**

##### **Roll Call**

**Present:** 5 - Mayor Pro Tem Holland, Council Member Bird, Council Member Russ (via teleconference location listed on agenda), and Council Member Swanson

**Absent:** 1 - Mayor Blewett

Conference with Real Property Negotiators – Property Negotiations  
Government Code Section – 54956.8

1. Negotiating Parties: Bristol Development Partners and City of Hesperia  
Location: APN 0405-062-72, 73  
Under Negotiation: Price and Terms

#### **CALL TO ORDER - 6:30 PM**

- A. Invocation by Bill Burnett of New Life Church
- B. Pledge of Allegiance to the Flag
- C. Roll Call

**Present:** 5 - Mayor Pro Tem Holland, Council Member Bird, Council Member Russ (via teleconference location listed on agenda), and Council Member Swanson

**Absent:** 1 - Mayor Blewett

- D. **Agenda Revisions and Announcements by City Clerk** - *City Manager announced that item no.10 was requested to be pulled from the agenda as the project was not moving forward at this time. The City Council agreed by consensus.*
- E. **Closed Session Reports by City Attorney** - *No reportable action was taken.*

## **ANNOUNCEMENTS/PRESENTATIONS**

1. Presentation on Pride Enhancement Program by Rachel Molina, Assistant to the City Manager
2. Community Events Calendar - *Start Smart Teen Driving Class 3/15 at the Police Station, Route 138 to be closed 3/7 - 3/16 between Summit Valley Road and the 15 Freeway, Daylight savings time starts 3/12. Mayor Pro Tem Holland introduced Zeus, his newly adopted pet dog from the Hesperia Animal Shelter.*

## **GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)**

*Daniel Krist commented on various topics in the community.*

*Bob Nelson commented on incident during pending public meeting disruption.*

*Michael Chacon commented on trash and debris clean-up within the community.*

## **JOINT CONSENT CALENDAR**

**A motion was made by Russ, seconded by Swanson, that the Consent Calendar be approved. The motion carried by the following vote:**

**Aye:** 4 - Holland, Bird, Russ and Swanson

**Absent:** 1 - Blewett

1. Consideration of the Draft Minutes from the Regular Meeting held Tuesday, February 20, 2018

### **Recommended Action:**

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, February 20, 2018.

**Sponsors:** City Clerk Melinda Sayre

2. Warrant Run Report (City - Successor Agency - Housing Authority - Community Development Commission - Fire - Water)

### **Recommended Action:**

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

**Sponsors:** Deputy Finance Director Anne Duke and Finance Director Casey Brooksher

3. Memorandum of Understanding between the City of Hesperia and the Teamsters Local 1932 for the Period of February 1, 2018 through January 31, 2020

### **Recommended Action:**

It is recommended that the City Council adopt Resolution No. 2018-013 and the Board of Directors of the Hesperia Water District adopt Resolution HWD 2018-05, approving the Memorandum of Understanding with the Teamsters Local 1932 (Teamsters Union).

**Sponsors:** Assistant City Manager Michael Blay

4. Revised Combined Compensation Schedule

### **Recommended Action:**



It is recommended that the City Council adopt Resolution No. 2018-014, the Board of Directors of the Hesperia Water District adopt Resolution HWD 2018-06, approving the City's revised Combined Compensation Schedule effective February 21, 2018 incorporate the approved positions from the Fiscal Year 2017-18 Mid-Year Budget Review and the salary change to the City Manager's contract.

**Sponsors:** Finance Director Casey Brooksher, Assistant to the City Manager Rachel Molina and Human Resources Manager Rita Perez

5. Increase to Contract - Advantage West

**Recommended Action:**

It is recommended that the Board Members of the Hesperia Water District authorize the City Manager to execute an increase to the contract with Advantage West Government Product Solutions, for miscellaneous janitorial products in the amount of \$55,000, with a new not-to-exceed amount of \$105,000.

**Sponsors:** Public Works Manager Mark Faherty and Public Works Supervisor/Water Jeremy McDonald

6. Accept Ranchero Road Rehabilitation & Main Street Median Project (C.O. No. 7137)

**Recommended Action:**

It is recommended that the City Council accept the work constructed under Ranchero Road Rehabilitation & Main Street Median Project (C.O. No. 7137) and authorize staff to release all withheld retention amounts in accordance with the California Public Contract Code.

**Sponsors:** Assistant City Manager Michael Blay

7. Parcel Map No. 19803

**Recommended Action:**

It is recommended that the City Council adopt Resolution No. 2018-015 approving Parcel Map No. 19803 to create two parcels on approximately 2.3 gross acres zoned Rural Residential (RR-1) located on the southwest corner of A Avenue and Santa Fe Avenue (Applicant: Mark Peterson; APN: 0415-132-21).

**Sponsors:** Assistant City Manager Michael Blay

**PUBLIC HEARING**

8. Amendment to Ordinance 2017-15 and Ordinance 2017-16 related to Regulation of Commercial Cannabis Activity

**Recommended Action:**

It is recommended that the City Council 1) consider Ordinance No. 2018-01 which will rescind ordinance 2017-22 and amend Ordinance No. 2017-16, amending Chapter 5.50 of the Hesperia Municipal Code related to Commercial Cannabis activities; and consideration of Ordinance No. 2018-03, amending Ordinance No. 2017-15, amending Chapter 16.16 of the Hesperia Municipal Code related to Commercial Cannabis activities; and 2) consideration of the Planning Commission's recommendation to deny Ordinance No 2018-02, related to the removal of a distance requirement from residences within the cannabis zone identified as the General Industrial (G-I) zone district or the Limited Manufacturing (I-1) or General Manufacturing (I-2) General Plan designation and including portions of the Commercial Industrial Business Park (CIBP) zone district within the area bounded by Smoke Tree Street, "I" Avenue, Juniper Street and Santa Fe Avenue East.

**Sponsors:** Assistant City Manager Michael Blay and Administrative Analyst Tina Bulgarelli

*The public hearing was opened.*

*Dino Defazio commented on the photometric study component of the proposed ordinance.*

*There being no further public comment, the public hearing was closed.*

A motion was made by Russ, seconded by Swanson, that this item be approved with staff recommendations with the lighting plan modification and the option to remove the distance requirement from legal non-conforming residences within the cannabis zone. The motion carried by the following vote:

**Aye:** 3 - Holland, Russ and Swanson

**Nay:** 1 - Bird

**Absent:** 1 - Blewett

## **NEW BUSINESS**

### 9. Composition of Advisory Body Committee Programs

#### **Recommended Action:**

It is recommended that the City Council receive the Advisory Committee Program Activity summary included in this report and provide staff with direction on future Advisory Committee composition.

**Sponsors:** City Clerk Melinda Sayre

*Direction given to staff to bring a resolution forward allowing Committee Members to contribute items for the agenda and develop work plan for item submission going forward.*

### ~~10. Proposed San Bernardino County Department of Behavioral Health Facility 4.66 Acre Site/Northwest Corner of Main Street & Tamarisk Avenue~~

#### ~~**Recommended Action:**~~

~~It is recommended that the City Council receive the information provided, and provide direction to staff regarding support of the proposed San Bernardino County Behavioral Health facility.~~

~~**Sponsors:** Principal Planner Jeff Codega~~

*Item No. 10 pulled from the agenda*

## **COUNCIL COMMITTEE REPORTS AND COMMENTS**

*Council Member Russ commented on Council Member Swanson's attendance at an MDAQMD meeting in his place and announced his attendance at the April Council Meeting.*

*Council Member Swanson commented on attendance at MDAQMD and MDAQMD's gas to electric lawn tool trade-in program beginning 4/14, attendance at SBCTA committee meeting and the CCAC quarterly meeting.*

*Council Member Bird commented on Chamber of Commerce Volunteer Appreciation awards, COP installation dinner, and the passing of Apple Valley teacher Ken Cooper'.*

*Mayor Pro Tem Holland commented on City COP program, attendance at Pathways for Success event, the SBCTA meeting to be held 3/7, and the Council Advisory Committee program item.*

*Mayor Blewett was absent.*

### **CITY MANAGER/CITY ATTORNEY/STAFF REPORTS**

*City Attorney commented on a pending Supreme Court public meeting disruption case in Florida.*

### **ADJOURNMENT**

*The meeting was adjourned in memory of Ken Cooper and Joseph Sidney at 8:31 p.m.*

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*Melinda Sayre,  
City Clerk*

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# City of Hesperia STAFF REPORT



**DATE:** March 20, 2018

**TO:** Mayor and Council Members  
City Council, as Successor Agency to the Hesperia Community Redevelopment Agency  
Chair and Commissioners, Hesperia Housing Authority  
Chair and Commissioners, Community Development Commission  
Chair and Board Members, Hesperia Fire Protection District  
Chair and Board Members, Hesperia Water District

**FROM:** Nils Bentsen, City Manager

**BY:** Casey Brooksher, Director of Finance  
Anne Duke, Deputy Finance Director  
Virginia Villasenor, Senior Accountant

**SUBJECT:** Warrant Run Report (City – Successor Agency – Housing Authority – Community Development Commission – Fire – Water)

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## RECOMMENDED ACTION

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

## BACKGROUND

The Warrant Run totals represented below are for the period February 17, 2018 through March 2, 2018.

<u>Agency/District</u>	<u>Accounts Payable*</u>	<u>Payroll</u>	<u>Wires</u>	<u>Totals</u>
City of Hesperia	\$2,638,313.91	\$213,602.05	\$0.00	\$2,851,915.96
Successor Agency	3,310,392.52	0.00	0.00	3,310,392.52
Housing Authority	2,702.27	2,488.89	0.00	5,191.16
Community Development Commission	3,468.58	6,419.21	0.00	9,887.79
Fire	878,454.40	0.00	0.00	878,454.40
Water	975,567.88	94,195.47	41,762.77	1,111,526.12
<b>Totals</b>	<b>\$7,808,899.56</b>	<b>\$316,705.62</b>	<b>\$41,762.77</b>	<b>\$8,167,367.95</b>

\* Includes debt service payments made via Automated Clearing House (ACH) electronic deposit of funds.

The wires amount for the City of Hesperia is as follows:

- \$32,090.76 to Bank of America for Hesperia Water Swap Interest Payment.
- \$9,672.01 to U.S. Bank Trust N.A. for Hesperia Water 1998 A Interest Payment.

## ATTACHMENT(S)

1. Warrant Runs

**City of Hesperia**  
**WARRANT RUNS**  
**02/17/2018 - 03/02/2018**

		W/E		W/E	WARRANT	YEAR-TO		PRIOR FY YTD
FUND #	FUND NAME	2/23/2018	3/2/2018	TOTALS		DATE	DATE	
					Wires	TOTALS *	TOTALS	
Accounts Payable								
100	GENERAL	\$ 1,176,016.70	\$ 295,447.88	\$ 1,471,464.58	\$ -	\$ 13,872,516.87	\$ 14,591,435.15	
204	MEASURE I - RENEWAL	\$ -	\$ 2,062.50	\$ 2,062.50	\$ -	\$ 800,939.17	\$ 1,376,104.88	
205	GAS TAX	\$ -	\$ -	\$ -	\$ -	\$ 127,818.54	\$ 1,173.46	
207	LOCAL TRANSPORT-SB 325	\$ -	\$ -	\$ -	\$ -	\$ 23,016.86	\$ 389,181.92	
209	GAS TAX-RMRA	\$ -	\$ -	\$ -	\$ -	\$ 80.08	\$ -	
251	CDBG	\$ 225.00	\$ -	\$ 225.00	\$ -	\$ 212,162.69	\$ 964,704.41	
254	AB2766 - TRANSIT	\$ -	\$ -	\$ -	\$ -	\$ 30,000.00	\$ 76,528.00	
256	ENVIRONMENTAL PROGRAMS GRANT	\$ 6.00	\$ -	\$ 6.00	\$ -	\$ 18,282.80	\$ 18,310.43	
257	NEIGHBORHOOD STABILIZATION PROG	\$ 22.06	\$ -	\$ 22.06	\$ -	\$ 9,605.51	\$ 18,670.56	
260	DISASTER PREPARED GRANT	\$ -	\$ -	\$ -	\$ -	\$ 4,146.73	\$ 6,304.13	
263	STREETS MAINTENANCE	\$ 30,475.05	\$ 45,133.20	\$ 75,608.25	\$ -	\$ 1,274,093.69	\$ 1,152,026.56	
300	DEV. IMPACT FEES - STREET	\$ 45.00	\$ 7,406.84	\$ 7,451.84	\$ -	\$ 643,432.40	\$ 55,835.64	
301	DEV. IMPACT FEES - STORM DRAIN	\$ 157.50	\$ -	\$ 157.50	\$ -	\$ 10,157.50	\$ 67,267.81	
402	WATER RIGHTS ACQUISITION	\$ -	\$ -	\$ -	\$ -	\$ 1,026,111.10	\$ 1,014,549.43	
403	2013 REFUNDING LEASE REV BONDS	\$ -	\$ -	\$ -	\$ -	\$ 537,593.63	\$ 519,436.69	
504	CITY WIDE STREETS - CIP	\$ -	\$ -	\$ -	\$ -	\$ 890.00	\$ 15,145.40	
800	EMPLOYEE BENEFITS	\$ 42,651.42	\$ 275,952.39	\$ 318,603.81	\$ -	\$ 4,646,914.26	\$ 4,409,430.11	
801	TRUST/AGENCY	\$ 368,464.70	\$ 5,417.23	\$ 373,881.93	\$ -	\$ 2,319,886.47	\$ 608,960.42	
802	AD 91-1 AGENCY	\$ -	\$ -	\$ -	\$ -	\$ 951.50	\$ 278.46	
804	TRUST-INTEREST BEARING	\$ 6,978.50	\$ -	\$ 6,978.50	\$ -	\$ 47,719.09	\$ 33,003.09	
807	CFD 2005-1	\$ 381,851.94	\$ -	\$ 381,851.94	\$ -	\$ 1,175,364.44	\$ 1,156,512.72	
	CITY	\$ 2,006,893.87	\$ 631,420.04	\$ 2,638,313.91	\$ -	\$ 26,781,683.33	\$ 26,474,859.27	
200	HESPERIA FIRE DISTRICT	\$ 749.48	\$ 877,704.92	\$ 878,454.40	\$ -	\$ 7,802,037.40	\$ 6,270,155.82	
502	FIRE STATION BUILDING	\$ -	\$ -	\$ -	\$ -	\$ 54,996.40	\$ 134,863.80	
	FIRE	\$ 749.48	\$ 877,704.92	\$ 878,454.40	\$ -	\$ 7,857,033.80	\$ 6,405,019.62	
160	REDEVELOP OBLIG RETIREMENT - PA1	\$ 2,307,198.47	\$ -	\$ 2,307,198.47	\$ -	\$ 7,562,034.60	\$ 7,612,576.41	
161	REDEVELOP OBLIG RETIREMENT - PA2	\$ 186,680.75	\$ -	\$ 186,680.75	\$ -	\$ 611,922.38	\$ 598,479.29	
162	REDEVELOP OBLIG RETIREMENT-HOUSING	\$ 816,513.30	\$ -	\$ 816,513.30	\$ -	\$ 3,277,591.93	\$ 3,307,598.97	
173	SUCCESSOR AGENCY ADMINISTRATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,242.59	
	SUCCESSOR AGENCY	\$ 3,310,392.52	\$ -	\$ 3,310,392.52	\$ -	\$ 11,451,548.91	\$ 11,520,897.26	
370	HOUSING AUTHORITY	\$ 2,616.05	\$ 86.22	\$ 2,702.27	\$ -	\$ 73,409.42	\$ 3,950,242.49	
	HOUSING AUTHORITY	\$ 2,616.05	\$ 86.22	\$ 2,702.27	\$ -	\$ 73,409.42	\$ 3,950,242.49	
170	COMMUNITY DEVELOPMENT COMMISSION	\$ 2,632.36	\$ 836.22	\$ 3,468.58	\$ -	\$ 184,107.40	\$ 221,752.65	
	COMMUNITY DEVELOPMENT COMMISSION	\$ 2,632.36	\$ 836.22	\$ 3,468.58	\$ -	\$ 184,107.40	\$ 221,752.65	
700	WATER OPERATING	\$ 44,621.33	\$ 35,294.06	\$ 79,915.39	\$ 41,762.77	\$ 5,786,752.63	\$ 4,558,441.08	
701	WATER CAPITAL	\$ 260,543.20	\$ 50,550.22	\$ 311,093.42	\$ -	\$ 480,325.76	\$ 108,849.47	
710	SEWER OPERATING	\$ 21,519.62	\$ 563,039.45	\$ 584,559.07	\$ -	\$ 1,368,987.96	\$ 1,876,707.77	
711	SEWER CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ 1,927.50	\$ 432,760.00	
	WATER	\$ 326,684.15	\$ 648,883.73	\$ 975,567.88	\$ 41,762.77	\$ 7,637,993.85	\$ 6,976,758.32	
	ACCOUNTS PAYABLE TOTAL	\$ 5,649,968.43	\$ 2,158,931.13	\$ 7,808,899.56	\$ 41,762.77	\$ 53,985,776.71	\$ 55,549,529.61	
REG. PAYROLL								
	City	\$ 213,602.05	\$ -	\$ 213,602.05	\$ -	\$ 3,820,117.08	\$ 3,641,155.45	
	Housing Authority	\$ 2,488.89	\$ -	\$ 2,488.89	\$ -	\$ 62,895.93	\$ 67,910.75	
	Community Development Commission	\$ 6,419.21	\$ -	\$ 6,419.21	\$ -	\$ 110,756.56	\$ 98,306.17	
	Water	\$ 94,195.47	\$ -	\$ 94,195.47	\$ -	\$ 1,647,937.70	\$ 1,519,818.33	
	PAYROLL TOTAL	\$ 316,705.62	\$ -	\$ 316,705.62	\$ -	\$ 5,641,707.27	\$ 5,327,190.70	

\* The year to date totals for this Warrant Report are for the 2017-18 fiscal year starting July 1, 2017.

# City of Hesperia STAFF REPORT



**DATE:** March 20, 2018

**TO:** Mayor and Council Members  
City Council, as Successor Agency to the Hesperia Community Redevelopment Agency  
Chair and Commissioners, Hesperia Housing Authority  
Chair and Commissioners, Community Development Commission  
Chair and Board Members, Hesperia Fire Protection District  
Chair and Board Members, Hesperia Water District

**FROM:** Nils Bentsen, City Manager

**BY:** Casey Brooksher, Director of Finance  
Anne Duke, Deputy Finance Director  
Virginia Villaseñor, Senior Accountant

**SUBJECT:** Treasurer's Cash Report for the unaudited period ended January 31, 2018

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## RECOMMENDED ACTION

It is recommended that the Council/Board accept the Treasurer's Cash Report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

## BACKGROUND

This report is presented to the City Council pursuant to Government Code Section 53646 (b) setting forth the City's investment portfolio.

## ISSUES/ANALYSIS

The Treasurer's Cash Reports are presented on the following pages for each agency.

## FISCAL IMPACT

These reports reflect unaudited cash balances as of January 31, 2018.

## ALTERNATIVE(S)

Provide alternative direction to staff.

## ATTACHMENT(S)

1. City of Hesperia Investment Report
2. Successor Agency to the Hesperia Community Redevelopment Agency Investment Report
3. Hesperia Housing Authority Investment Report
4. Community Development Commission Investment Report
5. Hesperia Fire Protection District Investment Report
6. Hesperia Water District Investment Report

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**CITY OF HESPERIA**

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<u>FUND</u>	<u>VALUE</u>
General Fund (100 & 800)	\$ 5,245,928.53
AB27666 - Transit (254)	99,213.16
AB3229 Supplemental Law (255)	77,188.14
AD No. 91-1 (802)	356,225.74
Beverage Recycling Grant (256)	134,674.08
CFD 2005-1 (807)	1,113,925.19
City Wide-Capital Projects (504)	(8,487.26)
Community Dev Block Grant (251, 252, & 253)	360,530.87
Development Impact Fund (300-304)	8,598,478.43
Disaster (260)	1,984.94
Gas Tax Fund (205)	89,208.35
Gas Tax - RMRA (209)	15,875.90
Gas Tax Swap (206)	95,032.27
Local Transportation SB325 (207)	914,762.68
Measure I - Renewal (204)	3,255,952.84
Neighborhood Stabilization Prog (257)	2,030,815.28
Public Works Street Maint (263)	656,408.91
Trust Fund (801, 803-806, & 815)	2,136,141.99
2012 Water Rights Acquisition (402)	929.24
2013 Refunding Lease Rev Bonds (403)	73,025.55
<b>TOTAL CITY FUNDS</b>	<b>\$ 25,247,814.83</b>

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**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY**

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<u>FUND</u>	<u>VALUE</u>
Successor Agency Administration (173)	\$ 0.01
Redevelop Oblig Retirement - PA1 (160)	4,374,571.58
Redevelop Oblig Retirement - PA2 (161)	383,668.73
Redevel Oblig Retirement-Housing (162)	1,795,506.01
<b>TOTAL SUCCESSOR AGENCY FUNDS</b>	<b>\$ 6,553,746.33</b>



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**HESPERIA HOUSING AUTHORITY**

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<u>FUND</u>	<u>VALUE</u>
Hesperia Housing Authority Fund (370)	\$ 3,013,452.41
VVEDA Housing Authority (371)	1,726,598.83
<b>TOTAL HOUSING AUTHORITY FUNDS</b>	<b><u>\$ 4,740,051.24</u></b>

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**COMMUNITY DEVELOPMENT COMMISSION**

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<u>FUND</u>	<u>VALUE</u>
Community Development Commission Fund (170)	<b><u>\$ (674,454.00)</u></b>

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**FIRE**

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<u>FUND</u>	<u>VALUE</u>
Fire District Fund (200)	\$ (546,680.26)
Fire Station Building (502)	6,371,064.93
<b>TOTAL WATER FUNDS</b>	<b><u>\$ 5,824,384.67</u></b>

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**WATER**

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<u>FUND</u>	<u>VALUE</u>
Water Operating (700)	\$ 6,267,926.15
Water Capital (701)	(11,185,364.62)
Sewer Operating (710)	12,388,646.80
Sewer Capital (711)	3,945,493.24
<b>TOTAL WATER FUNDS</b>	<b><u>\$ 11,416,701.57</u></b>

*City of Hesperia*  
**Investment Report**  
**Unaudited**  
January 31, 2018

ATTACHMENT 1

<u>Type of Investment</u>	<u>Institution/ Fiscal Agent</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Account Description</u>
<b>Investments under the direction of the City:</b>								
Local Agency Investment Funds	State of Calif.	1.350%	31-Jan-18	Demand	\$ 20,571,836.12	20,571,836.12	20,571,836.12	
Money Market	Bank of the West	0.600%	31-Jan-18	Demand	3,606,539.67	3,606,539.67	3,606,539.67	
Citizens Business Bank Checking	Citizens Bus Bank	n/a	31-Jan-18	Demand	1,069,439.04	1,069,439.04	1,069,439.04	
<b>Total Unaudited Investments under the direction of the City</b>					<b>\$ 25,247,814.83</b>	<b>\$ 25,247,814.83</b>	<b>\$ 25,247,814.83</b>	

**Investments under the direction of fiscal agents:**

2012 Lease Revenue Bonds	Union	1.180%	31-Jan-18	Demand	178.18	178.18	178.18	2012 - Water Rights Revenue Fund
2012 Lease Revenue Bonds	Union	1.190%	31-Jan-18	Demand	1,457,911.81	1,457,911.81	1,457,911.81	2012 - Water Rights Reserve Fund
2013 Refunding Lease Revenue Bonds	Union	1.180%	31-Jan-18	Demand	227.38	227.38	227.38	2005 Civic Plaza - Revenue Fund
2013 Refunding Lease Revenue Bonds	Union	1.190%	31-Jan-18	Demand	1,153,463.39	1,153,463.39	1,153,463.39	2005 Civic Plaza - Reserve Fund
2014 CFD 2005-1 Refunding	Union	1.180%	18-Dec-14	Demand	210.13	210.13	210.13	2014 CFD 05-1 - Special Tax Fund
2014 CFD 2005-1 Refunding	Union	0.000%	18-Dec-14	Demand	0.05	0.05	0.05	2014 CFD 05-1 - Bond Fund
2014 CFD 2005-1 Refunding	Union	1.190%	18-Dec-14	Demand	1,433,894.13	1,433,894.13	1,433,894.13	2014 CFD 05-1 - Reserve Fund
2014 CFD 2005-1 Refunding	Union	1.190%	18-Dec-14	Demand	22,919.93	22,919.93	22,919.93	2014 CFD 05-1 Administrative Expense Bonds
Deposits W/Other Agencies	Various	n/a	31-Jan-18	n/a	-	-	-	GL 1350
Deposits - Workers' Comp	PERMA	n/a	31-Jan-18	n/a	905,516.93	905,516.93	905,516.93	GL 1352
<b>Total Unaudited Investments under the direction of fiscal agents</b>					<b>\$ 4,974,321.93</b>	<b>4,974,321.93</b>	<b>4,974,321.93</b>	

Please Note: All market value data is provided courtesy of the City's fiscal agents,  
Union Bank of California & Bank of New York (BNY) Trust Company.

***I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.***

\* Note: 2005 Certificates of Participation began in May 2005 for the financing of the Civic Plaza.

  
Virginia Villasenor, Senior Accountant

## Investment Report

Unaudited

January 31, 2018

Type of Investment	Issuer/ Institution	Interest Rate	Date of Purchase	Date of Maturity	Par Value at Maturity	Book Value	Market Value	Account Description
<b>Investments under the direction of the City:</b>								
Local Agency Investment Funds	State of Calif.	1.350%	31-Jan-18	Demand	\$ 5,339,970.86	\$ 5,339,970.86	5,339,970.86	
Money Market	Bank of the West	0.600%	31-Jan-18	Demand	936,173.93	936,173.93	936,173.93	
Citizens Business Bank Checking	Citizens Bus Bank	n/a	31-Jan-18	Demand	277,601.54	277,601.54	277,601.54	
<b>Total Unaudited Investments under the direction of the City</b>					<b>\$ 6,553,746.33</b>	<b>\$ 6,553,746.33</b>	<b>\$ 6,553,746.33</b>	

## Investments under the direction of fiscal agents:

2005 Tax Allocation Bonds	Union	1.180%	31-Jan-18	Demand	127.14	127.14	127.14	2005A - Interest Account
2005 Tax Allocation Bonds	Union	1.190%	31-Jan-18	Demand	169.96	169.96	169.96	2005A - Principal Account
2005 Tax Allocation Bonds	Union	1.190%	31-Jan-18	Demand	2,291,251.63	2,291,251.63	2,291,251.63	2005A - Reserve Account
2005 Tax Allocation Bonds	Union	1.190%	31-Jan-18	Demand	254,588.39	254,588.39	254,588.39	2005A - Reserve Account
2007 Revenue Bonds	Union	0.000%	31-Jan-18	Demand	1.00	1.00	1.00	2007A - Revenue Account
2007 Revenue Bonds	Union	1.190%	31-Jan-18	Demand	262.37	262.37	262.37	2007A - Interest Account
2007 Revenue Bonds	Union	1.190%	31-Jan-18	Demand	204.68	204.68	204.68	2007A - Principal Account
2007 Revenue Bonds	Union	1.190%	31-Jan-18	Demand	6,059,248.69	6,059,248.69	6,059,248.69	2007A - Proj. 1 - Reserve Account
2007 Revenue Bonds	Union	1.190%	31-Jan-18	Demand	489,941.65	489,941.65	489,941.65	2007A - Proj. 2 - Reserve Account
2007 Revenue Bonds	Union	1.190%	31-Jan-18	Demand	3,227,468.48	3,227,468.48	3,227,468.48	2007A - Housing - Reserve Account
2007 Revenue Bonds	Union	0.000%	31-Jan-18	Demand	1.00	1.00	1.00	2007B - Revenue Account
2007 Revenue Bonds	Union	1.200%	31-Jan-18	Demand	20.91	20.91	20.91	2007B - Interest Account
2007 Revenue Bonds	Union	1.180%	31-Jan-18	Demand	140.23	140.23	140.23	2007B - Principal Account
2007 Revenue Bonds	Union	1.300%	31-Jan-18	Demand	3.07	3.07	3.07	2007B - Proj. 1 - Reserve Account
2007 Revenue Bonds	Union	1.060%	31-Jan-18	Demand	3.76	3.76	3.76	2007B - Proj. 2 - Reserve Account
2007 Revenue Bonds	Union	1.190%	31-Jan-18	Demand	735,414.52	735,414.52	735,414.52	2007B - Housing - Reserve Account
Deposits w/Other Agencies	Various	n/a	31-Jan-18	Demand	-	-	-	GL 1350
<b>Total Unaudited Investments under the direction of fiscal agents</b>					<b>\$ 13,058,847.48</b>	<b>\$ 13,058,847.48</b>	<b>\$ 13,058,847.48</b>	

Please Note: All market value data is provided courtesy of the City's fiscal agent  
Union Bank of California.

*I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.*

\* Note: The 1994 A, B & C Notes were refinanced to 2005 Series Bonds in May 2005.

  
Virginia Villasenor, Senior Accountant

*Hesperia Housing Authority*  
**Investment Report**  
**Unaudited**  
January 31, 2018

ATTACHMENT 3

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
<b>Investments under the direction of the City:</b>							
Local Agency Investment Funds	State of California	1.350%	31-Jan-18	Demand	\$ 3,862,178.09	3,862,178.09	3,862,178.09
Money Market	Bank of the West	0.600%	31-Jan-18	Demand	677,095.54	677,095.54	677,095.54
Citizens Business Bank Checking	Citizens Business Bank	n/a	31-Jan-18	Demand	200,777.61	200,777.61	200,777.61
<b>Total Unaudited Investments under the direction of the City</b>					<b>\$ 4,740,051.24</b>	<b>\$ 4,740,051.24</b>	<b>\$ 4,740,051.24</b>

*I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.*

  
 Virginia Villasenor, Senior Accountant

**Investment Report****Unaudited**January 31, 2018

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
<b>Investments under the direction of the City:</b>							
Local Agency Investment Funds	State of California	1.350%	31-Jan-18	Demand	\$ (549,542.89)	(549,542.89)	(549,542.89)
Money Market	Bank of the West	0.600%	31-Jan-18	Demand	(96,342.80)	(96,342.80)	(96,342.80)
Citizens Business Bank Checking	Citizens Business Bank	n/a	31-Jan-18	Demand	(28,568.31)	(28,568.31)	(28,568.31)
<b>Total Unaudited Investments under the direction of the City</b>					<b>\$ (674,454.00)</b>	<b>\$ (674,454.00)</b>	<b>\$ (674,454.00)</b>

*I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.*

  
Virginia Villasenor, Senior Accountant

*Hesperia Fire District*  
**Investment Report**  
**Unaudited**  
January 31, 2018

ATTACHMENT 5

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
<b>Investments under the direction of the City:</b>							
Local Agency Investment Funds	State of California	1.350%	31-Jan-18	Demand	\$ 4,745,689.39	4,745,689.39	4,745,689.39
Money Market	Bank of the West	0.600%	31-Jan-18	Demand	831,987.82	831,987.82	831,987.82
Citizens Business Bank Checking	Citizens Business Bank	n/a	31-Jan-18	Demand	246,707.46	246,707.46	246,707.46
<b>Total Unaudited Investments under the direction of the City</b>					<b>\$ 5,824,384.67</b>	<b>\$ 5,824,384.67</b>	<b>\$ 5,824,384.67</b>

*I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.*

  
 Virginia Villasenor, Senior Accountant

*Hesperia Water District*  
**Investment Report**  
**Unaudited**  
January 31, 2018

ATTACHMENT 6

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Account Description</u>
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**Investments under the direction of the City:**

Local Agency Investment Funds	State of California	1.350%	31-Jan-18	Demand	\$ 9,302,290.73	9,302,290.73	9,302,290.73	
Money Market	Bank of the West	0.600%	31-Jan-18	Demand	1,630,825.77	1,630,825.77	1,630,825.77	
Citizens Business Bank Checking	Citizens Business Bank	n/a	31-Jan-18	Demand	483,585.07	483,585.07	483,585.07	
<b>Total Unaudited Investments under the direction of the City</b>					<b>\$ 11,416,701.57</b>	<b>\$ 11,416,701.57</b>	<b>\$ 11,416,701.57</b>	

**Investments under the direction of fiscal agents:**

First American Treas - Money Market	US Bank	0.000%	31-Jan-18	Demand	8,883.63	8,883.63	8,883.63	98 A&B - 95453340
First American Treas - Money Market	US Bank	0.000%	31-Jan-18	Demand	31.16	32.16	31.16	98 A&B - 95453341
First American Treas - Money Market	US Bank	0.000%	31-Jan-18	Demand	4,902.43	4,902.43	4,902.43	98 A&B - 95453346
98 A & B Dep w/Trustee - Collateral	Bank of America	n/a	31-Jan-18	Demand	1,880,000.00	1,880,000.00	1,880,000.00	GL 1319
Deposits - Workers' Comp	PERMA	n/a	31-Jan-18	n/a	503,561.67	503,561.67	503,561.67	GL 1352
Deposits w/Other Agencies	Various	n/a	31-Jan-18	n/a	0.00	0.00	0.00	GL 1350
<b>Total Unaudited Investments under the direction of fiscal agents</b>					<b>\$ 2,397,378.89</b>	<b>\$ 2,397,379.89</b>	<b>\$ 2,397,378.89</b>	

**Please Note: All market value data is provided courtesy of the City's fiscal agents  
Bank of New York (BNY) Trust Company and US Bank.**

***I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.***

  
Virginia Villaseñor, Senior Accountant

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**DATE:** March 20, 2018

**TO:** Chair and Board Members, Hesperia Water District

**FROM:** Nils Bentsen, City Manager

**BY:** Mark Faherty, Public Works Manager  
Jeremy McDonald, Public Works Supervisor/Water

**SUBJECT:** Purchase Piping and Material

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### **RECOMMENDED ACTION**

It is recommended that the Board of Directors of the Hesperia Water District authorize the City Manager to approve a one-time purchase from Core & Main for piping and materials needed for the Pipeline Water Line Replacement Program Construction Order #3406 in the not-to-exceed amount of \$101,405.

### **BACKGROUND**

The Hesperia Water District's Pipeline Division is tasked with the replacement of aging infrastructure, which includes water mains, service lines, and fire hydrants. This purchase of piping and material is necessary to supply the division with materials to continue with Construction Order #3406, located in the northwest quadrant of the City.

### **ISSUES/ANALYSIS**

The intention of this program is to obtain optimum water material pricing by using the formal bidding process and awarding a one-time purchase agreement to the lowest responsive/responsible material service provider. The Purchasing Department solicited bids both locally and out of the area in order to maximize the bid response which resulted in four (4) bids being received. Core & Main was deemed the lowest responsive/responsible bidder.

### **FISCAL IMPACT**

Funding for the program is budgeted in account 700-29-400-4035-7400 and will be serviced out of the warehouse for the Pipeline Division.

### **ALTERNATIVE(S)**

1. Provide alternative direction to staff.

### **ATTACHMENT(S)**

1. Bid Comparison

**RFB 2017-18-006 Piping Materials  
Bid Comparison**

Attachment 1

Bid Comparison Type: **Taxable**  
 Bid Comparison Completed By: **R. WORBY**  
 Date: **3/7/2018**

Item No.	UOM	Qty	Description	Core & Main Lancaster, CA			Inland Water Works Supply Co. Patton, CA			S & J Supply Company Inc. Santa Fe Springs, CA			Ferguson Waterworks Riverside, CA		
				Bidder Part #	Unit Cost	Extended Amount	Bidder Part #	Unit Cost	Extended Amount	Bidder Part #	Unit Cost	Extended Amount	Bidder Part #	Unit Cost	Extended Amount
1	FT	12,000	45308 - 8" DR 18 - C900 Pipe / Shall be delivered in 200' lifts*	000051	\$6.87	\$82,440.00	N/A	\$6.93	\$83,160.00	DR18PB8	\$7.22	\$86,640.00	DR18BPX	\$7.44	\$89,280.00
2	FT	300	49106 - 6" SDR 35 Sewer Pipe*	04063520	\$2.05	\$615.00	N/A	\$1.80	\$540.00	SDR35PG620	\$1.89	\$567.00	SDR35PU20	\$1.99	\$597.00
3	FT	6,000	12217 - 1" PE Pipe, IPS Size / Will only accept 'ADS' brand, 300' rolls only, shall be blue in color	584697	\$0.45	\$2,700.00	N/A	\$0.44	\$2,640.00	PPIPS1300	\$0.31	\$1,878.00	SP-A3120030	\$0.47	\$2,820.00
4	FT	4,800	12219 - 1" Municipex Pipe, CTS / 300' rolls only	433068	\$1.45	\$6,960.00	N/A	\$1.37	\$6,576.00	MPCTS1300	\$1.36	\$6,528.00	KAMR26107	\$1.49	\$7,152.00
5	FT	20,000	49514 - 14 Gauge Locating Wire Coated Solid / 500' rolls only, black or blue in color	N/A	\$0.0694	\$1,388.00	N/A	\$0.068	\$1,360.00	TWUF141BLUE	\$0.08	\$1,600.00	R14UF41	\$0.0733	\$1,466.00
All items domestic (U.S. Made) products only.				Subtotal			Subtotal			Subtotal			Subtotal		
Freight included within item unit price.				Sales Tax (7.75%)			Sales Tax (7.75%)			Sales Tax (7.75%)			Sales Tax (7.75%)		
JM Eagle, North American Pipe, or Vinyl Tech				Bid Amount (with tax)			Bid Amount (with tax)			Bid Amount (with tax)			Bid Amount (with tax)		
Accepted 45308 / 49106															
Total Bid				\$101,395.98			\$101,582.39			\$104,747.01			\$109,166.91		
Submitted Bid Amount				\$101,359.99			\$101,582.39			\$104,747.00			\$109,167.56		
Difference				\$35.99			\$0.00			\$0.01			(\$0.65)		
WINNING BIDDER															

NOTE: S & J Supply Is Not Lowest Bidder But Incorrectly Calculated Sales Tax by .01 Cents

NOTE: Core & Main Is Lowest Bidder But Incorrectly Calculated Total Bid By Transposing Numbers

NOTE: Ferguson Waterworks Is Not Lowest Bidder But Incorrectly Calculated Sales Tax By .05 Cents and Item 49514 By .60 Cents

NOTE: Western Waterworks Did Not Submit A Bid.

\*Per Hesperia Ordinance 2014-09, Section 3.08.080, Sub-section E, "For purposes of determining the lowest responsible, responsive bidder, there shall be deducted from the bid(s) submitted by a local bidder all sales taxes which will be apportioned to and received by the City" (1%).

The City of Hesperia inventory module requires sales tax added per item. The vendor's bid adds sales tax to the total amount rather than per each item. The vendor's bid for item 49514 is to the ten-thousandth place (four decimals) compared to the 100th place (2 decimals). Due to these variances, the purchase order created will be \$101,403.62 and the contract not-to-exceed amount will be \$101,405.00. However, the actual amount that will be expensed will match the quoted price of \$101,395.98. At the end of the current fiscal year, the purchase order will be closed

# City of Hesperia STAFF REPORT



**DATE:** March 20, 2018

**TO:** Mayor and Council Members

**FROM:** Nils Bentsen, City Manager

**BY:** Michael Blay, Director of Development Services  
David Burkett, Project Construction Manager

**SUBJECT:** Award Contract for FY 2017-18 CDBG Street Improvement Project Amend the Existing Professional Services Agreement with Geocon West, Inc. Adopt Resolution 2018-022 Amending the FY 2017-18 CIP Budget

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## RECOMMENDED ACTION

It is recommended that the City Council:

- (1) Award a contract for the FY 2017-18 CDBG Street Improvement project to the lowest responsive and responsible bidder, Matich Corporation for the Base Bid amount of \$982,000, plus Add Alternate A in the amount of \$214,000, plus Add Alternate B in the amount of \$222,000 for a total amount of \$1,418,000; approve an additional 10% contingency in the amount of \$142,000 for a total construction budget of \$1,560,000; approve the design of the project represented by the plans and specifications; and authorize the City Manager to execute the contract, and
- (2) Amend the existing Professional Services Agreement (PSA) with Geocon West, Inc. for on-call geotechnical engineering services by increasing the PSA \$150,000 in order to have adequate funding to continue providing quality assurance and quality control on the City's capital improvement projects, and
- (3) Adopt Resolution 2018-022 amending the Fiscal Year 2017-18 Capital Improvement Program (CIP) Budget and appropriating an additional \$100,000 from the CDBG Housing Program to the FY 2017-18 CDBG Street Improvements project (C.O. No. 7142).

## BACKGROUND

The City Council has continuously expressed a desire to improve existing roadways within the city. As a result, staff has sought innovative ways to fund such improvements. Annually the City receives Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD). In the past a large part of this funding was directed to programs, which left small amounts available for capital projects. In order to accomplish the Council's goal of improving more streets throughout the City, staff has designated a larger amount of the CDBG funding towards the CDBG Capital Fund.

The FY 2017-18 CDBG Street Improvement Project consists of construction of new asphalt paving over portions of Eighth, Ninth, and Tenth Streets, which are currently dirt roadways. The improvements will include construction of 26-foot wide asphalt concrete (AC) pavement within the middle of each street's existing 60-foot wide right-of-way. These roads were selected due to

the fact that infrastructure upgrades to waterlines have been completed within the last five years and residential development is near build-out. There are few vacant lots left on these particular streets so there is less chance that the new roadway will be cut after completion in order to install new water or sewer services.

On June 20, 2017, the Hesperia City Council adopted the Fiscal Year 2017-18 Capital Improvement Program (CIP) Budget, and included the FY 2017-18 CDBG Street Improvement project under Construction Order No. 7142. The Council also approved additional funding for this project, in the amount of \$387,000, in the Mid-Year Budget Amendment for a total revised budget in the amount of \$1,587,524.

## ISSUES/ANALYSIS

This project was advertised for bids beginning on February 22, 2018. Various contractors were notified about the project. Bids were received, opened, and publicly read on March 14, 2018.

The City received the following two bids:

Matich Corporation	San Bernardino, CA	\$982,000.00
All American Asphalt	Corona, CA	\$1,399,190.00

After review of the submitted bids, staff has determined that Matich Corporation is the lowest responsive/responsible bidder. Matich Corporation has been in the Southern California construction industry since 1918 and has earned a reputation as a service-oriented company that produces first-class, quality projects, on schedule and within budget. Matich Corporation has extensive experience in public works roadway projects. After completing due diligence staff believes Matich Corporation has a reputation of professionalism and reliability and will meet the construction needs of this project. Therefore, staff is recommending that the Council award a contract to Matich Corporation for construction of FY 2017-18 CDBG Street Improvements.

Staff requested and received a cost proposal from Geocon West, Inc. to provide the geotechnical engineering services for this project. Geocon West, Inc. will ensure that the City receives quality roadways by providing geotechnical observation and testing services throughout the duration of the project. Geocon West, Inc. will also provide other miscellaneous quality assurance and quality control services such as laboratory testing of subgrade soil and asphalt concrete. Geocon West, Inc. was one of three firms recently selected by staff to provide on-call geotechnical engineering services via a rigorous qualifications-based process. The current contract balance with Geocon West, Inc. is insufficient to cover these costs for this project.

Therefore, staff is also requesting that the Council approve an amendment to the existing Professional Services Agreement (PSA) with Geocon West, Inc. that will increase their current contract amount of \$350,000 by an additional \$150,000 resulting in a revised total contract amount of \$500,000.

Geocon West, Inc. has already provided these services on several City projects and is currently providing quality control on the City's Recycled Water System project at a cost of \$289,782, so

their existing contract amount of \$350,000 is nearly depleted. This particular project will not utilize the entire \$150,000 requested, but any unused portion will remain available for other future projects when on-call geotechnical engineering services are needed.

This project was originally included in the FY 2017-18 CIP Budget and additional funding was subsequently added during the quarterly budget review process. Since then, additional unallocated CDBG capital funds have become available that must be utilized before April 2018. Staff would like to add this funding to the FY 2017-18 CDBG Street Improvements project in order to have the ability to construct both streets that were included as Add Alternates. Therefore, staff is recommending that the Council adopt Resolution No. 2018-022 appropriating the additional \$100,000 to Account No. 251-29-700-7142-8000. This will bring the total budget for this street improvement project to \$1,687,524.

## **FISCAL IMPACT**

Upon adoption of Resolution No. 2018-022 the amended FY 2017-18 CIP Budget for this project will be \$1,687,524. The estimated costs for this project are as follows:

Construction	\$1,418,000.00
Construction Contingency	142,000.00
Construction Geotechnical Engineering	84,586.00
Labor Compliance Consulting Services	19,910.00
Project Administrative Costs <sup>1</sup>	5,504.00
Total =	<u>\$1,670,000.00</u>

<sup>1</sup>Project administrative costs include items such as legal advertising, copying services, postage, etc.

Sufficient funds will be available in Fund 251 to construct the street improvements proposed under FY 2017-18 CDBG Street Improvements (Acct. No. 251-29-700-7142-8000). With total estimated project costs of \$1,670,000, that leaves a balance of \$17,524, which will be carried over into next fiscal year and utilized on another street improvement project.

## **ALTERNATIVE(S)**

1. Provide alternative direction to staff.

## **ATTACHMENT(S)**

1. Resolution No. 2018-022

## RESOLUTION 2018-022

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, HESPERIA, CALIFORNIA AMENDING THE FISCAL YEAR 2017-18 CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET APPROPRIATING \$100,000 FROM THE CDBG HOUSING PROGRAM TO THE FY 2017-18 CDBG STREET IMPROVEMENTS PROJECT (C.O. NO. 7142)**

**WHEREAS**, on June 20, 2017, the City Council adopted the Fiscal Year 2017-18 Capital Improvement Program (CIP) Budget; and

**WHEREAS**, additional allocation of CDBG funding from the U.S. Department of Housing and Urban Development has become available; and

**WHEREAS**, the improvement of Hesperia's streets has been identified as a priority of the Hesperia City Council and additional federal funding has now become available to construct such improvements,

**NOW THEREFORE**, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HESPERIA AS FOLLOWS:

- Section 1. The City Council hereby specifically finds that all of the facts set forth in this Resolution are true and correct.
- Section 2. The City Council hereby amends the Fiscal Year 2017-18 Capital Improvement Program Budget and appropriates \$100,000 from the CDBG Housing Program to the Streets Capital Fund to C.O. No. 7142 (Account No. 251-29-700-7142-8000), for construction of FY 2017-18 CDBG Street Improvements.
- Section 3. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**ADOPTED AND APPROVED** this 20th day of March, 2018.

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Russ Blewett, Mayor

ATTEST:

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Melinda Sayre  
City Clerk



**DATE:** March 20, 2018  
**TO:** Mayor and Council Members  
**FROM:** Nils Bentsen, City Manager  
**BY:** Mike Blay, Assistant City Manager  
Thersa Mauger, Code Enforcement Supervisor  
**SUBJECT:** Amendment to Earth Development Contract

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### **RECOMMENDED ACTION**

It is recommended that the City Council authorize the City Manager to approve an amendment in the amount of \$15,000 to the contract with Earth Development. This will result in a total contract of \$65,000 for Earth Development to continue to conduct abatements as needed through the end of Fiscal Year 2017-18.

### **BACKGROUND**

Code Enforcement is in the third year of a 3-year contract with Earth Development to perform contract abatement services. Over the course of this contract Code Enforcement has seen an increase in abandoned properties due to continuing foreclosures. While Code Enforcement is able to secure many of these properties without assistance, Earth Development has been utilized to abate the various items left behind by the homeowners.

### **ISSUES/ANALYSIS**

The current 3-Year contract with Earth Development (2015-16-058) is for \$50,000. Of this amount, staff has expended approximately \$45,000 in abatement services. Staff currently has five (5) properties that will require abatement before the end of the Fiscal Year. Additional contingency abatements may also be necessary during that time period.

### **FISCAL IMPACT**

Contract abatement for Fiscal Year 2017-18 was approved by the City Council under the annual Budget adoption. At this time it is estimated that Staff can absorb this increase by economizing in other budget accounts. If there are insufficient funds staff may require an adjustment to cover the deficiency at year end.

### **ALTERNATIVE(S)**

1. Provide alternate direction to staff.

### **ATTACHMENT(S)**

None

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**DATE:** March 20, 2018

**TO:** Mayor and Council Members  
Chair and Board Members, Hesperia Water District

**FROM:** Nils Bentsen, City Manager

**BY:** Mike Blay, Assistant City Manager  
Casey Brooksher, Director of Finance  
Keith Cheong, Financial Analyst

**SUBJECT:** Uniform Services Contract

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### **RECOMMENDED ACTION**

It is recommended that the City Council and the Board of Directors of the Hesperia Water District authorize the City Manager to approve a two-year agreement with Prudential Overall Supply to provide uniform services in the total not-to-exceed amount of \$52,139.

### **BACKGROUND**

The City of Hesperia and Hesperia Water District utilizes a uniform services company to provide uniform rental and laundering services for various departments/divisions that regularly perform their job duties outside of City buildings. Utilizing a uniform service provider allows for a professional and consistent appearance to clearly identify City of Hesperia and Hesperia Water District staff as they perform their job-related services to the community out in public.

### **ISSUES/ANALYSIS**

Due to performance-related issues with the current contracted vendor, the City decided to seek alternative vendors. Therefore, on February 1, 2018, a formal bid for uniform services was released. As part of the formal bid, individual pre-qualification meetings were held with each interested bidder to show sample uniform items and answers questions to ensure that the uniform items and service levels meet the City's standards. A city panel consisting of representatives from each department utilizing uniforms as well as the Assistant City Manager reviewed and scored each interested bidder to determine if the bidder qualified as a "responsible, responsive bidder" and thus eligible to submit a valid bid. Of the five (5) interested uniform service companies, the panel deemed two (2) companies to be qualified as responsible, responsive bidders that met the uniform needs of the City. On March 1, 2018, a public bid opening was held with both of the qualified companies submitting a bid. After review of the two (2) bids submitted and verifying the references listed in the bid, Prudential Overall Supply was deemed to be the lowest responsible, responsive bidder.

### **FISCAL IMPACT**

Sufficient budget authority is included in the FY 2017-18 Budget within the General, Streets Maintenance, Water Operating, and Sewer Operating Funds.

**ALTERNATIVE(S)**

Provide alternative directed to staff.

**ATTACHMENTS**

None



**DATE:** March 20, 2018  
**TO:** Mayor and Council Members  
**FROM:** Nils Bentsen, City Manager  
**BY:** Rachel Molina, Assistant to the City Manager  
April Antonio, Administrative Analyst  
**SUBJECT:** 2017 Hazard Mitigation Plan Update

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## RECOMMENDED ACTION

It is recommended that the Council adopt Resolution No. 2018-16, adopting the 2017 Local Hazard Mitigation Plan Update and authorize staff to make future non-substantive revisions to the Hazard Mitigation Plan.

## BACKGROUND

The Federal Disaster Mitigation Act of 2000 (DMA 2000) was enacted on October 10, 2000, establishing new requirements for state and local agencies to submit a comprehensive Hazard Mitigation Plan (HMP) to the California Emergency Management Agency (Cal EMA) and to the Federal Emergency Management Agency (FEMA) in order to be eligible for hazard mitigation grant funding. The regulation requires that HMPs be updated and resubmitted to FEMA for approval every five (5) years in order for an agency to remain eligible for FEMA supported hazard mitigation assistance programs.

## ISSUES/ANALYSIS

The original HMP was approved by City Council through Resolution No. 2005-58 on April 6, 2005. The City recently participated with the San Bernardino County Office of Emergency Services Operational Area in the planning process to revise the HMP according to compliance standards set forth by FEMA. The City's review and revision of the HMP Update reflects changes in development, progress of previously identified mitigation projects in the 2012 Plan, and hazard priorities.

Consistent with the standards set forth by FEMA, the 2017 HMP describes the process for identifying hazards, risks and vulnerabilities; identifies and prioritizes mitigation actions; encourages the development of local mitigation; and provides technical support for those efforts.

The HMP represents the City's commitment to reduce risks from natural and manmade hazards and serves as a guide for decision-makers as they commit resources toward reducing the effects of potential hazards. The HMP also builds on the objectives established in the Public Safety Element of the 2010 General Plan Update.

In accordance with FEMA planning regulations; the City of Hesperia HMP was submitted to CalOES in August 2017 for an initial assessment; following their review and approval, Cal EMA forwarded the HMP to FEMA for final review and approval. FEMA conducted a formal review of

the HMP in accordance with the Code of Federal Regulations and notified the City on March 6, 2018 they have completed their review and have determined that the HMP is eligible for final approval pending its adoption by the City Council.

The 2017 HMP Update is a revised version of the City of Hesperia's 2012 HMP and through the final approval of the HMP, the City continues many years of its commitment to the prevention and reduction of risks through hazard mitigation planning. Many City departments and particularly those departments with field services have been proactive in implementing procedures to reduce potential damages and losses from disasters.

It is staff's recommendation that the City Council adopt Resolution No. 2018-16, approving the 2017 Hazard Mitigation Plan Update. Formal adoption of the City's HMP is the final step in meeting the requirements of the Federal Disaster Mitigation Act of 2000, and establishes the City's continued eligibility for FEMA supported hazard mitigation assistance programs.

### **FISCAL IMPACT**

There is no direct fiscal impact as a result of adoption the 2017 Hazard Mitigation Plan. However, City Council adoption of the HMP is a prerequisite for receiving any hazard mitigation grant funding, pre-disaster mitigation grant funds, disaster response costs and mitigation project reimbursements linked to damages resulting from a federal and/or state disaster declaration.

### **ALTERNATIVE(S)**

1. Provide alternative direction to staff.

### **ATTACHMENT(S)**

1. Resolution No. 2018-16
2. FEMA Review Letter
3. 2017 Hazard Mitigation Plan Update (available on the City's website)

## **RESOLUTION NO. 2018-16**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, ADOPTING THE 2017 HAZARD MITIGATION PLAN UPDATE, AND AUTHORIZING FUTURE NON-SUBSTANTIVE AMENDMENTS TO THE PLAN.**

**WHEREAS**, President William J. Clinton signed H.R. 707, the Disaster Mitigation and Cost Reduction Act of 2000, into law on October 30, 2000; and

**WHEREAS**, the Disaster Mitigation Act of 2000 requires all jurisdictions to be covered by a Local Hazard Mitigation Plan to be eligible for Federal Emergency Management Agency post-disaster funds; and

**WHEREAS**, The City of Hesperia –“City Manager’s Office” has acted as the lead agency in the development of the City of Hesperia Hazard Mitigation Plan; and

**WHEREAS**, the City of Hesperia “City Manager’s Office” has coordinated the development of the Hazard Mitigation Plan; and

**WHEREAS**, the “City Manager’s Office” has the authority within the City of Hesperia; and

**WHEREAS**, the City of Hesperia is concerned about mitigating potential losses from natural disasters before they occur; and

**WHEREAS**, the plan identifies potential hazards, potential losses and potential mitigation measures to limit losses; and

**WHEREAS**, the California State Governor's Office of Emergency Services has reviewed the plan on behalf of the Federal Emergency Management Agency; and

**WHEREAS**, formal adoption of the plan by the City of Hesperia's City Council is required before final approval of the plan can be obtained from the Federal Emergency Management Agency; and

**WHEREAS**, The City of Hesperia has determined that it would be in the best interest of the City as whole to adopt the Hazard Mitigation Plan.

**NOW THEREFORE**, BE IT RESOLVED BY THE CITY OF HESERIA CITY COUNCIL AS FOLLOWS:

- Section 1. The City Council adopts the City of Hesperia 2017 Hazard Mitigation Plan update, to meet the requirements of the Disaster Mitigation and Cost Reduction Act of 2000 and directs the Hesperia City Manager’s Office to forward the Hazard Mitigation Plan to the Governor's Office of Emergency Services and Federal Emergency Management Agency on behalf of the City of Hesperia for final approval.

- Section 2. The City Council authorizes the Assistant to the City Manager to make necessary administrative and operational changes to the Hazard Mitigation Plan that is in keeping with the intent of the Plan as approved
- Section 3. The City council authorizes the Assistant to the City Manager, or designee, to perform all duties required to carry out the Hazard Mitigation Plan
- Section 4. A certified copy of the City of Hesperia Hazard Mitigation Plan shall be placed on file with the City Clerk's office and is available for viewing by the public.

**ADOPTED AND APPROVED** this 20<sup>th</sup> day of March 2018.

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Russ Blewett, Mayor

ATTEST:

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Melinda Sayre  
City Clerk



FEMA

March 5, 2018

Rachel Molina  
Assistant to City Manager  
City of Hesperia  
9700 Seventh Avenue  
Hesperia, CA 92345

Dear Ms. Molina:

We have completed our review of the *City of Hesperia 2017 Hazard Mitigation Plan Update*, and have determined that this plan is eligible for final approval pending its adoption by the City of Hesperia.

Formal adoption documentation must be submitted to the FEMA Region IX office by the jurisdiction within one calendar year of the date of this letter, or the entire plan must be updated and resubmitted for review. We will approve the plan upon receipt of the documentation of formal adoption.

If you have any questions regarding the planning or review processes, please contact Alison Kearns, Senior Community Planner, at (510) 627-7125 or by email at [alison.kearns@fema.dhs.gov](mailto:alison.kearns@fema.dhs.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey D. Lusk".

Jeffrey D. Lusk  
Division Director  
Mitigation Division  
FEMA Region IX

Enclosure

cc: Julie Norris, Mitigation and Dam Safety Branch Chief, California Governor's Office of  
Emergency Services  
Jennifer Hogan, State Hazard Mitigation Officer, California Governor's Office of  
Emergency Services

ATTACHMENT AVAILABLE FOR REVIEW ON THE CITY'S WEBSITE





**DATE:** March 20, 2018

**TO:** Mayor and Council Members

**FROM:** Nils Bentsen, City Manager

**BY:** Mike Blay, Assistant City Manager  
Jeff Codega, Principal Planner  
Daniel Alcayaga, Senior Planner

**SUBJECT:** Resolution No. 2018-09 denying General Plan Amendment GPA17-00001 from Rural Residential with a minimum lot size of 2.5 acres (RR-2 1/2) to Public (P-GOVT) on 350 acres, and Resolution No. 2018-10 denying Conditional Use Permit CUP17-00008 to construct a solar farm on 4.7 gross acres located on the east side of Arrowhead Lake Road, south of Hesperia Lake Park (Applicant: Lake Arrowhead Community Services District; APNs: 0397-013-03, 04, 05, 17 thru 22).

---

## RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution Nos. 2018-09 and 2018-10 denying GPA17-00001 from RR-2 1/2 to P-GOVT on 350 acres and CUP17-00008 to construct a solar farm on 4.7 gross acres.

## BACKGROUND

On January 16, 2018, the City Council voted to deny General Plan Amendment GPA17-00001 and Conditional Use Permit CUP17-00008. The attached resolutions support the Council decision to deny the General Plan Amendment and Conditional Use Permit (Attachments 1 and 2).

## ISSUES/ANALYSIS

The Resolutions find that the proposed land use within the proposed General Plan Amendment is inconsistent with the goals and policies of the General Plan, and that the 4.7 acre solar farm is not an appropriate use on Public (P-GOVT) designated property. The amendment would change a large parcel of land from Rural Residential (RR-2 1/2) to P-GOVT in order to permit a project on a portion of subject property. The proposed project would be more comparable to, and compatible with commercial and industrial uses. The proposed private solar farm is out of place and unsightly, which burdens present and future residents by negatively altering the surrounding high desert landscape, and impacting views from the surrounding residential and recreational properties.

## ATTACHMENTS

1. Resolution No. 2018-09 (GPA17-00001)
2. Resolution No. 2018-10 (CUP17-00008)

## **RESOLUTION NO. 2018-09**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, DENYING GENERAL PLAN AMENDMENT APPLICATION TO AMEND THE OFFICIAL GENERAL PLAN LAND USE MAP BY RECLASSIFYING CERTAIN REAL PROPERTY FROM RURAL RESIDENTIAL WITH A MINIMUM LOT SIZE OF 2.5 ACRES (RR-2 1/2) TO PUBLIC (P-GOVT) ON 350 ACRES LOCATED ON THE EAST SIDE OF ARROWHEAD LAKE ROAD, SOUTH OF HESPERIA LAKE PARK (GPA17-00001)**

**WHEREAS**, on May 15, 1991, the City Council of the City of Hesperia adopted the City's General Plan, currently applicable in regards to development within the City; and

**WHEREAS**, Lake Arrowhead Community Services District (District) filed an application requesting approval of GPA17-00001 described herein (hereinafter referred to as "Application"); and

**WHEREAS**, the property that is the subject of the Application consists of 350 acres within the General Plan Land Use Designation of Rural Residential with a minimum lot size of 2.5 acres (RR-2 1/2) located on the east side of Arrowhead Lake Road, approximately 4,000 feet south of Hesperia Lake Park, Assessor's Parcel Numbers 0397-013-04, 05, 17 thru 22; and

**WHEREAS**, the Application, as contemplated, proposes to change the General Plan Land Use designation of the subject property from RR-2 1/2 to Public (P-GOVT); and

**WHEREAS**, the District also filed an application requesting approval of Conditional Use Permit CUP17-00008 to construct a solar farm on approximately 4.7 gross acres on the east side of Lake Arrowhead Road, approximately 4,000 feet south of Hesperia Lake Park (APN: 0397-013-22); and

**WHEREAS**, the subject site is vacant and used by the District to percolate effluent treated at its water reclamation facilities in Lake Arrowhead. Hesperia Lake Park is located to the north. Residences and open space uses exist to the south and west of the property which is currently designated RR-2 1/2, and proposed to be changed to P-GOVT. The Mojave River is located to the east; and

**WHEREAS**, the land to the south is within the City's Sphere of Influence and is designated General Agricultural (A2) by the Hesperia General Plan. The land to the west is designated Rural Residential (Special Development) [RR(SD)]. The land to the east is outside City limits; and

**WHEREAS**, the District performed an initial study and prepared a mitigated negative declaration (IS & MND) in December 2015 for a solar farm project on the site. To comply with City zoning requirements, the project was moved 660 feet to the north from the location analyzed in the prior IS & MND. Because the impacts of the new location are similar, an Addendum was prepared and was adopted by the District on August 9, 2017. The City Council has considered the environmental effects of the project as shown in the IS & MND and the Addendum; and

**WHEREAS**, on November 9, 2017, the Planning Commission of the City of Hesperia conducted a duly noticed public hearing pertaining to the proposed Application, and concluded said hearing

on that date. The Planning Commission recommended approval of the General Plan Amendment and Conditional Use Permit; and

**WHEREAS**, on January 16, 2018, the City Council of the City of Hesperia conducted a duly noticed public hearing pertaining to the proposed Application, and concluded said hearing on that date; and

**WHEREAS**, at the January 16, 2018, hearing the City Council voted to deny GPA17-00001.

**NOW THEREFORE**, BE IT RESOLVED BY THE CITY OF HESPERIA CITY COUNCIL AS FOLLOWS:

Section 1. The City Council hereby specifically finds that all of the facts set forth in this Resolution are true and correct.

Section 2. Based upon substantial evidence presented to the City Council during the above-referenced January 16, 2018 hearing, including public testimony and written and oral staff reports, this Council specifically finds as follows:

- (a) The proposed land use within the proposed General Plan Amendment is inconsistent with the goals and policies of the General Plan. The amendment would change a large parcel of land from Rural Residential (RR-2 ½) to Public Government (P-GOVT) in order to allow a public agency a project that does not serve the community of Hesperia.
- (b) The proposed use, and the uses allowed in the P-GOVT zone in general, would have a substantial adverse effect on abutting property. The relationship to and impact on adjacent property is as follows: (1) To the north the property is designated P-PARK/REC, the Public land use designation that supports Hesperia Lake Park. The character of a solar farm, and the uses allowed in the P-GOVT zone in general, conflict with the use of the Park property by diminishing the rural recreational character; (2) To the east, the property is classified for RR (SD) use, which generally provides for 2.5 acre or larger residential lots. The SD (Special Development) designation is intended to ensure that utility/public service, topographic, environmental sensitivity and other developmental constraints are prudently considered. P-GOVT use in general and a solar farm in particular are incongruent with the nature and purpose of RR (SD) land use. (3) To the south, the property is designated for A2 or General Agricultural use. This land use provides areas for commercial agricultural operations, agricultural support services, livestock keeping, rural residential uses, and similar uses. 350 acres of P-GOVT use(s) and a 4.7-acre solar farm in particular are not compatible with the nature of A2 uses. The property to the east is not within Hesperia.
- (c) The proposed use is not consistent with City policy regarding solar farms, the General Plan and the Development Code. Solar farms

are specifically prohibited in Residential and Agricultural zones. The subject property's current RR-2 1/2 land use designation properly reflects the rural/residential/agricultural character of the area. The P-PARK/REC designation to the north complements the existing RR-2 1/2 land use with the park and recreation use limitations. Hence, the P-GOVT designation here would be incompatible with the character of the area and is pursued to place a solar farm use in an area that specifically violates the prohibition in residential and agricultural areas.

- (d) The proposed General Plan Amendment is overly broad for the proposed land uses permitted within the proposed Land Use designation. The proposed P-GOVT designation is inappropriate for the entirety of the 350 acre site, because the solar farm, as presently proposed, will occupy only 4.7 acres of the site.
- (e) The proposed General Plan Amendment is inconsistent with the goals, policies, standards and maps of the adopted General Plan and Zoning Development Code, and all applicable codes and ordinances adopted by the City of Hesperia, including but not limited to General Plan Goal LU-5, because the proposed amendment seeks to designate land as P-GOVT when the intended use on the land will not serve the needs of the community for schools, parks, community facilities, open space, utilities, or infrastructure.
- (f) Even if the P-GOVT designation was proper for the subject property, a solar farm is not a permitted use in P-GOVT.
- (g) The property that is the subject of the application is more appropriate, in the City Council's legislative judgment, for the uses permitted in the current RR-2 ½ designation rather than the uses permitted in the proposed P-GOVT designation.

Section 3. Based on the findings and conclusions set forth in this Resolution, the City Council hereby DENIES General Plan Amendment GPA17-00001.

Section 4. City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

Section 5. The documents and materials that constitute the record of proceedings on which these findings and conclusions are based are located with the City Clerk at the City of Hesperia City Clerk's office at 9700 Seventh Avenue, Hesperia, CA, unless otherwise located within the custody of the General Manager of the Lake Arrowhead Community Services District, 27307 State Highway 189, Blue Jay, California 92317, related to the District's approval of the project.

Section 6. Any challenge to this Resolution, and the findings set forth therein, must be filed within the 90 day statute of limitations set forth in Code of Civil Procedure Section 1094.6.

Section 7. A copy of the Resolution No. 2018-09 shall be delivered to the applicant by first-class mail, postage prepaid, including a copy of the affidavit or certificate of mailing.

**ADOPTED AND APPROVED** this 20<sup>th</sup> day of March 2018.

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Russ Blewett, Mayor

ATTEST:

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Melinda Sayre, City Clerk

## **RESOLUTION NO. 2018-10**

### **A RESOLUTION OF THE CITY COUNCIL DENYING A CONDITIONAL USE PERMIT TO CONSTRUCT A SOLAR FARM ON APPROXIMATELY 4.7 GROSS ACRES LOCATED ON THE EAST SIDE OF ARROWHEAD LAKE ROAD, APPROXIMATELY 4,000 FEET SOUTH OF HESPERIA LAKE PARK (CUP17-00008)**

**WHEREAS**, Lake Arrowhead Community Services District (District) has filed an application requesting approval of CUP17-00008 described herein (hereinafter referred to as "Application"); and

**WHEREAS**, the property that is the subject of the Application consists of 4.7 gross acres within the General Plan Land Use Designation of Rural Residential with a minimum lot size of 2.5 acres (RR-2 1/2) located on the east side of Arrowhead Lake Road, approximately 4,000 feet south of Hesperia Lake Park, Assessor's Parcel Numbers 0397-013-22; and

**WHEREAS**, the Application, as contemplated, proposes to construct a solar farm on approximately 4.7 gross acres located on the east side of Arrowhead Lake Road, approximately 4,000 feet south of Hesperia Lake Park; and

**WHEREAS**, the District also filed an application requesting approval of a General Plan Amendment GPA17-00001 from RR-2 ½ to Public (P-GOVT) on 350 acres; and

**WHEREAS**, the subject site is vacant and used by the District to percolate effluent treated at its water reclamation facilities in Lake Arrowhead. Hesperia Lake Park is located to the north. Residences and open space uses exist to the south and west of the property which is currently designated RR-2 ½, and proposed to be changed to P-GOVT. The Mojave River is located to the east; and

**WHEREAS**, the land to the south is within the City's Sphere of Influence and is designated General Agricultural (A2) by the Hesperia General Plan. The land to the west is designated Rural Residential (Special Development) [RR(SD)]. The land to the east is outside the City's boundaries; and

**WHEREAS**, the District performed an initial study and prepared a mitigated negative declaration (IS & MND) in December 2015 for a solar farm project on the site. To comply with City zoning requirements, the project was moved 660 feet to the north from the location analyzed in the prior IS & MND. Because the impacts of the new location are similar, an Addendum was prepared and was adopted by the District on August 9, 2017. The City Council has considered the environmental effects of the project as shown in the IS & MND and Addendum; and

**WHEREAS**, on November 9, 2017, the Planning Commission of the City of Hesperia conducted a duly noticed public hearing pertaining to the proposed Application, and concluded said hearing on that date. The Planning Commission recommended approval of the General Plan Amendment and Conditional Use Permit; and

**WHEREAS**, on January 16, 2018, the City Council of the City of Hesperia conducted a duly noticed public hearing pertaining to the proposed Application, and concluded said hearing on that date; and

**WHEREAS**, at the conclusion of the public hearing, having considered public testimony, written, and oral staff reports, the City Council voted to deny the proposed application, CUP17-00008.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY OF HESPERIA CITY COUNCIL AS FOLLOWS:**

Section 1. The City Council hereby specifically finds that all of the facts set forth in this Resolution are true and correct.

Section 2. Based upon substantial evidence presented to the City Council during the above-referenced January 16, 2018 hearing, including public testimony and written and oral staff reports, this Council specifically finds as follows:

- (a) The proposed use will have a substantial adverse effect on abutting property for the following reasons: (1) the proposed use is inconsistent with the surrounding uses of public recreational/park and rural residential; (2) the proposed site lacks onsite water or a fire control plan, increasing fire risks for the surrounding neighbors and community; (3) the proposed project lacks street improvements; and (4) the proposed solar farm is unattractive and will blemish the surrounding high desert landscape, and sightlines for the surrounding residential properties, and the nearby recreational facilities.
- (b) The proposed use is inconsistent with the objectives, policies, general land uses and programs of the General Plan and Development Code. A solar farm is not allowed in a RR-2 ½ designated area. The applicant concurrently sought with its application a General Plan Amendment to change the RR-2 ½ designation to Public Government (P-GOVT). Even if that General Plan Amendment were approved, a 4.7 acre solar farm is not an appropriate use on P-GOVT designated property. Within the General Plan “[t]ables LU-27 through LU-29 detail intensity, intent, and allowable uses on property with these public designations.” Table LU-28 defines public properties and uses, as follows: “P-GOVT designation includes city, county, state, and federal properties and uses such as City Hall, county, state, and federal administrative offices and other facilities, fire stations, police stations, and animal control offices.” (Hesperia General Plan, Table LU-28.) A 4.7 acre solar farm is not within the scope of the intended use of P-GOVT designated property.
- (c) The proposed use is not a permitted use within a Public designation, because a solar farm is not a listed use under Development Code section 16.16.430 (D)(1). Electrical, gas, water and sewage transmission facilities are permitted, but solar farms are not a permitted use on a parcel of land designated for public use.

Section 3. Based on the findings and conclusions set forth in this Resolution, this Council hereby DENIES Conditional Use Permit CUP17-00008.

Section 4. City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

Section 5. The documents and materials that constitute the record of proceedings on which these findings and conclusions are based are located with the City Clerk at the City of Hesperia City Clerk's office at 9700 Seventh Avenue, Hesperia, CA 92345, unless otherwise located within the custody of the General Manager of the Lake Arrowhead Community Services District, 27307 State Highway 189, Blue Jay, California 92317, related to the District's approval of the project.

Section 6. Any challenge to this Resolution, and the findings set forth therein, must be filed within the 90 day statute of limitations set forth in Code of Civil Procedure Section 1094.6.

Section 7. A copy of the Resolution No. 2018-10 shall be delivered to the applicant by first-class mail, postage prepaid, including a copy of the affidavit or certificate of mailing.

**ADOPTED AND APPROVED** this 20<sup>th</sup> day of March 2018.

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Russ Blewett, Mayor

ATTEST:

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Melinda Sayre  
City Clerk



# City of Hesperia

## STAFF REPORT



**DATE:** March 20, 2018  
**TO:** Mayor and Council Members  
**FROM:** Nils Bentsen, City Manager  
**BY:** Melinda Sayre, City Clerk  
**SUBJECT:** Excused Absence Request- Mayor Blewett

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### **RECOMMENDED ACTION**

It is recommended that the City Council approve Mayor Blewett's absence at the January 16, 2018 and March 6, 2018 City Council Meeting due to illness.

### **BACKGROUND**

CA Government Code § 36513 states that if a City Council Member is absent without permission from all regular City Council meetings for 60 days consecutively from the last regular meeting he/she attended, his/her office becomes vacant and shall be filled as any other vacancy.

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City of Hesperia  
**STAFF REPORT**



**DATE:** March 20, 2018  
**TO:** Mayor and Council Members  
**FROM:** Nils Bentsen, City Manager  
**BY:** Melinda Sayre, City Clerk  
**SUBJECT:** Excused Absence Request- Council Member Russ

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**RECOMMENDED ACTION**

It is recommended that the City Council approve Council Member Russ's absence at the February 6, 2018 City Council Meeting due to illness.

**BACKGROUND**

CA Government Code § 36513 states that if a City Council Member is absent without permission from all regular City Council meetings for 60 days consecutively from the last regular meeting s/he attended, his/her office becomes vacant and shall be filled as any other vacancy.

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# City of Hesperia STAFF REPORT



**DATE:** March 20, 2018

**TO:** Mayor and City Council members

**FROM:** Nils Bentsen, City Manager **SECOND READING AND ADOPTION**

**BY:** Michael Blay, Assistant City Manager  
Tina Bulgarelli, Administrative Analyst

**SUBJECT:** Amendment to Ordinance 2017-15 and Ordinance 2017-16 related to Regulation of Commercial Cannabis Activity

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## **UPDATED FROM FIRST READING:**

On 3/6/2018 the City Council amended the Security and Lighting requirements to include that the plans must continue to be professionally prepared, however, in lieu of a stamp from an Electrical Engineer, a sample shall be provided by the applicant, taken at night, showing the security cameras ability to capture images as the site is properly lit.

On 3/6/2018 the City Council removed the distance requirement from legal non-conforming residences within the zones which allow commercial cannabis activity.

## **RECOMMENDED ACTION**

It is recommended that the City Council adopt Ordinance No. 2018-01 (amending Ordinance No. 2017-16), which amends Chapter 5.50 of the Hesperia Municipal Code related to Commercial Cannabis activities, and which rescinds Ordinance No. 2017-22. The Planning Commission recommends that the City Council deny Ordinance No 2018-02, related to the removal of a distance requirement from residences within the cannabis zone. It is recommended that the City Council discuss and introduce, for first reading by title only and further reading waived, Ordinance No. 2018-03, (amending Ordinance No. 2017-15), which amends Chapter 16.16 of the Hesperia Municipal Code related to Commercial Cannabis activities.

## **BACKGROUND**

On September 19, 2017, the City Council adopted Ordinance No. 2017-16, allowing for certain cannabis activities to occur within the City. At that time, the available State license types included Type-M-10 Retailer, with the option to limit activities related to this license to non-storefront delivery only services. The City Council directed staff to prohibit all license types within the City other than Type-M-10 Retailer limited to non-storefront delivery only services.

On November 21, 2017, the City Council adopted Ordinance No. 2017-15 creating land use regulations relating to Commercial Cannabis Activities, and prohibiting certain license types. The City Council also adopted a map detailing the areas where cannabis businesses would be able to operate within the City.

On December 7, 2017, the State of California issued emergency regulations related to licensing of commercial cannabis activities in the State, and created several new license types, including

M-Type 9 Non-Storefront Retailer, a retail license that by legal definition does not allow store front activities, and is limited to delivery services only.

On December 19, 2017, the City Council amended Ordinance No. 2017-16 with Ordinance No. 2017-22, prohibiting Type-M 10 Retailer, and allowing Type M-Type 9-Non-Storefront Retailer licenses within the City.

## **ISSUES/ANALYSIS**

Since the adoption of the Commercial Cannabis regulations, staff has concluded there are several recommended items to facilitate administration of the cannabis regulations, which to be properly addressed will require amendments. Each major item is discussed individually below, and there are a few other minor clean-up items.

### **Allowable License Types**

On December 7, 2017, the State of California released emergency regulations related to cannabis activity in the state, and included in these regulations were several new license types, including: Distributor Transport Only (Type 13 M and A), Cannabis Event Organizer (Type 14 M and A), "Processor Only" cultivation (M and A), Type N manufacturing (M and A), Type P manufacturing (M and A), and Type S manufacturing (M and A). Staff is recommending the inclusion of these license types as prohibited activities within the City consistent with the existing broad prohibition on commercial cannabis activities. Staff recommends rescinding Ordinance No. 2017-22, which added M Type-9 Non-Storefront Retailer, as this change is included in the recommended changes in Exhibit "A" and Exhibit "C".

Adopting these changes will continue to allow License Type M- Type 9 Non-Storefront Retailer, and continue to prohibit all other commercial cannabis activities within the City.

### **License Per Location**

The City's general policy is to issue one license, regulatory permit, land use entitlement, etc. to one location. Staff recommends formally extending this general policy to cannabis business permits, by expressly allowing only one cannabis business permit per location. This change will allow for the continued administration of cannabis businesses that seek to be next to one another, as there is no distance requirement from cannabis business to cannabis business, while simultaneously ensuring that each business remains responsible for the payment of fees, security, business regulations, etc. that are part of a cannabis business permit.

### **Commercial Cannabis Insurance Requirements**

Staff received direction from PERMA, the City's insurance company, when originally creating the cannabis regulations. PERMA provided the City with insurance requirements that would allow for the protection of the City as it relates to the operation of cannabis businesses. Staff has since received input from several applicants during the application process that the insurance requirements are at levels that are not reasonably attainable in the insurance market for cannabis businesses. Staff researched this issue and requested direction from PERMA. PERMA provided the City with several recommended changes to the insurance requirements that will still protect the City, but will be attainable by commercial cannabis applicants. These recommended changes are included in Exhibit "A".

### **Security and Lighting**

The Hesperia Municipal Code requires security lighting for cannabis businesses. The City requires that lighting plans include a photometric plan to show the proposed security lighting at the cannabis operation. Staff is recommending a change to the existing regulation to include the requirement that the photometric plan is stamped by an electrical engineer. The reason for this change is to ensure that each plan meets the lighting security requirement of at least one foot-candle intensity of lighting, that there are no security “holes” within the property’s lighting plan and that the plan is professionally prepared and will meet electrical code requirements. These recommended changes are included in Exhibit “A”.

The City Council desires to amend this recommendation to include that the plans must continue to be professionally prepared, however, in lieu of a stamp from an Electrical Engineer, a sample shall be provided by the applicant, taken at night, showing the security cameras ability capture images as the site is properly lit.

### **Loading and Unloading of Cannabis Products**

Currently, cannabis businesses must load and unload cannabis product at the rear of a building. Staff is recommending an addition to this regulation to allow for the loading and unloading of cannabis product at the front of the building, as long as the loading and unloading is inside the building, by use of a roll-up door, which must be closed during the loading and unloading, and locked at all other times. Several applicants approached the City at the time of their application submittal and requested that product be able to be loaded and unloaded inside the building using a roll-up door. This accommodation meets the intent of the code to conceal cannabis product during the loading and unloading process. Staff is accommodating this as there are many properties, which are otherwise eligible, that have no access in the rear, either because they back up to an existing building and rear access is not provided and cannot be accommodated, or because they are land-locked and paved vehicular access is not available. All applicants whom are receiving this accommodation have a roll-up door in the front and show on their plans the ability to pull a vehicle completely into the building and close the door. This recommended change is included in Exhibit “A”.

### **Fingerprint Requirements**

The Municipal Code requires that as part of the cannabis business application, the applicant furnish to the City the results of Live Scan (fingerprinting) for each of their employees. Staff was advised by the City Attorney’s office that this requirement for applicants to provide completed and processed Live Scan results on their own is not permissible, as that generally will violate the California Penal Code. Instead, the City - if authorized by the State - may process Live Scans. Staff has not requested, or received, any Live Scan results for any of the applicants’ employees. Staff is recommending removing this requirement.

Staff is also recommending a change to the time limitation to file the fingerprint result of the business owner and applicant. The current regulations state that fingerprint results must be dated within 90 days when the application is submitted. Staff is recommending changing this time frame to seven (7) days. The reason for this change is administrative. Currently, staff has received over thirty fingerprint results, yet only 5 individuals have submitted applications. It is likely that by the time the other individuals who have been fingerprinted submit applications, their fingerprint results may not be dated within the last ninety days. Additionally, should these individuals choose not to apply for a cannabis license, the City must alert the Department of Justice that the City is no longer

interested in receiving their results. Changing the time frame to seven days will more closely align the fingerprint process with the actual submittal of an application. This recommended change is included in Exhibit "A".

### **Denial or Revocation of Delivery Dispensary Permit**

Currently, the Municipal Code allows the City to deny a cannabis business application if the person applying for the permit was in violation of the previous prohibition of marijuana dispensaries. A person can pay all fines and be eligible to submit an application. This applies also to employing a person who was in violation of the City's prohibition of marijuana activities in the past.

Staff is recommending adding additional language to allow the City to deny or revoke an application or license should the business owner be found to be in violation of the items listed in the Business and Professions Code, for which the State would likely also deny a license. These offenses mainly include felony convictions related to drug sale, manufacture, transport, or cultivation. The other suggested additions include the failure to maintain a Seller's Permit and failure to comply with State Law pertaining to cannabis activity.

Staff believes that by including some of the violations that the State would likely deny a license for, the City can continue to include business operators whom meet the spirit and intent of the commercial cannabis market, and exclude those who would likely not be granted a State license anyway.

Staff has also included a new section, pertaining to an appeal process for permits that the City denies or revokes. This process will be administrative in nature and will allow for applicants to receive due process should their permit be denied or revoked. These recommended changes are included in Exhibit "A".

### **Commercial Cannabis Delivery Business Zone**

The City Council adopted a cannabis zoning map in November 2017. This map includes areas of the GI, I-1, I-2 and CIPB zones identified as areas where commercial cannabis businesses could locate. Within the GI, I-1, I-2 and CIPB zone there are residences that were built before the area was zoned as industrial or manufacturing. These homes predate the 1980's and some have since been converted to commercial uses. The map and the adopted ordinance are restrictive in that cannabis businesses have to be located more than 600 feet from identified sensitive uses, including residences. Since November, staff has identified several legal non-conforming residences, which, when the 600 foot buffer is applied, exclude large portions of the permissible zone.

There are approximately 28 residences and one mobile-home park located within the cannabis area. Staff estimates that there are 13 additional legal non-conforming residences in the study area that were not included on the map. Removing the distance limitation from residences would allow for additional eligible properties to be available for cannabis businesses.

The City Council could also direct staff to reduce the distance limitation from residences from 600 feet to a lesser distance, such as 300 feet for example.

Removal of the distance requirement from residences would not affect the protection afforded to the other identified sensitive uses, such as schools, parks, daycares, churches, or residential or agricultural zones.



On February 8, 2018 the Planning Commission held a duly noticed public hearing pertaining to Resolution No. PC-2018-01, which recommended the removal of the 600 foot requirement for residences located within the zones where cannabis businesses are allowed. The Planning Commission voted to deny the Resolution. These recommended changes are included in Exhibit "B".

The City Council desires to remove the distance requirement from legal non-conforming residences within the zones which allow commercial cannabis activity.

#### **ALTERNATIVE(S)**

1. Provide alternative direction to staff.

#### **ATTACHMENT(S)**

1. Ordinance No. 2018-01
2. Exhibit "A" (Amendment to Title 5)
3. Ordinance No, 2018-02
4. Exhibit "B" (Amendment to Title 16-Distance Requirements)
5. Ordinance No. 2018-03
6. Exhibit "C" (Amendment to Title 16-License Types)

## **ORDINANCE NO. 2018-01**

### **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, AMENDING ORDINANCE NO. 2017-16, AMENDING CHAPTER 5.50 OF THE HESPERIA MUNICIPAL CODE, REGULATING CANNABIS ACTIVITIES WITHIN THE CITY OF HESPERIA AND RESCINDING ORDINANCE NO. 2017-22.**

**WHEREAS**, The City of Hesperia has the authority and responsibility to regulate businesses operating within the City to protect the public health, safety and welfare; and

**WHEREAS**, in 1996 the voters of the State of California passed Proposition 215 (the Compassionate Use Act), which decriminalized medical cannabis; and

**WHEREAS**, On November 8, 2016 the voters of the State of California passed Proposition 64, legalizing the adult use of cannabis, creating a means for the commercial production and distribution of cannabis, and allowing local control of land use, business licensing and taxation of medical and adult cannabis businesses; and

**WHEREAS**, on June 27, 2017 the State of California passed Senate Bill 94, integrating the regulation of Proposition 64 and existing medical cannabis law contained in the Compassionate Use Act, Assembly Bill 243, Senate Bill 643, and Assembly Bill 266; and

**WHEREAS**, Senate Bill 94 authorizes local jurisdictions to exercise regulations on cannabis businesses, whether adult or medicinal, engage in the collection of taxes related to those businesses, and exert local control over the manner in which the businesses operate; and

**WHEREAS**, on December 7, 2017, the State of California issued emergency regulations related to commercial cannabis activity, and created several new license types; and

**WHEREAS**, the City Council desires to continue to allow commercial cannabis activity, limited to delivery only services to medical patients; and

**WHEREAS**, the license type M-Type 9 Non-Storefront Retailer more closely aligns with the goals of the City Council; and

**WHEREAS**, on September 19, 2017, the City Council adopted Ordinance No. 2017-16, allowing and regulating commercial cannabis activity limited to State License type M-Type 10 Retailer for deliveries only; and

**WHEREAS**, on December 19, 2017 the City Council adopted Ordinance No. 2017-22, amending Ordinance No. 2017-16, modifying the license type allowed within the City from M-Type 10 Retailer to the license type M-Type 9 Non-Storefront Retailer, and continuing to prohibit all others; and

**WHEREAS**, on March 6, 2018, the City Council held a duly noticed public hearing and recommended approval of the changes contained within the attached Exhibit "A"; and

**WHEREAS**, the City Council desires to continue to prohibit all other license types, including any newly created license types within the State's emergency regulations, exclusive of M-Type 9 Non-Storefront Retailer; and

**WHEREAS,** The City Council of the City of Hesperia desires to exercise its right to regulate cannabis businesses within the City; and

**WHEREAS,** the City Council of Hesperia now desires to expressly prohibit (to the fullest extent allowed under state law) any and all commercial cannabis activity otherwise allowed under the Adult Use of Marijuana Act (AUMA) or the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), and/or under any and all state licenses issued pursuant to the different categories of state licenses described below (and as may be amended), with the exception of solely M-Type 9 Non-Storefront Retailers; and

**WHEREAS,** The City Council declares that the following cannabis license types are hereby prohibited within the City of Hesperia:

- (1)A-Type 1—Cultivation; Specialty outdoor; Small.
- (2)A-Type 1A—Cultivation; Specialty indoor; Small.
- (3)A-Type 1B—Cultivation; Specialty mixed-light; Small.
- (4)A-Type 1C—Cultivation; Specialty cottage; Small.
- (5)A-Type 2—Cultivation; Outdoor; Small.
- (6)A-Type 2A—Cultivation; Indoor; Small.
- (7)A-Type 2B—Cultivation; Mixed-light; Small.
- (8)A-Type 3—Cultivation; Outdoor; Medium.
- (9)A-Type 3A—Cultivation; Indoor; Medium.
- (10)A-Type 3B—Cultivation; Mixed-light; Medium.
- (11)A-Type 4—Cultivation; Nursery.
- (12)A-Type 5—Cultivation; Outdoor; Large.
- (13)A-Type 5A—Cultivation; Indoor; Large.
- (14)A-Type 5B—Cultivation; Mixed-light; Large.
- (15)A-Type 6—Manufacturer 1.
- (16)A-Type 7—Manufacturer 2.
- (17)A-Type 8—Testing laboratory.
- (18)A-Type 9-Non-Storefront Retailer.
- (19)A-Type 10—Retailer.
- (20)A-Type 11—Distributor.
- (21)A-Type 12—Microbusiness.
- (22)A-Type 13-Distributor, Transport Only.
- (23)A-Type 14-Cannabis Event Organizer.
- (24)A-Type Processor Only Cultivation
- (25)A-Type N – Manufacturer
- (26)A-Type P – Manufacturer
- (27)A-Type S - Manufacturer

- (1)M-Type 1—Cultivation; Specialty outdoor; Small.
- (2)M-Type 1A—Cultivation; Specialty indoor; Small.
- (3)M-Type 1B—Cultivation; Specialty mixed-light; Small.
- (4)M-Type 1C—Cultivation; Specialty cottage; Small.
- (5)M-Type 2—Cultivation; Outdoor; Small.
- (6)M-Type 2A—Cultivation; Indoor; Small.
- (7)M-Type 2B—Cultivation; Mixed-light; Small.
- (8)M-Type 3—Cultivation; Outdoor; Medium.
- (9)M-Type 3A—Cultivation; Indoor; Medium.

- (10)M-Type 3B—Cultivation; Mixed-light; Medium.
- (11)M-Type 4—Cultivation; Nursery.
- (12)M-Type 5—Cultivation; Outdoor; Large.
- (13)M-Type 5A—Cultivation; Indoor; Large.
- (14)M-Type 5B—Cultivation; Mixed-light; Large.
- (15)M-Type 6—Manufacturer 1.
- (16)M-Type 7—Manufacturer 2.
- (17)M-Type 8—Testing laboratory.
- (18)M-Type 10-Retailer.
- (19)M-Type 11—Distributor.
- (20)M-Type 12—Microbusiness.
- (21)M-Type 13-Distributor, Transport Only.
- (22)M-Type 14-Cannabis Event Organizer.
- (23)M-Type Processor-Only Cultivation
- (24)M-Type N – Manufacturer
- (25)M-Type P – Manufacturer
- (26)M-Type S - Manufacturer

**WHEREAS**, The Medical Cannabis License Type = M-Type 9, Non-Storefront Retailer; shall be allowed to operate within the City of Hesperia, subject to all regulations herein, the regulations contained in Ordinance 2017-15 (as adopted or amended), the regulations contained in Ordinance 2017-16 (as adopted or amended) the Hesperia Municipal Code, and State Law governing such license type; and

**WHEREAS**, The City Council desires to adopt regulations related to the allowed business type, M-Type 9 – Non-Storefront Retailer; and

**WHEREAS**, since adoption, several regulatory changes are required in order to further the cannabis regulatory program, including insurance requirements, application requirements, fingerprinting requirements, and security requirements; and

**WHEREAS**, The regulatory changes will further the Council's goal of allowing and regulating limited commercial cannabis activity within the City; and

**WHEREAS**, Title 5 of the Hesperia Municipal Code is amended as set forth in Exhibit "A"; and

**WHEREAS**, On March 6, 2018, the City Council of the City of Hesperia conducted a duly noticed Public Hearing as required by Government Code Section 50022.3 and concluded said hearing on that date; and

**WHEREAS**, All legal prerequisites to the adoption of this Ordinance have occurred.

**NOW THEREFORE**, THE HESPERIA CITY COUNCIL DOES ORDAIN AS FOLLOWS:

Section 1. All of the facts set forth in the forgoing recitals are true, correct and are adopted as findings.

Section 2. Ordinance No. 2017-22 is hereby rescinded upon the adoption and effective date of this Ordinance.

Section 3. Chapter 5.50 of the Hesperia Municipal Code is hereby amended as set forth in Exhibit "A".

Section 5. This Ordinance shall take effect thirty (30) days after its second reading and adoption.

Section 6. The City Council of the City of Hesperia hereby declares that should any provision, section, paragraph, sentence, or word of this Ordinance hereby adopted be rendered or declared invalid by any final court action in a court of competent jurisdiction, or by any reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences, and words shall remain in full force and effect.

Section 7. The City Clerk shall certify to the adoption of the Ordinance and shall cause the same to be posted in three (3) public places within the City of Hesperia pursuant to the provisions of Resolution 93-78.

**ADOPTED AND APPROVED** this 20<sup>th</sup> day of March, 2018.

\_\_\_\_\_  
Russ Blewett, Mayor

ATTEST \_\_\_\_\_  
Melinda Sayre-Castro, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Eric Dunn, City Attorney

**EXHIBIT “A”**

**Title 5 - BUSINESS LICENSES AND REGULATIONS**

**Chapters:**

**Chapter 5.50 – Dispensing and Delivery of Medical Cannabis**

5.50.010 - Purpose and intent

5.50.020 - Definitions

5.50.030 - Operation Prohibited Without Delivery Dispensary Permit

5.50.040 - Delivery Dispensary Permit

5.50.050 - Application for Delivery Dispensary Permit

5.50.060 - Review of Delivery Dispensary Permit Applications

5.50.070 - Denial of Delivery Dispensary Permit

**5.50.075 - Appeals**

5.50.080 - Penalty for Violation

5.50.090 - Obligations of Delivery Dispensary

5.50.100 - General Operating Standards and Restrictions

5.50.110 - Fees

5.50.120 - Public Nuisance and Abatement

5.50.130 - Suspension and Revocation

5.50.140 - Nonconforming Use

**Sections:**

**5.50.010 – Purpose and intent**

- A. The declared purpose of this chapter is to establish a comprehensive set of regulations with an attendant regulatory permit governing the operation of medical cannabis dispensaries located in the City limited to the sole activity of dispensing medical cannabis through deliveries, as provided for herein.
- B. This chapter is not intended to interfere with a patient’s right to obtain medical cannabis, as provided for in California Health & Safety Code Section 11362.5. This article is not intended to conflict with federal law as contained in the Controlled Substances Act, 21 U.S.C. §§ 800 et seq., nor to otherwise permit any activity that is prohibited under that Act or any other local, state or federal law, statute, rule or regulation.

**5.50.020 – Definitions**

Unless otherwise provided herein, the definitions of all terms used within this chapter shall be as defined below and by Section 16.16.445, or as defined by Section 1.04.050 (with these definitions and Section

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16.16.445 taking precedence over Section 1.04.050 in the event of conflict). Any ambiguity in the definitions used herein shall be resolved in favor of the City's understanding of the term.

- A. "Delivery dispensary" means a dispensary, with a permanent fixed location within the City, limited to retail sales of medical cannabis, or medical cannabis products, occurring exclusively through delivery. All retail sales are prohibited at the physical location of the delivery dispensary.
- B. "Employee" means any person (whether paid or unpaid) who provides regular labor or regular services for a delivery dispensary, including but not limited to at the location of a delivery dispensary.
- C. "Live scan" means a system for inkless electronic fingerprinting and the automated background check developed by the California Department of Justice (DOJ) which involves digitizing fingerprints and electronically transmitting the fingerprint image data along with personal descriptor information to computers at the DOJ for completion of a criminal record check; or such other comparable inkless electronic fingerprinting and automated background check process as determined by the City Council.
- D. "Manager" means an employee responsible for management and/or supervision of a delivery dispensary.
- E. **"Location" means a single address within the City, controlled, leased, or owned by the applicant, or a single suite controlled, leased or owned by the applicant at a single address within the City, or a combination of suites, at a single address within the City, adjacent to one another, controlled, leased or owned by the applicant, from which access is provided between the suites, without the need to exit the building.**

### 5.50.030 – Operation Prohibited Without Delivery Dispensary Permit

It shall be unlawful to own, establish, operate, use, or permit the establishment or operation of a delivery dispensary, or to participate with a delivery dispensary as an employee, contractor, agent, volunteer, or in any manner or capacity other than as provided in this chapter and pursuant to a valid permit issued under this chapter. The general prohibition contained in this section shall include renting, leasing, or otherwise permitting a delivery dispensary to occupy or use a location, vehicle, or other mode of transportation.

### 5.50.040 – Delivery Dispensary Permit

- A. Prior to initiating operations as a delivery dispensary and as a continuing requisite to conducting operations, the owner of a delivery dispensary shall obtain a permit from the Director under the terms and conditions set forth in this chapter.
- B. **Delivery dispensary permits shall be issued to a single location. Each delivery dispensary must apply for and receive approval for an individual location.**
- C. Delivery dispensary permits issued pursuant to this chapter shall automatically expire one year from the date of issuance.
- D. Renewal of delivery dispensary permits shall follow the same procedures as provided for herein for the issuance of a new delivery dispensary permit, such procedures subject to written modification by the Director.
- E. Conditions necessary for the continuing validity of any and all permits issued for the operation of a delivery dispensary include:
  - 1. Strict adherence to each and every requirement of this chapter.
  - 2. Allowing the Director, **or designee**, and the Police Department to conduct reasonable inspections of the location of the delivery dispensary at the discretion of the City, including but not limited to inspection of security, inventory, and written records and files pertaining

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to the delivery dispensary, for the purposes of ensuring compliance with local and state law.

3. Maintaining with the City current and valid contact information of the owner(s) and manager(s) of the delivery dispensary.
4. Maintaining with the City current and valid contact information of a legal representative of the delivery dispensary.
5. Maintaining a valid State License of the type: M-Type **9 Non-Storefront Retailer**
6. Maintaining a valid City Business License
7. A Certificate of Occupancy

### 5.50.050 – Application for Delivery Dispensary Permit

Each person, firm, partnership, or corporation desiring a delivery dispensary permit shall file an application with the Director upon a form provided by the City, and shall pay a filing fee as established by resolution adopted by the City Council from time to time. An application shall include, but not be limited to, the following:

- A. A completed business license application; and
- B. Copies of the driver's license or valid identification cards for each person listed on the license application; and
- C. All fees required; and
- D. Certification from appropriate City departments that facility inspections by City staff confirm complete compliance with all the requirements of this Chapter, including but not limited to the general operating standards and restrictions contained in Section 5.50.100; and
- E. Completed Live Scan forms (provided by the City for all business owners and applicants) that are both dated within seven (7) days of application submittal and will allow processing by City (or as otherwise authorized by law) of Live Scan; and**
- ~~E. Results of live scans, for all current and prospective employees, which were performed within ninety (90) days prior to the date of application; and~~
- F. Address of the location where the delivery dispensary will be located; and
- G. A Commercial Cannabis Delivery Site Plan, in the form prescribed by the City, showing the proposed location of the dispensary, location of security cameras, locations of all of entrances and exits, designs of proposed signage, and interior floor plan, including, but not limited to, storage areas, locked rooms designed to store cannabis, or cannabis product, employee areas, and loading and unloading zones; and
- H. A Security and Lighting Plan, in accordance with Section 5.50.100 (C), in the form prescribed by the City, detailing the security measures to be in place at the facility, including, but not limited to, all required security and alarm contracts, security camera placement, window and door locking mechanisms, secure inventory system, and any other measures in place to ensure the security of the facility and cannabis or cannabis product;
- I. A photometric plan of the entire site, inclusive of all existing and proposed outdoor lighting, which shall be professionally prepared and subject to a sample, provided by applicant, taken at night, showing the site is properly lit and the security cameras ability to capture images with the provided lighting; and**
- J. A Ventilation Plan, in accordance with Section 5.50.100 (D), in the form prescribed by the City, detailing the proposed ventilation system designed to mitigate the odor from the facility to the outdoors, and to any tenants within the same building; and



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- K. Evidence satisfactory to the Director of compliance with all state law requirements governing medical cannabis dispensaries; and
- L. Evidence satisfactory to the Director of compliance with all insurance requirements of this chapter; and
- M. The name, address and current phone number of any person who is managing or responsible for the delivery dispensary's activities; and
- N. The name, address and current phone number of the owner and lessor of the real property upon which the delivery dispensary is to be conducted. In the event the applicant is not the legal owner of the property, the application must be accompanied with a notarized acknowledgement from the owner of the property that a delivery dispensary will be operated on his/her property.
- O. Authorization for the Director to seek verification of the information contained within the application.
- P. A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.
- Q. Any such additional and further information as is deemed necessary by the Director to administer this chapter.

### **5.50.060 – Review of Delivery Dispensary Permit Applications**

- A. Upon receipt of a completed application and payment of the application and required fees, the Director shall investigate the information contained in the application to determine whether the applicant shall be issued the requested permit.
- B. If the Director determines that the applicant has completed the application improperly, the Director shall notify the applicant of such fact within sixty (60) days of receipt of the application. The incomplete application upon return as incomplete shall be deemed abandoned. The applicant may then resubmit a new application for a new review pursuant to the requirements of this section.
- C. Within ninety (90) days of receipt of the completed application, the Director shall complete the investigation, approve or deny the application in accordance with the provisions of this chapter, and so notify the applicant by United States mail, first class postage prepaid, addressed to the applicant at the address stated in the application.
- D. Upon completing the review process, the permit shall be deemed a qualified application, unless the Director finds:
  - 1. The applicant has made one or more false or misleading statements or omissions, either on the written application or during the application process; or
  - 2. A proposed location for the delivery dispensary is not allowed by state or local law, statute, ordinance, or regulation (including this Code); or
  - 3. The applicant is not a primary caregiver, qualified patient, or otherwise qualified to operate a medical cannabis dispensary under the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA); or
  - 4. The applicant has not satisfied each and every requirement of this chapter and Code; or
- E. The applicant does not comply with applicable state law, including, but not limited to, applicable requirements and minimum standards of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). If an application is granted a permit will not be issued until and unless full compliance by the successful applicant with the requirements of Section 5.50.90 ("Obligations of Delivery Dispensary").
- F. If the Director neither grants nor denies a complete application within ninety (90) days after it is received (except as provided in section 5.50.060(B)) the application shall be forwarded to the City

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Council at its next regularly scheduled meeting for consideration in strict conformance with the requirements of this chapter.

- G. Based on the information set forth in the application and the Director's review, the Director may impose reasonable terms and conditions on the use of the permit in addition to those specified in this chapter to ensure the safe operation of the delivery dispensary, and to ensure the health, safety and welfare of the citizens and visitors of the City of Hesperia.

### **5.50.070 – Denial or Revocation of Delivery Dispensary Permit**

**A. Denial or Revocation. The Director may deny or revoke a Delivery Dispensary Permit if any of the following is found:**

1. No person may apply for, or be granted, a permit to operate a delivery dispensary within the City who has been determined (whether by operation of the Hesperia Municipal Code, or other controlling law) to be in violation, within fifteen years prior to the operative date of this chapter, either administratively, criminally or otherwise, of a prohibition on operating a cannabis dispensary of any type within the City, and has not paid such fines and fees as a result of such violations.
2. Additionally, no person shall employ a person at a delivery dispensary within the City who has been determined (whether by operation of the Hesperia Municipal Code, or other controlling law), to be in violation within fifteen years prior to the operative date of this chapter, either administratively, criminally, or otherwise, of a prohibition on operating a cannabis dispensary of any type within the City, and has not paid such fines and fees as a result of such violations.
3. The results of the Live Scan reveal a criminal conviction described in Business and Professions Code Section 26057 (4)(A-E), and as may be amended from time to time. Except as provided in subparagraphs (D) and (E) of paragraph (4) of Business and Professions Code Section 26057, a prior conviction, where the sentence, including any term of probation, incarceration, or supervised release, is completed, for possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance, shall not be the sole ground for denial of a license.
4. Conviction for any controlled substance felony, as that term is used in Business and Professions Code Section 26057, subsequent to licensure shall be grounds for revocation of a license or denial of the renewal of a license.
5. Failure to obtain and maintain a valid seller's permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code.
6. Failure to comply with any state or local law pertaining to commercial cannabis activity.

- B. Cure Period.** Prior to revocation of a Delivery Dispensary Permit, the permittee shall be provided with a written notice which details the violation(s). The permittee shall have seven (7) days to cure the violation to the satisfaction of the Director. The seven (7) day cure period may be extended by the Director or the City Council for reasonable cause.

### **5.50.075 – Appeals**

**Appeals.** Any decision regarding an application for, a renewal of, or the revocation of, a Delivery Dispensary Permit may be appealed to the City Manager by an applicant or (former) permit holder as follows:

1. Appellant must file a written appeal with the Hesperia City Clerk within 10 calendar days of the decision. The written appeal shall specify the person making the appeal, identify the decision appealed from, state the reasons for the appeal, and include any evidence in support of the appeal.
2. Notice of the time and place of an appeal hearing shall be provided to the appellant within thirty (30) days of receipt of the written appeal by the Hesperia City Clerk.
3. The appeal hearing shall be held within sixty (60) days of the filing of the written appeal with the Hesperia City Clerk, unless the 60-day time limit is waived by the appellant, or unless the City Manager continues the appeal hearing date for good cause and upon written notification to the appellant.
4. The City Manager shall review the facts of the matter, written documents submitted for review, the basis for making the decision which is under appeal, and then determine whether the Director's decision should be reversed or affirmed. The determination made shall be in writing, shall set forth the reasons for the determination, and shall be final.
5. The provisions of Sections 1094.5 and 1094.6 of the Code of Civil Procedure set forth the procedure for judicial review of any final determination.

#### **5.50.080 - Penalty for Violation**

- A. Any violation of the provisions of this chapter shall constitute a separate offense for each and every day during which such violation is committed or continued, and shall be subject to all remedies and enforcement measures authorized by the Hesperia Municipal Code for violation of the law.
- B. To the fullest extent allowed under state law, any person, whether as principal, employee, agent, partner, director, officer, stockholder, or trustee or otherwise, violating or causing the violation of any of the provisions of this chapter shall be guilty of a misdemeanor, and any conviction thereof shall be punishable of not more than one thousand dollars (\$1,000) or by imprisonment for not more than six (6) months, or by both such fine and imprisonment.

#### **5.50.090 - Obligations of Delivery Dispensary**

- A. Before receiving possession of an approved delivery dispensary permit, as provided for in this chapter, the delivery dispensary permit holder shall to the satisfaction of the Director:
  1. Provide written authorization to the Director as well as the Police Department, to conduct reasonable inspections of the location of the delivery dispensary at the discretion of the City, including but not limited to inspection of security, inventory, and ~~written~~ records and files pertaining to the delivery dispensary, for the purposes of ensuring compliance with local and state law.
  2. Execute an agreement indemnifying the City, its elected officials, employees, agents, officers, and representatives, and each and all of them individually, from all liability in connection with all claims, damages, attorney's fees, costs and allegations arising from or in any way related to the operation of the delivery dispensary.
  3. Execute an agreement to:
    - a) defend, at the delivery dispensary permit holder's sole expense, any action against the City, its elected officials, employees, agents, officers, and representatives, and each and all of them individually, which arises from the operation of the delivery dispensary.

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- b) to reimburse the City for any court costs and attorney fees that the City may be required to pay as a result of such action. The City may, at its sole discretion, participate at its own expense in the defense of any such action.
- B. Upon and after receiving possession of a delivery dispensary permit as provided for in this chapter, the delivery dispensary permit holder shall:
  - 1. Maintain continuing compliance with all of the insurance requirements of Section 5.50.100(F) of this chapter.
  - 2. ~~Maintain continuing compliance with background check requirements of Section 5.50.100(C)(2) of this chapter by ensuring that upon the hiring, association or retention of an employee by the delivery dispensary, the requirements of Section 5.50.050(E) are met by immediately providing the Director in writing with:~~
    - a) ~~the results of a live scan for the employee which was performed within ninety (90) days prior to the date of the hiring, association or retention of the employee; and~~
    - b) ~~a color photocopy of either a valid California Driver's License for the employee, or equivalent identification for the employee approved by the Director.~~
  - 3. Immediately update the Director in writing with correct and current contact information, when there is any change in the address or phone number, previously provided to the City in compliance with this chapter, for any owner(s), manager(s) or legal representative(s) of the delivery dispensary.
  - 4. **Comply with all conditions of approval prescribed by the Director for operation of the delivery business.**
- C. Failure to perform the aforementioned actions of this Section 5.54.090 shall render the operation of a delivery dispensary unlawful.

### 5.50.100 – General Operating Standards and Restrictions

- A. Hours of operation shall be limited to 7:00 am to 7:00 pm.
- B. Regulations.
  - 1) No delivery dispensary shall offer retail services or dispense in any manner to customers on site of any product, including but not limited to cannabis and cannabis accessories. All products shall be delivered to patients, or qualified caregivers, at a fixed residential address other than the dispensary.
  - 2) There shall be no sale or delivery of industrial hemp products.
  - 3) There shall be no sale or delivery to any person not in possession of a valid Identification Card denoting the person as a qualified patient or a caregiver as defined by law.
  - 4) Delivery shall only be made to residential homes, and no delivery or exchange of goods for money shall occur on City streets, sidewalks or public ways.
  - 5) Consumption of alcohol and cannabis products is prohibited in the establishment as well as in any vehicles used for delivery.
  - 6) All vehicles associated with the business shall carry in the vehicle a copy of the valid, unexpired business license.
- C. Security.
  - 1) All cannabis and related products shall be stored in a secured and locked room. As no retail sales are permitted, no display of cannabis or related products is permitted.
  - 2) No person may be an employee of a delivery dispensary who has been ~~whose live scan results reveal the~~ **convicted** of a crime involving the illegal distribution of narcotics within the

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last seven years, dated from time of conviction, or if the conviction required incarceration, the time of release, whichever is later.

- 3) The facility and parking area shall be equipped with security lighting at each entrance, and no less than 5 other points on the building or property as approved by the City, and at all gated entrances. Entrance lighting and parking area lighting shall not require motion to activate and shall provide adequate lighting without the aid of motion-detecting lights. Security lighting shall illuminate the entire entrance, and the adjacent parking area upon motion detection. Each light shall provide at least 0.1 foot candle intensity. This lighting shall be in addition to any other lighting requirements of this code.
  - 4) The facility shall be alarmed with a centrally-monitored fire and burglar alarm system, and monitored by an alarm company properly licensed by the State of California Department of Consumer Affairs Bureau of Security and Investigative Services in accordance with California Business & Professions Code section 7590 et seq. and whose agents are properly licensed and registered under applicable law.
  - 5) Security cameras shall be installed on the property, maintained in good condition, and shall provide a clear, unobstructed view of the parking area, all entrances, loading areas, bays, windows and any other areas as determined by the Director. The cameras shall be in use 24 hours per day, 7 days per week. All recordings shall be digitally recorded and kept for no less than ninety days and shall be made available to the Police Department upon request. All recordings shall be time and date stamped. All security cameras shall be properly maintained and kept in working order.
  - 6) Cannabis or cannabis product shall not be stored, kept, or otherwise accessed from outside the building. Loading and unloading of cannabis or cannabis products is allowed during business operating hours only and must be completed at the rear of the building. Loading and unloading may be allowed at the front of the building, at the discretion of the Director, **providing that all of the below is true:**
    - i. **That there is a roll-up door or doors, which are attached to and part of the cannabis business location; and**
    - ii. **That the interior of the building accessible by the roll-up door(s) is large enough to accommodate a vehicle, completely inside the facility; and**
    - iii. **That the roll-up door(s) can be closed completely, concealing the vehicle during the loading and unloading of cannabis product; and**
    - iv. **That the roll-up door(s) remain closed and locked when not in use; and**
    - v. **All loading and unloading of cannabis occurs inside of the building with the roll-up door closed.**
  - 7) All exterior doors shall remain locked and be accessible for operation by employees only, and all windows shall be secured against entry from the outside. Exterior doors shall be properly equipped with panic hardware as required by all applicable state codes.
  - 8) All cannabis present or kept at the premises shall be securely stored against both unauthorized access as well as theft.
  - 9) Cannabis and cannabis products prepared for delivery shall be stored in secure containers within the trunk of the delivery vehicle during delivery.
- D. Odor Control. A delivery dispensary shall have an air treatment system that ensures off-site odors shall not result from its operations. This requirement at a minimum means that the delivery dispensary shall be designed to provide sufficient odor absorbing ventilation and exhaust systems so that any odor generated inside the location of the delivery dispensary is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same building as the delivery dispensary, if the use only occupies a portion of a building.

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### E. Records.

- 1) Delivery dispensaries shall maintain records reflecting:
  - a. The full name, address, and telephone number(s) of the owner and lessee of the property.
  - b. The full name, address, and telephone number(s) of all employees.
  - ~~c. Results of annual live scans of all employees.~~
  - d. The delivery of medical cannabis, including but not limited to the identity of the recipient using the unique identifier supplied to them by the state, the amount delivered, the date of the delivery, the address of the delivery, the name of the employee making the delivery, and a written receipt confirming the delivery by signature of the receiving person(s).
  - e. A written accounting of all expenditures, costs, revenues and profits of the delivery dispensary.
  - f. A copy of the delivery dispensary's required insurance policy and all other insurance policies related to the operation of the delivery dispensary.
  - g. An inventory record documenting the dates and amounts of medical cannabis received at the medical cannabis dispensary, the daily amounts of medical cannabis stored at the location of the medical cannabis dispensary, and the daily amounts distributed.
  - h. Proof of a valid and current permit issued by the City in accordance with this chapter. Every medical cannabis dispensary shall display at all times during business hours the permit issued pursuant to the provisions of this chapter in a conspicuous place.
- 2) Records shall be maintained on-site, either in paper or electronic form, and secured and verified by the Director as needed (consistent with requirements pertaining to patient confidentiality pursuant to applicable State and Federal law).
- 3) All records required to be maintained by the delivery dispensary must be maintained for no less than 3 years and are subject to immediate inspection upon written request by the Director.

### F. Insurance.

- 1) A delivery dispensary shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to the Director, the following policies of insurance in the amounts and of the types that are acceptable to the Director, with minimal coverage provided of:
- 2) Throughout the life of the License, the Licensee shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, or (ii) authorized by City Manager or his/her designee and in his/her sole discretion. The following policies of insurance are required:
- 3) COMMERCIAL GENERAL LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Contract) with limits of not less than ~~\$1,000,000~~ ~~\$2,000,000~~ per occurrence for bodily injury and property damage, \$1,000,000 per occurrence for personal and advertising injury, ~~\$2,000,000~~ ~~\$4,000,000~~ aggregate for products and completed operations and ~~\$2,000,000~~ ~~\$4,000,000~~ general aggregate.

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- 4) COMMERCIAL AUTOMOBILE LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) form CA 00 01 and shall include coverage for "any auto" with limits of liability of not less than \$1,000,000 per accident for bodily and property damage.
- 5) WORKERS' COMPENSATION insurance as required under the California Labor Code.
- 6) EMPLOYERS' LIABILITY insurance with minimum limits of \$1,000,000 each accident, \$1,000,000 disease each employee and \$1,000,000 disease policy limit.
- 7) Licensee shall be responsible for payment of any deductibles or self-insured retentions contained in any insurance policies required hereunder.
- 8) All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after thirty (30) calendar day written notice by certified mail, return receipt requested, has been given to the City. Upon issuance by the insurer, broker or agent of a notice of cancellation, non-renewal or reduction in coverage or limits, Licensee shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy(ies) is due to expire during the License, Licensee shall provide a new certificate and all applicable endorsements evidencing renewal of such policy(ies) not less than 15 calendar days prior to the expiration date of the expiring policy(ies).
- 9) The General Liability (including ongoing operations ,**and products,** and completed operations) and Automobile Liability insurance policies shall be ~~written on an occurrence form and~~ endorsed to name the City and its officers, officials, employees, agents and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so Permittee's insurance shall be primary and no contribution shall be required of City, its officers, officials, employees, agents and volunteers. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to City, its officers, officials, employees and agents. The coverage shall contain no special limitations on the scope of protection afforded to City and its officers, officials, employees, agents and volunteers. Should Licensee maintain insurance with broader coverage and/or limits of liability greater than those shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits of liability maintained by the Licensee. Licensee shall furnish City with the certificate(s) and applicable endorsements for ALL required insurance fourteen (14) days prior to the issuance of the Permit.
- 10) **If the General Liability insurance policy is written on a claims-made form:**
  - 1. The retroactive date must be shown, and must be before the effective date of the Agreement or the commencement of work by Consultant.**
  - 2. Insurance must be maintained and evidence of insurance must be provided for at least 3 years after any expiration or termination of the Agreement or, in the alternative, the policy shall be endorsed to provide not less than a 3-year discovery period.**



**3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the Agreement or the commencement of work by Consultant, Consultant must purchase extended reporting coverage for a minimum of 3 years following the expiration or termination of the Agreement.**

**4. A copy of the claims reporting requirements must be submitted to City for review.**

**5. These requirements shall survive expiration or termination of the Ordinance.**

11) Upon request of City, Licensee shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive the expiration or revocation of the License.

12) If at any time during the license, Licensee fails to maintain the required insurance in full force and effect, all work licensed thereunder shall be discontinued immediately until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure to maintain the required insurance shall be sufficient cause for the City to revoke the License.

13) **NOTE:** The Certificate of insurance must be accompanied by the additional insured, primary insurance and waiver of subrogation endorsements, as required above.

14) All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents may apply in excess of, and not contribute with the above policies of insurance.

15) No permit may be issued pursuant to this chapter until the applicant for a medical cannabis dispensary permit has provided the City with Certificates of Insurance, additional insured endorsement forms or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of and endorsements to all required insurance policies at any time.

G. The regulations contained in this chapter shall not apply to a medical cannabis dispensary engaged in the following uses, as long as such use complies strictly with applicable law regulating such use and the location of such use, including, but not limited to, Health and Safety Code sections 11362.5 and 11362.7 et seq.; a clinic permitted pursuant to Chapter 1 of Division 2 of the Health and Safety Code; a health care facility permitted pursuant to Chapter 2 of Division 2 of the Health and Safety Code; a residential care facility for persons with chronic life-threatening illness permitted pursuant to Chapter 3.01 of Division 2 of the Health and Safety Code; a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the Health and Safety Code; a residential hospice; or a home health agency permitted pursuant to Chapter 8 of Division 2 of the Health and Safety Code.

#### **5.50.110 - Fees**

A. Fees. An application fee set by resolution of the City Council shall be required for formal processing of every application made under this chapter. The City Council is authorized to pass resolutions to



recover any and all fees and costs incurred by the implementation of this chapter through an appropriate fee recovery mechanism to be imposed upon delivery dispensaries and their operations.

- B. State Board of Equalization Seller's Permit required. The State Board of Equalization has determined that medical cannabis transactions are subject to sales tax, regardless of whether the individual or group makes a profit, and those engaging in transactions involving medical cannabis must obtain a Seller's Permit from the State Board of Equalization.

#### **5.50.120 - Public Nuisance and Abatement**

In addition to the penalties set forth in this chapter, any delivery dispensary that is operating in violation of any provisions of this chapter is hereby declared to constitute a public nuisance and, as such, may be abated or enjoined from further operation, in accordance with the procedures set forth in Chapter 1.12 (Municipal Code Enforcement) of Title 1 (General Provisions) of the Hesperia Municipal Code.

#### **5.50.130 – Suspension and Revocation**

- A. The Director is authorized to suspend and/or revoke delivery dispensary permits issued pursuant to this chapter upon the determination through written findings of a failure to comply with any provision of this chapter, any condition of approval, or any agreement or covenant as required pursuant to this chapter.
- B. The Director may suspend or revoke a delivery dispensary permit if any of the following occur:
  - 1) The Director determines that the delivery dispensary has failed to comply with any aspect of this chapter, any condition or approval, or any agreement or covenant as required pursuant to this chapter; or
  - 2) Operations cease for more than 180 calendar days (including during any change of ownership, if applicable); or
  - 3) Ownership is changed without securing a new delivery dispensary permit; or
  - 4) The delivery dispensary fails to maintain required security camera recordings; or
  - 5) The delivery dispensary fails to allow inspection of the security recordings, the activity logs, the records, or of the premise by authorized City officials.
- C. Conditions (if any) of suspension or revocation are at the discretion of the Director and may include, but are not limited to, a prohibition on all owners, operators and employees of the suspended or revoked delivery dispensary from operating within the City for a period of time set forth in writing and/or a requirement (when operations may resume, if at all, pursuant to the Director's determination) for the holder of the suspended or revoked delivery dispensary permit to resubmit an application for a delivery dispensary permit pursuant to the requirements of this chapter.
- D. Suspension or revocation of a delivery dispensary permit pursuant to this chapter shall constitute a "revocation" for purposes of Business & Professions Code section 19320.

#### **5.50.140 - Nonconforming Use**

No use which purports to have distributed cannabis prior to the enactment of this chapter shall be deemed to have been a legally established use under the provisions of the Hesperia Zoning Code, the Hesperia Municipal Code, or any other local ordinance, rule or regulation, and such use shall not be entitled to claim legal nonconforming status.

## **ORDINANCE NO. 2018-02**

### **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, AMENDING ORDINANCE NO 2017-15, AMENDING CHAPTER 16.16 OF THE HESPERIA MUNICIPAL CODE, REGULATING CANNABIS ACTIVITIES WITHIN THE CITY OF HESPERIA.**

**WHEREAS**, The City of Hesperia has the authority and responsibility to regulate businesses operating within the City to protect the public health, safety and welfare; and

**WHEREAS**, in 1996 the voters of the State of California passed Proposition 215 (the Compassionate Use Act), which decriminalized medical cannabis; and

**WHEREAS**, On November 8, 2016 the voters of the State of California passed Proposition 64, legalizing the adult use of cannabis, creating a means for the commercial production and distribution of cannabis, and allowing local control of land use, business licensing and taxation of medical and adult cannabis businesses; and

**WHEREAS**, on June 27, 2017 the State of California passed Senate Bill 94, integrating the regulation of Proposition 64 and existing medical cannabis law contained in the Compassionate Use Act, Assembly Bill 243, Senate Bill 643, and Assembly Bill 266; and

**WHEREAS**, Senate Bill 94 authorizes local jurisdictions to exercise regulations on cannabis businesses, whether adult or medicinal, engage in the collection of taxes related to those businesses, and exert local control over the manner in which the businesses operate; and

**WHEREAS**, on November 21, 2017, the City Council adopted Ordinance No. 2017-15, allowing commercial cannabis activity, limited to certain zones within the City, and limited to State License type M-Type 9 Non-Storefront Retailer; and

**WHEREAS**, The City Council of the City of Hesperia desires to exercise its right to regulate cannabis businesses within the City; and

**WHEREAS**, The City Council adopted a map, as Exhibit "B" of Ordinance No. 2017-15, which identifies specific zones of the City where commercial cannabis businesses can locate; and

**WHEREAS**, Ordinance No. 2017-15 requires that cannabis businesses locate at least 600 feet from sensitive uses, including residences; and

**WHEREAS**, Within the zones which allow cannabis businesses, there also exist numerous residences, which were in existence prior to the area being zoned as non-residential; and

**WHEREAS**, Creating a 600 foot buffer around the existing residences causes areas of the zones which were intended to allow cannabis businesses to be ineligible; and

**WHEREAS**, The revision to the distance requirement related to existing residences within the cannabis zone will further the Council's goal of allowing and regulating limited commercial cannabis activity within the City; and

**WHEREAS**, On February 8, 2018 the Planning Commission held a duly noticed Public Hearing pertaining to Resolution No. PC-2018-01, which recommended the removal of the 600 foot

requirement for residences located within the zones where cannabis businesses are allowed and concluded said hearing on that date; and

**WHEREAS**, on February 8, 2018, the Planning Commission denied Resolution No. PC-2018-01; and

**WHEREAS**, On March 6, 2018, the City Council of the City of Hesperia conducted a duly noticed Public Hearing as required by Government Code Section 50022.3 and concluded said hearing on that date **and approved the removal of the distance requirement from legal non-conforming residences within the commercial cannabis zone**; and

**WHEREAS**, Title 16 of the Hesperia Municipal Code is amended as set forth in Exhibit "B", and

**WHEREAS**, All legal prerequisites to the adoption of this Ordinance have occurred.

**NOW THEREFORE**, THE HESPERIA CITY COUNCIL DOES ORDAIN AS FOLLOWS:

Section 1. All of the facts set forth in the forgoing recitals are true, correct and are adopted as findings.

Section 2. Chapter 16.16 of the Hesperia Municipal Code is hereby amended as set forth in Exhibit "B".

Section 3. This Ordinance shall take effect thirty (30) days after its second reading and adoption.

Section 4. The City Council of the City of Hesperia hereby declares that should any provision, section, paragraph, sentence, or word of this Ordinance hereby adopted be rendered or declared invalid by any final court action in a court of competent jurisdiction, or by any reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences, and words shall remain in full force and effect.

Section 5. The City Clerk shall certify to the adoption of the Ordinance and shall cause the same to be posted in three (3) public places within the City of Hesperia pursuant to the provisions of Resolution 93-78.

**ADOPTED AND APPROVED** this 20<sup>th</sup> day of March, 2018.

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Russ Blewett, Mayor

ATTEST \_\_\_\_\_  
Melinda Sayre, City Clerk

APPROVED AS TO FORM:

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Eric Dunn, City Attorney

## EXHIBIT “B”

### Sec. 16.16.470 - Conditions for Establishment and Operation of a Delivery Dispensary

The establishment and operation of a delivery dispensary is subject to the following conditions:

- (1) A delivery dispensary shall only be permitted within the General Industrial (G-I) zone district or the Limited Manufacturing (I-1) or General Manufacturing (I-2) General Plan designations.
- (2) A delivery dispensary shall be permitted within the Commercial Industrial Business Park (CIBP) zone district, and only within the area bounded by Smoke Tree Street, “I” Avenue, Juniper Street and Santa Fe Avenue East, and subject to the distance restrictions defined in this section.
- (3) The maximum floor area of any delivery dispensary shall be 10,000 square feet.
- (4) A delivery dispensary shall be located at least 600 feet from ~~any residence~~, any residential or agricultural zone, any place of worship, school, park, playground, day care center or other location where children regularly congregate.
- (5) A delivery dispensary must be located at least 600 feet from any adult business, liquor store, hookah lounge, massage facility, or residential care facility.
- (6) The distance between any delivery dispensary and any residential or agricultural zone, any place of worship, school, park, playground, day care center, or other location where children regularly congregate, shall be measured in a straight line, without regard to intervening structures, from the closest exterior structural wall of the delivery dispensary office to the closest property line of the residential or agricultural zone, any place of worship, school, park, playground, day care center or other location where children regularly congregate.
- (7) Where the 600-foot distance as measured from any of the uses listed above, except for a school, day care center or youth center, and the measurement crosses a property line, the entire property and any structures located therein, are deemed eligible for the location of a delivery service.
- (8) The delivery dispensary shall be operated in accordance with all City codes, as well as the Medical Cannabis Regulation and Safety Act (including but not limited to Section 19340 of the Business and Professions Code), the Compassionate Use Act, and the Medical Marijuana Program Act.

## **ORDINANCE NO. 2018-03**

### **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, AMENDING ORDINANCE NO 2017-15, AMENDING CHAPTER 16.16 OF THE HESPERIA MUNICIPAL CODE, REGULATING CANNABIS ACTIVITIES WITHIN THE CITY OF HESPERIA.**

**WHEREAS**, The City of Hesperia has the authority and responsibility to regulate businesses operating within the City to protect the public health, safety and welfare; and

**WHEREAS**, in 1996 the voters of the State of California passed Proposition 215 (the Compassionate Use Act), which decriminalized medical cannabis; and

**WHEREAS**, On November 8, 2016 the voters of the State of California passed Proposition 64, legalizing the adult and medical use of cannabis, creating a means for the commercial production and distribution of cannabis, and allowing local control of land use, business licensing and taxation of medical and adult cannabis businesses; and

**WHEREAS**, on June 27, 2017 the State of California passed Senate Bill 94, integrating the regulation of Proposition 64 and existing medical cannabis law contained in the Compassionate Use Act, Assembly Bill 243, Senate Bill 643, and Assembly Bill 266; and

**WHEREAS**, Senate Bill 94 authorizes local jurisdictions to exercise regulations on cannabis businesses, whether adult or medicinal, engage in the collection of taxes related to those businesses, and exert local control over the manner in which the businesses operate; and

**WHEREAS**, on December 7, 2017, the State of California issued emergency regulations related to commercial cannabis activity, and created several new license types; and

**WHEREAS**, the City Council desires to continue to allow commercial cannabis activity, limited to delivery only services to medical patients; and

**WHEREAS**, the license type M-Type 9 Non-Storefront Retailer more closely aligns with the goals of the City Council; and

**WHEREAS**, on November 21, 2017, the City Council adopted Ordinance No. 2017-15, allowing commercial cannabis activity, limited to certain zones within the City, and limited to State License type M-Type 9 Non-Storefront Retailer; and

**WHEREAS**, the City Council desires to continue to prohibit all other license types, including any newly created license types within the State's emergency regulations, exclusive of M-Type 9 Non-Storefront Retailer; and

**WHEREAS**, The City Council of the City of Hesperia desires to exercise its right to regulate cannabis businesses within the City; and

**WHEREAS**, the City Council of Hesperia now desires to expressly prohibit (to the fullest extent allowed under state law) any and all commercial cannabis activity otherwise allowed under the Adult Use of Marijuana Act (AUMA) or the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), and/or under any and all state licenses issued pursuant to the different categories of state licenses described below (and as may be amended); and

**WHEREAS**, The City Council declares that the following cannabis license types are hereby prohibited within the City of Hesperia:

- (1)A-Type 1—Cultivation; Specialty outdoor; Small.
- (2)A-Type 1A—Cultivation; Specialty indoor; Small.
- (3)A-Type 1B—Cultivation; Specialty mixed-light; Small.
- (4)A-Type 1C—Cultivation; Specialty cottage; Small.
- (5)A-Type 2—Cultivation; Outdoor; Small.
- (6)A-Type 2A—Cultivation; Indoor; Small.
- (7)A-Type 2B—Cultivation; Mixed-light; Small.
- (8)A-Type 3—Cultivation; Outdoor; Medium.
- (9)A-Type 3A—Cultivation; Indoor; Medium.
- (10)A-Type 3B—Cultivation; Mixed-light; Medium.
- (11)A-Type 4—Cultivation; Nursery.
- (12)A-Type 5—Cultivation; Outdoor; Large.
- (13)A-Type 5A—Cultivation; Indoor; Large.
- (14)A-Type 5B—Cultivation; Mixed-light; Large.
- (15)A-Type 6—Manufacturer 1.
- (16)A-Type 7—Manufacturer 2.
- (17)A-Type 8—Testing laboratory.
- (18)A-Type 9-Non-Storefront Retailer.
- (19)A-Type 10—Retailer.
- (20)A-Type 11—Distributor.
- (21)A-Type 12—Microbusiness.
- (22)A-Type 13-Distributor, Transport Only.
- (23)A-Type 14-Cannabis Event Organizer.
- (24)A-Type Processor Only Cultivation
- (25)A-Type N – Manufacturer
- (26)A-Type P – Manufacturer
- (27)A-Type S - Manufacturer

- (1)M-Type 1—Cultivation; Specialty outdoor; Small.
- (2)M-Type 1A—Cultivation; Specialty indoor; Small.
- (3)M-Type 1B—Cultivation; Specialty mixed-light; Small.
- (4)M-Type 1C—Cultivation; Specialty cottage; Small.
- (5)M-Type 2—Cultivation; Outdoor; Small.
- (6)M-Type 2A—Cultivation; Indoor; Small.
- (7)M-Type 2B—Cultivation; Mixed-light; Small.
- (8)M-Type 3—Cultivation; Outdoor; Medium.
- (9)M-Type 3A—Cultivation; Indoor; Medium.
- (10)M-Type 3B—Cultivation; Mixed-light; Medium.
- (11)M-Type 4—Cultivation; Nursery.
- (12)M-Type 5—Cultivation; Outdoor; Large.
- (13)M-Type 5A—Cultivation; Indoor; Large.
- (14)M-Type 5B—Cultivation; Mixed-light; Large.
- (15)M-Type 6—Manufacturer 1.
- (16)M-Type 7—Manufacturer 2.
- (17)M-Type 8—Testing laboratory.
- (18)M-Type 10-Retailer.

- (19)M-Type 11—Distributor.
- (20)M-Type 12—Microbusiness.
- (21)M-Type 13-Distributor, Transport Only.
- (23)M-Type 14-Cannabis Event Organizer.
- (23)M-Type Processor-Only Cultivation
- (24)M-Type N – Manufacturer
- (25)M-Type P – Manufacturer
- (26)M-Type S - Manufacturer

**WHEREAS,** The Medical Cannabis License Type = M-Type 9,Non-Storefront Retailer; shall be allowed to operate within the City of Hesperia, subject to all regulations herein, the regulations contained in Ordinance 2017-15 (as adopted or amended),the regulations contained in Ordinance 2017-16 (as adopted or amended) the Hesperia Municipal Code, and State Law governing such license type; and

**WHEREAS,** The City Council desires to adopt regulations related to the allowed business type, M-Type 9 – Non-Storefront Retailer; and

**WHEREAS,** Title 16 of the Hesperia Municipal Code is amended as set forth in Exhibit “C”, and

**WHEREAS,** On March 6, 2018, the City Council of the City of Hesperia conducted a duly noticed Public Hearing as required by Government Code Section 50022.3 and concluded said hearing on that date **and recommended approval of the prohibition of all license types, except M-Type 9 Non-Storefront Retailer;** and

**WHEREAS,** All legal prerequisites to the adoption of this Ordinance have occurred.

**NOW THEREFORE, THE HESPERIA CITY COUNCIL DOES ORDAIN AS FOLLOWS:**

Section 1. All of the facts set forth in the forgoing recitals are true, correct and are adopted as findings.

Section 4. Chapter 16.16 of the Hesperia Municipal Code is hereby amended as set forth in Exhibit “C”.

Section 5. This Ordinance shall take effect thirty (30) days after its second reading and adoption.

Section 6. The City Council of the City of Hesperia hereby declares that should any provision, section, paragraph, sentence, or word of this Ordinance hereby adopted be rendered or declared invalid by any final court action in a court of competent jurisdiction, or by any reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences, and words shall remain in full force and effect.

Section 7. The City Clerk shall certify to the adoption of the Ordinance and shall cause the same to be posted in three (3) public places within the City of Hesperia pursuant to the provisions of Resolution 93-78.

**ADOPTED AND APPROVED** this 20<sup>th</sup> day of March, 2018.



\_\_\_\_\_  
Russ Blewett, Mayor

ATTEST \_\_\_\_\_  
Melinda Sayre, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Eric Dunn, City Attorney

## EXHIBIT “C”

### Sec. 16.16.450 - Prohibition of Non-Medical Commercial Cannabis Activities

- A. All non-medical commercial cannabis activities (including non-profit operations) within the City are prohibited, including but not limited to the state license classifications listed below as provided for in Business and Professions Code § 26050, as well as California Code of Regulation’s Division 42 of Title 16, Division 8 of Title 3 and Chapter 13 of Division 1 of Title 17:

(1)A-Type 1—Cultivation; Specialty outdoor; Small.

(2)A-Type 1A—Cultivation; Specialty indoor; Small.

(3)A-Type 1B—Cultivation; Specialty mixed-light; Small.

(4)A-Type 1C—Cultivation; Specialty cottage; Small.

(5)A-Type 2—Cultivation; Outdoor; Small.

(6)A-Type 2A—Cultivation; Indoor; Small.

(7)A-Type 2B—Cultivation; Mixed-light; Small.

(8)A-Type 3—Cultivation; Outdoor; Medium.

(9)A-Type 3A—Cultivation; Indoor; Medium.

(10)A-Type 3B—Cultivation; Mixed-light; Medium.

(11)A-Type 4—Cultivation; Nursery.

(12)A-Type 5—Cultivation; Outdoor; Large.

(13)A-Type 5A—Cultivation; Indoor; Large.

(14)A-Type 5B—Cultivation; Mixed-light; Large.

(15)A-Type 6—Manufacturer 1.

(16)A-Type 7—Manufacturer 2.

(17)A-Type 8—Testing laboratory.

(18)A-Type 9 – Non-Storefront Retailer.

(19)A-Type 10—Retailer.

(20)A-Type 11—Distributor.

**(21)A-Type 12-Microbusiness**

**(22)A-Type 13-Distributor, Transport Only**

**(23)A-Type 14-Cannabis Event Organizer**

**(24)A-Type Processor Only Cultivation**

**(25)A-Type N – Manufacturer**

**(26)A-Type P – Manufacturer**

**(27)A-Type S - Manufacturer**

- B. The prohibition provided by this section includes any activities authorized under new or revised state licenses, or any other state authorization, to allow any type, category or classification of non-medical cannabis commercial activities, or similar operations (including non-profit, collective or cooperative operations).

#### **Sec. 16.16.460 - Prohibition of Medical Commercial Cannabis Activities**

- A. All medical commercial cannabis activities (including non-profit operations) within the City are prohibited, including but not limited to the state license classifications listed below as provided for in Business and Professions Code § § 26050, as well as California Code of Regulation's Division 42 of Title 16, Division 8 of Title 3 and Chapter 13 of Division 1 of Title 17 **(notwithstanding the limited exemption provided in Section 16.16.465 for a M-Type 9 (Non-Storefront Retailer) license in conjunction with a valid and current delivery dispensary permit):**

(1)M-Type 1—Cultivation; Specialty outdoor; Small.

(2)M-Type 1A—Cultivation; Specialty indoor; Small.

(3)M-Type 1B—Cultivation; Specialty mixed-light; Small.

(4)M-Type 1C—Cultivation; Specialty cottage; Small.

(5)M-Type 2—Cultivation; Outdoor; Small.

(6)M-Type 2A—Cultivation; Indoor; Small.

(7)M-Type 2B—Cultivation; Mixed-light; Small.

(8)M-Type 3—Cultivation; Outdoor; Medium.

(9)M-Type 3A—Cultivation; Indoor; Medium.

(10)M-Type 3B—Cultivation; Mixed-light; Medium.

(11)M-Type 4—Cultivation; Nursery.

(12)M-Type 5—Cultivation; Outdoor; Large.

(13)M-Type 5A—Cultivation; Indoor; Large.

(14)M-Type 5B—Cultivation; Mixed-light; Large.

(15)M-Type 6—Manufacturer 1.

(16)M-Type 7—Manufacturer 2.

(17)M-Type 8—Testing laboratory.

(18)M-Type 10 – Retailer.

(19)M-Type 11—Distributor.

(20)M-Type 12—Microbusiness.

**(21)M-Type 13-Distributor, Transport Only**

**(22)M-Type 14-Cannabis Event Organizer**

**(23)M-Type Processor-Only Cultivation**

**(24)M-Type N – Manufacturer**

**(25)M-Type P – Manufacturer**

**(26)M-Type S - Manufacturer**

- B. This prohibition provided by this section includes any activities authorized under new or revised state licenses, or any other state authorization, to allow any type, category or classification of medical commercial cannabis activities, or similar operations (including non-profit, collective or cooperative operations), ~~including, but not limited to, Type 1C, or “specialty cottage,”~~  
~~cultivator license types as provided for in Business and Professions Code § 19332(g)(4).~~
- C. The prohibition provided by this section includes medical cannabis collectives and cooperatives that operate pursuant to Health and Safety Code § 11362.775, the Compassionate Use Act, the Medical Marijuana Program Act, or otherwise.

# City of Hesperia STAFF REPORT



**DATE:** March 20, 2018

**TO:** Mayor and Council Members  
Chair and Board Members, Hesperia Water District

**FROM:** Nils Bentsen, City Manager

**BY:** Michael Blay, Assistant City Manager  
Tina Souza, Management Analyst

**SUBJECT:** Local Agency Management Program (LAMP)

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## RECOMMENDED ACTION

It is recommended that the City Council and Board of Directors of the Hesperia Water District introduce and place on first reading Ordinance No. 2018-04 amending Hesperia Municipal Code (HMC) Title 14, Chapter 14.08, Section 14.08.040 to include the City of Hesperia Local Agency Management Program (LAMP) regarding the use of onsite wastewater treatment systems (OWTS).

## BACKGROUND

On February 1, 1990, the City Council approved the Septic Tank Guidelines Memorandum of Understanding (MOU) between the California Water Quality Control Board Lahontan Region (Lahontan) and the City of Hesperia. The purpose of the MOU was to establish an operating policy for implementation of wastewater disposal from land development. The City has been operating in accordance with the requirements of the MOU for onsite wastewater treatment systems (OWTS).

Assembly Bill 885 (AB 885) was introduced to the California State Assembly on February 25, 1999, and approved by Governor Gray Davis on September 27, 2000. This legislation directed the State Water Resources Control Board (SWRCB) to develop regulations or standards for OWTS to protect water quality, public health and the environment. The SWRCB adopted the Water Quality Control Policy for Siting, Design, Operation, and Maintenance of Onsite Wastewater Treatment Systems (OWTS Policy) on June 19, 2012. Subsequently, the policy was approved by the Office of Administrative Law on November 13, 2012 and became effective on May 13, 2013.

The OWTS Policy allows local agencies to adopt a LAMP regulating the use of OWTS. A local agency, as defined by the OWTS Policy is any subdivision of state government that has responsibility for permitting the installation of, and regulating OWTS within its jurisdictional boundaries. In compliance with the OWTS policy, LAMPs must be in effect no later than May 13, 2018. On November 7, 2017, the City Council and Board of Directors of the Hesperia Water District adopted Resolution No. 2017-053 and HWD 2017-18 approving the City of Hesperia LAMP and rescinding the MOU between Lahontan and the City upon approval of the LAMP by Lahontan.

Subsequently, the LAMP was submitted to Lahontan for review, public comment, and board approval. The Lahontan Board of Directors approved the City of Hesperia LAMP on January 10, 2018.

## **ISSUES/ANALYSIS**

Ordinance 2011-06 adopted Title 14, Chapter 14.08, Section 14.08.040 of the HMC in July of 2011. The subject Ordinance amends the current Ordinance by including the LAMP by reference, which addresses OWTS, otherwise referred to as community collection and disposal systems, individual or private sewage disposal systems, or more commonly, septic systems. The LAMP was prepared in accordance with the OWTS Policy and allows for the continued use of OWTS within the jurisdiction of the City of Hesperia while addressing proper design, placement, installation, maintenance, and assessment of OWTS for the purpose of protecting groundwater, surface water bodies and public health.

Tremendous effort was made to remain as consistent as possible with the MOU regulations. There are however unavoidable changes required by the OWTS Policy and/or Lahontan contained in the LAMP. A brief summary of the guidelines contained in the LAMP are as follows:

- Quantification of minimum parcel size required to accommodate OWTS
- Identification of high risk areas
- Mapping Requirements
- Regulations for Supplemental Treatment Systems
- Deviations that may only be authorized by the RWQCB
- Maintenance and assessment standards for OWTS
- Data collection, reporting, and public education requirements
- Water quality monitoring and assessment

Adoption of the proposed Ordinance is exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines, Section 15061(b)(3), where it can be seen with certainty that there is no significant effect on the environment.

Revisions to Section 14.08.040 – Private sewage disposal systems are contained in Exhibit “A”.

## **FISCAL IMPACT**

There is no immediate fiscal impact associated with approval of the recommended action. The extent of future fiscal impacts, especially those related to water quality monitoring requirements of the OWTS Policy are undetermined at this time. Future fiscal impacts will be mitigated to the extent possible by utilizing existing staff and resources for the various record keeping, reporting, outreach, and monitoring requirements.

## **ALTERNATIVE(S)**

1. Forego adoption of this Ordinance to include the LAMP and default to the regulations of the SWRCB OWTS policy.
2. Provide alternative direction to staff.

**ATTACHMENT(S)**

1. Ordinance No. 2018-04
2. Exhibit A –Proposed Section 14.08.040 – Private sewage disposal systems

**ORDINANCE NO. 2018-04**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, AND THE BOARD OF DIRECTORS OF THE HESPERIA WATER DISTRICT AMENDING TITLE 14, CHAPTER 14.08, SECTION 14.08.040 OF THE HESPERIA MUNICIPAL CODE TO INCLUDE THE LOCAL AGENCY MANAGEMENT PROGRAM BY REFERENCE.**

**WHEREAS**, the State Water Resources Control Board adopted the Water Quality Control Policy for Siting, Design, Operation, and Maintenance of Onsite Wastewater Treatment Systems on June 19, 2012 (OWTS Policy); and

**WHEREAS**, the OWTS Policy was subsequently approved by the Office of Administrative Law on November 13, 2012 and became effective on May 13, 2013; and

**WHEREAS**, the OWTS Policy defines a local agency as any subdivision of state government that has responsibility for permitting the installation and regulating of Onsite Wastewater Treatment Systems (OWTS) within its jurisdictional boundaries; and

**WHEREAS**, the OWTS Policy allows local agencies to continue permitting the installation and regulation of OWTS with the adoption of a Local Agency Management Program (LAMP) and subsequent approval by the Regional Water Quality Control Board (RWQCB); and

**WHEREAS**, the California Water Quality Control Board Lahontan Region (Lahontan) is the RWQCB for this region; and

**WHEREAS**, the purpose of the LAMP is to allow the continued use of OWTS within the jurisdiction of the City of Hesperia while addressing proper design, placement, installation, maintenance, and assessment of OWTS for the purpose of protecting groundwater, surface water bodies, and public health; and

**WHEREAS**, on November 7, 2017, the City Council and Board of Directors of the Hesperia Water District adopted Resolution Nos. 2017-053 and HWD 2017-18 approving the City of Hesperia LAMP and rescinding the Septic Tank Guidelines Memorandum of Understanding (MOU) which was approved by the City Council of the City of Hesperia on February 1, 1990; and

**WHEREAS**, the Lahontan Board of Directors approved the City of Hesperia LAMP on January 10, 2018; and

**WHEREAS**, Title 14, Chapter 14.08, Section 14.08.040 of the Hesperia Municipal Code is amended as set forth in Exhibit "A"; and

**WHEREAS**, all legal prerequisites to the adoption of this Ordinance have occurred.

**NOW THEREFORE**, THE CITY COUNCIL OF THE CITY OF HESPERIA DOES ORDAIN AS FOLLOWS:

Section 1. All of the facts set forth in this Ordinance are true, correct and are adopted as findings.



Section 2. Title 14, Chapter 14.08, Section 14.08.040 of the Hesperia Municipal Code is hereby amended as set forth in Exhibit "A".

Section 3. Except at expressly amended hereby, all other provisions of Title 14 of the Hesperia Municipal Code shall remain in full force and effect.

Section 4. The City Council of the City of Hesperia and the Board of Directors of the Hesperia Water District hereby declares that if any section, subsection, sentence, clause, phrase, word, or portion of this Ordinance is, for any reason, held to be invalid by the decision of any court of competent jurisdiction or by any reason of preemptive legislation, such decision shall not affect the validity of the remaining sections, subsections, sentences, clauses, phrases, words, or portions thereof and shall remain in full force and effect.

Section 5. This Ordinance shall take effect thirty (30) days from the date of adoption.

Section 6. The City Clerk shall certify to the adoption of the Ordinance and shall cause the same to be posted in three (3) public places within the City of Hesperia pursuant to the provisions of Resolution No. 2007-101.

**ADOPTED AND APPROVED** this 3<sup>rd</sup> day of April 2018.

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Russ Blewett, Mayor

ATTEST:

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Melinda Sayre, City Clerk

## Attachment 2

### EXHIBIT "A"

#### 14.08.040 - Private sewage disposal systems.

When connection to the public sewer is not required per Section 14.08.020 a private sewage disposal system may be installed.

- A. Private sewage disposal systems shall comply with the provisions of the City of Hesperia Local Agency Management Program, as may be amended from time to time. The provisions of the City of Hesperia Local Agency Management Program, as amended are incorporated herein by reference with the same force and effect as if the provisions therein were specifically and fully set out herein.
- B. Permits for construction and sizing requirements shall be established by the city using requirements from the California Plumbing Code.
- C. Operation and Maintenance. Private sewage disposal systems shall be operated and maintained in a sanitary manner at all times at no expense to the district.
- D. Connection to Public Sewer. Prior to connection to the public sewer the following shall be completed:
  - 1. The septic tank and seepage pit(s) shall be pumped of all liquids and solids and the pump ticket shall be provided to the city.
  - 2. The bottom of the septic tank shall be broken and inspected by city.
  - 3. The lids for the septic tank and seepage pit(s) shall be removed.
  - 4. The septic tank and seepage pit(s) shall be filled with material approved by the city.
  - 5. When a building or structure is proposed to be placed within the required setbacks of a private sewage disposal system as defined in the California Plumbing Code, the septic tank and/or seepage pit shall be removed entirely.



**DATE:** March 20, 2018  
**TO:** Mayor and Council Members  
**FROM:** Nils Bentsen, City Manager  
**BY:** Rachel Molina, Assistant to the City Manager  
**SUBJECT:** Support of the 2018 Victor Valley Bicycle Tour

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### **RECOMMENDED ACTION**

It is recommended that the City Council provide direction to staff on supporting the 2018 Victor Valley Bicycle Tour.

### **BACKGROUND**

In 2015 and 2016, the City partnered with the Victor Valley Bicycle Tour (VVBT) by providing assistance with road closures and traffic control. In addition, in 2016 and 2017 the City Council approved event sponsorship in the amount of \$1,250. The VVBT operates under a 501 (c) (3) organization with the goal of raising awareness of the importance of bicycle safety in the community while promoting cycling as a healthy lifestyle for both recreation and transportation.

### **ISSUES/ANALYSIS**

Event organizers have requested that the City again sponsor the event in the amount of \$1,250. Their fourth annual cycling event is scheduled for Saturday, October 27, 2018. Like last year, the event will begin in Apple Valley, so the City will not be required to provide significant traffic control or public safety resources, as was the case in years' past.

### **FISCAL IMPACT**

Funding is available in General Fund account 100.01.100.0000.7500.

### **ALTERNATIVE(S)**

1. Provide alternative direction to staff.

### **ATTACHMENT(S)**

None

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# City of Hesperia

## STAFF REPORT



**DATE:** March 20, 2018

**TO:** Mayor and Council Members  
Mayor and Council Members  
Chair and Board Members, Hesperia Water District  
Chair and Board Members, Hesperia Fire District  
Chair and Board Members, Successor Agency to the Hesperia Redevel  
Agency  
Chair and Board Members, Hesperia Community Development Commission  
Chair and Board Members, Hesperia Housing Authority

**FROM:** Nils Bentsen, City Manager

**BY:** Michael Blay, Assistant City Manager

**SUBJECT:** Resolution No. 2018-18 Establishing Performance Appraisals and Honors  
Program Policy

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### RECOMMENDED ACTION

It is recommended that the City Council, Board of Directors and Board of Commissioners rescind Resolution Nos. 2004-65, HCRA 2004-07, HFPD 2004-23 and HWD 2004-14; and adopt Joint Resolution Nos. 2018-18, HWD 2018-11, HCDC 2018-03 and HHA 2018-03 Hesperia Performance Appraisals and Honors Program to clarify performance appraisal procedures and establish a system for exceptional employees at the top of their salary range to receive recognition.

### BACKGROUND

In 2004 the City Council adopted Resolution No. 2004-65 which among other things established the Hesperia Honors Program, a performance based program for employees that allowed for a lump sum payment to be awarded for outstanding job performance. Found within Organizational Policy 15 Section M, the program provided one time, non-compounded payments to employees at the top step of their respective salary ranges who receive an exceptional annual performance evaluation. During the recent recession, the program was suspended.

In 2017 the City Council approved employment conditions for the City's Non-Represented employees. Among these conditions was Section 2 – Salary : Subsection A (6):

“The City will establish a Bonus Program for employees on Step 11 based on merit on their anniversary date. The Bonus Program will be submitted to the City Council for approval prior to implementation.”

### ISSUES/ANALYSIS

The City currently employs seventeen (17) Non-Represented employees who are at Step 11 (top step) of their respective salary ranges. These employees are generally long tenured employees who provide valuable skills and services to the citizenry. Many of these employees are top performers who are ineligible to receive additional merit increases to their pay.

Resolution No. 2004-65, which adopted Organizational Policy 15, makes reference to obsolete personnel evaluation forms as well as to a pay-for-performance program that was favorable to

Senior Management but less favorable to General Staff. Rescinding this resolution and replacing it with Resolution No. 2018-18 will clarify performance appraisal procedures and establish an equitable pay-for-performance program. The new program will allow all Non-Represented employees who meet the following qualifications to be eligible to receive a 2% lump sum payment:

1. A non-probationary employee
2. At Step 11 for at least one (1) year
3. Receives an annual performance appraisal with an overall performance rating of "Exceeds Standards"

The lump sum payment is not considered special compensation for Cal-PERS retirement purposes and the program would be retroactive to July 1, 2017 for those employees who received the appropriate rating at an annual performance review scheduled after that date.

### **FISCAL IMPACT**

In the event that all seventeen (17) employees receive an "Exceeds Expectations" rating this year, the cost of a 2% bonus is \$30,973. Funding will be provided at the fourth-quarter budget review.

### **ALTERNATIVE(S):**

1. Provide alternative direction to staff.

### **ATTACHMENT(S):**

1. Joint Resolution 2018-18, HWD 2018-11, HCDC 2018-03 and HHA 2018-03
2. Exhibit A - Proposed Organizational Policy 42 and exhibits
3. Exhibit B - Proposed to be rescinded Resolution No. 2004-65 including Organizational Policy 15 and exhibits

**JOINT RESOLUTION 2018-18  
RESOLUTION HWD 2018-11  
RESOLUTION HCDC 2018-03  
RESOLUTION HHA 2018-03  
RESOLUTION SA 2018-01**

**A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, THE BOARD OF DIRECTORS OF THE HESPERIA WATER DISTRICT, THE BOARD OF DIRECTORS OF THE HESPERIA HOUSING AUTHORITY, THE BOARD OF DIRECTORS OF THE HESPERIA COMMUNITY DEVELOPMENT COMMISSION, AND THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE HESPERIA REDEVELOPMENT AGENCY APPROVING ORGANIZATIONAL POLICY NO. 42 MODIFYING THE HESPERIA HONORS PROGRAM AND PERFORMANCE APPRAISALS AND RESCINDING PREVIOUS ORGANIZATIONAL POLICY NO. 15 AND ASSOCIATED RESOLUTIONS**

**WHEREAS**, the City of Hesperia and its subsidiary districts maintain that a pay for performance system known as the Hesperia Honors System is in the best interests of the organization; and

**WHEREAS**, the Council/Boards/Commission have approved Organizational Policy No. 42 "Exhibit A", a revised Hesperia Honors Program and Performance Appraisals policy, thereby rescinding the former Hesperia Honors Program, Organizational Policy No. 15 "Exhibit B"; and

**WHEREAS**, the Resolutions No. 2004-65, HCRA 2004-07, HFPD 2004-23 and HWD 2004-14 are hereby rescinded, to be replaced by this resolution document.

**NOW THEREFORE**, BE IT RESOLVED BY THE CITY OF HESERIA CITY COUNCIL, THE HESPERIA WATER DISTRICT, THE HESPERIA COMMUNITY DEVELOPMENT COMMISSION, THE HESPERIA HOUSING AUTHORITY, AND THE SUCCESSOR AGENCY TO THE HESPERIA REDEVELOPMENT AGENCY AS FOLLOWS:

Section 1. That the recitals above are true and adopted as findings.

Section 2. That Organizational Policy No. 15 "Exhibit B" is rescinded and Organizational Policy No. 42 "Exhibit A" is approved and adopted in its place.

Section 4. That City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**ADOPTED AND APPROVED** this 20<sup>th</sup> day of March 2018.

\_\_\_\_\_  
Russ Blewett, Mayor

ATTEST:

\_\_\_\_\_  
Melinda Sayre  
City Clerk

**City of Hesperia**

Document No.: ORG-42  
Page No.: 1 of 5  
Revision No.: 0  
Effective Date: 3/20/2018  
Enabling/Authorizing  
Document: Resolution 2018-18

**Administrative Policies  
and Procedures Manual**

**POLICY: PERFORMANCE APPRAISALS AND HONORS PROGRAM**

**1.00 PURPOSE**

The purpose of this policy is to further define the City's Personnel Rules and Regulations, as adopted originally on September 15, 1988 and revised on July 1, 2004 by relating options for Pay for Performance incentives, as well as providing guidance on the preparation and administration of Performance Appraisals.

**2.00 PROCEDURE**

- A. For the purposes of this policy, a Performance Appraisal is the formal evaluation of an employee's performance prepared on the appropriate Performance Appraisal Form. Disciplinary actions and counseling are not covered under this policy.
- B. With the exception of short-term temporary employees, all employees of the City shall receive Performance Appraisals as provided for in this policy and the City's Personnel Rules and Regulations.
- C. All Performance Appraisals shall be administered on the appropriate form.

**Annual**

The employee is to be provided the opportunity to complete an Employee Self-Evaluation/Feedback Form. The rater is required to provide comments under each rating category and under Supervisor comments, with the exception of when an employee receives a "Meets the City's High Expectations" rating in a rating category.

**Six-Month**

An Employee Self-Evaluation/Feedback Form is not required. Rater comments are required only if the employee receives a "Does Not Meet Expectations" rating under a rating category and under Supervisor comments.

**Any Probationary Period**

An Employee Self-Evaluation/Feedback Form is not required. The rater is required to provide comments under each rating category and under Supervisor comments, with the exception of when the employee receives a "Meets the City's High Expectations" rating in a rating category.

- D. All employees shall receive performance evaluations in accordance with the schedule noted in the City's Personnel Rules and Regulations.
- E. To provide employees an opportunity to actively participate in their annual Performance Appraisal, all employees who receive Annual Performance Appraisals shall be given the



opportunity to complete and discuss with their immediate Supervisor an Employee Self-Evaluation/Feedback form. All employees shall be given at least thirty (15) days to complete the form. After the employees have completed the form, they shall be provided the opportunity to discuss their comments with their immediate Supervisor prior to the Supervisor's completion of the Performance Appraisal. Discussing the contents of the self-evaluation/feedback form is strictly voluntary on the part of the employee. If the employee does not wish to participate by completing a self-evaluation form, he/she should check the box indicating this, sign the form and return the form to the Supervisor. If an employee who completes a feedback form desires that said form be attached to his/her annual appraisal, they are to indicate this by checking the appropriate box on the submitted feedback form.

- F. Employees should receive ample time to read and consider their evaluation prior to discussing it with their supervisor.
- G. As the 6-month Performance Appraisal is intended to provide feedback by the Supervisor on the employee's performance mid-point between annual appraisals, it is not necessary to provide the employee with an advance copy of the Performance Appraisal or to request that the employee complete a Self-Evaluation/Feedback form.
- H. An employee who desires to respond to any comment(s) in either his/her annual or 6-month Performance Appraisal shall have a maximum of five (5) working days from the date the appraisal is administered to prepare and submit his/her written response. In the event that an employee does not sign his/her appraisal or submit a written response to an appraisal within five (5) working days of the date the appraisal was discussed, the appraisal shall be processed with the notation in the employee's signature space "Employee Refused to Sign". For the purpose of this Policy, a work day shall be based on the employee's regularly scheduled days to work.
- I. Any dispute arising out of the content of a Performance Appraisal shall be handled by the respective Supervisor, Department Director and, if needed, the City Manager.
- J. Prior to discussing the Performance Appraisal with the employee, all Performance Appraisals are to be reviewed by the respective Department Director and the City's Manager's designee in the Human Resources/Risk Management Division.
- K. An appraisal given to an employee within 30 calendar days of due date shall not be considered as late.
- L. A variety of rating categories have been developed to aid supervisors in preparing evaluations. The narratives that describe the level of performance within each rating category are offered as a general guideline of the behaviors that would support such a rating. It is understood that an employee may not demonstrate all behaviors contained within the narrative. Therefore, it is incumbent on the rater to add comments to each rating category, as required by the policy or as the rater deems necessary, to support the rating level.

#### M. **Honors Program**

The Non-Represented salary ranges shall consist of 11 (eleven) 2% (two-percent) Honors Levels or steps. Honors Level 11 is the maximum salary level for any given classification. As such, no additional base salary increases are available past Honors Level 11. Movement within a salary range as the result of the annual performance review shall be governed as follows:

- |                                       |                     |
|---------------------------------------|---------------------|
| ➤ Does Not Meet Expectations:         | 0 steps             |
| ➤ Meets the City's High Expectations: | 1 Honors Level      |
| ➤ Exceeds Expectations:               | 2 – 3 Honors Levels |
| ➤ Far Exceeds Expectations:           | 4 – 6 Honors Levels |

The staff member must have a majority of the rating factors in the specific category to qualify for the Honors Level increase as noted above.

#### N. **Lump Sum Payment (Pay for Performance)**

All Non-Represented full-time employees are eligible to receive a 2% lump sum payment if the following conditions are met:

- A Non-Probationary Employee
- At Step 11 for one (1) year
- Receives an annual performance appraisal with an overall performance rating of "Exceeds Standards"

The 2% lump sum payment will be calculated using the employee's salary on the due date of the performance appraisal. This 2% payment will not be considered special compensation and will not be reported to the California Public Employees' Retirement System. The payment will be processed in a separate check on the scheduled pay cycle after approvals have been received.

The Supervisor will attach a request form requesting the employee receive a lump sum payment. On the form there is to be a description of the employee's performance exceeding standards and the original performance appraisal will be attached. The form must have approval from the Department Head, Human Resources and City Manager before the payment is processed.

For Example:

Employee A is at Step 8 and during performance evaluation year 2017-18 receives an "Exceeds Expectations" rating and a 3 step salary increase to Step 11. Employee A is not eligible to receive a lump sum payment until performance evaluation year 2018-19 (one year after reaching Step 11)

Employee B is at Step 11 during performance evaluation year 2017-18. Employee B is eligible for a lump sum payment if he/she receives an overall performance rating of "Exceeds Expectations".

### 3.00 RESPONSIBILITY ASSIGNMENTS

#### EMPLOYEE:

Responsible to complete self-evaluation within 30 (thirty) calendar days of receipt if they desire to complete said form.

Responsible to read, discuss, and/or sign/respond to all appraisals provided for in this Policy within five (5) working days of the date the appraisal is administered to him/her.

#### SUPERVISOR:

Responsible to prepare and conduct appraisals at the time intervals provided for in Sections D, E, and K of this Policy, or more often as deemed appropriate by the Supervisor/Department Director.

Responsible to have the respective Department Director and the Human Resources/Risk Management Division review all Performance Appraisals before they are formally discussed with the employee.

Responsible for ensuring employee is eligible for lump sum payment before proposal.

Responsible for proposing recommendations for the Honors and Pay for Performance Programs.

#### HUMAN RESOURCES DIVISION:

Responsible to inform Supervisors at least forty-five (45) working days before a Performance Appraisal is due.

Responsible to review all Performance Appraisals and discuss with respective Department Directors before they are formally discussed with an employee.

Responsible, as requested, to assist Supervisors with the preparation of a Performance Appraisal and the lump sum payment request form.

Responsible to periodically review and update this policy.

Responsible to ensure that Performance Appraisals and Lump Sum Payment requests are completed pursuant to the requirements of this Policy.

DEPARTMENT DIRECTORS:

Responsible to ensure that Performance Appraisals are completed pursuant to the requirements of this Policy.

Responsible to review all Performance Appraisals prior to the appraisal being formally discussed with the employee.

Responsible for proposing recommendations for the Honors and Lump Sum Payment Program to the City Manager.

Responsible to ensure City Manager review and approval of all Performance Appraisals that receive a rating of "Far Exceeds Expectations."

CITY MANAGER:

Responsible to review and sign Performance Appraisals, especially those that receive a rating of "Exceeds Expectations" or "Far Exceeds Expectations."

Responsible for approving or disapproving all Lump Sum Payments.

4.0 Exhibits

1. Non-Represented Performance Appraisal Form
2. Employee Self-Evaluation/Feedback Form
3. Lump Sum Payment Request Form
4. Non-Represented Honors Program Salary Schedule Example Matrix

Recommended for Approval:

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Michael Blay  
Assistant City Manager

APPROVED:

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Nils Bentsen  
City Manager



# City of Hesperia

## NON-REPRESENTED EMPLOYEE PERFORMANCE APPRAISAL

**EMPLOYEE NAME:** \_\_\_\_\_

**POSITION TITLE:** \_\_\_\_\_

**DEPARTMENT:** \_\_\_\_\_

**TYPE OF APPRAISAL:**

Annual ☐ 6-Month ☐ Probation ☐

Other: \_\_\_\_\_

**REVIEW PERIOD:** From: \_\_\_\_\_ To: \_\_\_\_\_

**SUPERVISOR'S NAME:** \_\_\_\_\_

EMPLOYEE NAME: \_\_\_\_\_

---

**JOB KNOWLEDGE - WORK METHOD AND PRODUCT - DECISION-MAKING/PROBLEM SOLVING**

☐ Does Not Meet Expectations    ☐ Meets the City's High Expectations    ☐ Exceeds Expectations    ☐ Far Exceeds expectations

Comments:

---

**TIME MANAGEMENT**

☐ Does Not Meet Expectations    ☐ Meets the City's High Expectations    ☐ Exceeds Expectations

Comments:

---

**COMMUNICATION - INTERPERSONAL RELATIONS - CUSTOMER SERVICE**

☐ Does Not Meet Expectations    ☐ Meets the City's High Expectations    ☐ Exceeds Expectations    ☐ Far Exceeds expectations

Comments:

**EMPLOYEE NAME:** \_\_\_\_\_

## PROFESSIONAL DEVELOPMENT

☐ Does Not Meet Expectations    ☐ Meets the City's High Expectations    ☐ Exceeds Expectations

Comments:

## DEPENDABILITY

☐ Does Not Meet Expectations\*    ☐ Meets the City's High Expectations

Comments:

## SAFETY

☐ Does Not Meet Expectations\*    ☐ Meets the City's High Expectations

\*Comments (Only required if rated as Does Not Meet Expectations):

## GOAL ACHIEVEMENT - ACCOMPLISHMENTS

Comments:

### GOALS NEXT RATING PERIOD

Comments:

**The following section is to be completed only if employee supervises staff, regardless of classification.**

**EMPLOYEE NAME:** \_\_\_\_\_

**INITIATIVE**

☐ Does Not Meet Expectations    ☐ Meets the City's High Expectations    ☐ Exceeds Expectations

Comments:

---

**LEADERSHIP/DEVELOP TEAM MEMBERS**

☐ Does Not Meet Expectations    ☐ Meets the City's High Expectations    ☐ Exceeds Expectations    ☐ Far Exceeds expectations

Comments:

---

**MANAGING RESOURCES**

☐ Does Not Meet Expectations    ☐ Meets the City's High Expectations    ☐ Exceeds Expectations    ☐ Far Exceeds expectations

Comments:

---

**VISIONARY**

☐ Does Not Meet Expectations    ☐ Meets the City's High Expectations    ☐ Exceeds Expectations

Comments:

---



EMPLOYEE NAME: \_\_\_\_\_

## OVERALL PERFORMANCE RATING

The rating should reflect the total contribution the employee has made during the period under review, and be supported by the performance appraisal. Level 11 is the highest level available. Please check the appropriate rating boxes below.

☐ Does Not Meet Expectations

☐ Meets the City's High Expectations - 1 Level

☐ Exceeds Expectations      -      -      -      -      -      -

☐ Far Exceeds Expectations      -      -      -      -      -      -

If eligible, please select one of the options below and complete the attached form.

☐ 2 Levels    ☐ 3 Levels

☐ 4 Levels    ☐ 5 Levels    ☐ 6 Levels

### DEPARTMENT DIRECTOR/SUPERVISOR OVERALL COMMENTS:

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supervisor Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Department Director Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Human Resources Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
City Manager Signature

\_\_\_\_\_  
Date

The Employee signature indicates that the employee has been involved in a complete discussion of performance with the supervisor, has seen the completed feedback form, and has had the performance rating explained. The Employee signature does not necessarily imply agreement with the content of the performance appraisal form.

**CITY OF HESPERIA**  
**Employee Self-Evaluation/Feedback Form**

**EMPLOYEE NAME:** \_\_\_\_\_

**Department Name:** \_\_\_\_\_ **Supervisor Name:** \_\_\_\_\_

**Form Given to Employee (Date):** \_\_\_\_\_ **Returned to Supervisor (Date):** \_\_\_\_\_

---

**COVERS REVIEW PERIOD FROM:** \_\_\_\_\_ **TO** \_\_\_\_\_

City records indicate that your Performance Appraisal will soon be due. In an effort to better evaluate your work performance, your feedback would be appreciated. Although **NOT REQUIRED**, this is an opportunity for you to reflect on the past months and take an active role in the evaluation process. Please provide responses in a thoughtful manner, and word your sentences as objectively as possible. If you do not wish to participate, please indicate below and return the form to your supervisor within two (2) working days. It is your option to decline, complete all, or any portion of this form. After you submit this form, the original will be retained in the supervisor's file, and a copy will be returned to you. Thank you.

☐ **I do not wish to participate or complete a self-evaluation form.**

☐ **Please attach this form to my annual appraisal.**

---

**If you elect to participate, please respond to the following questions and return the form to your supervisor within thirty (30) days from today.**

1. What do you feel are your top job-related accomplishments since your last review period?
  
  
  
  
  
  
  
  
  
  
2. What steps have you taken toward professional advancement since your last review?



# City of Hesperia

## **LUMP SUM PAYMENT REQUEST FORM**

Non-Represented full-time employees are eligible to receive a 2% lump sum payment, if they are a Non-Probationary Employee, at Step 11 for one (1) year and receives an annual performance appraisal with an overall performance rating of "Exceeds Standards".

Employee Name: \_\_\_\_\_ Job Title/Department: \_\_\_\_\_

Describe the employee's performance that exceeds standards. Please attach the original performance appraisal.

\_\_\_\_\_  
Supervisor Signature

\_\_\_\_\_  
Date Submitted

☐ Approved ☐ Disapproved \_\_\_\_\_

HR Signature

\_\_\_\_\_  
DATE

☐ Approved ☐ Disapproved \_\_\_\_\_

Department Head Signature

\_\_\_\_\_  
DATE

☐ Approved ☐ Disapproved \_\_\_\_\_

City Manager Signature

\_\_\_\_\_  
DATE

3. Have you contributed any ideas to improve work, safety, communications, reduce costs, etc.?
4. In what ways and/or areas could you improve?
5. Please list three to five suggested goals for next evaluation period.

# NON-REPRESENTED EMPLOYEES' SALARIES, BENEFITS AND RELATED POLICIES

## C. Assignment of Position Classifications to Pay Ranges (Monthly Amounts):

### NON-REPRESENTED FULL-TIME & PART-TIME POSITIONS 2016-17 Fiscal Year 1.8% COLA, Effective Pay Period Beginning 3/18/2017

<u>CLASSIFICATION TITLE</u>	<u>RANGE#</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>
<b><u>GENERAL</u></b>												
Accountant	33	4,752	4,847	4,944	5,043	5,144	5,247	5,352	5,459	5,568	5,679	5,793
Accounting Technician	31	4,310	4,396	4,484	4,574	4,666	4,759	4,854	4,951	5,050	5,151	5,254
Administrative Aide	27	3,546	3,617	3,689	3,763	3,838	3,915	3,993	4,073	4,155	4,238	4,323
Administrative Secretary	30	4,105	4,187	4,271	4,356	4,443	4,532	4,623	4,716	4,810	4,906	5,004
Construction Inspector	34	4,990	5,090	5,192	5,296	5,402	5,510	5,620	5,732	5,847	5,964	6,083
Executive Secretary	33	4,752	4,847	4,944	5,043	5,144	5,247	5,352	5,459	5,568	5,679	5,793
Facilities Electrician	35	5,240	5,345	5,452	5,561	5,672	5,785	5,901	6,019	6,139	6,262	6,387
Facilities Maintenance Technician	32	4,526	4,617	4,709	4,803	4,899	4,997	5,097	5,199	5,303	5,409	5,517
Geographical Information Systems Technician	31	4,310	4,396	4,484	4,574	4,666	4,759	4,854	4,951	5,050	5,151	5,254
Information Systems Technician	31	4,310	4,396	4,484	4,574	4,666	4,759	4,854	4,951	5,050	5,151	5,254
Maintenance Crew Supervisor	36	5,502	5,612	5,724	5,839	5,956	6,075	6,197	6,321	6,447	6,576	6,708
Office Assistant	24	3,062	3,123	3,186	3,250	3,315	3,381	3,449	3,518	3,588	3,660	3,733
Personnel Technician	32	4,526	4,617	4,709	4,803	4,899	4,997	5,097	5,199	5,303	5,409	5,517
Senior Code Enforcement Officer	34	4,990	5,090	5,192	5,296	5,402	5,510	5,620	5,732	5,847	5,964	6,083
Senior Community Development Technician	32	4,526	4,617	4,709	4,803	4,899	4,997	5,097	5,199	5,303	5,409	5,517
Senior Office Assistant	28	3,723	3,798	3,874	3,952	4,031	4,112	4,194	4,278	4,364	4,451	4,540
Senior Office Specialist	28	3,723	3,798	3,874	3,952	4,031	4,112	4,194	4,278	4,364	4,451	4,540
<b><u>PROFESSIONAL/SUPERVISORY</u></b>												
Administrative Analyst	34	4,990	5,090	5,192	5,296	5,402	5,510	5,620	5,732	5,847	5,964	6,083
Assistant City Clerk	35	5,240	5,345	5,452	5,561	5,672	5,785	5,901	6,019	6,139	6,262	6,387
Assistant Engineer	38	6,066	6,187	6,311	6,437	6,566	6,697	6,831	6,968	7,107	7,249	7,394
Associate Planner	38	6,066	6,187	6,311	6,437	6,566	6,697	6,831	6,968	7,107	7,249	7,394
Code Enforcement Supervisor	36	5,502	5,612	5,724	5,839	5,956	6,075	6,197	6,321	6,447	6,576	6,708
Community Development Supervisor	38	6,066	6,187	6,311	6,437	6,566	6,697	6,831	6,968	7,107	7,249	7,394
Construction Inspection Supervisor	39	6,370	6,497	6,627	6,760	6,895	7,033	7,174	7,318	7,464	7,613	7,765
Customer Service Supervisor	36	5,502	5,612	5,724	5,839	5,956	6,075	6,197	6,321	6,447	6,576	6,708
Environmental Programs Coordinator	34	4,990	5,090	5,192	5,296	5,402	5,510	5,620	5,732	5,847	5,964	6,083
Facilities Supervisor	36	5,502	5,612	5,724	5,839	5,956	6,075	6,197	6,321	6,447	6,576	6,708
Financial Analyst	35	5,240	5,345	5,452	5,561	5,672	5,785	5,901	6,019	6,139	6,262	6,387
Human Resources Specialist	35	5,240	5,345	5,452	5,561	5,672	5,785	5,901	6,019	6,139	6,262	6,387
Management Analyst	37	5,777	5,893	6,011	6,131	6,254	6,379	6,507	6,637	6,770	6,905	7,043
Plans Examiner	37	5,777	5,893	6,011	6,131	6,254	6,379	6,507	6,637	6,770	6,905	7,043
Public Works Supervisor/Water	40	6,688	6,822	6,958	7,097	7,239	7,384	7,532	7,683	7,837	7,994	8,154
Secretary to the City Manager and City Council	35	5,240	5,345	5,452	5,561	5,672	5,785	5,901	6,019	6,139	6,262	6,387
<b><u>MANAGEMENT</u></b>												
Animal Services Manager	41	7,022	7,162	7,305	7,451	7,600	7,752	7,907	8,065	8,226	8,391	8,559
Assistant to the City Manager	43	7,743	7,898	8,056	8,217	8,381	8,549	8,720	8,894	9,072	9,253	9,438
Budget/Finance Manager	43	7,743	7,898	8,056	8,217	8,381	8,549	8,720	8,894	9,072	9,253	9,438
Building and Safety Manager	43	7,743	7,898	8,056	8,217	8,381	8,549	8,720	8,894	9,072	9,253	9,438
Geographical Information Systems Manager	41	7,022	7,162	7,305	7,451	7,600	7,752	7,907	8,065	8,226	8,391	8,559
Human Resources Manager	43	7,743	7,898	8,056	8,217	8,381	8,549	8,720	8,894	9,072	9,253	9,438
Information Systems Manager	43	7,743	7,898	8,056	8,217	8,381	8,549	8,720	8,894	9,072	9,253	9,438
Information Systems Specialist	37	5,777	5,893	6,011	6,131	6,254	6,379	6,507	6,637	6,770	6,905	7,043
Principal Planner	44	8,130	8,293	8,459	8,628	8,801	8,977	9,157	9,340	9,527	9,718	9,912
Project Construction Manager	43	7,743	7,898	8,056	8,217	8,381	8,549	8,720	8,894	9,072	9,253	9,438
Public Works Manager	43	7,743	7,898	8,056	8,217	8,381	8,549	8,720	8,894	9,072	9,253	9,438
Senior Accountant	38	6,066	6,187	6,311	6,437	6,566	6,697	6,831	6,968	7,107	7,249	7,394
Senior Financial Analyst	40	6,688	6,822	6,958	7,097	7,239	7,384	7,532	7,683	7,837	7,994	8,154
Senior Management Analyst	40	6,688	6,822	6,958	7,097	7,239	7,384	7,532	7,683	7,837	7,994	8,154
Senior Planner	41	7,022	7,162	7,305	7,451	7,600	7,752	7,907	8,065	8,226	8,391	8,559

# NON-REPRESENTED EMPLOYEES' SALARIES, BENEFITS AND RELATED POLICIES

## C. Assignment of Position Classifications to Pay Ranges (Monthly Amounts Continued):

### NON-REPRESENTED FULL-TIME & PART-TIME POSITIONS 2016-17 Fiscal Year 1.8% COLA, Effective Pay Period Beginning 3/18/2017

<u>CLASSIFICATION TITLE</u>	<u>RANGE#</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>
<b><u>SENIOR MANAGEMENT</u></b>												
Deputy Finance Director	46	8,964	9,143	9,326	9,513	9,703	9,897	10,095	10,297	10,503	10,713	10,927
<b><u>AT WILL SENIOR MANAGEMENT</u></b>												
Assistant City Manager/Management Services	52	12,012	12,252	12,497	12,747	13,002	13,262	13,527	13,798	14,074	14,356	14,643
City Clerk	45	8,536	8,707	8,881	9,059	9,240	9,425	9,614	9,806	10,002	10,202	10,406
Director of Development Services	51	11,440	11,669	11,902	12,140	12,383	12,631	12,884	13,142	13,405	13,673	13,947
Economic Development Manager	44	8,130	8,293	8,459	8,628	8,801	8,977	9,157	9,340	9,527	9,718	9,912
<b><u>PART-TIME (HOURLY AMOUNTS)</u></b>												
Administrative Intern-Part-Time	AI	12.00	13.00	14.00	15.00							
Administrative Aide - Part-Time	27	20.46	20.87	21.28	21.71	22.14	22.59	23.04	23.50	23.97	24.45	24.94
Administrative Analyst - Part-Time	34	28.79	29.37	29.95	30.55	31.17	31.79	32.42	33.07	33.73	34.41	35.09
Animal Care Technician - Part-Time	8	18.30	19.22	20.18	21.19	22.25						
Building Inspector - Part-Time	17	28.44	29.83	31.32	32.89	34.54						
Custodian - Part-Time	8	18.30	19.22	20.18	21.19	22.25						
Customer Service Representative - Part-Time	10	20.18	21.19	22.25	23.37	24.54						
Facilities Electrician - Part-Time	35	30.23	30.84	31.45	32.08	32.72	33.38	34.04	34.73	35.42	36.13	36.85
Facilities Maintenance Technician - Part-Time	32	26.11	26.64	27.17	27.71	28.26	28.83	29.41	29.99	30.59	31.21	31.83
Maintenance Worker - Part-Time	10	20.18	21.19	22.25	23.37	24.54						
Office Assistant - Part-Time	24	17.67	18.02	18.38	18.75	19.13	19.51	19.90	20.30	20.70	21.12	21.54
Receptionist - Part-Time	6	16.60	17.43	18.30	19.22	20.18						

## City of Hesperia

Administrative Policies  
and Procedures Manual

Document No.: ORG-15  
 Page No.: 1 of 5  
 Revision No.: 0  
 Effective Date: 7/01/2004  
 Enabling/Authorizing  
 Document: Resolution 2004-65

**POLICY: HESPERIA HONORS PROGRAM AND PERFORMANCE APPRAISALS****1.00 PURPOSE**

The purpose of this policy is to further define the City's Personnel Rules and Regulations, as adopted originally on September 15, 1988 and which have been amended from time to time, by relating options for Pay for Performance incentives, as well as providing guidance on the preparation and administration of Performance Appraisals.

**2.00 PROCEDURE**

- A. For the purposes of this policy, a Performance Appraisal is the formal evaluation of an employee's performance prepared on the appropriate Performance Appraisal Form (Exhibits 1 and 2). Disciplinary actions and counseling are not covered under this policy.
- B. With the exception of short-term temporary employees, all employees of the City shall receive Performance Appraisals as provided for in this policy and the City's Personnel Rules and Regulations.
- C. All Performance Appraisals shall be administered on either one of the following forms, Senior Management/Management/Professional Supervisory (Exhibit 1) or General Employee (Exhibit 2), depending on the employee's position with the City. As only one form is being utilized per classification of employee, Performance Appraisals shall be administered under one of the following formats.

**Annual**

The employee is to be provided the opportunity to complete an Employee Self-Evaluation/Feedback Form (Exhibit 3). The rater is required to provide comments under each rating category and under Supervisor comments, with the exception of when an employee receives a "Meets the City's High Expectations" rating in a rating category.

**Six-Month**

An Employee Self-Evaluation/Feedback Form is not required. Rater comments are required only if the employee receives a "Does Not Meet Expectations" rating under a rating category and under Supervisor comments.

**Any Probationary Period**

An Employee Self-Evaluation/Feedback Form is not required. The rater is required to provide comments under each rating category and under Supervisor comments, with the exception of when the employee receives a



"Meets the City's High Expectations" rating in a rating category.

- D. All employees shall receive performance evaluations in accordance with the schedule noted in the City's Personnel Rules and Regulations.
- E. To provide employees an opportunity to actively participate in their annual Performance Appraisal, all employees who receive Annual Performance Appraisals shall be given the opportunity to complete and discuss with their immediate Supervisor an Employee Self-Evaluation/Feedback form. All employees shall be given at least thirty (30) days to complete the form. After the employees have completed the form, they shall be provided the opportunity to discuss their comments with their immediate Supervisor prior to the Supervisor's completion of the Performance Appraisal. Discussing the contents of the self-evaluation/feedback form is strictly voluntary on the part of the employee. If the employee does not wish to participate by completing a self-evaluation form, he/she should check the box indicating this, sign the form and return the form to the Supervisor. If an employee who completes a feedback form desires that said form be attached to his/her annual appraisal, they are to indicate this by checking the appropriate box on the submitted feedback form.
- F. To provide employees time to read and contemplate their Performance Appraisal, their Supervisor shall provide the employee a copy of the Performance Appraisal at least one (1) working day, but not more than three (3) working days, prior to discussing the employee's performance with him/her.
- G. As the 6-month Performance Appraisal is intended to provide feedback by the Supervisor on the employee's performance mid-point between annual appraisals, it is not necessary to provide the employee with an advance copy of the Performance Appraisal or to request that the employee complete a Self-Evaluation/Feedback form.
- H. An employee who desires to respond to any comment(s) in either his/her annual or 6-month Performance Appraisal shall have a maximum of five (5) working days from the date the appraisal is administered to prepare and submit his/her written response. In the event that an employee does not sign his/her appraisal or submit a written response to an appraisal within five (5) working days of the date the appraisal was discussed, the appraisal shall be processed with the notation in the employee's signature space "Employee Refused to Sign". For the purpose of this Policy, a work day shall be based on the employee's regularly scheduled days to work.
- I. Any dispute arising out of the content of a Performance Appraisal shall be handled by the respective Supervisor, Department Director and, if needed, the City Manager.
- J. Prior to discussing the Performance Appraisal with the employee, all Performance Appraisals are to be reviewed by the respective Department Director and the Deputy Human Resources/Risk Management Director.
- K. An appraisal given to an employee within 15 calendar days of due date shall not be considered as late.



- L. A variety of rating categories have been developed in the attached performance appraisal documents. The narratives that describe the level of performance within each rating category are offered as a general guideline of the behaviors that would support such a rating. It is understood that an employee may not demonstrate all behaviors contained within the narrative. Therefore, it is incumbent on the rater to add comments to each rating category, as required by the policy or as the rater deems necessary, to support the rating level.

**M. Hesperia Honors Program (Pay for Performance)**

All Hesperia salary ranges shall consist of (and upon implementation be converted to) 11 (eleven) 2% (two-percent) Honors Levels or Steps. Honors Level 11 is the maximum salary level for any given classification. As such, no additional base salary increases are available past Honors Level 11. Movement within a salary range as the result of the annual performance review shall be governed as follows:

- |                                       |                     |
|---------------------------------------|---------------------|
| ➤ Does Not Meet Expectations:         | 0 steps             |
| ➤ Meets the City's High Expectations: | 1 Honors Level      |
| ➤ Exceeds Expectations:               | 2 – 4 Honors Levels |
| ➤ Far Exceeds Expectations:           | 5 – 6 Honors Levels |

Please refer to the attached performance appraisal documents for categorical rating factors. The staff member must have a majority of the rating factors in the specific category to qualify for the Honors Level increase as noted above.

In addition, based upon Department Director recommendation and City Manager approval, the following Hesperia Honors lump sum payments may be awarded in any amount up to the maximum percentage allowed once in a 12-month time period for overall outstanding job performance that advances the mission of the City. (As such, the following percentages are the maximum award allowable in any 12-month time period and said award can only be given once in said 12-month time period regardless of the percentage awarded to the employee). For determining the lump sum award, only base annual salary will be used to calculate the award.

- Up to 2% (two-percent) for General staff
  - Up to 3% (three-percent) for Professional/Supervisory staff
  - Up to 3% (three-percent) for Management staff
  - Up to 4% (four-percent) for Senior Management staff
- (Performance lump sum awards for At-Will employees shall be governed by the individual employment contract with the City. For those At-Will employees without a performance clause, the above awards shall be applicable per classification).*

- N. Appointment of all new hires/employees within the Honors Level salary range shall be at the recommendation of the Department Director with ultimate approval by the City Manager. Initial Honors Level placement for existing staff shall be at the Honors Level that is closest to existing salary without any reduction in salary.

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### 3.00 RESPONSIBILITY ASSIGNMENTS

**EMPLOYEE:**

Responsible to complete self-evaluation within 30 (thirty) calendar days of receipt if they desire to complete said form.

Responsible to read, discuss, and/or sign/respond to all appraisals provided for in this Policy within five (5) working days of the date the appraisal is administered to him/her.

**SUPERVISOR:**

Responsible to prepare and conduct appraisals at the time intervals provided for in Sections D or E of this Policy, or more often as deemed appropriate by the Supervisor/Department Director.

Responsible to have the respective Department Director and the Deputy Human Resources/Risk Management Director review all Performance Appraisals before they are formally discussed with the employee.

Responsible for proposing recommendations for Hesperia Honors lump sum awards/Honors Level salary increases and seeking Department Director approval prior to discussing said award/salary increase with the employee.

**HUMAN RESOURCES  
DEPARTMENT:**

Responsible to inform Supervisors at least forty-five (45) working days before a Performance Appraisal is due.

Responsible, as requested, to assist Supervisors with the preparation of a Performance Appraisal.

**DEPARTMENT DIRECTORS:**

Responsible to ensure that Performance Appraisals are completed pursuant to the requirements of this Policy.

Responsible to review all Performance Appraisals prior to the appraisal being formally discussed with the employee.

Responsible for proposing recommendations for Hesperia Honors lump sum awards/Honors Level salary increases and seeking approval from the City Manager prior to discussing said award/salary increase with the employee.



Responsible to ensure City Manager review and approval of all Performance Appraisals that receive a rating of "Exceeds Expectations" or "Far Exceeds Expectations."

Responsible to seek City Manager approval of all new hires/employees.

**DEPUTY HUMAN RESOURCES/  
RISK MANAGEMENT DIRECTOR:**

Responsible to review all Performance Appraisals before they are formally discussed with an employee.

Responsible to have the respective Department Director review Performance Appraisal Forms before they are formally discussed with the employee, as he/she deems necessary.

Responsible to periodically review and update this policy.

Responsible to ensure that Performance Appraisals are completed pursuant to the requirements of this Policy.

**CITY MANAGER:**

If required, responsible to review and sign Performance Appraisals, especially those that receive a rating of "Exceeds Expectations" or "Far Exceeds Expectations."

Responsible for approving or disapproving the hiring and salary placement of new employees.

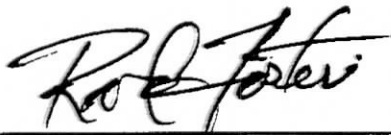
Responsible for approving or disapproving all Hesperia Honors lump sum awards.

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4.00 EXHIBITS

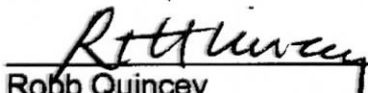
1. Senior Management, Management, Professional/Supervisory Employee Performance Appraisal Form
2. General Employee Appraisal Form
3. Employee Self-Evaluation/Feedback Form
4. Hesperia Honors Program Salary Schedule Example Matrix

Recommended for Approval:



Rod Foster  
Deputy City Manager

APPROVED:



Robb Quincey  
City Manager

CITY OF HESPERIA**PERFORMANCE APPRAISAL**  
**Senior Management, Management, and**  
**Professional/Supervisory Employee**

EMPLOYEE NAME: \_\_\_\_\_

CLASSIFICATION/TITLE: \_\_\_\_\_

DEPARTMENT: \_\_\_\_\_

TYPE OF APPRAISAL: Annual ☐ 6-Month ☐ Probation ☐Other: ☐ \_\_\_\_\_

REVIEW PERIOD: From: \_\_\_\_\_ To: \_\_\_\_\_

DATE PERFORMANCE APPRAISAL REVIEWED WITH EMPLOYEE: \_\_\_\_\_

SUPERVISOR'S NAME: \_\_\_\_\_



**Senior Management, Management, and Professional/Supervisory Employee**

**JOB KNOWLEDGE**

**Does Not Meet Expectations ☐**

Does not display a clear understanding of job procedures, equipment, and methods; is not familiar with City procedures; does not demonstrate the ability to perform established job functions; continually needs assistance in completing assigned tasks.

**Meets the City's High Expectations ☐**

Displays understanding of the job and related procedures; occasionally requires assistance or reassurance with duties; is able to work within the established guidelines to accomplish assigned tasks in an acceptable manner.

**Exceeds Expectations ☐**

Understands job procedures, equipment, and methods; applies the appropriate skills to get the job done; takes steps to understand new operations and equipment used on the job; displays initiative in making improvements to the processes and work flow.

**Far Exceeds Expectations ☐**

Consistently displays a thorough understanding of job procedures, equipment, and methods; performs all tasks without assistance; frequently increases job knowledge through on-the-job participation and independent study; has a clear grasp of work flow and processes, and contributes meaningful improvement suggestions on a regular basis.

Comments:

**MANAGING RESOURCES (Financial/Human Resources)**

**Does Not Meet Expectations ☐**

Often fails to plan for resource requirements and gives excuses for not meeting budget and/or project objectives; frequently exceeds budgeted resources; allows too many staff to be off at one time; inadequately monitors staff; allows projects to fall behind.

**Meets the City's High Expectations ☐**

Makes effective use of financial/human resources by achieving results; usually works within budgeted resources and rarely exceeds limits; develops and adequately monitors budgets and staff absences; identifies ways to reduce costs/improve services.

**Exceeds Expectations ☐**

Pursues ways to reduce costs while maintaining or improving service levels; effectively manages, supervises, and monitors staff absences; budgets effectively; evaluates the final consequences of alternative actions and bases recommendations on the most favorable benefits to the City.

**Far Exceeds Expectations ☐**

Leads efforts to increase output and improve work flows; suggests ways to add value to the process; manages staff and budgets effectively; suggests City-wide process improvements and works with others outside of his/her department to implement suggestions; identifies City-wide revenue enhancing/cost reducing activities.

Comments:



## **PLANNING/ORGANIZING/TIME MANAGEMENT**

### **Does Not Meet Expectations ☐**

Has difficulty establishing goals, objectives and measurements; does not schedule time effectively; constantly misses deadlines; does not demonstrate the ability to plan and organize for the effective completion of a task; has difficulty in adjusting schedules when needed; is often late to work or leaves early – a clock watcher; does not plan leave time to minimize impact on City operations; cannot multi-task even the simplest of functions.

### **Meets the City's High Expectations ☐**

Establishes well developed goals, objectives, measurements and action plans; monitors progress and informs supervisor as warranted; plans and organizes work satisfactorily; rarely misses scheduled deadlines; adjusts schedules when necessary; identifies potential problems; arrives and leaves work as scheduled; informs supervisor in advance of leave requests.

### **Exceeds Expectations ☐**

Exhibits good planning and organizing skills; meets and/or exceeds the majority of task deadlines; identifies potential problems or delays and plans for them accordingly; is flexible in adjusting schedules when necessary; takes initiative to raise issues that need to be addressed by the City across department lines; works any and all hours to get the job done; informs supervisor of leave requests only after ensuring adequate coverage within the department.

### **Far Exceeds Expectations ☐**

Often sought out to lead special projects; exhibits a high degree of goal-oriented, cooperative behavior; has an excellent grasp of the planning and organizing required to meet all task deadlines; schedules time effectively; displays flexibility in prioritizing assignments in order to avoid potential delays; dependable and loyal; except for emergencies, always schedules leave far in advance; is missed by other staff when away from the office.

Comments:

## **EVALUATE/DEVELOP TEAM MEMBERS**

### **Does Not Meet Expectations ☐**

Gives little or no feedback on performance; performance appraisals are late and not taken seriously; staff morale suffers as a result of lack of leadership; does not encourage staff development by refusing to allow for training or the sharing of assignments that would allow for employee growth.

### **Meets the City's High Expectations ☐**

Provides on-going and regular performance reviews; formal appraisals are done on-time and provide honest and thoughtful feedback; provides regular coaching and recognition of employees.

### **Exceeds Expectations ☐**

Regularly uses formal and informal recognition to motivate and promote team work and team accomplishments; performance appraisals are utilized and promoted as a learning tool; takes steps to develop new assignments and create opportunities to improve employee morale; conveys, by personal example, a commitment to employee learning and personal growth.

### **Far Exceeds Expectations ☐**

Incorporates a multi-faceted approach to performance appraisals by actively soliciting feedback from internal and external customers; fosters an open and trusting environment; employees are encouraged to pursue continuous training and personal development; regularly delegates appropriate tasks.

Comments:



## **PROFESSIONAL DEVELOPMENT**

### **Does Not Meet Expectations ☐**

Places no value on professional development; conveys, by example, that he/she "knows it all" and, therefore, may use excuses to validate behavior; provides little or no feedback on how to provide for further learning and development opportunities.

### **Meets the City's High Expectations ☐**

Participates in City-sponsored training programs; takes an active role in suggesting areas for learning; understands the importance of professional development to the organization as a whole; accesses personal strengths and weaknesses and identifies training to improve both.

### **Exceeds Expectations ☐**

Views professional development as a key trait of employees that is directly related to team accomplishment and the mission of the City; is often sought for advice and guidance; shares knowledge learned with all levels of staff; incorporates learning into daily performance.

### **Far Exceeds Expectations ☐**

Recognized as an expert in the field/profession; presents at regional/national conferences on the profession; is sought out as a mentor; promotes internships and nurtures the next generation of managers/staff; able to provide expert testimony in both a legal setting or at the committee level.

Comments:

## **LEADERSHIP/VISIONARY**

### **Does Not Meet Expectations ☐**

Does not display leadership qualities; creates dissension among staff; fails to provide timely feedback to staff; does not motivate staff to perform at peak potential; is constantly late in conducting staff reviews and preparing evaluations; consistently voices displeasure about work assignments, deadlines, and City methods to staff; has no vision of the future.

### **Meets the City's High Expectations ☐**

Displays a satisfactory attitude toward work and departmental staff; tackles work assignments and usually follows through in a timely manner; provides satisfactory direction to staff; usually prepares staff evaluations on time; makes effort to maintain a productive and positive work environment; has ability to be visionary and seeks guidance on how to hone visionary skills.

### **Exceeds Expectations ☐**

Exhibits leadership qualities on a consistent basis; brings staff together as a cohesive and productive group; takes steps to ensure that staff is aware and supportive of City goals; sets a good example for others; prepares staff evaluations on time; works to help staff improve their value to the organization; communicates a well thought-out vision in-line with the City mission.

### **Far Exceeds Expectations ☐**

Establishes and maintains a positive work environment; consistently prepares staff evaluations on time, if not early; has the ability to tackle unforeseen problems with enthusiasm; takes pride in all that is done; receives comments of appreciation from other employees; defines vision by example and motivates other employees to push to the next level of accomplishment.

Comments:



### QUALITY OF WORK

#### Does Not Meet Expectations ☐

Makes frequent errors; requires constant supervision; cannot be depended on to be accurate or to provide a satisfactory final product/task; work must be consistently checked.

#### Meets the City's High Expectations ☐

Good finished product; few if any errors; seldom makes mistakes on routine tasks; prepares reports in an effective manner; only requires limited supervision for routine tasks; overall work is satisfactory for the position.

#### Exceeds Expectations ☐

Generally exceeds work requirements; only spot supervision required for routine and special projects or reports; few, if any, errors; work requires only minimal, if any, correction.

#### Far Exceeds Expectations ☐

Work consistently exceeds requirements; analytical and/or technical skills are flawless; requires no supervision for routine tasks and very limited supervision on special projects or reports; work seldom requires correction; finished product can always be depended on for completeness and accuracy.

Comments:

### QUANTITY OF WORK

#### Does Not Meet Expectations ☐

Is unable and/or unwilling to increase output; quantity of output is less than expected; does not display effort to improve methods to increase productivity.

#### Meets the City's High Expectations ☐

Identifies ways to improve work methods and increase quantity of output; usually delivers the quantity of work expected of the position; assignments are submitted in a timely manner.

#### Exceeds Expectations ☐

Consistently exceeds expected quantity of output; remains within budgetary limits without sacrificing end product; frequently offers new approaches and ideas toward improving work methods to increase output.

#### Far Exceeds Expectations ☐

Consistently maximizes output within budgeted resources; works to increase quantity without diminishing the quality; continually seeks to improve work methods to increase output through new ideas and valid applications.

Comments:

## INITIATIVE

### Does Not Meet Expectations ☐

Has difficulty in performing routine tasks without prompting from supervisor; frequently fails to correct problems encountered and that are within scope of responsibility; seldom offers to help department staff or others.

### Meets the City's High Expectations ☐

Effectively completes routine tasks; proceeds to next task without prompting or reminding; provides assistance to department staff and others.

### Exceeds Expectations ☐

Completes routine tasks in a timely manner; proceeds to next task or identifies work to be done without being prompted; suggests more efficient means of completing tasks; always assists department staff and others.

### Far Exceeds Expectations ☐

Constantly completes work assignments ahead of time; is capable of working on multi-task assignments; continually seeks more efficient ways to perform duties; exhibits team-player qualities through assisting department staff and others; seeks more effective use of resources.

Comments:

## GOAL ACHIEVEMENT

### Does Not Meet Expectations ☐

Did not accomplish agreed to goals, objectives and measures; show little or no interest in meeting goals; is uninterested in the mission or advancement of the City; cares only about his/her personal agenda.

### Meets the City's High Expectations ☐

Met most, if not all, goals, objectives and measures; ensured that supervisor was well aware of progress on all goals; takes time to develop on-going goals and suggests goals for the organization as well.

### Exceeds Expectations ☐

Accomplished all goals in a timely manner; may have accomplished more goals than those agreed to; keeps supervisor well informed on progress of goals and work projects; suggests measurable goals and objectives for the department and the organization; focuses on attaining the goal and getting the job done right.

### Far Exceeds Expectations ☐

Intentionally

Left

Blank

Comments:



## **INTERPERSONAL RELATIONS/CUSTOMER SERVICE**

### **Does Not Meet Expectations ☐**

Frequent complaints are made by others regarding inability to work cooperatively with staff; is unable to develop and establish productive working relationships; more than one staff member has lodged complaints; displays a negative demeanor; is not customer-oriented.

### **Meets the City's High Expectations ☐**

Displays ability to work well with others and gets along well with most employees; disagreements, if any, are minor and resolved quickly and easily; establishes rapport with others to accomplish assigned tasks; displays a pleasant/agreeable demeanor; customers are usually pleased with conducting business with this employee.

### **Exceeds Expectations ☐**

Establishes a good rapport with peers and others during the conduct of work; promotes good working relationships and environment by example; displays willingness to meet others more than halfway to accomplish City goals; fosters a team approach; values customer input to improve the City's operations and reputation.

### **Far Exceeds Expectations ☐**

Can always be depended on to create an environment that encourages team commitment to City goals; has excellent interactive skills; constantly takes steps to build morale and good working environment; receives compliments of appreciation regarding treatment of others; consistently displays a positive demeanor; places the customer's needs first at all times, is patient, understanding and empathetic.

Comments:

## **COMMUNICATIONS**

### **Does Not Meet Expectations ☐**

Is unable to express ideas and thoughts clearly; written means are not accurately presented and/or oral means lack continuity of thought and clarity.

### **Meets the City's High Expectations ☐**

Communicates appropriately in both written and oral manner; is effective in communicating with management, co-workers, and others encountered in the course of work.

### **Exceeds Expectations ☐**

Displays good oral and written skills; conveys complete, concise, and clear information in an acceptable format; establishes a good rapport with those encountered in the course of work; can be counted on to present material in both an oral and a written means in an above average manner.

### **Far Exceeds Expectations ☐**

Communicates clearly, thoroughly, and accurately in all oral and written means; provides reliable information in a prompt manner; ensures accurate transfer of information to others; communicates in a superior and courteous manner with management, co-workers, and others.

Comments:

## **SAFETY**

### **Does Not Meet Expectations** ☐

Makes frequent judgement errors when dealing with safety issues/matters; frequently fails to use protective clothing or equipment; excessive safety violations and related accidents have been recorded; staff may have been treated in an unprofessional or derogatory manner; routinely violates City Policies and Procedures, especially those relating to Safety.

### **Meets the City's High Expectations** ☐

Average safety record; strives to identify hazards and to maintain a safe work environment that is free of harassment and discrimination; arranges for appropriate maintenance of equipment used on the job; participates in safety meetings; adheres to City Policies and Procedures.

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Comments:

## OVERALL PERFORMANCE RATING

**EMPLOYEE NAME:** \_\_\_\_\_

The rating should reflect the total contribution the employee has made during the period under review, and it should be supported by the performance appraisal. Please check the appropriate rating box.

**Does Not Meet Expectations** ☐

**Meets the City's High Expectations** ☐

**Exceeds Expectations** ☐

**Far Exceeds Expectations** ☐

**EMPLOYEE'S COMMENTS (Optional):**

**SUPERVISOR'S COMMENTS:**

**DEPARTMENT DIRECTOR'S COMMENTS (Optional):**

**CITY MANAGER'S COMMENTS (Optional):**

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supervisor's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Department Director's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
City Manager's Signature (If Required)

\_\_\_\_\_  
Date

The Employee's signature indicates that the employee has been involved in a complete discussion of performance with the supervisor, has seen the completed feedback form, and has had the performance rating explained. The Employee's signature does not necessarily imply agreement with the content of the performance feedback form.

**DISTRIBUTION TO:** 1)\_\_\_ Personnel File (Original); 2)\_\_\_ Employee; 3)\_\_\_ Supervisor; 4)\_\_\_ Department Director.

**Distributed by (Initials):**\_\_\_\_\_ **Date:** \_\_\_\_\_



CITY OF HESPERIA**PERFORMANCE APPRAISAL  
GENERAL EMPLOYEE**

EMPLOYEE NAME: \_\_\_\_\_

CLASSIFICATION/TITLE: \_\_\_\_\_

DEPARTMENT: \_\_\_\_\_

TYPE OF APPRAISAL: Annual ☐ 6-Month ☐ Probation ☐Other: ☐ \_\_\_\_\_

REVIEW PERIOD: From: \_\_\_\_\_ To: \_\_\_\_\_

DATE PERFORMANCE APPRAISAL REVIEWED WITH EMPLOYEE: \_\_\_\_\_

SUPERVISOR'S NAME: \_\_\_\_\_

General Employee

**JOB KNOWLEDGE**

**Does Not Meet Expectations ☐**

Does not display a clear understanding of job procedures, equipment, and methods; is not familiar with City procedures; does not demonstrate the ability to adhere to established job functions; continually needs assistance in completing assigned tasks.

**Meets the City's High Expectations ☐**

Displays understanding of the job and related procedures; occasionally requires assistance or reassurance with duties; is able to work within the established guidelines to accomplish assigned tasks in an acceptable manner.

**Exceeds Expectations ☐**

Understands job procedures, equipment, and methods; applies the appropriate skills to get the job done; takes steps to understand new operations and equipment used on the job; displays initiative in making improvements to the processes and work flow.

**Far Exceeds Expectations ☐**

Consistently displays a thorough understanding of job procedures, equipment, and methods; performs all tasks without assistance; frequently advances job knowledge through on-the-job participation and independent study; has a clear grasp of work flow and processes, and contributes meaningful improvement suggestions on a regular basis.

Comments:

**DECISION-MAKING/PROBLEM SOLVING**

**Does Not Meet Expectations ☐**

Often fails to gather relevant data and identify correct problem; analytical skills are weak; overly influenced by opinions/decisions of others; often fails to consider logical alternatives and consequences; delays or makes rash decisions; fails to offer solutions to identified problems or concerns.

**Meets the City's High Expectations ☐**

Gathers relevant facts; diagnoses problems accurately; makes logical conclusions/assessments; considers logical alternatives; considers pros and cons of a situation before making decisions and takes appropriate actions in a timely manner; shows confidence in decision-making ability.

**Exceeds Expectations ☐**

Constantly takes City-wide impact into account when making decisions; presents sound basis of actions; quickly grasps the essential issues and is proactive in identifying the primary onset of problems; willingly makes decisions and anticipates consequences.

**Far Exceeds Expectations ☐**

Always anticipates work-related needs and identifies/develops key data to make sound decisions; sees the "big picture" and focuses on major goals/objectives of the City; sought out by others for decision-making input on a regular basis, especially on complex issues.

Comments:



## GOAL ACHIEVEMENT

### Does Not Meet Expectations ☐

Did not accomplish agreed to goals, objectives and measures; shows little or no interest in meeting goals; is uninterested in the mission or advancement of the City; cares only about his/her personal agenda.

### Meets the City's High Expectations ☐

Met most, if not all, goals, objectives and measures; ensured that supervisor was well aware of progress on all goals; takes time to develop on-going goals and suggests goals for the organization as well.

### Exceeds Expectations ☐

Accomplished all goals in a timely manner; may have accomplished more goals than those agreed to; keeps supervisor well informed on progress of goals and work projects; suggests measurable goals and objectives for the department and the organization; focuses on attaining the goal and getting the job done right.

### Far Exceeds Expectations ☐

Intentionally

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Comments:

## INTERPERSONAL RELATIONS/CUSTOMER SERVICE

### Does Not Meet Expectations ☐

Frequent complaints are made by others regarding inability to work cooperatively with staff; is unable to develop and establish productive working relationships; more than one staff member has lodged complaints; displays a negative demeanor; is not customer-oriented.

### Meets the City's High Expectations ☐

Displays ability to work well with others and gets along well with most employees; disagreements, if any, are minor and resolved quickly and easily; establishes rapport with others to accomplish assigned tasks; displays a pleasant/agreeable demeanor; customers are usually pleased with conducting business with this employee.

### Exceeds Expectations ☐

Establishes a good rapport with peers and others during the conduct of work; promotes good working relationships and environment by example; displays willingness to meet others more than halfway to accomplish City goals; fosters a team approach; values customer input to improve the City's operations and reputation.

### Far Exceeds Expectations ☐

Can always be depended on to create an environment that encourages team commitment to City goals; has excellent interactive skills; constantly takes steps to build morale and good working environment; receives compliments of appreciation regarding treatment of others; consistently displays a positive demeanor; places the customer's needs first at all times, is patient, understanding and empathetic.

Comments:



## **DEPENDABILITY**

### **Does Not Meet Expectations ☐**

Arrives late and/or frequently leaves early on a routine basis; has multiple undocumented/unexcused absences from work within a review period; frequently takes breaks that exceed allotted time; fails to schedule time away from work so as to minimize impact on work.

Comments:

### **Meets the City's High Expectations ☐**

Arrives/leaves work when scheduled; supervisor informed in advance of absences; absences are usually documented and excused; seldom late; calls in to supervisor in a timely manner; schedules time off in advance to minimize impact on work flow and co-workers.

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**Intentionally**

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**Blank**

## **PROFESSIONAL DEVELOPMENT**

### **Does Not Meet Expectations ☐**

Places no value on professional development; conveys, by example, that he/she "knows it all" and, therefore, may use excuses to validate behavior; provides little or no feedback on how to provide for further learning and development opportunities.

Comments:

### **Meets the City's High Expectations ☐**

Participates in City-sponsored training programs; takes an active role in suggesting areas for learning; understands the importance of professional development to the organization as a whole; accesses personal strengths and weaknesses and identifies training to improve both.

### **Exceeds Expectations ☐**

Views professional development as a key trait of employees that is directly related to team accomplishment and the mission of the City; is often sought for advice and guidance; shares knowledge learned with all levels of staff; incorporates learning into daily performance.

### **Far Exceeds Expectations ☐**

Recognized as an expert in the field/profession; is capable of making presentations at regional/national conferences on the field; is sought out as a mentor; promotes internships and nurtures the next generation of staff; able to provide expert testimony in both a legal setting or at the committee level.



## **WORK METHODS, PROCEDURES AND PRODUCTS**

### **Does Not Meet Expectations ☐**

Deviates from established work methods and procedures; follows some established methods and procedures but will also cut corners that are critical to project success; does not seek advice but uses "best guess" when uncertain of what to do; does not think through situations or consequences; work products are poor and lack substance/utilization.

### **Meets the City's High Expectations ☐**

Understands and applies established work methods and procedures to a variety of job duties and responsibilities; proactively asks questions to clarify methods and procedures; makes suggestions for new policies and procedures; work products are acceptable.

### **Exceed Expectations ☐**

Identifies methods and procedures that can be improved and provides recommendations for improvement; identifies situations when deviation from established policies is appropriate and provides well-matriculated and thought-out recommendations for review; work products consistently are beyond the City's expectations.

### **Far Exceeds Expectations ☐**

Actively explores and keeps abreast of the latest methods, procedures and practices in his/her field; applies that knowledge in daily routines; shares that knowledge willingly with co-workers; and provides policy-level recommendations to supervisors for consideration; work products are by far the highest level of "complete staff work" and may have been utilized in other cities as a model or been shared at conferences as progressive business practices.

Comments:

## **COMMUNICATIONS**

### **Does Not Meet Expectations ☐**

Is unable to express ideas and thoughts clearly; written means are not accurately presented and/or oral means lack continuity of thought and clarity.

### **Meets the City's High Expectations ☐**

Communicates appropriately in both written and oral manner; is effective in communicating with management, co-workers, and others encountered in the course of work.

### **Exceeds Expectations ☐**

Displays good oral and written skills; conveys complete, concise, and clear information in an acceptable format; establishes a good rapport with those encountered in the course of work; can be counted on to present material in both an oral and a written means in an above average manner.

### **Far Exceeds Expectations ☐**

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Comments:

## **SAFETY**

### **Does Not Meet Expectations ☐**

Makes frequent judgment errors when dealing with safety issues/matters; frequently fails to use protective clothing or equipment; excessive safety violations and related accidents have been recorded; staff may have been treated in an unprofessional or derogatory manner; routinely violates City Policies and Procedures, especially those relating to Safety.

### **Meets the City's High Expectations ☐**

Average safety record; strives to identify hazards and to maintain a safe work environment that is free of harassment and discrimination; arranges for appropriate maintenance of equipment used on the job; participates in safety meetings; adheres to City Policies and Procedures.

**Intentionally**

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**Intentionally**

**Left**

**Blank**

Comments:

# OVERALL PERFORMANCE RATING

EMPLOYEE NAME: \_\_\_\_\_

The rating should reflect the total contribution the employee has made during the period under review, and it should be supported by the performance appraisal. Please check the appropriate rating box.

Does Not Meet Expectations ☐

Meets the City's High Expectations ☐

Exceeds Expectations ☐

Far Exceeds Expectations ☐

EMPLOYEE'S COMMENTS (Optional):

SUPERVISOR'S COMMENTS:

DEPARTMENT DIRECTOR'S COMMENTS (Optional):

CITY MANAGER'S COMMENTS (Optional):

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supervisor's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Department Director's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
City Manager's Signature (If Required)

\_\_\_\_\_  
Date

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DISTRIBUTION TO: 1)\_\_\_\_ Personnel File (Original); 2)\_\_\_\_ Employee; 3)\_\_\_\_ Supervisor; 4)\_\_\_\_ Department Director.

Distributed by (Initials):\_\_\_\_\_ Date: \_\_\_\_\_



**CITY OF HESPERIA**  
**Employee Self-Evaluation/Feedback Form**

**EMPLOYEE NAME:** \_\_\_\_\_

**Department Name:** \_\_\_\_\_ **Supervisor Name:** \_\_\_\_\_

**Form Given to Employee (Date):** \_\_\_\_\_ **Returned to Supervisor (Date):** \_\_\_\_\_

**COVERS REVIEW PERIOD FROM:** \_\_\_\_\_ **TO** \_\_\_\_\_

City records indicate that your Performance Appraisal will soon be due. In an effort to better evaluate your work performance, your feedback would be appreciated. Although **NOT REQUIRED**, this is an opportunity for you to reflect on the past months and take an active role in the evaluation process. Please provide responses in a thoughtful manner, and word your sentences as objectively as possible. If you do not wish to participate, please indicate below and return the form to your supervisor within two (2) working days. It is your option to decline, complete all, or any portion of this form. After you submit this form, the original will be retained in the supervisor's file, and a copy will be returned to you. Thank you.

☐ **I do not wish to participate or complete a self-evaluation form.**

☐ **Please attach this form to my annual appraisal.**

**If you elect to participate, please respond to the following questions and return the form to your supervisor within thirty (30) days from today.**

1. What do you feel are your top job-related accomplishments since your last review period?
2. What steps have you taken toward professional advancement since your last review?
3. Have you contributed any ideas to improve work, safety, communications, reduce costs, etc.?
4. In what ways and/or areas could you improve?
5. Please list three to five suggested goals for next evaluation period.

**DISTRIBUTION:** Original to Supervisor  
Copy to Employee

# Hesperia Honors Program Salary Schedule Example Matrix

## Current City Salary Schedule

### Executive Secretary

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
2748	2885	3029	3181	3340

### Planner

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
4059	4262	4475	4699	4934

### Information Systems Manager

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
5091	5346	5613	5894	6189

## Example of Proposed Hesperia Honors Program Salary Schedule

### Executive Secretary

Honors Level	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>
	2748	2803	2859	2916	2975	3034	3095	3157	3220	3284	3350

### Planner

Honors Level	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>
	4059	4140	4223	4307	4394	4481	4571	4663	4756	4851	4948

### Information Systems Manager

Honors Level	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>
	5091	5193	5297	5403	5511	5621	5734	5848	5965	6085	6206

**RESOLUTION NO. 2004-65  
RESOLUTION NO. HCRA 2004-07  
RESOLUTION NO. HFPD 2004-23  
RESOLUTION NO. HWD 2004-14**

**A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA,  
CALIFORNIA, AND THE BOARDS OF THE HESPERIA COMMUNITY  
REDEVELOPMENT AGENCY, THE HESPERIA FIRE PROTECTION DISTRICT  
AND THE HESPERIA WATER DISTRICT APPROVING ORGANIZATIONAL  
POLICY NO. ORG-15, HESPERIA HONORS PROGRAM AND  
PERFORMANCE APPRAISALS**

**WHEREAS**, the City of Hesperia and its subsidiary districts maintain that a pay for performance system known as the Hesperia Honors System is in the best interests of the organization; and

**WHEREAS**, the Council/Boards have approved organizational policy No. ORG-15, Hesperia Honors Program and Performance Appraisals; and

**WHEREAS**, the Council/Boards must adopt an employee salary matrix by resolution.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY OF HESPERIA CITY COUNCIL AS FOLLOWS:**


Section 1. That the recitals above are true and adopted as findings.

Section 2. That organizational policy No. ORG-15 is approved and adopted.


Section 3. That the employee salary matrix attached as Exhibit A is approved and adopted.

Section 4. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**ADOPTED AND APPROVED** this 16<sup>th</sup> day of June 2004.

  
\_\_\_\_\_  
Tad Honeycutt, Mayor/Chair

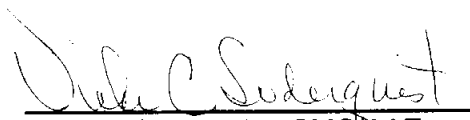

ATTEST:

  
\_\_\_\_\_  
Vicki C. Soderquist, CMC/AEE  
City Clerk/Board Secretary

STATE OF CALIFORNIA           )  
COUNTY OF SAN BERNARDINO   )  
CITY OF HESPERIA               )

I, Vicki C. Soderquist, City Clerk of the City of Hesperia, California, do hereby certify that Resolution No. 2004-65 was duly adopted by the City Council of the City of Hesperia, California at an Adjourned Regular Meeting thereof held on the 16<sup>th</sup> day June 2004 by the following vote to wit:

AYES:           Lindley, Nowicki, Pack, Vogler, and Honeycutt  
NOES:           None  
ABSENT:       None  
ABSTAIN:       None

  
Vicki C. Soderquist, CMC/AEE  
City Clerk  


I, \_\_\_\_\_, City Clerk of the City of Hesperia, California, do hereby certify that the foregoing Resolution No. 2004-65 is a full, true and correct copy of that now in file in this office.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of the City of Hesperia, California, this \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_.

\_\_\_\_\_  
City Clerk

Seal



**CITY POSITION SUMMARIES AND SALARY RANGE TABLES**  
**SALARY RANGE TABLE**

**NON-REPRESENTED FULL-TIME CITY POSITIONS**  
**2004-05 Fiscal Year Budget (Salaries Effective July 1, 2004)**

<b><u>CLASSIFICATION TITLE / RANGE</u></b>	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>4</u></b>	<b><u>5</u></b>	<b><u>6</u></b>	<b><u>7</u></b>	<b><u>8</u></b>	<b><u>9</u></b>	<b><u>10</u></b>	<b><u>11</u></b>
<b><u>GENERAL</u></b>											
Administrative Technician	2617	2669	2722	2776	2832	2889	2947	3006	3066	3127	3190
Construction Inspector	3339	3406	3474	3544	3615	3687	3761	3836	3913	3991	4071
Engineering Aide	2445	2494	2544	2595	2647	2700	2754	2809	2865	2922	2980
Executive Secretary	2748	2803	2859	2916	2974	3034	3095	3157	3220	3284	3350
Maintenance Crew Supervisor	3681	3755	3830	3907	3985	4065	4146	4229	4314	4400	4488
Payroll Analyst	3339	3406	3474	3544	3615	3687	3761	3836	3913	3991	4071
Information Systems Technician	2748	2803	2859	2916	2974	3034	3095	3157	3220	3284	3350
Personnel Technician	2748	2803	2859	2916	2974	3034	3095	3157	3220	3284	3350
Senior Code Enforcement Officer	3339	3406	3474	3544	3615	3687	3761	3836	3913	3991	4071
Senior Community Development Technician	2748	2803	2859	2916	2974	3034	3095	3157	3220	3284	3350
Senior Engineering Technician	3339	3406	3474	3544	3615	3687	3761	3836	3913	3991	4071
Senior Office Assistant	2617	2669	2722	2776	2832	2889	2947	3006	3066	3127	3190
<b><u>PROFESSIONAL/SUPERVISORY</u></b>											
Administrative Analyst	3339	3406	3474	3544	3615	3687	3761	3836	3913	3991	4071
Animal Control Supervisor	3866	3943	4022	4102	4184	4268	4353	4440	4529	4620	4712
Assistant Engineer	4059	4140	4223	4308	4394	4482	4572	4663	4756	4851	4948
Building Inspection Supervisor	3681	3755	3830	3907	3985	4065	4146	4229	4314	4400	4488
Code Enforcement Supervisor	3681	3755	3830	3907	3985	4065	4146	4229	4314	4400	4488
Customer Service Supervisor	3681	3755	3830	3907	3985	4065	4146	4229	4314	4400	4488
Community Development Technician Supervisor	3681	3755	3830	3907	3985	4065	4146	4229	4314	4400	4488
Management Analyst	4059	4140	4223	4308	4394	4482	4572	4663	4756	4851	4948
Plans Examiner	4059	4140	4223	4308	4394	4482	4572	4663	4756	4851	4948
Planner	4059	4140	4223	4308	4394	4482	4572	4663	4756	4851	4948
Personnel Analyst	4059	4140	4223	4308	4394	4482	4572	4663	4756	4851	4948
Project Manager	4059	4140	4223	4308	4394	4482	4572	4663	4756	4851	4948
Secretary to the City Manager	3181	3245	3310	3376	3444	3513	3583	3655	3728	3803	3879
Senior Construction Inspector	3681	3755	3830	3907	3985	4065	4146	4229	4314	4400	4488
<b><u>MANAGEMENT</u></b>											
Deputy Finance Director	6613	6745	6880	7018	7158	7301	7447	7596	7748	7903	8061
Deputy HR/Risk Management Director	6613	6745	6880	7018	7158	7301	7447	7596	7748	7903	8061
Human Resources/Risk Manager	5091	5193	5297	5403	5511	5621	5733	5848	5965	6084	6206
Information Systems Manager	5091	5193	5297	5403	5511	5621	5733	5848	5965	6084	6206
Information Systems Specialist	4262	4347	4434	4523	4614	4706	4800	4896	4994	5094	5196
Principal Planner	5091	5193	5297	5403	5511	5621	5733	5848	5965	6084	6206
Public Information Officer	4475	4565	4656	4749	4844	4941	5040	5141	5244	5349	5456
Public Works Superintendent	4475	4565	4656	4749	4844	4941	5040	5141	5244	5349	5456
Senior Accountant	4475	4565	4656	4749	4844	4941	5040	5141	5244	5349	5456
Senior Development Specialist	4475	4565	4656	4749	4844	4941	5040	5141	5244	5349	5456
Senior Management Analyst	4475	4565	4656	4749	4844	4941	5040	5141	5244	5349	5456
Senior Engineer	5091	5193	5297	5403	5511	5621	5733	5848	5965	6084	6206
Senior Planner	4475	4565	4656	4749	4844	4941	5040	5141	5244	5349	5456
Senior Plans Examiner	4475	4565	4656	4749	4844	4941	5040	5141	5244	5349	5456

**CLASSIFICATION TITLE / RANGE****SENIOR MANAGEMENT**

	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>4</u></b>	<b><u>5</u></b>	<b><u>6</u></b>	<b><u>7</u></b>	<b><u>8</u></b>	<b><u>9</u></b>	<b><u>10</u></b>	<b><u>11</u></b>
Assistant to the City Manager (Unclassified/At-Will)	5091	5193	5297	5403	5511	5621	5733	5848	5965	6084	6206
Deputy City Manager (Unclassified/ At-Will)	8039	8200	8364	8531	8702	8876	9054	9235	9420	9608	9800
City Clerk (Unclassified/At-Will)	5712	5826	5943	6062	6183	6307	6433	6562	6693	6827	6964
Deputy Director of Development Services-Community Development	7291	7437	7586	7738	7893	8051	8212	8376	8544	8715	8889
Deputy Director of Development Services-Economic Development	7291	7437	7586	7738	7893	8051	8212	8376	8544	8715	8889
Director of Development Services-City Engineer (Unclassified/At-Will)	8441	8610	8782	8958	9137	9320	9506	9696	9890	10088	10290
Director of Management Services (Unclassified/At-Will)	8039	8200	8364	8531	8702	8876	9054	9235	9420	9608	9800

# City of Hesperia

## STAFF REPORT



**DATE:** March 20, 2018

**TO:** Mayor and City Council  
Chair and Board Members, Hesperia Fire Protection District

**FROM:** Nils Bentsen, City Manager

**BY:** Michael Blay, Assistant City Manager

**SUBJECT:** Annexation to San Bernardino County Fire Protection District North Desert Service Zone and the Divestiture of the Functions of Fire, Emergency Medical Response and Ambulance from the Hesperia Fire Protection District

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### RECOMMENDED ACTION

It is recommended that the City Council and Board Members of the Hesperia Fire Protection District Board adopt Joint Resolution 2018-20 and HFPD 2018-05 approving the annexation of the Hesperia Fire Protection District into the San Bernardino County Fire Protection District-North Desert Service Zone and the divestiture of the functions of Fire, Emergency Medical Response and Ambulance. This action approves the property tax sharing agreement and pass-through revenue sharing agreement between the City of Hesperia, the Hesperia Fire Protection District, the San Bernardino County Fire Protection District, and the County of San Bernardino.

### BACKGROUND

On March 13, 2017, the Hesperia Fire Protection District (HFPD) submitted an application to the San Bernardino County Local Agency Formation Commission (LAFCO) to annex approximately 48,000 acres located within the boundaries of HFPD to the San Bernardino County Fire Protection District (SBCFPD), and its North Desert Service Zone. This change of organization, if approved, will entail the transfer of Hesperia Fire's assets, obligations, liabilities and responsibilities to SBCFPD and its related service zone. The application states the reason for the proposed annexation into the SBCFPD is to fully integrate the operations of Hesperia Fire into the San Bernardino County structure and to take advantage of the economies of scale available within the county-wide organization. SBCFPD currently serves the residents of Hesperia Fire via a contract for services.

On June 7, 2017 LAFCO issued a Notice of Filing (NOF) notifying the affected agencies of the reorganization proposal. The NOF requires the San Bernardino County Auditor-Controller to estimate the property tax revenue and proportions by agency, which is used to establish the property tax revenue amounts to be transferred. A determination of the property tax revenue associated with the jurisdictional change must occur prior to issuance of the Certificate of Filing by LAFCO. The property tax exchange associated with this action will only be effective upon completion of the reorganization proceedings. In accordance with Section 99 of the California Revenue and Taxation Code, both the City Council and the County Board of Supervisors must adopt resolutions related to this property tax exchange. The Board of Supervisors is responsible for acting on behalf of all special districts (board-governed or independent).

The SBCFPD estimates that in addition to the property tax revenue transfer from Hesperia Fire of \$3.5 million, there will be other revenues available to fund services beginning in 2018-19 as follows:

- \$0.7 million in additional property related revenue associated with the property tax transfer from Hesperia Fire. This amount includes estimated supplemental property taxes, unitary taxes, delinquent penalties and interest, former Redevelopment Agency (RDA) pass-through (other than the pass-through of the Hesperia RDA discussed in the financial impact section) and former RDA residual revenue.
- \$3.6 million of revenue from operations which includes ambulance fees, charges for services, household hazardous waste and fire prevention fees.
- \$0.9 million in special tax revenue from existing Community Facilities Districts.
- \$0.1 million in projected 2018-19 revenue growth on the property tax transfer (of \$3.5 million) from Hesperia Fire.

The SBCFPD anticipates that the cost of providing services to the annexation area in 2018-19 will be approximately \$11.2 million. However, the total of the anticipated revenues outlined above, including the property tax transfer, total only \$8.8 million, leaving a funding gap of \$2.4 million. This funding gap is caused by the terms of the two negotiated pass-through agreements between Hesperia Fire and the Hesperia RDA that are discussed in the Financial Impact section. There are currently no guidelines on the transfer of revenue from negotiated pass-through agreements, for agreements whose terms do not address this type of jurisdictional change. The Revenue Sharing Agreement will act as a backstop to the Pass-Through Revenue Sharing Agreement should it be necessary.

LAFCO has expressed concern on the financial sustainability of this Reorganization. This Reorganization would provide the same level of service currently provided in the Hesperia Fire Protection District. SBCFPD believes this Reorganization is financially sustainable based on the 5 Year Fiscal Impact Analysis provided to LAFCO, as well as additional Ground Emergency Medical Transportation revenue not included in the analysis. Additionally, decreases in retirement costs and continued revenue increases from redevelopment agency dissolution are anticipated outside the 5 year period covered by the Fiscal Impact Analysis.

## **ISSUES/ANALYSIS**

The City of Hesperia is currently served by the San Bernardino County Fire Department for fire services by way of a contractual agreement. As a result, the City receives services for Fire, Emergency Medical Response, and Ambulance from County Fire. While the County provides personnel for these services, the City is responsible for fire station buildings, fire vehicles, ambulances, and equipment. Annexation of the Hesperia Fire Protection District to the San Bernardino County Fire Protection District will transfer the responsibility for all aspects of the Fire service to SBCFPD including buildings and equipment. It will also result in the transfer of revenue from HFPD to SBCFPD with a revenue sharing agreement in place. The revenue sharing agreement will allow for a portion of this revenue to return to the City to pay for legacy inactive PERS obligations owed by the HFPD for former employees. When completed, the annexation will relieve the City (HFPD) of its obligation to provide Fire Service within the City limits and transfer this obligation in its entirety to the County (SBCFPD).

In order to proceed further in the LAFCO process, both the City Council (HFPD Board) as well as the County Board of Supervisors (SBCFPD Board) must approve the tax revenue sharing

agreements as resolutions. Failure to pass the resolutions will result in a discontinuance of the process. Should either governing body elect not to pass the resolutions, fire protection services will continue to be the responsibility of HFPD.

## **FISCAL IMPACT**

Approval of this item will enable the Hesperia Fire Protection District to annex to the San Bernardino County Fire Protection District and allow for a funding stream to pay the Hesperia District's long term pension costs.

A determination of the property tax revenue transfer associated with the reorganization must occur prior to issuance of the Certificate of Filing by the Local Agency Formation Commission (LAFCO). The property tax transfer associated with this action shall only be effective upon satisfactory completion of the annexation proceedings.

The recommended redistribution of property tax revenue as a result of the pending reorganization related to LAFCO 3218, for the provision of fire suppression and emergency medical services by the SBCFPD, and to provide for payment of the unfunded retirement obligations of the Hesperia Fire Protection District (Hesperia Fire) as well as other City costs, is as follows:

<b>AFFECTED AGENCY</b>	<b>TRANSFER TO <sup>(1)</sup></b>	<b>TRANSFER FROM <sup>(1)</sup></b>
Hesperia Fire Protection District		3,832,313
San Bernardino County Fire Protection District - Administration	207,588	
San Bernardino County Fire Protection District – North Desert Service Zone	3,252,217	
City of Hesperia	372,508	

- (1) The transfer amounts above will be adjusted to account for growth in assessed valuation, with the intention to transfer 90.2798% of Hesperia Fire's ad valorem property taxes to the SBCFPD (6% to Administration and 94% to the North Desert Service Zone), and 9.7202% of the Hesperia Fire's ad valorem property taxes to the City of Hesperia.

In addition to the property tax revenue transfer detailed above, the property tax increment revenue from negotiated pass-through agreements resulting from the former City of Hesperia Community Redevelopment Agency (Hesperia RDA) project areas, currently received by Hesperia Fire, must also be transferred to SBCFPD and the City. However, these negotiated pass-through agreements, by their terms, preclude the transfer of this tax increment revenue to a successor entity. As a result, LAFCO is requiring a contractual agreement to direct the County Auditor-Controller to transfer the tax increment from these agreements consistent with the property tax transfer percentages above. Approval of the Pass-Through Revenue Sharing Agreement (Exhibit "C") will address this LAFCO condition of approval.

The resolution also approves a Revenue Sharing Agreement (Exhibit "D") that will be implemented if the Pass-Through Revenue Sharing Agreement cannot be implemented or enforced. This Revenue Sharing Agreement would temporarily reverse the property tax transfer above (as shown in Exhibit "B"), which would return this property tax revenue to Hesperia Fire. As a party to the two negotiated pass-through agreements in question, the tax increment revenue would also return to Hesperia Fire. Pursuant to this agreement, this revenue would then be transferred to the SBCFPD and the City consistent with the percentages noted above. If

this occurs, the property tax revenue transfer identified in Exhibit “A” will be permanently reinstated when the Negotiated Pass-Through Agreements have expired.

## **ALTERNATIVES**

Provide alternative direction to staff.

## **ATTACHMENTS**

1. Joint Resolution No. 2018-20 & HFPD 2018-05 and attachments:
  - Exhibit A – LAFCO 3218 Property Tax Exchange
  - Exhibit B – LAFCO 3218 Property Tax Revenue Exchange
  - Exhibit C – LAFCO 3218 Pass-Through Revenue Sharing Agreement
  - Exhibit D – LAFCO 3218 Revenue Sharing Agreement

**JOINT RESOLUTION NO. 2018-20  
RESOLUTION HFPD 2018-05**

**A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, AND BOARD OF DIRECTORS OF THE HESPERIA FIRE PROTECTION DISTRICT, DETERMINING THE AMOUNT OF PROPERTY TAX REVENUES TO BE EXCHANGED AMONG THE HESPERIA FIRE PROTECTION DISTRICT, THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT, ITS NORTH DESERT SERVICE ZONE AND THE CITY OF HESPERIA, RESULTING FROM THE JURISDICTIONAL CHANGE DESCRIBED BY LAFCO 3218 ENCOMPASSING THE JURISDICTIONAL BOUNDARIES OF THE HESPERIA FIRE PROTECTION DISTRICT**

**WHEREAS,** On March 13, 2017, the Hesperia Fire Protection District ("District") submitted an application to the Local Agency Formation Commission ("LAFCO") to annex approximately 48,000 acres located within the boundaries of the District to the San Bernardino County Fire Protection District ("SBCFPD") and its North Desert Service Zone. This change of organization, if approved, will entail the transfer of the District's assets, obligations, liabilities and responsibilities to SBCFPD and its related service zone. SBCFPD currently serves the residents of the District via a contract for services; and

**WHEREAS,** On June 7, 2017 LAFCO issued a Notice of Filing (NOF) notifying the affected agencies of the reorganization proposal. The NOF requires the San Bernardino County Auditor-Controller to estimate the property tax revenue and proportions by agency, which is used to establish the property tax revenue amounts to be transferred. The property tax exchange associated with this action will only be effective upon completion of the reorganization proceedings. In accordance with Section 99 of the California Revenue and Taxation Code, both the City Council of the City of Hesperia ("City") and the Board of Supervisors (Board) must adopt resolutions related to this property tax exchange since revenues are to be distributed to both special districts and the City.

**NOW THEREFORE,** BE IT RESOLVED BY THE CITY OF HESPERIA CITY COUNCIL AND BOARD OF DIRECTORS OF THE HESPERIA FIRE PROTECTION DISTRICT AS FOLLOWS:

Section 1. The City Council and Board of Directors hereby finds and determines that:

- A. Pursuant to Section 99 of the Revenue and Taxation Code, prior to the issuance of a Certificate of Filing by the Local Agency Formation Commission Executive Officer, the governing bodies of all local agencies whose service responsibilities will be altered by change of organization shall negotiate and determine by resolution the amount of property tax revenues to be exchanged among such local agencies.
- B. Except as provided in Section 99.1 of the Revenue and Taxation Code, in the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the Board of Supervisors shall, on behalf of all special districts, negotiate any exchange of property tax revenues.

- C. The Board of Supervisors of the County of San Bernardino and the City Council of the City of Hesperia have determined the amount of property tax revenues to be exchanged as a result of the following jurisdictional change:

**LAFCO 3218 – REORGANIZATION TO INCLUDE ANNEXATIONS TO SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT, ITS NORTH DESERT SERVICE ZONE, AND THE DIVESTITURE OF THE FUNCTIONS OF FIRE, EMERGENCY MEDICAL RESPONSE AND AMBULANCE FROM THE HESPERIA FIRE PROTECTION DISTRICT**

- D. This jurisdictional change will affect the following “Negotiated Pass-Through Agreements” between the City of Hesperia Community Redevelopment Agency and the Hesperia Fire Protection District: (a) “Capital Facilities Agreement and Agreement for Reimbursement of Tax Increment Funds” dated July 15, 1993 (Attachment 1 to Exhibit “C” hereto); and (b) the “Capital Facilities Agreement and Agreement for Reimbursement of Tax Increment Funds” dated December 29, 1993 (Attachment 2 to Exhibit “C” hereto).
- E. It is necessary that the attached Pass-Through Revenue Sharing Agreement (Exhibit “C” hereto) shall be approved by the City, the District, the SBCFPD and the County of San Bernardino (County) in order to maintain the current pass-through revenue stream to the District for the Negotiated Pass-Through Agreements between the District and the Hesperia Community Redevelopment Agency.
- F. It may be necessary to temporarily discontinue the transfer of property tax revenues to SBCFPD and the City from the District if the Pass-Through Revenue Sharing Agreement cannot be implemented or enforced as a result of a final court judgment, state law or regulation change, state action or any action or proceeding by a third party that affects the Pass-Through Revenue Sharing Agreement, until the Negotiated Pass-Through Agreements have expired.

Section 2. The City Council and Board of Directors hereby resolves and orders that:

- A. The negotiated exchange of property tax revenue among the District, City, SBCFPD and its North Desert Service Zone, attached hereto as Exhibit “A” and incorporated herein by reference, resulting from the above described jurisdictional change(s), is hereby accepted.
- B. The Pass-Through Revenue Sharing Agreement attached hereto as Exhibit “C” and the Revenue Sharing Agreement attached hereto as Exhibit “D” are hereby approved, subject to the filing of the Certificate of Completion for LAFCO 3218. The Revenue Sharing Agreement shall only be implemented if one or more of the triggers identified in Section 5 of the Pass-Through Revenue Sharing Agreement occur. If the Certificate of Completion is not issued for LAFCO 3218, both agreements automatically terminate.
- C. If the County Auditor-Controller/Treasurer/Tax Collector notifies the County Chief Executive Officer that the Pass-Through Revenue Sharing Agreement cannot be implemented or enforced as described in Section 1(F) above, the County Chief Executive Officer, upon receipt of such notice and in consultation with County Counsel, shall provide notice to the City, the District, and the SBCFPD that the Pass-Through Revenue Sharing Agreement has terminated and the Revenue Sharing Agreement is



being implemented. The Revenue Sharing Agreement will temporarily implement the property tax revenue exchange in Exhibit "B" to this Resolution. The property tax revenue exchange identified in Exhibit "A" will be permanently reinstated when the Negotiated Pass-Through Agreements expire.

- D. The annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change shall be allocated in future years pursuant to the provisions of Section 98 of the Revenue and Taxation Code.

Section 3. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions, and shall cause a certified copy to be sent to the Executive Officer of the Local Agency Formation Commission of the County of San Bernardino.

**ADOPTED AND APPROVED** this 20<sup>th</sup> day of March, 2018.

\_\_\_\_\_  
Bill Holland, Mayor Pro Tem/Vice Chair

ATTEST:

\_\_\_\_\_  
Melinda Sayre  
City Clerk

**EXHIBIT “A”**

**NEGOTIATED EXCHANGE OF  
PROPERTY TAX REVENUE AMONG THE DISTRICT  
CITY, SBCFPD AND ITS NORTH DESERT SERVICE ZONE**

[Attached behind this page]

LAFCO 3218

Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,  
and the Divestiture of the Functions of Fire, Emergency Medical Response and Ambulance from Hesperia Fire Protection District

Exhibit A

TAX RATE AREA		20003	20004	20007	20008	20009
	Assessed Value	\$ 1,653,047	\$ 21,125	\$ 89,079,309	\$ -	\$ 21,975,750
	RDA Increment	\$ -	\$ 16,845	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 1,653,047	\$ 4,280	\$ 89,079,309	\$ -	\$ 21,975,750
	Tax Revenue	\$ 16,530	\$ 43	\$ 890,793	\$ -	\$ 219,758
		Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18
	Negotiated Percentage					
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ (2,536)	\$ (7)	\$ (136,721)	\$ -	\$ (33,216)
Total Transfers From		\$ (2,536)	\$ (7)	\$ (136,721)	\$ -	\$ (33,216)
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ 2,152	\$ 6	\$ 116,026	\$ -	\$ 28,188
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ 137	\$ 0	\$ 7,406	\$ -	\$ 1,799
CITY OF HESPERIA	9.7202%	\$ 247	\$ 1	\$ 13,290	\$ -	\$ 3,229
Total Transfers To		\$ 2,536	\$ 7	\$ 136,721	\$ -	\$ 33,216
TAX RATE AREA		20010	20012	20013	20015	20016
	Assessed Value	\$ 230,846,337	\$ -	\$ -	\$ 3,472,496	\$ -
	RDA Increment	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 230,846,337	\$ -	\$ -	\$ 3,472,496	\$ -
	Tax Revenue	\$ 2,308,463	\$ -	\$ -	\$ 34,725	\$ -
		Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18
	Negotiated Percentage					
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ (354,255)	\$ -	\$ -	\$ (5,374)	\$ -
Total Transfers From		\$ (354,255)	\$ -	\$ -	\$ (5,374)	\$ -
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ 300,632	\$ -	\$ -	\$ 4,560	\$ -
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ 19,189	\$ -	\$ -	\$ 291	\$ -
CITY OF HESPERIA	9.7202%	\$ 34,434	\$ -	\$ -	\$ 522	\$ -
Total Transfers To		\$ 354,255	\$ -	\$ -	\$ 5,374	\$ -

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Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,  
and the Divestiture of the Functions of Fire, Emergency Medical Response and Ambulance from Hesperia Fire Protection District

Exhibit A

TAX RATE AREA		20018	20019	20020	20021	20022
	Assessed Value	\$ 3,095,199	\$ 116,033,694	\$ -	\$ -	\$ 4,748,640
	RDA Increment	\$ -	\$ 109,689,239	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 3,095,199	\$ 6,344,455	\$ -	\$ -	\$ 4,748,640
	Tax Revenue	\$ 30,952	\$ 63,445	\$ -	\$ -	\$ 47,486
		Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18
	Negotiated Percentage					
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ (5,016)	\$ (9,490)	\$ -	\$ -	\$ (7,285)
Total Transfers From		\$ (5,016)	\$ (9,490)	\$ -	\$ -	\$ (7,285)
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ 4,256	\$ 8,054	\$ -	\$ -	\$ 6,182
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ 272	\$ 514	\$ -	\$ -	\$ 395
CITY OF HESPERIA	9.7202%	\$ 488	\$ 922	\$ -	\$ -	\$ 708
Total Transfers To		\$ 5,016	\$ 9,490	\$ -	\$ -	\$ 7,285
TAX RATE AREA		20023	20024	20025	20027	20028
	Assessed Value	\$ 4,753,676	\$ 19,645,406	\$ 1,210,821	\$ 6,043,052	\$ -
	RDA Increment	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 4,753,676	\$ 19,645,406	\$ 1,210,821	\$ 6,043,052	\$ -
	Tax Revenue	\$ 47,537	\$ 196,454	\$ 12,108	\$ 60,431	\$ -
		Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18
	Negotiated Percentage					
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ (7,295)	\$ (30,153)	\$ (1,877)	\$ (9,268)	\$ -
Total Transfers From		\$ (7,295)	\$ (30,153)	\$ (1,877)	\$ (9,268)	\$ -
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ 6,191	\$ 25,589	\$ 1,593	\$ 7,865	\$ -
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ 395	\$ 1,633	\$ 102	\$ 502	\$ -
CITY OF HESPERIA	9.7202%	\$ 709	\$ 2,931	\$ 182	\$ 901	\$ -
Total Transfers To		\$ 7,295	\$ 30,153	\$ 1,877	\$ 9,268	\$ -

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Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,  
and the Divestiture of the Functions of Fire, Emergency Medical Response and Ambulance from Hesperia Fire Protection District

Exhibit A

TAX RATE AREA		20029	20032	20033	20036	20037
	Assessed Value	\$ 38,851,324	\$ -	\$ 375,619,875	\$ 3,686	\$ 10,287,375
	RDA Increment	\$ -	\$ -	\$ 228,636,899	\$ -	\$ 9,933,640
	Net Value After RDA / TRA Frozen Base	\$ 38,851,324	\$ -	\$ 146,982,976	\$ 3,686	\$ 353,735
	Tax Revenue	\$ 388,513	\$ -	\$ 1,469,830	\$ 37	\$ 3,537
		Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18
	Negotiated Percentage					
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ (58,724)	\$ -	\$ (225,452)	\$ (6)	\$ (530)
Total Transfers From		\$ (58,724)	\$ -	\$ (225,452)	\$ (6)	\$ (530)
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ 49,835	\$ -	\$ 191,325	\$ 5	\$ 449
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ 3,181	\$ -	\$ 12,212	\$ 0	\$ 29
CITY OF HESPERIA	9.7202%	\$ 5,708	\$ -	\$ 21,914	\$ 1	\$ 51
Total Transfers To		\$ 58,724	\$ -	\$ 225,452	\$ 6	\$ 530
TAX RATE AREA		20038	20039	20042	20043	20044
	Assessed Value	\$ 24,555,282	\$ 10,234,817	\$ -	\$ -	\$ 93,158,487
	RDA Increment	\$ -	\$ -	\$ -	\$ -	\$ 93,158,487
	Net Value After RDA / TRA Frozen Base	\$ 24,555,282	\$ 10,234,817	\$ -	\$ -	\$ -
	Tax Revenue	\$ 245,553	\$ 102,348	\$ -	\$ -	\$ -
		Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18
	Negotiated Percentage					
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ (36,745)	\$ (15,706)	\$ -	\$ -	\$ -
Total Transfers From		\$ (36,745)	\$ (15,706)	\$ -	\$ -	\$ -
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ 31,183	\$ 13,328	\$ -	\$ -	\$ -
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ 1,990	\$ 851	\$ -	\$ -	\$ -
CITY OF HESPERIA	9.7202%	\$ 3,572	\$ 1,527	\$ -	\$ -	\$ -
Total Transfers To		\$ 36,745	\$ 15,706	\$ -	\$ -	\$ -

LAFCO 3218

Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,  
and the Divestiture of the Functions of Fire, Emergency Medical Response and Ambulance from Hesperia Fire Protection District

Exhibit A

TAX RATE AREA		20045	20050	20051	20052	20053
	Assessed Value	\$ 104,552,894	\$ 7,003,901	\$ 4,967,285	\$ 401,921	\$ 416,581
	RDA Increment	\$ 97,890,169	\$ -	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 6,662,725	\$ 7,003,901	\$ 4,967,285	\$ 401,921	\$ 416,581
	Tax Revenue	\$ 66,627	\$ 70,039	\$ 49,673	\$ 4,019	\$ 4,166
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ (10,221)	\$ (10,742)	\$ (7,961)	\$ (616)	\$ (640)
Total Transfers From		\$ (10,221)	\$ (10,742)	\$ (7,961)	\$ (616)	\$ (640)
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ 8,674	\$ 9,116	\$ 6,756	\$ 523	\$ 543
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ 554	\$ 582	\$ 431	\$ 33	\$ 35
CITY OF HESPERIA	9.7202%	\$ 993	\$ 1,044	\$ 774	\$ 60	\$ 62
Total Transfers To		\$ 10,221	\$ 10,742	\$ 7,961	\$ 616	\$ 640
TAX RATE AREA		20054	20055	20056	20057	20058
	Assessed Value	\$ 2,050,674	\$ -	\$ -	\$ -	\$ 13,888,726
	RDA Increment	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 2,050,674	\$ -	\$ -	\$ -	\$ 13,888,726
	Tax Revenue	\$ 20,507	\$ -	\$ -	\$ -	\$ 138,887
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ (3,145)	\$ -	\$ -	\$ -	\$ (21,289)
Total Transfers From		\$ (3,145)	\$ -	\$ -	\$ -	\$ (21,289)
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ 2,669	\$ -	\$ -	\$ -	\$ 18,067
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ 170	\$ -	\$ -	\$ -	\$ 1,153
CITY OF HESPERIA	9.7202%	\$ 306	\$ -	\$ -	\$ -	\$ 2,069
Total Transfers To		\$ 3,145	\$ -	\$ -	\$ -	\$ 21,289

LAFCO 3218

Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,  
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Exhibit A

TAX RATE AREA		20060	20061	20063	20064	20065
	Assessed Value	\$ 5,618,698	\$ 419,111	\$ 282,007	\$ 271,113	\$ 1,565,707
	RDA Increment	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 5,618,698	\$ 419,111	\$ 282,007	\$ 271,113	\$ 1,565,707
	Tax Revenue	\$ 56,187	\$ 4,191	\$ 2,820	\$ 2,711	\$ 15,657
		Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18
	Negotiated Percentage					
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ (8,619)	\$ (643)	\$ (429)	\$ (416)	\$ (2,402)
Total Transfers From		\$ (8,619)	\$ (643)	\$ (429)	\$ (416)	\$ (2,402)
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ 7,314	\$ 546	\$ 364	\$ 353	\$ 2,038
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ 467	\$ 35	\$ 23	\$ 23	\$ 130
CITY OF HESPERIA	9.7202%	\$ 838	\$ 63	\$ 42	\$ 40	\$ 233
Total Transfers To		\$ 8,619	\$ 643	\$ 429	\$ 416	\$ 2,402
TAX RATE AREA		20067	20069	20070	20072	20074
	Assessed Value	\$ 575,658	\$ 13,100,982	\$ 10,338,762	\$ 70,556,690	\$ 112,644,579
	RDA Increment	\$ -	\$ -	\$ -	\$ 66,102,050	\$ 71,703,957
	Net Value After RDA / TRA Frozen Base	\$ 575,658	\$ 13,100,982	\$ 10,338,762	\$ 4,454,640	\$ 40,940,622
	Tax Revenue	\$ 5,757	\$ 131,010	\$ 103,388	\$ 44,546	\$ 409,406
		Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18
	Negotiated Percentage					
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ (894)	\$ (20,994)	\$ (15,875)	\$ (6,833)	\$ (62,797)
Total Transfers From		\$ (894)	\$ (20,994)	\$ (15,875)	\$ (6,833)	\$ (62,797)
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ 759	\$ 17,817	\$ 13,472	\$ 5,798	\$ 53,292
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ 48	\$ 1,137	\$ 860	\$ 370	\$ 3,402
CITY OF HESPERIA	9.7202%	\$ 87	\$ 2,041	\$ 1,543	\$ 664	\$ 6,104
Total Transfers To		\$ 894	\$ 20,994	\$ 15,875	\$ 6,833	\$ 62,797



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Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,  
and the Divestiture of the Functions of Fire, Emergency Medical Response and Ambulance from Hesperia Fire Protection District

Exhibit A

TAX RATE AREA		20076	20077	20079	20080	20082
	Assessed Value	\$ -	\$ 2,040,974	\$ 10,916,814	\$ 146,558,099	\$ 126,119,145
	RDA Increment	\$ -	\$ -	\$ -	\$ 83,935,992	\$ 66,627,367
	Net Value After RDA / TRA Frozen Base	\$ -	\$ 2,040,974	\$ 10,916,814	\$ 62,622,107	\$ 59,491,778
	Tax Revenue	\$ -	\$ 20,410	\$ 109,168	\$ 626,221	\$ 594,918
		Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18
	Negotiated Percentage					
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ -	\$ (3,130)	\$ (16,753)	\$ (96,055)	\$ (91,252)
Total Transfers From		\$ -	\$ (3,130)	\$ (16,753)	\$ (96,055)	\$ (91,252)
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ -	\$ 2,656	\$ 14,217	\$ 81,515	\$ 77,439
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ -	\$ 170	\$ 907	\$ 5,203	\$ 4,943
CITY OF HESPERIA	9.7202%	\$ -	\$ 304	\$ 1,628	\$ 9,337	\$ 8,870
Total Transfers To		\$ -	\$ 3,130	\$ 16,753	\$ 96,055	\$ 91,252
TAX RATE AREA		20083	20084	20085	20086	20087
	Assessed Value	\$ 79,676,065	\$ 10,490,761	\$ 2,638,840	\$ 18,312,439	\$ -
	RDA Increment	\$ -	\$ -	\$ 1,742,298	\$ 8,475,977	\$ (428,141)
	Net Value After RDA / TRA Frozen Base	\$ 79,676,065	\$ 10,490,761	\$ 896,542	\$ 9,836,462	\$ -
	Tax Revenue	\$ 796,761	\$ 104,908	\$ 8,965	\$ 98,365	\$ -
		Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18
	Negotiated Percentage					
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ (122,258)	\$ (16,097)	\$ (1,375)	\$ (15,088)	\$ -
Total Transfers From		\$ (122,258)	\$ (16,097)	\$ (1,375)	\$ (15,088)	\$ -
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ 103,751	\$ 13,661	\$ 1,167	\$ 12,804	\$ -
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ 6,622	\$ 872	\$ 74	\$ 817	\$ -
CITY OF HESPERIA	9.7202%	\$ 11,884	\$ 1,565	\$ 134	\$ 1,467	\$ -
Total Transfers To		\$ 122,258	\$ 16,097	\$ 1,375	\$ 15,088	\$ -

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Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,  
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Exhibit A

TAX RATE AREA		20088	20089	20090	20092	20093
	Assessed Value	\$ 163,765,173	\$ -	\$ 2,167,917,493	\$ 395,926,793	\$ 11,258
	RDA Increment	\$ 95,368,688	\$ -	\$ 1,194,812,901	\$ 354,371,667	\$ 3,870
	Net Value After RDA / TRA Frozen Base	\$ 68,396,485	\$ -	\$ 973,104,592	\$ 41,555,126	\$ 7,388
	Tax Revenue	\$ 683,965	\$ -	\$ 9,731,046	\$ 415,551	\$ 74
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ (104,913)	\$ -	\$ (1,492,651)	\$ (63,740)	\$ (11)
Total Transfers From		\$ (104,913)	\$ -	\$ (1,492,651)	\$ (63,740)	\$ (11)
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ 89,032	\$ -	\$ 1,266,709	\$ 54,092	\$ 10
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ 5,683	\$ -	\$ 80,854	\$ 3,453	\$ 1
CITY OF HESPERIA	9.7202%	\$ 10,198	\$ -	\$ 145,088	\$ 6,196	\$ 1
Total Transfers To		\$ 104,913	\$ -	\$ 1,492,651	\$ 63,740	\$ 11
TAX RATE AREA		20094	20095	20096	20097	20101
	Assessed Value	\$ 393,149,713	\$ -	\$ 12,183,447	\$ 185,898,843	\$ 16,782,006
	RDA Increment	\$ 229,038,069	\$ -	\$ 3,457,915	\$ 174,417,539	\$ 6,584,617
	Net Value After RDA / TRA Frozen Base	\$ 164,111,644	\$ -	\$ 8,725,532	\$ 11,481,304	\$ 10,197,389
	Tax Revenue	\$ 1,641,116	\$ -	\$ 87,255	\$ 114,813	\$ 101,974
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ (251,726)	\$ -	\$ (13,384)	\$ (17,612)	\$ (15,642)
Total Transfers From		\$ (251,726)	\$ -	\$ (13,384)	\$ (17,612)	\$ (15,642)
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ 213,622	\$ -	\$ 11,358	\$ 14,946	\$ 13,274
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ 13,635	\$ -	\$ 725	\$ 954	\$ 847
CITY OF HESPERIA	9.7202%	\$ 24,468	\$ -	\$ 1,301	\$ 1,712	\$ 1,520
Total Transfers To		\$ 251,726	\$ -	\$ 13,384	\$ 17,612	\$ 15,642

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Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,  
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Exhibit A

TAX RATE AREA		20102	20103	20104	20105	20106
	Assessed Value	\$ 113,280,978	\$ 4,110,484	\$ 6,519,609	\$ 695,296	\$ 75,436,544
	RDA Increment	\$ 71,792,892	\$ 1,879,784	\$ 4,482,762	\$ 458,607	\$ 53,831,782
	Net Value After RDA / TRA Frozen Base	\$ 41,488,086	\$ 2,230,700	\$ 2,036,847	\$ 236,689	\$ 21,604,762
	Tax Revenue	\$ 414,881	\$ 22,307	\$ 20,368	\$ 2,367	\$ 216,048
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ (63,639)	\$ (3,424)	\$ (3,125)	\$ (363)	\$ (33,139)
Total Transfers From		\$ (63,639)	\$ (3,424)	\$ (3,125)	\$ (363)	\$ (33,139)
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ 54,006	\$ 2,905	\$ 2,652	\$ 308	\$ 28,123
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ 3,447	\$ 185	\$ 169	\$ 20	\$ 1,795
CITY OF HESPERIA	9.7202%	\$ 6,186	\$ 333	\$ 304	\$ 35	\$ 3,221
Total Transfers To		\$ 63,639	\$ 3,424	\$ 3,125	\$ 363	\$ 33,139
TAX RATE AREA		20107	20108	20109	20110	20111
	Assessed Value	\$ -	\$ 181,189,707	\$ -	\$ 20,171,793	\$ -
	RDA Increment	\$ -	\$ 110,795,463	\$ -	\$ 10,995,384	\$ -
	Net Value After RDA / TRA Frozen Base	\$ -	\$ 70,394,244	\$ -	\$ 9,176,409	\$ -
	Tax Revenue	\$ -	\$ 703,942	\$ -	\$ 91,764	\$ -
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ -	\$ (107,980)	\$ -	\$ (14,084)	\$ -
Total Transfers From		\$ -	\$ (107,980)	\$ -	\$ (14,084)	\$ -
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ -	\$ 91,635	\$ -	\$ 11,952	\$ -
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ -	\$ 5,849	\$ -	\$ 763	\$ -
CITY OF HESPERIA	9.7202%	\$ -	\$ 10,496	\$ -	\$ 1,369	\$ -
Total Transfers To		\$ -	\$ 107,980	\$ -	\$ 14,084	\$ -

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Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,  
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Exhibit A

TAX RATE AREA		20112	20113	20114	20115	20116
	Assessed Value	\$ -	\$ 14,168,993	\$ 18,600,482	\$ 2,786,560	\$ 3,811,050
	RDA Increment	\$ -	\$ 13,457,795	\$ 15,042,065	\$ 2,704,317	\$ -
	Net Value After RDA / TRA Frozen Base	\$ -	\$ 711,198	\$ 3,558,417	\$ 82,243	\$ 3,811,050
	Tax Revenue	\$ -	\$ 7,112	\$ 35,584	\$ 822	\$ 38,111
		Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18
	Negotiated Percentage					
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ -	\$ (1,091)	\$ (5,703)	\$ (126)	\$ (5,847)
Total Transfers From		\$ -	\$ (1,091)	\$ (5,703)	\$ (126)	\$ (5,847)
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ -	\$ 926	\$ 4,840	\$ 107	\$ 4,962
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ -	\$ 59	\$ 309	\$ 7	\$ 317
CITY OF HESPERIA	9.7202%	\$ -	\$ 106	\$ 554	\$ 12	\$ 568
Total Transfers To		\$ -	\$ 1,091	\$ 5,703	\$ 126	\$ 5,847
TAX RATE AREA		20117	20118	20119	20120	20121
	Assessed Value	\$ 128,243	\$ 30,858,525	\$ 12,950,768	\$ 4,355,821	\$ 5,724,509
	RDA Increment	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 128,243	\$ 30,858,525	\$ 12,950,768	\$ 4,355,821	\$ 5,724,509
	Tax Revenue	\$ 1,282	\$ 308,585	\$ 129,508	\$ 43,558	\$ 57,245
		Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18
	Negotiated Percentage					
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ (199)	\$ (47,276)	\$ (20,696)	\$ (6,671)	\$ (8,769)
Total Transfers From		\$ (199)	\$ (47,276)	\$ (20,696)	\$ (6,671)	\$ (8,769)
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ 169	\$ 40,120	\$ 17,563	\$ 5,661	\$ 7,442
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ 11	\$ 2,561	\$ 1,121	\$ 361	\$ 475
CITY OF HESPERIA	9.7202%	\$ 19	\$ 4,595	\$ 2,012	\$ 648	\$ 852
Total Transfers To		\$ 199	\$ 47,276	\$ 20,696	\$ 6,671	\$ 8,769

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Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,  
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Exhibit A

TAX RATE AREA		20122	20124	20125	20127	54011
	Assessed Value	\$ 6,509,869	\$ 17,628,645	\$ 21,068,901	\$ 2,314,195	\$ 1,332,733
	RDA Increment	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 6,509,869	\$ 17,628,645	\$ 21,068,901	\$ 2,314,195	\$ 1,332,733
	Tax Revenue	\$ 65,099	\$ 176,286	\$ 210,689	\$ 23,142	\$ 13,327
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ (9,970)	\$ (26,989)	\$ (33,671)	\$ (3,698)	\$ -
Total Transfers From		\$ (9,970)	\$ (26,989)	\$ (33,671)	\$ (3,698)	\$ -
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ 8,461	\$ 22,904	\$ 28,574	\$ 3,138	\$ -
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ 540	\$ 1,462	\$ 1,824	\$ 200	\$ -
CITY OF HESPERIA	9.7202%	\$ 969	\$ 2,623	\$ 3,273	\$ 359	\$ -
Total Transfers To		\$ 9,970	\$ 26,989	\$ 33,671	\$ 3,698	\$ -
TAX RATE AREA		54066	54086	79001	79003	79018
	Assessed Value	\$ -	\$ 39,027,179	\$ -	\$ -	\$ -
	RDA Increment	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ -	\$ 39,027,179	\$ -	\$ -	\$ -
	Tax Revenue	\$ -	\$ 390,272	\$ -	\$ -	\$ -
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER FROM</b>						
HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transfers From		\$ -	\$ -	\$ -	\$ -	\$ -
<b>TRANSFER TO</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ -	\$ -	\$ -	\$ -	\$ -
SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ -	\$ -	\$ -	\$ -	\$ -
CITY OF HESPERIA	9.7202%	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transfers To		\$ -	\$ -	\$ -	\$ -	\$ -

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Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,  
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Exhibit A

TAX RATE AREA		79044	21036			GRAND TOTAL
	Assessed Value	\$ -	\$ 118,832			\$ 5,719,122,266
	RDA Increment	\$ -	\$ -			\$ 3,180,980,896
	Net Value After RDA / TRA Frozen Base	\$ -	\$ 118,832			\$ 2,537,713,229
	Tax Revenue	\$ -	\$ 1,188			\$ 25,377,132
		Change In	Change In			Change In
		Base Year	Base Year			Base Year
	Negotiated Percentage	2017-18	2017-18			2017-18
<b>TRANSFER FROM</b>						
	HESPERIA FIRE PROTECTION DISTRICT	-100.00%	\$ -	\$ -		\$ (3,832,313)
	Total Transfers From		\$ -	\$ -		\$ (3,832,313)
<b>TRANSFER TO</b>						
	SAN BDNO CNTY FIRE - NORTH DESERT	84.8630%	\$ -	\$ -		\$ 3,252,217
	SAN BDNO CNTY FIRE - ADMIN	5.4168%	\$ -	\$ -		\$ 207,588
	CITY OF HESPERIA	9.7202%	\$ -	\$ -		\$ 372,508
	Total Transfers To		\$ -	\$ -		\$ 3,832,313

Note: The transfer amounts will be adjusted to account for growth in assessed valuation, with the intention to transfer 90.2798% of Hesperia Fire Protection District's ad valorem property taxes to the San Bernardino County Fire Protection District (6% to Administration and 94% to the North Desert Service Zone), and 9.7202% of the Hesperia Fire's ad valorem property taxes to the City of Hesperia.

**EXHIBIT “B”**

**PROPERTY TAX REVENUE EXCHANGE**

[Attached behind this page]



**LAFCO 3218**  
**Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,**  
**and the Divestiture of the Functions of Fire, Emergency Medical Response and Ambulance from Hesperia Fire Protection District**

**Exhibit B**

TAX RATE AREA		20003	20004	20007	20008	20009
	Assessed Value	\$ 1,653,047	\$ 21,125	\$ 89,079,309	\$ -	\$ 21,975,750
	RDA Increment	\$ -	\$ 16,845	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 1,653,047	\$ 4,280	\$ 89,079,309	\$ -	\$ 21,975,750
	Tax Revenue	\$ 16,530	\$ 43	\$ 890,793	\$ -	\$ 219,758
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ 2,536	\$ 7	\$ 136,721	\$ -	\$ 33,216
<b>Total Transfers From</b>		<b>\$ 2,536</b>	<b>\$ 7</b>	<b>\$ 136,721</b>	<b>\$ -</b>	<b>\$ 33,216</b>
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ (2,152)	\$ (6)	\$ (116,026)	\$ -	\$ (28,188)
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ (137)	\$ (0)	\$ (7,406)	\$ -	\$ (1,799)
CITY OF HESPERIA	-9.7202%	\$ (247)	\$ (1)	\$ (13,290)	\$ -	\$ (3,229)
<b>Total Transfers To</b>		<b>\$ (2,536)</b>	<b>\$ (7)</b>	<b>\$ (136,721)</b>	<b>\$ -</b>	<b>\$ (33,216)</b>
TAX RATE AREA		20010	20012	20013	20015	20016
	Assessed Value	\$ 230,846,337	\$ -	\$ -	\$ 3,472,496	\$ -
	RDA Increment	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 230,846,337	\$ -	\$ -	\$ 3,472,496	\$ -
	Tax Revenue	\$ 2,308,463	\$ -	\$ -	\$ 34,725	\$ -
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ 354,255	\$ -	\$ -	\$ 5,374	\$ -
<b>Total Transfers From</b>		<b>\$ 354,255</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,374</b>	<b>\$ -</b>
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ (300,632)	\$ -	\$ -	\$ (4,560)	\$ -
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ (19,189)	\$ -	\$ -	\$ (291)	\$ -
CITY OF HESPERIA	-9.7202%	\$ (34,434)	\$ -	\$ -	\$ (522)	\$ -
<b>Total Transfers To</b>		<b>\$ (354,255)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,374)</b>	<b>\$ -</b>

**LAFCO 3218**  
**Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,**  
**and the Divestiture of the Functions of Fire, Emergency Medical Response and Ambulance from Hesperia Fire Protection District**

**Exhibit B**

TAX RATE AREA		20018	20019	20020	20021	20022
	Assessed Value	\$ 3,095,199	\$ 116,033,694	\$ -	\$ -	\$ 4,748,640
	RDA Increment	\$ -	\$ 109,689,239	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 3,095,199	\$ 6,344,455	\$ -	\$ -	\$ 4,748,640
	Tax Revenue	\$ 30,952	\$ 63,445	\$ -	\$ -	\$ 47,486
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ 5,016	\$ 9,490	\$ -	\$ -	\$ 7,285
<b>Total Transfers From</b>		<b>\$ 5,016</b>	<b>\$ 9,490</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,285</b>
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ (4,256)	\$ (8,054)	\$ -	\$ -	\$ (6,182)
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ (272)	\$ (514)	\$ -	\$ -	\$ (395)
CITY OF HESPERIA	-9.7202%	\$ (488)	\$ (922)	\$ -	\$ -	\$ (708)
<b>Total Transfers To</b>		<b>\$ (5,016)</b>	<b>\$ (9,490)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (7,285)</b>
TAX RATE AREA		20023	20024	20025	20027	20028
	Assessed Value	\$ 4,753,676	\$ 19,645,406	\$ 1,210,821	\$ 6,043,052	\$ -
	RDA Increment	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 4,753,676	\$ 19,645,406	\$ 1,210,821	\$ 6,043,052	\$ -
	Tax Revenue	\$ 47,537	\$ 196,454	\$ 12,108	\$ 60,431	\$ -
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ 7,295	\$ 30,153	\$ 1,877	\$ 9,268	\$ -
<b>Total Transfers From</b>		<b>\$ 7,295</b>	<b>\$ 30,153</b>	<b>\$ 1,877</b>	<b>\$ 9,268</b>	<b>\$ -</b>
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ (6,191)	\$ (25,589)	\$ (1,593)	\$ (7,865)	\$ -
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ (395)	\$ (1,633)	\$ (102)	\$ (502)	\$ -
CITY OF HESPERIA	-9.7202%	\$ (709)	\$ (2,931)	\$ (182)	\$ (901)	\$ -
<b>Total Transfers To</b>		<b>\$ (7,295)</b>	<b>\$ (30,153)</b>	<b>\$ (1,877)</b>	<b>\$ (9,268)</b>	<b>\$ -</b>

**LAFCO 3218**  
**Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,**  
**and the Divestiture of the Functions of Fire, Emergency Medical Response and Ambulance from Hesperia Fire Protection District**

**Exhibit B**

TAX RATE AREA		20029	20032	20033	20036	20037
	Assessed Value	\$ 38,851,324	\$ -	\$ 375,619,875	\$ 3,686	\$ 10,287,375
	RDA Increment	\$ -	\$ -	\$ 228,636,899	\$ -	\$ 9,933,640
	Net Value After RDA / TRA Frozen Base	\$ 38,851,324	\$ -	\$ 146,982,976	\$ 3,686	\$ 353,735
	Tax Revenue	\$ 388,513	\$ -	\$ 1,469,830	\$ 37	\$ 3,537
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ 58,724	\$ -	\$ 225,452	\$ 6	\$ 530
<b>Total Transfers From</b>		<b>\$ 58,724</b>	<b>\$ -</b>	<b>\$ 225,452</b>	<b>\$ 6</b>	<b>\$ 530</b>
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ (49,835)	\$ -	\$ (191,325)	\$ (5)	\$ (449)
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ (3,181)	\$ -	\$ (12,212)	\$ (0)	\$ (29)
CITY OF HESPERIA	-9.7202%	\$ (5,708)	\$ -	\$ (21,914)	\$ (1)	\$ (51)
<b>Total Transfers To</b>		<b>\$ (58,724)</b>	<b>\$ -</b>	<b>\$ (225,452)</b>	<b>\$ (6)</b>	<b>\$ (530)</b>
TAX RATE AREA		20038	20039	20042	20043	20044
	Assessed Value	\$ 24,555,282	\$ 10,234,817	\$ -	\$ -	\$ 93,158,487
	RDA Increment	\$ -	\$ -	\$ -	\$ -	\$ 93,158,487
	Net Value After RDA / TRA Frozen Base	\$ 24,555,282	\$ 10,234,817	\$ -	\$ -	\$ -
	Tax Revenue	\$ 245,553	\$ 102,348	\$ -	\$ -	\$ -
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ 36,745	\$ 15,706	\$ -	\$ -	\$ -
<b>Total Transfers From</b>		<b>\$ 36,745</b>	<b>\$ 15,706</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ (31,183)	\$ (13,328)	\$ -	\$ -	\$ -
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ (1,990)	\$ (851)	\$ -	\$ -	\$ -
CITY OF HESPERIA	-9.7202%	\$ (3,572)	\$ (1,527)	\$ -	\$ -	\$ -
<b>Total Transfers To</b>		<b>\$ (36,745)</b>	<b>\$ (15,706)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**LAFCO 3218**  
**Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,**  
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**Exhibit B**

TAX RATE AREA		20045	20050	20051	20052	20053
	Assessed Value	\$ 104,552,894	\$ 7,003,901	\$ 4,967,285	\$ 401,921	\$ 416,581
	RDA Increment	\$ 97,890,169	\$ -	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 6,662,725	\$ 7,003,901	\$ 4,967,285	\$ 401,921	\$ 416,581
	Tax Revenue	\$ 66,627	\$ 70,039	\$ 49,673	\$ 4,019	\$ 4,166
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ 10,221	\$ 10,742	\$ 7,961	\$ 616	\$ 640
<b>Total Transfers From</b>		<b>\$ 10,221</b>	<b>\$ 10,742</b>	<b>\$ 7,961</b>	<b>\$ 616</b>	<b>\$ 640</b>
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ (8,674)	\$ (9,116)	\$ (6,756)	\$ (523)	\$ (543)
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ (554)	\$ (582)	\$ (431)	\$ (33)	\$ (35)
CITY OF HESPERIA	-9.7202%	\$ (993)	\$ (1,044)	\$ (774)	\$ (60)	\$ (62)
<b>Total Transfers To</b>		<b>\$ (10,221)</b>	<b>\$ (10,742)</b>	<b>\$ (7,961)</b>	<b>\$ (616)</b>	<b>\$ (640)</b>
TAX RATE AREA		20054	20055	20056	20057	20058
	Assessed Value	\$ 2,050,674	\$ -	\$ -	\$ -	\$ 13,888,726
	RDA Increment	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 2,050,674	\$ -	\$ -	\$ -	\$ 13,888,726
	Tax Revenue	\$ 20,507	\$ -	\$ -	\$ -	\$ 138,887
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ 3,145	\$ -	\$ -	\$ -	\$ 21,289
<b>Total Transfers From</b>		<b>\$ 3,145</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,289</b>
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ (2,669)	\$ -	\$ -	\$ -	\$ (18,067)
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ (170)	\$ -	\$ -	\$ -	\$ (1,153)
CITY OF HESPERIA	-9.7202%	\$ (306)	\$ -	\$ -	\$ -	\$ (2,069)
<b>Total Transfers To</b>		<b>\$ (3,145)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (21,289)</b>

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**Exhibit B**

TAX RATE AREA		20060	20061	20063	20064	20065
	Assessed Value	\$ 5,618,698	\$ 419,111	\$ 282,007	\$ 271,113	\$ 1,565,707
	RDA Increment	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 5,618,698	\$ 419,111	\$ 282,007	\$ 271,113	\$ 1,565,707
	Tax Revenue	\$ 56,187	\$ 4,191	\$ 2,820	\$ 2,711	\$ 15,657
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18

**TRANSFER TO**

HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ 8,619	\$ 643	\$ 429	\$ 416	\$ 2,402
<b>Total Transfers From</b>		<b>\$ 8,619</b>	<b>\$ 643</b>	<b>\$ 429</b>	<b>\$ 416</b>	<b>\$ 2,402</b>

**TRANSFER FROM**

SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ (7,314)	\$ (546)	\$ (364)	\$ (353)	\$ (2,038)
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ (467)	\$ (35)	\$ (23)	\$ (23)	\$ (130)
CITY OF HESPERIA	-9.7202%	\$ (838)	\$ (63)	\$ (42)	\$ (40)	\$ (233)
<b>Total Transfers To</b>		<b>\$ (8,619)</b>	<b>\$ (643)</b>	<b>\$ (429)</b>	<b>\$ (416)</b>	<b>\$ (2,402)</b>

TAX RATE AREA		20067	20069	20070	20072	20074
	Assessed Value	\$ 575,658	\$ 13,100,982	\$ 10,338,762	\$ 70,556,690	\$ 112,644,579
	RDA Increment	\$ -	\$ -	\$ -	\$ 66,102,050	\$ 71,703,957
	Net Value After RDA / TRA Frozen Base	\$ 575,658	\$ 13,100,982	\$ 10,338,762	\$ 4,454,640	\$ 40,940,622
	Tax Revenue	\$ 5,757	\$ 131,010	\$ 103,388	\$ 44,546	\$ 409,406
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18

**TRANSFER TO**

HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ 894	\$ 20,994	\$ 15,875	\$ 6,833	\$ 62,797
<b>Total Transfers From</b>		<b>\$ 894</b>	<b>\$ 20,994</b>	<b>\$ 15,875</b>	<b>\$ 6,833</b>	<b>\$ 62,797</b>

**TRANSFER FROM**

SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ (759)	\$ (17,817)	\$ (13,472)	\$ (5,798)	\$ (53,292)
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ (48)	\$ (1,137)	\$ (860)	\$ (370)	\$ (3,402)
CITY OF HESPERIA	-9.7202%	\$ (87)	\$ (2,041)	\$ (1,543)	\$ (664)	\$ (6,104)
<b>Total Transfers To</b>		<b>\$ (894)</b>	<b>\$ (20,994)</b>	<b>\$ (15,875)</b>	<b>\$ (6,833)</b>	<b>\$ (62,797)</b>

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Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,  
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Exhibit B

TAX RATE AREA		20076	20077	20079	20080	20082
	Assessed Value	\$ -	\$ 2,040,974	\$ 10,916,814	\$ 146,558,099	\$ 126,119,145
	RDA Increment	\$ -	\$ -	\$ -	\$ 83,935,992	\$ 66,627,367
	Net Value After RDA / TRA Frozen Base	\$ -	\$ 2,040,974	\$ 10,916,814	\$ 62,622,107	\$ 59,491,778
	Tax Revenue	\$ -	\$ 20,410	\$ 109,168	\$ 626,221	\$ 594,918
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ -	\$ 3,130	\$ 16,753	\$ 96,055	\$ 91,252
<b>Total Transfers From</b>		\$ -	\$ 3,130	\$ 16,753	\$ 96,055	\$ 91,252
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ -	\$ (2,656)	\$ (14,217)	\$ (81,515)	\$ (77,439)
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ -	\$ (170)	\$ (907)	\$ (5,203)	\$ (4,943)
CITY OF HESPERIA	-9.7202%	\$ -	\$ (304)	\$ (1,628)	\$ (9,337)	\$ (8,870)
<b>Total Transfers To</b>		\$ -	\$ (3,130)	\$ (16,753)	\$ (96,055)	\$ (91,252)
TAX RATE AREA		20083	20084	20085	20086	20087
	Assessed Value	\$ 79,676,065	\$ 10,490,761	\$ 2,638,840	\$ 18,312,439	\$ -
	RDA Increment	\$ -	\$ -	\$ 1,742,298	\$ 8,475,977	\$ (428,141)
	Net Value After RDA / TRA Frozen Base	\$ 79,676,065	\$ 10,490,761	\$ 896,542	\$ 9,836,462	\$ -
	Tax Revenue	\$ 796,761	\$ 104,908	\$ 8,965	\$ 98,365	\$ -
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ 122,258	\$ 16,097	\$ 1,375	\$ 15,088	\$ -
<b>Total Transfers From</b>		\$ 122,258	\$ 16,097	\$ 1,375	\$ 15,088	\$ -
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ (103,751)	\$ (13,661)	\$ (1,167)	\$ (12,804)	\$ -
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ (6,622)	\$ (872)	\$ (74)	\$ (817)	\$ -
CITY OF HESPERIA	-9.7202%	\$ (11,884)	\$ (1,565)	\$ (134)	\$ (1,467)	\$ -
<b>Total Transfers To</b>		\$ (122,258)	\$ (16,097)	\$ (1,375)	\$ (15,088)	\$ -

## LAFCO 3218

Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,  
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## Exhibit B

TAX RATE AREA		20088	20089	20090	20092	20093
	Assessed Value	\$ 163,765,173	\$ -	\$ 2,167,917,493	\$ 395,926,793	\$ 11,258
	RDA Increment	\$ 95,368,688	\$ -	\$ 1,194,812,901	\$ 354,371,667	\$ 3,870
	Net Value After RDA / TRA Frozen Base	\$ 68,396,485	\$ -	\$ 973,104,592	\$ 41,555,126	\$ 7,388
	Tax Revenue	\$ 683,965	\$ -	\$ 9,731,046	\$ 415,551	\$ 74
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ 104,913	\$ -	\$ 1,492,651	\$ 63,740	\$ 11
<b>Total Transfers From</b>		<b>\$ 104,913</b>	<b>\$ -</b>	<b>\$ 1,492,651</b>	<b>\$ 63,740</b>	<b>\$ 11</b>
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ (89,032)	\$ -	\$ (1,266,709)	\$ (54,092)	\$ (10)
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ (5,683)	\$ -	\$ (80,854)	\$ (3,453)	\$ (1)
CITY OF HESPERIA	-9.7202%	\$ (10,198)	\$ -	\$ (145,088)	\$ (6,196)	\$ (1)
<b>Total Transfers To</b>		<b>\$ (104,913)</b>	<b>\$ -</b>	<b>\$ (1,492,651)</b>	<b>\$ (63,740)</b>	<b>\$ (11)</b>
TAX RATE AREA		20094	20095	20096	20097	20101
	Assessed Value	\$ 393,149,713	\$ -	\$ 12,183,447	\$ 185,898,843	\$ 16,782,006
	RDA Increment	\$ 229,038,069	\$ -	\$ 3,457,915	\$ 174,417,539	\$ 6,584,617
	Net Value After RDA / TRA Frozen Base	\$ 164,111,644	\$ -	\$ 8,725,532	\$ 11,481,304	\$ 10,197,389
	Tax Revenue	\$ 1,641,116	\$ -	\$ 87,255	\$ 114,813	\$ 101,974
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ 251,726	\$ -	\$ 13,384	\$ 17,612	\$ 15,642
<b>Total Transfers From</b>		<b>\$ 251,726</b>	<b>\$ -</b>	<b>\$ 13,384</b>	<b>\$ 17,612</b>	<b>\$ 15,642</b>
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ (213,622)	\$ -	\$ (11,358)	\$ (14,946)	\$ (13,274)
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ (13,635)	\$ -	\$ (725)	\$ (954)	\$ (847)
CITY OF HESPERIA	-9.7202%	\$ (24,468)	\$ -	\$ (1,301)	\$ (1,712)	\$ (1,520)
<b>Total Transfers To</b>		<b>\$ (251,726)</b>	<b>\$ -</b>	<b>\$ (13,384)</b>	<b>\$ (17,612)</b>	<b>\$ (15,642)</b>



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**Exhibit B**

TAX RATE AREA		20102	20103	20104	20105	20106
	Assessed Value	\$ 113,280,978	\$ 4,110,484	\$ 6,519,609	\$ 695,296	\$ 75,436,544
	RDA Increment	\$ 71,792,892	\$ 1,879,784	\$ 4,482,762	\$ 458,607	\$ 53,831,782
	Net Value After RDA / TRA Frozen Base	\$ 41,488,086	\$ 2,230,700	\$ 2,036,847	\$ 236,689	\$ 21,604,762
	Tax Revenue	\$ 414,881	\$ 22,307	\$ 20,368	\$ 2,367	\$ 216,048
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ 63,639	\$ 3,424	\$ 3,125	\$ 363	\$ 33,139
<b>Total Transfers From</b>		<b>\$ 63,639</b>	<b>\$ 3,424</b>	<b>\$ 3,125</b>	<b>\$ 363</b>	<b>\$ 33,139</b>
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ (54,006)	\$ (2,905)	\$ (2,652)	\$ (308)	\$ (28,123)
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ (3,447)	\$ (185)	\$ (169)	\$ (20)	\$ (1,795)
CITY OF HESPERIA	-9.7202%	\$ (6,186)	\$ (333)	\$ (304)	\$ (35)	\$ (3,221)
<b>Total Transfers To</b>		<b>\$ (63,639)</b>	<b>\$ (3,424)</b>	<b>\$ (3,125)</b>	<b>\$ (363)</b>	<b>\$ (33,139)</b>
TAX RATE AREA		20107	20108	20109	20110	20111
	Assessed Value	\$ -	\$ 181,189,707	\$ -	\$ 20,171,793	\$ -
	RDA Increment	\$ -	\$ 110,795,463	\$ -	\$ 10,995,384	\$ -
	Net Value After RDA / TRA Frozen Base	\$ -	\$ 70,394,244	\$ -	\$ 9,176,409	\$ -
	Tax Revenue	\$ -	\$ 703,942	\$ -	\$ 91,764	\$ -
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ -	\$ 107,980	\$ -	\$ 14,084	\$ -
<b>Total Transfers From</b>		<b>\$ -</b>	<b>\$ 107,980</b>	<b>\$ -</b>	<b>\$ 14,084</b>	<b>\$ -</b>
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ -	\$ (91,635)	\$ -	\$ (11,952)	\$ -
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ -	\$ (5,849)	\$ -	\$ (763)	\$ -
CITY OF HESPERIA	-9.7202%	\$ -	\$ (10,496)	\$ -	\$ (1,369)	\$ -
<b>Total Transfers To</b>		<b>\$ -</b>	<b>\$ (107,980)</b>	<b>\$ -</b>	<b>\$ (14,084)</b>	<b>\$ -</b>

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**Exhibit B**

TAX RATE AREA		20112	20113	20114	20115	20116
Assessed Value		\$ -	\$ 14,168,993	\$ 18,600,482	\$ 2,786,560	\$ 3,811,050
RDA Increment		\$ -	\$ 13,457,795	\$ 15,042,065	\$ 2,704,317	\$ -
Net Value After RDA / TRA Frozen Base		\$ -	\$ 711,198	\$ 3,558,417	\$ 82,243	\$ 3,811,050
Tax Revenue		\$ -	\$ 7,112	\$ 35,584	\$ 822	\$ 38,111
		Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18
Negotiated Percentage						

**TRANSFER TO**

HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ -	\$ 1,091	\$ 5,703	\$ 126	\$ 5,847
<b>Total Transfers From</b>		<b>\$ -</b>	<b>\$ 1,091</b>	<b>\$ 5,703</b>	<b>\$ 126</b>	<b>\$ 5,847</b>

**TRANSFER FROM**

SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ -	\$ (926)	\$ (4,840)	\$ (107)	\$ (4,962)
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ -	\$ (59)	\$ (309)	\$ (7)	\$ (317)
CITY OF HESPERIA	-9.7202%	\$ -	\$ (106)	\$ (554)	\$ (12)	\$ (568)
<b>Total Transfers To</b>		<b>\$ -</b>	<b>\$ (1,091)</b>	<b>\$ (5,703)</b>	<b>\$ (126)</b>	<b>\$ (5,847)</b>

TAX RATE AREA		20117	20118	20119	20120	20121
Assessed Value		\$ 128,243	\$ 30,858,525	\$ 12,950,768	\$ 4,355,821	\$ 5,724,509
RDA Increment		\$ -	\$ -	\$ -	\$ -	\$ -
Net Value After RDA / TRA Frozen Base		\$ 128,243	\$ 30,858,525	\$ 12,950,768	\$ 4,355,821	\$ 5,724,509
Tax Revenue		\$ 1,282	\$ 308,585	\$ 129,508	\$ 43,558	\$ 57,245
		Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18	Change In Base Year 2017-18
Negotiated Percentage						

**TRANSFER TO**

HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ 199	\$ 47,276	\$ 20,696	\$ 6,671	\$ 8,769
<b>Total Transfers From</b>		<b>\$ 199</b>	<b>\$ 47,276</b>	<b>\$ 20,696</b>	<b>\$ 6,671</b>	<b>\$ 8,769</b>

**TRANSFER FROM**

SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ (169)	\$ (40,120)	\$ (17,563)	\$ (5,661)	\$ (7,442)
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ (11)	\$ (2,561)	\$ (1,121)	\$ (361)	\$ (475)
CITY OF HESPERIA	-9.7202%	\$ (19)	\$ (4,595)	\$ (2,012)	\$ (648)	\$ (852)
<b>Total Transfers To</b>		<b>\$ (199)</b>	<b>\$ (47,276)</b>	<b>\$ (20,696)</b>	<b>\$ (6,671)</b>	<b>\$ (8,769)</b>

**LAFCO 3218**  
**Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,**  
**and the Divestiture of the Functions of Fire, Emergency Medical Response and Ambulance from Hesperia Fire Protection District**

**Exhibit B**

TAX RATE AREA		20122	20124	20125	20127	54011
	Assessed Value	\$ 6,509,869	\$ 17,628,645	\$ 21,068,901	\$ 2,314,195	\$ 1,332,733
	RDA Increment	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ 6,509,869	\$ 17,628,645	\$ 21,068,901	\$ 2,314,195	\$ 1,332,733
	Tax Revenue	\$ 65,099	\$ 176,286	\$ 210,689	\$ 23,142	\$ 13,327
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ 9,970	\$ 26,989	\$ 33,671	\$ 3,698	\$ -
Total Transfers From		\$ 9,970	\$ 26,989	\$ 33,671	\$ 3,698	\$ -
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ (8,461)	\$ (22,904)	\$ (28,574)	\$ (3,138)	\$ -
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ (540)	\$ (1,462)	\$ (1,824)	\$ (200)	\$ -
CITY OF HESPERIA	-9.7202%	\$ (969)	\$ (2,623)	\$ (3,273)	\$ (359)	\$ -
Total Transfers To		\$ (9,970)	\$ (26,989)	\$ (33,671)	\$ (3,698)	\$ -
TAX RATE AREA		54066	54086	79001	79003	79018
	Assessed Value	\$ -	\$ 39,027,179	\$ -	\$ -	\$ -
	RDA Increment	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Value After RDA / TRA Frozen Base	\$ -	\$ 39,027,179	\$ -	\$ -	\$ -
	Tax Revenue	\$ -	\$ 390,272	\$ -	\$ -	\$ -
		Change In	Change In	Change In	Change In	Change In
		Base Year	Base Year	Base Year	Base Year	Base Year
	Negotiated Percentage	2017-18	2017-18	2017-18	2017-18	2017-18
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transfers From		\$ -	\$ -	\$ -	\$ -	\$ -
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ -	\$ -	\$ -	\$ -	\$ -
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ -	\$ -	\$ -	\$ -	\$ -
CITY OF HESPERIA	-9.7202%	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transfers To		\$ -	\$ -	\$ -	\$ -	\$ -

## LAFCO 3218

Reorganization to include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone,  
and the Divestiture of the Functions of Fire, Emergency Medical Response and Ambulance from Hesperia Fire Protection District

## Exhibit B

TAX RATE AREA		79044	21036			GRAND TOTAL
	Assessed Value	\$ -	\$ 118,832			\$ 5,719,122,266
	RDA Increment	\$ -	\$ -			\$ 3,180,980,896
	Net Value After RDA / TRA Frozen Base	\$ -	\$ 118,832			\$ 2,537,713,229
	Tax Revenue	\$ -	\$ 1,188			\$ 25,377,132
		Change In	Change In			Change In
		Base Year	Base Year			Base Year
		2017-18	2017-18			2017-18
	Negotiated Percentage					
<b>TRANSFER TO</b>						
HESPERIA FIRE PROTECTION DISTRICT	100.00%	\$ -	\$ -			\$ 3,832,313
<b>Total Transfers From</b>		\$ -	\$ -			\$ <b>3,832,313</b>
<b>TRANSFER FROM</b>						
SAN BDNO CNTY FIRE - NORTH DESERT	-84.8630%	\$ -	\$ -			\$ (3,252,217)
SAN BDNO CNTY FIRE - ADMIN	-5.4168%	\$ -	\$ -			\$ (207,588)
CITY OF HESPERIA	-9.7202%	\$ -	\$ -			\$ (372,508)
<b>Total Transfers To</b>		\$ -	\$ -			\$ <b>(3,832,313)</b>

**EXHIBIT “C”**

**PASS-THROUGH REVENUE SHARING AGREEMENT**

[Attached behind this page]

**PASS-THROUGH REVENUE SHARING AGREEMENT**

**AMONG THE CITY OF HESPERIA, THE HESPERIA FIRE PROTECTION DISTRICT, THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT, AND THE COUNTY OF SAN BERNARDINO FOR THE PURPOSES OF PARTIALLY FUNDING THE ANNEXATION OF FIRE AND RELATED SERVICES AND THE UNFUNDED RETIREMENT OBLIGATIONS RELATED TO THE HESPERIA FIRE PROTECTION DISTRICT AS WELL AS OTHER CITY COSTS**

WHEREAS, the Hesperia Fire Protection District ("District") and the San Bernardino County Fire Protection District ("SBCFPD") have jointly initiated an application to the Local Agency Formation Commission ("LAFCO") for reorganization to annex the area within the District into the SBCFPD, for the provision of fire and related services ("Reorganization"); and

WHEREAS, the District and the City of Hesperia Community Redevelopment Agency have executed two negotiated pass-through agreements: 1) Capital Facilities Agreement and Agreement for Reimbursement of Tax Increment Funds dated July 15, 1993; and 2) Capital Facilities Agreement and Agreement for Reimbursement of Tax Increment Funds dated December 29, 1993, (collectively, the "Negotiated Pass-Through Agreements") that shall remain in effect after the Reorganization; and

WHEREAS, the Negotiated Pass-Through Agreements do not have language included which would allow a transfer of tax increment revenues to SBCFPD as required by the LAFCO action regarding the Reorganization of the District; and

WHEREAS, the revenue from the Negotiated Pass-Through Agreements is required to assist in fully funding the costs of fire and related services to be provided by the SBCFPD and is the basis for the Reorganization; and

WHEREAS, LAFCO, pursuant to its authority under Government Code section 56886, may subject the Reorganization to certain terms and conditions, as described in this Agreement; and

WHEREAS, as a term and condition of the Reorganization, LAFCO is requiring a contractual agreement to direct the San Bernardino County Auditor-Controller/Treasurer/Tax Collector ("ATC") to use the SBCFPD Property Tax Percentage and the City Property Tax Percentage, as those terms are defined in Section 2, when distributing tax increment revenue related to the Negotiated Pass-Through Agreements, for the term of this Agreement; and

WHEREAS, as a term and condition of the Reorganization, LAFCO is requiring a contractual agreement to direct ATC to transfer a percentage of tax increment revenue related to the Negotiated Pass-Through Agreements (referred to herein as the "SBCFPD Property Tax Percentage") to the SBCFPD to fund the costs of fire and related services, for the term of this Agreement; and

WHEREAS, a percentage of the District's share of property tax will be transferred to SBCFPD by adoption of a property tax transfer resolution approved by the County of San Bernardino ("County") as a term and condition of the Reorganization; and

WHEREAS, the City of Hesperia (“City”) and the District will have an agreement that provides for the City’s assumption of liability for the CalPERS obligations of the District, including, but not limited to, timely payment of annual employer contributions to CalPERS required of the District and any withdrawal liability assessed as a result of the voluntary or involuntary termination of the District’s contract for pensions with CalPERS. The agreement will also state that the City’s assumption of liability continues until all the District’s obligations to CalPERS have been fully satisfied; and

WHEREAS, as a term and condition of the Reorganization, LAFCO is requiring a contractual agreement to direct ATC to transfer a percentage of tax increment revenue related to the Negotiated Pass-Through Agreements (referred to herein as the “City Property Tax Percentage”), to the City in order to fund the District’s unfunded retirement obligations for the legacy inactive retirement costs with CalPERS as well as other City costs, for the term of this Agreement; and

WHEREAS, a percentage of the District’s share of property tax will be transferred to the City by adoption of a property tax transfer resolution approved by the City as a term and condition of the Reorganization; and

WHEREAS, the provisions of this Agreement among the District, City, SBCFPD, and County (collectively, the “Parties”) are necessary to provide assurance that all Parties agree to the terms herein, including the requirement that ATC will be directed to transfer a percentage of the District’s property tax revenue and tax increment revenue related to the Negotiated Pass-Through Agreements to the SBCFPD to fund the costs associated with the annexation of fire and related services, and a percentage of the District’s property tax revenue and tax increment revenue related to the Negotiated Pass-Through Agreements to the City to fund the District’s unfunded retirement obligations for the legacy inactive retirement costs with CalPERS as well as other City costs, as provided in this Agreement.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants and promises set forth below, and for other good and valuable consideration, receipt of which is hereby acknowledged, the Parties hereby agree as follows:

**Section 1.**     Incorporation of Recitals. The Recitals set forth above are true and correct and are incorporated herein.

**Section 2.**     Definitions

(a)     “*Agreement*” refers to this “Pass-Through Revenue Sharing Agreement” among the City of Hesperia, the Hesperia Fire Protection District, the San Bernardino County Fire Protection District, and the County of San Bernardino for the purposes of partially funding the annexation of fire and related services and the unfunded retirement obligations related to the Hesperia Fire Protection District as well as other City costs,” together with the Recitals (and the Attachments), and shall constitute the complete and exclusive statement of understanding between the Parties which supersedes all previous agreements, written or oral, and all communications between the Parties relating to the subject matter of this Agreement.

(b)     “*Allocation Period*” refers to the period of time commencing on the effective date of the Reorganization and continuing through the Term of this Agreement.

(c) “ATC” refers to the San Bernardino County Auditor-Controller/Treasurer/Tax Collector, or its successor agency.

(d) “City” refers to the City of Hesperia.

(e) “City Property Tax Percentage” refers to the percentage of tax increment revenue related to the Negotiated Pass-Through Agreements (as defined below) attributable to the District that shall be transferred to the City pursuant to the provisions of this Agreement. The percentage shall be fixed at 9.7202% of the District’s share in each Tax Rate Area within the annexation area to SBCFPD.

(f) “County” refers to the County of San Bernardino.

(g) “District” refers to the Hesperia Fire Protection District.

(h) “LAFCO” refers to the Local Agency Formation Commission.

(i) “Negotiated Pass-Through Agreements” refers to the negotiated pass-through agreements between the City of Hesperia Community Redevelopment Agency and the District attached as follows: (a) “Capital Facilities Agreement and Agreement for Reimbursement of Tax Increment Funds” dated July 15, 1993 (Attachment 1 hereto); and (b) the “Capital Facilities Agreement and Agreement for Reimbursement of Tax Increment Funds” dated December 29, 1993 (Attachment 2 hereto).

(j) “Property Tax Transfer Resolutions” refers collectively to the following: (a) the Resolution of the County accepting the transfer of property tax revenue from the District to the SBCFPD and City, which is adopted as a term and condition of the Reorganization (Attachment 3 hereto); and (b) the Resolution of the City accepting the transfer of property tax revenue from the District to the SBCFPD and City which is adopted as a term and condition of the Reorganization (Attachment 4 hereto).

(k) “Reorganization” refers to the LAFCO 3218 reorganization to include annexation to the SBCFPD, its North Desert Service Zone, and the divestiture of the functions of fire, emergency medical response and ambulance from the District.

(l) “SBCFPD” refers to the San Bernardino County Fire Protection District.

(m) “SBCFPD Property Tax Percentage” refers to the percentage of tax increment revenue related to the Negotiated Pass-Through Agreements attributable to the District that shall be transferred to SBCFPD pursuant to the provisions of this Agreement. The percentage shall be fixed at 90.2798% of the District’s share in each Tax Rate Area within the annexation area to SBCFPD.

**Section 3. Allocation Period.** During the Allocation Period, ATC, or its successor agency, shall calculate the property tax allocation in accordance with governing law and shall distribute funds in the amount calculated to the SBCFPD and the City as required by the Reorganization. The calculation and distributed funds shall be based on the Property Tax Resolutions and the City Property Tax Percentage and the SBCFPD Property Tax Percentage as defined in Section 2, for the following property tax revenues:



- (a) base property tax; and
- (b) revenues from pass-through agreements, both negotiated or statutory; and
- (c) residual distributions as a result of redevelopment dissolution pursuant to Health and Safety Code 34188; and
- (d) any and all other property tax that may be allocated to the District from time to time during the Term of this Agreement.

Pursuant to Health and Safety Code Section 34187(h), pass-through payments will cease when all enforceable obligations of the Successor Agencies have been retired and is formally dissolved.

**Section 4.** Term. The Term of this Agreement shall commence on the effective date of the Reorganization and shall remain in full force and effect until the Negotiated Pass-Through Agreements have expired.

**Section 5.** Inability to Implement or Enforce this Pass-Through Revenue Sharing Agreement. Pursuant to the provisions of the Reorganization and this Agreement, the revenues from the Negotiated Pass-Through Agreements will be transferred from the District to SBCFPD and the City in consideration for their assumption of the duties, responsibilities, services and/or obligations set forth in the Reorganization, this Agreement and the agreement between the City and District regarding the CalPERS obligations. If the terms of this Agreement cannot be implemented or enforced by the Parties as a result of a final court judgement, state law or regulation change, state action or any action or proceeding by a third party that affects the Pass-Through Revenue Sharing Agreement, the Parties agree to the following:

- (a) Exhibit “B” of the Property Tax Transfer Resolutions approved by the County Board of Supervisors and the City of Hesperia shall be temporarily implemented and all property tax revenue received by SBCFPD and the City will be returned to the District; and
- (b) This Agreement shall terminate upon the implementation of the agreement described in (c) below; and
- (c) The District, SBCFPD and the City have already executed the Revenue Sharing Agreement (Exhibit “D” of the Property Tax Transfer Resolutions), whereby the District has agreed to transfer all revenue received through property tax, pass-through agreements, residual distributions and any and all other property tax on the basis of 90.2798% to SBCFPD and 9.7202% to the City, with said Revenue Sharing Agreement to be effective from the date of implementation of the agreement through such time as the Negotiated Pass-Through Agreements have expired; and
- (d) At the expiration of the Negotiated Pass-Through Agreements, Exhibit “A” of the Property Tax Transfer Resolutions will be permanently reinstated. The parties agree to cooperate and take all action to ensure that the Property Tax Transfer Resolutions are operational and in full force and effect.

**Section 6.** *Notice.* Any notice to be given pursuant to this Agreement shall be deemed fully given when made in writing and served personally, or by facsimile transmission, or deposited in the United States mail, postage prepaid and addressed as follows:

If to the City: Office of the City Manager  
9700 Seventh Avenue  
Hesperia, CA 92345  
Attn: City Manager

If to the District: Office of the City Manager  
9700 Seventh Avenue  
Hesperia, CA 92345  
Attn: City Manager

If to the SBCFPD: Fire Chief/Fire Warden  
San Bernardino County Fire Protection District  
157 West Fifth Street, Second Floor  
San Bernardino, CA 92415-0451

If to the County: Deputy Executive Officer/Fire  
385 N. Arrowhead, 4th Floor  
San Bernardino, CA 92415-0120

**Section 7.** Amendments and Modifications. The Parties agree that any alterations, amendments or modifications of the provisions of this Agreement shall be valid only when reduced to writing, executed and approved by the persons authorized to do so on behalf of each of the Parties, provided that any amendment to this Agreement that alters the property tax distribution shall not be valid without the consent of LAFCO. LAFCO retains its sole and unfettered discretion as to any consent required hereby.

**Section 8.** Counterpart Signatures Allowed. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which when executed and delivered shall together constitute one and the same instrument.

CITY OF HESPERIA

By: \_\_\_\_\_  
Bill Holland, Mayor Pro Tem  
Date: \_\_\_\_\_

APPROVED AS TO FORM:  
ALESHIRE & WYNDER, LLP

By: \_\_\_\_\_  
Eric L. Dunn, City Attorney

HESPERIA FIRE PROTECTION DISTRICT

By: \_\_\_\_\_  
Bill Holland, Vice Chair  
Date: \_\_\_\_\_

APPROVED AS TO FORM:  
ALESHIRE & WYNDER, LLP

By: \_\_\_\_\_  
Eric L. Dunn, City Attorney

SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT

By: \_\_\_\_\_  
Robert Lovingood, Chairman  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT

By: \_\_\_\_\_  
Michelle Blakemore, County Counsel

COUNTY OF SAN BERNARDINO

By: \_\_\_\_\_  
Robert Lovingood, Chairman  
Date: \_\_\_\_\_

APPROVED AS TO FORM:  
COUNTY OF SAN BERNARDINO

By: \_\_\_\_\_  
Michelle Blakemore, County Counsel

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**ACKNOWLEDGED AS TO THE DIRECTIONS CONTAINED IN SECTIONS 3 AND 5  
OF THE AGREEMENT.**

SAN BERNARDINO COUNTY AUDITOR-  
CONTROLLER/TREASURER/TAX COLLECTOR

By: \_\_\_\_\_  
Oscar Valdez, Auditor-Controller/  
Treasurer/Tax Controller  
Date: \_\_\_\_\_

**ATTACHMENT C-1**

**CAPITAL FACILITIES AGREEMENT AND AGREEMENT FOR  
REIMBURSEMENT OF TAX INCREMENT FUNDS  
DATED JULY 15, 1993**

[Attached behind this page]

CAPITAL FACILITIES AGREEMENT AND AGREEMENT  
FOR REIMBURSEMENT OF TAX INCREMENT FUNDS

**Hesperia Redevelopment Project**

THIS CAPITAL FACILITIES AGREEMENT AND AGREEMENT FOR REIMBURSEMENT OF TAX INCREMENT FUNDS (the "Agreement") is made and entered into this 15th day of July, 1993, by and between THE CITY OF HESPERIA COMMUNITY REDEVELOPMENT AGENCY ("Agency") and HESPERIA FIRE PROTECTION DISTRICT ("District").

RECITALS

A. Agency is proposing, and the City Council of the City of Hesperia is considering adoption of an ordinance approving the Redevelopment Plan for Hesperia Redevelopment Project (the "Plan") pursuant to the California Community Redevelopment Law ("CRL") (Health and Safety Code Section 33000, et seq.), which Plan delineates a project area (the "Project Area").

B. The Plan includes provisions authorizing the allocation to Agency of property taxes levied each year on the increase in the assessed valuation of property within the Project Area above the sum of the assessed values for the Project Area as shown on the 1992-1993 assessment roll.

C. The Project Area is located within District boundaries and is served by District.

D. District is an affected taxing entity, as defined in Section 33353.2 of the Health and Safety Code, and has ad valorem property taxes levied on its behalf by the County of San

Bernardino ("County") on certain areas that comprise portions of the Project Area.

E. District has taken the position with Agency that, by virtue of its tax allocation provisions, the Plan will result in a "financial burden or detriment" to District within the meaning of Section 33012 of the California Health and Safety Code and that the Plan will increase the need for additional District capital facilities. The Agency has found and determined that it is appropriate to address the financial impact of the Plan on District and the District's capital needs.

F. The CRL expressly authorizes and enables Agency to assist District financially to address the financial burden or detriment caused to District by the Plan. Agency is authorized by Health and Safety Code Section 33401 to compensate affected taxing entities, including District, by paying to such taxing entities any amount of money which Agency determines is appropriate to alleviate any financial burden or detriment to such taxing entities caused by its implementation of the Plan. The CRL also expressly authorizes and enables Agency to assist District by funding District's capital improvement needs. Section 33445 of the Health and Safety Code authorizes the Agency to expend property tax increment to fund capital improvements and facilities which are publicly owned which are inside or outside the Project Area and of benefit to such Project Area, including funding the capital improvements of other public agencies such as District.

G. Agency and District are authorized by Health and Safety Code Section 33676 to enter into an agreement providing for District's receipt of certain tax increments. The purpose of this Agreement is to provide for appropriate payments to be made by Agency to District pursuant to Health and Safety Code Section 33401 in order to alleviate financial burden or detriment caused to District by the tax allocation provisions of the Plan, to provide District with financial assistance to address District's capital facilities needs, and to set forth an agreement in lieu of the District's election under Health and Safety Code Section 33676.

H. By entering into this Agreement, Agency finds and determines (i) the payments to District as set forth in this Agreement are necessary to alleviate financial burden or detriment caused to District by the Plan, and (ii) District's capital facilities funded in whole or in part by Agency are of benefit to the Project Area and there are no other reasonable means of financing such facilities and improvements available to the community.

I. District and Agency desire to resolve and settle all differences with respect to adoption of the Plan. In consideration of Agency's obligations as set forth in this Agreement, District has agreed to waive any and all claims, demands, and disputes with Agency and City arising from the adoption of the Plan.

NOW, THEREFORE, in consideration of the foregoing, and the mutual promises and covenants set forth herein, the parties agree as follows:

COVENANTS

1. Recitals Incorporated. The above Recitals are incorporated herein and made a part of this Agreement.

2. Definitions. The words and terms used in this Agreement shall have the following meanings:

a. "Agency" shall mean the City of Hesperia Community Redevelopment Agency.

b. "City" shall mean the City of Hesperia.

c. "Community Redevelopment Law" shall mean Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code.

d. "District" shall mean the Hesperia Fire Protection District.

e. "District Share" shall mean that portion of the Property Tax Increment allocated to and paid to Agency pursuant to Health and Safety Code Section 33670(b) the District would have received as determined by application of the tax rate levied on behalf of District in the Project Area, but for adoption of the Plan.

f. "Fiscal Year" shall mean the period from July 1 to and including the following June 30.



g. "Plan" shall mean the Redevelopment Plan for the Hesperia Redevelopment Project, approved and adopted by the City Council of City.

h. "Project Area" shall mean the Project Area identified in the Plan, the redevelopment of which is necessary for the public purposes of the California Community Redevelopment Law.

i. "Property Tax Increment" shall mean the full amount of property tax revenues generated from within the Project Area that are allocated to and paid to Agency pursuant to Health and Safety Code Section 33670(b), which amounts are attributable to increases in assessed valuation above the valuation shown on the 1992-93 assessment roll, plus any identifiable California state legislative supplements to or substitutes for ad valorem property taxes which are paid to Agency during the term of this Agreement. Not by way of limitation of the foregoing, Property Tax Increment shall include (i) payments made to District and other affected taxing entities, whether such payments are made by Agency or directly by the County of San Bernardino, and (ii) funds set aside or expended by Agency pursuant to Health and Safety Code Section 33334.2 or successor statute.

3. Agency Payment of District Share. For each Fiscal Year during and after the life of the Plan, the Agency is allocated Property Tax Increment for any purpose, Agency shall pay District fifty percent (50%) of the District share, less the portion of such District Share the Agency is required to set

aside for low and moderate income housing purposes pursuant to Health and Safety Code Section 33334.2, said low and moderate income housing set aside reduction being subject to the following additional conditions:

a. The maximum portion Agency may deduct from the District Share for low and moderate income housing purposes pursuant to Health and Safety Code Section 33334.2 shall not be greater than an amount equal to the product obtained by multiplying the minimum set-aside percentage stated in Section 33334.2 [which as of the Effective Date of this Agreement is twenty percent (20%)] times the District Share;

b. No deduction for the low and moderate income housing set-aside from the District Share shall occur in any Fiscal Year the Agency fails to set aside funds into the Low and Moderate Income Housing Fund;

c. The deduction for the low and moderate income housing set-aside from the District Share shall be adjusted proportionately should Agency place less than the minimum percentage of Property Tax Increment into the Low and Moderate Income Housing Fund; and

d. In the event State law is changed, either by State Legislative enactment, applicable trial court decision, or appellate opinion, to eliminate the set-aside for low and moderate income housing as applicable to the District Share (e.g., a change from calculating the set-aside on Agency's "gross" Property Tax Increment to calculating the set aside on

Agency's "net" Property Tax Increment), Agency shall not thereafter deduct the low and moderate income housing set-aside amount from the District Share.

Agency shall pay the District Share to District within ten (10) days of Agency's receipt of Property Tax Increment.

4. Agency Indebtedness. Agency's obligations hereunder to make payments for the benefit of District constitute an indebtedness of Agency within the meaning of California Health and Safety Code Section 33670(b).

5. That portion of the District Share retained by Agency, less the portion thereof which Agency is required to set aside for low and moderate income housing purposes pursuant to Health and Safety Code Section 33334.2 shall be expended as follows:

a. One-half thereof, or an amount of bond proceeds proportionate to said one-half, shall be applied to provide capital facilities, furnished or unfurnished, for District's use; and

b. One-half thereof shall be applied to defray any valid Agency debt at Agency's discretion.

6. Books and Records. Each party shall, within thirty (30) days after receipt of written request from the other, make available to the other for review or audit its books and records regarding the payments and expenditures referenced in this Agreement.



7. Agreement in Lieu of District Election Under Section 33676. The parties hereto into that this Agreement shall be in lieu of any payments which otherwise would be paid to District from the Project Area pursuant to Health and Safety Code Section 33676(a).

8. Covenant Not to Sue; Miscellaneous Matters Relating to Litigation. District hereby waives any and all causes of action, cases, claims, counts, actions and/or complaints related to, and agrees not to challenge, the validity of the Plan, or the ordinance adopting the Plan and/or the validity, on the grounds of the invalidity of the Plan, of bonds to finance or refinance in whole or in part the Plan, including, without limiting the generality of the foregoing, the legality and validity of all proceedings heretofore taken or in any way connected with the designation of the survey area, the Project Area, the formulation of the Preliminary Plan, the adoption of the Plan, and the formulation and certification of the Environmental Impact Report and other environmental documents for the Plan. District acknowledges it is familiar with Section 1542 of the Civil Code of the State of California, which provides:

"A general release does not extend to claims a creditor does not now or suspect to exist in his favor at the time of executing the release which if known by him must have materially affected his settlement with the debtor."

District hereby waives and relinquishes any rights and benefits which it may have under Section 1542 of the Civil Code of the State of California to the full extent that District may lawfully waive such rights. By agreeing to the provisions of this Paragraph 8, District does not waive the right to dispute the validity of any future amendments to the Plan or the adequacy of any environmental documents related to any such future amendments to the Plan, and/or the right to challenge any illegal implementation of the Plan.

9. City and Agency Obligations. City shall have no financial obligation or liability by virtue of or pursuant to this Agreement. Agency shall have no financial obligation or liability by virtue of or pursuant to this Agreement except for payments solely from Property Tax Increment allocated to and received by Agency as set forth in this Agreement.

10. Repeal of Section 33676(b) Resolutions. Within sixty (60) days of executing this Agreement, District shall, pursuant to Health and Safety Code Section 33676(c), repeal any resolution it has adopted pursuant to Health and Safety Code Section 33676(b) regarding the Plan.

11. Severability. In the event any section or portion of this Agreement shall be held, found, or determined to be unenforceable or invalid for any reason whatsoever, the remaining provisions shall remain in effect, and the parties hereto shall take further actions as may be reasonably necessary and available

to them to effectuate the intent of the parties as to all provisions set forth in this Agreement.

12. Default. Except to the extent required by law, failure or delay by any party to perform any term or obligation of this Agreement constitutes a default under this Agreement. The party who so fails or delays must immediately commence to cure, correct, or remedy such failure or delay, and shall complete such cure, correction, or remedy within thirty (30) days. For such defaults or delays that cannot be cured, corrected, or remedied within thirty (30) days, the defaulting or delaying party shall commence to cure, correct, or remedy the failure or delay within thirty (30) days and shall diligently prosecute such cure, correction, or remedy to completion within a reasonable period of time after commencement. If the failure or delay is not cured, corrected, or remedied within the required period of time, the defaulting party shall be liable for any damages caused by such default and the nondefaulting party may thereafter commence an action for damages with respect to such default or for specific performance of this Agreement. Prior to a failure or delay being deemed a default hereunder or the period to cure, correct, or remedy being deemed to have commenced, the nondefaulting party shall serve the defaulting party with notice of default; provided, however, that District shall not be required to provide Agency with any notice of any failure or delay by Agency in transmitting the District Share to District.

13. Notices. All notices required by this Agreement or by law shall be in writing and delivered by personal delivery, by United States mail, prepaid, certified, return receipt requested, or by a reputable document delivery service that provides a receipt showing date and time of delivery. Notices personally delivered or delivered by document delivery shall be effective upon receipt. Notices sent by United States mail shall be effective on the second business day following deposit.

Notices shall be addressed to:

If to Agency: City of Hesperia Community  
Redevelopment Agency  
15776 Main Street  
Hesperia, California 92345  
Attention: Executive Director

If to District: Hesperia Fire Protection District  
17288 Olive Street  
Post Office Box 400049  
Hesperia, California 92345  
Attention: District Administrator

14. Attorney's Fees. In the event of any dispute between the parties hereto arising out of or connected to this Agreement, the prevailing party in such litigation shall be entitled, in addition to whatever other relief the Court may grant, to reasonable attorney's fees and costs. Reasonable attorney's fees and costs shall accrue on the date of filing of such litigation and shall include attorney's fees and costs incurred in discovery and on appeal.

15. Time of Essence. Time is of the essence in the performance of this Agreement.

16. Governing Law; Forum. This Agreement shall be governed by, and construed under, the laws of the State of California. The parties agree that the Municipal and Superior Courts of the State of California in and for the County of San Bernardino shall have exclusive jurisdiction of any litigation between the parties hereto arising out or connected to this Agreement.

17. Further Assurances. Agency and District each agree, without further consideration, to execute such other and further documents, and to perform such other and further acts, as may be necessary or proper in order to consummate the transactions set forth in and contemplated by this Agreement.

18. Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties and supersedes all previous negotiations between them pertaining to the subject matter hereof. It is the intent of Agency and District that the payment herein provided constitute a full, complete, fair, and equitable adjustment for all financial and other impacts which have or may result to District during the term of the Plan. This Agreement shall remain in effect during the entire term of the Plan, and to the extent necessary to carry out its provisions any period beyond the expiration of the Plan during which Agency is allocated Property Tax Increment. This Agreement shall not be changed or modified except by written agreement of the parties.



19. Tax Increment Limit. Amounts paid by Agency to District pursuant to this Agreement shall not count against the limit on the total number of dollars to be allocated as Property Tax Increment to Agency under the Plan.

IN WITNESS WHEREOF, Agency and District have entered into this Agreement as of the date first above written.

"Agency"

CITY OF HESPERIA COMMUNITY  
REDEVELOPMENT AGENCY

By: Michael J. Longfellow  
Chairman

ATTEST:

By: Margaret A. Vall  
Secretary

APPROVED AS TO FORM:

By: James J. Hoffmann  
Agency Counsel

"District"

HESPERIA FIRE PROTECTION DISTRICT

By: Michael J. Longfellow  
Chairman

**ATTACHMENT C-2**

**CAPITAL FACILITIES AGREEMENT AND AGREEMENT FOR  
REIMBURSEMENT OF TAX INCREMENT FUNDS  
DATED DECEMBER 29, 1993**

[Attached behind this page]

ATTACHMENT 2 TO EXHIBIT "C"

**CAPITAL FACILITIES AGREEMENT AND AGREEMENT  
FOR REIMBURSEMENT OF TAX INCREMENT FUNDS**

**HESPERIA COMMUNITY REDEVELOPMENT AGENCY**

THIS CAPITAL FACILITIES AGREEMENT AND AGREEMENT FOR REIMBURSEMENT OF TAX INCREMENT FUNDS (the "Agreement") is made and entered into this 29th day of December, 1993, by and between THE CITY OF HESPERIA COMMUNITY REDEVELOPMENT AGENCY ("Agency") and HESPERIA FIRE PROTECTION DISTRICT ("District").

Recitals

A. Agency is proposing, and the City Council of the City of Hesperia is considering, adoption of an ordinance approving the Redevelopment Plan for Hesperia Redevelopment Project Area #2 (the "Plan") pursuant to the California Community Redevelopment Law ("CRL") (Health and Safety Code Section 33000, et seq.), which Plan delineates project area #2 (the "Project Area").

B. The Plan includes provisions authorizing the allocation to Agency of property taxes levied each year on the increase in the assessed valuation of property within the Project Area above the sum of the assessed values for the Project Area as shown on the 1993-1994 assessment roll.

C. The Project Area is located within District boundaries and is served by District.

D. District is an affected taxing entity, as defined in Section 33353.2 of the Health and Safety Code, and has ad valorem property taxes levied on its behalf by the County of San Bernardino ("County") on certain areas that comprise portions of the Project Area.

E. District has taken the position with Agency that, by virtue of its tax allocation provisions, the Plan will result in a "financial burden or detriment" to District within the meaning of Section 33012 of the California Health and Safety Code and that the Plan will increase the need for additional District capital facilities. The Agency has found and determined that it is appropriate to address the financial impact of the Plan on District and the District's capital needs.

F. The CRL expressly authorizes and enables Agency to assist District financially to address the financial burden or detriment caused to District by the Plan. Agency is authorized by Health and Safety Code Section 33401 to compensate affected taxing entities, including District, by paying to such taxing entities any amount of money which Agency determines is appropriate to alleviate any financial burden or detriment to such taxing entities caused by its implementation of the Plan.

The CRL also expressly authorizes and enables Agency to assist District by funding District's capital improvement needs. Section 33445 of the Health and Safety Code authorizes the Agency to expend property tax increment to fund capital improvements and facilities which are publicly owned which are inside or outside the Project Area and of benefit to such Project Area, including funding the capital improvements of other public agencies such as District.

G. Agency and District are authorized by Health and Safety Code Section 33676 to enter into an agreement providing for District's receipt of certain tax increments. The purpose of this Agreement is to provide for appropriate payments to be made by Agency to District pursuant to Health and Safety Code Section 33401 in order to alleviate financial burden or detriment caused to District by the tax allocation provisions of the Plan, to provide District with financial assistance to address District's capital facilities needs, and to set forth an agreement in lieu of the District's election under Health and Safety Code Section 33676.

H. By entering into this Agreement, Agency finds and determines (i) the payments to District as set forth in this Agreement are necessary to alleviate financial burden or detriment caused to District by the Plan, and (ii) District's capital facilities funded in whole or in part by Agency are of benefit to the Project Area and there are no other reasonable means of financing such facilities and improvements available to the community.

I. District and Agency desire to resolve and settle all differences with respect to adoption of the Plan. In consideration of Agency's obligations as set forth in this Agreement, District has agreed to waive any and all claims, demands, and disputes with Agency and City arising from the adoption of the Plan.

NOW, THEREFORE, in consideration of the foregoing, and the mutual promises and covenants set forth herein, the parties agree as follows:

Covenants:

1. Recitals Incorporated. The above Recitals are incorporated herein and made a part of this Agreement.

2. Definitions. The words and terms used in this Agreement shall have the following meanings:

a. "Agency" shall mean the City of Hesperia Community Redevelopment Agency.

b. "City" shall mean the City of Hesperia.



c. "Community Redevelopment Law" shall mean Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code.

d. "District" shall mean the Hesperia Recreation and Park District.

e. "District Share" shall mean that portion of the Property Tax Increment allocated to and paid to Agency pursuant to Health and Safety Code Section 33670(b) the District would have received as determined by application of the tax rate levied on behalf of District in the Project Area, but for adoption of the Plan.

f. "Fiscal Year" shall mean the period from July 1 to and including the following June 30.

g. "Plan" shall mean the Redevelopment Plan for the Hesperia Redevelopment Project, approved and adopted by the City Council of the City.

h. "Project Area" shall mean the Project Area identified in the Plan, the redevelopment of which is necessary for the public purposes of the California Community Redevelopment Law.

i. "Property Tax Increment" shall mean the full amount of property tax revenues generated from within the Project Area that are allocated to and paid to Agency pursuant to Health and Safety Code Section 33670(b), which amounts are attributable to increases in assessed valuation above the valuation shown on the 1993-1994 assessment roll, plus any identifiable California State Legislative supplements to or substitutes for ad valorem property taxes which are paid to Agency during the term of this Agreement. Not by way of limitation of the foregoing, Property Tax Increment shall include (i) payments made to District and other affected taxing entities, whether such payments are made by Agency or directly by the County of San Bernardino, and (ii) funds set aside or expended by Agency pursuant to Health and Safety Code Section 33334.2 or successor statute.

3. Agency Payment of District Share. For each Fiscal Year during and after the life of the Plan, the Agency is allocated Property Tax Increment for any purpose, Agency shall pay District fifty percent (50%) of the District Share, less only the portion of such District Share the Agency is required to set aside for low and moderate income housing purposes pursuant to Health and Safety Code Section 33334.2, said low and moderate income housing set aside reduction subject to the following additional conditions:

a. the maximum portion Agency may deduct from the District Share for low and moderate income housing purposes



pursuant to Health and Safety Code Section 33334.2 shall not be greater than an amount equal to the product obtained by multiplying the minimum set-aside percentage stated in Section 33334.2 {which as of the Effective Date of this Agreement is twenty percent (20%)} times the District Share;

b. no deduction for the low and moderate income housing set-aside from the District Share shall occur in any fiscal year the Agency fails to set aside funds into the Low and Moderate Income Housing Fund;

c. the deduction for the low and moderate income housing set-aside from the District Share shall be adjusted proportionately should Agency place less than the minimum percentages of Property Tax Increment into the Low and Moderate Income Housing Fund; and

d. in the event State law is changed, either by State Legislative enactment, applicable trial court decision, or appellate opinion, to eliminate the set-aside for low and moderate income housing as applicable to the District Share (e.g., a change from calculating the set aside on Agency's "gross" Property Tax Increment to calculating the set aside on Agency's "net" Property Tax Increment), Agency shall not thereafter deduct the low and moderate income housing set aside amount from the District Share.

Agency shall pay the District Share to District within ten (10) days of Agency's receipt of Property Tax Increment.

4. Agency Indebtedness. Agency's obligation hereunder to make payment for the benefit of District constitutes an indebtedness of Agency within the meaning of California Health and Safety Code Section 33670(b).

5. That portion of the District Share retained by Agency, less the portion thereof which Agency is required to set aside for low and moderate income housing purposes pursuant to Health and Safety Code Section 33334.2 shall be expended as follows:

a. One-half thereof, or an amount of bond proceeds proportionate to said one-half, shall be applied to provide capital facilities, furnished or unfurnished, for District's use; and

b. One-half thereof shall be applied to defray any valid Agency debt at Agency's discretion.

6. Books and Records. Each party shall, within thirty (30) days after receipt of written request from the other, make available to the other for review or audit its books and records regarding the payments and expenditures referenced in this Agreement.

7. Agreement in Lieu of District Election Under Section 33676. The parties hereto intend that this Agreement shall be in lieu of any payments which otherwise would be paid to District from the Project Area pursuant to Health and Safety Code Section 33676(a).

8. Covenant Not to Sue; Miscellaneous Matters Relating to Litigation. District hereby waives any and all causes of action, cases, claims, counts, actions, and/or complaints related to, and agrees not to challenge, the validity of the Plan, or the ordinance adopting the Plan and/or the validity, on the grounds of the invalidity of the Plan, of bonds to finance or refinance in whole or in part the Plan, including without limiting the generality of the foregoing, the legality and validity of all proceedings heretofore taken or in any way connected with the designation of the survey area, the Project Area, the formulation of the Preliminary Plan, the adoption of the Plan, and the formulation and certification of the Environmental Impact Report and other environmental documents for the Plan. District acknowledges it is familiar with Section 1542 of the Civil Code of the State of California, which provides:

"A general release does not extend to claim a creditor does not know or suspect to exist in his favor at the time of executing the release which if known by him must have materially affected his settlement with the debtor."

District hereby waives and relinquishes any rights and benefits which it may have under Section 1542 of the Civil Code of the State of California to the full extent that District may lawfully waive such rights. By agreeing to the provisions of this Paragraph 8, District does not waive the right to dispute the validity of any future amendments to the Plan or the adequacy of any environmental documents related to any such future amendments to the Plan, and/or the right to challenge any illegal implementation of the Plan.

9. City and Agency Obligations. City shall have no financial obligation or liability by virtue of or pursuant to this Agreement. Agency shall have no financial obligation or liability by virtue of or pursuant to this Agreement except for payments solely from Property Tax Increment allocated to and received by Agency as set forth in this Agreement.

10. Repeal of Section 33676(b) Resolutions. Within sixty (60) days of executing this Agreement, District shall, pursuant to Health and Safety Code Section 33676(c), repeal any resolution it has adopted pursuant to Health and Safety Code Section 33676(b) regarding the Plan.

11. Severability. In the event any section or portion of this Agreement shall be held, found, or determined to be

unenforceable or invalid for any reason whatsoever, the remaining provisions shall remain in effect, and the parties hereto shall take further actions as may be reasonably necessary and available to them to effectuate the intent of the parties as to all provisions set forth in this Agreement.

12. Default. Except to the extent required by law, failure or delay by any party to perform any term or obligation of this Agreement constitutes a default under this Agreement. The party who so fails or delays must immediately commence to cure, correct, or remedy such failure or delay, and shall complete such cure, corrections, or remedy within thirty (30) days. For such defaults or delays that cannot be cured, corrected, or remedied within thirty (30) days, the defaulting or delaying party shall commence to cure, correct, or remedy the failure or delay within thirty (30) days and shall diligently prosecute such cure, correction, or remedy to completion within a reasonable period of time after commencement. If the failure or delay is not cured, corrected, or remedied within the required period of time, the defaulting party shall be liable for any damages caused by such default and the non-defaulting party may thereafter commence an action for damages with respect to such default or for specific performance of this Agreement. Prior to a failure or delay being deemed a default hereunder or the period to cure, correct, or remedy being deemed to have commenced, the non-defaulting party shall serve the defaulting party with notice of default; provided, however, that District shall not be required to provide Agency with any notice of any failure or delay by Agency in transmitting the District Share to District.

13. Notices. All notices required by this Agreement or by law shall be in writing and delivered by personal delivery, by United States mail, prepaid, certified, return receipt requested, or by a reputable document delivery service that provides a receipt showing date and time of delivery. Notices personally delivered or delivered by document delivery shall be effective upon receipt. Notices sent by United States mail shall be effective on the second business day following deposit. Notices shall be addressed to:

If to Agency: City of Hesperia Community  
Redevelopment Agency  
15776 Main Street  
Hesperia, CA 92345  
Attn: Executive Director

If to District: Hesperia Fire Protection District  
17288 Olive Street  
Post Office Box 400049  
Hesperia, CA 92345  
Attn: District Administrator



14. Attorney's Fees. In the event of any dispute between the parties hereto arising out of or connected to this Agreement, the prevailing party in such litigation shall be entitled, in addition to whatever other relief the court may grant, to reasonable attorney's fees and costs. Reasonable attorney's fees and costs shall accrue on the date of filing of such litigation and shall include attorney's fees and costs incurred in discovery and on appeal.

15. Time of Essence. Time is of the essence in the performance of the terms of this Agreement.

16. Governing Law; Forum. This Agreement shall be governed by, and construed under, the laws of the State of California. The parties agree that the Municipal and Superior Courts of the State of California in and for the County of San Bernardino shall have exclusive jurisdiction of any litigation between the parties hereto arising out of or connected to this Agreement.

17. Further Assurances. Agency and District each agree, without further consideration, to execute such other and further documents, and to perform such other and further acts, as may be necessary or proper in order to consummate the transactions set forth in and contemplated by this Agreement.

18. Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties and supersedes all previous negotiations between them pertaining to the subject matter hereof. It is the intent of Agency and District that the payment herein provided constitutes a full, complete, fair, and equitable adjustment for all financial and other impacts which have or may result to District during the term of the Plan. This Agreement shall remain in effect during the entire term of the Plan, and to the extent necessary to carry out its provisions any period beyond the expiration of the Plan during which Agency is allocated Property Tax Increment. This Agreement shall not be changed or modified except by written agreement of the parties.

19. Tax Increment Limit. Amounts paid by Agency to District pursuant to this Agreement shall not count against the limit on the total number of dollars to be allocated as Property Tax Increment to Agency under the Plan.

IN WITNESS WHEREOF, Agency and District have entered into this Agreement as of the date first above written.

"Agency"

CITY OF HESPERIA  
COMMUNITY REDEVELOPMENT AGENCY

By: Michael J. Longignans  
Chairman

ATTEST:

By: Margaret A. Vall  
Secretary

APPROVED AS TO FORM:

By: James F. Markman  
Agency Counsel

"District"

HESPERIA FIRE PROTECTION DISTRICT

By: Michael J. Longignans  
Chairman

055

**RESOLUTION NO.**

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DETERMINING THE AMOUNT OF PROPERTY TAX REVENUES TO BE EXCHANGED AMONG THE HESPERIA FIRE PROTECTION DISTRICT, THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT, ITS NORTH DESERT SERVICE ZONE AND THE CITY OF HESPERIA, RESULTING FROM THE JURISDICTIONAL CHANGE DESCRIBED BY LAFCO 3218 ENCOMPASSING THE JURISDICTIONAL BOUNDARIES OF THE HESPERIA FIRE PROTECTION DISTRICT**

On Tuesday March 20, 2018 on motion of Supervisor \_\_\_\_\_, duly seconded by Supervisor \_\_\_\_\_ and carried, the following resolution is adopted by the Board of Supervisors of San Bernardino County, State of California.

**SECTION 1.** The Board of Supervisors of the County of San Bernardino hereby finds and determines that:

- A. Pursuant to Section 99 of the Revenue and Taxation Code, prior to the issuance of a Certificate of Filing by the Local Agency Formation Commission Executive Officer, the governing bodies of all local agencies whose service responsibilities will be altered by change of organization shall negotiate and determine by resolution the amount of property tax revenues to be exchanged among such local agencies.
- B. Except as provided in Section 99.1 of the Revenue and Taxation Code, in the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the Board of Supervisors shall, on behalf of all special districts, negotiate any exchange of property tax revenues.
- C. The Board of Supervisors of the County of San Bernardino and the City of Hesperia have determined the amount of property tax revenues to be exchanged as a result of the following jurisdictional change:

**LOCAL AGENCY FORMATION COMMISSION 3218 – REORGANIZATION TO INCLUDE ANNEXATIONS TO SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT, ITS NORTH DESERT SERVICE ZONE, AND THE DIVESTITURE OF THE FUNCTIONS OF FIRE, EMERGENCY MEDICAL RESPONSE AND AMBULANCE FROM THE HESPERIA FIRE PROTECTION DISTRICT**

- D. This jurisdictional change will affect the following "Negotiated Pass-Through Agreements" between the City of Hesperia Community Redevelopment Agency and the Hesperia Fire Protection District: (a) "Capital Facilities Agreement and Agreement for Reimbursement of Tax Increment Funds" dated July 15, 1993 (Attachment 1 to Exhibit "C" hereto); and (b) the "Capital Facilities Agreement and Agreement for Reimbursement of Tax Increment Funds" dated December 29, 1993 (Attachment 2 to Exhibit "C" hereto).
- E. It is necessary that the attached Pass-Through Revenue Sharing Agreement (Exhibit "C" hereto) shall be approved by the City of Hesperia (City), the Hesperia Fire Protection District (District), the San Bernardino County Fire Protection District (SBCFPD) and the County of San Bernardino (County) in order to maintain the current pass-through revenue stream to the District for the Negotiated Pass-Through Agreements between the District and the Hesperia Community Redevelopment Agency.
- F. It may be necessary to temporarily discontinue the transfer of property tax revenues to SBCFPD and the City from the District if, the Pass-Through Revenue Sharing Agreement cannot be

implemented or enforced as a result of a final court judgement, state law or regulation change, state action or any action or proceeding by a third party that affects the Pass-Through Revenue Sharing Agreement, until the Negotiated Pass-Through Agreements have expired.

**SECTION 2.** The Board of Supervisors of the County of San Bernardino hereby resolves and orders that:

- A. The negotiated exchange of property tax revenue among the District, City, SBCFPD and its North Desert Service Zone, attached hereto as Exhibit "A" and incorporated herein by reference, resulting from the above described jurisdictional change(s), is hereby accepted.
- B. The Pass-Through Revenue Sharing Agreement attached hereto as Exhibit "C" and the Revenue Sharing Agreement attached hereto as Exhibit "D" are hereby approved, subject to the filing of the Certificate of Completion for LAFCO 3218. The Revenue Sharing Agreement shall only be implemented if one or more of the triggers identified in Section 5 of the Pass-Through Revenue Sharing Agreement occur. If the Certificate of Completion is not filed by LAFCO, both agreements automatically terminate.
- C. If the County Auditor-Controller/Treasurer/Tax Collector notifies the County Chief Executive Officer that the Pass-Through Revenue Sharing Agreement cannot be implemented or enforced as described in (F) above, the County Chief Executive Officer, upon receipt of such notice and in consultation with County Counsel, shall provide notice to the City, the District, and the SBCFPD that the Pass-Through Revenue Sharing Agreement has terminated and the Revenue Sharing Agreement is being implemented. The Revenue Sharing Agreement will temporarily implement the property tax revenue exchange in Exhibit "B" to this Resolution. The property tax revenue exchange identified in Exhibit "A" will be permanently reinstated when the Negotiated Pass-Through Agreements have expired.
- D. The annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change shall be allocated in future years pursuant to the provisions of Section 98 of the Revenue and Taxation Code.

**SECTION 3.** The Clerk of the Board of Supervisors is hereby directed to certify the passage of this resolution and to cause a certified copy to be sent to the Executive Officer of the Local Agency Formation Commission of the County of San Bernardino.

PASSED AND ADOPTED by the Board of Supervisors of the County of San Bernardino, State of California, by the following vote:

AYES: SUPERVISORS:

NOES: SUPERVISORS:

ABSENT: SUPERVISORS:

\* \* \* \* \*

STATE OF CALIFORNIA                    )  
  )  
COUNTY OF SAN BERNARDINO        )        SS.

I, **LAURA H. WELCH**, Clerk of the Board of Supervisors of the County of San Bernardino, State of California, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Supervisors, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of March 20, 2018.

LAURA H. WELCH  
Clerk of the Board of Supervisors

By \_\_\_\_\_  
Deputy

**EXHIBIT “D”**

**REVENUE SHARING AGREEMENT**

[Attached behind this page]

## REVENUE SHARING AGREEMENT

**AMONG THE CITY OF HESPERIA, THE HESPERIA FIRE PROTECTION DISTRICT, THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND THE COUNTY OF SAN BERNARDINO FOR THE PURPOSES OF PARTIALLY FUNDING FIRE AND RELATED SERVICES AND THE UNFUNDED RETIREMENT OBLIGATIONS RELATED TO THE HESPERIA FIRE PROTECTION DISTRICT AS WELL AS OTHER CITY COSTS.**

WHEREAS, the Hesperia Fire Protection District ("District") and the San Bernardino County Fire Protection District ("SBCFPD") have jointly initiated an application to the Local Agency Formation Commission ("LAFCO") for reorganization to annex the area within the District into the SBCFPD for the provision of fire and related services ("Reorganization"); and

WHEREAS, pursuant to the Reorganization, the County of San Bernardino ("County") adopted Property Tax Transfer Resolution\_\_\_\_ dated March 20, 2018 (Attachment 3 to the Pass-Through Revenue Sharing Agreement), and the City of Hesperia ("City") adopted Property Tax Transfer Resolution\_\_\_\_ dated March 20, 2018 (Attachment 4 to the Pass-Through Revenue Sharing Agreement). The Property Tax Transfer Resolutions transfer 90.2798% of the District's share of property tax revenue to SBCFPD and 9.7202 % of the District's share of property tax revenue to the City. In addition, the parties entered into a Pass-Through Revenue Sharing Agreement dated March 20, 2018 (Exhibit "C" of the Property Tax Transfer Resolutions), whereby 90.2798% of the District's share of Pass-Through Agreement Revenues would also be transferred to SBCFPD and 9.7202% of the District's share of Pass-Through Agreement Revenues would be transferred to City.

WHEREAS, both the Property Tax Transfer Resolutions and the Pass-Through Revenue Sharing Agreement provide that in the event that the Pass-Through Revenue Sharing Agreement cannot be implemented or enforced, Exhibit "B" of the Property Tax Transfer Resolutions and Exhibit "D" of the Property Tax Transfer Resolutions (this Agreement) would be implemented through the expiration of the Negotiated Pass-Through Agreements, and the Pass-Through Revenue Sharing Agreement would be terminated without further action on the part of the parties; and

WHEREAS, the parties agree that the change in implementation of the Property Tax Transfer Resolutions and termination of the Pass-Through Revenue Sharing Agreement requires a new agreement for the funding of the fire and related services, the unfunded retirement obligations related to the Hesperia Fire Protection District as well as other City costs; and

WHEREAS, the parties desire to address the issues of funding for the unfunded District retirement liability as well as other City costs and funding of fire protection services for the area annexed into SBCFPD from the District pursuant to the Reorganization in the event of the inability to implement the Pass-Through Revenue Sharing Agreement; and



WHEREAS, the City and the District will have executed an agreement prior to the filing of the Certificate of Completion for the Reorganization that provides for the City's assumption of liability for the CalPERS obligations of the District, including, but not limited to, timely payment of annual employer contributions to CalPERS required of the District and any withdrawal liability assessed as a result of the voluntary or involuntary termination of the District's contract for pensions with CalPERS. The agreement will also state that the City's assumption of liability continues until all the District's obligations to CalPERS have been fully satisfied; and

WHEREAS, SBCFPD has assumed full responsibility for fire and related services within District; and

WHEREAS, District agrees that it is required to pay for the services rendered by SBCFPD and City; and

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants and promises set forth below, and for other good and valuable consideration, receipt of which is hereby acknowledged, the Parties hereby agree as follows:

**Section 1.**     Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated herein.

**Section 2.**     Definitions.

(a)     “*Agreement*” refers to this “Revenue Sharing Agreement” (Exhibit “D” of the Property Tax Transfer Resolutions) among the City of Hesperia, the Hesperia Fire Protection District, the San Bernardino County Fire Protection District and the County of San Bernardino for the purposes of partially funding the fire and related services and the unfunded retirement obligations related to the Hesperia Fire Protection District as well as other City costs, together with the Recitals (and any Attachments), and shall constitute the complete and exclusive statement of understanding between the Parties which supersedes all previous agreements, written or oral, and all communications between the Parties relating to the subject matter of this Agreement.

(b)     “*City*” refers to the City of Hesperia.

(c)     “*County*” refers to the County of San Bernardino.

(d)     “*District*” refers to the Hesperia Fire Protection District.

(e)     “*LAFCO*” refers to the Local Agency Formation Commission.

(f)     “*Negotiated Pass-Through Agreements*” refers to the negotiated pass-through agreements between the City of Hesperia Community Redevelopment Agency and the District as follows: (a) “Capital Facilities Agreement and Agreement for Reimbursement of Tax Increment Funds” dated July 15, 1993 (Attachment 1 to the Pass-Through Revenue Sharing Agreement); and (b) the “Capital Facilities Agreement and Agreement for Reimbursement of Tax Increment Funds” dated December 29, 1993 (Attachment 2 to the Pass-Through Revenue Sharing Agreement).

(g) “*Property Tax Transfer Resolutions*” refers collectively to the following: (a) the Resolution of the County accepting the transfer of property tax revenue from the District to the SBCFPD and City, which is adopted as a term and condition of the Reorganization (Attachment 3 to the Pass-Through Revenue Sharing Agreement); and (b) the Resolution of the City accepting the transfer of property tax revenue from the District to the SBCFPD and City which is adopted as a term and condition of the Reorganization (Attachment 4 to the Pass-Through Revenue Sharing Agreement).

(h) “*Reorganization*” refers to the LAFCO 3218 reorganization to include annexation to the SBCFPD, its North Desert Service Zone, and the divestiture of the functions of fire, emergency medical response and ambulance from the District.

(i) “*SBCFPD*” refers to the San Bernardino County Fire Protection District.

**Section 3.** Allocation Period. The parties hereto agree that if the Pass-Through Revenue Sharing Agreement cannot be implemented or enforced:

(a) Exhibit “B” of The Property Tax Transfer Resolutions shall be temporarily implemented until such time as the Negotiated Pass-Through Agreements have expired.

(b) The Pass-Through Revenue Sharing Agreement shall terminate upon the implementation of this Agreement;

(c) The County Chief Executive Officer, upon receipt of notice from the County Auditor-Controller/Treasurer/Tax Collector that one or more of the trigger events identified in Section 5 of the Pass-Through Revenue Agreement has occurred and upon consultation with County Counsel, shall provide notice to the City, the District and the SBCFPD that the Pass-Through Revenue Sharing Agreement has been terminated and this Agreement is being implemented;

(d) The District shall transfer all revenue received through base property tax, the Negotiated Pass-Through Agreements, residual distributions and any other property tax related revenue to SBCFPD and City on the basis of 90.2798% being transferred to SBCFPD and 9.7202% to the City. This Agreement shall remain in effect until such time as the Negotiated Pass-Through Agreements have expired.

(e) At the expiration of the Negotiated Pass-Through Agreements, Exhibit “A” of the Property Tax Transfer Resolutions shall be permanently reinstated. The parties agree to cooperate and take all action to ensure that the Property Tax Transfer Resolutions are operational and in full force and effect.

**Section 4.** Notice. Any notice to be given pursuant to this Agreement shall be deemed fully given when made in writing and served personally, or by facsimile transmission, or five days after deposit in the United States mail, postage prepaid and addressed as follows:

If to the City:                      Office of the City Manager  
   9700 Seventh Avenue

Hesperia, CA 92345  
Attn: City Manager

If to the District: Office of the City Manager  
9700 Seventh Avenue  
Hesperia, CA 92345  
Attn: City Manager

If to the SBCFPD: Fire Chief/Fire Warden  
San Bernardino County Fire Protection District  
157 West Fifth Street, Second Floor  
San Bernardino, CA 92415-0451

If to the County: Deputy Executive Officer/Fire  
385 N. Arrowhead, 4th Floor  
San Bernardino, CA 92415-0120

**Section 5.** Amendments and Modifications. The Parties agree that any alterations, amendments or modifications of the provisions of this Agreement shall be valid only when reduced to writing, executed and approved by the persons authorized to do so on behalf of each of the Parties, provided that any amendments to this Agreement that alters the property tax distribution shall not be valid without the consent of LAFCO. LAFCO retains its sole and unfettered discretion as to any consent required hereby.

**Section 6.** Counterpart Signatures Allowed. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which when executed and delivered shall together constitute one and the same instrument.

CITY OF HESPERIA

By: \_\_\_\_\_  
Bill Holland, Mayor Pro Tem  
Date: \_\_\_\_\_

APPROVED AS TO FORM:  
ALESHIRE & WYNDER, LLP

By: \_\_\_\_\_  
Eric L. Dunn, City Attorney

HESPERIA FIRE PROTECTION DISTRICT

By: \_\_\_\_\_  
Bill Holland, Vice Chair  
Date: \_\_\_\_\_

APPROVED AS TO FORM:  
ALESHIRE & WYNDER, LLP

By: \_\_\_\_\_  
Eric L. Dunn, City Attorney

SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT

By: \_\_\_\_\_  
Robert A. Lovingood, Chairman  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT

By: \_\_\_\_\_  
Michelle Blakemore, County Counsel

COUNTY OF SAN BERNARDINO

By: \_\_\_\_\_  
Robert A. Lovingood, Chairman  
Date: \_\_\_\_\_

APPROVED AS TO FORM:  
COUNTY OF SAN BERNARDINO

By: \_\_\_\_\_  
Michelle Blakemore, County Counsel

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**ACKNOWLEDGED AS TO THE DIRECTIONS CONTAINED IN SECTION 3 OF THE  
AGREEMENT.**

SAN BERNARDINO COUNTY AUDITOR-  
CONTROLLER/TREASURER/TAX COLLECTOR

By: \_\_\_\_\_  
Oscar Valdez,  
Auditor-Controller/Treasurer/Tax Collector  
Date: \_\_\_\_\_