



Note Day & Time Change

AGENDA

Regular Meeting

City Hall 11960 East St. Fort Jones

Wednesday June 15, 2022 – 6:00 PM.

CALL TO ORDER:

Fort Jones City Council Roll Call: Mayor: DeCausmaker _____ Members: Garcia _____ Banks _____
Beckwith _____ Gepford _____

PLEDGE OF ALLEGIANCE:

PUBLIC COMMENTS ON CLOSED SESSION: *(This is the time for community members to bring up items they wish to discuss regarding the closed session item only)*

ADJOURN TO CLOSED SESSION: 6:00 PM

CLOSED SESSION:

- A. The Council will meet in closed session pursuant Government Code 54957 for the purpose of establishing a transition plan and posting the position available. Position: City Administrator
- B. The Council will meet in closed session pursuant to Government Code 54957.6 with the local agency's designated representative regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits may include discussion of an agency's available funds and funding priorities, but only insofar as these discussions relate to providing instructions to the local agency's designated representative. (City's Designated Representative: City Administrator).

RETURN TO OPEN SESSION: 7:00 PM

REPORT ON CLOSED SESSION:

PUBLIC COMMENTS:

Discussion items only, no action to be taken. Any person may address the Council at this time upon any subject within the jurisdiction of the Town of Fort Jones; however, any matter that requires action may be referred to staff and/or Committee for a report and recommendation for possible action at a subsequent Council meeting. There is a five (5) minute limit per topic.

DISCUSSION / REPORTS / CORRESPONDENCE: NON-ACTION ITEMS:

- A. Police Department Monthly Report
- B. Code Enforcement
- C. Fire Department Monthly Report
- D. Public Works Monthly Report
- E. Community Survey Report
- F. Administrator's Reports

CONSENT CALENDAR:

Items listed on the consent agenda are considered routine and may be enacted in one motion.

Any item may be removed for discussion at the request of the Council or the Public.

1. a) Approval of Minutes: Regular Meeting May 9, 2022
- b) Ratification of Disbursements: May 1 through May 31, 2022
- c) Approve Payables for June 2022
- d) Receive and Review YTD P&L

PUBLIC HEARING: ORDINANCES AND RESOLUTIONS

2. Review and approve 2022-2023 Operations Budget with Second Reading

DISCUSSION / REPORTS: ACTION ITEMS:

3. Review and Approve CDBG Guidelines for the Housing Rehabilitation Program and move to Public Hearing next month
4. Review and Approve Housing and Community Development Fund (HCDF) Guidelines
5. Review and Approve HCDF Housing Guidelines
6. Review and Approve HCDF Public Works Guidelines
7. Review and Approve LAFCO Budget
8. Review and Approve Wage Schedule for staff positions.
9. Discussion Regarding Pinassi and Motel Abatement Process
10. Discussion Regarding Gwinn and Silva Properties and liens

STAFF COMMENTS:

COUNCIL MEMBER COMMENTS:

ADJOURNMENT: The next Fort Jones City Council Meeting is scheduled to be held on July 11, 2022, at 7:00 p.m.

CLOSED SESSION



THE TOWN OF FORT JONES

TO: FORT JONES CITY COUNCIL

MEETING DATE: JUNE 15, 2022

FROM: KARL DREXEL, CITY ADMINISTRATOR

SUBJECT: CLOSED SESSION A

BACKGROUND

Council Member Garcia requested a Closed Session to discuss the position of City Administrator and a schedule for a transition program. Although the Council met in Closed Session last year regarding this same thing, it was my understanding, and I believe that of City Attorney, that no dates were ever discussed. I believe it is prudent to establish a succession plan, which I have been doing for the last year, training staff to assume more and more responsibilities that will provide for a smooth and successful transition. With the staff taking on more responsibility it will be easier to find a competent person to assume the position of City Manager when the time comes. I have no plans on retiring in the near future, in fact I would like to continue to spearhead, and see to fruition, all of the projects we have started, including the Wastewater Treatment Plant Improvement project, the Upgraded Meter Project, the Drinking Water Improvement Project, the Central Community Park Project, the Complete Streets Project and the upgrades of to all streets and roads in Fort Jones.

RECOMMENDATION

Staff recommends the Council consider posting for the position of City Manager to assume the position in a year or two, when they have a fighting chance of finding someone for the amount of money they want to spend after most of the projects are complete and the staff that we have built can assume even more of the manager's responsibilities.



THE TOWN OF FORT JONES

TO: FORT JONES CITY COUNCIL

MEETING DATE: JUNE 15, 2022

FROM: KARL DREXEL, CITY ADMINISTRATOR

SUBJECT: CLOSED SESSION B

BACKGROUND

The Town of Fort Jones unanimously passed a change in the form of Government they wanted to follow, in 2018. The Council decided it was in the interest of the Town to move on from a Council/Commissioner/Strong Clerk form of government to a Council/Administrator form of Government. The Ordinance establishing the Administrator position, written by City Attorney, and the accepted contract by the Council, establish very clearly that the City Administrator has the primary authority of the day-to-day operations of the Town and the staff therein, including wages, discipline, and overall staffing. It was brought to my attention, by members of the Council, that the Council wants final say over wages, merit raises, COLA and benefits, even if those changes are in the council approved budget. Since it is not prudent or efficient to bring every step increase to the Council at every evaluation or anniversary, staff has developed a Salary Schedule for Council consideration and vote. The schedule was developed from other local city wage schedules and includes wages for the existing positions we employ, and several other positions we might have in the future. In fact, the job descriptions to most of these positions are being filled by staff we have, but under another title. By passing the salary schedule presented, Council will determine future wages and COLAs without having to revisit it every year.

This year the Cost of Living rose 8.6%, but most economists feel like that was an anomaly. The attached schedule has a built in COLA of 3%, a more reasonable adjustment. Since our staff all wear so many hats and provide so many services, I felt it was important to bring them up to a level that is more prevalent in the County. I worked into the budget that the Council approved last month, a Cost of Living Adjustment of 5% and a merit raise of \$1/ hour for each employee. I believe, as your City Administrator, in charge of the daily operations of the Town, that we need to honor and respect our staff, and pay them more than a MacDonald's fry cook, or the garbage man with Scott Valley Disposal.

RECOMMENDATION

Staff recommends the Council review and approve the proposed salary schedule and job descriptions for current and future staff.

REPORTS & CORRESPONDANCE

Ft. Jones Police Chief's Monthly Report

May 2022

Below is the monthly police report for the month of May and as you can see by the attached calls for service and report stats we have been staying increasingly busy as summer approaches. We are preparing for several upcoming events which will be nice to see as everyone is still coming accustomed to what use to be normal. As mentioned in my past reports we at the department enjoy being part of the town's events and helping in any way we can. Again, safety to our constituents is our main priority and will take the necessary steps to insure everyone enjoys themselves and gets home safe.

Traffic- Officers have continued to show a high level of presence in and around problematic areas to help reduce traffic related activity. Main street has been one of our main focus areas and will continue to be throughout the summer. Main Street sees most of our traffic and a constant reminder of seeing a patrol car helps motorists follow the rules. Several other town streets have also seen an uptick in traffic related complaints such as speed and inattention. We have made these areas priorities in the attempt to solve the issues at hand. We also continue to maintain presence around our schools to keep drivers following the rules of the roads.

Schools- As the school year ends, we have been utilizing our amazing partnership with the school district to ensure the safety of our students. We will be attending graduations not only in support of our youth but to also act as mentors, letting kids know we are there to help and be a productive part of their success. We continue to maintain dynamic dialog with our school partners within the realm of school security and safety as we see other parts of the country deal with catastrophic events we hope to never experience. It's with this open communication we are able to be proactive and prevent problems before they arise.

Animal Control- Dog at large issues continue to be the main call for service when it comes to animal control. Most if not all of these calls within the last month have been successfully rectified and hopefully preventative those specific calls for service. Code enforcement was made aware of several unregistered animals in town and were also successful in getting the owners to register with the town hall.

Reports/Cases- From the past months calls for service report you can see how our activity when it comes to arrests and written reports is consistent with the increase in better weather and the summers months. We have also been requested to attend hearings lately in adjudication reports and calls for service up to several years ago. It is nice to finally see these cases come to an end. Here shortly the District Attorney will also be releasing a statement

regarding the officer involved shooting we had a year ago. This will be good for our officers as they try and navigate this very difficult incident. Closure is what we want for everyone involved and this statement is key to taking the next steps.

Calls for Service- Attached is an updated Event/calls for service report that shows many of the issues we have been facing and responding too. As a reminder the attached calls for service were all provided to and logged through dispatch. Keep in mind that many of our calls for service are handled in house and not part of the event list. It would be safe to say that the number could be doubled to estimate more of an actual amount of activity. The department continues to be very active with fire, EMS, and mutual aid.

Ordinance Enforcement- Attached is Kelly's monthly report where you can see the continued code related issues we incur on a monthly basis. These cases as mentioned before are very slow moving and take months if not years to resolve. Several of our more serious cases have gone to the district attorney and continue to move towards adjudication. It has been a long journey with these significant cases and taken many working together to be successful. Thank you all who had input and involvement as we couldn't have done it without you. I again would really like to thank Councilwoman Garcia as she was instrumental in restructuring and the adoption of local ordinances giving the validity, we needed to effectively enforce laws which protect us all. Without this difficult task being taken on by her and her constant attention to detail there is no way we would have been productive and met our goals.

PAL- Pal has started its swim teams seasons and have a large number of participants. It's exciting to see our local youth back into team sports and having the ability to enjoy our local events. We at Pal are also continuing our mentoring programs such as fishing and our new horse therapy classes. We have a large demand for services like this and it's nice to finally be able to expand and provide services usually not available to our youth in need. Thank you to everyone who volunteers their time including our officers to make these programs successful.

Training- We have partnered with College of the Siskiyous to help provide critical mandated perishable skills training along with advanced officer trainings. Our officers have been able to attend numerous trainings recently and have several more scheduled in the upcoming months. It is with great pride we are able to have amazing trainings for our officers which attributes to the many blessings we experience in a rural area.

Grants- Recently we took the next steps in hiring a new officer through the national cops hiring grant we were awarded. Oral board interviews were held, and a ranked hiring list was created. Thank you to Mercedes for participating in the interviews and giving the town of Ft. Jones input into the process. Once a conditional offer is extended to the candidate the background process will be completed and an official hire date will be announced. We hope to accomplish this within the next month.

Fort Jones Town Council Meeting
CSO/Code Enforcement Report
May 2022

The Marble View Motel case had a court date June 2nd. The Judge gave the following orders:

He is to take no action that will contribute to lower the value of the property or worsen the condition of the property. He is to remove all automobiles and automobile parts from the property. He is to allow access for the City of Fort Jones to obtain estimates for the work to be completed to abate the property. No one is to be living in the property.

A review hearing was set for August 11, 2022 at 9:30 am. I contacted the County Building Department, and they are going to schedule the inspections some time before the next court date.

The owners at 12301 Douglas have removed the lawn clippings and the ditch is now clear of debris.

I received a complaint at 112 Newton St for excessive noise and other code issues. I spoke with the tenants, and they are working on cleaning up the debris in the backyard as well as weed eating the tall grass. I told them I would follow-up with them in 30 days.

Daily Activities:

Patrol Town several times a day and make citizen contacts
Assist citizens with DMV paperwork
Assist Officers when needed
Animal control, mostly lost dogs

Respectfully Submitted:

CSO Kelly York



Fort Jones Fire Department

Chief Joseph Hess
Po Box 597
31 Newton Street
Fort Jones CA, 96032
Station Phone (530)468-2261
E-Mail- ftjfire@sisqtel.net

To City Council,

The Fire Department responded to 30 calls for service in the month of May. Members participated in 16 hours of scheduled training, and numerous hours of online training. The Fire Department has responded to 178 calls year to date.

May 2022 Calls

Call Type	City Limits	Out of City
MEDICAL AID	5	19
PUBLIC ASST.	2	1
VEG. FIRE	0	0
STU. FIRE	0	1
TRAFFIC ACCIDENT	0	1
FIRE ALARM	0	0
ILLEGAL BURNING	0	0
FALSE ALARM	0	0
FLU FIRE	0	0
CANCELLED	0	1
Total	7	23

We received our radios that we ordered last year from to 50/50 match grant through the state. These are a huge upgrade over our previous radios and give us much better communication capabilities. Currently all our first out engines are equipped with them, and we hope to equip the rest of the fleet with them next year.

E1314 is still at Medford Shop. The shop has someone working up a quote on what it will cost to repair it and will let me know once they get that quote. In the mean time we are still looking for another type one engine to replace it.

Public Works Report

May 2022

The static water level at the well is 21 feet. The month of May we have been busy trying to make the Town fire safe. We chopped down all the weeds along Scott River Road. We removed a bunch of buck brush that was growing at the top of High Street. We used the weed eater along Hwy 3 at Walker Fields and around other parts of Town. We contacted multiple fencing companies to try to have them submit bids for the fencing project at the Little League Park and the Picnic Pavilion. Everett is continually studying for his wastewater exam. He only needs two more CEU's to be able to take the exam. We fixed a broken wheel on the walk behind weed eater. We have been manually running the Towns well because the sensor stopped working right. We worked with Scott River Pump and diagnosed the problem. We replaced the transducer at the new water tank which seemed to fix that issue. We repainted the handicap parking space at City Hall. We received another shipment of infield mix from Shasta Forest Products. We moved it from where they dropped it off to the Little League Field. We had it spread out. We attended a webinar on how to secure grants for the Town. We installed the new sign at the Paul Garrison Picnic Pavilion. We cleaned up around the Fort Jones Monument on Eastside road. We replaced a curb stop valve on Butte Street. We have been spending a lot of time mowing . We installed the new sign at City Hall and replaced a light bulb at the top of the building. We have had to respond to numerous calls for water shut offs throughout the month. We dug up an old curb stop valve on East Street that wasn't working and ordered a replacement for it. We fixed various sprinklers at both ball parks and City Hall. We have been handing out water notices for customers delinquent on their payments. We have seen an increase in vandalism in the form of broken glass left at the Picnic Pavilion.

Roads Survey Report

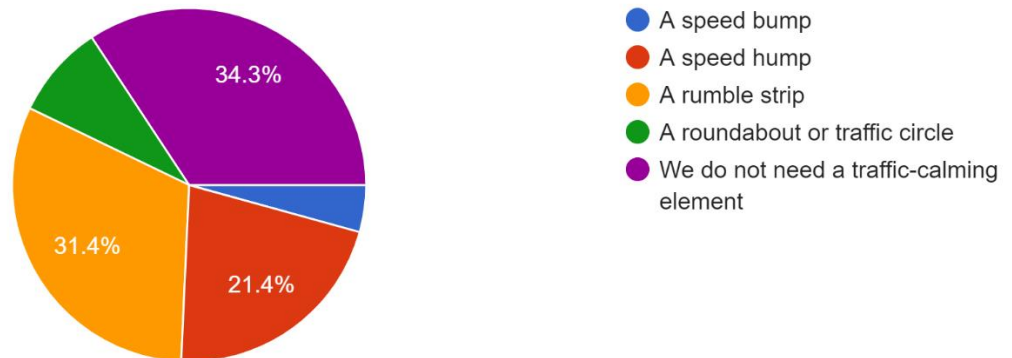
After social media promotion and a feature in the June Newsletter, our Roads Survey received 81 responses. Of these respondents, 45 were Fort Jones residents and 34 lived in other parts of Scott Valley. This survey helped us to gauge which traffic elements would cause problems for the people who use our streets, what is working well already, and what types of changes residents would like to see. Note: throughout this report, not all numbers will add up to 81 since participants were free to skip questions.

Traffic Speed

Participants were asked how they felt about traffic speeds on Main Street. The majority of respondents (48) reported that people drive too fast on Main Street, with only 2 disagreeing (29 reported that traffic speeds on Main Street were just right). A total of 47 respondents were in favor of implementing traffic-calming elements somewhere in town, with 41 of those respondents calling for elements at both the north and south ends of town. The two most popular traffic-calming elements were a rumble strip and a speed hump, with 22 and 15 supporters. Of those surveyed, 28 indicated that no traffic-calming element is needed.

I would like that traffic-calming element to be:

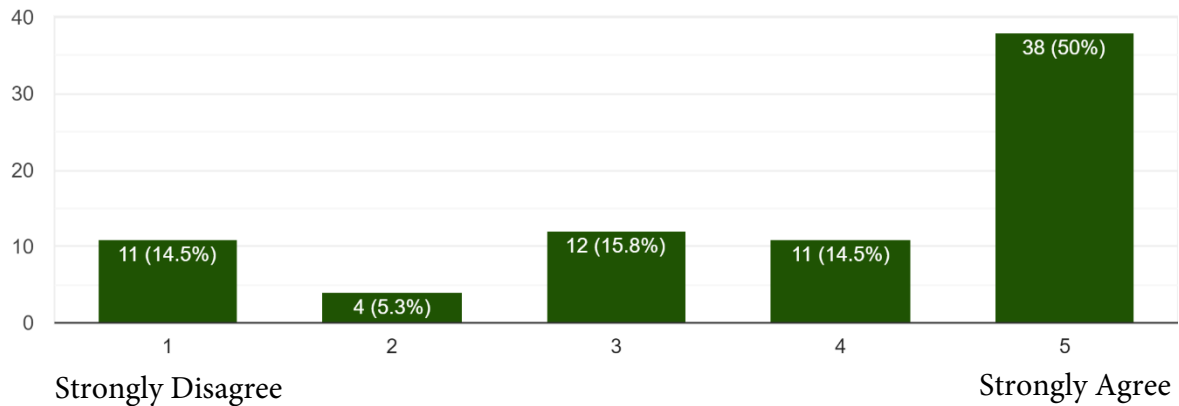
70 responses



When presented with the option of extending the 30 mile per hour speed limit further south to Ray's, 49 respondents were supportive, with 38 strongly supporting.

Main Street's 30 mile per hour speed limit should be extended south to Ray's

76 responses



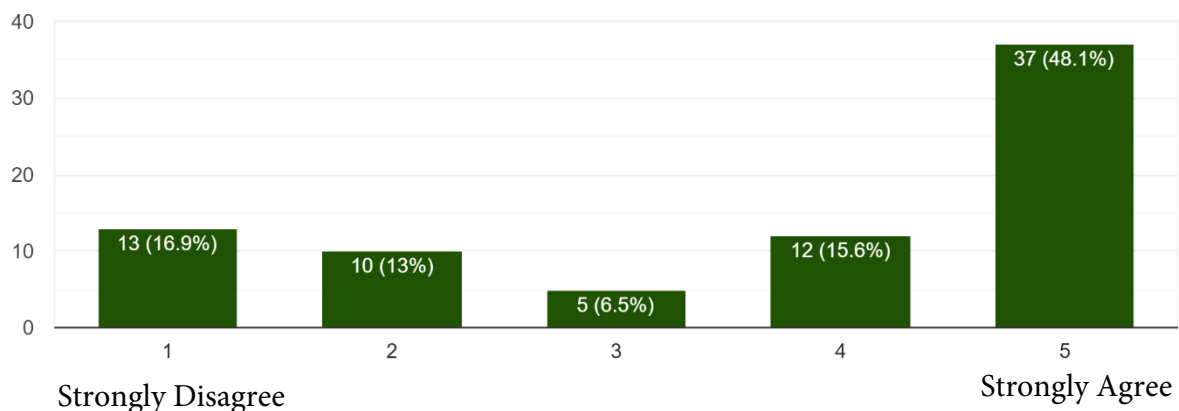
Popular Features

Some proposed features were well-received. One such feature was the possible extension of a sidewalk connecting Ray's to the rest of town, with 45 supportive respondents (and 19 indifferent). The possible extension of a sidewalk to the Big Ball Field was almost as popular, with 43 supportive respondents (and 18 indifferent).

Old west-style streetlights garnered 45 supporters with 32 strong supporters, and 14 indifferent and 14 strongly opposed. The proposed blinking lights on the crosswalk were well-received, with 49 respondents in favor (and 37 strongly in favor).

I would like to see blinking lights along the crosswalks on Main Street

77 responses

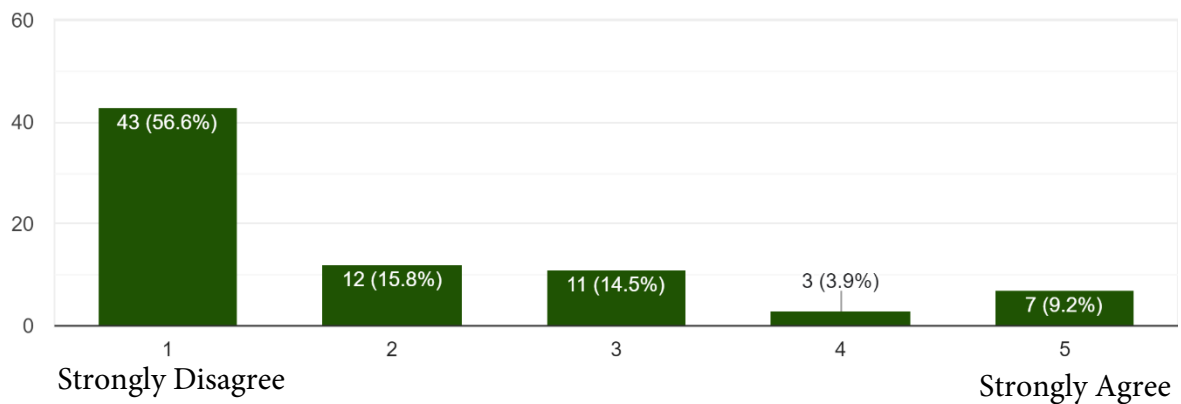


Unpopular Features

Other features were not as well-received. One of the least popular traffic elements was the center divide, with 55 participants opposed and only 14 in support. Even less popular was the electric vehicle charging station, with 55 opposed and only 10 in support.

I would like to see electric vehicle charging stations on Main Street

76 responses



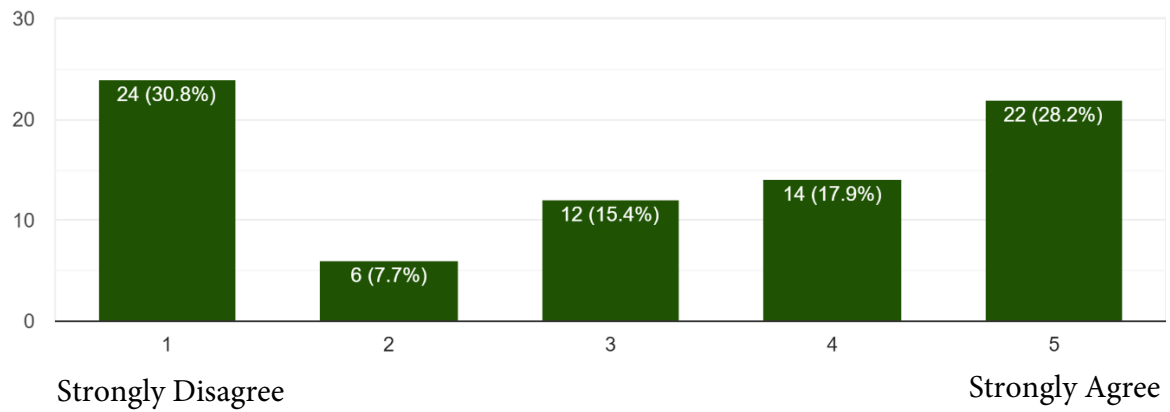
From the list of possible traffic-calming elements, only 3 people selected speed bumps, and only 6 selected a roundabout.

Controversial Features

In some areas, there was no clear consensus between participants. The proposed bicycle lane had an equal number of supporters and detractors, with 31 in favor and 31 opposed. Other such features were pop-out dining patios (with 25 for and 34 against), the construction of a parking lot near Main Street (with 35 for and 25 against), the construction of public restrooms on Main Street (with 30 for and 26 against), and diagonal parking spaces (with 36 for and 30 against).

I would like to see diagonal parking spaces on Main Street (rather than parallel parking)

78 responses



Recurring Suggestions

Throughout the survey, participants had opportunities to share their opinions about traffic and beautification in short-answer responses. A pattern of recurring suggestions emerged from these responses:

- Dilapidated buildings need to be addressed (18)
- The town needs additional crosswalk safety (15)
- Participants are enjoying or would like to see more flowers or trees (13)
- Main Street needs more ticketing/police presence (9)
- Fort Jones and its streets need to remain rustic and rural (9)
- Existing sidewalks need to be cleaned, improved, and maintained (7)
- Main Street needs a bike lane (7)

City Administrator Report

May 2022

- Work with staff to submit State and Local Fiscal Recovery Funds (SLFRF) Project and Expense Report to US Treasury.
- Met with Andrew Stoltenberg from State Waterboard and Julia Martinez regarding the Meter project Construction grant and water system Planning grant. Confirmed we could pay for plans and specs before grant and still be reimbursed.
- Worked with FEMA Grants Project Manager to close out the SAFER Grant Project at conclusion of Project.
- Worked with Fire Dept to submit the Administrative percentage forms for OES and Strike Team revenue.
- Had a site visit with Ashly De Guzman and Everett regarding a new Hach meter for water Plant and one for Sewer Plant. Still waiting for proposal from Hach.
- Work with staff and engineer to submit Local Streets and Roads report.
- Work with Richardson CPAs on new 3-year audit. Work on Balance sheet accounts for beginning balances in 2018. Previous JEs from last auditor were never input into the system.
- Continue to work with Cal Trans and County Local Transportation Commission on Complete Streets project. Had a downtown walkthrough to get ideas and conceptual drawings of what that might look like. Attended the Picnic Pavilion dedication and staff presented several ideas in order to get unbiased opinions from the community. Unfortunately, one of our Council Members instructed people to put no stickers on the things she disapproved of. Wasting valuable staff time and the cost of putting the drawings together. Fortunately, we are receiving surveys back from the community with their honest opinions to move forward with this project.
- Worked with Samantha to complete and submit the Financial Transaction report for the State Controllers Office.
- Submitted quarterly reports to CIWQS regarding no spill reports
- Other projects and grants in the works:
 - Central Community Park - \$485,000 for approx. 1 acre park in central Fort Jones. Currently looking at several proposed sites.
 - Little League Park and Picnic pavilion - \$124,000 for Improvements to field, picnic area, and bathrooms
 - Scout Hall refurbishments - \$34,000 for new siding, new roof, heat and air, upgrade bathrooms and kitchen.
 - Sewer Planning Grant - \$455,900 for planning and design. Requested an amendment of an additional \$80,000 for a total of \$536,000. Construction Project estimated at \$6M
 - Drinking Water Planning Grant - \$1.7 million for Plans and Specifications for new well, replacement of pipes and valves, new SCADA system, & other upgrades. Construction project estimated at \$15M.
 - Application in for funding for Horn Street repaving project - \$86,000 approved
 - Application being developed for Meter Replacement Project – Project Estimated at \$885,000
- Attended SCEDC Annual Membership Meeting. Attended the Siskiyou County Transportation Commission Meeting. Attended several webinars.

CONSENT CALENDAR

Fort Jones City Council
Regular Meeting
May 9, 2022

CERTIFICATION OF POSTING AGENDA

I, Celeste McFall, City Clerk for the Town of Fort Jones, hereby certify that the agenda for the May 9, 2022 meeting of the City Council was posted in City Hall, near the door of the City Council Chambers, Ray's Food Place, Scott Valley Family Resource Center, Outside Frontier Hardware and on the City's website www.fortjonesca.org on May 5, 2022.

I declare under the penalty of perjury that the foregoing is true and correct.

Celeste McFall, City Clerk

ROLL Call

The regular meeting of the Fort Jones City Council was called to order in person by Mayor Michelle DeCausmaker at 7:00 p.m. In addition to Mayor Michelle DeCausmaker council members present were Kathye Banks, Mercedes Garcia, Bill Beckwith. Mark Gepford was absent.

Also present: City Clerk Celeste McFall and City Administrator Karl Drexel

Mayor Michelle DeCausmaker led the flag salute.

Closed Session was cancelled due to Mark Gepford's absence.

Public Comment: None

Discussion/Reports: Non-Action Items:

A) Police Department Monthly Report

Police Chief Josh Short provided a report for the month of April in the council packet. He was present at the meeting. Council member Banks asked if there was a drug issue with the youth. Chief Short provided an overview of a problem with cocaine at the High School and what they have done to address that problem. The force is holding interviews for the new recruit next week and should be able to announce the new member at the next meeting.

B) Fire Department Monthly Report

Fire Chief Joseph Hess provided a report and stats for the month of April in the council packet. He was present for the meeting. Three new firefighters have joined the department. Engine 1314 is at the City of Medford for repairs and maintenance, as it broke down on the way to Medford.

C) Code Enforcement Report

Code Enforcement Officer Kelly York provided a report for the month of April in the packet but was not present.

D) Public Works Monthly Report

Everett Hullquist provided a report in the council packet for the month of April and was present. In addition to his report, he noted that the team has been working on the weeds around town to keep the fire danger down.

E) City Administrators Report

City Administrator Karl Drexel provided a report for the month of April in the council packet. He has been working with CRWA on the Water Treatment plant. He met with Hatch company representatives on the new flow meter for the Wastewater and Water flow.

Consent Calendar:

- 1 a). Approval of Minutes: Regular Meeting April 11, 2022
- b). Ratification of Disbursements: April 1 through April 30, 2022
- c). Approve Payables for May 2022
- d). Receive and Review YTD P&L

Bill Beckwith moves to accept the Consent Calendar with a correction in the minutes, Mercedes Garcia seconds the motion,

AYES: Banks, Beckwith, DeCausmaker and Garcia

NOES:

ABSTAIN:

ABSENT: Mark Gepford

Public Hearing: Ordinances and Resolutions

2. Review and Approve 2022-2023 Operations Budget and Adopt Resolution 1104

Mercedes Garcia moves to approve the budget as presented and to adopt Resolution 1104, Bill Beckwith seconds the motion.

AYES: Banks, Beckwith, DeCausmaker and Garcia

NOES:

ABSTAIN:

ABSENT: Mark Gepford

Discussion/Reports: Action Items:

3. Review and Approve FJVFD MOU for upcoming Fire Season

Bill Beckwith makes a motion to approve the FJVFD MOU Mercedes Garcia seconds

AYES: Banks, Beckwith, DeCausmaker and Garcia

NOES:

ABSTAIN:

ABSENT: Mark Gepford

4. Discussion on Water Conservation (Banks) Discussion regarding making water users aware of prudent water use through notices on the water bill to build awareness.

5. Discussion Regarding Picnic Pavilion (Banks). Kathye Banks had questions regarding the handicap accessibility of the picnic area, fences, and barbecues. Mayor DeCausmaker and City Administrator explained how the handicap accessibility and fences will be installed. The proposed barbeque was also discussed.

STAFF COMMENTS:

Celeste McFall reminded everyone about the baby shower for Everett and Trish on May 22 at 2 p.m.

COUNCIL MEMBER COMMENTS:

Meeting adjourned at 8:09 p.m.

Attest:

Celeste McFall, City Clerk

Approved:

Mayor Michelle DeCausmaker

Town of Fort Jones
MAY DISBURSEMENTS
May 2022

Date	Num	Name	Memo	Amount
05/04/2022		KD Management Services LLC	City Admin Services April 2021	-7,583.00
05/06/2022	25119	Beale, Anya G		-3,088.89
05/06/2022	25121	Cox, Jadon S		-6,137.40
05/06/2022	25122	Hess, Joseph E		-586.28
05/06/2022	25123	Hess, Samantha F		-2,819.74
05/06/2022	25124	Hicks, April J		-6,047.06
05/06/2022	25125	Huston, Kelcy		-2,979.48
05/06/2022	25126	Lomayaktewa, Clifton R.		-3,690.37
05/06/2022	25127	Nichols, Boston M		-5,539.11
05/06/2022	25128	Schott, Dawn M		-17,720.30
05/06/2022	25129	Varga, William A		-1,854.20
05/06/2022	25130	Wolfe, Zachary R		-9,661.03
05/06/2022	25120	Beltran, Jaime		-9,802.37
05/06/2022		QuickBooks Payroll Service	Created by Payroll Service on 05/05/2022	-56,919.11
05/06/2022	25131	USPS	Postage Meter #8098511	-500.00
05/10/2022	25132	Basic Laboratory	Invoice 2204330-28	-88.40
05/10/2022	25133	Berryhill Contracting	LLP improvements	-2,830.49
05/10/2022	25134	C & K Market	1778305	-113.19
05/10/2022	25135	Cross Connections Mobile Communications	2021-10-22-FJFD M150/2021-10-22-FJFD BKR	-40,080.53
05/10/2022	25136	Cross Petroleum	CL 20304	-550.01
05/10/2022	25137	Employment Development Department	Account ID 698-1449-9 period ending 30-Sep-2021	-6,434.15
05/10/2022	25138	Fort Jones Lumber	late March, April billing, per invoice list	-2,599.58
05/10/2022	25139	Jack's Skid Loader Service	Little League Park	-240.00
05/10/2022	25140	Kevin Hullquist	reimbursement for fuel purchased on personal card	-27.19
05/10/2022	25141	Marble Mt. Machinery	Service Backhoe for Public Works	-303.00
05/10/2022	25142	Pacific Power	April 2022 billing	-2,474.90
05/10/2022	25143	Quad-B Systems	Invoice 9992,10014	-1,210.00
05/10/2022	25144	Scott Valley Auto Parts	Invoices 353447,352645	-119.61
05/10/2022	25145	Scott Valley Disposal	April billing Acct. 350	-298.00
05/10/2022	25146	Sign Dude	Signage for Garrison Pavilion	-897.13
05/10/2022	25147	Siskiyow Telephone	April billing	-820.69
05/10/2022	25148	US Bank Equipment Finance	Invoice number 470972795	-214.74
05/13/2022	25149	Agron, Rachel		-1,055.31
05/13/2022	25152	Hess, Samantha F		-520.85
05/13/2022	25153	Hullquist*, Kevin		-1,035.42
05/13/2022	25154	Hullquist, Everett		-1,370.28
05/13/2022	25155	McFall, Celeste J		-1,320.11
05/13/2022	25156	Nobles, Suzanne		-300.61
05/13/2022	25151	DeCausmaker, Michelle*		-83.12
05/13/2022	25157	Whitworth, Barbara A		-157.00
05/13/2022		QuickBooks Payroll Service	Created by Payroll Service on 05/12/2022	-2,912.30
05/27/2022	25158	Agron, Rachel		-1,055.30
05/27/2022	25161	Hess, Joseph E		-461.75
05/27/2022	25162	Hess, Samantha F		-652.51
05/27/2022	25164	Hullquist, Everett		-1,403.87
05/27/2022	25165	McFall, Celeste J		-1,712.42
05/27/2022	25166	Nobles, Suzanne		-294.68

Town of Fort Jones
MAY DISBURSEMENTS
May 2022

05/27/2022	25163	Hullquist*, Kevin		-1,028.95
05/27/2022	25160	DeCausmaker, Michelle*		-83.11
05/27/2022	25167	Whitworth, Barbara A		-156.99
05/27/2022		QuickBooks Payroll Service	Created by Payroll Service on 05/26/2022	-3,311.18
05/31/2022	25168	AT&T	Initial FD iPads + first month bill, Acct 2873141351	-4,267.09
05/31/2022	25169	C & K Market	4.30.22	-41.93
05/31/2022	25170	Cascade Fire Equipment Company	Fire Dept. Invoice # 123551,123552	-2,639.93
05/31/2022	25171	Commercial Ironworks Inc	Repair bikes for city park	-621.14
05/31/2022	25172	Curtis Tools for Heroes	PPE Grant invoice March 2022	-50.40
05/31/2022	25173	Derick Girven	Little League Park renovations	-487.50
05/31/2022	25174	Fort Jones Ace Hardware	April statement	-396.19
05/31/2022	25175	Golden State Risk Management Authority	EB051522-51	-711.00
05/31/2022	25176	Michelle DeCausmaker	Picnic Pavilion Dedication Reimbursement	-231.50
05/31/2022	25177	Prentice Long	April 2022 Invoices	-1,942.50
05/31/2022	25178	Quad-B Systems	Invoice 10019,10022	-887.76
05/31/2022	25179	Quadient	Invoice: 59270951, Acct: 8098511	-107.73
05/31/2022	25180	Shasta Forest Products	materials for the infield for the Little League Ball P	-2,305.87
05/31/2022	25181	SHN Consulting Engineers & Geologists	Inv 113105	-1,036.25
05/31/2022	25182	Siskiyou County Economic Council	Invoice - May 2022 MOU	-416.67
05/31/2022	25183	Suburban Propane	City Hall Heating Fuel Acct: 1638-042614	-1,427.26
05/31/2022	25184	ULINE	LLP supplies	-336.48
				<u>-231,054.66</u>
				<u><u>-231,054.66</u></u>

Town of Fort Jones

June Payables

June 2022

Name	Type	Amount
Golden State Risk Management Authority	Bill	15,686.75
KD Management Services LLC	Bill	7,583.00
Pacific Power	Bill	3,804.84
Molly Aston	Bill	1,194.96
Quad-B Systems	Bill	1,053.76
Cross Petroleum	Bill	1,020.47
Siskiyou Telephone	Bill	804.69
Sign Dude	Bill	570.23
Siskiyou County Economic Council	Bill	416.67
Scott Valley Disposal	Bill	298.00
Basic Laboratory	Bill	368.80
Scott River Pump	Bill	248.75
Softline Data, Inc.	Bill	231.00
Cash	Bill	175.00
Mt Shasta Title Company	Bill	150.00
Fort Jones Lumber	Bill	83.75
Scott Valley Respiratory Home Care	Bill	60.00
Mt. Shasta Spring Water	Bill	53.41
Samantha Hess	Bill	45.00
Scott Valley Auto Parts	Bill	14.41
Norco	Credit	-96.73
		<u>33,766.76</u>

Town of Fort Jones
Profit & Loss
 July 2021 through May 2022

	<u>Jul '21 - May 22</u>
Income	
1I - General Government Income	
4099 - Property Taxes	
4100 - Secured Current	92,712.47
4101 - Unsecured Current	3,993.15
4102 - Unsecured Delinquent	14.56
4106- Supp Int	3.36
4108- Supp Del	25.85
4507 - Homeowner Alloc	563.81
4508 - VLF Net	65,547.10
4512 - Off Highway Vehicle Tax	2,284.20
4514- Unsec Interest	4.33
4516- Sup Current	331.77
4518 - CA Fish& Game PILT	81.16
Total 4099 - Property Taxes	<u>165,561.76</u>
4111 - Sales Tax	306,984.30
4214 - Land Use	175.00
4215 - Parks Grants	5,000.00
4215e - Tax Allocation - Parks	134,035.00
4216 - Franchises	7,967.14
4218 - Business License	6,191.12
4301- Fees Booking	821.64
4302- Fees Collection Cost	-76.77
4303 - Vehicle Fees	155.41
4304-Fees Other	443.10
4400 - Rent	6,475.00
4730 - Miscellaneous	47.50
Transfer In - Admin	378,853.00
Transfer Out - Tax Allocation	<u>-536,140.00</u>
Total 1I - General Government Income	<u>476,493.20</u>
2I - Public Safety Income	
2a - Law Enforcement	
4111- Growth Alloc	61,284.84
4112 - COPS Allocation	98,291.99
4116 - Prop172	4,476.06
4117 - Tax Allocation - Law Enf	80,421.00
Animal Control	
4230 - Dog Licenses	611.50
Total Animal Control	<u>611.50</u>
Total 2a - Law Enforcement	<u>245,085.39</u>
2b - Fire Protection	
4740 - Fire Dept.	1,500.00
4741 - Tax Allocation - Fire	134,035.00

Town of Fort Jones
Profit & Loss
 July 2021 through May 2022

	<u>Jul '21 - May 22</u>
4750 - Strike Team Income	296,293.53
Total 2b - Fire Protection	431,828.53
Total 2I - Public Safety Income	676,913.92
3I - Public Works Income	
3a - Streets Income	
4499 - Gas Tax 2103	4,749.88
4500 - Gas Tax 2106	6,538.91
4501 - Gas Tax 2107	3,826.23
4502 - Gas Tax 2107.5	1,000.00
4503 - Gas Tax 2105	3,303.54
4530 - Local Transportation	13,047.48
4537 - STIP	39,309.68
4540 - Tax Allocation - Roads	80,421.00
SB1	4,998.87
Total 3a - Streets Income	157,195.59
3b - Sewer Income	
4215 Sewer Arrearages	13,015.24
4210 - Tax Allocation - Sewer	80,421.00
4212 - Sewer Revenue	76,396.67
4213 - Connections & Fees	325.00
3b - Sewer Income - Other	255.00
Total 3b - Sewer Income	170,412.91
3c - Water Income	
4810 - Water Revenue	133,504.11
4812 - Bulk Water Sales	135.00
4815 - Tax Allocation - Water	26,807.00
4830 - Water Connections	40.00
4840 - Gretchen Acres Assess	2,851.01
4860 State Arrearages	22,625.93
Total 3c - Water Income	185,963.05
3I - Public Works Income - Other	377.60
Total 3I - Public Works Income	513,949.15
5I - American Rescue Plan Act	
4915 - ARPA Income	82,771.00
Total 5I - American Rescue Plan Act	82,771.00
4900 - CBDG Interest	
89-92LF Interest	19.29
4900 - CBDG Interest - Other	14,518.75
Total 4900 - CBDG Interest	14,538.04
4902 - CBDG Reimbursement	25,841.43
4903 - Library Reimbursement	9,910.00
4905- Siskiyou Tel Reimbursment	10,483.90
4910- SAFER Grant	57,993.00
4950-Housing Interest	2,824.57
6000 - BPF	

Town of Fort Jones
Profit & Loss
 July 2021 through May 2022

	<u>Jul '21 - May 22</u>
6001 - Donations	175.00
6004 - Ball Park Rent	150.00
Total 6000 - BPF	325.00
Housing Interest	19,897.65
Total Income	1,891,940.86
Gross Profit	1,891,940.86
Expense	
1E- General Government Expense	
2285 - IT Services	14,097.16
5100- Council/Election	2,797.53
5110- Mayor Payroll	2,250.00
5210- Clerk Payroll	3,600.00
5220- Supp\USPO\Petty	5,477.28
5400 - Professional Fees	
5401 - Legal Fees	36,538.00
5402 - Accounting Fees	2,082.97
5403 - Consulting Fees	86,788.00
5405 - Reimbursed Expenses	324.51
5400 - Professional Fees - Other	1,531.08
Total 5400 - Professional Fees	127,264.56
5500- Planning	
5501 - Economic Development	6,083.37
Total 5500- Planning	6,083.37
5550- Library Payroll	7,769.00
5555 - Admin Payroll	53,772.56
5600- Misc.	2,452.81
5700- Publication	227.50
5705 - Dues and Subscriptions	595.00
6205- Health Insurance	11,599.88
6300- Insurance	
6204- Workers Compensation	10,287.77
6303- Liability Insurance	3,656.88
6304 -Property Insurance	1,916.96
6305 - Crime Insurance	133.00
6308- Pollution	0.00
6310 -Finance Charge	0.00
Total 6300- Insurance	15,994.61
6400- Property Tax	1,429.66
9150-City Hall Expenses	
1-012 - City Hall Power	7,900.23
133000- City Hall water	287.00
9151- City Hall Maintenance	4,567.75
9154 - Disposal 2 yd Bin	2,551.00
9155 - Equipment Finance	3,169.18
9150-City Hall Expenses - Other	266.96

Town of Fort Jones
Profit & Loss
 July 2021 through May 2022

	<u>Jul '21 - May 22</u>
Total 9150-City Hall Expenses	18,742.12
9152- Propane	13,260.97
Total 1E- General Government Expense	287,414.01
2E- Public Safety Expense	
2EA- Law Enforcement Expense	
7120 - Admin Allocation - Law E	37,885.00
7125 - Law Enforcement Services	149,056.00
7135- Police Maintenance	8,000.00
7145- Dispatch	10,250.00
7181 - Law Enforcement Phones	2,641.10
Animal Control	
7930- Animal Control	362.37
Total Animal Control	362.37
Total 2EA- Law Enforcement Expense	208,194.47
2EB- Fire Department Expense	
7550 - Misc Expense _ Fire Dept	229.71
6310- Property Insurance	1,402.64
7500 - Admin Allocation - Fire	113,656.00
7505 - Liability Insurance	0.00
7506 - Work Comp Insurance	920.45
7507 - Auto Insurance	10,558.60
7510- Fire Dept Payroll	21,051.00
7513 - Calls & Meetings	7,689.50
7520- Fire Dept Supl & Mtnc	25,748.88
7525- Pub Safety Fuel & Oil	10,064.10
7540- Fire Dept. Utilities	
1-001- Fire Dept. Power Bill	2,988.09
2261- Fire Dept. Phone	1,424.06
2262 - Disposal	782.50
7541- Propane	748.01
Total 7540- Fire Dept. Utilities	5,942.66
2EB- Fire Department Expense - Other	3,178.90
Total 2EB- Fire Department Expense	200,442.44
2EC - Strike Team Expenses	
6311 - Property Insurance	187.04
7502 - Auto Insurance	5,555.60
7505b - Liability Insurance	5,485.32
7506b - Workers Comp Ins	16,690.90
7514 Fleet Maintenance - Strike	44,944.39
7515 - Strike Team Payroll	338,006.68
Total 2EC - Strike Team Expenses	410,869.93
2ED SAFER Grant	
7529 - SAFER Grant Payroll	8,077.44
7529.5 - Workers Comp	4,851.38
7529.6 - Safer Liability Ins	1,495.68

Town of Fort Jones
Profit & Loss
 July 2021 through May 2022

Jul '21 - May 22

7530 - Uniforms and Safety Gear	22,114.50
7531 - Media Marketing	1,384.40
7532 - FF Training	1,677.00
7533 - Leadership Training	325.00
Total 2ED SAFER Grant	39,925.40
2E- Public Safety Expense - Other	52.56
Total 2E- Public Safety Expense	859,484.80
3E- Public Works Expense	
3EA- Streets	
1-000 - Street Lights	
02 HPSV Lights	491.20
02 HPSV Metal Lights	233.83
10 HPSV Wood Lights	3,192.80
11 HPSV Lights	1,285.89
72 HPSV Lights	10,487.16
Total 1-000 - Street Lights	15,690.88
6306- Property Insurance	374.04
8110 - Admin Allocation - Stree	37,885.00
8120- Street Mtnce/Utilities	
1-005 - Barn Power	1,525.95
1-007 - Phone Bill	1,340.13
8121- Street Maintenance	
8126- LTC	71.66
8121- Street Maintenance - Other	1,299.74
Total 8121- Street Maintenance	1,371.40
Total 8120- Street Mtnce/Utilities	4,237.48
8130- Equipment Maintenance	
8131- Fuel & Oil	2,380.58
8132- Repairs	1,493.45
8133- Parts & Supplies	749.12
8130- Equipment Maintenance - Other	200.00
Total 8130- Equipment Maintenance	4,823.15
8136 -Auto Insurance	653.60
8137- Mobile Equip	0.00
8199- Road Payroll	9,602.50
8509 - Liability Insurance	761.84
8511 - Work Comp Insurance	1,774.41
3EA- Streets - Other	90.67
Total 3EA- Streets	75,893.57
3E- Public Works Expense - Other	310.94
Total 3E- Public Works Expense	76,204.51
3EB- Sewer Expense	
6308-Property Insurance	654.56

Town of Fort Jones
Profit & Loss
 July 2021 through May 2022

Jul '21 - May 22

8505 - Admin Allocation - Sewe	75,771.00
8510- Sewer Payroll	4,949.22
8520- Sewer Expenses	
1-015 - Sewer Power bill	219.73
1-019 bbb sewer	166.49
8521- Sewer Rep & Mtnc	3,280.23
8527 Fuel-Oil	129.68
8553- Auto Insurance	653.60
Total 8520- Sewer Expenses	4,449.73
8522 - Waste Water Monitoring	4,552.90
8530- Sewer Supplies	915.74
8540- State Fees	27,109.00
8549- Mobile Equip.	43.80
8550 - Liability Insurance	761.84
8551 - Work Comp Insurance	1,956.24
8552 - Training	50.00
Sewer Testing	5,602.69
Total 3EB- Sewer Expense	126,816.72
3EC- Water Expense	
6307-Property Insurance	2,646.32
8605 - Allocate Admin - Water	75,771.00
8609- Water Training	453.33
8610- Water Parts & Supplies	39.04
8612- Water Office & Postage	4,006.00
8615- Water Payroll	17,229.40
8620- Water Repairs & Mtnc	3.51
8623- Mobile Equip.	0.00
8624 - Auto Insurance	653.60
8625- Water Liability Ins	761.84
8626 - Work Comp	2,532.61
8627 - Fuel-Oil	3,291.84
8630- Water Fees & Testing	5,266.28
8640- Water Utilities	
1-000 - Water Power	
New Pump	12,838.70
Old pump	638.47
Total 1-000 - Water Power	13,477.17
1-001 - Water Phones	
468-2598	2,700.44
468-5864	968.65
530-917-6004	0.00
Total 1-001 - Water Phones	3,669.09
Total 8640- Water Utilities	17,146.26

Town of Fort Jones
Profit & Loss
 July 2021 through May 2022

Jul '21 - May 22

8650- Water Engineering	9,394.09
8660- Water Interest	
8632 - Revenue Bond Interest	5,940.00
Total 8660- Water Interest	5,940.00
3EC- Water Expense - Other	4,149.72
Total 3EC- Water Expense	149,284.84
3EG -8690 -Water Planning Grant	5,934.16
4E- Parks & Recreation Expense	
9115 - Janitorial Payroll	3,937.50
02 Admin Allocation - Parks	37,885.00
03 Parks & Recreation Grants	
Statewide Parks - PPP	50.00
2020 Per Capita - Scout Hall	50.00
2020 Per Capita - LLP	
Improvements	35,436.26
LLP Project Payroll	10,791.68
2020 Per Capita - LLP - Other	231.50
Total 2020 Per Capita - LLP	46,459.44
Total 03 Parks & Recreation Grants	46,559.44
6305- Property Ins Parks	
9104- Mobile Equip.	595.00
6305- Property Ins Parks - Other	2,169.44
Total 6305- Property Ins Parks	2,764.44
9105- Auto Insurance	0.00
9106 - Work Comp Parks	4,158.55
9107 - Liability Ins Parks	1,980.88
9109- Parks Payroll	10,171.50
9110 - Park Expense	2,487.86
9130- Ball Park Expenses	
1-002 - LLP Snack	383.14
1-013 - BBP lights	2,524.00
1-014 - LLP lights	209.00
1-017 - BBP pump	187.88
9131- Maintenance & Supplies	3,703.64
Total 9130- Ball Park Expenses	7,007.66
9140- Scout Hall Expenses	
1-006 - Scout Hall Power	539.69
Total 9140- Scout Hall Expenses	539.69
9160- Museum Expenses	
1-004 - Museum Electricity	852.96
1-XXX - Museum Monitor Fuel	1,942.22
5568- Museum Phone	1,344.77
9161- Museum Maintenance	19.84

Town of Fort Jones
Profit & Loss
 July 2021 through May 2022

Jul '21 - May 22

Total 9160- Museum Expenses	4,159.79
4E- Parks & Recreation Expense - Other	3,202.09
Total 4E- Parks & Recreation Expense	124,854.40
5E - American Rescue Plan	
6.1 - Government Expense	81,222.44
Total 5E - American Rescue Plan	81,222.44
6504- Payroll Taxes	
Federal Unemployment	785.48
6506- FICA	32,532.92
6508- Medicare	7,608.51
6512- SUI	11,247.24
6516 - ETT	0.00
6504- Payroll Taxes - Other	352.87
Total 6504- Payroll Taxes	52,527.02
6600- Medical Insurance	
6603- Medical Ins Reimb	3,481.63
Total 6600- Medical Insurance	3,481.63
9700- CBDG Const Housing	
Gen Adm & Program Delivery	16,118.65
Housing Loans	
DelCarlo, D	1,479.00
Gomez	2,050.07
Total Housing Loans	3,529.07
Total 9700- CBDG Const Housing	19,647.72
Payroll Expenses	29,610.04
Total Expense	1,816,482.29
Net Income	75,458.57

PUBLIC HEARING

ORDINANCES & RESOLUTIONS



THE TOWN OF FORT JONES

TO: FORT JONES CITY COUNCIL

MEETING DATE: JUNE 15, 2022

FROM: KARL DREXEL, CITY ADMINISTRATOR

SUBJECT: 2022-2023 BUDGET ADOPTION

RECOMMENDATION:

Review and Adopt the 22-23 Final Budget

BACKGROUND:

The 2022-2023 Final Budget is presented here for approval and adoption. As has been discussed, the Budget is a moving document and needs occasional adjusting from line-items to line-items. As the Resolution states, this authorizes the City Administrator to collect and incorporate any comments or adjustments presented to the Council for a Final budget to be submitted to the Council for approval at the June Council meeting.

RECOMMENDATION:

Staff recommends the Council Adopt the 2022-23 Final Budget

THE TOWN OF FORT JONES



FINAL

INCOME AND EXPENSE BUDGET Fiscal Year 2022-2023

**Submitted
5-9-22
Approved
6-15-22**



THE TOWN OF FORT JONES

TO: FORT JONES CITY COUNCIL

MEETING DATE: JUNE 15, 2022

FROM: KARL DREXEL, TOWN ADMINISTRATOR

SUBJECT: 2022/2023 PROPOSED OPERATING BUDGET

BACKGROUND:

With the COVID-19 seemingly tapering off in California and elsewhere, the economic condition of the State of California, and subsequently the Town of Fort Jones, is back to something close to normal, and even better in some instances. The professional municipal advisors have indicated the pent-up demand for travel, and just going out, is going to bring sales tax back to normal levels or above. Our sales tax grew between 2020 and 2022 by 27.5%. Our General Fund budget is supported primarily by Property Tax and Sales Tax. Property tax is holding steady between \$195,000 and \$200,000 and we do not foresee any changes in the near future. Our tax revenues, that are divided between all departments, comes for those two sources: approx 45% property Tax and 55% Sales Tax. This year are Sales Tax went up from last year and the percentage also went up.

Because some departments have additional sources of revenues and not just taxes, I have revised the allocation percentages somewhat this year to reflect the needs of the departments. I have gone through the last four years of financial information and divided up the different functions of the Town's departments and came up with Profit and Loss statements for each Department. By doing so, I was able to see the financial needs of each Department, determine the cost of Administration and allocate the tax revenue the Town receives across Departments and allocate a cost sharing percentage for each Department. Although Prop 218 requires that sewer and water service costs be covered by rates only, I have allocated a percentage of the taxes we receive to both departments to help offset the low rates until increases cover the costs of operations. These allocations are in no way set in stone and the Council will have to determine if they should change or remain the same for both taxes and Admin costs. The percentages I came up with for allocating tax revenues are:

Sewer	15%
Water	5%
Police Service	15%
Fire Protection	25%
Streets & Roads	15%
Parks & Bldgs.	25%

Administration Costs are the cost of doing business. It includes City Hall and staff, the library, museum and the required legal, accounting and consulting costs for running the Town. Admin costs are necessary for all departments and need to be allocated across all departments in order to be fair. Some departments are allocated a little more than others, which is a reflection on the Department size, their budgets, the amount of work devoted to their department and fees received. The percentages I came up with for sharing the Administration Costs are:

Sewer	20%
Water	20%
Police Service	10%
Fire Service	30%
Streets & Roads	10%
Parks & Bldgs.	10%

Each Department on the other hand is responsible for their own variable costs, or those costs that change because of what the Department is doing. Each Department (or City service) has its own labor costs, maintenance costs, utilities, materials, etc. These financial statements, on the other hand, show exactly what each department is making and what each department is spending, giving a more realistic picture of the financial health of the Town.

Although the COVID-19 virus and pandemic disrupted operations somewhat, and there have been changes in staff, the future looks positive. We received several grants that were available for Economic Injury from the various federal Recovery Acts. Although we have not received the actual full amount of those grants, we have received a large percentage of them. These funds are a one-time offset and are not included in the upcoming budget.

I was able to look back on the last several years Profit and Loss reports and came up with what I believe is a realistic budget based on historical figures and best educated guesses. However, a budget is just that, a budget. It is a moving, living, breathing document that changes throughout the year and can only be a guesstimate. Government Code Sec 53901 requires each local agency to file its budget with the county auditor within 60 days after the beginning of its fiscal year. This budget is an attempt to provide the City with the legal means of spending the people's money for the upcoming fiscal year, well in advance of that requirement. Also, as before, this budget does not include a Capital Improvement Program (CIP) element to it. There are some very critical capital investment needs and although I have tried to find funds for reserves be set aside where possible, there is not specific spending plan at this time.

This budget shows a positive income for all departments and services after all expenses and payroll increases. I have increased all wages by a 5% cost of living increase, even though the actual COLA is around 8% for the last year. I also have increase wages for everyone by \$1/hr. because we can afford it and because we have an exceptional staff, and we want to keep them. Another item this budget allows for is a year around paid fire chief, continued seasonal paid fire fighters and an increase in stipends for calls and meetings for all volunteers.

To help understand the budget better, I will explain a little about each Department

ADMINISTRATION BUDGET

In order to arrive at the attached Administration Budget, I determined what the total was for Property Tax and Sales Tax and took that total out of Administration and spread it amongst all other City Services. That is what the number is in the budget indicated by the negative number in the line item “Transfer Out – Tax Allocation. It is allocated to each department as revenue. The line item “Transfer In – Admin Allocation” is the amount charged to each departments share of the overall costs to run the Town’s cost of doing business. You will note, with the percentages allocated, there is a slight net income for a financial cushion. Those line items are reviewed every so often and could change if the circumstances require and the overall budget is not negatively affected.

One of the line items is Admin Payroll , which as I explained earlier allows for a 5% COLA for office staff and a \$1/hr. for each of the staff in the office. Celeste, the City Clerk and Office Manager, will go from \$23/hr. to 25/hr. The Clerk’s stipend is not changing. Rachel, the Office Assistant will be going from \$18/hr. to \$20/hr. And Samantha, our new part-time AP/AR Clerk, will be going from \$17/hr. to \$18/hr. All of these changes are reflected in the Admin Payroll in this budget.

General Government Expenses in the Administration Budget have changed somewhat as well. Legal fees are down from two years ago with the Romaine suit behind us, but it is budgeted a little more than this year because of the legal fees we will be incurring with the Motel abatement, the liens on some of the nuisance properties and the possible foreclosure of some of the housing loans we have that are problem accounts.

We are due for another audit, and although I am trying to get the cost covered by the State with an amendment to the WWTP Planning grant, I have budgeted the first two years in this budget.

Also, I have been grooming Celeste and Rachel to assume some of my duties allowing me to spend less time on reports and grants. Although I have been spending 30-40 hours per week on Fort Jones Administration, as was discovered when I was submitting timecards at the Council’s request, I have since gone down to billing 25 hours per week again. This budget reflects my consulting services being reduced again to \$75,000 per year which equates to approximately 20 hrs. per week.

I have also budgeted for a contract Planner to work on our Complete Streets project, zoning ordinances, annexations and our General Plan. We have been unsuccessful finding someone who is a planner, but we hold out hope that we will find someone this year.

Some of us have been working on the Economic Development of Fort Jones for about a year now and have realized that we need to take an active role in promoting the City for new businesses, tourists, and residents. This budget has allocated an additional \$10,000 in promoting the City along with our ongoing support of the Siskiyou Economic Development Council, that has been instrumental in helping Fort Jones businesses immensely.

The Admin budget shows that this way of allocating tax revenue and Admin costs is providing a cushion of revenue of \$21,000, \$10,000 and \$10,000 for the Admin Budget over the last three years.

2022-2023 Administration Budget

	20-21 Actual Administration	21-22 Projected Administration	22-23 Budget Administration
Income			
11 - General Government Income			
4099 - Property Taxes			
4100 - Secured Current	127,969	126,430	128,000
4101 - Unsecured Current	182	4,000	4,000
4507 - Homeowner Alloc	1,150	1,200	1,200
4508 - VLF Net	63,801	64,000	65,000
4512 - OHV Tax		1,115	1,100
4516- Sup Current	1,081	1,150	1,200
4518 - CA Fish& Game PILT	82	81	80
Total 4099 - Property Taxes	194,265	197,976	200,000
4111 - Sales Tax	239,815	330,900	290,000
4214 - Land Use	75	175	150
4218 - Business License	2,036	6,146	6,000
4301- Fees Booking	46	822	40
4302- Fees Collection Cost	39	-45	-45
4303 - Vehicle Fees	95	118	100
4730 - Miscellaneous	1,913	48	30
Transfer In - Admin	343,134	378,853	407,761
Transfer Out - Tax Allocation	-434,281	-536,140	-490,000
Total 11 - General Government Income	347,137	378,853	414,036
4901 - SCORE Reimbursement	2,885	2,891	0
4903 - Library Reimbursement	12,661	11,661	8,500
4911 - Corona Virus Relief Fund	50,000	0	0
Total Income	412,683	393,405	422,536
Gross Profit	412,683	393,405	422,536
Expense			
1E- General Government Expense			
2285 - IT Services	12,827	14,750	13,000
5100- Council/Election	6,261	1,650	4,000
5110- Mayor Payroll	2,790	2,430	2,500
5210- Clerk Payroll	2,700	3,600	3,600
5220- Supp\USPO\Petty	1,618	4,526	4,000
5400 - Professional Fees			
5401 - Legal Fees	120,878	30,662	35,635
5402 - Audit	0	11,000	11,000
5403 - Consulting Fees	71,282	94,371	75,000
5404 - Contract Planner	0	0	31,500
5400 - Other-training		1,840	3,000
Total 5400 - Professional Fees	192,160	137,873	156,135
5500- Planning			
5501 - Economic Development	6,155	6,300	6,800
5502 - City Promotion		0	10,000
5500- Planning - Other	322	0	500
Total 5500- Planning	6,477	6,300	17,300

2022-2023 Administration Budget

	20-21 Actual	21-22 Projected	22-23 Budget
	Administration	Administration	Administration
5550- Library Payroll	10,676	8,200	8,400
5555 - Admin Payroll	7,993	86,664	106,762
5600- Misc.	1,005	400	400
5700- Publication	3,630	273	500
5705 - Dues and Subscriptions	923	714	1,000
6205 Health Insurance	3,296	10,986	17,000
6300- Insurance			
6204- Workers Compensation	8,165	10,287	10,900
6303- Liability Insurance	4,571	4,387	4,633
6304 -Property Insurance	1,419	1,916	2,023
6305 - Crime Insurance	133	133	150
6300- Insurance - Other	0	79	1,600
Total 6300- Insurance	14,288	16,802	19,306
6301- Insurance Expense	1,539	0	250
6400- Property Tax	483	1,430	960
9150-City Hall Expenses			
1-012 - City Hall Power	3,467	4,600	4,850
133000 - City Hall Water Service	0	285	300
2281- City Hall Phone	1,818	1,925	2,000
6601-Library Expense	0	0	500
9151- City Hall Maintenance	2,637	4,573	6,000
9154 - Disposal 2-yd Bin	414	2,882	3,000
9155 - Equipment Lease	1,658	3,545	3,600
9150-City Hall Expenses - Other	0	0	0
Total 9150-City Hall Expenses	9,994	17,810	20,250
9152- Propane	7,389	12,487	12,000
Total 1E- General Government Expense	286,049	326,895	387,363
6504- Payroll Taxes			
6506- FICA	6,394	11,403	12,773
6508- Medicare	1,289	7,113	7,435
6512- SUI	1,960	1,300	1,740
Total 6504- Payroll Taxes	9,643	19,816	21,948
6600- Medical Insurance			
6601- Medical Ins Company	14,359	4,697	0
Total 6600- Medical Insurance	14,359	4,697	0
Payroll Expenses	81,465	31,456	2,500
Total Expense	391,516	382,864	411,811
Net Income	21,167	10,541	10,725

WASTEWATER BUDGET

Water and Wastewater services are considered by the State as Enterprise Functions, which means they are services for fees and all costs are supposed to be covered by the fees, or rates. Although we had a Prop 218 hearing and raised rates, this next year will be the first full year with the first of five rate increases. Although staff has been extremely diligent in chasing down past due accounts and Rachel was successful in acquiring state funds to help offset some of our delinquent accounts, rates and delinquencies still require us to use tax funds to help offset the low rates until increases cover the costs of operations. The sewer rates were the worst, but you can see from this budget that we also will need to raise water rates in the near future.

As already mentioned, the tax allocations for the Wastewater Department are 15% of the total tax collected by the Town. AS the new rates take effect, this allocation can be reduced and put into other services or reserves in future years.

Also, as stated before, this budget reflects a Cost-of-Living adjustment of 5% and a \$1 raise for PW Staff. The Wastewater Payroll reflects this with Everett going from \$20 to \$22/hr. and 80 hours per pay period, while Kevin, as long as we have him, goes from \$17 to \$19/hr. and 60 hours per pay period. We continue to look for additional support in PW and would like to find a competent certified operator, but that is not budgeted for in this budget at this time. Since we don't know exactly what this new sewer rate will produce in revenue, I have been conservative in what is budgeted. If we find another PW Operator, we will find the funding to pay them, by adjusting the percentage of tax revenue and invoke the rate increase next year.

All other costs are relatively stable and are reflected in this budget. Revenue and Maintenance and repairs have been the key variables

2022-2023 Wastewater Budget	20-21 Actual	21-22-Projected	22-23 Budget
	Waste Water (Public Works)	Waste Water (Public Works)	Waste Water (Public Works)
Income			
1I - General Government Income			
3b - Sewer Income			
4215 - Sewer Arrearages	0	13,015	0
4210 - Tax Allocation - Sewer	65,142	80,421	73,500
4212 - Sewer Revenue	56,564	67,500	72,000
4213 - Connections & Fees	500	325	500
Total 3b - Sewer Income	122,206	161,261	146,000
Gross Profit	122,206	161,261	146,000
Expense			
3E- Public Works Expense			
3EB- Sewer Expense			
6308-Property Insurance	1,419	655	650
8134- Equipment Purchases		0	0
8505 - Admin Allocation - Sewer	68,627	75,771	84,352
8510- Sewer Payroll	17,405	4,684	16,380
8520- Sewer Expenses			
1-015 - Sewer Power bill	126	220	200
1-019 bbp sewer	309	166	300
8521- Sewer Rep & Mtnce	32,067	3,130	2,000
8527 Fuel-Oil	576	130	500
8553- Auro Insurance	648	654	650
8520- Sewer Expenses - Other	131	0	0
Total 8520- Sewer Expenses	33,857	4,300	3,650
8522 - Waste Water Monitoring	9,158	4,689	5,000
8530- Sewer Supplies	290	916	1,000
8540- State Fees	21,487	27,109	21,000
8545 - Clothes Allowance	25	25	25
8549- Mobile Equip.	131	44	100
8550 - Liability Insurance	762	762	800
8551 - Work Comp Insurance	1,361	1,956	2,000
8552 - Sewer Training	336	50	300
Sewer Testing	1,712	5,603	2,000
Total 3EB- Sewer Expense	156,570	126,564	137,257
6504- Payroll Taxes			
6506- FICA	1,079	290	1,015
6508- Medicare	218	59	205
6512- SUI	560	187	560
6516 - ETT	0	0	0
Total 6504- Payroll Taxes	1,857	536	1,780
Total Expense	158,427	127,100	139,037
Net Income	-36,221	34,161	6,963

WATER BUDGET

Water and Wastewater services are considered by the State as Enterprise Functions, which means they are services for fees and all costs are supposed to be covered by the fees, or rates. Although our water rates are relatively low compared to other cities, we have only had to supplement rates with 5% of the tax revenue of the town. We will need to consider a Prop 218 hearing and raise water rates in the near future. We are applying for two grants for the Water Department from the State Waterboard, and they will probably require us to do another rate study for the water infrastructure. As this budget shows, we are OK for now with rates and the Water Department actually has a small net return.

As with the Wastewater revenues, Rachel has been working hard on collecting delinquent accounts and it is reflected in the increased revenues. She was also able to get the same arrearages funding from the State for Water as she was with wastewater and many of the delinquent accounts were able to get some relief.

As with the Wastewater account, payroll has gone up and is reflected on this budget, but fully covered by projected revenues.

Most other regular expenses are relatively stable.

2022-2023 Water Budget

	20-21 Actual	21-22 Projected	22-23 Budget
	Water	Water	Water
	(Public Works)	(Public Works)	(Public Works)
Income			
1I - General Government Income			
3C - Water Income			
4810 - Water Revenue	146,056	143,890	140,000
4815 - Tax Allocation - Water	21,714	26,807	24,500
4830 - Water Connections	300	300	300
4860 - State Arrearages		22,626	
4840 - Gretchen Acres Assess	1,275	2,851	3,000
3C - Water Income - Other	184	328	0
Total 3c - Water Income	169,529	196,802	167,800
Total 3I - Public Works Income	169,529	196,802	167,800
Gross Profit	169,529	196,802	167,800
Expense			
3EC- Water Expense			
6307-Property Insurance	1,419	1,419	1,700
8605 - Allocate Admin - Water	68,627	75,771	81,552
8609- Water Training	50	453	500
8610- Water Parts & Supplies	1,627	40	1,000
8612- Water Office & Postage	4,321	4,370	5,000
8615- Water Payroll	31,289	15,097	19,240
8618 - Clothes Allowance	25	25	25
8620- Water Repairs & Mtnce	3,621	0	5,000
8623- Mobile Equip.	131	0	150
8624 - Auto Insurance	648	654	650
8625- Water Liability Ins	762	762	800
8626 - Work Comp	1,361	2,533	3,000
8627 - Fuel-Oil	1,398	1,284	1,300
8630- Water Fees & Testing	4,191	5,178	4,000
8640- Water Utilities			
1-000 - Water Power			
New Pump	12,787	14,005	14,000
Old pump	817	766	1,000
Total 1-000 - Water Power	13,604	14,771	15,000
1-001 - Water Phones			
468-2598	1,428	2,433	2,500
468-2946	558	0	0
468-5864	478	890	900
468-6003	351	0	0
468-6004	312	0	0
530-917-6004	67	0	0
Total 1-001 - Water Phones	3,194	3,323	3,400
Total 8640- Water Utilities	16,798	18,094	18,400
8632 - Revenue Bond Interest	13,007	12,000	13,500
Total 8660- Water Interest	13,007	12,500	13,500

2022-2023 Water Budget	20-21 Actual	21-22 Projected	22-23 Budget
	Water (Public Works)	Water (Public Works)	Water (Public Works)
Total 3EC- Water Expense	149,275	138,180	155,817
6504- Payroll Taxes			
6506- FICA	1,940	936	1,193
6508- Medicare	391	189	241
6512- SUI	560	560	560
6516 - ETT	11	10	10
Total 6504- Payroll Taxes	2,902	1,695	2,004
Total Expense	152,177	139,875	157,821
Net Income	17,352	56,927	9,979

LAW ENFORCEMENT BUDGET

It has been my experience that the one thing the community has been wanting is an active and competent police force. Two years ago, we entered into a contract with the City of Etna to provide Fort Jones with police services. This next year is the third year of a three-year contract, at which time, Etna has already indicated it will go up. This budget provides for 15% of the total tax revenue for police services, and because we only receive a fixed amount of grant funding for law enforcement, that percentage will have to go up in 2023-24 budget year.

This budget reflects a little less in sales tax revenue as the COVID inspired pent up demand to go out and spend wanes, although we don't know how much. We might be surprised, and the sales tax revenue has found a new level, but most financial predictions think it will stabilize at a level less than what we have now.

We are the recipients of a COPS grant from the federal Department of Justice. It is a fixed amount of \$100,000 based on population, with a "Growth Allocation" that is now approximately \$50,000. Our overall costs with having the police department, including a donation to the Etna pool for "Juvenile Gang Prevention", runs approximately \$175,000. If and when the Etna contract goes up in 2023-24, we will have to take a close look as to how the Council wants to make up the shortfall.

2022-2023 Law Enforcement Budget	20-21 Actual	21-22 Projected	22-23 Budget
	Law Enforcement	Law Enforcement	Law Enforcement
Income			
1I - General Government Income			
2I - Public Safety Income			
2a - Law Enforcement			
4112 - COPS Allocation	100,000	100,000	100,000
4115 - 17-18 Growth Allocation	58,465	45,124	50,000
4116 - Prop 172	1,250	1,250	1,250
4117 - Tax Allocation - Law Enf	65,142	80,421	73,500
Animal Control			
4230 - Dog Licenses	185	592	600
Total Animal Control	185	592	600
Total 2I - Public Safety Income	223,792	226,137	225,350
Total Income	223,792	226,137	225,350
Gross Profit	223,792	226,137	225,350
Expense			
2E- Public Safety Expense			
2EA- Law Enforcement Expense			
7120 - Admin Allocation - Law E	34,313	37,885	40,776
7125 - Etna Contract	149,056	149,056	149,056
7135 - Police Maint.	8,097	8,000	8,000
7145 - Dispatch	10,250	10,250	10,250
7181 - Law Enforcement Phones	2,019	2,460	2,400
Animal Control			
7930- Animal Control	969	362	500
Total Animal Control	969	362	500
2EA- Law Enforcement Expense - Other	5,000	5,000	5,000
Total 2EA- Law Enforcement Expense	209,704	213,013	215,982
Total 2E- Public Safety Expense	209,704	213,013	215,982
Net Income	14,088	13,124	9,368

FIRE & STRIKE TEAM BUDGET

In order to keep things simple, I have combined the Fire Department and Strike Team into one budget this year. It makes the Tax Allocation and Admin Allocation more reasonable and combined receive a Tax Allocation of 25%. By combining the revenue and expenses, it allows for the Town to hire a full time Fire Chief, although the wages are not comparable to other full time paid fire chiefs in larger cities. The current stipend for the volunteer fire chief is \$500 per month. This budget proposes we pay the chief \$31,000 per year, which was what the Fire chief in Lake Shastina received when he was first paid as a full time chief. The volunteers have been doing an exemplary job for a number of years and it is time Fort Jones has a paid fire chief and not lose them to Cal Fire or Forest Service. This budget also allows for an increase in stipends for the volunteers from \$6.50 for calls to \$10 and \$3.50 for meetings to \$7. This was agreed to with the Chief and is reflected on the MOU for next year.

Since Police Services, Fire Services, Roads and Parks are the primary services requested by residents, the Fire service is allocated the largest tax revenue, along with Parks, to maintain an excellent level of service. Although the Fire Department is supplemented with a great team of fire fighters to run Strike Teams, it is never known just how much they will be needed in any given year. This year was an exceptional year with the Strike Teams bringing in over \$600,000 and making a net revenue of over \$144,000. Some of this money should and will be set aside for reserves at year end, but not all years are like that.

Payroll and payroll taxes are a big item in this budget, but even with a paid chief and increased stipends, this budget has a cushion of \$14,000.

2022-2023 Fire & Strike Team Budget		20-21 Actual	21-22 Projected	22-23 Budget
		Total Fire (Public Safety)	Total Fire (Public Safety)	Total Fire (Public Safety)
Income				
2b - Fire Protection				
4740 - Fire Dept.		2,000	1,300	2,400
4741 - Tax Allocation - Fire		108,570	134,102	122,500
4745 - FD Training Earnings		0	0	0
4750 - Strike Team Income		268,545	636,024	350,000
Total 2b - Fire Protection		379,115	771,426	474,900
Total 2I - Public Safety Income		379,115	771,426	474,900
Gross Profit		379,115	771,426	474,900
Expense				
2E- Public Safety Expense				
2EB- Fire Department Expense				
6310- Property Insurance		1,419	1,590	1,600
7500 - Admin Allocation - Fire		102,940	113,656	101,940
7505 - Liability Insurance		762	5,485	5,400
7506 - Work Comp Insurance		1,361	17,610	20,000
7507 - Auto Insurance		5,182	16,114	16,000
7510- Fire Dept Payroll				
7513 - Calls & Meetings		3,367	7,689	9,000
7510- Fire Dept Payroll - Other		9,260	21,051	51,000
Total 7510- Fire Dept Payroll		12,627	28,740	60,000
7511- Firefighter Physicals		0	0	100
7512 - Live Scan		0	0	200
7520- Fire Dept Supl & Mtnce		19,367	23,024	23,000
7525- Pub Safety Fuel & Oil				
7527- Gas Reimbursement		-1,800	0	0
7525- Pub Safety Fuel & Oil - Other		6,893	9,273	9,000
Total 7525- Pub Safety Fuel & Oil		5,093	9,273	9,000
7526- Training		1,395	2,002	1,500
7540- Fire Dept. Utilities				
1-001- Fire Dept. Power Bill		4,268	3,588	4,000
2261- Fire Dept. Phone		1,129	1,322	4,300
2262 - Disposal		928	760	1,000
7541- Propane		3,989	119	200
Total 7540- Fire Dept. Utilities		10,314	5,789	9,500
2EB- Fire Department Expense - Other		260	260	300
Total 2EB- Fire Department Expense		160,720	223,543	248,540
2EC - Strike Team Expenses				
7501 - Admin Allocation - Strik	incl		incl	incl
6311 - Porperty Insurance		1,622	incl	incl
7505b - Liability Insurance		5,333	incl	incl
7506b - Workers Comp Ins		9,526	incl	incl
7502 - Auto Insurance		5,140	incl	incl
7520- Fire Dept Supl & Mtnce		19,337	24,000	24,000

2022-2023 Fire & Strike Team Budget

	20-21 Actual	21-22 Projected	22-23 Budget
	Total Fire (Public Safety)	Total Fire (Public Safety)	Total Fire (Public Safety)
7515 - Strike Team Payroll	128,601	337,507	168,000
Total 2EC - Strike Team Expenses	169,559	361,507	192,000
Total 2E- Public Safety Expense	330,279	585,050	440,540
6504- Payroll Taxes			
6506- FICA	9,259	31,329	13,500
6508- Medicare	1,864	6,316	2,738
6512- SUI	4,300	4,500	4,500
6516 - ETT	0	0	0
Total 6504- Payroll Taxes	15,423	42,145	20,738
Total Expense	345,702	627,195	461,278
Net Income	33,413	144,231	13,622

STREETS & ROADS BUDGET

Streets and Roads is not an Enterprise Function of the City as we are not charging fees to drive on our roads. Instead, we are reliant on tax money and grants to repair and replace roads. The roads in Fort Jones are some of the best in the County and have a very high Pavement Condition Index (PCI). Fort Jones is the highest in the County with a PCI of 69. The lowest in the County are Dunsmuir and Mt Shasta, each with a PCI of 44. Etna has a PCI of 56 and the State average is 66. This budget has a Tax Allocation for streets and Roads of 15%. Even though road repair is an important function and we have a lot of needs in Fort Jones, the Streets and Roads gets supplemental funding from the State Gas Tax, SB1 grants and state funding channeled through the County Local Transportation Commission. The attached budget shows what we receive on a regular basis, but there are other funding sources through State and Federal grants. Fort Jones has been approved for additional STIP funding through the LTC for road improvements, but since they are a pass-through funding, they are not included in this budget.

Since there is no expected STIP grant or other grant funding expected this year, there is a smaller cushion for the Roads Department than in previous years, but still enough to cover the increased payroll

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2022-2023 Streets and Roads Budget	20-21 Actual Streets and Roads (Public Works)	21-22 Projected Streets and Roads (Public Works)	22-23 Budget Streets and Roads (Public Works)
Income			
1I - General Government Income			
3I - Public Works Income			
3a - Streets Income			
4109- LTC Alloc	0	0	0
4499 - Gas Tax 2103	4,812	4,268	5,000
4500 - Gas Tax 2106	6,452	5,903	6,000
4501 - Gas Tax 2107	5,416	3,409	4,000
4502 - Gas Tax 2107.5	1,000	1,000	1,000
4503 - Gas Tax 2105	3,922	3,002	4,000
4530 - Local Transportation	0	3,418	4,000
4534 - Prop 42 TCRF	1,596	0	800
4537 - STIP	402,361	39,310	0
4538 - Vehicle License	616	141	400
4540 - Tax Allocation - Roads	65,142	80,421	73,500
SB1	11,689	1,283	7,000
Total 3I - Public Works Income	503,006	142,155	105,700
Total Income	503,006	142,155	105,700
Gross Profit	503,006	142,155	105,700
Expense			
3E- Public Works Expense			
3EA- Streets			
1-000 - Street Lights			
02 HPSV Lights	487	552	600
02 HPSV Metal Lights	43	263	100
10 HPSV Wood Lights	3,165	3,588	3,500
11 HPSV Lights	697	1,446	500
72 HPSV Lights	10,365	11,786	12,000
Total 1-000 - Street Lights	14,757	17,635	16,700
3E - 8505 - STAGE Transit Expense			
5403 - Consulting Fees			
5700- Publication and Notices			
6306- Property Insurance	1,419	374	400
8110 - Admin Allocation - Stree	34,313	37,885	61,164
8120- Street Mtnce/Utilities			
1-005 - Barn Power	2,522	1,743	2,000
1-006 - Barn Maintenance	455	0	0
1-007 - Phone Bill	1,054	1,494	1,200
8121- Street Maintenance			
8126- LTC	1,062	72	100
8127- STIP Project - Consulting	2,625	2,625	0
8121- Street Maintenance - Other	2,498	1,300	0
Total 8121- Street Maintenance	6,185	3,997	100
Total 8120- Street Mtnce/Utilities	10,216	7,234	3,200

2022-2023 Streets and Roads Budget	20-21 Actual Streets and Roads (Public Works)	21-22 Projected Streets and Roads (Public Works)	22-23 Budget Streets and Roads (Public Works)
8130- Equipment Maintenance			
8131- Fuel & Oil	82	2,857	2,000
8132- Repairs	1,357	1,143	2,000
8133- Parts & Supplies	114	668	500
8135- Roads	1,204	200	1,000
8134- Equipment Purchases	4,500	0	0
8136 - Equipment Rental	0	0	0
Total 8130- Equipment Maintenance	7,257	4,868	5,500
8136 -Auto Insurance	648	554	600
8137- Mobile Equip	131	0	0
8199- Road Payroll	8,337	8,091	10,660
8200- Major Street Const.			
8245 - STIP	394,195	0	0
Total 8200- Major Street Const.	394,195	0	
8250 - Street Engineering	944	0	1,000
8500- Street Reports	0	0	0
8505 - Clothes Allowance	25	25	25
8509 - Liability Insurance	762	762	800
8511 - Work Comp Insurance	1,361	1,774	1,500
Total 3EA- Streets	474,365	79,202	100,949
Total 3E- Public Works Expense	474,365	79,202	100,949
6500- Payroll Expenses			
6503- Retirement Company	0	0	0
Total 6500- Payroll Expenses	0	0	0
6504- Payroll Taxes			
6506- FICA	519	502	661
6508- Medicare	122	101	133
6512- SUI	95	323	400
6516 - ETT	1	0	0
Total 6504- Payroll Taxes	737	926	1,194
6600- Medical Insurance			
6601- Medical Ins Company	0	0	0
6602- Medical Ins Employee	0	0	0
Total 6600- Medical Insurance	0	0	0
Total Expense	475,102	80,128	102,143
	27,904	62,027	3,557

PARKS BUDGET

The Parks Department is the only Department that has minimal supplemental income and is allocated 25% of the total tax revenue. The Parks Department also receives funding through rental income of all city buildings and parks, the Franchise agreement with Pacific Power, and mostly grants. We have a grant currently for the improvements to the Paul Garrison Picnic Pavilion, which has been funded through donations and grants up to this point, the Little league Park, and the Scout Hall, which will be fixed up and rented for events. We also have a grant for a Central Community Park and Event Venue and are collecting ideas and suggestions to see that developed.

Parks & Buildings have the largest manpower needs of all departments and this budget reflects that. We also have a wonderful janitor who cleans the City Hall and the Ball Park bathrooms. Suzanne is also going to receive a raise from \$15 to \$17/hr. under the same parameters as the other employees.

Even with the increased labor costs this year, this budget reflects a cushion of over \$60,000. This can be used for additional equipment, additional help and/or reserves for the future.

2022-2023 Parks Budget	20-21 Actual	21-22 Projected	22-23 Budget
	Parks, Rec & Buildings	Parks, Rec & Buildings	Parks, Rec & Buildings
Income			
1I - General Government Income			
4215e - Tax Allocation - Parks	108,570	134,035	122,500
4216 - Franchises	7,077	7,967	7,700
4400 - Rent	1,410	5,675	4,000
Total 1I - General Government Income	117,057	147,677	134,200
Total Income	117,057	147,677	134,200
Gross Profit	117,057	147,677	134,200
Expense			
1E- General Government Expense			
Janitorial Payroll	3,389	4,320	5,226
9151- City Hall Maintenance	0	4,248	2,000
Total 9150-City Hall Expenses	3,389	8,568	7,226
9152- Propane	0	0	0
Total 1E- General Government Expense	3,389	8,568	7,226
4E- Parks & Recreation Expense			
02 Admin Allocation - Parks	34,313	37,885	40,776
8134- Equipment Purchases		0	0
6305- Property Ins Parks	1,550	2,764	2,500
9105- Auto Insurance	648	648	700
9106 - Work Comp Parks	1,361	4,158	3,000
9107 - Liability Ins Parks	761	1,981	2,000
9109- Parks Payroll	14,298	8,326	29,120
9110 - Park Expense	3,205	1,572	2,000
9115 - Clothes Allowance	25	25	25
9130- Ball Park Expenses			
1-002 - LLP Snack	196	383	200
1-013 - BBP lights	1,306	2,524	2,500
1-014 - LLP lights	265	209	300
9131- Maintenance & Supplies	4,211	3,704	5,000
9130- Ball Park Expenses - Other	0	187	187
Total 9130- Ball Park Expenses	5,978	7,007	8,187
9140- Scout Hall Expenses			
1-006 - Scout Hall Power	556	540	550
9140- Scout Hall Expenses - Other	0	0	
Total 9140- Scout Hall Expenses	556	540	550
9160- Museum Expenses			
1-004 - Museum Electricity	980	853	1,000
1-XXX - Museum Monitor Fuel	1,669	1,942	2,000
5568- Museum Phone	1,053	1,249	1,500
Total 9160- Museum Expenses	3,702	4,044	3,700

2022-2023 Parks Budget	20-21 Actual	21-22 Projected	22-23 Budget
	Parks, Rec & Buildings	Parks, Rec & Buildings	Parks, Rec & Buildings
4E- Parks & Recreation Expense - Other	399	0	0
Total 4E- Parks & Recreation Expense	70,185	77,518	99,784
6504- Payroll Taxes			
6506- FICA	886	691	1,805
6508- Medicare	178	162	364
6512- SUI	572	115	560
6516 - ETT	0	0	0
Total 6504- Payroll Taxes	1,636	968	2,729
6600- Medical Insurance			
6601- Medical Ins Company	0	0	0
6602- Medical Ins Employee	0	0	0
Total 6600- Medical Insurance	0	0	0
Total Expense	71,821	78,486	73,435
Net Income	45,236	69,191	60,765

DISCUSSION / REPORTS

ACTION ITEMS



THE TOWN OF FORT JONES

TO: FORT JONES CITY COUNCIL

MEETING DATE: JUNE 15, 2022

FROM: KARL DREXEL, CITY ADMINISTRATOR

SUBJECT: CDBG HOUSING REHAB GUIDELINES

BACKGROUND

The Community Development Block Grant program is changing their rules and the Town of Fort Jones needs to adopt new guidelines. Attached here are those guidelines developed by Molly to be approved by Council. One of the changes from HCD is that the accumulated Program Income (PI) can be taken back by HCD if it does not have a new application. We are working on a new application and will be presenting it at a Noticed Public Hearing later this month. The new application will actually be two separate ones. One is to use a portion of the funds in the CDBG account for new Rehabilitation applications, which have effectively been dormant since the start of Covid-19, and a portion on other projects that benefit the entire community such as:

- Derelict properties (which fit the textbook definition of slum/blight)
- Elevated code enforcement
- General need for façade improvements/downtown area improvements. Some buildings could really just use a fresh coat of paint.
- Replacing sewer and water mains that aren't plastic
- Other infrastructure improvements when we need to help fund

These new applications need to be presented at a Public Hearing as well.

RECOMMENDATION

Staff recommends the Council review and approve the proposed HCD Guidelines and request a Public Hearing for final approval.

TOWN OF FORT JONES

Community Development Block Grant

HOUSING REHABILITATION PROGRAM GUIDELINES

Approved by Town of Fort Jones City Council June 13, 2022



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TOWN OF FORT JONES

COMMUNITY DEVELOPMENT BLOCK GRANT HOUSING REHABILITATION PROGRAM GUIDELINES

The TOWN OF FORT JONES Housing Rehabilitation Program, (here after called “Lender”), funded by State Community Development Block Grant (CDBG) Program, is designed to expand the supply of decent, safe, sanitary and affordable housing; to correct health and safety hazards in deteriorated housing; and to extend the useful life of existing housing units. Loans and grants are available to achieve cost-effective repairs for low-income owner-occupied homes or for units occupied by low-income tenants of owner-investors jurisdiction wide.

FAIR HOUSING

This program will be implemented in ways consistent with the Lender’s commitment to Fair Housing. No person shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with Community Development Block Grant (CDBG) funds on the basis of their religion or religious affiliation, age, race, color, creed, ancestry, national origin, gender, marital or familial status (children), physical or mental disability, medical condition, sexual orientation, or other arbitrary cause.

OUTREACH/APPLICANT LIST

Outreach

When loan funds are available, the Lender shall conduct a periodic program to advertise and promote the Housing Rehabilitation Program so that all those in need of rehabilitation assistance are aware of the Lender’s program. Efforts will be made to contact special needs households such as: elderly, single parent households, women, disabled, and minorities.

Applicant List

- Applications shall be received and processed as quickly as possible.

- Applicants shall be placed on the Applicant list at the time they apply for the program.
- Applicants shall provide information needed for the income and property verification process and what improvements are needed in a timely manner. If information is not forthcoming in a reasonable time, the Applicant shall be informed that their position on the Applicant list may be affected.
- Unless there are emergency conditions that warrant more immediate action, projects will be funded based on the order of which the applications are received and deemed eligible.

TEMPORARY RELOCATION

Unit occupants will be informed of their eligibility for temporary relocation benefits if occupancy during rehabilitation constitutes a danger to health and safety of tenant or public danger or is otherwise undesirable because of the nature of the project.

Relocated tenants will receive compensation for increased housing costs, payment for moving and related expenses and appropriate advisory services, as detailed in the "Housing Rehabilitation Program Single Family Temporary Relocation Plan" attached at the end of these Guidelines. Owner occupants are not eligible for temporary relocation benefits unless health and safety threats are determined to exist by the project coordinator/construction supervisor.

CONFLICT OF INTEREST

No member of the governing body of the locality and no other official, employee, or agent of the TOWN OF FORT JONES government who exercises policy, decision-making functions, or responsibilities in connection with the planning and implementation of the program shall directly or indirectly be eligible for this program, unless the application for assistance has been reviewed and approved according to applicable California Department of Housing and Community Development (HCD) guidelines. This ineligibility shall continue for one year after an individual's relationship with the TOWN OF FORT JONES ends.

A contractor with a vested interest in the property cannot bid on a rehabilitation job. Such a contractor may act as owner/builder, subject to standard construction procedures. (Owner/builders are reimbursed for materials purchased which are verified by invoice/receipt and used on the job. Reimbursement occurs after the installation is verified by Housing staff to be part of the scope of work. Owner/builders are not reimbursed for labor.) The TOWN OF FORT JONES reserves the right to determine if the owner is capable of owner/builder rehabilitation work.

APPLICANT ELIGIBILITY

- Owner-Occupied Applicant
 - Must be existing homeowner and occupy the residence. Proof of occupancy will be required.
- Owner-Investor Applicant
 - Must be existing property owner and rent the residence to income eligible renter.

INCOME ELIGIBILITY

Income eligibility is based on the occupant's gross annual income and must be less than 80 percent of the area's median income. These limits can be located on the [HCD website](#).

Owner Occupant

To be eligible, household income must be equal to, or less than, the applicable HCD income guidelines. Owner will be required to provide income documentation as detailed in the "Annual Household Income Definition/Income Limits" attached at the end of these Guidelines.

Owner Investor

There are no restrictions on the income of the owner investor unless the owner investor's household falls within income guidelines and is interested in qualifying for a Deferred Payment Loan (DPL).

Tenant

If a rental property is currently occupied, the tenant's household income must be equal to, or less than, the applicable HCD income guidelines. Tenant will be asked

to cooperate by providing income documentation as detailed in the “Annual Household Income Definition/Income Limits” attached at the end of these Guidelines.

PROPERTY ELIGIBILITY

Location

Units to be rehabilitated must be located within current TOWN OF FORT JONES jurisdiction or, for open grants, within specific target areas as listed in the grant application.

Property Taxes

Property Taxes must be paid and current to be eligible for a rehabilitation loan.

Evidence of Ownership

“Ownership” means any of the following interests in residential real property:

- Fee simple interest
- 99-year leasehold interest in the property
- Ownership or membership in a condominium, cooperative or mutual housing project.

Property Types

To be eligible, the housing must be the primary residence of income-eligible occupants.

Eligible property types of residence can include:

- 1-4 housing units where at least one unit is occupied by income-eligible homeowner or tenants
- Traditional single-family housing, condominiums, manufactured or mobile homes.
- Structures may be either attached or detached.

If CDBG funds are used to assist units in a two-to-four-unit property, where some of the units are occupied by ineligible tenants, then CDBG funds can only be used on the LMI occupied units.

Environmental Review

The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users. Not every project is subject to a full environmental review (i.e., every project's environmental impact must be examined, but the extent of this examination varies). Every project must be in compliance with the [National Environmental Policy Act \(NEPA\)](#), and other related Federal and state environmental laws. The environmental review must be completed prior to any loan approval.

REHABILITATION STANDARDS

All repair work will meet Uniform Building Code standards. The priority will be the elimination of health and safety hazards. Additionally, all repair work will comply with any special design or construction standards established by the TOWN OF FORT JONES to preserve historic buildings. Rehabilitation work should incorporate energy efficient/green building materials.

NOTE: The Town of Fort Jones has adopted construction standards with specific requirements for construction and with allowances for roofing, appliances, flooring, cabinets etc. These allowances assure affordability.

In the case of 2-4 unit property in which the owner occupant is income eligible, but a tenant is not, the rehabilitation shall be limited to those that benefit the overall structure (roof, exterior changes) and the interior changes for the income eligible household only. The priority will be the elimination of health and safety hazards and code compliance.

PROPERTY IMPROVEMENTS

The goal of the Lender's rehabilitation program is to remove deficiencies, improve energy efficiency, remediate lead-based paint, extend the useful life of the property and/or provide accessibility to comply with the American's with Disabilities Act (ADA), and/or comply with any special design or construction standards established by the

Lender to preserve historic buildings. All improvements must be physically attached to the property and permanent in nature. General property improvements should be limited to 15 percent of the rehabilitation loan amount. Luxury items are not permitted. If building materials that are normally considered “luxury items” are necessary due to a medical condition of a household member or for reasons of accessibility, the Lender may approve the use of such materials.

Examples of eligible improvements include foundation construction and repair, electrical repair or rewiring, plumbing repair, roof repair or replacement, heating system installation and repair, window and door replacement and repair, siding replacement and repair of structurally significant damaged wood, and floor coverings.

Examples of non-eligible improvements include swimming pools, patios and patio covers, room additions that are for leisure, landscaping upgrades, hot-tubs, custom cabinets, and high-end appliances.

Examples of general property improvements include improvements that bring the property into compliance with local zoning requirements, fence repairs, exterior paint, or items to improve the appearance of the property but are not health and safety items.

LEAD-BASED PAINT

Program participants rehabilitating homes constructed prior to January 1, 1978 must be provided with the proper disclosure notification concerning lead-based paint (LBP) hazards. Whenever pre-1978 houses are rehabilitated under CDBG, please refer to Title 24 Code of Federal Regulations ([24 CFR §570.608](#)), Lead-based paint for guidance. The costs associated with meeting these requirements may be eligible to be paid for with CDBG funds, if available.

MANUFACTURED HOUSING UNIT/MOBILE HOME REHABILITATION

CDBG funds may be used for the rehabilitation of an owner-occupied mobile home if it is considered part of the community's permanent housing stock. Also funds may be

used for rehabilitation of an owner investor mobile home if it is considered part of the community's permanent housing.

RECONSTRUCTION

CDBG funds may be used to demolish and reconstruct residential structures.

Reconstruction is defined as the demolition and construction of a structure. The Town of Fort Jones must document that the reconstruction costs are less than newly constructed housing and that the estimated cost of the reconstructed housing (including demolition, site preparation and temporary relocation) is less than the fair market value of the reconstructed housing and land combined.

RESIDENCY REQUIREMENTS

Owner Occupant

Owner occupants will be required to submit to the Lender between *July 1 and 31* of each year for the term of the loan:

1. Proof of occupancy in the form of a copy of a current utility bill.
2. Statement of unit's continued use as a residence.
3. Declaration that other title holders do not reside on the premises, if applicable.
4. Proof that property insurance and taxes are paid current.

If an owner occupant sells, transfers title, or discontinues residence in the rehabilitated property, the loan is due and payable, unless one of the following applies:

1. If the owner occupant sells or otherwise transfers title of the property to a qualified income household, the Lender may consider refinancing the loan balance and subordinating the loan and continuing all or part of the lien as a Deferred Payment Loan.
2. If the owner occupant dies, and if the heir to the property lives in the house and is income eligible, the heir may be permitted, upon approval of the

Lender to refinance the loan at the rate and terms the heir qualifies for under current participation guidelines.

3. If the owner occupant dies and the heir is not income eligible, the loan is due and payable.
4. If the owner occupant dies and the heir is not income eligible, but they elect to rent the unit to income qualified households and agrees to comply with owner investor restrictions, the heir may be permitted, upon approval of the Lender, to refinance the loan at the same rate and terms offered owner investors under current program guidelines. If the heir/owner investor does not elect to comply with owner investor restrictions, the loan is due and payable.
5. If an owner occupant wants to convert the rehabilitated property to a rental unit, the owner must notify the Lender in writing in advance. If the Lender approves the conversion of an owner-occupied unit to a rental, the owner will be required to comply with the provisions of the owner-investor guidelines, including rent limitation provisions and financing arrangements.
6. If an owner occupant wants to convert full use of the rehabilitated property to any commercial or nonresidential use, the loan is due and payable. Refer to "Loan Servicing Policies and Procedures" attached at the end of these Guidelines.

Owner Investor

An owner investor may convert a rental property to their primary residence and refinance the loan at the rate and terms offered owner-occupants under current program guidelines if all conditions below exist:

1. They can prove that the previous tenant was not evicted without cause.
 2. The owner-investor is income eligible.
 3. They request approval from the Lender in advance.
- If an owner investor converts a rehabilitated rental property to their primary residence, but they are not income eligible, *the loan is due and payable.*

- If an owner investor wants to convert the rehabilitated property to any commercial or nonresidential use, *the loan is due and payable*.
- If an owner investor sells or transfers title of the rehabilitated property for any reason, *the loan is due and payable*.

FINANCING

Maximum Loan Amount

In all cases, the maximum loan amount shall be determined by local jurisdiction accordingly to the need and specific conditions per each rehabilitation project.

The loan amount may include:

- construction contract (the accepted bid price for the cost of materials and labor);
- construction contingency;
- drafting and engineering fees, if any;
- appraisal and termite inspection charges;
- credit report review fees;
- permit fees and related building fees,
- site preparation for replacement housing;
- escrow, closing and recording fees; title report and title insurance, title updates

CDBG funds may not be used to pay for property taxes.

Maximum Loan-to-Value Ratio

The maximum encumbrance is limited to 100 percent of the property's after-rehabilitation value (determined by after rehab appraisal) or less as determined by the Lender's policy.

Loan Security

1. A Deed of Trust and Promissory Note will secure loan
2. Promissory Note and Loan Agreement
3. Notice of Default (if applicable)

A manufactured home in a mobile home park or on leased land that is not on a permanent foundation will be secured by an HCD 484 Statement of Lien, for mobile homes will be secure by HCD 480.7 –

4. All owners listed on the benefiting property title are required to sign the Deed of Trust, Promissory Note, rehabilitation contract documents, and other related loan documents, whether or not they reside on the property.
5. All Lender loans, which are not in first position on title, will require a Request for Notice of Default to be recorded as part of the transaction.
 - a. If Lender changes address - a new Request for Notice of Default must be recorded to ensure any possible notice is sent to the current address of Lender.

Financing Terms

Owner-Occupied Property

Financing terms are made flexible to allow for maximum affordability. In addition to the Lender's ability to do a fully deferred loan, there are three other types of financing available.

To the extent that an amortized loan payment will not cause housing costs to exceed 30% percent of gross monthly income, rehabilitation costs will ordinarily be financed as a 0-3% percent simple interest loan dependent on the current market at loan close.

A. Owner-occupants qualifying under 80% and below of Area Median Income limit are eligible for a 2-3 % percent interest loan, amortized over no more than thirty years (usually twenty years).

B. In the event the household cannot afford a loan payment, the rehabilitation loan will be financed at 0% percent simple interest with payments, including interest, deferred for a period up to 20/30 years.

C. Owner-occupants qualifying under 50%-30% percent of County Median Very Low-Income or persons who are elderly (age 65 or older) or permanent disabled heads of household will be eligible for 0% percent interest deferred payment loans DPL for 20 years. After twenty years, the loan may be extended if the owner-occupant still is under the low income limit. If the owner-occupant no longer qualifies under this income limit the loan shall be fully amortized over no more than 30 years.

Owner Investor

The Lender offers a 4%-5% simple interest loan with payments including interest amortized over 20 years. The Loan Committee will take current market rates under consideration in order to provide affordable housing.

Restrictions

Rent Limitation Agreement (RLA) - An owner investor who elects to rehabilitate a rental unit with CDBG financing must sign an RLA, which will be recorded. This agreement will specify:

- In no instance shall rents exceed the U.S. Department of Housing and Urban Development (HUD) Fair Market Rent (FMR) schedule while the RLA is in effect.
- Base Rent – Vacant Unit - If the property is vacant, rent charges shall not exceed 30 percent of 80 percent of County median income for the appropriate household size in that unit. Owner investor shall affirmatively seek income qualified households by contacting the local housing authority. Where such contact does not result in eligible income qualified tenants, the owner investor shall contact the Lender for guidance.

- Base Rent – Occupied Unit - If the property is occupied, rent charges shall not exceed 30 percent of the existing tenants' household income; or, where, before rehabilitation, rents already exceed 30 percent of the existing tenants' income, no rent increases shall be allowed which provide for rents plus utilities over 30 percent of the tenants' income.
- Term - Adherence to these rent limitations will be for minimum of 5 years.
- Annual recertification of tenant's income and rents paid from both the owner investor and tenant if applicable.
- Compliance – Failure to comply with these terms and conditions will result in the loan becoming due and payable. If necessary, foreclosure proceedings will be instituted.

Maintenance Agreement

As specified in the Rehabilitation Loan Agreement, an owner-investor who participates in the program must maintain the property at post-rehabilitation conditions for a minimum of five years. Should the property not be maintained accordingly, the loan will become due and payable, and if necessary, foreclosure proceedings will be instituted.

Grants

- A. Grants are not generally available under this program. Under some emergency circumstances, grants may be awarded to clients for no more than 10% of the total loan amount with approval of the loan committee. Typically to be eligible the homeowner must be 60 or over (or disabled) and fall into the target income group. Grants will only be used to rehabilitate structures with severe health and safety standards violations. Grants will only be offered as funds are available on an individual basis. Some of the eligible activities are as follows:
 1. Senior Citizens over 60 years old and /or disabled persons for accessibility improvements must be supported by appropriate written notification from a physician, referring social service agency, or a similar outside authority familiar

with the living situation. Receipt of Social Security Disability or Supplemental Security Income can also be used as verification of disability.

2. Senior citizens over 60 years old and /or disabled persons for emergency repairs or replacements to roof, windows, heating units, or sanitary sewer or water systems when failure to make such repairs would render the housing unit uninhabitable.
- B. Grants may be available for any activities necessary for the removal of environmental hazards, in conjunction with an eligible rehabilitation project. These hazards may include but are not limited to lead-base paint mitigation, asbestos, mold, and chemical contamination. Total grant amount for this activity will be determined on an individual needs basis.
- C. The lender will require a signed grant agreement.
- D. All grants will be approved by the Loan Committee

LOAN REQUIREMENTS

Loan Documentation

The Lender shall determine the loan amount based on the consideration of:

1. The selected bid contractual amount
2. 10 to 20 percent contingency
3. Plan or drawing preparation if any
4. Pre-project inspections (termite report, LBP inspection)
5. Escrow and title policy costs

The Lender shall provide the owner-investor with the loan disclosure information.

Once the owner-investor has approved the disclosure, the Lender shall process the loan for approval. The approval process shall require approval by the Loan Committee.

The Borrower or owner-investor shall be notified of approval and/or denial.

Loan Approval

A loan package will be prepared by the Lender that: confirms the Applicant and property eligibility; documents the equity in and the encumbrances on the property;

lists the estimated loan and construction costs; and includes any other information particular to the loan. By preparing a loan package using all the income and property eligibility, the determination of the amount and rates and terms of the CDBG loan will be outlined for the Town of Fort Jones Loan Committee to review.

To obtain CDBG financing, Applicants must meet all property and eligibility guidelines in effect at the time of loan approval. Applicants will be provided written notification of approval or denial. Reason for denial will be included in a denial letter to the Applicant.

Loan Settlement

1. The Applicant shall sign the following: Deed of Trust, Promissory Note, Loan Estimate and Closing Disclosure Statement, Rescission Notice, Loan Agreement, Request for Notice of Default and Sale (if applicable) and Rent Limitation Agreement (if applicable).
2. A manufactured home in a mobile home park or on leased land that is not on a permanent foundation will be secured by an HCD 480.7 or an HCD 484 Statement of Lien.
3. The Town of Fort Jones Official, acting on the behalf of the Lender, shall sign the loan documents as required.
4. If the Applicant does not rescind the loan after the 3-day rescission period:
 - A. The Deed of Trust, Request for Notice, and Rent Limitation Agreement, as applicable, shall be recorded at the Siskiyou County Recorder's Office. The Applicant shall sign the Construction agreement and Notice to Proceed.
 - B. Title insurance shall be requested and received.
5. The original loan documents shall be filed with the Town of Fort Jones as *applicable*: Promissory Note, Deed of Trust (recorded), Loan Agreement, Request for Notice of Default (recorded) and Rent Limitation Agreement (recorded).
6. The construction documents shall be filed with the Town of Fort Jones.

Loan Servicing

Refer to “Loan Servicing Policies and Procedures” attached at the end of these Guidelines.

DEFAULT AND FORECLOSURE

If a Borrower defaults on a loan, and foreclosure procedures are instituted, they shall be carried out according to the CDBG Foreclosure Policy as described in the “Loan Servicing Policies and Procedures” attached at the end of these Guidelines.

INSURANCE

Standard Property Insurance

Borrower must maintain property insurance coverage naming the Lender as loss payee in first position or additional insured if the loan is a second mortgage. If Borrower fails to maintain the necessary insurance, the Lender is notified in writing by the insurance company. If this occurs, the Lender may take out forced place insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower’s new insurance.

Fire Insurance

The Borrower shall maintain fire insurance on the property for the duration of the loan(s). This insurance must be an amount adequate to cover all encumbrances on the property. The insurer must identify the Lender as Loss Payee for the amount of the loan(s). A binder shall be provided to the Lender. In the event the Borrower fails to make the fire insurance premium payments in a timely fashion, the Lender at its option may make such payments for a period not to exceed 60 days. The Lender may, in its discretion and upon the showing of special circumstances, make such premium payments for a longer period. Should the Lender make any payments, it may, in its sole discretion, add such payments to the principal amount that the Borrower is obligated to repay the Lender under this program.

Flood Insurance

In areas designated by HUD as flood prone (located in a 100-year flood plain) the Borrower is required to maintain flood insurance in an amount adequate to secure the Rehabilitation Loan. The policy must designate the Lender as Loss Payee. The premium may be paid by the Rehabilitation Loan for one year.

CONTRACTING PROCEDURES

- All housing rehabilitation work must be carried out using the adopted Housing Rehabilitation Program Guidelines.
- The Lender will prepare the bid package and assist the Borrower in negotiating the contract.
- The Borrower will select the contractor.
- All general and sub-contractors must be checked and cleared with HUD'S federal debarred list of contractors and have a DUNS number or Unique Entity Identifier (UEI).
- All general and sub-contractors must be actively licensed and bonded with the State of California.
- All general and sub-contractors must have public liability insurance to the Lender's required limits, and if applicable, maintain Workers' Compensation and Employer Liability insurance to the extent required by State Law.
- All general and sub-contractors must comply with CDBG federal and state regulations.
- A Notice of Completion must be recorded with the County Recorder.

DISPUTE RESOLUTION/APPEALS PROCEDURE

Any person/household applying for a Rehabilitation Loan through the CDBG program has the right to appeal if their application is denied. In addition, during pre-construction, construction, or post-construction periods, the Borrower has a similar right to have any disputes heard and resolved.

Rehabilitation program representatives are primarily responsible to assure that the program is implemented in compliance with state and federal regulations in a timely and responsible manner. This includes developing accurate and professional files, work write-ups and contract documents. Program representatives attend the meeting between the homeowner and the contractor when the contract documents are signed and facilitate in the clarification and/or corrections of proposed work, so a clear understanding is established between both parties.

During and after completion of construction, the contractor's work is monitored for code compliance by the Lender's Building Inspector and for quality by the Housing Rehabilitation Inspector.

The contractual obligation for rehabilitation is ultimately between the contractor and the homeowner. If a situation occurs where the two parties are in conflict, the following procedure will occur:

Before any intervention occurs, the homeowner or contractor shall communicate perceived problems or complaints directly to the other party. To resolve the differences, each will give the other an opportunity to respond or correct the problem.

If the first attempt fails, the homeowner or contractor may ask the Housing Coordinator or designee to informally intervene. This intervention might include telephone call(s) to the contractor or homeowner, meeting(s) at the job site or in the office, or other actions as seem appropriate, including such things as the establishment of written working guidelines, or other post-contractual agreement.

If the Housing Coordinator or designee is unable to satisfactorily resolve the homeowner-contractor differences, the homeowner, contractor, or program representative, will contact HCD detailing the problem. In cases of building code compliance or questions of construction quality, the building inspector might also be contacted.

It must be recognized that the homeowner has other options which they may choose to utilize, including contacting the Contractors State Licensing Board and submitting a complaint.

Any controversy between the parties that cannot be settled through the informal intervention process outlined above shall be submitted to binding arbitration. Costs for the arbitration will be borne by the losing party, or subject to the terms of the arbitration agreement.

The parties shall attempt to agree on a single arbitrator to hear the dispute. If they cannot agree each party shall appoint an arbitrator. If the two arbitrators cannot reach an agreement, then they shall appoint a third arbitrator whose decision shall be final and binding.

The cost of the arbitration shall be borne by the losing party unless the arbitrator otherwise determines.

The arbitration shall be conducted in accordance with the rules of the American Arbitration Association then in force. The parties expressly agree that the arbitration shall be subject to and governed by, the Federal Arbitration Act, Title IX, USC 1 et seq.

SWEAT EQUITY

Participants who wish to perform sweat equity must obtain approval from the general contractor and sign a written commitment itemizing the work they will perform, a time schedule for completion and a dollar value of the contribution.

Owners that contribute sweat equity that involves painting will not participate in activities that include the abatement or mitigation of lead paint hazards without first being trained on Safe Work Practices as required by HUD and provide documentation of such in the project file.

AMENDMENTS

Amendments to these Guidelines may be made by the Lender.

EXCEPTIONS/PROCEDURES FOR EXCEPTIONAL CIRCUMSTANCES

Any case to which a standard policy or procedure, as stated in the guidelines, does not apply or an Applicant treated differently from others would be an exception.

In the event of extraordinary or special circumstances, the Loan Committee may grant an exception to the guidelines if the exception does not violate the regulations of the funding sources.

The Program staff may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including staff's recommended course of action and any written or verbal information supplied by the Applicant. The request shall be presented to the Loan Committee for decision and consideration.

CURRENT HUD/INCOME LIMITS

For consistency in calculating household incomes, the Lender will use the most current income limits available when determining household income. The CDBG income limits are updated annually.

ATTACHMENT A

HOUSING REHABILITATION PROGRAM SINGLE FAMILY TEMPORARY RELOCATION PLAN

The Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require all grantees of Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) funds to follow a written Residential Anti-displacement and Relocation Assistance Plan (Plan) for any activities that could lead to displacement of occupants whose property is receiving funds from these or any other federal funding source. Having been developed in response to both aforesaid federal legislations, this Plan is intended to inform the public of the compliance of the with the requirements of federal regulations Town of Fort Jones [24 CFR 570.606](#) under state recipient requirements and [Section 104\(d\) of the Housing and Community Development Act of 1974](#) and [24 CFR 92](#) of the HOME federal regulations. The Plan will outline reasonable steps, which the TOWN OF FORT JONES will take to minimize displacement and ensure compliance with all applicable federal and state relocation requirements. The TOWN OF FORT JONES's governing body has adopted this Plan via a formal resolution.

This Plan will affect rehabilitation activities funded by the U.S. Department of Housing and Urban Development (HUD) under the following program titles: HOME, CDBG, Urban Development Action Grant (UDAG), Special Purpose Grants, Section 108 Loan Guarantee Program, and such other grants as HUD may designate as applicable, which take place within the TOWN OF FORT JONES limits.

The TOWN OF FORT JONES will provide permanent relocation benefits to all eligible “displaced” households either owner occupied or rental occupied units which are permanently displaced by the housing rehabilitation program. In addition, the TOWN OF FORT JONES will replace all eligible occupied and vacant occupiable low-income group dwelling units demolished or converted to a use other than low income group housing

as a direct result of rehabilitation activities. This applies to all units assisted with funds provided under the [Housing and Community Development Act of 1974](#), as amended, and as described in the Federal Regulations [24 CFR 570.496\(a\)](#), Relocation, Displacement and Acquisition: Final Rule dated July 18, 1990 (Section 104(d)) and [49 CFR Part 24](#), Uniform Relocation Assistance (URA) and Real Property Acquisition Regulations Final Rule and Notice (URA) dated March 2, 1989.

All TOWN OF FORT JONES programs/projects will be implemented in ways consistent with the TOWN OF FORT JONES's commitment to Fair Housing. Participants will not be discriminated against on the basis of race, creed, color, religion or religious affiliation, age, ancestry, national origin, gender, marital or familial status (children), physical or mental disability, sexual orientation, medical condition, or other arbitrary cause. The TOWN OF FORT JONES will provide equal relocation assistance available 1) to each eligible income household displaced by the demolition or rehabilitation of housing or by the conversion of a eligible income household dwelling to another use as a direct result of assisted activities; and 2) to each eligible income person temporarily relocated as a direct result of activities funded by HUD programs.

Minimizing Permanent Displacement and Temporary Relocation Resulting from Housing Rehabilitation or Reconstruction Activities

Consistent with the goals and objectives of activities assisted under the Act, the TOWN OF FORT JONES will take the following steps to minimize the displacement of persons from their homes during housing rehabilitation or reconstruction funded by HUD programs:

- Provide proper notices with counseling and referral services to all tenants so that they understand their relocation rights and receive the proper benefits. When necessary assist permanently displaced persons to find alternate housing in the neighborhood.
- Stage rehabilitation of assisted households to allow owner occupants and/or tenants to remain during minor rehabilitation.

- Encourage owner investors to temporarily relocate tenants to other available safe and sanitary vacant units on the project site area during rehabilitation or pay expenses on behalf of replaced tenants.
- Work with area landlords, real estate brokers, and/or hotel/motel managements to locate vacancies for households facing temporary relocation.
- When necessary, use public funds, such as CDBG funds, to pay moving costs and provide relocation/displacement payments to households permanently displaced by assisted activities.

Lead Based Paint Mitigation Which Causes Temporary Relocation

On September 15, 2000, the Final Rule for Lead Based Paint Hazard Control (LBPHC) went into effect. Among other things, it requires that federally funded rehabilitation must use safe work practices so that occupants and workers can be protected from lead hazards. At no time should the tenant-occupant(s) be present in work areas or designated adjacent areas while LBPHC activities are taking place in any dwelling unit interior, common area, or exterior. As such, occupants will not be allowed to remain in their units during the time that lead-based paint hazards (LBPH) are being created or treated. Once LBPHC has been completed, and the unit passes clearance, the occupants can return. The tenant-occupants may not reoccupy a work area or adjacent area until post-lead hazard reduction clearance standards have been achieved and verified with laboratory results. The final rule allows for certain exceptions:

- The work will not disturb lead-based paint, or create dust-lead or soil-lead hazard; or
- The work is on exterior only and openings are sealed to prevent dust from entering the home, the work area is cleaned after the work is completed, and the residents have alternative lead-free entry; or
- The interior work will be completed in one period of less than 8-daytime hours and the work site is contained to prevent the release of dust into other areas of the home; or

- The interior work will be completed within 5 calendar days, the work site is contained to prevent the release of dust, the worksite and areas within 10 feet of the worksite are cleaned at the end of each day to remove any visible dust and debris, and the residents have safe access to kitchen and bath and bedrooms.

If temporary relocation benefits are not provided because the TOWN OF FORT JONES believes that the project meets one of the above criteria, then proper documentation must be provided in the rehabilitation project file to show compliance. It is up to the {TOWN OF FORT JONES} to ensure that the owner occupant or tenant in the project does not get impacted by lead paint mitigation efforts. In most cases where lead paint mitigation is taking place, occupants (tenants or owners) will be strongly encouraged to relocate. Even for just a few days until a final lead clearance can be issued by a certified lead-based paint assessor. Occupants who are temporarily relocated because of lead based paint mitigation are entitled to the same relocation benefits as those who are relocated because of substantial rehabilitation or reconstruction activities.

Temporary Relocation of Owner Occupants

Owner occupants are not allowed to stay in units which are hazardous environments during lead-based paint mitigation. When their home is having lead-based paint mitigation work done which will not make it safe to live in, then they are eligible for temporary relocation benefits which will be provided as a grant. In the same way, a unit requiring substantial rehabilitation (with or without lead based paint mitigation) which will not allow the family to access a bath or kitchen facility, or if the unit is being demolished and reconstructed, then the family will be eligible for temporary relocation benefits which will be provided as a grant. The amount of the benefit to be paid should be cost appropriate to the conditions.

Owner occupants will be encouraged to move in with family or friends during rehabilitation, since they are voluntarily participating in the program. The housing rehabilitation loan specialist and/or the rehabilitation construction specialist will complete a temporary relocation benefits form. This documents that the owner occupant

understands that they must relocate during construction and what benefits they wish to be reimbursed for as part of their relocation.

Temporary Relocation of Residential Tenants

If continued occupancy during rehabilitation is judged to constitute a substantial danger to health and safety of the tenant or the public or is otherwise undesirable because of the nature of the project, the tenant may be required to relocate temporarily. The program administrator or construction supervisor will make determination of the need for temporary relocation. The temporary relocation period will not exceed 180 days. All conditions of temporary relocation will be reasonable.

Any tenant required to relocate temporarily will be helped to find another place to live which is safe, sanitary and of comparable value and they have the first right to move back into the original unit being rehabilitated at the same rent or lower. They may move in with family and friends and still receive full or partial temporary assistance based on eligible cost incurred.

The housing rehabilitation loan specialist and/or the rehabilitation construction specialist will ensure that each tenant occupied unit under the program will receive a General Information Notice (GIN) (as soon as possible after a loan application is received). Additionally, the tenant will receive a Notice of Non-displacement (after loan approval), and each tenant occupied unit will have a temporary relocation benefits form completed for them. These notices will document that each tenant understands what their relocation rights are, and if they must relocate during construction, that they receive the proper counseling and temporary relocation benefits.

A tenant receiving temporary relocation shall receive the following:

1. Increased housing costs (e.g. difference in rent increase, security deposits) and
2. Payment for moving and related expenses, as follows:

- a. Transportation of the displaced persons and personal property within 50 miles, unless the grantee determines that farther relocation is justified;
- b. Packing, crating, unpacking, and uncrating of personal property;
- c. Storage of personal property, not to exceed 12 months, unless the grantee determines that a longer period is necessary;
- d. Disconnection, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property;
- e. Insurance for the replacement value of personal property in connection with the move and necessary storage;
- f. The replacement value of property lost, stolen or damaged in the process of moving (not through the fault of the displaced person, their agent, or employee) where insurance covering such loss, theft or damage is not reasonably available;
- g. Reasonable and necessary costs of security deposits required to rent the replacement dwelling;
- h. Any costs of credit checks required to rent the replacement dwelling;
- i. Other moving related expenses as the grantee determines to be reasonable and necessary, except the following ineligible expenses:
 - i. Interest on a loan to cover moving expenses; or
 - ii. Personal injury; or
 - iii. Any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant before the Grantee; or
 - iv. Costs for storage of personal property on real property already owned or leased by the displaced person before the initiation of negotiations.

Rehabilitation Activities Requiring Permanent Displacement

The TOWN OF FORT JONES rehabilitation program will not typically trigger permanent displacement and permanent displacement activities fall outside of the scope of this plan. If a case of permanent displacement is encountered, then the staff that is

responsible for the rehabilitation program will consult with TOWN OF FORT JONES's legal counsel to decide if they have the capacity to conduct the permanent displacement activity. If local staff does not have the capacity, then a professional relocation consultant will be hired to do the counseling and benefit determination and implementation. If local staff does wish to do the permanent displacement activity, then they will consult and follow the HUD Relocation Handbook 1378.

Rehabilitation Which Triggers Replacement Housing

If the TOWN OF FORT JONES rehabilitation program assists a property where one or more units are eliminated then under Section 104 (d) of the Housing and Community Act of 1974, as amended applies and the TOWN OF FORT JONES is required to replace those lost units. An example of this would be a duplex unit converted into a single-family unit. In all cases where rehabilitation activities will reduce the number of housing units in the jurisdiction, then the TOWN OF FORT JONES must document that any lost units are replaced, and any occupants of reduced units are given permanent relocation benefits. (This does not apply to reconstruction or replacement housing done under a rehabilitation program where the existing unit(s) is demolished and replaced with a structure equal in size without in loss number of units or bedrooms.)

Replacement housing will be provided within three years after the commencement of the demolition or conversion. Before entering into a contract committing the TOWN OF FORT JONES to provide funds for an activity that will directly result in such demolition or conversion, the TOWN OF FORT JONES will make this activity public (through a noticed public hearing and/or publication in a newspaper of general circulation) and submit to the California Department of Housing and Community Development or the appropriate federal authority the following information in writing:

- A description of the proposed assisted activity;
- The location on a map and the approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as targeted income group dwelling units as a direct result of the assisted activity;

- A time schedule for the commencement and completion of the demolition or conversion;
- The location on a map and the approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
- The source of funding and a time schedule for the provision of the replacement dwelling units;
- The basis for concluding that each replacement dwelling unit will remain a targeted income group dwelling unit for at least 10 years from the date of initial occupancy; and,
- Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units (e.g., a two-bedroom unit with two one-bedroom units) is consistent with the housing needs of targeted income group households in the jurisdiction.

The Housing Coordinator at the TOWN OF FORT JONES is responsible for tracking the replacement of housing and ensuring that it is provided within the required period. The TOWN OF FORT JONES is responsible for ensuring requirements are met for notification and provision of relocation assistance, as described in Section 570.606, to any targeted income group displaced by the demolition of any dwelling unit or the conversion of a targeted income group dwelling unit to another use in connection with an assisted activity.

Record Keeping and Relocation Disclosures/Notifications

The TOWN OF FORT JONES will maintain records of occupants of Federally funded rehabilitated, reconstructed or demolished property from the start to completion of the project to demonstrate compliance with section 104(d), URA and applicable program regulations. Each rehabilitation project, which dictates temporary or permanent or replacement activities, will have a project description and documentation of assistance provided. (See sample forms in HUD Relocation Handbook 1378, Chapter 1, Appendix 11, form HUD-40054)

Appropriate advisory services will include reasonable advance written notice of (a) the date and approximate duration of the temporary relocation; (b) the address of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period; (c) the terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling.

Notices shall be written in plain, understandable primary language of the persons involved. Persons who are unable to read and understand the notice (e.g. illiterate, foreign language, or impaired vision or other disability) will be provided with appropriate translation/communication. Each notice will indicate the name and telephone number of a person who may be contacted for answers to questions or other needed help. The notices and process below are only for temporary relocation. If permanent relocation is involved, then other sets of notice and noticing process and relocation benefits must be applied (See HUD relocation handbook 1378 for those forms and procedures) The Temporary Relocation Advisory Notices to be provided are as follows:

General Information Notice

As soon as feasible when an owner investor is applying for Federal financing for rehabilitation, reconstruction, or demolition, the tenant of a housing unit will be mailed, or hand delivered a General Information Notice that the project has been proposed and that the tenant will be able to occupy their present house upon completion of rehabilitation. The tenant will be informed that the rent after rehabilitation will not exceed current rent or 30 percent of their average monthly gross household income. The tenant will be informed that if he or she is required to move temporarily so that the rehabilitation can be completed. Suitable housing will be made available and they will be reimbursed for all reasonable extra expenses. The tenant will be cautioned that they will not be provided relocation assistance if they decide to move for personal reasons.

Notice of Non-Displacement

As soon as feasible when the rehabilitation application has been approved, the tenant will be informed that they will not be permanently displaced and that they are eligible for temporary relocation benefits because of lead based paint mitigation or

substantial rehabilitation, or reconstruction of their unit. The tenant will also again be cautioned not to move for personal reasons during rehabilitation, or risk losing relocation assistance.

Disclosure to Occupants of Temporary Relocation Benefits

This form is completed to document that the Town of Fort Jones is following its adopted temporary relocation plan for owner occupants and tenants.

Other Relocation/Displacement Notices

The above three notices are required for temporary relocation. If the Town of Fort Jones is attempting to provide permanent displacement benefits, then there are several other forms which are required. Staff will consult HUD's Relocation Handbook 1378 and ensure that all the proper notices are provided for persons who are permanently displaced because of housing rehabilitation activities funded by CDBG or other federal programs.

ATTACHMENT B

ANNUAL HOUSEHOLD INCOME DEFINITION

For the purposes of determining eligibility in accordance with HCD income guidelines,

Annual Income will include, for all members of the household:

- Gross wages and salary before deductions.
- Net money income from self-employment.
- Cash income received from such sources as rental units, Social Security benefits, pensions, and periodic income from insurance policy annuities.
- Periodic cash benefits from public assistance and other compensation, including Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), Worker's Compensation, State Disability Insurance and Unemployment benefits.
- Interest earned on savings and investments.

Annual Income will not include:

- Non-cash income such as food stamps or vouchers received for the purpose of food or housing.
- Capital gains or losses.
- One-time unearned income such as scholarship and fellowship grants; accident, health or casualty insurance proceeds; prizes or gifts; inheritances.
- Payments designated specifically for medical or other costs, foster children, or their non-disposable income.
- Income from employment of children under the age of 18.
- Payment for the care of foster children.

This is not meant to be a complete list.

The TOWN OF FORT JONES will make the final decision in situations where the classification of income is not clear-cut. Any exceptions or other deviations from this definition of annual income will be considered by the TOWN OF FORT JONES

The TOWN OF FORT JONES shall use the Income Guidelines published each year by HUD and HCD.

The maximum gross annual income for an eligible household shall be 80 percent of the area median income for the household size.

ATTACHMENT C

LOAN SERVICING POLICES AND PROCEDURES

The TOWN OF FORT JONES here after called “Lender” has adopted these policies and procedures in order to preserve its financial interest in properties, who’s “Borrowers” have been assisted with public funds. The Lender will to the greatest extent possible follow these policies and procedures, but each loan will be evaluated and handled on a case-by-case basis. The Lender has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions, which are associated with them.

The policies and procedures are broken down into the follow areas: 1) making required payments or paying off a loan’s principle and interest; 2) required payment of property taxes and insurance; 3) required Request for Notice of Default on all second mortgages; 4) required Rent Limitation Agreement and monitoring of investor properties; 5) loans with annual occupancy restrictions and certifications 6) required noticing and limitations on any changes in title or use of property; 7) required noticing and process for requesting a subordination during a refinance; 8) process of foreclosure in case of default on the loan.

Loan Repayments and Discounting of Notes

When the rehabilitation project is completed and the amount used to complete the project is less than the amount loaned, the Lender will notify the title company holding the escrow account to refund the unused balance to the Lender. The Lender will reduce the amount of principal accordingly and recalculate the interest.

The Lender will collect monthly payments from those Borrowers who are obligated to do so under an Installment Note, which are amortized promissory notes. Late fees will be charged for payments received after the assigned monthly date. The Lender will provide

to the Borrower a debt amortization schedule and will maintain said schedule to account for the loan repayments and any penalties.

For Straight Notes, which are deferred payment loans; the Lender may accept voluntary payments on the loan. Loan payments will be credited to the interest first and then to principal. The Borrower may repay the loan accrued interest and principal at any time with no penalty.

The Lender will maintain an accurate listing of all loans including but not limited to the following information, Borrower's name, address, loan closing date, amount of principal, interest rate, calculation of interest, total payoff amount, maturity date, property taxes and insurance current.

Lender is notified that the Borrower intends to pay off a loan, the Lender will provide a demand letter with the payoff amount. This includes the amount of principal, accrued interest, any recording or late fees or other penalties, and a per diem amount (interest per day) and an interest through date (typically the same date at the demand letter).

The Lender will process and record a Substitution of Trustee and Full Reconveyance upon loan satisfaction. A conformed recorded copy is mailed to the Borrower along with the original Deed of Trust and Promissory Note within 30-days of receipt of payoff funds. The original Deed of Trust and Promissory Note are to be stamped paid in full with the date and an initial of the responsible staff person processing the documents. Copies of the reconveyance, deed, and promissory note, showing as paid in full are to be kept in the Borrower's file.

Payment of Property Taxes and Insurance

As part of keeping the loan from going into default, Borrower must maintain property insurance coverage naming the Lender as loss payee in first position or additional insured if the loan is a second mortgage. If Borrower fails to maintain the necessary insurance, the Lender is notified in writing by the insurance company. If this occurs the

Lender may take out forced place insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower's new insurance. The TOWN OF FORT JONES needs to ensure that interest on any costs added to the loan accrue interest from the point the cost was incurred.

When a property is located in a 100-year flood plain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance will be required at close of escrow. The lender may check the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes, then the lender may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. Wherever possible, the Lender encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

All Borrowers will be evaluated semi-annually by the Lender to confirm timely payments of property taxes. In January and May of each year the Lender will access the County Treasurer-Tax Collector website and view the Borrower's tax bill to determine if tax payments have been made.

Required Request for Notice of Default

When the Borrower's loan is in second position behind an existing first mortgage, it is the Lender's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Lender's loan. This document requires any senior lien holder listed in the notice to notify the lender of initiation of a foreclosure action. The Lender will then have time to contact the Borrower and assist them in bringing the first loan current. The Lender can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Lender is in a third

position and receives notification of foreclosure from only one senior lien holder, it is in their best interest to contact any other senior lien holders regarding the status of their loans.

Note: If Lender's address has changed, a new Request for Notice of Default, signed by the appropriate TOWN OF FORT JONES representative must be recorded. If this process is not completed, the Notice of Default will be mailed to the address on file and possibly never received by the Lender.

Required Rent Limitation Agreement for Investor Properties

All owner investor properties which receive loans from the Lender will be required to enter into a rent limitation agreement (RLA), which restricts the tenants and the rents on the property for a fixed period of time, depending on the public funds used. The RLA will be recorded on title of the property and noncompliance with this agreement can lead to foreclosure action by the Lender. The RLA will be monitored annually to ensure that low or very low-income households occupy the owner investor units and that the rents charged to those households is affordable. Lender to contact both the tenant and the owner-investor to recertify annual income and rent charged. In some cases, the units must be inspected annually to ensure that they are up to minimum health and safety standards. At the end of the designated affordability period, the Lender will release the Borrower from the RLA, and the loan is due and payable.

Annual Occupancy Restrictions and Certifications

All owner-occupied Borrowers will be evaluated annually by the Lender to confirm continuous owner occupancy status. Borrowers will be required to submit to the TOWN OF FORT JONES between July 1 and 30 of each year for the term of the loan:

- Proof of occupancy in the form of a copy of a current utility bill.
- Statement, under penalty of perjury, of unit's continued use as a residence.
- Declaration that other title holders do not reside on the premises.
- Proof of property insurance
- Proof of property taxes showing current paid status

Lender to check their local Recorder's Office online records and search to ensure the property title has not been transferred to another name – if so, loan is due and payable (perform every 6-12 months).

Lender to check with their local Coroner's Office to ensure any borrower has not yet passed away. If it is found that a borrower has passed away, the loan is due and payable. Lender will contact family heirs to work on any option available up to and including foreclosure of the property.

These loan terms are incorporated in the original note and deed of trust. If a Borrower sells, transfers title, or discontinues residence in the rehabilitated property, the loan is due and payable.

Required Noticing and Restrictions on Any Changes of Title or Occupancy

In all cases where there is a change in title or occupancy or use, the Borrower must notify the Lender in writing of any change. Lender and Borrower will work together to ensure the property is kept in compliance with the original program terms and conditions such that it remains available as an affordable home for low income families. These types of changes are typical when Borrowers do estate planning (adding a relative to title) or if a Borrower dies and property is transferred to heirs or when the property is sold or transferred as part of a business transaction. In some cases, the Borrower may move and turn the property into a rental unit without notifying the Lender. Changes in title or occupancy must be in keeping with the objective of benefit to the income qualified families.

Owner-Occupant to Owner-Occupant

Change from owner-occupant to owner-occupant occurs at a sale. When a new owner-occupant is not low-income, the loan is not assumable, and the loan balance is immediately due and payable. If the new owner-occupant qualifies as low-income,

the purchaser may assume all loan repayment obligations of the original owner-occupant, subject to the approval of the Town of Fort Jones Loan Committee.

If a transfer of the property occurs through inheritance, the heir (as owner-occupant) may be provided the opportunity to assume the loan at an interest rate based on family size and household income, provided the heir is income qualified. If the heir intends to occupy the property and is not income qualified, the balance of the loan is due and payable. If the heir intends to act as an owner-investor, the balance of the loan may be converted to an owner/investor interest rate and loan term and a rent limitation agreement is signed and recorded on title. All such changes are subject to the review and approval of the Lender's

Owner Occupant to Owner Investor

Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the Borrower or new owner investor requests that the existing loan be assumed and agrees to the current Lender rates and terms for owner investor properties and the RLA, then the outstanding balance may be refinanced, subject to the review and approval of the Lender's Loan Committee.

Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the Lender allow for a partial conversion where some of the residence is used for a business, but the family still resides in the property. Partial conversions can be allowed, if it is reviewed and approved by all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

Requests for Subordinations

When a Borrower has a primary mortgage recorded in a senior position to the Town of Fort's loan and wishes to refinance the primary loan, they must submit a written

subordination request to the Lender (Town of Fort Jones). The Lender will only subordinate their loan when there is no "cash out" as part of the refinance. Cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third-party debt payoffs or additional encumbrance on the property above traditional refinance transaction costs. Furthermore, the refinance should lower the housing cost of the family with a lower interest rate and the total indebtedness on the property should not exceed the current market value.

Upon receiving the proper documentation from the refinance agency, the request will be considered by the Loan Committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation.

Process for Loan Foreclosure

Upon any condition of loan default: 1) nonpayment; 2) lack of insurance or property tax payment; 3) violation of rent limitation agreement; 4) change in title or use without approval; 5) default on senior loans, the Lender will send out a letter to the Borrower notifying them of the default situation. If the default situation continues then the Lender may start a formal process of foreclosure.

When a senior lien holder starts a foreclosure process and the Lender is notified via a Request for Notice of Default, the Lender, who is the junior lien holder, may cancel the foreclosure proceedings by "reinstating" the senior lien holder. The reinstatement amount or payoff amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments, late charges and fees to date. Lender must confer with Borrower to determine if, upon paying the senior lien holder current, the Borrower can provide future payments. If this is the case, then the Lender may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Lender determines, based on information on the reinstatement amount and status of Borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lien holder in total and restructure the debt such that the unit is made affordable to the Borrower. If the Lender does not have enough funds to pay the senior lien holder in full, then they may choose to cure the senior lien holder and foreclose on the property themselves. As long as there is sufficient value in the property, the Lender can afford to pay for the foreclosure process and pay off the senior lien holder and retain some or all of their investment.

If the Lender decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the Lender fails to reinstate the senior lien holder before five (5) days prior to the foreclosure sale date, the senior lien holder would then require a full payoff of the balance, plus costs, to cancel foreclosure. If the Lender, after exercising due diligence, determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lien holder to complete foreclosure, the Lender's lien may be eliminated due to insufficient sales proceeds.

Lender as Senior Lien holder

When the Lender is first position as a senior lien holder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Lender may consider foreclosure. Lender's staff will consider the following factors before initiating foreclosure:

- Can the loan be cured, and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
- Can the Borrower refinance with a private lender and pay off the Lender?

- Can the Borrower sell the property and pay off the Lender?
- Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
- Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all the above factors have been considered, the Lender may opt to initiate foreclosure. The Borrower must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the Lender to prevent foreclosure (such as, funds to bring a delinquent Below Market Interest Rate (BMIR) current or pay off a DPL).

At the end of 30 days, the Lender should contact and potentially procure reputable foreclosure services or local title companies to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lien holders. The service will advise the Lender of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the Lender informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Lender could sell the home themselves under a homebuyer program or use it for an affordable rental property managed by a local housing authority or use it for transitional housing facility or other eligible use. The Lender could contract with a local real estate broker to list and sell the home and use those funds for program income eligible uses.



THE TOWN OF FORT JONES

TO: FORT JONES CITY COUNCIL

MEETING DATE: JUNE 15, 2022

FROM: KARL DREXEL, CITY ADMINISTRATOR

SUBJECT: HOUSING AND COMMUNITY DEVELOPMENT FUND GUIDELINES

BACKGROUND

Fort Jones has another fund that is separate from the CDBG Revolving Loan Fund, and the Loan Committee presented several options for using that money, aside from housing, that was approved by Council. The Housing and Community Development Fund (HCDF) is funded by housing payments on loans the Town has on previous housing loans. It was decided by Council to use the money in that fund for projects other than housing that benefits the community by repairing, replacing, or adding new community facilities, other housing projects not being funded by the CDBG RLF, and public works projects that benefit the community or low-income residents. The attached guidelines for these types of projects were developed by Molly and the committee and presented here for Council approval.

RECOMMENDATION

Staff recommends the Council review and approve the proposed HCDF Guidelines for Community Facilities, Housing and Public Works projects.

COMMUNITY DEVELOPMENT

COMMUNITY FACILITIES/COMMUNITY SERVICES

The *Town of Fort Jones* Community Facilities/ Community Service Programs are funded by Program Income payments received from housing loans in the HCDF.

The Community Facilities Program is designed to help repair existing facilities and or buildings that provide public locations where members of the community gather for group activities, social support, public information, and other purposes. Facilities may be open for the whole community or for a specialized group within the community. A community Facility is owned by a governmental agency (the City) or a non-profit community organization provided that the primary purpose of the facility is for recreation, social welfare, community improvement or public assembly.

The Community Service Program is designed to help persons or groups of persons (organizations, nonprofits etc.) to provide benefits/services to our local community. These services may benefit groups or individuals. Some examples are:

- Emergency Preparedness
- Community Events
- Food Insecurity
- Beautification of the City.

Applicants will be asked to fill out an application to be submitted to the Loan Committee. The committee will review and request additional information. Some of the requested information is as follows:

- Description of the project- Where is it located? Who will use it? Who will it benefit?
- Scope of work to be done- Roof, Siding, Paint, service to be provided.
- Timeline for the project How long will it take?
- Itemized cost of materials- Payment of materials will be to vendor or reimbursed with receipts.
- Use of volunteers- List of volunteers and contact information. Volunteers will be required to sign paperwork for the City for the Cities Liability Insurance.
- List of any subcontractors that may be used
- General Contractor- Will you have a member or a community member act as the contractor?
- Lead Base Paint- Have you considered the issues with the lead base paint? Most general contractors have “work safe certificates”
- Will any permits be needed? Building permit, business license etc.
- Any other questions that the Loan Committee feels are appropriate for the purposed project or service.

If there is a governing body associated with the Agency, Club etc. It may be necessary to have the club document the requests. Proof that the governing body is in support of the project.

If the committee has more than one application the applications will be rated and ranked. The application that addresses the most priorities will rank first.

Priorities are:

- Benefit to local community
- Benefit to seniors and children
- Benefit to low income families or persons

TOWN OF FORT JONES HOUSING AND COMMUNITY DEVELOPMENT FUND (HCDF)

HOUSING

The *Town of Fort Jones* HCDF Housing Program, (here after called “Lender”), is funded by Program Income, payments, received from loans in the HCDF. The Program is designed to expand the supply of decent, safe, sanitary and affordable housing. To correct health and safety hazards in deteriorated housing; and to extend the life of existing housing units. Loans and grants are available to achieve cost-effective repairs for low-income owner-occupied homes or for units occupied by low-income tenants of owner-investors jurisdiction wide. This Program works in conjunction with the Town of Fort Jones Housing Rehabilitation Program. The Guidelines adopted by the City Council for the Department of Housing and Community Development in regards to the CDBG Housing Rehabilitation program will be followed. The Committee has elected to state the differences below.

INCOME ELIGIBILITY

- Income eligibility is based on the occupant’s gross annual income and must be less than 80 percent of the area’s median income. HCDF will use The State of California Department of Housing and Community Developments income limits. The current income limits can be located on the [HCD website](#). The committee can evaluate an over-income applicate and bring the project to the loan committee for consideration. This will be on a case to case basis.

EXCEPTIONS/PROCEDURES FOR EXCEPTIONAL CIRCUMSTANCES

- Any case to which a standard policy or procedure, as stated in the guidelines, does not apply or an Applicant treated differently from others would be an exception.
- In the event of documented extraordinary or special circumstances, the Loan Committee may grant an exception to the guidelines.

HCDF Public Works

The *Town of Fort Jones* Public Works Program is funded by Program Income, payments, received from housing loans in the HCDF.

The Public Works Program is designed to help in the erection, construction, alteration, maintenance or improvement of any sewer system, water system, public structure or road.

The Public Works Program will consider projects that are included in the Guidelines listed above. Projects that are in support of housing will have priority.

Some examples are:

Water laterals private and public (City)

Sewer laterals private and public (City)

Sewer lines private and public (City)

Applicants will be asked to fill out an application to be submitted to the Loan Committee. The committee will review and request additional information. Some of the requested information is as follows:

- Description of the project- Where is it located? Who will use it? Who will it benefit?
- Scope of work to be done- Lines to be replaced? Are they water, sewer lines? Are the lines on private or public property?
- Is the project in conjunction with another project (City, CDBG)?
- Will there be a licensed contractor involved?
- Income of the household

If the committee has more than one application the applications will be rated and ranked. The application that addresses the most priorities will rank first.

Priorities are:

- Benefit to seniors
- Benefit to low income families or persons
- Benefit to local community



THE TOWN OF FORT JONES

TO: FORT JONES CITY COUNCIL

MEETING DATE: JUNE 15, 2022

FROM: KARL DREXEL, CITY ADMINISTRATOR

SUBJECT: PROPOSED STAFF SALARY SCHEDULE

BACKGROUND

The Town of Fort Jones unanimously passed a change in the form of Government they wanted to follow, in 2018. The Council decided it was in the interest of the Town to move on from a Council/Commissioner/Strong Clerk form of government to a Council/Administrator form of Government. The Ordinance establishing the Administrator position, written by City Attorney, and the accepted contract by the Council, establish very clearly that the City Administrator has the primary authority of the day-to-day operations of the Town and the staff therein, including wages, discipline, and overall staffing. It was brought to my attention, by members of the Council, that the Council wants final say over wages, merit raises, COLA and benefits, even if those changes are in the council approved budget. Since it is not prudent or efficient to bring every step increase to the Council at every evaluation or anniversary, staff has developed a Salary Schedule for Council consideration and vote. The schedule was developed from other local city wage schedules and includes wages for the existing positions we employ, and several other positions we might have in the future. In fact, the job descriptions to most of these positions are being filled by staff we have, but under another title. By passing the salary schedule presented, Council will determine future wages and COLAs without having to revisit it every year.

This year the Cost of Living rose 8.6%, but most economists feel like that was an anomaly. The attached schedule has a built in COLA of 3%, a more reasonable adjustment. Since our staff all wear so many hats and provide so many services, I felt it was important to bring them up to a level that is more prevalent in the County. I worked into the budget that the Council approved last month, a Cost of Living Adjustment of 5% and a merit raise of \$1/ hour for each employee. I believe, as your City Administrator, in charge of the daily operations of the Town, that we need to honor and respect our staff, and pay them more than a MacDonald's fry cook, or the garbage man with Scott Valley Disposal.

RECOMMENDATION

Staff recommends the Council review and approve the proposed salary schedule and job descriptions for current and future staff.

Town of Fort Jones Salary Schedule 2022-27

ADOPTED:

Step Calculation method: 3%, \$1 for Certs.

POSITION	STEP%	TIME	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
ADMINISTRATION:							
City Administrator		Contract	By Council Contract				
Accounting Clerk I	3%	HOURLY	17.00	17.51	18.04	18.58	19.13
		ANNUAL	35,360.00	36,420.80	37,513.42	38,638.83	39,797.99
Accounting Clerk II	3%	HOURLY	19.71	20.30	20.91	21.54	22.18
		ANNUAL	40,991.93	42,221.69	43,488.34	44,792.99	46,136.78
Administrative Assistant I	3%	HOURLY	16.50	17.00	17.50	18.03	18.57
		ANNUAL	34,320.00	35,349.60	36,410.09	37,502.39	38,627.46
<i>(Deputy City Clerk appointed position)</i>							
Administrative Assistant II/Deputy City Clerk	3%	HOURLY	20.00	20.60	21.22	21.85	22.51
		ANNUAL	41,600.00	42,848.00	44,133.44	45,457.44	46,821.17
Office Manager	3%	HOURLY	25.00	25.75	26.52	27.32	28.14
		ANNUAL	52,000.00	53,560.00	55,166.80	56,821.80	58,526.46
<i>(City Clerk appointed stipend position)</i>							
Water Accounts Specialist I	3%	HOURLY	16.50	17.00	17.50	18.03	18.57
		ANNUAL	34,320.00	35,349.60	36,410.09	37,502.39	38,627.46
Water Account Specialist II	3%	HOURLY	20.00	20.60	21.22	21.85	22.51
		ANNUAL	41,600.00	42,848.00	44,133.44	45,457.44	46,821.17
Social Media Specialist	3%	HOURLY	19.15	19.72	20.32	20.93	21.55
		ANNUAL	39,832.00	41,026.96	42,257.77	43,525.50	44,831.27
Grants Administrator	3%	HOURLY	21.00	21.63	22.28	22.95	24.16
		ANNUAL	43,680.00	44,990.40	46,340.11	47,730.32	50,260.02
CDBG Housing Coordinator	3%	PT HOURLY	17.55	18.08	18.62	19.18	19.75
Part time		ANNUAL	8,775.00	9,038.25	9,309.40	9,588.68	9,876.34
CDBG Loan Packager	3%	PT HOURLY	16.50	17.21	17.73	18.26	18.81
		ANNUAL	8,250.00	8,604.75	8,862.89	9,128.78	9,402.64
Administrative Office Assistant	3%	PT HOURLY	17.00	17.51	18.04	18.58	19.13
Part time		ANNUAL	8,500.00	8,755.00	9,017.65	9,288.18	9,566.82
Janitor	3%	PT HOURLY	16.00	16.48	16.97	17.48	18.01
Public Works Dept.							
Public Works Director	3%	HOURLY	28.00	28.84	29.71	30.60	31.51
		ANNUAL	58,240.00	59,987.20	61,786.82	63,640.42	65,549.63
Public Works Supervisor	3%	HOURLY	22.00	22.66	23.34	24.04	24.76
		ANNUAL	45,760.00	47,132.80	48,546.78	50,003.19	51,503.28
Public Works Person	3%	HOURLY	19.00	19.57	20.16	20.76	21.80
		ANNUAL	39,520.00	40,705.60	41,926.77	43,184.57	45,343.80
Certified Wastewater Operator OIT	3%	HOURLY	18.00	18.54	19.10	19.67	20.26
		ANNUAL	37,440.00	38,563.20	39,720.10	40,911.70	42,139.05
Certified Wastewater Operator I	3%	HOURLY	19.00	19.57	20.16	20.76	21.38
		ANNUAL	39,520.00	40,705.60	41,926.77	43,184.57	44,480.11
Certified Wastewater Operator II	3%	HOURLY	20.00	20.60	21.22	21.85	22.51
		ANNUAL	41,600.00	42,848.00	44,133.44	45,457.44	46,821.17
Certified Wastewater Operator III	3%	HOURLY	21.00	21.63	22.28	22.95	23.64
		ANNUAL	43,680.00	44,990.40	46,340.11	47,730.32	49,162.22
Wastewater Treatment Plant Person	3%	HOURLY	18.00	18.90	19.85	20.84	21.88



THE TOWN OF FORT JONES

TO: FORT JONES CITY COUNCIL

MEETING DATE: JUNE 15, 2022

FROM: KARL DREXEL, CITY ADMINISTRATOR

SUBJECT: UPDATE ON THE MOTEL AND LIENS ON PROPERTIES

BACKGROUND

Our attorney, along with Kelly York and Bill Beckwith attended the court appearance on June 2, 2022. The attorney was able to get some concessions from Pinassi and Kelly is working on them. Here are the emails from that hearing. The liens on other properties for the fines on them are in the process, but no clear report yet.

RECOMMENDATION

No action necessary. For Information only.

From: [Kelly York](#)
To: [Ben Ramsey](#); [Karl Drexel](#)
Cc: [Scott McLeran](#); [Margaret Long](#); [Kellie Haigh](#); [Gretchen Dugan](#)
Subject: Re: Fort Jones v. Pinassi 6/2/22 at 9:30 Dept 2
Date: Thursday, June 2, 2022 10:37:45 AM

That looks good Ben. I just talked to the head guy at the County and he wants a copy of the judges order before they proceed. He's worried about staffing and it taking all day. I'll make some other contact's in case they don't want to do it
Kelly

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From: Ben Ramsey <Ben@prenticelongpc.com>
Sent: Thursday, June 2, 2022 10:16:04 AM
To: Karl Drexel <karl@kdmanagement.us>
Cc: Scott McLeran <scott@prenticelongpc.com>; Kelly York <k.york@cityofetna.org>; Margaret Long <Margaret@prenticelongpc.com>; Kellie Haigh <Kellie@prenticelongpc.com>; Gretchen Dugan <gretchen@prenticelongpc.com>
Subject: Fort Jones v. Pinassi 6/2/22 at 9:30 Dept 2

Good Morning:

We just concluded the hearing. The Preliminary Injunction was granted with a few additional terms:

1. He is to take no action that will contribute to lower the value of the property or worsen the condition of the property.
2. He is to remove all automobiles and automobile parts from the property
3. He is to allow access for the City of Fort Jones to obtain estimates for the work to be completed to abate the property.
 - a. Specifically: A county building inspector will inspect the property and give us a list of the violations etc. If the county inspector is not available we will find a private inspector.
 - b. A licensed contractor of the county's choosing to then provide an estimate of cost.
4. The court reserved on costs according to proof.
5. A review hearing was set for August 11, 2022 at 9:30am.
 - a. The court requested a status report regarding Pinassi's continued efforts to clean up the property and the estimates and code violations.

6. No one is to be living in the property.

I spoke to Kelly after the hearing and she is going to try to get in touch with the county building inspector to start the process. I am assuming that you and Kelly will have a better handle on contractors and inspectors, but we can help if needed. I think someone who does inspections for real estate sales would be a good fit also if the county inspector is not available.

We will prepare an Order After Hearing after we have obtained the minute order. I ended up appearing by phone because their Zoom was screwed up. The judge suggested that next time I get in touch with the clerk about a week before so they can get that set up ahead of time.

Kelly, as before let me know if I left anything out.

Ben Ramsey
ATTORNEY

t: 530.691.0800 f: 530.691.0700
2240 Court St, Redding, CA 96001

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From: [Karl Drexel](#)
To: ["Ben Ramsey"](#)
Cc: ["Kellie Haigh"](#); ["Margaret Long"](#)
Subject: RE: Report on Motel and Liens
Date: Thursday, May 12, 2022 1:54:00 PM

From: Ben Ramsey <Ben@prenticelongpc.com>
Sent: Friday, May 6, 2022 3:05 PM
To: Karl Drexel <karl@kdmanagement.us>
Cc: Kellie Haigh <Kellie@prenticelongpc.com>; Margaret Long <Margaret@prenticelongpc.com>
Subject: RE: Report on Motel and Liens

Karl, I am assuming you need this today. I can speak to the abatement cases.

On Pinassi my prior email covers it I believe. I have not heard from Kelly York so I assume she agrees.

Mr. Pinassi appeared and indicated that he was trying to retain counsel so the court continued the hearing for a Preliminary Injunction to June 2, 2022 at 9:30am in Department 2. This will be another law and motion hearing and not an evidentiary hearing.

Bill Beckwith and Kelly York were present and we met briefly following the hearing. Ms. York and I met with Mr. Pinassi for a while after the hearing to discuss possible resolutions. Mr. Pinassi continues to offer a lot of excuses, but he does seem to believe that legal action is serious and that he could lose the property. I don't know how much he is actually capable of doing, but he also seems to think that somehow the City should help him. We told him in very clear terms that while the City wants to work with him to get the property taken care of that it is his responsibility. He also indicated that Mr. Bispo was now working on the hotel with him which is not a particularly good sign.

I suggested that we schedule a full inspection of the property so he knows exactly what needs to be done, but he said he is not ready to do that. Mr. Pinassi claims that the sewer line is completely functional and is connected to the city line, but because there is no water it isn't functioning.

Kelly suggested that he get a licensed contractor to give him an estimate of

what it will cost to bring the property into compliance or in the alternative have the county building inspector come and inspect the property and generate a report. He kept complaining that the building inspector won't call him back etc. Kelly offered to try to help him get in contact.

I did tell him a few times that he has a choice right now to try to deal with this, but if he doesn't do anything then we are going to move forward and charge him for the work on the property and record liens that could exceed the value of the property and the City could foreclose.

Towards the end of the conversation he seemed to be considering selling the property to one of the people who have offered to buy it after Kelly brought this up.

My understanding is that the current status is that there does not appear to be anyone living in the property and that in the last month he seems to have taken more action in cleaning it up. Per Kelly there does seem to be some drug activity during the day with people stopping there for 20 minutes or so. I told Mr. Pinassi, that we may be required to seek a Temporary Restraining Order if it appears that anyone is living there and/or other conditions worsen. I am not sure realistically what can be done about the daytime activity because someone can just say they were working there.

On the liens:

We are double checking the codes, but at this point we think we may be able to move forward administratively without filing in superior court which would reduce the cost some. If we cannot we would need to file actions in superior court. Regardless, one route or the other needs to be utilized. We are ready to move forward once we receive authorization to do so.

The Town of Fort Jones would like you to proceed at your earliest convenience to file liens on the Gwinn and Silva properties at this time. Thanks

Karl