

NOTICE

COMPTON CITY COUNCIL AGENDA Tuesday, February 16, 2016 5:30 PM

HEARING(S)

**5:45 P.M. - PUBLIC HEARING - TENTATIVE PARCEL MAP NO. 72354 TO
CREATE THREE SINGLE FAMILY RESIDENTIAL LOTS AT 1800 W. 134TH
STREET (Item #4)**

OPENING

MOMENT OF SILENCE

ROLL CALL

INTRODUCTION OF SPECIAL GUESTS

PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS

CONSENT AGENDA

Consent items are routine and expected to be non-controversial. They will be acted upon by the Council at one time without discussion unless a Council Member requests an item be removed or discussed.

APPROVAL OF MINUTES

1. FEBRUARY 9, 2016

REPORTS OF OFFICERS AND COMMISSIONS

END CONSENT AGENDA

REGULAR AGENDA

REPORTS OF OFFICERS, BOARDS, COMMISSIONS AND COMMITTEES AND CITY COUNCIL

CITY MANAGER'S REPORT

2. DOLLARHIDE FEE WAIVER REQUEST FOR LOS ANGELES COUNTY RECORDER'S OFFICE (Poll Workers Training)

CITY ATTORNEY'S REPORTS

CLOSED SESSION

3. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Property: 16 parcels of land located within the City of Compton's Billboard Overlay Zone (B-O Zone)
Negotiating Parties: City of Compton/Billboard Display, LLC
Under Negotiation: Price, Terms and Payment
Pursuant to California Government Code Section 54956.8

UNFINISHED BUSINESS

NEW BUSINESS

4. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING TENTATIVE PARCEL MAP NO. 72354 SUBDIVIDING A 18,594 SQUARE FOOT PARCEL OF LAND INTO THREE SINGLE FAMILY LOTS AT 1800 WEST 134TH STREET
5. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING A REWARD FOR INFORMATION LEADING TO THE IDENTIFICATION, APPREHENSION AND CONVICTION OF ANY PERSON OR PERSONS RESPONSIBLE FOR THE DEATH OF AUTUMN JOHNSON
6. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH AND ESTABLISH A PURCHASE ORDER FOR ARNAZ ENGINEERING CONTRACTORS, INC. FOR THE CONSTRUCTION AND INSTALLATION OF A NEW SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEM (\$790,900)
7. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING AN AMENDMENT TO THE LOCAL TAX COMPLIANCE SERVICES AGREEMENT (BUSINESS LICENSE FEE AUDIT, BILLBOARD AND CARD CLUB REVENUE AUDIT SERVICES) WITH MUNISERVICES, LLC TO EXTEND THE TERM OF THE AGREEMENT FOR A PERIOD OF TWENTY-FOUR (24) MONTHS

8. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE CITY'S INCORPORATED AREA IN CALIFORNIA HOME FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2014-1 PROGRAM (CLEAN ENERGY) TO FINANCE RENEWABLE ENERGY GENERATION, ENERGY EFFICIENCY, WATER CONSERVATION AND ELECTRIC VEHICLE CHARGING INFRASTRUCTURE IMPROVEMENTS AND AUTHORIZING ASSOCIATE MEMBERSHIP IN THE JOINT EXERCISE OF POWERS AUTHORITY
9. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE CITY'S INCORPORATED AREA IN CALIFORNIA HOME FINANCE AUTHORITY PROGRAM TO FINANCE RENEWABLE ENERGY GENERATION, ENERGY AND WATER EFFICIENCY IMPORVEMENTS AND ELECTRIC VEHICLE CHARGING INFRASTRUCTURE AND AUTHORIZING ASSOCIATE MEMBERSHIP IN THE JOINT EXERCISE OF POWERS AUTHORITY
10. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING SECTIONS 9-23.8, 9-23.14, 9-23.15 AND 9-23.16 OF CHAPTER IX OF THE COMPTON MUNICIPAL CODE RELATIVE TO THE REGULATION AND LICENSING OF BINGO GAMES FOR CHARITABLE PURPOSES IN THE CITY OF COMPTON **(First Reading)**
11. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON ADOPTING PREVAILING WAGE REQUIREMENTS FOR PUBLIC WORKS PROJECTS, AND AMENDING CHAPTER IV OF THE COMPTON MUNICIPAL CODE **(First Reading)**
12. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON CALLING AND PROVIDING FOR A SPECIAL MUNICIPAL ELECTION TO BE HELD IN THE CITY OF COMPTON ON JUNE 7, 2016
13. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING AN ORDINANCE IMPOSING A ONE PERCENT TRANSACTIONS AND USE TAX FOR GENERAL PURPOSES TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION, DECLARING A FISCAL EMERGENCY IN THE CITY OF COMPTON WHICH INTERFERES WITH THE CITY'S ABILITY TO PROVIDE AN ADEQUATE LEVEL OF MUNICIPAL SERVICES, ORDERING THAT THE MEASURE TO ADOPT THE TRANSACTIONS AND USE TAX BE SUBMITTED TO THE VOTERS OF THE CITY AT THE SPECIAL MUNICIPAL ELECTION TO BE HELD JUNE 7, 2016, AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE MEASURE

14. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO CONSOLIDATE A SPECIAL MUNICIPAL ELECTION TO BE HELD ON JUNE 7, 2016, WITH THE ELECTION TO BE CONDUCTED BY THE COUNTY OF LOS ANGELES ON THE SAME DATE PURSUANT TO SECTION 10403 OF THE CALIFORNIA ELECTIONS CODE

APPROVAL OF WARRANTS

COUNCIL COMMENTS

ADJOURNMENT

NEXT REGULAR MEETING: Tuesday, February 23, 2016 @ 5:30 PM.

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View Meetings Live at <mms://livemedia.comptoncity.org:8080>

FEBRUARY 9, 2016

The City Council meeting was called to order at 5:35 p.m. in the Council Chambers of City Hall by Mayor Aja Brown. The Pledge of Allegiance and Moment of Silence ceremonies were led by Mayor Aja Brown.

ROLL CALL

Council Members Present: Zurita, Galvan, McCoy, Sharif, Brown

Council Members Absent: None

Other Officials Present: C. Cornwell, A. Godwin, R. Haley

PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS

Robert Ray, Compton resident, asked that council vote no on Item No. 8. He went on to challenge the accuracy of the City Attorney's claims of prosecuting illegal vendors. He indicated that for the past three years, the same vendor has passed in front of his house without being cited. He also stated that more recently he notified code enforcement about a restaurant that has been operating without a business license. Mr. Ray affirmed that after notifying code enforcement five times about the restaurant he called the County of Los Angeles who closed the restaurant down within seven days. Mr. Ray went on to ask that the City Manager implement the same plan or program he created in Lynwood to eradicate their illegal vendor problem. Lastly, Mr. Ray inquired about the City's timeline for hiring a building inspector to ensure that pending developments are inspected for safety.

Mary Edwards, Compton resident, cordially invited the middle school youth to participate in the "Compton Parks and Recreation Academic Triathlon" to be held during the month of March at the Dollarhide Community Center. The schedule is as follows: Spelling Bee - Thursday, March 3, 2016 from 6 p.m. to 8 p.m., Math Wiz - Thursday, March 10, 2016 from 6 p.m. to 8 p.m., Essay Competition - Thursday, March 17, 2016 from 6 p.m. to 8 p.m. Awards will be given to the first, second, and third place winners.

David Irons, Compton resident, stated that he reported a fallen telephone pole to local law enforcement on Sunday - and then the City on Monday. He indicated that after calling and reporting the pole to the City, he was instructed to call someone else. He expressed a concern for elderly people in wheelchairs who could potentially injure themselves trying to pass the pole. He went on to make mention of a Parks and Recreation meeting he attended wherein someone from Senator Mike Gipson's Office proposed a bond measure to improve Compton's parks. He spoke in opposition to the bond measure and further questioned why non-residents were considering what Compton needs in terms of park facilities.

Damien Ramirez, Advocate for Young Survivors Legacy Support Network, assured the Latino and African American activists in the City of Compton that they will support and help represent them as they endure the trials of police brutality.

Ms. Ramirez, former Compton resident, stated that she was taken aback last week by the City Council's reaction to her and other speakers' concerns regarding police brutality. She maintained that there is a problem in the City of Compton that involves the way in which local law enforcement agencies escalate peaceful gatherings.

Roberto Carrillo, 2nd District Block Club Commissioner, invited the entire community of Compton to join the Block Club Commission meetings. He announced that meetings are held every fourth Monday of the month at the Dollarhide Community Center at 6 p.m. He went on to ask that council address the vacant property at 1801 North Stoneacre Avenue - articulating concerns for squatters and drug dealers.

#1.

Benjamin Holifield, Compton resident, asked that 950 West Alondra Boulevard be taken care of immediately. He also asked that the City address the potholes on Central Avenue between Alondra and Compton Boulevard. Lastly, Mr. Holifield asked that someone within the City monitor whether or not new and local developers are hiring at least 30% of their workforce from the local community.

Marjorie Shipp, Compton resident, congratulated Tana McCoy on her appointment to the Third District. She went on to ask that the City Council address the conduct of speakers who defame others at the podium.

Lorencia Colding, supporter and advocate for Young Survivors Legacy Support Network, petitioned the City Council to speak out against police brutality in the City of Compton.

Father Francisco, parishioner of Our Lady of Victory Church, petitioned the City Council to allow his church to use the vacant lot located at 107 South Santa Fe Avenue for public parking for an event scheduled for this weekend.

Haig Kelegian Jr., Crystal Casino owner, stated that since September 2014, they have seen a major reduction in their revenue as a result of the condition and performance of the Crystal hotel. He went on to state that they have been successful in negotiating a possible escrow to open this week to relocate the casino within the City. However, as a result of a recent proposal to build an entertainment complex next to the Crystal hotel, Mr. Kelegian requested an opportunity to be a part of its development.

Gabriel Hernandez, Compton resident, petitioned the City Council to instruct staff to clean out the Compton Creek bike trails so that his family can safely use them. He also asked that something be done to clear the local parks of drug dealers and adult activities.

Bishop Leroy Guillory, Compton resident, welcomed Tana McCoy to the City Council. He went on to state that it saddens him when he hears residents criticize the City when the City is in the position to prosper. He further challenged those residents to focus their attention on finding solutions to the City's ills instead of propagating them to the media.

Sonia Hernandez, supporter and advocate for Young Survivors Legacy Support Network, spoke out on behalf of the families that have experienced the death of loved ones at the hands of a law enforcement officer. She went on to state that she was inappropriately touched by Officer Miller as he shoved her and others out of the Sheriff's Station door when they attempted to file a police complaint against them for filming them without permission.

Maria Lomas, Compton resident, pleaded with the new District Three council representative to address the concerns of the Latino community. She contended that the City is dirty and that the council does nothing about it. She further petitioned the City Council to take responsibility for their Districts and asked that something be done to stop the Sheriff's Department from jailing the youth on fraudulent charges.

Ricardo Reyes, Compton resident and local high school teacher, stated that he is currently in the process of documenting the history of Compton as it transitioned from the 1950s to present. He also stated that it is important for the community to work diligently to retain its roots in cultural development and cited a need for multi-purpose centers where youth orchestras can be brought together from all schools.

A.J. Redkey, supporter and advocate for Young Survivors Legacy Support Network, stated that he too was inappropriately handled when Officer Miller shoved him and a group of other people out of the Sheriff's Station while trying to file a complaint against the Sheriff's Department. He went on to state that he documented the entire interaction that Sonia Hernandez spoke about and would like to show it to the City Council if it pleases them.

Joyce Kelly, Compton resident, welcomed Tana McCoy to the City Council. She also asked that the City Manager address the dilapidated property at 950 West Alondra Boulevard. She argued that the condition of the property is ridiculous and located next to a church. She also asked that the City Manager look into what happened to the money that was allocated to the Alondra Regional Park project. She went on to state that the youth have parks and recreation centers to express themselves however the Dollarhide Community Center had blueprints and books for a Compton Senior Center which was promised to the senior citizen community. Lastly, Ms. Kelly stated that she was appalled by the way in which the City Attorney allowed a male speaker to publicly demean a female speaker without recourse.

Lynn Boone, Compton resident, notified the residents that any contractual issues or complaints about the Sheriff's Department have to be sent to the Los Angeles County Board of Supervisors in writing. She also stated that the approval of Measure I made the Sheriff's Department the only legal law enforcement agency in the City of Compton. She maintained that it was the City Attorney's responsibility to address it but since he did not, the citizens are stuck with the Sheriff's Department.

5:45 P.M. PUBLIC HEARING - A DEVELOPMENT PROPOSAL TO INCLUDE A 70,000 SQUARE FOOT THEATRE, PERFORMING ARTS CENTER, PARKING STRUCTURE AND OFFICE BUILDING (Item #8)

On motion by Zurita, seconded by Sharif, the public hearing was opened at 6:32 p.m., by the following vote on roll call:

AYES: Council Members - Zurita, Galvan, McCoy, Sharif, Brown

NOES: Council Members - None

ABSENT: Council Members - None

City Manager Haley requested the City Council's approval to confirm the general direction of this particular project as detailed in the report. In the event, council approves this particular direction, items such as the size of the building and site plans are likely to change. Staff is looking for general support of this project so that they can move forward in terms of the other development options available in this area. The proposal is as follows and explained by Moctesuma Esparza of Maya Cinemas.

The Proposal

- 14 screen movie theater, including one 70+ foot screen
- State of the art sound technology: Dolby Atmos
- Modern seating including spacious seating, D Box motion sensor seating, & private seating Maya Cinemas invests more in Furniture Fixtures & Equipment than ALL popular national movie chains.
- Meeting Rooms: Used for special gatherings: business functions, birthday's,
- Cry Rooms: Unique viewing rooms for families with small children
- Concessions: Variety of options: Seasoned popcorn, Coca-Cola Freestyle, tea and coffee

Maya Creates Jobs

- Maya hires locally
- Often the first employer for many young people
- Employee investment through training
- Internal job advancement
- Jobs for local student population, seniors, and more mature and moderate-income workforce
- Type of jobs include entry level wages moving up the continuum to mid-level jobs paying \$20/hour and more (with medical benefits)
- 70-90 permanent FTE's and over 200 construction and indirect jobs

#1.

Existing Portfolio

Salinas, California

Opened July 2005

55,000 square feet

14 screens

Located in Old Town Salinas

Ground-up construction

Cornerstone of Downtown Revitalization Project

Bakersfield, California

Opened July 2009

66,000 square feet

16 screens

Ground-up construction

Cornerstone of Downtown Revitalization Project

Fresno, California

Opened May 2015

70,000 square feet

16 screens

On the campus of Cal State University Fresno Center of 250,000 square feet of new retail development

“State of the Art” 71 foot wide screen

Campus Pointe

Pittsburg, California

Opened August 2012

55,000 square feet

16 screens

Complete remodel of former Brenden Theater, including interior, FF&E and exterior

Cornerstone of Century Plaza Mall Revitalization

Special Screenings

Weekly senior citizens special pricing • Veterans Day • Red Carpet Events • Art, Classic, Documentary & Indy Films • Rewarding Student Success • Maya Cares Program: Helping Special Needs Families

PUBLIC COMMENTS ON THE PUBLIC HEARING

Benjamin Holifield, Compton resident, stated that he was the first to propose a movie theater in that area in 1988 along with the beautification and building of new stores. He maintained that it is long overdue and that the benefits are increased now with the coming of a NFL team.

Robert Ray, Compton resident, posed the following questions to the City Council: Why is the City only voting to support the development? Why is the City purchasing the property if they have a developer? Is there a need for fourteen movie screens? Can Compton residents afford movie theater tickets? Can the City afford \$35M? How can the developer fit fourteen screens in a 75,000 square foot space?

Lynn Boone, Compton resident, stated that she agrees with Mr. Ray and also felt it would be beneficial for the council to meet with the residents in their respectively Districts to ask them what they want in their community.

Kyron Kopanos, Compton resident, stated that she is in agreement with the developer's proposal.

Paris Meeks, Compton resident, stated that he is in agreement with the developer's proposal; however he asked that the City Council make an effort to cajole the developer's support of small business.

Joyce Kelly, Compton resident, stated that she supports the development of a new movie theater; however she also asked that the City Council consider focusing some of their attention on street repair and maintenance.

On motion by Zurita, seconded by Sharif, the public hearing was closed at 6:59 p.m., by the following vote on roll call:

AYES: Council Members - Zurita, Galvan, McCoy, Sharif, Brown
NOES: Council Members - None
ABSENT: Council Members - None

COUNCIL COMMENTS ON THE PUBLIC HEARING

Councilperson Zurita stated that she is truly excited and supportive of this project as someone who was born and raised in the City of Compton.

Councilperson Sharif inquired about any potential impacts that the movie theater in Carson California will present to this development.

Mr. Esparza stated that studies have shown that people do not want to drive more than ten minutes to see a movie; and the nearest movie theater is six to seven miles away so there is more than enough cushion and population for this business venture in the City of Compton.

Councilperson Sharif asked the City Manager to schedule a townhall meeting which will allow the residents to voice their input and concerns regarding this development.

8. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON
EXPRESSING FULL SUPPORT FOR THE DEVELOPMENT OF THE COMPTON
PERFORMING ARTS CENTER PROJECT INCLUDING A MOVIE THEATER,
PARKING LOT AND MULTI-PURPOSE HALL

Councilperson Zurita asked the City Manager if the City Council will have the opportunity to make recommendations for this project moving forward.

Mayor Brown replied affirmatively.

Councilperson Galvan inquired about the number of employment opportunities created by this development.

Mr. Esparaza stated that over 200 construction jobs will be created with the development of the movie theater and between 70 and 90 jobs for direct hires. Mr. Esparaza also maintained that all permanent employees will be local hires.

On motion by Zurita, seconded by Sharif, **Resolution # 24,288** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON EXPRESSING FULL SUPPORT FOR THE DEVELOPMENT OF THE COMPTON PERFORMING ARTS CENTER PROJECT INCLUDING A MOVIE THEATER, PARKING LOT AND MULTI-PURPOSE HALL**" was approved, by the following vote on roll call:

AYES: Council Members - Zurita, Galvan, McCoy, Sharif, Brown
NOES: Council Members - None
ABSENT: Council Members - None

CONSENT AGENDA

On motion by Zurita, seconded by Galvan, the Consent Agenda was approved, by the following vote on roll call:

AYES: Council Members - Zurita, Galvan, McCoy, Sharif, Brown
NOES: Council Members - None
ABSENT: Council Members - None

#1.

APPROVAL OF MINUTES

1. JANUARY 27, 2016 - Special (**Approved**)
FEBRUARY 2, 2016 - Regular (**Approved**)

CITY MANAGER/CITY ATTORNEY/CITY TREASURER REPORTS

2. AN UPDATE REPORT OF THE PUBLIC FINANCE AUTHORITY LEASE REVENUE BONDS SERIES 2008 (**Received/Filed**)
3. REPORT OF THE SALES TAX REVENUES (**Received/Filed**)

Total Amount Received for Fiscal Year 2015/2016 - \$2,444,939.00
4. A REPORT OF THE CITY OF COMPTON 2015/2016 TAX AND REVENUE ANTICIPATION NOTES (**Received/Filed**)
5. REPORT OF LICENSE FEE REVENUES (BASED ON THE GROSS REVENUES COMPUTATION) RECEIVED FROM CELEBRITY CASINOS, INC. FOR THE FISCAL YEAR 2015/2016 (**Received/Filed**)
6. INVESTMENT REPORT - December 2015 (**Received/Filed**)

END CONSENT AGENDA

REGULAR AGENDA

CITY MANAGER REPORTS - There were no City Manager Reports.

CITY ATTORNEY'S REPORTS

CLOSED SESSION

7. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: City Controller
Pursuant to California Government Code Section 54957

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
CUSD v. City of Compton, LASC No. BC 577434
Pursuant to California Government Code Section 54956.9(a)

On motion by Zurita, seconded by Galvan, closed session was approved, by the following vote on roll call:

AYES: Council Members - Zurita, Galvan, McCoy, Sharif, Brown

NOES: Council Members - None

ABSENT: Council Members - None

UNFINISHED BUSINESS - There was no Unfinished Business.

NEW BUSINESS

9. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO AN IMPLEMENTATION AGREEMENT WITH THE GATEWAY CITIES COUNCIL OF GOVERNMENTS FOR THE ARTESIA BOULEVARD CORRIDOR STUDY (\$27,667.50)

On motion by Sharif, seconded by Zurita, **Resolution # 24,289** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO AN IMPLEMENTATION AGREEMENT WITH THE GATEWAY CITIES COUNCIL OF GOVERNMENTS FOR THE ARTESIA BOULEVARD CORRIDOR STUDY (\$27,667.50)**" was approved, by the following vote on roll call:

AYES: Council Members - Zurita, Galvan, McCoy, Sharif, Brown

NOES: Council Members - None

ABSENT: Council Members - None

10. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING THE PUBLIC WORKS/MUNICIPAL UTILITIES DEPARTMENT'S 2015 - 2016 FISCAL YEAR BUDGET, AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONSTRUCTION CONTRACT WITH AND ESTABLISH A PURCHASE ORDER FOR SHAWNAN FOR THE CENTRAL AVENUE PAVEMENT REHABILITATION PROJECT - PHASE I (CIP #15-03) (\$1,684,837)

It was moved by Zurita, seconded by Sharif, for discussion.

City Manager Haley stated that he is happy to bring this proposal up for council consideration and would like to have the Public Works Director give a brief presentation on this project.

Glen Kau, Director of Public Works, reported that this project is considered "Phase I" - it borders 131st Street on the north side and Compton Boulevard on the south side. Staff proposes to complete the project in approximately 75 working days with construction set to begin mid-April 2016.

Mayor Brown requested the firm selected to oversee the construction management for the project. Mr. Kau stated that staff is currently in the process of evaluating the eleven bids received.

Councilperson Sharif inquired about any plans to continue the street repair to 155th Street. Mr. Kau remarked that staff is currently in the process of reviewing the plans for "Phase II" but there is no funding - but by the time this project is completed, planning should be done and funding should be available for phase II by Fall 2017.

Mayor Brown asked the City Manager to include in this project, the strip of road on 131st Street north to El Segundo Boulevard.

City Manager Haley stated that he would work with Mr. Kau to identify additional funding to repair that strip of road.

Mr. Kau explained to the Mayor and City Manager that, that particular strip of road is under the authority of the County of Los Angeles which is why the project stops there.

Mayor Brown suggested that Mr. Kau coordinate with the County of Los Angeles to get that area of the street repaved, as well as other incorporated streets in the City.

On motion by Zurita, seconded by Sharif, **Resolution # 24,290** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING THE PUBLIC WORKS/MUNICIPAL UTILITIES DEPARTMENT'S 2015 - 2016 FISCAL YEAR BUDGET, AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONSTRUCTION CONTRACT WITH AND ESTABLISH A PURCHASE ORDER FOR SHAWNAN FOR THE CENTRAL AVENUE PAVEMENT REHABILITATION PROJECT - PHASE I (CIP #15-03) (\$1,684,837)**" was approved, by the following vote on roll call:

AYES: Council Members - Zurita, Galvan, McCoy, Sharif, Brown

NOES: Council Members - None

ABSENT: Council Members - None

APPROVAL OF WARRANTS

11. Warrant #231930 - Date - 1/26/16 - Name - Wintech Resources Inc. - Services - Emergency Ambulance billing Services - Amount - \$25,091.92 - Requested by: Fire

Warrant #232063 - Date - 2/02/16 - Name - Interwest Consulting Group Inc. - Service - Final Payment for Transportation Project Management Service - Amount - \$37,270 - Requested by: Public Works

Total - \$62,361.92

It was moved by Zurita, seconded by Sharif, for discussion.

Mayor Brown instructed the City Manager to present her with a report regarding the project scope and payments paid to Interwest Consulting Group Inc. to make certain the City is receiving the best price for services rendered.

Councilperson Zurita asked the City Manager if this warrant amount was budgeted.

Michael Kau, Public Works Director, remarked that the submission of this warrant was under the direction of the previous city manager.

Councilperson Zurita stated that it is inappropriate for the City Council to approve warrants for a company that has gone over budget.

On motion by Zurita, seconded by Sharif, the above warrants were approved, by the following vote on roll call:

AYES: Council Members - Zurita, Galvan, McCoy, Sharif, Brown

NOES: Council Members - None

ABSENT: Council Members - None

COUNCIL COMMENTS

Councilperson Zurita offered the following communications/announcements:

- Acknowledged the Filer family and black hair care millionaire Madam C. J. Walker for their contributions to the African American community on behalf of Black History Month.
- The Getty and California African American Art Museum will be displaying their artwork throughout the Dollarhide Community Center from February 15-26, 2016.
- Asked that staff immediately remove the drug paraphernalia at Wilson Park.
- Requested a traffic study at 130th Street and Compton Avenue for the purposes of installing a stop sign or crosswalk.
- Requested an update on the Sebrie Park rehabilitation project.
- Welcomed Tana McCoy to the City Council.

Councilperson Galvan offered the following communications/announcements:

- Articulated his excitement for the development of a movie theater in the City of Compton.
- Requested an update on the installation of the park equipment purchased for Wilson Park and Lueders Park.
- Welcomed Tana McCoy to the City Council.

***Councilperson Galvan exited the meeting at 7:40 p.m.**

Councilperson McCoy offered the following communications/announcements:

- Thanked her colleagues for their vote of confidence.

Councilperson Sharif offered the following communications/announcements:

- The First United Methodist Church will be hosting their "Sixth Annual Prayer Breakfast" to be held on Friday, February 19, 2016. Tickets are \$20. The speaker for the event will be former mayor Walter Tucker.
- The Compton Conservatory of Music will be hosting an "Evening of Jazz" on Friday, February 26, 2016 at the Carson Community Center from 7 p.m. to 11 p.m.
- Solicited prayers for the health of Pastor Owens of Faith Inspirational Church.

Mayor Brown offered the following communications/announcements:

- "The Key to the City Ceremony" honoring Kendrick Lamar will be held Saturday, February 13, 2016 at the Martin Luther King Jr. monument beginning at 10 a.m. To RSVP, please go to www.keytocpt.eventbrite.com or call (310) 605-5597.
- "The Second Quarterly Block Club Breakfast" will be held Saturday, March 5, 2016 from 9 a.m. to 11 p.m. This event will be open to all new and existing block club members.
- Asked the City Manager to look into the budget allocated for senior citizen exercise classes.

RECESSED

On motion by Zurita, seconded by Sharif, the meeting recessed to closed session at 7:48 p.m., by the following vote on roll call:

AYES: Council Members - Zurita, McCoy, Sharif, Brown

NOES: Council Members - None

ABSENT: Council Members - Galvan

RECONVENED

On motion by Sharif, seconded by Zurita, the meeting reconvened from closed session at 9:21 p.m., by the following vote on roll call:

AYES: Council Members - Zurita, McCoy, Sharif, Brown

NOES: Council Members - None

ABSENT: Council Members - Galvan

REPORT OUT OF CLOSED SESSION

City Attorney Cornwell reported out of closed session the following: Public Employee Performance Evaluation - Title: City Controller. No reportable action was taken pursuant to California Government Code Section 54957. Conference With Legal Counsel - Existing litigation - CUSD v. City of Compton, LASC No. BC 577434. There was no reportable action taken pursuant to California Government Code Section 54956.9(a).

#1.

ADJOURNMENT

On motion by McCoy, seconded by Sharif, the meeting adjourned at 9:22 p.m., by the following vote on roll call:

AYES: Council Members - Zurita, McCoy, Sharif, Brown

NOES: Council Members - None

ABSENT: Council Members - Galvan

City Clerk of the City of Compton

Mayor of the City of Compton

February 16, 2016

TO: MAYOR AND COUNCIL MEMBERS

FROM: CITY MANAGER

**SUBJECT: DOLLARHIDE FEE WAIVER REQUEST FOR LOS ANGELES COUNTY
RECORDER'S OFFICE**

SUMMARY

Los Angeles County Recorder's Office Representative Mr. Wayne Martin submitted a facilities request for the Dollarhide Center to conduct precinct and Poll Worker Training.

This request is for the use of the above mentioned facility on Sunday, May 15, 2016 from 9:00 am to 7:00 pm.

STATEMENT OF THE ISSUE

Mr. Wayne Martin requested the following:

- Use of the Community Center on Sunday, May 15, 2015 for the training of precinct and poll workers:
 - Time: 9:00 a.m. – 7:00 p.m.

FINANCIAL IMPACT

The costs to provide these requested services are \$2,368 as detailed below.

DEPARTMENT	COST
General Services	
1 Custodian x \$30 an hour x 10 hours = \$300.00	\$480.00
Parks and Recreation	
DFD Community Center – \$125 an hour x 10 Hours = \$1250.00	\$1,250.00
Security	
1 Security Officer x \$29 an hour x 11 Hours X 2 Guards = \$638	\$638.00
Total	\$2,368.00

#2.

**REQUEST FOR FEE WAIVER
LOS ANGELES COUNTY RECORDER'S OFFICE
PAGE 2**

The Council has the right to waive fees associated with these types of events.

RECOMMENDATION

Staff recommends the Mayor and City Council provide direction in regards to this request.

Roger L. Haley
CITY MANAGER

February 16, 2016

TO: MAYOR AND COUNCIL MEMBERS

FROM: ROBERT DELGADILLO, SENIOR PLANNER
PLANNING & ECONOMIC DEVELOPMENT

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON
APPROVING TENTATIVE PARCEL MAP NO. 72354 SUBDIVIDING AN
18,594 SQUARE FOOT PARCEL OF LAND INTO THREE SINGLE
FAMILY LOTS AT 1800 WEST 134TH STREET**

SUMMARY

The City Council will consider adopting a resolution approving Tentative Parcel Map 72354, a request to subdivide one (1) parcel of land into three (3) smaller parcels in accordance with the State Subdivision Map and Chapter XXVII of the Compton Municipal Code ("CMC"). The applicant, Maria Rodriguez has requested the subdivision to construct a single-family dwelling on each of the three (3) proposed lots.

BACKGROUND

On February 12, 2014, the Planning Commission recommended approval of Tentative Parcel Map No. 72354. The property is located on the northwest corner of Water Way and West 134th Street. The subject site is an 18,594 square foot rectangular-shaped parcel of land. The lot measures 172 feet wide along West 134th Street and approximately 110 feet deep along North Water Way. The property is undeveloped with no existing structures.

STATEMENT OF ISSUE:

The applicant is requesting to subdivide the existing 18,594 square foot lot into three (3) new parcels. Parcels 1 through 3 are intended to be developed for single-family residences only. The table below shows the proposed lot sizes.

Single-Family Lot 1	5,507 Sq. ft.
Single-Family Lot 2	5,507 Sq. ft.
Single-Family Lot 3	7,940 Sq. ft

#4.

**Staff Report – Resolution Approving Tentative
Parcel Map No. 72354/1800 West 134th Street
February 16, 2016, Page 2 of 2**

The General Plan land use designation for this site is Low-Density Residential, which is consistent with goals of objectives of the Tentative Parcel Map. The subject site is zoned Low-Density Residential (R-L). Properties to the west, south and north are existing single-family dwelling. Directly east is a legal nonconforming commercial business in an R-L zone. The proposed infrastructure improvements will include new sewer lines and sidewalks. The streets are already developed.

ALTERNATIVE

Council may sustain, modify, reject or overrule any recommendations of the Planning Commission and make such findings not inconsistent with the provisions of the Subdivision Map Act or CMC Chapter 28.

FISCAL IMPACT

Approval of the Tentative Parcel Map will not result in any unanticipated negative impact to the General Fund. The financial aspect of development of three residential homes on-site was already considered when the General Plan designated the site Low Density Residential and the property was zoned for residential development.

RECOMMENDATION

Staff recommends that City Council adopt the attached Resolution approving Tentative Parcel Map No. 72354.

**ROBERT DELGADILLO, SENIOR PLANNER
PLANNING & ECONOMIC DEVELOPMENT DEPARTMENT**

APPROVED FOR FORWARDING:

**ROGER L. HALEY
CITY MANAGER**

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON
APPROVING TENTATIVE PARCEL MAP NO. 72354 SUBDIVIDING AN
18,594 SQUARE FOOT PARCEL OF LAND INTO THREE SINGLE FAMILY
LOTS AT 1800 WEST 134TH STREET**

WHEREAS, Applicant Maria Rodriguez has made application for Tentative Parcel Map No. 72354 in accordance with the Section 30-8 of the Compton Municipal Code for the use of certain real property situated in the City of Compton, legally described as follows:

THAT PORTION OF THE 249.89 ACRES PARCEL OF LAND, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ALLOTTED TO M. KELLER, IN THE PARTITION OF THE TAJAUTA RANCHO, AS SHOWN ON MAP FILED IN CASE NO. 1200 OF THE DISTRICT COURT OF THE 17TH JUDICIAL DISTRICT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF LOS ANGELES, AS DESCRIBED IN THE OFFICE OF COUNTY RECORDER OF SAID COUNTY.

COMMENCING AT THE NORTHWESTERLY CORNER OF LOT 2 OF TRACT NO. 3626 AS SHOWN ON MAP RECORDED IN BOOK 40 PAGE 96 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 2 NORTH 89 DEGREES 37' 30" EAST 580.21 FEET TO A LINE THAT IS PARALLEL WITH AND 580.13 FEET EASTERLY MEASURED AT THE RIGHT ANGLES, FROM THE EASTERLY LINE OF CENTRAL AVENUE, AS SHOWN ON LAST MENTIONED MAP; THENCE PARALLEL WITH SAID NORTHERLY LINE NORTH 89 DEGREES 37' 30" EAST 172.10 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 752.21 FEET EASTERLY MEASURED AT RIGHT ANGLES FROM SAID EASTERLY LINE; THENCE ALONG SAID LAST MENTIONED PARALLEL LINE NORTH 0 DEGREES 33' EAST 60 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID LAST MENTIONED PARALLEL LINE NORTH 0 DEGREES 33' 30" EAST 110.12 FEET TO A LINE THAT IS PARALLEL WITH AND 40 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHERLY LINE OF THE LAND DESCRIBED IN CERTIFICATE OF TITLE No. AO 15828 ON FILE IN THE OFFICE OF THE REGISTRAR OF TITLES OF SAID COUNTY; THENCE ALONG THE LAST MENTIONED PARALLEL LINE SOUTH 89 DEGREES 37' 10" WEST 172.10 FEET TO A LINE THAT IS PARALLEL WITH AND 580.13 FEET EASTERLY MEASURED AT RIGHT ANGLES FROM THE EASTERLY LINE OF SAID CENTRAL AVENUE; THENCE ALONG SAID LAST MENTIONED PARALLEL LINE SOUTH 0 DEGREES 33' 30" WEST 110.12 FEET TO A LINE THAT IS PARALLEL WITH THE NORTHERLY LINE OF SAID LOT 2 AND PASSES THROUGH THE TRUE POINT OF BEGINNING; THENCE ALONG SAID LAST MENTIONED PARALLEL LINE NORTH 89 DEGREES 37' 30" EAST 172.10 FEET TO THE TRUE POINT OF BEGINNING.

Location: 1800 West 134TH Street in Compton, California, Assessed Parcel Number: 6145-003-008; and

WHEREAS, approval of a Tentative Parcel Map No. 72354 is required to subdivide Parcel No. 6145-003-008 into three (3) separate smaller lots for future development as single family residences; and

WHEREAS, the proposed lots meet all zoning design standards; and

WHEREAS, this project is categorically exempt under Section 15315 Minor Land Divisions of the California Environmental Quality Act guidelines pursuant to Public Resources Code; and

WHEREAS, the proposed subdivision is consistent with the General Plan Land Use designation of Low-Density Residential (LDR) and zoning of Low-Density Residential (R-L); and

WHEREAS, Tentative Parcel Map No. 72354 complies with all applicable provisions of the Subdivision Map Act and Chapter 28 of the Compton Municipal Code; and

WHEREAS, a public hearing upon said request for approval of Tentative Parcel Map No. 72354 was held before the Planning Commission on February 12, 2014; and

WHEREAS, pursuant to Section 28-3.11 of the Compton Municipal Code, a public hearing on the applicant's request and the Planning Commission's recommendation was held before the City Council on February 16, 2016; and

WHEREAS, the City Council has received testimony and reviewed documentary evidence, is fully advised of the premises at issue, and the matter that has been submitted for decision.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. That the City Council finds that:

- A. That the proposed division of land conforms to the Low-Density Residential (R-L) zoning designation and the Low-Density Residential (LDR) General Plan designation of the property.
- B. That the proposed subdivision pattern and intensity conforms to existing land use and residential development in the surrounding area.
- C. That the proposed subdivision will not be detrimental to the surrounding area.

Section 2. That the request to subdivide an existing 18,954 square foot lot, located at 1800 West 134th Street, Compton, California (APN 6145-003-008, legally described above) into three (3) separate smaller parcels for future development as single family residences respectively, are subject to the following conditions:

a. That a six-foot high block wall shall be constructed along the south and east perimeter side property lines of the subdivision for the eastern lot adjacent to the existing commercial business.

b. That a plan for providing water service to the subdivision, including water meter location, shall be submitted to and be approved by the Public Works Department and the Compton Municipal Water Department prior to approval of the Final Map by the City Engineer; that water lines shall be built to City standards and that each lot shall have separate water service.

c. That a plan for providing sewer service to the subdivision shall be submitted to and approved by the Public Works Department prior to approval of the Final Map by the City Engineer; that sewer lines shall be built to City standards and that each lot shall have separate sewer service.

d. That a permanent monument shall be set at each boundary corner within the subdivision, the type and design of which shall be approved by the Public Works Department.

e. That the applicant shall file with the City all deposits and bonds as the City Engineer and/or the Planning Director determine are necessary to comply with Section 28-22 of the Compton Municipal Code.

f. That the applicant shall construct curbs and gutters, sidewalks along the front of the proposed lots, and plant a tree per house. All work shall be approved prior to construction by the Public Works Department.

Resolution No. _____

Page 3

g. That the applicant constructs an ADA compliant handicap accessible ramp at the southwest corner of West 134th Street and Water Way.

h. That the applicant submits street paving plans for approval from the Public Works Department.

i. That a Park & Recreation fee, equal to the fair market value of the land otherwise required to be dedicated, in the amount of 2% of fair market value shall be paid to the Planning and Economic Development Department prior to the Final Map approval.

j. That percolation tests, soil tests, and geological and/or soils reports, as required by the Public Works Department, shall be provided.

k. That the grading and hydrology, plans as required by the Building and Safety and Public Works Departments shall be submitted to and approved by said departments prior to approval of the Final Map by the City Engineer.

l. That the applicant shall submit a drainage plan and demonstrate to the satisfaction of the City Engineer that there will be no cross drainage between lot lines within Tentative Parcel Map No. 72354. That work necessary to meet this condition shall be the responsibility of the applicant and shall, if required, be performed prior to approval of the Final Map by the City Engineer.

m. That a copy of the Final Map and a letter from the Public Works Department indicating that all conditions of approval have been met prior to its approval by the City Engineer shall be submitted by the applicant to the Planning Department prior to recordation with the Los Angeles County Recorder.

n. That design, improvement and construction shall conform to, and be in full compliance with, all requirements of all building, fire, and housing codes, the zoning provisions, and all other applicable State statutes and local ordinances.

o. That the Final Map shall be prepared and filed with the Recorder of Los Angeles County within two years (24 months) after approval of Tentative Parcel Map No 72354 by the City Council.

p. That preparation and recordation of the Final Map shall meet all requirements of the Subdivision Map Act and of Sections 28-1 through 28-12, inclusive, of the Compton Municipal Code.

Section 3. That this Resolution shall not become effective until the applicant records with the Recorder of Los Angeles County an Acceptance Form in accordance with the requirements of Subsection 30-26.5 of the Compton Municipal Code.

Section 4. That a copy of this Resolution shall be mailed to the applicant and filed with the City Clerk and Planning and Economic Development Department.

Section 5. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution

ADOPTED this ____ day of _____, 2016.

MAYOR OF THE CITY OF COMPTON

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council of the City of Compton, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on the ____ day of _____, 2016.

That said Resolution was adopted by the following vote, to wit:

AYES:	COUNCIL MEMBERS-
NOES:	COUNCIL MEMBERS-
ABSENT:	COUNCIL MEMBERS-
ABSTAIN:	COUNCIL MEMBERS-

CITY CLERK OF THE CITY OF COMPTON

**CITY OF COMPTON
PLANNING DEPARTMENT
NOTICE OF EXEMPTION
PURSUANT TO
THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

To:
Los Angeles County Clerk
12400 East Imperial Highway
Suite #2001
Norwalk, California 90650

From:
City of Compton
Planning Division
205 S. Willowbrook Avenue
Compton, California 90220

Project Title: Tentative Parcel Map
Project Address: 1800 W. 134th St.
Project Location: City of Compton

Description of Nature, Purpose, and Beneficiaries of Project:

The applicant is requesting a Tentative Parcel Map subdividing an existing 18,954 square foot lot into three separate smaller parcels in the (Low- Density Residential) zone (Sections 28-1 thru 28-12 of C.M.C.)

Name of Public Agency Approving Project:

City of Compton – Planning Commission

Name of Person or Agency Carrying Out Project:

Maria Rodriguez

Exemption Status:

The project is Categorically Exempt in accordance with Section 15301 of the State CEQA Guidelines. (Class 1 Exemption)

Reasons why project is exempt:

The scope of the project falls within the parameters of a Class 15 consist of the division of property in urbanized areas zoned for residential, commercial, or industrial use into four or fewer parcels when the division is in conformance with the General Plan and zoning, no variances or exceptions are required, all services and access to the proposed parcels to local standards are available, the parcel was not involved in a division of a larger parcel within the previous 2 years, and the parcel does not have an average slope greater than 20 percents existing at the time of the lead agency's determination.

Lead Agency Contact Person:

Robert Delgadillo

Telephone #: (310) 605-5532

Signature:

Date: February 17, 2016

Title: Director, PEDD

TENTATIVE PARCEL MAP NO. 72354

IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

BEING A SUBDIVISION OF THAT PORTION OF THE 249.89 ACRES PARCEL OF LAND, ALLOTTED
TO M.KELLER, IN THE PARTITION OF THE TAJAUTA RANCHO, AS SHOWN ON MAP FILED IN
CASE NO. 1200 OF THE DISTRICT COURT OF THE 17th JADICIAL DISTRICT OF THE STATE OF
CALIFORNIA, IN AND FOR THE COUNTY OF LOS ANGELES.

FOR LOT SPLIT PURPOSES

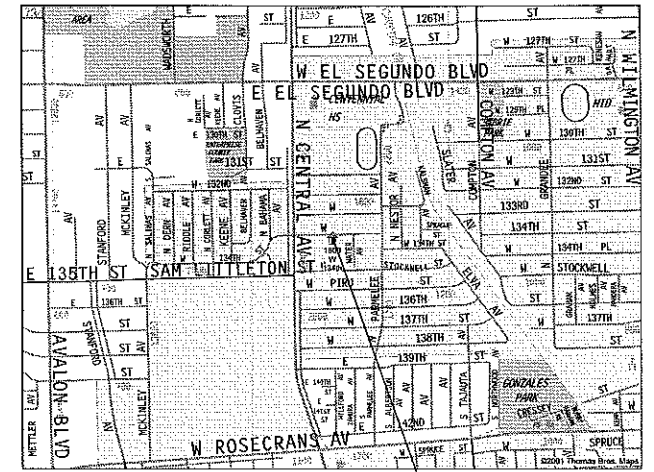
MAY 25, 2013

TITLE REPORT NO. 310-1206096-30 PREPARED BY ADVANTAGE TITLE, INC. DATED ON MAY 08, 2012.

SCHEDULE B

At the date hereof, Exceptions to coverage, in addition to the printed Exception and Exclusions contained in said policy form would be as follows:

- Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes, to be levied for the fiscal year 2012-2013 which are a lien not yet payable.
- General and Special City and/or County taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2011-2012:
1st Installment: \$3,969.13 not paid - delinquent
Penalty: \$396.91
2nd Installment: \$3,969.13 not paid - delinquent
Penalty: \$406.91
Exemption: none
Code Area: 0011252
Assessment No. 6145-003-008
- Supplemental taxes for the fiscal year 2011-2012 issued pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California.
Code Area: 0011252
Parcel No.: 6145-003-008
Supplemental Bill #: 10010
First Installment: \$540.61 not paid - delinquent
Penalty: \$54.06
Second Installment: \$540.61 not paid - delinquent
Penalty: \$64.06
- The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the revenue and taxation code of the State of California.
- Assessments, if any, for community facility districts affecting said land which may exist by virtue of assessment maps or notices filed by said districts. Said assessments are collected with the County Taxes.
- Any right or asserted right of a creditor, trustee or debtor in possession in Bankruptcy to avoid that certain conveyancing document which recorded December 30, 2010 as Instrument Number 20101942018 of Official Records, pursuant to Title 11 of the United States Codes.
- Any irregularity in the foreclosure proceedings leading up to the Trustee's Deed recorded December 30, 2010 as Instrument Number 20101942018 of Official Records.
- Rights of tenant(s) in the Land, if any, and rights of all parties claiming by, through or under said tenant(s).
- We find no open Deeds of Trust of record. Please verify by inquiry of escrow personnel and/or agents whether or not we have overlooked something and advise the title department accordingly prior to close of escrow.
- A Lien:
For: repair, demolish and abate
In favor of: City of Compton
Amount: \$2,850.00 and any other amounts due thereunder.
Recorded: December 14, 2004 as Instrument Number 04-3232781
- A lien for unsecured property taxes filed by the tax collector of the county shown, for the amount set forth, and any other amounts due:
County: Los Angeles
Fiscal Year: 2009
Taxpayer: Pitkin, Dorene Tr
County ID: 40285295
Number: 10096-00677
Amount: \$168.83
Recorded: April 7, 2010 as Instrument Number 20100469639
- A lien for unsecured property taxes filed by the tax collector of the county shown, for the amount set forth, and any other amounts due:
County: Los Angeles
Fiscal Year: 2011
Taxpayer: Pitkin, Dorene L Tr
County ID: 40386255
Number: 12086-01274
Amount: \$114.73
Recorded: March 7, 2012 as Instrument Number 20120354200
- A lien for unsecured property taxes filed by the tax collector of the county shown, for the amount set forth, and any other amounts due:
County: Los Angeles
Fiscal Year: 2007
Taxpayer: Pitkin, Earl L
County ID: 49986605
Number: 09071-01018
Amount: \$1287.93
Recorded: March 13, 2009 as Instrument Number 20090361064
- A lien for unsecured property taxes filed by the tax collector of the county shown, for the amount set forth, and any other amounts due:
County: Los Angeles
Fiscal Year: 2007
Taxpayer: Pitkin, Earl L
County ID: 49986604
Number: 09071-01019
Amount: \$80.97
Recorded: March 13, 2009 as Instrument Number 20090361065
- In order to complete this report, this Company requires a Statement of Information to be completed by the following party(ies):
Party(ies): Anita Tibia and Pedro Tibia and Earl L. Pitkin and Dorene L. Pitkin
The Company reserves the right to add additional items or make further requirements after review of the requested Statement(s) of Information.



VICINITY MAP
T.C. #: 734-F2, N.T.S.

PROJECT LOCATION

NOTES:

APN: 6145-003-008
PRESENT ZON: COML*
AREA OF THE LOT: 0.4351 AC/18,954 SF
PROPOSED ZON: COML*
EX. NO. OF LOT: 1
PROP. NO. OF LOTS: 3

OWNER:

JAVIER RODRIGUEZ/MARIA RODRIGUEZ
10216 BRANCOMB ST
DOWNEY, CA 90242
PHONE: (562) 756-8112
FAX: (562) 803-1100
CONTACT: JAVIER RODRIGUEZ

PROJECT:

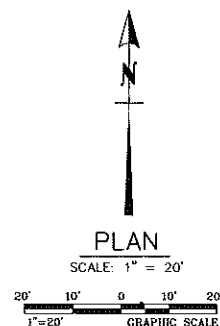
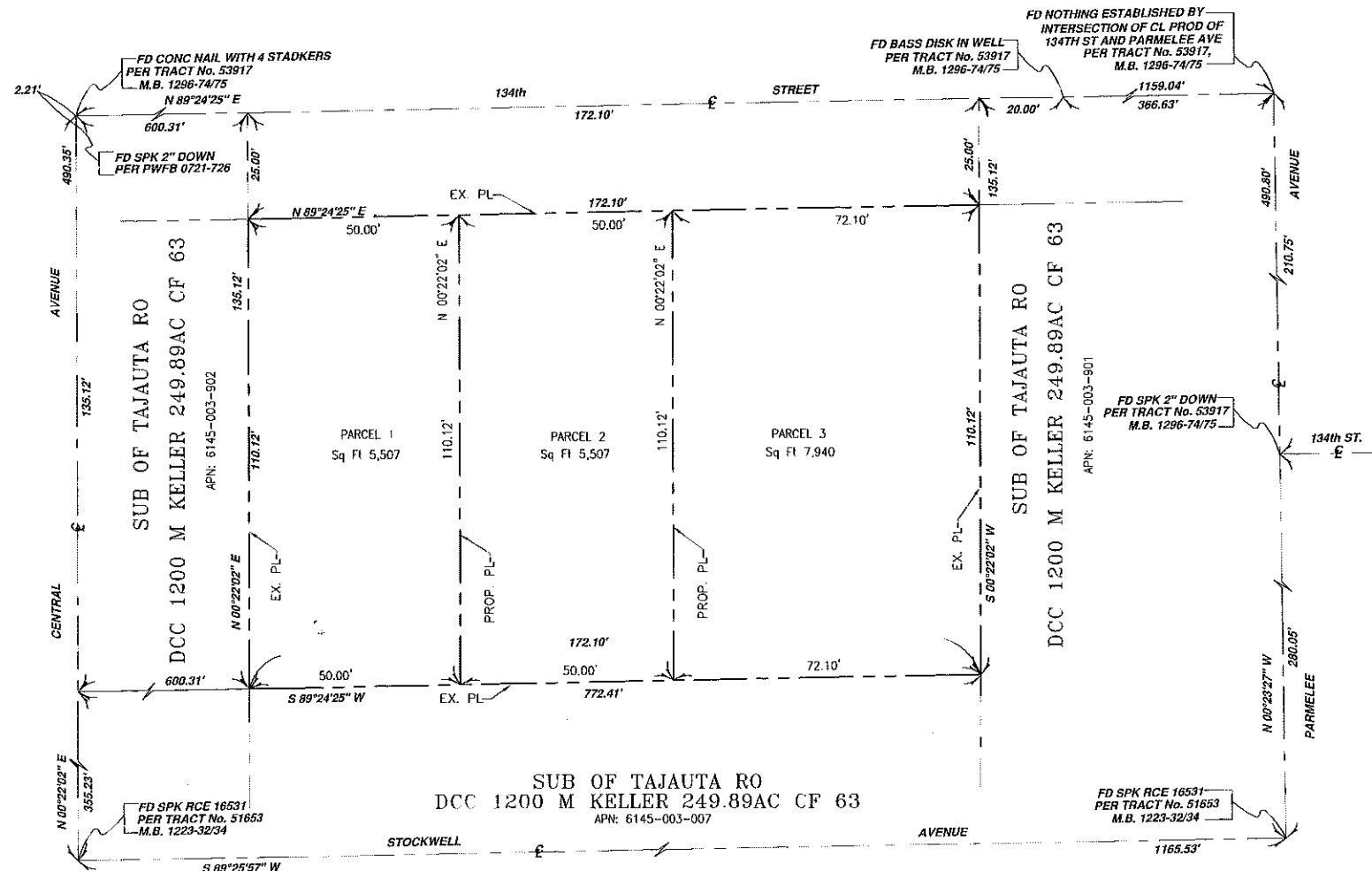
LOT SPLIT
EXISTING 1 LOT SPLIT TO 3 LOTS

PROJECT SITE:

1800 WEST 134th ST
COMPTON, CA 90222

CIVIL ENGINEER/LAND SURVEYOR:

APPLE ENGINEERING GROUP
9040 TELSTAR AVE SUITE 111,
EL MONTE, CA 91731
Tel: (626) 552-9818
EMAIL: INFO@APPLEENGINEERING.NET
WEB: WWW.APPLEENGINEERING.NET



TENTATIVE PARCEL MAP NO.

Plan Prepared By:

Geng Miao 05/25/2013
Date

Apple Engineering Group

SCALE: 1"=20'
DATE: 05/25/2013

DRAWN BY: GM
REVISED:

#4

RESOLUTION SIGN-OFF FORM

DEPARTMENT: Planning

RESOLUTION TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING TENTATIVE PARCEL MAP NO. 72354 SUBDIVIDING A 18,594 SQUARE FOOT PARCEL OF LAND INTO THREE SINGLE FAMILY LOTS AT 1800 WEST 134TH STREET

Robert Delgadillo
DEPARTMENT MANAGER’S SIGNATURE

1/21/2016 10:33:21 AM
DATE

REVIEW / APPROVAL

Craig Cornwell
CITY ATTORNEY

2/4/2016 8:12:35 AM
DATE

Stephen Ajobiewe
CITY CONTROLLER

1/21/2016 12:18:08 PM
DATE

Roger Haley
CITY MANAGER

1/21/2016 10:36:55 AM
DATE

Use when:	
Public Works:	When contracting for Engineering Services.
City Attorney:	When contracting for legal services; contracts that require City Attorney’s review.
Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.

February 16, 2016

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: CITY ATTORNEY'S OFFICE

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING A REWARD FOR INFORMATION LEADING TO THE IDENTIFICATION, APPREHENSION AND CONVICTION OF ANY PERSON OR PERSONS RESPONSIBLE FOR THE DEATH OF AUTUMN JOHNSON

SUMMARY

The City Council will consider adopting a Resolution authorizing a reward in the amount of Twenty-Five Thousand Dollars (\$25,000.00) for information leading to the identification, apprehension and conviction of any person or persons responsible for the death of Autumn Johnson.

BACKGROUND

Autumn Johnson, age 1, was a resident of the City of Compton and the center of attention and joy to her entire family and community. According to family members, Baby Johnson had just begun to talk and her sweet disposition came with a stubborn streak. Family members stated to the media that she would walk for everyone except her parents.

On February 9, 2016, around 7:00 p.m., Autumn Johnson was asleep in her crib at home when a gunman got out of a car on the 300 block of N. Holly Avenue in the City of Compton and fired bullets into the building hitting baby Autumn in the face. The little girl was rushed to the hospital where she was pronounced dead on arrival. According to witnesses, two black males in a blue, four-door sedan Chevrolet Impala drove up to the home shortly before 7:00 p.m. wherein one male got out of the car and fired shots into the home. Witnesses observed both men fleeing the crime scene heading southbound on Holly Avenue. The motive behind the shooting appears to be gang related.

Autumn Johnson, who had just celebrated her first birthday, was fatally struck in the head as she lay in her crib and inexplicably became an innocent victim of unnecessary violence.

#5.

Staff Report - Resolution Authorizing
Reward For Murder of Autumn Johnson
February 16, 2016

STATEMENT OF ISSUE

California Government Code Section 53069.5 authorizes a local agency to offer and pay a reward, in an amount to be determined by the local agency, for information leading to the determination of the identity of, and the apprehension of, any person whose willful misconduct results in the injury or death to any person or who willfully damages or destroys any property. On September 18, 2007, the City Council of the City of Compton adopted Ordinance No. 2,165 (now codified as Chapter VII, Section 7-18 of the Compton Municipal Code) authorizing the offering of a reward for information leading to the determination of the identity, apprehension and conviction of any person whose willful misconduct results in the injury or death to any person or who willfully damages or destroys any property.

It is believed that there are witnesses to this tragic incident and the offering of a reward may often encourage the public's cooperation to provide valuable assistance to the City and its law enforcement agency to apprehend those responsible for committing such terrible acts of violence.

FISCAL IMPACT

The fiscal impact of the reward will not exceed Twenty-Five Thousand Dollars (\$25,000.00).

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution.

CRAIG J. CORNWELL
CITY ATTORNEY

APPROVED FOR FORWARDING:

ROGER L. HALEY
CITY MANAGER

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON
AUTHORIZING A REWARD FOR INFORMATION LEADING TO THE
IDENTIFICATION, APPREHENSION AND CONVICTION OF ANY PERSON
OR PERSONS RESPONSIBLE FOR THE DEATH OF AUTUMN JOHNSON**

WHEREAS, Autumn Johnson, age 1, was a resident of the City of Compton and the center of attention and joy to her entire family and community; and

WHEREAS, on February 9, 2016, around 7:00 p.m., Autumn Johnson was asleep in her crib at home when a gunman got out of a car on the 300 block of N. Holly Avenue in the City of Compton and fired bullets into the building hitting baby Autumn in the face; and

WHEREAS, Autumn Johnson was rushed to the hospital where she was pronounced dead on arrival; and

WHEREAS, according to witnesses, two black males in a blue, four-door sedan Chevrolet Impala drove up to the home shortly before 7:00 p.m. wherein one male got out of the car and fired shots into the home; and

WHEREAS, witnesses reportedly observed both men fleeing the crime scene heading southbound on Holly Avenue; and

WHEREAS, the motive behind the shooting appears to be gang related; and

WHEREAS, Autumn Johnson, who had just celebrated her first birthday, was fatally struck in the head as she lay in her crib and inexplicably became an innocent victim of unnecessary violence; and

WHEREAS, Detectives from the Los Angeles County Sheriff's Department – Homicide Bureau believe there are witnesses in the neighborhood that may have witnessed the shooting, as well as the suspect(s) leaving the area, and have information that will lead to the identification, apprehension and conviction of the person or persons responsible for the death of Autumn Johnson; and

WHEREAS, identifying, catching and prosecuting those individuals who are responsible for the death of Autumn Johnson is a high priority for the City of Compton; and

WHEREAS, pursuant to Chapter VII, Section 7-18 of the Compton Municipal Code, the City Council may authorize the offer of a reward for information leading to the identification, apprehension and conviction of any person whose willful misconduct results in injury or death to any person; and

WHEREAS, it is believed that there are witnesses to this tragic incident and the offering of a reward may often encourage the public's cooperation to provide valuable assistance to the City and its law enforcement agency to apprehend those responsible for committing such terrible acts of violence.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON
DOES HEREBY RESOLVE:**

Section 1. That the City of Compton hereby authorizes the offering of a reward in the amount of Twenty-Five Thousand Dollars (\$25,000.00) for information leading to the identification, apprehension and conviction of the person or persons responsible for the death of Autumn Johnson.

Section 2. That the funds for these rewards offers shall be taken from Account No. 6400-420-000-4295 in the City Attorney’s 2015 – 2016 fiscal year budget.

Section 3. That private donations may be added to City funds to increase the size of this reward offer.

Section 4. That any claim for this reward shall follow the procedure set forth in Chapter VII, Section 7-18 of the Compton Municipal Code.

Section 5. That certified copies of this Resolution shall be filed in the offices of the City Controller, City Clerk, City Manager and the City Attorney.

Section 6. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

ADOPTED this _____ day of _____, 2016.

MAYOR OF THE CITY OF COMPTON

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF COMPTON)

I, Alita Godwin, City Clerk of the City of Compton hereby certify that the foregoing Resolution was adopted by the City Council of the City of Compton, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on this _____ day of _____, 2016.

That said Resolution was adopted by the following vote, to wit:

AYES: COUNCIL MEMBERS-
NOES: COUNCIL MEMBERS-
ABSTAIN: COUNCIL MEMBERS-
ABSENT: COUNCIL MEMBERS-

CITY CLERK OF THE CITY OF COMPTON

February 16, 2016

TO: MAYOR AND COUNCIL MEMBERS

FROM: GLEN W.C. KAU, P.E., DIRECTOR
DEPARTMENT OF PUBLIC WORKS & MUNICIPAL UTILITIES

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH AND ESTABLISH A PURCHASE ORDER FOR ARNAZ ENGINEERING CONTRACTORS, INC. THE CONSTRUCTION AND INSTALLATION OF A NEW SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEM (\$790,900)

SUMMARY

Adoption of this resolution will accept the bid of Arnaz Engineering Contractors, Inc. ("Arnaz Engineering") in the amount of Seven Hundred Nineteen Thousand Dollars (\$719,000.00), authorize the City Manager to enter into a construction contract with Arnaz Engineering for the construction and installation of a new Supervisory Control and Data Acquisition ("SCADA"), establish a purchase order for Arnaz Engineering and authorize a project contingency amount of Seventy One Thousand Nine Hundred Dollars (\$71,900.00).

BACKGROUND

The Water Utility Division purchased a SCADA system over 17 years ago. The present system has limitations that restrain the Water Utility Division's flexibility to add or adjust the system without major cost to change the system. The present system is a proprietary system and only that vendor can add or correct problems. In addition, the technology used by this system is outdated by over a decade.

The proposed new SCADA system was designed by Control Automation Design with an open-architecture which allows for more flexibility. It is designed and built with state-of-the-art equipment that will better fit the needs of the Water Utility Division and allow more than one company to work on the system if problems are encountered.

The new system will allow the Water Utility Division staff the ability to see in real time and make adjustments remotely to tank elevations, pump controls and security alarms. The SCADA system will help the water operations division better assist in the management of the wells, pumps, storage tanks and Metropolitan Water District interconnections.

#6.

Staff Report – Resolution Authorizing Contract & P.O.
Arnaz Engineering Contractors, Inc.
SCADA System Replacement Project
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Staff solicited bids for the subject project. The bid opening was held on January 14, 2016, and the following bids were received:

<u>CONTRACTOR</u>	<u>BID AMOUNT</u>
Arnaz Engineering Contractors Inc.	\$719,000.00
LEED Electric	\$976,062.00

Staff reviewed the bids submitted and determined that the bid of Arnaz Engineering Contractors, Inc. is the lowest responsible bidder for the scope of this project.

STATEMENT OF THE ISSUE

Staff believes the purchase and construction of a new SCADA system will be a benefit because it has been designed and will be built to meet the Water Utility Division current and future operational needs.

At times construction projects encountered unexpected field conditions that have resulted in the need for work beyond the scope of the project as originally designed and bid. Therefore, staff recommends that a ten (10%) percent contingency in the amount of \$71,900.00 (Seventy One Thousand Nine Hundred Dollars and Zero Cents) be authorized for this project.

The total amount that is being requested to be encumbered for this project is \$790,900.00.

ALTERNATIVE

None proposed. Pursuant to the City's procurement policies, public works projects shall be awarded to the lowest responsive and responsible bidder unless the Council decides to reject all bids and re-advertise the project in its discretion.

FISCAL IMPACT

Funds are allocated in the 2015-16 Fiscal Year budget in Account No. 5003-880-000-4241 (Water Quality Project) for this expenditure. This account has a balance of \$3,000,000.00 and after this deduction there will be \$2,209,100.00 left in the Water Quality Project account.

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RECOMMENDATION

It is staff recommendation that the City Council adopt the attached Resolution.

**GLEN W. C. KAU, P.E., DIRECTOR
DEPARTMENT OF PUBLIC WORKS & MUNICIPAL UTILITIES**

APPROVED FOR FORWARDING:

**ROGER L. HALEY
CITY MANAGER**

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON
AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT
WITH AND ESTABLISH A PURCHASE ORDER FOR ARNAZ
ENGINEERING CONTRACTORS, INC. THE CONSTRUCTION AND
INSTALLATION OF A NEW SUPERVISORY CONTROL AND DATA
ACQUISITION SYSTEM (\$790,900)

WHEREAS, It is the responsibility of the Water Utility Division to ensure a safe and adequate water supply for drinking and firefighting purposes; and

WHEREAS, the City’s current Supervisory Control and Data Acquisition (“SCADA”) System, which was purchased by the Water Utility Division (“Division”) of the Public Works/Municipal Utilities Department (“Department”) over 17 years ago, has limitations that restrain the Division’s flexibility to add or adjust the system without major cost to change the system. Additionally, the present system is a proprietary system and only that vendor can add or correct problems; and

WHEREAS, staff believes the purchase of a new SCADA system will be a benefit because it has been designed and built to meet the Water Utility Division current and future operational needs; and

WHEREAS, the proposed new SCADA system was designed with an open-architecture which allows for more flexibility and built with state-of-the-art equipment that will better fit the needs of the Division, allow staff the ability to see in real time and make adjustments remotely to tank elevations, pump controls and security alarms, help the water operations division better assist in the management of the wells, pumps, storage tanks and Metropolitan Water District interconnections, and allow more than one company to work on the system if problems are encountered; and

WHEREAS, the Division advertised for bid proposals for the construction services for the installation of a new SCADA System and staff received 2 sealed bids on Thursday, January 14, 2016 as follows:

<u>CONTRACTOR</u>	<u>BID AMOUNT</u>
Arnaz Engineering Contractors Inc.	\$719,000.00
LEED Electric	\$976,062.00

WHEREAS, staff reviewed the bids submitted and determined that the bid of Arnaz Engineering Contractors, Inc. is the lowest responsible bidder for the scope of this project; and

WHEREAS, funds are available in the Water Utility Division’s 2015-16 Fiscal Year Budget in Account No. 5003-880-000-4241 (Water Quality Project).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the bid of Arnaz Engineering Contractors, Inc. is hereby accepted and all other bids rejected.

SECTION 2. That the City Manager, on the advice and approval of the City Attorney is hereby authorized to enter into a construction contract with Arnaz Engineering Contractors, Inc. to construct and install a new Supervisory Control and Data Acquisition (“SCADA”) System.

Resolution No. _____
Page 2

SECTION 3. That a purchase order in an amount of \$719,000.00 is authorized to be established for Arnaz engineering Contractors, Inc. for construction and installation of a new Supervisory Control and Data Acquisition (“SCADA”) System.

SECTION 4. That a contingency amount of up to \$71,900.00 is hereby authorized.

SECTION 5. That funds in the amount of \$790,900.00 is available in the Public Works & Municipal Utilities 2015-2016 Fiscal Year budget, in Account No. 5003 880 000 4241 (Water Quality Project).

SECTION 6. That a copy of this Resolution shall be filed in the offices of the City Manager, City Controller, City Clerk, City Attorney and Public Works/Municipal Utilities Department.

SECTION 7. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

ADOPTED this _____ day of _____, 2016.

MAYOR OF THE CITY OF COMPTON

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor, and attested by the City Clerk at a regular meeting thereof held on the _____ day of _____, 2016.

That said Resolution was adopted by the following vote to wit:

AYES: COUNCIL MEMBERS-
NOES: COUNCIL MEMBERS-
ABSENT: COUNCIL MEMBERS-
ABSTAIN: COUNCIL MEMBERS-

CITY CLERK OF THE CITY OF COMPTON

**CONSTRUCTION SERVICES AGREEMENT
BETWEEN
CITY OF COMPTON
AND**

ARNAZ ENGINEERING CONTRACTORS, INC.

[Water Bond Improvements - Supervisory Control and Data Acquisition (SCADA) System Project]

This **AGREEMENT** is entered into by and between the **CITY OF COMPTON**, a municipal corporation of the State of California (hereinafter referred to as "**CITY**") located at 205 South Willowbrook Avenue, Compton, California 90220, and **ARNAZ ENGINEERING CONTRACTORS, INC.** (hereinafter referred to as "**CONTRACTOR**") located at 1035 North Armando Street, Suite "X", Anaheim, California 92806.

RECITALS:

A. City is a municipal corporation duly organized and validly existing under the law of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of City.

B. Contractor is a corporation duly organized and in good standing in the State of California. Contractor represents that it is duly licensed by the State of California and has the background, knowledge, experience and expertise to perform the obligations set forth in this Agreement.

C. City and Contractor enter into this Agreement for the purpose of retaining Contractor to perform that work required pursuant to the Water Bond Improvements – Supervisory Control and Data Acquisition ("SCADA") System Replacement Project ("Project").

D. Authorization to enter into this Agreement is pursuant to Resolution No. _____, adopted by the City Council on _____, 2016.

WHEREFORE, the City and Contractor, for the consideration, terms and conditions herein described, mutually agree as set forth below:

1.0 GENERAL PROVISIONS

1.1 Definitions.

1.1.1 "**Work**" consists of all of the Construction Services, including but not limited to all of the labor, materials and equipment necessary to complete the Project in accordance with the Contract Documents.

1.1.2 "**Contract Documents**" consists of this Agreement (including all exhibits and schedules), any amendments and clarifications issued thereto, the "Notice Inviting Bids," "Instructions to Bidders," any "Supplementary Instructions to Bidders," and any addendum(s) and supplements thereto issued by the City, the "Proposal" and any "Bid/Unit Price Proposal" submitted by the Contractor, the plans, general conditions, special provisions, standard and technical specifications, schedules, exhibits, drawings, designation of subcontractors, information required of bidder, all required bonds, insurance policies, endorsements, certificates, permits, notices and affidavits, notice to proceed, notice of completion, any Change

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Orders, the provisions of the Standard Specifications for Public Works Construction (SSPWC), latest Edition (except as modified), Standard Specifications of the State of California Department of Transportation (CalTrans), latest Edition (except as modified), Work Area Traffic Control Handbook (WATCH), latest Edition, CalTrans Standard Drawings, latest edition, Manual on Uniform Traffic Control Devices (MUTCD), latest Edition, MUTCD Latest California Supplement, National Electrical Safety Code (IEEE C2), latest Edition, General Standards for Industrial Control and Systems (NEMA IC 1), latest Edition, Electrical Construction Materials Directory (UL-05), latest Edition, National Electrical Code (NFPA 70), latest Edition, City of Compton standards, and any and all other documents identified in the Contract Documents which together form the agreement between the City and the Contractor.

1.2 Public Work of Improvement.

City and Contractor acknowledge that City is a political subdivision of the State of California and that construction of the Project is to be funded with public funds.

1.3 Trust and Confidence.

Contractor accepts the obligation of trust and confidence established between it and City by this Agreement and shall act in the best interests of City, as its fiduciary, in carrying out Contractor's duties and responsibilities under this Agreement, including, without limitation, the furnishing of efficient business administration, sufficient senior level management and other qualified personnel to complete Contractor's obligations under the Contract Documents in an expeditious and economical manner and within the Contract Price and Contract Time.

1.4 Standard of Care.

Contractor shall perform all its obligations under the Contract Documents in accordance with the highest standard of care applicable to the performance of services and Work required by the Contract Documents. In the event portions of the Project are to be performed in accordance with a specific performance standard, the Work shall be performed so as to achieve such standard.

1.5 Compliance with Applicable Laws.

Contractor shall give all notices and comply with all applicable laws and lawful orders of any governmental authorities (including, without limitation, those laws, ordinances, rules, regulations and lawful orders relating to safety, prevailing wage, Hazardous Substances, and equal employment opportunities); pay all local, state and federal taxes; and pay all benefits, insurance, taxes and contributions for Social Security and Unemployment Insurance which are measured by wages, salaries or other remuneration paid to Contractor's employees. Upon City's request, Contractor shall furnish evidence satisfactory to City that any and all of the foregoing obligations have been fulfilled. Without limiting the foregoing, Contractor shall pay all employees on said Work a salary or wage at least equal to the prevailing salary or wage established for such Work as set forth in the wage determinations and wage standards applicable to this Work.

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The Contractor must obtain and present all relevant state and local insurance, training and licensing pursuant to services required within this Contract. Contractor shall also comply with the following laws:

1.5.1 Prohibition Against Employment Discrimination. During the performance of this Contract, the Contractor will not discriminate against any employee or applicant for employment because of race, color, gender, marital status, ethnicity, religion, age or medical condition as set forth in the California Labor Code Section 177.6, Government Code, Title VII of the Civil Rights Act and the Civil Rights Act of 1991 and any amendments to the above. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor; state that all qualified applicants will receive consideration for employment without regard to race, color, gender, marital status, ethnicity, religion, age or medical condition.

In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of such rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or part and the Contractor may be declared ineligible for further Government contracts and such other sanctions may be imposed and remedies invoked as provided by law.

1.5.2 Clayton Act and Cartwright Act. In accordance with Section 7103 of the California Public Contract Code, in entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, the Contractor or subcontractor offers and agrees to assign to the City all rights, and interest in and all causes of action it may have under Section 4 of the Clayton Act or under the Cartwright Act, arising from the purchases of goods, services or materials pursuant to this Contract.

1.5.3 Subletting and Subcontracting. Contractor acknowledges and agrees that it is the City's intent for the provisions of the Subletting and Subcontracting Fair Practices Act (commencing with Section 4100 of the California Public Contract Code) to apply to all phases of the Work.

1.5.4 State Prevailing Wage Requirements. The Contractor's duty to pay prevailing wages can be found under California Labor Code Section 1770 et seq. and the penalties for failure to pay prevailing wages and employ apprentices including forfeitures and debarment can be found in California Labor Code Sections 1775 and 1777.7, as such wage rates are amended from time to time. It is the Contractor's responsibility to ensure payment of prevailing wages and inform all subcontractors that prevailing wage requirements apply to this construction project from commencement of the Contract through completion of the Work.

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.a Contractor shall pay all employees on said Work a salary or wage at least equal to the prevailing salary or wage established for such Work as set forth in the wage determinations and wage standards applicable to this Work. Contractor shall forfeit to the City, as penalty, **Fifty Dollars (\$50.00)** for each calendar day or portion thereof for each worker paid (either by him or any subcontractors under him) less than the prevailing rate described above on the Work provided for in this Agreement, all in accordance with the State Labor Code and be subject to debarment from future public works projects with the City for a period not to exceed three (3) years. The Contractor shall not require more than eight (8) hours in a day from any person employed by him hereunder, except as provided in the Labor Code. The Contractor shall conform to the State Labor Code and it is agreed that the Contractor shall forfeit to the City, as penalty, the sum of **Twenty Five Dollars (\$25.00)** for each worker employed in the execution of this Contract by the Contractor or any subcontractors for each calendar day during which any worker is required or permitted to labor more than eight (8) hours in one day or 40 hours in one week in violation of said article. The Contractor shall indemnify, defend and hold harmless the City, its officials, officers, employees and agents from any and all liability including, but not limited to wages, overtime pay, liquidated damages, penalties, court costs, and attorneys fees arising under any wage and hour law including, but not limited to the Federal Fair Labor Standards Act, as amended, for work performed by the Contractor's employees for which the City may be found jointly or solely liable.

1.5.5 Employment of Apprentices. Pursuant to California Labor Code Section 1777.5, Contractor shall file with the appropriate Joint Apprenticeship Training Committee ("JATC"), a DAS-140 form registering to train apprentices. Only those programs approved by the California Apprenticeship Council are applicable to accept DAS-140 registration forms. In addition, contractor is required to make appropriate training contributions as set forth in the prevailing wage determination to each appropriate JATC, or in the alternative, to the California Apprenticeship Council.

.a Contractor shall forfeit to the City, as penalty, **Fifty Dollars (\$50.00)** for each calendar day and be subject to debarment from future public works projects with the City for a period not to exceed three (3) years for failure of Contractor to register to train apprentices or failure to pay the appropriate training contribution.

1.5.6 Certified Payrolls. Pursuant to California Labor Code Section 1776, Contractor shall keep weekly payroll records, which shall be certified under penalty of perjury to record the proper payment of prevailing wages for this Project. City shall accept computer printouts (which are then certified) in lieu of the standard form as long as the computer printout provides all of the same information as required on the certified payroll form. Failure of Contractor to provide the certified payrolls within ten (10) days of a written deficiency notice from the City shall result in a penalty of **Twenty Five Dollars (\$25.00)** per day per worker for each day of violation. City maintains the right to withhold any and all funds due the Contractor and/or his/her subcontractors in the event that certified payrolls are not maintained and provided to the City upon request.

1.6 Key Personnel.

1.6.1 Contractor's Representative. Contractor hereby designates **Alireza**

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Yazdanshenas, President of Contractor as Contractor's Representative, who shall be deemed to be Contractor's agent with express authority to bind Contractor with respect to all matters requiring Contractor's approval or authorization.

1.6.2 Before starting the Work, City shall have the authority to not approve the Contractor's proposed representative. The City shall inform the Contractor in writing and request a replacement representative. The City shall have the authority to require the Contractor to remove its representative at any time without cause and at no cost to the City.

1.6.3 City's Representative. City hereby designates **Glen W.C. Kau, P.E., Director of Public Works/Municipal Utilities** as City's Representative for this Project.

1.7 Independent Contractor.

Contractor shall be an independent contractor, and neither Contractor, its officers, principals, employees, agents, volunteers and subcontractors (collectively hereinafter the "Contractor"), shall be considered employees or agents of City. Neither the City nor any of its officers, employees, agents or volunteers shall have any control over the conduct of the Contractor, except as expressly set forth in this Agreement. Contractor expressly warrants that while engaged in carrying out and complying with any terms and conditions of this Agreement that Contractor shall not at any time or in any manner, represent that Contractor is in any manner officers, employees, agents or volunteers of the City. Contractor shall obtain no rights to retirement, health care or any other benefit that accrue to City officials, officers, or employees. Contractor expressly waives any claim to such rights.

1.8 Permits.

Contractor understands and assumes all risk and sole responsibility, without any adjustment to the Contract Price or Contract Time, for obtaining all permits, licenses and approvals that may be necessary for the Project to be completely constructed and ready for occupancy by City.

Prior to or at the time of execution of this Agreement, the Contractor shall purchase a business license permit in conformance with *Section 9-1.2 of the Compton Municipal Code*.

2.0 SCOPE OF SERVICES

2.1 It is the mutual understanding of the parties that all construction services to be performed hereunder shall be performed pursuant to the fee schedule, scope of work, the City Engineer and/or Project Manager, and other requirements contained in the Contract Documents. Contractor agrees to provide and furnish all necessary professionals, managers, supervisors, staff, equipment, materials, laborers, necessary tools, expendable equipment, all utility and transportation services and other facilities required to complete the following Work:

WATER BOND IMPROVEMENTS – SUPERVISORY CONTROL AND DATA ACQUISITION ("SCADA") SYSTEM REPLACEMENT PROJECT

The Work generally consists of: Field work at each of the Fifteen (15) water sites and City yard, including, but not limited to installing new instruments, metering pumps and retrofit of Cla-Valves; furnish and install PLC Control Panels and Radio Panels; installation of the antennas for the radio network; conduit and wiring from instrumentation and controls to PLC Control Panels.

Water Bond Improvement – SCADA Replacement Project - generally consists of replacing the existing aged SCADA equipment and software - including but not limited to:

- Furnish, mount and install a new PLC control enclosure; or shall furnish a new mounting panel for the existing panel enclosure; complete with PLC (City furnished), radios (City furnished), power supplies, etc., per plans and specifications.
- Furnish and install conduits from the existing Motor Control Center (MCC), control panels, and/or existing equipment, etc., where necessary for a complete and functional system.
- Furnish and install new flowmeter heads, pressure transmitters, and pressure gauges at each of the well sites.
- Furnish and install intrusion switches at the doors of the buildings at each of the well sites.
- Furnish and install a new metering pump at each of the well sites.
- Furnish and install conduits and wires as required to bring the signals into the new PLC Control Panel.
- Remove old and obsolete equipment from sites; such as the existing RTU Panel, Radio Panel, Cathodic Protection Panels, Security System, Chart Recorder, Pressure Transmitter, aluminum shed, etc., per plans and specifications.
- Furnish and install a new retrofit kit (total of 6) from CLA-VALVE to automate the rate of flow for both valves at each MWD Connection site.
- Furnish, mount and install the radio communication system; complete with radios (City furnished), antenna mast, coaxial cable, mounting hardware, weatherheads and accessories per plans and specifications.
- Furnish calibration for all Contractor furnished instrumentation.
- Perform loop-checks on all digital and analog loops at the site.
- Conduct a Factory Acceptance Test (FAT) at the Contractor's facility and shall notify the City in writing at least fourteen (14) days prior to the FAT test. The City's representative and/or his designee will be in attendance.
- Furnish start-up at each site and shall work with the City's representative in checking and verifying all the input/output points to the telemetry system.
- Conduct a (30) day Site Acceptance Test (SAT) and shall notify the City in writing at least fourteen (14) days prior to the test. If there are no outstanding issues, the City will give permission for the SAT to begin.
- Provide (5) complete sets of as-built control panel fabrication and wiring diagrams; including one set on electronic media.

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- Provide (5) complete sets of “Operations & Maintenance Manuals” for all pieces of equipment furnished and installed.
 Provide (5) complete sets of red-lined “electrical” as-built drawings.

2.2 Management of Construction Work.

In addition to the Construction Work, Contractor shall cooperate with the City, City’s Engineer and/or any construction management firm it may utilize as concerns and is incidental to construction projects of the nature and scope of this Project. The services required are not intended in any manner to diminish the overall responsibility of Contractor for the full and final completion of the Construction Work within the time and cost constraints specified in this Contract.

Contractor shall bear all costs associated with this Work, including, but not limited to, all professional, technical, clerical services, materials, tools, equipment, transportation, telephone, etc., used by Contractor in connection with this Work.

3.0 CONTRACT PRICE

3.1 Total Compensation.

As full and complete compensation for the faithful performance of all of the Work hereunder performed by Contractor in accordance with the Contract Documents, City shall pay, and Contractor agrees to accept, a not-to-exceed maximum sum of **Seven Hundred Nineteen Thousand Dollars (\$719,000.00)** (“Contract Price”), subject to adjustments for changes in the Work as may be agreed to in writing by the City and Contractor.

3.2 The Contract Price, unless changed by Change Order, represents the absolute limit of obligation or liability that City may ever have insofar as the cost for full and final completion of the Work, and the total of all payments to Contractor are concerned. Should additional amounts be required to be expended, over and above the Contract Price, to achieve completion of the Work, including project construction, and payment to Contractor, in accordance with this Contract, liability for and payment of such additional amounts shall be the sole responsibility of Contractor and its Contract surety herein, and City shall not be liable for same. Should the final cost of the construction work and Contractor’s compensation total less than the Contract Price, or any approved revision thereof, the difference shall inure to the benefit of City and no claim for all or any portion of said difference shall be valid against or payable by City.

3.3 Payments.

Progress payments may be made in arrears based on the percentage of work and deliverables completed by the Contractor. If Contractor fails to submit the required deliverable items according to schedule, the City shall have the right to delay payment and/or terminate this Agreement in accordance with the provisions noted herein.

Contractor shall be reimbursed in accordance with the provisions of *California*

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Public Contract Code, Section 20104.50, upon receipt by the City of itemized invoices for services completed. City will verify the accuracy of the request, correct the charges where appropriate and make payment to the Contractor in an amount equal to the amount of such invoice, as verified or corrected by City. Invoices shall be submitted no later than 45 calendar days after the performance of Work for which the Contractor is billing. Invoices shall be delivered or mailed to the Public Works Director/City Engineer or his/her designee at the following address: **City of Compton, 205 South Willowbrook Avenue, Compton, California 90220.**

3.4 Retention.

Contractor agrees to the withholding of a 5% retention fee by the City. Unless there is a dispute, within sixty (60) days after the date of completion of the Work, the retention fee shall be released. If there is a dispute, the City may withhold from the final payment an amount not to exceed 150% of the disputed amount. For purposes of this section, “completion” means any of the following:

- The occupation and use of the improvement by the City after cessation of labor on the Work; or
- The acceptance of the Work by the City; or
- Cessation of labor on the Work of improvement for continuous period of at least 100 days, due to factors beyond the control of the City; or
- Cessation of labor on the Work of improvement for continuous period of at least 30 days if the City files for record a notice of cessation or a notice of completion.

-Or-

Pursuant to *Section 22300 of the Public Contract Code*, this Contract permits the substitution of securities for any monies withheld by a public agency to ensure performance under this Contract. At the request and expense of the Contractor, securities equivalent to the amount withheld shall be deposited with the public agency, or with a state or federally chartered bank as the escrow agent, who shall then pay such monies to the Contractor. Upon satisfactory completion of the Contract, the securities shall be returned to the Contractor.

Securities eligible for investment under this section shall include those listed in *Government Code Section 16430* or bank or savings and loan certificates of deposit. The Contractor shall be the beneficial owner of any securities substituted for monies withheld and shall receive any interest thereon.

In the alternative, under *Section 22300*, Contractor may request the City to make payment of earned retentions directly to the escrow agent at the expense of Contractor. Also at Contractor's expense, Contractor may direct investment of the payments in securities, and Contractor shall receive interest earned on such investment upon the same conditions as provided for securities deposited by Contractor. Upon satisfactory completion of the Contract, Contractor shall receive from the escrow agent all securities, interest and payments received by escrow agent from the City pursuant to the terms of *Section 22300*. Contractor shall pay to each subcontractor, not later than 20 days after receipt of such payment, the respective amount

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of interest earned, net of costs attributed to retention withheld from each subcontractor, on the amount of retention withheld to insure performance of Contractor.

3.5 Contractor's Warranty of Contract Price.

Contractor warrants and represents that the Contract Price, includes without Limitation: (i) all overhead, general and administrative expenses, including without limitation, both on-site and off-site direct job expenses and home office overhead for the Project and all fees and assessments for building and other permits for which Contractor is responsible, licenses and inspections required for the Project, and (ii) includes and assumes that from time to time Contractor will encounter delays, difficult conditions arising from limited access to work areas or other interferences for which responsibility is not otherwise attributable to Contractor and unforeseen conditions at the Site not constituting differing site conditions. Except as otherwise provided in the Contract Documents, Contractor assumes full responsibility for its examination, investigation and understanding of such delays and difficulties which may be encountered, and shall be deemed to have included in its Contract Price a sum to cover the cost and expense associated therewith.

4.0 TIME

4.1 Time of Essence.

Time is of the essence with respect to all time limits set forth in the Contract Documents.

4.2 Commencement.

4.2.1 Construction Services. Contractor agrees to commence the Work provided for herein within **10 calendar days** after receipt of the **Notification to Proceed** or as otherwise agreed in writing with the Director of his/her designee, and continue in a diligent, professional and worker-like manner without interruption until the work is completed or within a total of **190 working days** (this period is inclusive of time to procure needed materials, mobilization, etc.), whichever occurs first, unless this Agreement is extended, suspended or terminated as provided herein.

.a Notwithstanding any other provisions of this Contract, Contractor shall not be obligated to perform any work and the City shall not be obligated to accept or pay for any work performed by the Contractor prior to issuance of a Notice to Proceed. The City's knowledge of work being performed prior to issuance of the Notice to Proceed shall not obligate the City to accept or pay for such work. Contractor shall provide all required contract bonds and evidences of insurance prior to commencing work pursuant to this Contract.

4.3 Extensions.

The Contract Time shall not be extended except by a Change Order issued in accordance with the Contract Documents.

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4.4 Compensation for Delay.

4.4.1 Sole Remedy. Extensions of time adjusting the Contract Time shall be Contractor's sole and exclusive remedy for delay for reasons beyond its reasonable control.

4.5 Liquidated Damages.

IF CONTRACTOR FAILS TO ACHIEVE SUBSTANTIAL COMPLETION OF THE WORK WITHIN THE PERIODS OF TIME REFERRED TO IN PARAGRAPH 4.2.1 OF THIS AGREEMENT (AS ADJUSTED BY CHANGE ORDER FOR EXTENSIONS PERMITTED BY THE CONTRACT DOCUMENTS), CITY WILL INCUR DAMAGES, THE AMOUNT OF WHICH WILL BE DIFFICULT OR IMPOSSIBLE TO ESTABLISH WITH CERTAINTY, INCLUDING BUT NOT LIMITED TO INEFFICIENCY AND DISRUPTION OF CITY'S OPERATIONS. THE PARTIES THEREFORE AGREE THAT FOR EACH DAY PAST THE COMPLETION DATES REFERRED TO IN PARAGRAPH 4.2.1 (AS ADJUSTED BY CHANGE ORDER FOR THE EXTENSIONS PERMITTED BY THE CONTRACT DOCUMENTS) THAT THE WORK IS NOT SUBSTANTIALLY COMPLETE, CONTRACTOR SHALL PAY CITY THE SUM OF ONE THOUSAND DOLLARS (\$1,000) FOR EACH CALENDAR DAY DELAYED BEYOND THE TIME PRESCRIBED FOR FINISHING THE WORK AS LIQUIDATED DAMAGES. THIS SUM REPRESENTS A REASONABLE EFFORT TO ESTIMATE FAIR COMPENSATION FOR THE FORESEEABLE LOSSES CITY WILL INCUR ON ACCOUNT OF DELAYS IN SUBSTANTIAL COMPLETION OF THE WORK AND IS NOT A PENALTY. IF LIQUIDATED DAMAGES ARE NOT PAID, THE CITY MAY DEDUCT THE AMOUNT THEREOF FROM ANY MONEY DUE OR THAT MAY BECOME DUE TO THE CONTRACTOR UNDER THIS AGREEMENT IN ADDITION TO ANY OTHER REMEDY AVAILABLE TO THE CITY. CONTRACTOR SHALL NOT BE ASSESSED LIQUIDATED DAMAGES IF THE DELAY IS CAUSED BY ACTS OF GOD WHICH COULD NOT REASONABLY HAVE BEEN FORSEEN OR GUARDED AGAINST; STRIKES, BOYCOTTS OR LIKE OBSTRUCTIVE ACTIONS BY CONTRACTOR'S OR IT'S SUBCONTRACTOR'S EMPLOYEES WHICH ARE BEYOND CONTRACTOR'S CONTROL; FAILURE OF CITY TO PERFORM; OR FAILURE OF A PUBLIC UTILITY TO RELOCATE OR REMOVE AN EXISTING UTILITY REQUIRED FOR PERFORMANCE OF THIS CONTRACT. CITY AND CONTRACTOR HEREBY INDICATE THEIR AGREEMENT TO THE FOREGOING LIQUIDATED DAMAGES PROVISION:

City of Compton – City Manager

Contractor – Alireza Yazdanshenas

4.6 Construction Schedule.

Contractor shall prepare and submit to City a detailed Construction Baseline Schedule (showing all milestones with critical activities on the Baseline Schedule) for the entire Work prior to commencing construction. No Work shall be started until the Schedule has been approved in writing by the City. The Construction Schedule shall be prepared, utilizing a time-scaled bar chart showing continuous flow from left to right and major milestones which are critical to the completion of the construction of the project and a clearly highlighted critical path. Durations and specific calendar dates shall be clearly and legibly shown for the start and finish

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of each activity. Activities shall be in sufficient detail to demonstrate a practical plan to complete the construction within the Contract Time. At a minimum, the Construction Schedule shall include City review dates and City review periods related to preparation and processing of submittals, delivery of materials or equipment requiring long-lead time procurement, City's occupancy requirements showing portions of the project having occupancy priority, and proposed dates of substantial completion, performance of minor (or, "punch list") work and final completion.

4.7 City Review Periods.

All schedules prepared by Contractor, shall include such City review periods as are required by the nature of the work and/or as requested by the City. Contractor shall in all cases deliver to City prior to commencement of a City review period a written request for review, accompanied, if appropriate, by the document, question or other information requiring the City or Architect review, response, approval or consideration. For purposes of determining compliance with the City review periods, if Contractor does not deliver its request for review before the first day of a City review period scheduled in the governing schedule, the City review period shall not commence until Contractor delivers such request and the respective City review date shall be extended (without any corresponding adjustment to the Contract Time) on a day-for-day basis until Contractor delivers such request to the proper entity from which a response, review or approval is sought. To the extent that such an extension causes delay to Contractor's performance within the Contract Time, such delay shall be deemed an inexcusable delay.

4.8 Governmental Authority Review Periods.

Contractor shall include in all of the schedules it prepares estimates of the time required for governmental authorities to inspect, review and approval of the Work while in progress. Contractor is solely responsible for the sufficiency and accuracy of its estimates of time for all governmental authority review periods.

5.0 CONSTRUCTION PHASE

5.1 General.

5.1.1 Contractor shall completely perform, to City's satisfaction, all of the Work in accordance with this Agreement and other Contract Documents.

5.1.2 Unless otherwise provided in the Contract Documents, Contractor shall furnish, or cause to be furnished, and shall pay for all labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated into the Work.

5.1.3 Contractor shall attend meetings with City as frequently as is necessary to the expeditious performance of the Work for the purpose of discussing construction issues which may arise during the Project.

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5.2 Supervision of Work.

Contractor shall supervise and direct the Work, using Contractor's best skill and attention. Contractor shall be solely responsible for and have control over all construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work.

5.3 Permits, Approvals, Licenses and Notices.

Contractor shall obtain and pay for (i) all permits, approvals, licenses and easements; and (ii) government charges and inspection fees pertaining to the construction of the Project.

5.4 Safety.

5.4.1 Contractor shall have overall responsibility for safety precautions and programs in the performance of the Work.

5.4.2 Contractor shall seek to avoid injury, loss or damage to persons or property by taking reasonable steps to protect:

- .a** Employees and all other persons at the Site;
- .b** Materials and equipment stored on the Site or off the Site at locations for use in performance of the Work; and
- .c** The Project and all property located at the Site, whether or not said property or structures are part of the Project or involved in the Work.

5.4.3 Contractor shall designate an individual at the Site in the employ of Contractor who shall act as Contractor's designated safety representative with a duty to prevent accidents.

5.4.4 Losses not insured under property insurance which may arise from the performance of the Work, to the extent of the negligence attributed to such acts or omissions of Contractor or anyone for whose acts Contractor may be liable, shall be promptly remedied by Contractor at Contractor's cost and without reimbursement by City as a cost of work, or in any other manner.

5.4.5 If City deems any part of the Work or Site unsafe, City may require Contractor, without assuming responsibility for Contractor's safety program, to immediately stop performance of the Work or take corrective measures. Neither City's order nor Contractor's action in response thereto shall be the basis for adjustment in the Contract Price or Contract Time.

5.4.6 Should this work involve digging trenches or other excavations that

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extend deeper than four (4) feet below the surface, the Contractor shall promptly, and before the following conditions are disturbed, notify the City, in writing, of any:

.a Material the Contractor believes may be material that is hazardous waste, as defined in *Section 25117 of the Health and Safety Code* that is required to be removed to a Class I, Class II or Class III disposal site.

.b Subsurface or latent physical conditions at the Site differing from those indicated by information about the Site made available to bidders prior to deadline for submitting bids.

.c Unknown physical conditions at the Site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

5.4.7 Contractor represents that in advance of the excavation of any trench deeper than five (5) feet, it shall submit for acceptance by the City or a registered civil or structural engineer, employed by the City, to whom authority to accept has been delegated, in advance of excavation, of a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer.

5.5 Substitutions.

There shall be no substitutions in the Work or procedures or methods specified by the Contract Documents for performing the Work, unless Contractor first receives written approval for such substitution from City.

5.6 Trade Contractors.

5.6.1 If applicable, Contractor shall employ only Trade Contractors who are duly licensed and qualified to perform the Work consistent with the Contract Documents. Each Trade Contractor, of every tier, shall be fully bound to the Contract Documents in the same manner as Contractor is bound to City for all the requirements of the Contract Documents to the extent applicable to the Trade Contractor's portion of the Work.

5.6.2 Contractor assumes responsibility for the proper performance of the Work of Trade Contractors, of every tier, and any acts or omissions in connection with such performance. Contractor shall coordinate the activities of all Trade Contractors, of every tier.

5.7 Separate Contractors.

5.7.1 Contractor agrees to reasonably cooperate with, and coordinate its activities so as not to interfere with, those Separate Contractors performing work at the Site, so that the Project can be completed in an orderly and coordinated manner without delay.

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5.7.2 If any part of the Work depends upon other work performed by Separate Contractors, Contractor shall, prior to proceeding with that part of the Work, inspect such other work and promptly notify the City of any circumstance or fact that would render such other work unacceptable for the proper performance of the Work. Contractor shall not proceed with such part of the Work without further direction from the City. Contractor shall be liable for losses incurred due to any defects in such other work not so reported by Contractor.

6.0 ACCOUNTING RECORDS

6.1 Access.

Contractor shall keep, and shall include in its contracts with its Trade Contractors, provisions requiring its Trade Contractors to keep, full and detailed accounts in accordance with the requirements of the Contract Documents and exercise such controls as may be necessary for proper financial management of the Work. Such accounting and control systems shall comply with prevailing custom and practice for similar Projects and be satisfactory to City and shall include preservation of such records for a period of four (4) years after final completion of the Work, or for such longer period as may be required by law.

Contractor shall allow, and shall include in its contracts with its Trade Contractors, provisions requiring its Trade Contractors to allow, City or its authorized representative(s) and accountants, within twenty-four (24) hours after requested by City, to inspect, audit or reproduce any and all records relating to the Project. Such records shall include all information, materials and data of every kind and character (hard copy, as well as computer readable data if it exists), that may, in City's judgment, have any bearing on or pertain to any matters, rights, duties or obligations relating to the Project, including without limitation the following: agreements; purchase orders; leases; contracts; commitments; arrangements; notes; schedules; daily diaries; superintendent reports; drawings; receipts; vouchers; memoranda; accounting records; job cost reports, job cost files (including documentation covering negotiated settlements); backcharge logs; general ledgers; documentation of cash and trade discounts earned, insurance rebates and dividends; any documents customarily maintained by contractors performing work on a cost plus a fee basis; other documents that City otherwise deems necessary to substantiate charges or claims related to the Project.

6.2 Enforcement.

Contractor hereby consents and agrees that any failure by Contractor to provide access to records as provided in this Article 6.0 shall be specifically enforceable by issuance of a preliminary and/or permanent mandatory injunction by a court of competent jurisdiction based on affidavits submitted to such court, without the necessity of oral testimony, to compel Contractor to permit access, inspection, audit and/or reproduction of the records or to require delivery of the records to City for inspection, audit and/or reproduction.

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7.0 INDEMNITY, BONDS

7.1 Indemnity.

7.1.1 General Indemnity. To the fullest extent allowed by law, Contractor hereby agrees to defend, indemnify, and hold harmless City, its City Council, boards and commissions, officials, officers, agents, employees, representatives, insurers and volunteers (hereinafter collectively referred to as "City") through legal counsel acceptable to City, from and against any and all Losses arising directly or indirectly from, or in any manner relating to, any of the following: (i) any act or omission (negligent or otherwise) of Contractor, or by its Trade Contractors, of any tier; (ii) performance or nonperformance by Contractor or its Trade Contractors, of any tier, of any of the obligations under this Agreement or the other Contract Documents; (iii) the construction activities of Contractor, or its Trade Contractors, of any tier, either on the Site or on other properties; (iv) the payment or nonpayment of money by Contractor, or by any of its Trade Contractors, of any tier; or (v) any personal injury, property damage or economic loss to third persons or entities associated with the performance or nonperformance by Contractor, or any of its Trade Contractors, of any tier; provided, however, that nothing contained herein shall be construed as obligating Contractor to indemnify the City for losses resulting from the City's sole negligence, active negligence or willful misconduct. Contractor shall pay City for any costs incurred in enforcing the defense and/or indemnity obligations under this provision. Nothing in this Section 7.1 shall be construed to give rise to any implied right of indemnity in favor of Contractor against the City.

7.1.2 Survival. The provisions of Paragraph 7.1.1 shall survive complete performance or termination of this Agreement.

7.1.3 Severability. The invalidity of any portion of Paragraph 7.1.1 shall not affect or render unenforceable any other portions thereof.

7.2 Bonds.

7.2.1 Bond Forms. Prior to commencing any construction of the Work, Contractor shall file with City good and sufficient "Labor and Material Payment" and "Performance" bonds in the amount of one hundred percent (100%) of the Contract Price for each. Contractor shall take steps to assure that the penal sum of the bonds shall be increased by the amount of any additive adjustments to the Contract Price due to Change Orders. The bonds shall be on forms satisfactory to and approved by City, signed by both Contractor and surety and properly notarized. Should any bond required hereunder or any surety on such bond become or be determined by City to be insufficient, it shall be replaced within ten (10) days by a bond that fully complies with the requirements of this Paragraph 7.2.1. No further payments to Contractor for work performed shall be made or become due until Contractor has fully complied with the requirements of this Section 7.2.

7.2.2 Duration. The payment bond shall remain in effect until sixty (60) days after final completion of the Work and all claims by Contractor and Trade Contractors, of every tier, have been satisfied. The performance bond provided by Contractor shall remain in effect for the duration of the period of all warranties required by the Contract Documents and shall assure

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faithful performance of all of Contractor's obligations under the Contract Documents, including, without limitation, all obligations that survive final completion or termination, such as but not limited to Contractor's obligations under its warranties, guarantees and to defend and indemnify City.

7.2.3 Premiums. The premiums for all bonds are included in the Contract Price and shall be paid by Contractor.

7.2.4 Obligees. The performance and payment bonds shall name City as obligee.

7.2.5 Changes. Change Orders, Field Orders, Modifications, Scope Changes and other Changes in the Work and adjustments to the Contract Price or Contract Time shall in no way release or exonerate Contractor or its sureties from their obligations and notice thereof shall be waived by such sureties.

7.2.6 Communications. City shall have the right to communicate with Contractor's sureties with respect to matters that are related to Contractor's performance of its obligations under the Contract Documents. Such communications shall not create or be interpreted as creating any contractual relationship between City and any such surety.

8.0 INSURANCE

8.1 Insurance Requirements. The Contractor shall not commence Work under this Contract until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this Section 8.0.

As a condition precedent to the effectiveness of this Contract for work to be performed hereunder and without limiting the Contractor's indemnification of the City, Contractor shall provide and maintain at its own expense during the term of this Agreement the following program(s) of insurance covering its operations hereunder. ***Failure on the part of the Contractor to procure or maintain insurance shall constitute a material breach upon which the City may immediately terminate this Agreement.*** Contractor agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been furnished to the City. In the event that the Contractor's operations are suspended for failure to maintain required insurance coverage, the Contractor shall not be entitled to an extension of time for completion of the Work because of production lost during suspension.

8.2 Minimum Scope of Insurance. Insurance coverage specified herein constitutes the minimum requirements and said requirements shall in no way lessen or limit the liability of the Contractor under the terms of the Agreement. Contractor shall procure and maintain, at its own costs and expense, any additional kinds and amounts of insurance that, in its own judgment, may be necessary for its proper protection of the work.

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All insurance required hereunder shall be primary with respect to any insurance maintained by the City and shall not call on the City's program for contributions. Program(s) of insurance shall include:

8.2.1 Commercial General Liability. Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 00 01 11 88, with minimum limits of at least **One Million Dollars (\$1,000,000.00)** per occurrence, and if written with an aggregate, the aggregate shall be double the per occurrence limit. Defense costs shall be paid in addition to the limits. Products and completed operations coverage shall be maintained for a minimum of two years after completion of the Work.

.a The policy shall contain no endorsements or provisions limiting coverage for (1) explosion, collapse or underground hazard (XCU); (2) products and completed operations; (3) contractual liability; (4) third party action over claims; (5) cross liability exclusion for claims or suits by one insured against another; or (6) contain any exclusions contrary to the Contract.

8.2.2 Automobile Liability. Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA00 01 06 92 covering "Any Auto" (Symbol 1) with minimum limits of **One Million Dollars (\$1,000,000.00)** each accident. If Contractor does not own any company vehicles, the requirement may be satisfied by providing (a) a Personal Automobile Liability policy for the Contractor's own vehicle (as specified in the following paragraph); and (b) a non-owned auto endorsement to the Commercial General Liability policy if Contractor may use vehicles of others (e.g., vehicles of employees). Independent Contractors may not be able to purchase a Business Automobile policy and consideration may be given to accepting a Personal Automobile Liability policy. Requirements should stipulate "Automobile Liability Insurance with a limit of not less than \$1,000,000 each accident."

8.2.3 Builder's Risk Insurance. Builder's Risk Insurance for any property constructed on behalf of the City, to cover "all risk" of physical loss providing coverage for loss or damage from collapse, including collapse resulting from design error. The value insured shall cover 100% of the completed Contract cost and shall be maintained until full acceptance of the Work.

8.2.4 Workers' Compensation. Workers' Compensation Insurance, as required by the State of California and Employer's Liability Insurance, with a limit of not less than **One Million (\$1,000,000.00)** per accident for bodily injury and disease. Workers' Compensation and Employer's Liability insurance may not be required if Contractor has no employees and provides, to City's satisfaction, a declaration stating this.

8.2.5 Contractors Pollution Liability. (If applicable) If there is a pollution liability exposure, Contractors Pollution Liability Insurance covering all of the Contractor's operations to include onsite and offsite coverage for bodily injury (including death and mental anguish), property damage, defense costs and cleanup costs with minimum limits of **\$5 million** per loss and **\$10 million** total all losses. The policy shall contain no endorsements or provisions limiting contractual liability or coverage for cross liability of claims or suits by one insured

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against another.

.a Non-owned disposal site coverage shall be provided if handling, storing or generating hazardous materials or any material/substance otherwise regulated under environmental laws/regulations.

.b For projects involving transportation of hazardous waste/materials, include coverage for loading/unloading from the project site to final disposal locations, and all disposal locations shall be scheduled as non-owned disposal sites.

.c If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Contract and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Contract.

8.2.6 Professional Liability. (If applicable) For construction managers and design-build contractors, Professional Liability Insurance with minimum limits of **\$1,000,000**. Covered professional services shall specifically include all work to be performed under the Contract and delete any exclusions that may potentially affect the work to be performed (for example, any exclusions relating to lead, asbestos, pollution, testing, underground storage tanks, laboratory analysis, soil work, etc.).

.a If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the Initial Contract and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Contract.

8.3 Endorsements. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City for approval.

8.3.1 The policy or policies of insurance required by Section 8.2.1 (Commercial General Liability) and 8.2.5 (Contractors Pollution Liability) shall be endorsed to provide the following:

.a Additional Insured: The City, its officials, officers, employees, agents, and volunteers shall be named as **“additional insured”** with regard to liability and defense of suits or claims arising out of the performance of the Agreement.

.b Additional Insured Endorsements shall not (1) be restricted to "ongoing operations"; (2) exclude "contractual liability"; (3) restrict coverage to "sole" liability of Contractor; or (4) contain any other exclusions contrary to the Contract.

.c Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City, except ten (10) days written notice shall be provided for non-payment of premium.

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8.3.2 The policy or policies of insurance required by Section 8.2.2 (Automobile Liability) and 8.2.6 (Professional Liability) shall be endorsed to provide the following:

.a Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City, except ten (10) days written notice shall be provided for non-payment of premium.

8.3.3 The policy or policies of insurance required by Section 8.2.3 (Builder's All Risk) shall be endorsed to provide the following:

.a Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

.b Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City, except ten (10) days written notice shall be provided for non-payment of premium.

.c Loss Payee: Losses payable under this policy shall be adjusted with the Named Insured and paid to City as its interests may appear.

8.3.4 The policy or policies of insurance required by Section 8.2.4 (Workers' Compensation) shall be endorsed to provide the following:

.a Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

.b Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City, except ten (10) days written notice shall be provided for non-payment of premium.

8.4 Waiver of Subrogation. Required insurance coverages shall not prohibit Contractor from waiving the right of subrogation prior to a loss. Contractor shall waive all subrogation rights against the indemnified parties. Policies shall contain or be endorsed to contain such provisions.

8.5 Deductible. Any deductible or self-insured retention must be approved in writing by the City and shall protect the indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

8.6 Evidence of Insurance. The Contractor, concurrently with the execution of the Contract, and as a condition precedent to the effectiveness thereof, shall deliver certified copies of the required policies on forms approved by the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Contractor shall,

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within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

8.7 Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

8.8 Insurance for Subcontractors. All subcontractors shall be included as additional insured's under the Contractor's policies, or the Contractor shall be responsible for causing subcontractors to purchase the appropriate insurance in compliance with the terms of these Insurance Requirements, including adding the City as an **“additional insured”** to the subcontractor's policies.

9.0 CHANGE ORDERS

9.1 Changes. City has the right, in its sole discretion, to make whatever changes it deems necessary or desirable to the Work; no change ordered by City shall entitle Contractor to an adjustment of the Contract Price or Contract Time unless it constitutes a Scope Change.

9.2 Change Orders. A Change Order is a written order signed by City and Contractor, and issued after execution of this Agreement, authorizing an adjustment in the Contract Price and/or Contract Time. The Contract Price and Contract Time can be adjusted only by Change Order. No action, conduct, omission, prior failure or course of dealing by City shall act to waive, modify, change or alter the requirement that Change Orders must be in writing signed by City and that such written Change Orders are the exclusive method for effecting any adjustment to the Contract Price and Contract Time.

10.0 CERTIFICATIONS

10.1 Certification of Contractor. I, **Alireza Yazdanshenas**, **HEREBY CERTIFY** that I am the President, and duly authorized representative of the Contractor firm of **Arnaz Engineering Contractors, Inc.** and that, except as hereby expressly stated, neither I nor the above firm that I represent have: (i) employed or retained for a commission, percentage, brokerage, contingent fee, or other consideration, any firm or person (other than a bona fide employee working solely for me or the above consultant) to solicit or secure this agreement; nor (ii) agreed, as an express or implied condition for obtaining this Contract, to employ or retain the services of any firm or person in connection with carrying out the agreement; nor (iii) paid, or agreed to pay, to any firm, organization or person (other than a bona fide employee working solely for me or the above consultant) any fee, contribution, donation, or consideration of any kind, for or in connection with, procuring or carrying out this Agreement.

10.2 Debarment and Suspension Certification. The Contractor, under penalty of perjury, certifies that, except as noted below, he/she/it or any other person associated therewith in the capacity of owner, partner, director, officer, manager:

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- is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal, State or local agency; and
- has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal, State or local agency within the past 3 years; and
- does not have a proposed debarment pending; and
- has not been indicted, convicted, or had a civil judgment rendered against him/her/it by a court of competent jurisdiction in any matter involving fraud or official misconduct in connection with obtaining, attempting to obtain, or performing a public (Federal, state or local) transaction or contract under a public transaction; violation of Federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property within the past 3 years; and
- are not presently indicted or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in the preceding paragraph; and
- have not had one or more public transactions (Federal, State or local) terminated for cause or default within the past 3 years.

If there are any exceptions to this certification, insert the exceptions in the following space.

[Supply exceptions on separate page]

For any exception noted above, indicate below to whom it applies, initiating agency, and dates of action.

[Attach separate page]

These certifications are a material representation of fact upon which reliance was placed when this transaction was made or entered into. The above certifications are part of this Contract. Signing this Agreement on the signature portion thereof shall also constitute signature of the above Certifications.

Alireza Yazdanshenas, President

(Date)

11.0 DEFAULT AND TERMINATION

11.1 Default by Contractor.

11.1.1 Notice of Default. Without limitation to any of City's other rights or remedies at law or in equity, City shall have the right to terminate this Agreement in the event that Contractor fails or refuses to perform any of the obligations set forth in this Agreement or the other Contract Documents, and fails to cure such default in the manner required hereafter.

11.1.2 Opportunity to Cure Default. Contractor shall cure any default in

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performance of its obligations under the Contract Documents within two (2) business days after receipt of written notice of such default from City; provided, however, that if the breach cannot reasonably be cured within such time then Contractor will commence to cure the breach within two (2) days and will diligently and continuously prosecute such cure to completion within a reasonable time, which shall in no event be later than ten (10) calendar days after receipt of such written notice.

11.2 City's Rights and Remedies Upon Default.

11.2.1 Remedies Upon Default. In the event that Contractor fails to cure any breach of this Agreement within the time periods set forth above, then City may pursue any remedies available under law or equity, including, without limitation, the following:

.a Delete Certain Services. City may, without terminating this Agreement, delete certain portions of the Work, reserving to itself all rights to recover losses related thereto.

.b Perform and Withhold. City may, without terminating this Agreement, engage others to perform the Work or portion of the Work that has not been performed by Contractor and withhold the cost thereof to City from future payments to Contractor, reserving to itself all rights to recover losses related thereto.

.c Suspend this Agreement. City may, without terminating this Agreement and reserving to itself all rights to recover losses related thereto, suspend all or any portion of this Agreement for as long a period of time as City determines, in its sole discretion, appropriate, in which event City shall have no obligation to adjust the Contract Price or Contract Time, and shall have no liability to Contractor for adjustment to the Contract Price, Contract Time, or for losses, if City directs Contractor to resume Work.

.d Terminate this Agreement. City may terminate all or any part of this Agreement for cause according to the notice provisions set forth in this Agreement, reserving to itself all rights to recover losses related thereto.

.e Invoke the Performance Bond. City may, with or without terminating this Agreement and reserving to itself all rights to recover losses related thereto, exercise its rights under the Contractor's performance bond.

11.2.2 Rights Cumulative. All of City's rights and remedies under this Agreement is cumulative, and shall be in addition to those rights and remedies available in law or in equity. Designation in the Contract Documents of certain breaches as "material" shall not be construed as implying that other breaches not so designated are not material nor shall such designations be construed as limiting City's right to terminate or the exercise of its other rights or remedies for default to only material breaches. City shall determine whether there has been noncompliance with the Contract Documents so as to warrant exercise by City of its rights and remedies for default. No termination or action taken by City after termination shall prejudice any other rights or remedies of City provided by law or equity or by the Contract Documents upon

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such termination; and City may proceed against Contractor to recover all losses suffered by City.

11.2.3 Monies. In the event of a termination or suspension of all or a portion of the Work due to a default by Contractor, City shall have the right, without releasing Contractor or its sureties from liability for failure to fulfill this Agreement, to withhold all or a portion of the monies owing or retained until final completion of the Work. Any cost over and above the Contract Price arising from the suspension of operations of this Agreement and the completion of the Work shall be paid by Contractor's sureties. Contractor will be paid any surplus monies remaining after all contract disputes have been resolved and finally determined.

11.2.4 Delays by Sureties. Without limitation to any of City's other rights or remedies under the law or in equity, City has the right to suspend the performance by Contractor's sureties in the event of any of the following: (i) failure of the sureties to begin work within a reasonable time in such manner as to ensure full compliance with the Contract Documents within the Contract Time; (ii) abandonment of the Work; (iii) if at any time City is of the opinion the Work is unnecessarily or unreasonably delayed; (iv) willful violation of any terms of this Agreement; (v) failure to perform according to this Agreement or the other Contract Documents; or (vi) failure to follow instructions of City for performance of the Work within the Contract Time. City will serve notice of such failure upon the sureties and in the event the sureties neglect or refuse to cure the breach within the time specified in such notice, City shall have the power to suspend the operation or any part thereof of Contractor's sureties.

11.2.5 Contractor Obligations. Upon receipt of a notice of termination for default, Contractor shall, unless the notice states otherwise, perform each of the obligations set forth in Paragraph 11.4.1, below.

11.2.6 Damages to City.

.a Reservation of Remedies. City will be entitled to all damages available under the law, and all rights in equity, in the event of Contractor's breach of this Agreement or the other Contract Documents.

.b Deductions. If City suffers a loss due to Contractor's nonperformance, then such loss shall be deducted from the amounts withheld. Should the amount withheld exceed the amount deducted, the balance will be paid to Contractor or its designee upon completion of the Project. If the loss incurred by City exceeds the amount withheld, Contractor shall be liable to City for the difference and shall promptly remit same to City.

.c No Release. If, however, City elects to terminate this Agreement for cause, all monies due Contractor or retained under the terms of the Contract Documents shall be forfeited to City. Such forfeiture shall not release Contractor or its sureties from liability for failure to fulfill this Agreement. Contractor and its sureties will be credited with the amount of monies forfeited toward any greater sum they may be liable for in connection with Contractor's default.

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11.3 Suspension by City for Convenience. City may, at any time and from time to time, without cause, order Contractor, in writing, to suspend, delay, or interrupt the Work in whole or in part for such period of time, up to an aggregate of fifty percent (50%) of the Contract Time, as City may determine, with such period of suspension to be computed from the date of the written order. Without limitation to the foregoing, Contractor acknowledges that issuance of a suspension order by City due to circumstances relating to City's compliance with the California Environmental Quality Act is foreseeable and that such suspension order, regardless of its duration, shall not be considered a breach by City of this Agreement. Upon receipt of a suspension order, Contractor shall, at City's expense, comply with its terms and take all reasonable steps to minimize costs allocable to the Work covered by the suspension order during the period of work stoppage. Within the period of the above noted aggregate time, or such extension to that period as is agreed upon by Contractor and City, City shall either cancel the suspension order or it shall have the right, without incurring a liability to Contractor for lost profits or consequential damages, to delete the Work covered by such suspension order by issuing a Change Order.

11.3.1 Resumption. If a suspension order is canceled or expires, Contractor shall resume and continue with the Work. A Change Order will be issued adjusting the Contract Price and/or the Contract Time for additional costs of work and delay necessarily caused by such suspension.

11.3.2 Suspension Order Required. The provisions of this Section 11.3 shall not apply if a suspension order is not issued by City. A suspension order shall not be required to stop the Work as permitted or required under any other provision of the Contract Documents.

11.4 Termination Without Cause. City shall have the option, at its sole discretion and without cause, to terminate this Agreement in part or in whole by giving thirty (30) days' written notice to Contractor as provided herein. Contractor agrees to accept such sums as allowed under this Section 11.4 as its sole and exclusive compensation and waives any claim for other compensation or Losses, including, but not limited to, Loss of anticipated profits, Loss of revenue, lost opportunity, or other consequential, direct, indirect, incidental Losses or damages, of any kind.

11.4.1 Contractor Obligations. Upon receipt of notice of termination without cause, Contractor shall, unless the notice directs otherwise, do the following:

.a Immediately discontinue performance to the extent specified in the notice;

.b Place no further orders or subcontracts for materials, equipment, services or facilities, except as may be necessary for completion of such portion of its obligations as is not discontinued;

.c Provide to City a description, in writing no later than two (2) business days after receipt of the notice of termination, complete copies of all subcontracts, purchase orders and contracts that are outstanding, including any change orders, amendments and modifications thereto, status of payments and balance owing, the status of performance

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and claims by Trade Contractors, together with such other information as City may determine necessary in order to decide whether to accept assignment of, or request Contractor to terminate the subcontract, purchase order or contract;

.d Promptly assign to City those subcontracts, purchase orders or contracts, or portions thereof, that City elects to accept by assignment and cancel, on the most favorable terms reasonably possible, all subcontracts, purchase orders or contracts, or portions thereof, that City does not elect to accept by assignment; and

.e Thereafter continue only such performance as may be necessary to preserve and protect work already completed or in progress and to protect materials and equipment on the Site or in transit thereto.

11.4.2 Final Billing. Following termination without cause and within thirty (30) days after receipt of a complete and timely billing from Contractor seeking payment of sums authorized by this Paragraph 11.4.2, City shall pay to Contractor as its sole and exclusive compensation for performance under this Agreement the following:

.a The Contract Price earned and payable as of the date of termination, less sums previously paid to Contractor;

.b Plus, reasonable costs of work of Contractor and Trade Contractors for (i) demobilizing, and (ii) administering the close out of its participation in the Project (including, without limitation, all billing and accounting functions) for a period of no longer than thirty (30) days after receipt of the notice of termination;

11.4.3 Trade Contractors. Contractor shall include provisions in all of its subcontracts, purchase orders and other contracts with its Trade Contractors permitting termination for convenience by Contractor on terms that are consistent with this Agreement and that afford no greater rights of recovery against Contractor for termination than are afforded to Contractor.

11.5 Contractor's Rights and Remedies.

11.5.1 Contractor's Remedies. Contractor may terminate this Agreement for cause only upon the occurrence of one of the following:

.a The work is stopped for one hundred sixty (160) consecutive days, through no act or fault of Contractor, any Trade Contractor, of any tier, or any employee or agent of any of them, due to issuance of an order of a court or other governmental authority other than City having jurisdiction or due to an act of government, such as a declaration of a national emergency making material unavailable.

.b City fails to make payment of sums that are not in good faith disputed by City and fails to cure such default within (i) ninety (90) days after receipt of notice from Contractor notifying City of the default; and (ii) an additional thirty (30) days notice to City notifying it of its intention to terminate this Agreement.

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11.5.2 Continuous Performance. Provided that Contractor is paid undisputed sums due under this Agreement, Contractor shall not stop, delay or interrupt continuous performance of the Work by reason of any dispute or disagreement with City, including, without limitation, any disputes or disagreements over payments of funds that are disputed in good faith by City.

12.0 MISCELLANEOUS PROVISIONS

12.1 Disadvantaged Business Enterprise (DBE) Participation. DBE and other small businesses (SB), as defined in Title 49 CFR, Part 26 are encouraged to participate in the performance of agreements financed in whole or in part with federal funds. The Contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Agreement. Contractor shall cause any contract entered into with its Trade Contractors to contain all of the provisions of this section.

12.2 Warranties. Contractor warrants and guarantees all equipment, materials, supplies and work furnished on the Project against defective construction or workmanship for a period of one (1) year following completion of the Project, except when a longer guaranty is provided by the supplier or manufacturer of the equipment. The Contractor warrants to the City that all materials and equipment furnished under this Contract will be new unless specified and that all work will be of good quality, free from faults and defects and in conformance with the Contract Documents. All work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. Contractor expressly agrees to act as co-guarantor of such equipment and materials and the Contractor shall supply City with all warranty and guaranty documents relative to equipment and materials incorporated in the Work and guaranteed by their suppliers or manufacturers.

If within one (1) year after the date of completion of the Project, any of the Work is found to be defective or not in accordance with the Contract documents, Contractor shall correct it or cause it to be corrected promptly after receipt of a written notice from the City to do so, at the Contractor's expense. This obligation shall survive completion or termination of the Contract. The City shall give notice promptly after discovery of the condition.

12.4 Governing Law. This Agreement shall be governed by the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Los Angeles.

12.5 Waiver of Jury Trial. Contractor voluntarily waives its right to a jury trial of any cause of action, claim, counter-claim or cross-complaint in any action, proceeding or hearing on any matter whatsoever arising out of, or in any way connected with, this Agreement, the relationship between City and Contractor, Contractor's performance on the Project, or the enforcement of any remedy under any law, statute or regulation now or hereafter in effect. Contractor shall include this provision for waiver of jury trial right in its contracts with its Trade Contractors who provide work to the Project, waiving the right of a jury trial in any action

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involving City as a party, whether by joinder, consolidation, counter-claim, cross-complaint or otherwise.

12.6 Severability. Should any part of this Agreement be declared by a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid, or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement, which shall continue in full force and effect, provided that the remainder of this Agreement, absent the unexcised portion, can be reasonably interpreted to give effect to the intentions of the parties.

12.7 Successors and Assigns. This Agreement shall be binding on successors, assigns and legal representatives of and persons in privity of contract with City or Contractor. Contractor shall not assign, sublet or transfer an interest in this Agreement without advance written approval of City. Assignment, subletting or transfer will not release Contractor from any of its obligations to City.

12.8 Interpretation. Contractor and City acknowledge that the terms of this Agreement has been mutually negotiated and that such documents shall not be interpreted against either City or Contractor on the basis that either party was responsible for or in control of the drafting of such documents.

12.9 Survival. All provisions of this Agreement which by their nature continue beyond the termination or completion of performance under this Agreement, including, without limitation, those obligations pertaining indemnification, insurance and confidentiality, shall survive and continue in force after either termination or completion of performance by Contractor.

12.10 Conflict of Interest. The Contractor represents, warrants and agrees that to the best of its knowledge, it does not presently have, nor will it acquire during the term of this Contract, any interest direct or indirect, by Contract, employment or otherwise, or as a partner, joint venturer or shareholder (other than as a shareholder holding a one percent (1%) or less interest in publicly traded companies) or affiliate with any business or business entity that has entered into any Contract, subcontract or arrangement with the City. Upon execution of this Contract and during its term, as appropriate, the Contractor shall disclose in writing to the City, any other Contract or employment during the term of this Contract by any other persons, business or corporation in which employment will or may likely develop a conflict of interest between the City interest and the interests of the third parties.

12.11 City's Quality Assurance Plan. The City shall evaluate Contractor's performance under this Contract. Such evaluation will include assessing Contractor's compliance with all Contract terms and performance standards. Contractor deficiencies which the City determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the City. The report will include improvement/corrective action measures taken by the City and the Contractor. If improvement does not occur consistent with the corrective action measures, the City may terminate this Contract or seek other remedies as specified in this Contract.

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12.12 Copyrights. No report, maps, or other documents produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of the Contractor. All documents become the property of the City who holds all the rights to said data.

12.13 Confidentiality of Reports. The Contractor shall keep confidential all reports, information and data received, prepared or assembled pursuant to performance hereunder. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of the City.

12.14 Employees of Contractor. Worker's Compensation: Contractor understands and agrees that all persons furnishing services to the City pursuant to this Contract are, for the purposes of workers' compensation liability, employees solely of Contractor. Contractor shall bear sole responsibility and liability for providing workers' compensation benefits to any person for injury arising from an accident connected with services provided to the City under this Contract.

Professional Conduct: The City does not and will not condone any act, gestures, comments or conduct from the Contractor's employees, agents or subcontractors which may be construed as sexual harassment or any other type of activity or behavior that might be construed as harassment. The City will properly investigate all charges of harassment by residents, employees, agents or subcontractors and is responsible for taking appropriate action after reports of harassment are received by the Contractor.

12.15 Patent Rights. The City will hold all the patent rights with respect to any discovery or invention which arises or is developed in the course of, or under this Contractor.

12.16 Waivers. A waiver by either party to this Agreement of any breach of any term, covenant or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein, whether of the same or a different character.

12.17 Federal and State Withholding Taxes. Contractor shall be responsible for paying when due all federal and state income withholding taxes for all earning under this Agreement. Contractor agrees to indemnify City for any claims, costs, losses, fees, penalties, interest, or damages suffered by City resulting from Contractor's failure to comply with this provision.

12.18 Entire Agreement. The Contract Documents represent the entire and integrated agreement between City and Contractor and supersedes all prior negotiations, representations or agreements, either written or oral. The Contract Documents may be amended or modified only by Change Order. Nothing contained in the Contract Documents shall be for the benefit of, create any contractual relationship with, or give rise to a cause of action in favor of any third party.

12.19 Water Pollution Control.

12.17.1 Best Management Practices (BMPs). Contractor, without

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limitation, shall be responsible to provide and implement Best Management Practices to comply with National Pollution Discharge Elimination System (“NPDES”) standards and practices. The Contractor shall be responsible, to the fullest extent possible, not to permit any contaminants, including soil, to enter any drainage system. Contractor shall be responsible to maintain equipment so that oil, grease, gasoline, diesel fuel, et al., does not contaminate areas subject to run-off. The Contractor and its surety shall fully indemnify the City for any pollution damage and/or cleaning costs. All construction of off-site and on-site improvements shall adhere to NPDES Best Management Practices to prevent deleterious materials or pollutants from entering the City or County storm drain systems. Best Management Practices shall be defined as any program, technology, process, site criteria, operating method, measure or device which controls, prevents, removes or reduces pollution. Contractor shall obtain and refer to the California Storm Water Best Management Practice Handbooks, Volume 3 Construction BMP Handbook and the Los Angeles County Department of Public Works Best Management Practices Handbook for Construction Activities.

The City, as permittee, is subject to enforcement actions by the State Water Resources Control Board, Environmental Protection Agency and private citizens. The City may assess the Contractor a penalty of **One thousand Dollars (\$1,000.00)** for each calendar day that the Contractor has not fully implemented the BMPs specified for the contract and/or is otherwise in noncompliance with these provisions. In addition, the City will deduct, from the final payment due the contractor, the total amount of any fines levied on the City, plus legal and staff costs, as a result of the Contractor’s lack of compliance with these provisions and/or less than complete implementation of the specified BMPs.

12.20 Execution Authority. The person(s) executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which said party is bound. The Contractor shall complete a W9 Form in the form provided by the City.

13.0 NOTICES

13.1 Delivery. All notices, demands or requests to be given under this Agreement shall be given in writing and conclusively shall be deemed received when: (a) delivered personally, or (b) on the fifth (5th) day after the deposit thereof in the United States mail, postage prepaid, and addressed as hereinafter provided, or (c) one (1) business day after send by facsimile transmission.

13.2 Addresses. All notices, demands, requests or approvals from Contractor to City shall be addressed to the City at:

City of Compton
 205 South Willowbrook Avenue
 Compton, California 90220
 Attn: Director, Public Works/Municipal Utilities Department
 (310) 605-5505

#6.

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(310) 605-6326 – Fax

with copies to:

City of Compton
205 South Willowbrook Avenue
Compton, California 90220
Attn: City Manager

All notices, demands or requests from City to Contractor shall be addressed to:

Arnaz Engineering Contractors, Inc.
1035 North Armando Street, Suite "X"
Anaheim, California 90806
Attn: Alireza Yazdanshenas, President
(714) 666-1765
(949) 488-0412 - Fax

13.3 Change in Address. In the event of any change of address, the moving party is obligated to notify the other party of the change of address in writing. Each party may amend, supplement and update the notice list to add, delete or replace any listed individuals; however, the amendment must be in writing.

IN WITNESS WHEREOF, Contractor has executed this Agreement and the City, by its City Manager, who is authorized to do so, has executed this Agreement.

**ARNAZ ENGINEERING CONTRACTORS, INC.
CONTRACTOR**

Dated: _____

By _____
Alireza Yazdanshenas, President

**CITY OF COMPTON
Recommended for Approval:**

By _____
**Glen W.C. Kau, P.E., Director
Public Works/Municipal Utilities Department**

Dated: _____

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Approved by:

Dated: _____

By _____
Roger L. Haley, City Manager

Approved as to form:

By _____
Craig J. Cornwell, City Attorney

Dated: _____

ATTEST:

Dated: _____

By _____
Alita Godwin, City Clerk

RESOLUTION SIGN-OFF FORM

DEPARTMENT: Water Department

RESOLUTION TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH AND ESTABLISH A PURCHASE ORDER FOR ARNAZ ENGINEERING CONTRACTORS, INC. FOR THE CONSTRUCTION AND INSTALLATION OF A NEW SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEM (\$790,900)

Glen Kau
DEPARTMENT MANAGER’S SIGNATURE

1/26/2016 7:25:54 PM
DATE

REVIEW / APPROVAL

Ruth Rugley
CITY ATTORNEY

2/11/2016 4:56:54 PM
DATE

Regina Tercero
CITY CONTROLLER

2/11/2016 4:02:23 PM
DATE

Roger Haley
CITY MANAGER

2/11/2016 10:06:40 AM
DATE

Use when:	
Public Works:	When contracting for Engineering Services.
City Attorney:	When contracting for legal services; contracts that require City Attorney’s review.
Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.

February 16, 2016

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: CITY MANAGER/CITY CONTROLLER

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING AN AMENDMENT TO THE LOCAL TAX COMPLIANCE SERVICES AGREEMENT (BUSINESS LICENSE FEE AUDIT, BILLBOARD AND CARD CLUB REVENUE AUDIT SERVICES) WITH MUNISERVICES, LLC TO EXTEND THE TERM OF THE AGREEMENT FOR A PERIOD OF TWENTY-FOUR (24) MONTHS

SUMMARY

Adoption of this resolution will authorize the City Manager to execute an extension to the term of the Local Tax Compliance Services ("LTC") agreement with MuniServices, LLC ("MuniServices"), for a period of twenty-four (24) months (March 5, 2015 through March 4, 2017), to provide Business License Fees, Billboard and Card Club Revenue Audit Services for the City.

BACKGROUND

Pursuant to Resolution No. 23,448, in March 2012, the City entered into an agreement with MuniServices to perform an audit of the business license fees to ensure that the City was receiving the amount rightly due by identifying businesses subject to taxation by the City who were not properly registered or otherwise not reporting taxes to the City. This service is provided on the basis of a contingency fee of forty percent (40%) of the additional business license revenue received by the City from each business that has been identified as owing the City, subject to a maximum compensation amount of \$15,000.00 per business.

On November 6, 2012, Resolution No. 23,638 was adopted, which amended the agreement with MuniServices to expand the scope of services to include Billboard and Card Club revenue audit services at a cost of 35% of the revenue received by the City as a result of deficiencies identified as lawfully due as a result of the audit services. Since 2012, the agreement for provision of Business License Fee, Billboard and Card Club Revenue Audit Services has been extended each year pursuant to resolutions adopted by the City Council. The last resolution (Resolution No. 23,940) was adopted by the City Council on May 6, 2014, extending the services agreement through March 4, 2015.

STATEMENT OF ISSUE

MuniServices has consistently provided municipal revenue enhancement services since 1972 by helping municipalities preserve, enhance and manage their revenue base. Working exclusively in the government sector, MuniServices is one of the few firms in the country providing Revenue Discovery, Audit, Collections and Information Services that encompass every municipal tax source.

As concerns the City's business license fees, MuniServices utilizes its massive database of sales information to identify companies in the City that are not renewing or obtaining business licenses. Since employing MuniServices, the City's business license revenues have increased from \$1.34 million in 2012 to \$1.84 million in 2013, \$1.71 million in 2014 and 1.67 million in 2015 for a total net gain in business license revenues to the City of \$1.2 million.

MuniServices reviews the revenues of the billboard company contract to ensure that the company pays the amount of bonus due to the City. The City relies on their audit services to verify the revenues of the billboard company to compute the amount due the City. The City received a \$145,462 bonus from the billboard company for 2015 and has received a total of \$481,923 in bonus from the billboard company since 2011. MuniServices also reviews the revenues of the Card Club to ensure compliance.

Through inadvertence the last agreement with MuniServices was allowed to lapse in March 2015 without executing another extension, however, they have continued to provide satisfactory review, audit and consulting services to the City since that time to the present. Additionally, MuniServices provides expert services to the City that include sales and use tax audit, sale and use tax analysis and reporting, property tax and Utility Users' Tax compliance services.

In light of fact that MuniServices has implemented the various programs necessary to identify new and existing businesses within the City and has become thoroughly familiar with the City's tax and licensing regulations, contracts and franchises, for purposes of continuity and expediency staff recommends that the agreement be renewed retroactively for the term of March 5, 2015 through March 4, 2017.

FISCAL IMPACT

The estimated fiscal impact of this proposed action is a net gain to the General Fund commensurate with the amount of new revenues identified for the City less the contingency fee.

The City has worked with MuniServices for a number of years under a performance-based arrangement tied to a percentage of new revenue received.

They receive compensation only when they have found additional revenues for the City, thus it provides savings and additional revenue to the City to contract with MuniServices to ensure that the City has someone to consistently review specific sources of potential revenues for the City.

The compensation for the audit services shall be funded from the additional revenues received by way of a deduction from the revenue collections.

RECOMMENDATION

Staff recommends that Council adopt the attached Resolution.

**STEPHEN AJOBIEWE
CITY CONTROLLER**

APPROVED FOR FORWARDING:

**ROGER L. HALEY
CITY MANAGER**

RLH:SA:CJC:RAR:rar

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON
AUTHORIZING AN AMENDMENT TO THE LOCAL TAX COMPLIANCE
SERVICES AGREEMENT (BUSINESS LICENSE FEE AUDIT, BILLBOARD
AND CARD CLUB REVENUE AUDIT SERVICES) WITH MUNISERVICES,
LLC TO EXTEND THE TERM OF THE AGREEMENT FOR A PERIOD OF
TWENTY-FOUR (24) MONTHS**

WHEREAS, the City of Compton receives revenue from businesses operating within the City that are subject to taxation by the City, agreements with billboard companies, card club companies and other companies operating within the City; and

WHEREAS, services the City provides to its residents depend on the City receiving its rightful revenue due from these various revenue sources; and

WHEREAS, in light of the need for the City to reduce General Fund expenditures and increase revenue collections, pursuant to Resolution No. 23,448, in March 2012, the City entered into a Local Tax Compliance Services Agreement with MuniServices, LLC to perform an audit of the business license fees to ensure that the City is receiving the amount rightly due to the City. This agreement was amended in November 2012, pursuant to Resolution 23,638, to expand the scope of services to include Billboard and Card Club audit services; and

WHEREAS, since employing MuniServices, the City's business license revenues have increased from \$1.34 million in 2012 to \$1.84 million in 2013, \$1.71 million in 2014 and 1.67 million in 2015 for a total net gain in business license revenues to the City of \$1.2 million; and

WHEREAS, based on MuniServices' review of revenues, the City has received a \$145,462 bonus from the billboard company for 2015 and has received a total of \$481,923 in bonus from the billboard company since 2011; and

WHEREAS, since 2012, the agreement for provision of Business License Fee, Billboard and Card Club Audit Services provided by MuniServices has been extended each year pursuant to resolutions adopted by the City Council. The last resolution (Resolution No. 23,940) was adopted by the City Council on May 6, 2014, extending the services agreement through March 4, 2015; and

WHEREAS, through inadvertence the last agreement with MuniServices was allowed to lapse in March 2015 without executing another extension, however, they have continued to provide satisfactory review, audit and consulting services to the City since that time and to the present; and

WHEREAS, in light of fact that MuniServices has implemented the various programs necessary to identify new and existing businesses within the City and has become thoroughly familiar with the City's tax and licensing regulations, contracts and franchises, for purposes of continuity and expediency it is recommended that the Agreement be retroactively renewed for the term of March 5, 2015 through March 4, 2017.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON
DOES HEREBY RESOLVE:**

Section 1. That the City Manager, upon the advice and approval of the City Attorney is authorized to amend the Local Tax Compliance Services Agreement with MuniServices, LLC to extend the term of the agreement retroactively from March 5, 2015 through March 4, 2017.

Section 2. That the compensation for provision of Business License fees audit services shall not exceed 40% of the additional revenues collected from each business that owes the City, subject to a maximum amount of \$15,000.00 per business.

Section 3. That the compensation for provision of Billboard and Casino revenue audit services shall be a contingency fee of 35% of the revenue received by the City as a result of deficiencies identified as lawfully due as a result of the audit services.

Section 4. That the compensation for the audit services shall be funded from the additional revenues received by way of a deduction from the revenue collections.

Section 5. That a certified copy of this Resolution shall be filed in the offices of the City Manager, City Clerk, City Controller, and City Attorney.

Section 6. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

ADOPTED this ____ day of _____, 2016.

MAYOR OF THE CITY OF COMPTON

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)ss
CITY OF COMPTON)

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council of the City of Compton, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on the ____ day of _____, 2016.

Resolution No. _____
Page 3

That said Resolution was adopted by the following vote, to wit:

AYES: COUNCIL MEMBERS-
NOES: COUNCIL MEMBERS-
ABSTAIN: COUNCIL MEMBERS-
ABSENT: COUNCIL MEMBERS-

CITY CLERK OF THE CITY OF COMPTON

RESOLUTION SIGN-OFF FORM

DEPARTMENT: City Attorney

RESOLUTION TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING AN AMENDMENT TO THE LOCAL TAX COMPLIANCE SERVICES AGREEMENT (BUSINESS LICENSE FEE AUDIT, BILLBOARD AND CARD CLUB REVENUE AUDIT SERVICES) WITH MUNISERVICES, LLC TO EXTEND THE TERM OF THE AGREEMENT FOR A PERIOD OF TWENTY-FOUR (24) MONTHS

Ruth Rugley
DEPARTMENT MANAGER’S SIGNATURE

2/4/2016 1:59:59 PM
DATE

REVIEW / APPROVAL

Ruth Rugley
CITY ATTORNEY

2/11/2016 2:20:36 PM
DATE

Regina Tercero
CITY CONTROLLER

2/11/2016 1:46:39 PM
DATE

Roger Haley
CITY MANAGER

2/11/2016 10:01:29 AM
DATE

Use when:	
Public Works:	When contracting for Engineering Services.
City Attorney:	When contracting for legal services; contracts that require City Attorney’s review.
Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.

February 16, 2016

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: ROBERT DELGADILLO, SENIOR PLANNER
PLANNING & ECONOMIC DEVELOPMENT

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE CITY'S INCORPORATED AREA IN CALIFORNIA HOME FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2014-1 PROGRAM (CLEAN ENERGY) TO FINANCE RENEWABLE ENERGY GENERATION, ENERGY EFFICIENCY, WATER CONSERVATION AND ELECTRIC VEHICLE CHARGING INFRASTRUCTURE IMPROVEMENTS AND AUTHORIZING ASSOCIATE MEMBERSHIP IN THE JOINT EXERCISE OF POWERS AUTHORITY

BACKGROUND

The California Home Finance Authority ("CHF" or "Authority"), which is in the process of formally changing its name to the "Golden State Finance Authority," is a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Sections 6500 et seq.) (the "Act") and the Joint Power Agreement entered into on July 1, 1993, as amended from time to time (the "Authority JPA").

CHF has established two Property Assessed Clean Energy ("PACE") financing programs for residential, commercial, industrial and agricultural properties to address high up-front costs for property owners who wish to improve their properties through installation of measures that will generate renewable energy or reduce their energy and water use. By offering low cost financing, CHF's PACE programs allow construction of these projects to proceed and, in the process, stimulate building activity and the overall local economy, reduce peak energy demand, increase property values, and generate savings on utility bills for property owners.

CHF contracts with Ygrene Energy Fund CA LLC ("Ygrene") to serve as the program administrator and to operate the Ygrene Works for California PACE financing program.

In May of 2015, the City Council adopted a similar PACE program under the administrator HERO. Ygrene will operate very similar to HERO but has a few important distinctions which are discussed below.

STATEMENT OF ISSUE

I. PACE Financing Programs:

CHF has established two PACE programs under the legislative authority of two separate California PACE laws:

SB 555 PACE Community Facilities District: Senate Bill 555 amended the Mello-Roos Community Facilities Act, set forth in Sections 53311 through 53368.3 of the California Government Code and particularly in accordance with Sections 53313.5(l) and 53328.1(a) (“Mello-Roos Act”), to allow for the creation of Community Facilities Districts (“CFDs”) for the purpose of financing or refinancing the acquisition, installation, and improvement of energy efficiency, water conservation, renewable energy and electric vehicle charging infrastructure improvements permanently affixed to private or publicly-owned real property.

Individual properties can be annexed into the district and be subject to the special tax that is imposed to repay project financing only if (i) the Council adopts a resolution consenting to the inclusion of parcels in the incorporated areas of the City within the CFD and (ii) each participating owner provides its unanimous written approval for annexation of its property into the PACE CFD.

AB 811 PACE Contractual Assessment Program: By the passage of Assembly Bill 811, the California State Legislature added Chapter 29 to the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code. This legislation authorized cities and counties to establish voluntary contractual assessment programs for the purpose financing private property improvements that promote renewable energy generation, energy and water efficiency and electric vehicle charging infrastructure.

As with the SB 555 CFD, properties can be annexed into the AB 811 PACE program and be subject to the property tax assessment that is imposed to repay project financing only if (i) the Council adopts a resolution consenting to the inclusion of parcels in the incorporated areas of the City within the program and (ii) each participating owner consents in writing to the annexation of its property into the PACE program.

The City of Compton has previously approved participation in HERO PACE program. Adding the CHF PACE programs, to be administered by Ygrene, provides more options for City property owners. It will not add to or require any additional responsibilities for the City.

**Staff Report – Resolution Inclusion in CHF Community
Facilities District No. 2014-1 (Clean Energy) &
Authorize Associate Membership in CHF
February 16, 2016, Page 3 of 5**

II. JPA ASSOCIATE MEMBERSHIP

To participate in the PACE programs, the City must become an Associate Member of CHF (JPA Agreement attached). Associate membership requires no dues or other costs to the City, but permits participation in all CHF programs including the PACE program. The attached resolution will authorize joining the JPA as an Associate Member. Pursuant to the JPA Agreement and CHF Board Resolution 15-01, the Executive Director has the authority to approve the addition of new Associate Members to the JPA.

III. PROGRAM AUTHORIZATION BEING SOUGHT

CHF sought and has completed the process of judicial validation for both the SB 555 and the AB 811 Programs in the Superior Court for the County of Sacramento. As of August 25, 2015, the CHF SB 555 PACE Program is fully operational. Although CHF is implementing the SB 555 PACE Program at this time, CHF has chosen to form, validate and maintain both the SB 555 and AB 811 Programs offerings to ensure that the "Ygrene Works for California" program remains the most innovative, cost effective and most secure PACE program in the state.

Should market conditions, consumer demand and/or legislative changes affect one PACE program more than another, CHF has the flexibility to offer the program that best supports CHF's vision of service without any interruption to participating counties and cities and their property owners. CHF intends to maximize the benefits of both program offerings.

Ygrene provides energy efficiency, water conservation and solar financing using the SB 555 Community Facilities District Program. The JPA's SB 555 program provides the greatest consumer protections and the opportunity for lower costs because the issuance of bonds for financing is not required. The JPA's AB 811 PACE is available and used for seismic strengthening improvements because the legislature specifically added that type of improvement to the scope of AB 811 PACE programming.

Following are additional PACE program considerations:

- Supports development of renewable energy sources, installation of energy and water efficiency improvements, reduction of greenhouse gases, and protection of the environment.

**Staff Report – Resolution Inclusion in CHF Community
Facilities District No. 2014-1 (Clean Energy) &
Authorize Associate Membership in CHF
February 16, 2016, Page 4 of 5**

- Only property owners who voluntarily choose to participate in the program will be subject either to assessments or special taxes, depending on which program CHF decides to implement.
- Program financing provides for an affordable method for many property owners to reduce their energy costs and improve their properties.
- Because program financing can be readily transferred upon sale, even owners who are planning to sell have the ability to make responsible and beneficial improvements to their property.
- While early payment premiums apply in some circumstances, property owners can choose to pay off the program financing at any time.
- The City incurs no financial obligations as a result of program participation.
- Once the Council adopts the attached and companion resolutions, the City will incur no costs, and no staff time is required for administration or funding of the PACE program.

IV. COUNCIL ACTION

In support of CHF's approach, the Council is being asked to adopt two (2) resolutions that would approve the following actions:

- a. Adopt the attached resolution which will authorize the City to join the JPA as an Associate Member and permits property owners within the incorporated areas of the City to participate in the California Home Finance Authority Community Facilities District No. 2014-1 (SB 555 PACE Community Facilities District); and
- b. Adopt the companion resolution presented to the Council authorizing the City to join the JPA as an Associate Member and permits property owners within the incorporated areas of the City to participate in the California Home Finance Authority AB 811 PACE Program.

Each resolution also authorizes CHF (1) to accept applications from property owners within the City's incorporated area to finance authorized improvements; and (2) to conduct proceedings and levy special taxes or contractual assessments, as applicable, on the property of participating owners.

Facilities District No. 2014-1 (Clean Energy) &
Authorize Associate Membership in CHF
February 16, 2016, Page 5 of 5

FISCAL IMPACT

There are no negative fiscal impacts to the City's general fund associated with the recommended actions. There is no cost to the City to become an Associate Member of the JPA or by opting into the PACE programs described in this report. The City will have no administrative costs.

RECOMMENDED ACTION

Staff recommends that the City Council adopt the attached resolution.

**ROBERT DELGADILLO, SENIOR PLANNER
PLANNING & ECONOMIC DEVELOPMENT DEPARTMENT**

APPROVED FOR FORWARDING:

**ROGER L. HALEY
CITY MANAGER**

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE CITY'S INCORPORATED AREA IN CALIFORNIA HOME FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2014-1 PROGRAM (CLEAN ENERGY) TO FINANCE RENEWABLE ENERGY GENERATION, ENERGY EFFICIENCY, WATER CONSERVATION AND ELECTRIC VEHICLE CHARGING INFRASTRUCTURE IMPROVEMENTS AND AUTHORIZING ASSOCIATE MEMBERSHIP IN THE JOINT EXERCISE OF POWERS AUTHORITY.

WHEREAS, the California Home Finance Authority ("CHF" or "Authority"), a California Joint Exercise of Powers Authority, established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Sections 6500 et seq.) (the "Act") and the Joint Power Agreement entered into on July 1, 1993, as amended from time to time ("Authority JPA"), has established the Community Facilities District No. 2014-1 Program (Clean Energy) in accordance with the Mello-Roos Community Facilities Act, set forth in Sections 53311 through 53368.3 of the California Government Code (the "Act") and particularly in accordance with Sections 53313.5(l) and 53328.1(a) (the "District"); and

WHEREAS, the Authority is in the process of amending the Authority JPA to formally change its name to the Golden State Finance Authority; and

WHEREAS, the purpose of the Community Facilities District ("District") is to finance or refinance (including the payment of interest) the acquisition, installation, and improvement of energy efficiency, water conservation, renewable energy and electric vehicle charging infrastructure improvements permanently affixed to private or publicly-owned real property (the "Improvements"); and

WHEREAS, the City of Compton (the "City") is committed to development of renewable energy generation and energy efficiency improvements, reduction of greenhouse gases, and protection of the environment; and

WHEREAS, in the Act, the Legislature has authorized a parcel within the territory of the District to annex to the District and be subject to the special tax levy of the District only (i) if the city or county within which the parcel is located has consented, by the adoption of a resolution by the applicable city council or county board of supervisors, to the inclusion of parcels within its boundaries in the District and (ii) with the unanimous written approval of the owner or owners of the parcel when it is annexed (the "Unanimous Approval Agreement"), which, as provided in Section 53329.6 of the Act, shall constitute the election required by the California Constitution; and

WHEREAS, the City wishes to provide innovative solutions to its property owners to achieve energy efficiency and water conservation and in doing so cooperate with Authority in order to efficiently and economically assist property owners in the City in financing such Improvements; and

WHEREAS, the City desires to become an Associate Member of the Joint Exercise of Powers Authority Agreement to participate in the programs of the Joint Exercise of Powers Authority and to assist property owners within the incorporated area of the City in financing the cost of installing Improvements; and

WHEREAS, the City of Compton will not be responsible for the conduct of any special tax proceedings, the levy and collection of special taxes or any required remedial action in the case of delinquencies in the payment of any special taxes in connection with the District.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES
HEREBY RESOLVE AS FOLLOWS:**

Section 1. That the City Council finds and declares that properties in the City’s incorporated area will be benefited by the availability of the California Home Finance Authority Community Facilities District No. 2014-1 Program (Clean Energy) to finance the installation of renewable energy improvements, energy efficiency and water conservation improvements and electric vehicle charging infrastructure (“Improvements”).

Section 2. That the City Council consents to inclusion in the California Home Finance Authority Community Facilities District No. 2014-1 Program (Clean Energy) of all of the properties in the incorporated area within the City and to the Authorized Improvements, upon the request of and execution of the Unanimous Approval Agreement by the owners of such properties when such properties are annexed, in compliance with the laws, rules and regulations applicable to such program; and to the assumption of jurisdiction there-over by the Authority for the purposes thereof.

Section 3. That the consent of the City Council constitutes assent to the assumption of jurisdiction by the Authority for all purposes of the Authority Community Facilities District No. 2014-1 Program (Clean Energy) and authorizes the Authority, upon satisfaction of the conditions imposed in this resolution, to take each and every step required for or suitable for financing the Improvements.

Section 4. That the City Council hereby approves joining the Joint Exercise of Powers Authority as an Associate Member and authorizes the execution by the City Manager of any necessary documents to effectuate such membership.

Section 5. That City staff is hereby authorized to coordinate with Authority staff to facilitate operation of the Authority Community Facilities District No. 2014-1 Program (Clean Energy) within the City and report back periodically to the City Council on the success of such program.

Section 6. That a copy of this Resolution shall be filed in the offices of the City Clerk, City Manager, City Attorney, Planning and Economic Development Department, and Building and Safety Department. The City Clerk also is instructed to send a certified copy of this Resolution to the Secretary of the California Home Finance Authority Joint Powers Authority.

Section 7. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

ADOPTED this ____ day of _____, 2016.

MAYOR OF THE CITY OF COMPTON

Resolution No. _____
Page 3

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on the ____ day of _____, 2016.

That said Resolution was adopted by the following vote, to wit:

AYES: COUNCIL MEMBERS-
NOES: COUNCIL MEMBERS-
ABSENT: COUNCIL MEMBERS-
ABSTAIN: COUNCIL MEMBERS-

CITY CLERK OF THE CITY OF COMPTON

Exhibit A

CALIFORNIA HOME FINANCE AUTHORITY
JOINT POWERS AUTHORITY AGREEMENT

CALIFORNIA HOME FINANCE AUTHORITY**AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT**

(Original date July 1, 1993 and as last amended and restated December 10, 2014)

THIS AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT ("Agreement") is entered into by and among the counties listed on Attachment 1 hereof and incorporated herein by reference. All such counties are referred to herein as "Members" with the respective powers, privileges and restrictions provided herein.

RECITALS

A. WHEREAS, the California Rural Home Mortgage Finance Authority ("CRHMFA") was created by a Joint Exercise of Powers Agreement dated July 1, 1993 pursuant to the Joint Exercise of Powers Act (commencing with Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"). By Resolution 2003-02, adopted on January 15, 2003, the name of the authority was changed to CRHMFA Homebuyers Fund. The most recent amendment to the Joint Exercise of Powers Agreement was on January 28, 2004.

B. WHEREAS, the Members of CRHMFA Homebuyers Fund desire to update, reaffirm, clarify and revise certain provisions of the joint powers agreement, including the renaming of the joint powers authority, as set forth herein.

C. WHEREAS, the Members are each empowered by law to finance the construction, acquisition, improvement and rehabilitation of real property.

D. WHEREAS, by this Agreement, the Members desire to create and establish a joint powers authority to exercise their respective powers for the purpose of financing the construction, acquisition, improvement and rehabilitation of real property within the jurisdiction of the Authority as authorized by the Act.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Members individually and collectively agree as follows:

1. Definitions

Unless the context otherwise requires, the following terms shall for purposes of this Agreement have the meanings specified below:

"Act" means the Joint Exercise of Powers Act, commencing with Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including the Marks-Roos Local Bond Pooling Act of 1985, as amended.

"Agreement" means this Joint Exercise of Powers Agreement, as the same now exists or as it may from time to time be amended as provided herein.

#8.

"Associate Member" means a county, city or other public agency which is not a voting member of the Rural County Representatives of California, a California nonprofit corporation ("RCRC"), with legal power and authority similar to that of the Members, admitted pursuant to paragraph 4.d. below to associate membership herein by vote of the Board.

"Audit Committee" means a committee made up of the nine-member Executive Committee.

"Authority" means California Home Finance Authority ("CHF"), formerly known as CRHMFA Homebuyers Fund or California Rural Home Mortgage Finance Authority.

"Board" means the governing board of the Authority as described in Section 7 below.

"Bonds" means bonds, notes, warrants, leases, certificates of participation, installment purchase agreements, loan agreements and other securities or obligations issued by the Authority, or financing agreements entered into by the Authority pursuant to the Act and any other obligation within the meaning of the term "Bonds" under the Act.

"Delegate" means the Supervisor designated by the governing board of each Member to serve on the Board of the Authority.

"Executive Committee" means the nine-member Executive Committee of the Board established pursuant to Section 10 hereof.

"Member" means any county which is a member of RCRC, has executed this Agreement and has become a member of the Authority.

"Obligations" means bonds, notes, warrants, leases, certificates of participation, installment purchase agreements, loan agreements and other securities or obligations issued by the Authority, or financing agreements entered into by the Authority pursuant to the Act and any other financial or legal obligation of the Authority under the Act.

"Program" or "Project" means any work, improvement, program, project or service undertaken by the Authority.

"Rural County Representatives of California" or "RCRC" means the nonprofit entity incorporated under that name in the State of California.

"Supervisor" means an elected County Supervisor from an RCRC member county.

2. Purpose

The purpose of the Authority is to provide financing for the acquisition, construction, , improvement and rehabilitation of real property in accordance with applicable provisions of law for the benefit of residents and communities. In pursuit of this purpose, this Agreement provides for the joint exercise of powers common to any of its Members and Associate Members as provided herein, or otherwise authorized by the Act and other applicable laws, including assisting

in financing as authorized herein, jointly exercised in the manner set forth herein.

3. Principal Place of Business

The principal office of the Authority shall be 1215 K Street, Suite 1650, Sacramento, California 95814.

4. Creation of Authority; Addition of Members or Associate Members

a. The Authority is hereby created pursuant to the Act. As provided in the Act, the Authority shall be a public entity separate and distinct from the Members or Associate Members.

b. The Authority will cause a notice of this Agreement or any amendment hereto to be prepared and filed with the office of the Secretary of State of California in a timely fashion in the manner set forth in Section 6503.3 of the Act.

c. A county that is a member of RCRC may petition to become a member of the Authority by submitting to the Board a resolution or evidence of other formal action taken by its governing body adopting this Agreement. The Board shall review the petition for membership and shall vote to approve or disapprove the petition. If the petition is approved by a majority of the Board, such county shall immediately become a Member of the Authority.

d. An Associate Member may be added to the Authority upon the affirmative approval of its respective governing board and pursuant to action by the Authority Board upon such terms and conditions, and with such rights, privileges and responsibilities, as may be established from time to time by the Board. Such terms and conditions, and rights, privileges and responsibilities may vary among the Associate Members. Associate Members shall be entitled to participate in one or more programs of the Authority as determined by the Board, but shall not be voting members of the Board. The Executive Director of the Authority shall enforce the terms and conditions for prospective Associate Members to the Authority as provided by resolution of the Board and as amended from time to time by the Board. Changes in the terms and conditions for Associate Membership by the Board will not constitute an amendment of this Agreement.

5. Term and Termination of Powers

This Agreement shall become effective from the date hereof until the earlier of the time when all Bonds and any interest thereon shall have been paid in full, or provision for such payment shall have been made, or when the Authority shall no longer own or hold any interest in a public capital improvement or program. The Authority shall continue to exercise the powers herein conferred upon it until termination of this Agreement, except that if any Bonds are issued and delivered, in no event shall the exercise of the powers herein granted be terminated until all Bonds so issued and delivered and the interest thereon shall have been paid or provision for such payment shall have been made and any other debt incurred with respect to any other financing program established or administered by the Authority has been repaid in full and is no longer outstanding.

6. Powers; Restriction upon Exercise

#8.

a. To effectuate its purpose, the Authority shall have the power to exercise any and all powers of the Members or of a joint powers authority under the Act and other applicable provisions of law, subject, however, to the conditions and restrictions herein contained. Each Member or Associate Member may also separately exercise any and all such powers. The powers of the Authority are limited to those of a general law county.

b. The Authority may adopt, from time to time, such resolutions, guidelines, rules and regulations for the conduct of its meetings and the activities of the Authority as it deems necessary or desirable to accomplish its purpose.

c. The Authority shall have the power to finance the construction, acquisition, improvement and rehabilitation of real property, including the power to purchase, with the amounts received or to be received by it pursuant to a bond purchase agreement, bonds issued by any of its Members or Associate Members and other local agencies at public or negotiated sale, for the purpose set forth herein and in accordance with the Act. All or any part of such bonds so purchased may be held by the Authority or resold to public or private purchasers at public or negotiated sale. The Authority shall set any other terms and conditions of any purchase or sale contemplated herein as it deems necessary or convenient and in furtherance of the Act. The Authority may issue or cause to be issued Bonds or other indebtedness, and pledge any of its property or revenues as security to the extent permitted by resolution of the Board under any applicable provision of law. The Authority may issue Bonds in accordance with the Act in order to raise funds necessary to effectuate its purpose hereunder and may enter into agreements to secure such Bonds. The Authority may issue other forms of indebtedness authorized by the Act, and to secure such debt, to further such purpose. The Authority may utilize other forms of capital, including, but not limited to, the Authority's internal resources, capital markets and other forms of private capital investment authorized by the Act..

d. The Authority is hereby authorized to do all acts necessary for the exercise of its powers, including, but not limited to:

- (1) executing contracts,
- (2) employing agents, consultants and employees,
- (3) acquiring, constructing or providing for maintenance and operation of any building, work or improvement,
- (4) acquiring, holding or disposing of real or personal property wherever located, including property subject to mortgage,
- (5) incurring debts, liabilities or obligations,
- (6) receiving gifts, contributions and donations of property, funds, services and any other forms of assistance from persons, firms, corporations or governmental entities,
- (7) suing and being sued in its own name, and litigating or settling any suits or claims,
- (8) doing any and all things necessary or convenient to the exercise of its specific powers and to accomplishing its purpose
- (9) establishing and/or administering districts to finance and refinance the acquisition, installation and improvement of energy efficiency, water

conservation and renewable energy improvements to or on real property and in buildings. The Authority may enter into one or more agreements, including without limitation, participation agreements and implementation agreements to implement such programs.

e. Subject to the applicable provisions of any indenture or resolution providing for the investment of monies held thereunder, the Authority shall have the power to invest any of its funds as the Board deems advisable, in the same manner and upon the same conditions as local agencies pursuant to Section 53601 of the Government Code of the State of California.

f. All property, equipment, supplies, funds and records of the Authority shall be owned by the Authority, except as may be provided otherwise herein or by resolution of the Board.

g. Pursuant to the provisions of Section 6508.1 of the Act, the debts, liabilities and obligations of the Authority shall not be debts, liabilities and obligations of the Members or Associate Members. Any Bonds, together with any interest and premium thereon, shall not constitute debts, liabilities or obligations of any Member. The Members or Associate Members hereby agree that any such Bonds issued by the Authority shall not constitute general obligations of the Authority but shall be payable solely from the moneys pledged to the repayment of principal or interest on such Bonds under the terms of the resolution, indenture, trust, agreement or other instrument pursuant to which such Bonds are issued. Neither the Members or Associate Members nor the Authority shall be obligated to pay the principal of or premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Members or Associate Members or the Authority shall be pledged to the payment of the principal of or premium, if any, or interest on the Bonds, nor shall the Members or Associate Members of the Authority be obligated in any manner to make any appropriation for such payment. No covenant or agreement contained in any Bond shall be deemed to be a covenant or agreement of any Delegate, or any officer, agent or employee of the Authority in an individual capacity, and neither the Board nor any officer thereof executing the Bonds or any document related thereto shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

7. Governing Board

a. The Board shall consist of the number of Delegates equal to one representative from each Member.

b. The governing body of each Member shall appoint one of its Supervisors to serve as a Delegate on the Board. A Member's appointment of its Delegate shall be delivered in writing (which may be by electronic mail) to the Authority and shall be effective until he or she is replaced by such governing body or no longer a Supervisor; any vacancy shall be filled by the governing body of the Member in the same manner provided in this paragraph b..

c. The governing body of each Member of the Board shall appoint a Supervisor as an alternate to serve on the Board in the absence of the Delegate; the alternate may exercise all the

#8.

rights and privileges of the Delegate, including the right to be counted in constituting a quorum, to participate in the proceedings of the Board, and to vote upon any and all matters. No alternate may have more than one vote at any meeting of the Board, and any Member's designation of an alternate shall be delivered in writing (which may be by electronic mail) to the Authority and shall be effective until such alternate is replaced by his or her governing body or is no longer a Supervisor, unless otherwise specified in such appointment. Any vacancy shall be filled by the governing body of the Member in the same manner provided in this paragraph c..

d. Any person who is not a member of the governing body of a Member and who attends a meeting on behalf of such Member may not vote or be counted toward a quorum but may, at the discretion of the Chair, participate in open meetings he or she attends.

e. Each Associate Member may designate a non-voting representative to the Board who may not be counted toward a quorum but who may attend open meetings, propose agenda items and otherwise participate in Board Meetings.

f. Delegates shall not receive compensation for serving as Delegates, but may claim and receive reimbursement for expenses actually incurred in connection with such service pursuant to rules approved by the Board and subject to the availability of funds.

g. The Board shall have the power, by resolution, to the extent permitted by the Act or any other applicable law, to exercise any powers of the Authority and to delegate any of its functions to the Executive Committee or one or more Delegates, officers or agents of the Authority, and to cause any authorized Delegate, officer or agent to take any actions and execute any documents for and in the name and on behalf of the Board or the Authority.

h. The Board may establish such committees as it deems necessary for any lawful purpose; such committees are advisory only and may not act or purport to act on behalf of the Board or the Authority.

i. The Board shall develop, or cause to be developed, and review, modify as necessary, and adopt each Program.

8. Meetings of the Board

a. The Board shall meet at least once annually, but may meet more frequently upon call of any officer or as provided by resolution of the Board.

b. Meetings of the Board shall be called, noticed, held and conducted pursuant to the provisions of the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part I of Division 2 of Title 5 of the Government Code of the State of California.

c. The Secretary of the Authority shall cause minutes of all meetings of the Board to be taken and distributed to each Member as soon as possible after each meeting.

d. The lesser of twelve (12) Delegates or a majority of the number of current Delegates shall constitute a quorum for transacting business at any meeting of the Board, except

that less than a quorum may act to adjourn a meeting. Each Delegate shall have one vote.

e. Meetings may be held at any location designated in notice properly given for a meeting and may be conducted by telephonic or similar means in any manner otherwise allowed by law.

9. Officers; Duties; Official Bonds

a. The Board shall elect a chair and vice chair from among the Delegates at the Board's annual meeting who shall serve a term of one (1) year or until their respective successor is elected. The chair shall conduct the meetings of the Board and perform such other duties as may be specified by resolution of the Board. The vice chair shall perform such duties in the absence or in the event of the unavailability of the chair.

b. The Board shall contract annually with RCRC to administer the Agreement and to provide administrative services to the Authority, and the President and Chief Executive Officer of RCRC shall serve *ex officio* as Executive Director, Secretary, Treasurer, and Auditor of the Authority. As chief executive of the Authority, the Executive Director is authorized to execute contracts and other obligations of the Authority, unless prior Board approval is required by a third party, by law or by Board specification, and to perform other duties specified by the Board. The Executive Director may appoint such other officers as may be required for the orderly conduct of the Authority's business and affairs who shall serve at the pleasure of the Executive Director. Subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent, the Executive Director, as Treasurer, is designated as the custodian of the Authority's funds, from whatever source, and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Act. The Executive Director, as Auditor, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Act.

c. The Legislative Advocate for the Authority shall be the Rural County Representatives of California.

d. The Treasurer and Auditor are public officers who have charge of, handle, or have access to all property of the Authority, and a bond for such officer in the amount of at least one hundred thousand dollars (\$100,000.00) shall be obtained at the expense of the Authority and filed with the Executive Director. Such bond may secure the faithful performance of such officer's duties with respect to another public office if such bond in at least the same amount specifically mentions the office of the Authority as required herein. The Treasurer and Auditor shall cause periodic independent audits to be made of the Authority's books by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act.

e. The business of the Authority shall be conducted under the supervision of the Executive Director by RCRC personnel.

10. Executive Committee of the Authority

a. Composition

#8.

The Authority shall appoint nine (9) members of its Board to serve on an Executive Committee.

b. Powers and Limitations

The Executive Committee shall act in an advisory capacity and make recommendations to the Authority Board. Duties will include, but not be limited to, review of the quarterly and annual budgets, service as the Audit Committee for the Authority, periodically review this Agreement; and complete any other tasks as may be assigned by the Board. The Executive Committee shall be subject to all limitations imposed by this Agreement, other applicable law, and resolutions of the Board.

c. Quorum

A majority of the Executive Committee shall constitute a quorum for transacting business of the Executive Committee.

11. **Disposition of Assets**

Upon termination of this Agreement, all remaining assets and liabilities of the Authority shall be distributed to the respective Members in such manner as shall be determined by the Board and in accordance with the law.

12. **Agreement Not Exclusive; Operation in Jurisdiction of Member**

This Agreement shall not be exclusive, and each Member expressly reserves its rights to carry out other public capital improvements and programs as provided for by law and to issue other obligations for those purposes. This Agreement shall not be deemed to amend or alter the terms of other agreements among the Members or Associate Members.

13. **Conflict of Interest Code**

The Authority shall by resolution adopt a Conflict of Interest Code as required by law.

14. **Contributions and Advances**

Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by any Member, Associate Member or any other public agency to further the purpose of this Agreement. Payment of public funds may be made to defray the cost of any contribution. Any advance may be made subject to repayment, and in that case shall be repaid in the manner agreed upon by the advancing Member, Associate Member or other public agency and the Authority at the time of making the advance.

15. **Fiscal Year; Accounts; Reports; Annual Budget; Administrative Expenses**

a. The fiscal year of the Authority shall be the period from January 1 of each year to and including the following December 31, except for any partial fiscal year resulting from a change

in accounting based on a different fiscal year previously.

b. Prior to the beginning of each fiscal year, the Board shall adopt a budget for the succeeding fiscal year.

c. The Authority shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles. The books and records of the Authority are public records and shall be open to inspection at all reasonable times by each Member and its representatives.

d. The Auditor shall either make, or contract with a certified public accountant or public accountant to make, an annual audit of the accounts and records of the Authority. The minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California, and shall conform to generally accepted auditing standards. When an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member (and also with the auditor of Sacramento County as the county in which the Authority's office is located) within 12 months after the end of the fiscal year.

e. In any year in which the annual budget of the Authority does not exceed five thousand dollars (\$5,000.00), the Board may, upon unanimous approval of the Board, replace the annual audit with an ensuing one-year period, but in no event for a period longer than two fiscal years.

16. Duties of Members or Associate Members; Breach

If any Member or Associate Member shall default in performing any covenant contained herein, such default shall not excuse that Member or Associate Member from fulfilling its other obligations hereunder, and such defaulting Member or Associate Member shall remain liable for the performance of all covenants hereof. Each Member or Associate Member hereby declares that this Agreement is entered into for the benefit of the Authority created hereby, and each Member or Associate Member hereby grants to the Authority the right to enforce, by whatever lawful means the Authority deems appropriate, all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative, and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

17. Indemnification

To the full extent permitted by law, the Board may authorize indemnification by the Authority of any person who is or was a Board Delegate, alternate, officer, consultant, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Delegate, alternate, officer, consultant, employee or other agent of the Authority. Such indemnification may be made against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal

proceeding, had no reasonable cause to believe his or her conduct was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

18. Immunities

All of the privileges and immunities from liabilities, exemptions from law, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activity of officers, agents or employees of any of the Members or Associate Members when performing their respective functions, shall apply to them to the same degree and extent while engaged as Delegates or otherwise as an officer, agent or other representative of the Authority or while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

19. Amendment

This Agreement may be amended by the adoption of the amendment by the governing bodies of a majority of the Members. The amendment shall become effective on the first day of the month following the last required member agency approval. An amendment may be initiated by the Board, upon approval by a majority of the Board. Any proposed amendment, including the text of the proposed change, shall be given by the Board to each Member's Delegate for presentation and action by each Member's board within 60 days, which time may be extended by the Board.

The list of Members, Attachment 1, may be updated to reflect new and/or withdrawn Members without requiring formal amendment of the Agreement by the Authority Board of Directors.

20. Withdrawal of Member or Associate Member

If a Member withdraws as member of RCRC, its membership in the Authority shall automatically terminate. A Member or Associate Member may withdraw from this Agreement upon written notice to the Board; provided however, that no such withdrawal shall result in the dissolution of the Authority as long as any Bonds or other obligations of the Authority remain outstanding. Any such withdrawal shall become effective thirty (30) days after a resolution adopted by the Member's governing body which authorizes withdrawal is received by the Authority. Notwithstanding the foregoing, any termination of membership or withdrawal from the Authority shall not operate to relieve any terminated or withdrawing Member or Associate Member from Obligations incurred by such terminated or withdrawing Member or Associate Member prior to the time of its termination or withdrawal.

20. Miscellaneous

a. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

b. **Construction.** The section headings herein are for convenience only and are not to

be construed as modifying or governing the language in the section referred to.

c. **Approvals.** Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

d. **Jurisdiction; Venue.** This Agreement is made in the State of California, under the Constitution and laws of such State and is to be so construed; any action to enforce or interpret its terms shall be brought in Sacramento County, California.

e. **Integration.** This Agreement is the complete and exclusive statement of the agreement among the parties hereto, and it supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the parties relating to the subject matter of this Agreement.

f. **Successors; Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the Board.

g. **Severability.** Should any part, term or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

The parties hereto have caused this Agreement to be executed and attested by their properly authorized officers.

AS ADOPTED BY THE MEMBERS:

Originally dated July 1, 1993

Amended and restated December 10, 1998

Amended and restated February 18, 1999

Amended and restated September 18, 2002

Amended and restated January 28, 2004

Amended and restated December 10, 2014

[SIGNATURES ON FOLLOWING PAGES]

#8.

SIGNATURE PAGE FOR NEW ASSOCIATE MEMBERS

NAME OF COUNTY OR CITY:

Dated:_____

By:_____

Name:_____

Title:_____

Attest:

By _____
[Clerk of the Board Supervisors or City Clerk]

AFTER EXECUTION, PLEASE SEND TO:

Golden State Finance Authority
(formerly California Home Finance Authority)
1215 K Street, Suite 1650
Sacramento, CA 95814

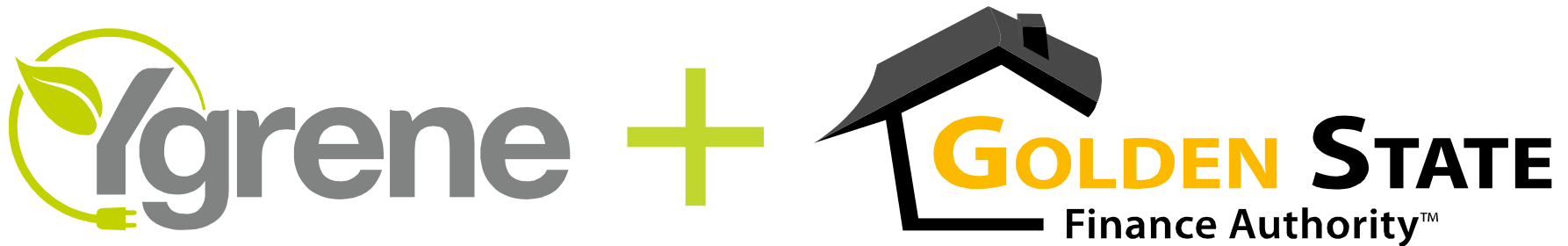
ATTACHMENT 1
CALIFORNIA HOME FINANCE AUTHORITY MEMBERS

As of December 10, 2014

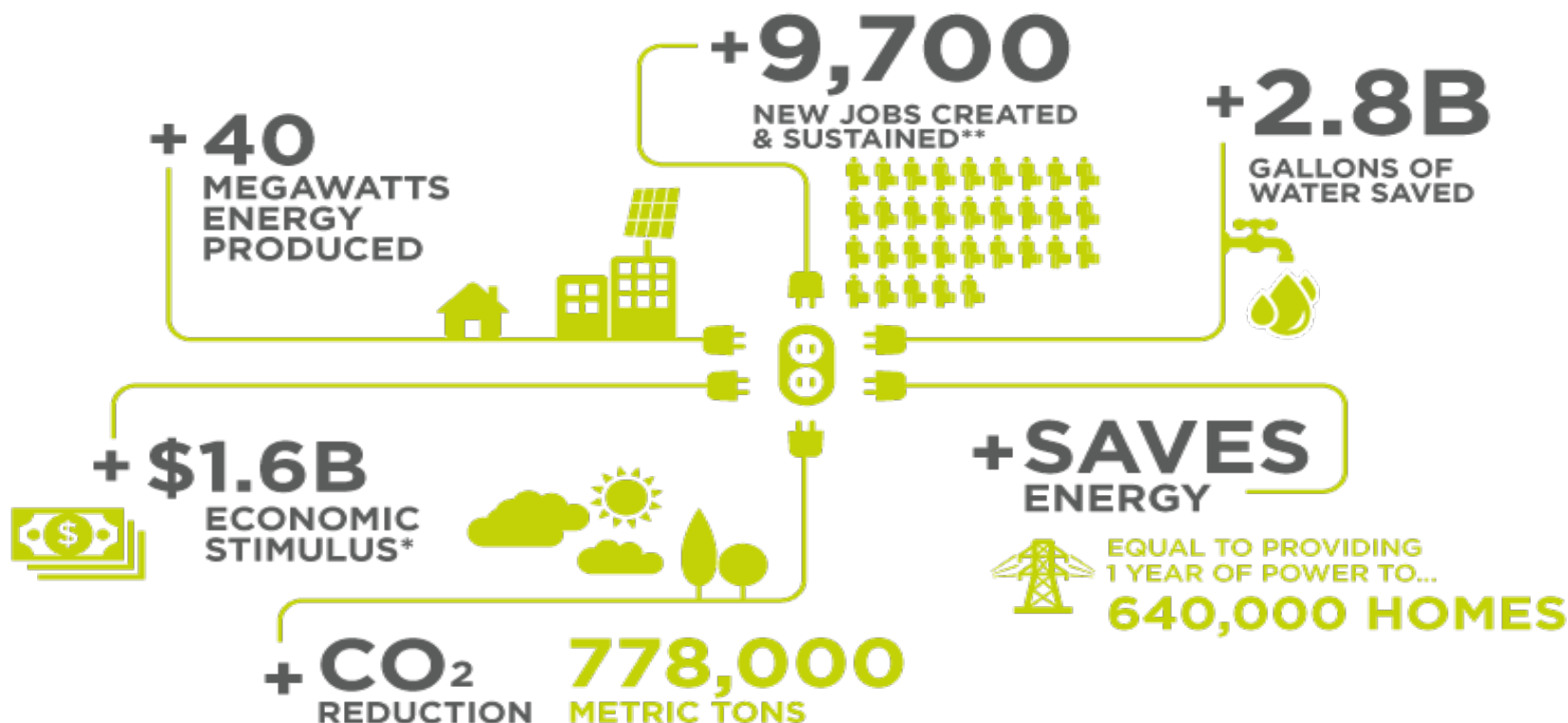
Alpine County
Amador County
Butte County
Calaveras County
Colusa County
Del Norte County
El Dorado County
Glenn County
Humboldt County
Imperial County
Inyo County
Lake County
Lassen County
Madera County
Mariposa County
Mendocino County
Merced County
Modoc County
Mono County
Napa County
Nevada County
Placer County
Plumas County
San Benito County
Shasta County
Sierra County
Siskiyou County
Sutter County
Tehama County
Trinity County
Tuolumne County
Yolo County
Yuba County



OFFERED IN PARTNERSHIP BETWEEN
GOLDEN STATE FINANCE AUTHORITY (GSFA) + YGRENE ENERGY FUND (YE



What does \$648,000,000 in water and energy efficient upgrades look like?



* Estimated annual Economic Impact/Stimulus includes both local impact (e.g., labor costs) as well as manufacturing, distribution, materials, etc., that may occur outside the local economy but that are a part of the national economy.

** Depending on the improvement, CO₂ reduction and annual job creation may vary.

All figures are current as of October 2015.

CURRENTLY AVAILABLE TO NEARLY...

14

**MILLION
CALIFORNIANS**

Current Service Area and Expansion



ACTIVE IN...
+121
 JURISDICTIONS

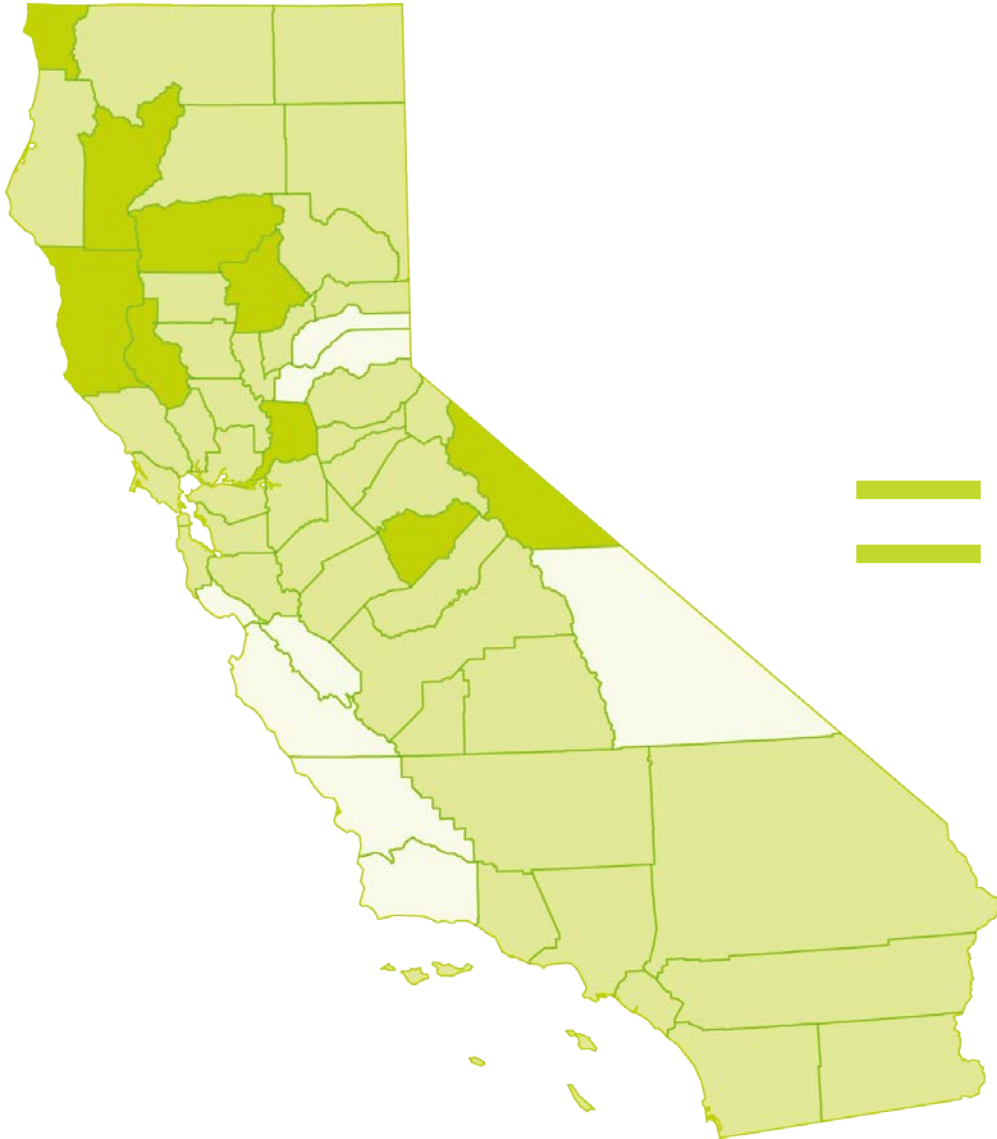
14 M POP.

RECENTLY LAUNCHED /
 PENDING
+71
 COUNTIES
 & CITIES

10 M POP.

ACTIVELY
 UNDER REVIEW
+45
 COUNTIES
 & CITIES

2.7 M POP.



TOTAL
COUNTIES
& CITIES

= 237

26.7 M POP.

RESIDENTIAL MULTI-Family & COMMERCIAL

Use Financing to
Pay for Upgrades



Consumer Protection

Certified Contractors,
Local Permits and
Customer Approval
are Required



CERTIFIED CONTRACTORS

Utilize Financing to Market
Building Upgrades



JPA
Form PACE
Program

**LOCAL
GOVERNMENT**
Authorize Program

WE PROVIDE...



LOCAL
Government
Relations &
Community
Representative



LOCAL
Contractor
Training &
Certification



REGIONAL
Account
Managers



**CALL
CENTER**
Expansion
to Serve
Statewide
Communities



**JPA
INTEGRATED**
GSFA staff
providing
expertise &
oversight



Contractor Training & Certification

Consumer Disclosures

Property & Financial Underwriting

Eligibility & Project Cost Review

Quality Assurance Control

Dispute Resolution

Post-Close Audit

CONTRACTOR TRAINING + CERTIFICATION



- Recruiting
- Training +Registration
- Initial Certification
- Trial Period
- Contractor Agreement
- Annual Re-Cert

CONSUMER DISCLOSURES



- Lender Notification
- P.O. SRDL
- NJTL
- FA/UAA
- Closing Statement
- SRRP

QUALITY ASSURANCE + CONTROL



- Contract Eligibility Review
- Energy Efficient Product Verification
- Permit Verification + Building Department Review
- Consumer ID Confirmation
- Privacy and Protection for Seniors and ESL

FINANCIAL PROTECTIONS



- Safe, Flexible Financing Platform
- 3-day Right to Cancel
- Pricing Controls
- Dispute Resolution

100%
FINANCING

Projects include



Solar Panels



Heating & AC



Windows & Doors



Lighting



Roofing



Insulation



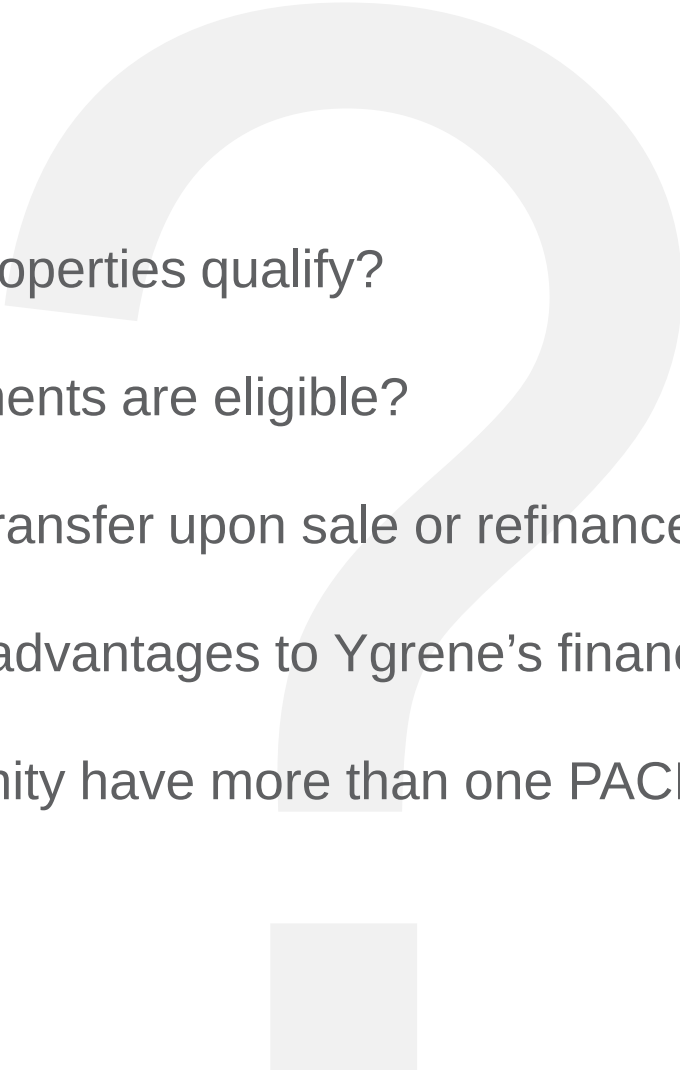
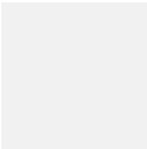
Water Saving



Hurricane



Landscaping
and many more!

- 
- A large, light gray question mark is centered in the background of the slide, behind the list of questions.
- 
- A small, light gray square is positioned at the bottom of the large question mark graphic.
- 1 What types of properties qualify?
 - 2 Which improvements are eligible?
 - 3 Do PACE liens transfer upon sale or refinance?
 - 4 What are some advantages to Ygrene's financing?
 - 5 Can my community have more than one PACE program?

CONTACT US TODAY



(707) 236.6608

To Speak With A
Program Representative



RESOLUTION SIGN-OFF FORM

DEPARTMENT: Planning

RESOLUTION TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE CITY'S INCORPORATED AREA IN CALIFORNIA HOME FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2014-1 PROGRAM (CLEAN ENERGY) TO FINANCE RENEWABLE ENERGY GENERATION, ENERGY EFFICIENCY, WATER CONSERVATION AND ELECTRIC VEHICLE CHARGING INFRASTRUCTURE IMPROVEMENTS AND AUTHORIZING ASSOCIATE MEMBERSHIP IN THE JOINT EXERCISE OF POWERS AUTHORITY

Robert Delgadillo
DEPARTMENT MANAGER’S SIGNATURE

1/21/2016 1:19:39 PM
DATE

REVIEW / APPROVAL

Craig Cornwell
CITY ATTORNEY

2/4/2016 11:51:58 AM
DATE

Stephen Ajobiewe
CITY CONTROLLER

1/21/2016 6:23:41 PM
DATE

Roger Haley
CITY MANAGER

1/21/2016 1:23:33 PM
DATE

Use when:	
Public Works:	When contracting for Engineering Services.
City Attorney:	When contracting for legal services; contracts that require City Attorney’s review.
Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.

February 16, 2016

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: ROBERT DELGADILLO, SENIOR PLANNER
PLANNING & ECONOMIC DEVELOPMENT

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE CITY'S INCORPORATED AREA IN CALIFORNIA HOME FINANCE AUTHORITY PROGRAM TO FINANCE RENEWABLE ENERGY GENERATION, ENERGY AND WATER EFFICIENCY IMPROVEMENTS AND ELECTRIC VEHICLE CHARGING INFRASTRUCTURE AND AUTHORIZING ASSOCIATE MEMBERSHIP IN THE JOINT EXERCISE OF POWERS AUTHORITY.

BACKGROUND

The California Home Finance Authority ("CHF" or "Authority"), which is in the process of formally changing its name to the "Golden State Finance Authority," is a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Sections 6500 et seq.) (the "Act") and the Joint Exercise of Powers Agreement entered into on July 1, 1993, as amended from time to time (the "Authority JPA").

CHF has established two Property Assessed Clean Energy ("PACE") financing programs for residential, commercial, industrial and agricultural properties to address high up-front costs for property owners who wish to improve their properties through installation of measures that will generate renewable energy or reduce their energy and water use. By offering low cost financing, CHF's PACE programs allow construction of these projects to proceed and, in the process, stimulate building activity and the overall local economy, reduce peak energy demand, increase property values, and generate savings on utility bills for property owners.

CHF contracts with Ygrene Energy Fund CA LLC ("Ygrene") to serve as the program administrator and to operate the Ygrene Works for California PACE financing program.

In May of 2015, the City Council adopted a similar PACE program under the administrator HERO. Ygrene will operate very similar to HERO but has a few important distinctions which are discussed below.

STATEMENT OF ISSUE

I. PACE Financing Programs:

CHF has established two PACE programs under the legislative authority of two separate California PACE laws:

SB 555 PACE Community Facilities District: Senate Bill 555 amended the Mello-Roos Community Facilities Act, set forth in Sections 53311 through 53368.3 of the California Government Code and particularly in accordance with Sections 53313.5(l) and 53328.1(a) (“Mello-Roos Act”), to allow for the creation of Community Facilities Districts (“CFDs”) for the purpose of financing or refinancing the acquisition, installation, and improvement of energy efficiency, water conservation, renewable energy and electric vehicle charging infrastructure improvements permanently affixed to private or publicly-owned real property.

Individual properties can be annexed into the district and be subject to the special tax that is imposed to repay project financing only if (i) the Council adopts a resolution consenting to the inclusion of parcels in the incorporated areas of the City within the CFD and (ii) each participating owner provides its unanimous written approval for annexation of its property into the PACE CFD.

AB 811 PACE Contractual Assessment Program: By the passage of Assembly Bill 811, the California State Legislature added Chapter 29 to the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code. This legislation authorized cities and counties to establish voluntary contractual assessment programs for the purpose financing private property improvements that promote renewable energy generation, energy and water efficiency and electric vehicle charging infrastructure.

As with the SB 555 CFD, properties can be annexed into the AB 811 PACE program and be subject to the property tax assessment that is imposed to repay project financing only if (i) the Council adopts a resolution consenting to the inclusion of parcels in the incorporated areas of the City within the program and (ii) each participating owner consents in writing to the annexation of its property into the PACE program.

The City of Compton has previously approved participation in HERO PACE program. Adding the CHF PACE programs, to be administered by Ygrene, provides more options for City property owners. It will not add to or require any additional responsibilities for the City.

**Staff Report – Resolution Inclusion in CHF Program
Finance Renewable Energy, Water Efficiency &
Authorize Associate Membership in CHF
February 16, 2016, Page 3 of 5**

II. JPA ASSOCIATE MEMBERSHIP

To participate in the PACE programs, the City must become an Associate Member of CHF (JPA Agreement attached). Associate membership requires no dues or other costs to the City, but permits participation in all CHF programs including the PACE program. The attached resolution will authorize joining the JPA as an Associate Member. Pursuant to the JPA Agreement and CHF Board Resolution 15-01, the Executive Director has the authority to approve the addition of new Associate Members to the JPA.

III. PROGRAM AUTHORIZATION

CHF sought and has completed the process of judicial validation for both the SB 555 and the AB 811 Programs in the Superior Court for the County of Sacramento. As of August 25, 2015, the CHF SB 555 PACE Program is fully operational. Although CHF is implementing the SB 555 PACE Program at this time, CHF has chosen to form, validate and maintain both the SB 555 and AB 811 Programs offerings to ensure that the "Ygrene Works for California" program remains the most innovative, cost effective and most secure PACE program in the state.

Should market conditions, consumer demand and/or legislative changes affect one PACE program more than another, CHF has the flexibility to offer the program that best supports CHF's vision of service without any interruption to participating counties and cities and their property owners. CHF intends to maximize the benefits of both program offerings.

Ygrene provides energy efficiency, water conservation and solar financing using the SB 555 Community Facilities District Program. The JPA's SB 555 program provides the greatest consumer protections and the opportunity for lower costs because the issuance of bonds for financing is not required. The JPA's AB 811 PACE is available and used for seismic strengthening improvements because the legislature specifically added that type of improvement to the scope of AB 811 PACE programming.

Following are additional PACE program considerations:

- Supports development of renewable energy sources, installation of energy and water efficiency improvements, reduction of greenhouse gases, and protection of the environment.

**Staff Report – Resolution Inclusion in CHF Program
Finance Renewable Energy, Water Efficiency &
Authorize Associate Membership in CHF
February 16, 2016, Page 4 of 5**

- Only property owners who voluntarily choose to participate in the program will be subject either to assessments or special taxes, depending on which program CHF decides to implement.
- Program financing provides for an affordable method for many property owners to reduce their energy costs and improve their properties.
- Because program financing can be readily transferred upon sale, even owners who are planning to sell have the ability to make responsible and beneficial improvements to their property.
- While early payment premiums apply in some circumstances, property owners can choose to pay off the program financing at any time.
- The City incurs no financial obligations as a result of program participation.
- Once the Council adopts the attached and companion resolutions, the City will incur no costs, and no staff time is required for administration or funding of the PACE program.

IV. COUNCIL ACTION

In support of CHF's approach, the Council is being asked to adopt two (2) resolutions that would approve the following actions:

- a. Adopt the attached resolution which will authorize the City to join the Joint Exercise of Powers Authority as an Associate Member and permits property owners within the incorporated areas of the City to participate in the California Home Finance Authority AB 811 PACE Program; and
- b. Adopt the companion resolution presented to the Council authorizing the City to join the Joint Exercise of Powers Authority as an Associate Member and permits property owners within the incorporated areas of the City to participate in the California Home Finance Authority Community Facilities District No. 2014-1 Program (SB 555 PACE Community Facilities District).

Each resolution also authorizes CHF (1) to accept applications from property owners within the City's incorporated area to finance authorized improvements;

**Staff Report – Resolution Inclusion in CHF Program
Finance Renewable Energy, Water Efficiency &
Authorize Associate Membership in CHF
February 16, 2016, Page 5 of 5**

and (2) to conduct proceedings and levy special taxes or contractual assessments, as applicable, on the property of participating owners.

FISCAL IMPACT

There are no negative fiscal impacts to the City's general fund associated with the recommended actions. There is no cost to the City to become an Associate Member of the JPA or by opting into the PACE programs described in this report. The City will have no administrative costs.

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution.

**ROBERT DELGADILLO, SENIOR PLANNER
PLANNING & ECONOMIC DEVELOPMENT DEPARTMENT**

APPROVED FOR FORWARDING

**ROGER L. HALEY
CITY MANAGER**

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE CITY'S INCORPORATED AREA IN CALIFORNIA HOME FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2014-1 PROGRAM (CLEAN ENERGY) TO FINANCE RENEWABLE ENERGY GENERATION, ENERGY EFFICIENCY, WATER CONSERVATION AND ELECTRIC VEHICLE CHARGING INFRASTRUCTURE IMPROVEMENTS AND AUTHORIZING ASSOCIATE MEMBERSHIP IN THE JOINT EXERCISE OF POWERS AUTHORITY.

WHEREAS, the California Home Finance Authority ("CHF" or "Authority"), a California Joint Exercise of Powers Authority, established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Sections 6500 et seq.) (the "Act") and the Joint Power Agreement entered into on July 1, 1993, as amended from time to time ("Authority JPA"), has established the Community Facilities District No. 2014-1 Program (Clean Energy) in accordance with the Mello-Roos Community Facilities Act, set forth in Sections 53311 through 53368.3 of the California Government Code (the "Act") and particularly in accordance with Sections 53313.5(l) and 53328.1(a) (the "District"); and

WHEREAS, the Authority is in the process of amending the Authority JPA to formally change its name to the Golden State Finance Authority; and

WHEREAS, the purpose of the Community Facilities District ("District") is to finance or refinance (including the payment of interest) the acquisition, installation, and improvement of energy efficiency, water conservation, renewable energy and electric vehicle charging infrastructure improvements permanently affixed to private or publicly-owned real property (the "Improvements"); and

WHEREAS, the City of Compton (the "City") is committed to development of renewable energy generation and energy efficiency improvements, reduction of greenhouse gases, and protection of the environment; and

WHEREAS, in the Act, the Legislature has authorized a parcel within the territory of the District to annex to the District and be subject to the special tax levy of the District only (i) if the city or county within which the parcel is located has consented, by the adoption of a resolution by the applicable city council or county board of supervisors, to the inclusion of parcels within its boundaries in the District and (ii) with the unanimous written approval of the owner or owners of the parcel when it is annexed (the "Unanimous Approval Agreement"), which, as provided in Section 53329.6 of the Act, shall constitute the election required by the California Constitution; and

WHEREAS, the City wishes to provide innovative solutions to its property owners to achieve energy efficiency and water conservation and in doing so cooperate with Authority in order to efficiently and economically assist property owners in the City in financing such Improvements; and

WHEREAS, the City desires to become an Associate Member of the Joint Exercise of Powers Authority Agreement to participate in the programs of the Joint Exercise of Powers Authority and to assist property owners within the incorporated area of the City in financing the cost of installing Improvements; and

WHEREAS, the City of Compton will not be responsible for the conduct of any special tax proceedings, the levy and collection of special taxes or any required remedial action in the case of delinquencies in the payment of any special taxes in connection with the District.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES
HEREBY RESOLVE AS FOLLOWS:**

Section 1. That the City Council finds and declares that properties in the City’s incorporated area will be benefited by the availability of the California Home Finance Authority Community Facilities District No. 2014-1 Program (Clean Energy) to finance the installation of renewable energy improvements, energy efficiency and water conservation improvements and electric vehicle charging infrastructure (“Improvements”).

Section 2. That the City Council consents to inclusion in the California Home Finance Authority Community Facilities District No. 2014-1 Program (Clean Energy) of all of the properties in the incorporated area within the City and to the Authorized Improvements, upon the request of and execution of the Unanimous Approval Agreement by the owners of such properties when such properties are annexed, in compliance with the laws, rules and regulations applicable to such program; and to the assumption of jurisdiction there-over by the Authority for the purposes thereof.

Section 3. That the consent of the City Council constitutes assent to the assumption of jurisdiction by the Authority for all purposes of the Authority Community Facilities District No. 2014-1 Program (Clean Energy) and authorizes the Authority, upon satisfaction of the conditions imposed in this resolution, to take each and every step required for or suitable for financing the Improvements.

Section 4. That the City Council hereby approves joining the Joint Exercise of Powers Authority as an Associate Member and authorizes the execution by the City Manager of any necessary documents to effectuate such membership.

Section 5. That City staff is hereby authorized to coordinate with Authority staff to facilitate operation of the Authority Community Facilities District No. 2014-1 Program (Clean Energy) within the City and report back periodically to the City Council on the success of such program.

Section 6. That a copy of this Resolution shall be filed in the offices of the City Clerk, City Manager, City Attorney, Planning and Economic Development Department, and Building and Safety Department. The City Clerk also is instructed to send a certified copy of this Resolution to the Secretary of the California Home Finance Authority Joint Powers Authority.

Section 7. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

ADOPTED this ____ day of _____, 2016.

MAYOR OF THE CITY OF COMPTON

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

Resolution No. _____
Page 3

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on the ____ day of _____, 2016.

That said Resolution was adopted by the following vote, to wit:

AYES: COUNCIL MEMBERS-
NOES: COUNCIL MEMBERS-
ABSENT: COUNCIL MEMBERS-
ABSTAIN: COUNCIL MEMBERS-

CITY CLERK OF THE CITY OF COMPTON

Exhibit A

CALIFORNIA HOME FINANCE AUTHORITY
JOINT POWERS AUTHORITY AGREEMENT

CALIFORNIA HOME FINANCE AUTHORITY

AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT

(Original date July 1, 1993 and as last amended and restated December 10, 2014)

THIS AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT ("Agreement") is entered into by and among the counties listed on Attachment 1 hereof and incorporated herein by reference. All such counties are referred to herein as "Members" with the respective powers, privileges and restrictions provided herein.

RECITALS

A. WHEREAS, the California Rural Home Mortgage Finance Authority ("CRHMFA") was created by a Joint Exercise of Powers Agreement dated July 1, 1993 pursuant to the Joint Exercise of Powers Act (commencing with Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"). By Resolution 2003-02, adopted on January 15, 2003, the name of the authority was changed to CRHMFA Homebuyers Fund. The most recent amendment to the Joint Exercise of Powers Agreement was on January 28, 2004.

B. WHEREAS, the Members of CRHMFA Homebuyers Fund desire to update, reaffirm, clarify and revise certain provisions of the joint powers agreement, including the renaming of the joint powers authority, as set forth herein.

C. WHEREAS, the Members are each empowered by law to finance the construction, acquisition, improvement and rehabilitation of real property.

D. WHEREAS, by this Agreement, the Members desire to create and establish a joint powers authority to exercise their respective powers for the purpose of financing the construction, acquisition, improvement and rehabilitation of real property within the jurisdiction of the Authority as authorized by the Act.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Members individually and collectively agree as follows:

1. Definitions

Unless the context otherwise requires, the following terms shall for purposes of this Agreement have the meanings specified below:

"Act" means the Joint Exercise of Powers Act, commencing with Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including the Marks-Roos Local Bond Pooling Act of 1985, as amended.

"Agreement" means this Joint Exercise of Powers Agreement, as the same now exists or as it may from time to time be amended as provided herein.

#9.

"Associate Member" means a county, city or other public agency which is not a voting member of the Rural County Representatives of California, a California nonprofit corporation ("RCRC"), with legal power and authority similar to that of the Members, admitted pursuant to paragraph 4.d. below to associate membership herein by vote of the Board.

"Audit Committee" means a committee made up of the nine-member Executive Committee.

"Authority" means California Home Finance Authority ("CHF"), formerly known as CRHMFA Homebuyers Fund or California Rural Home Mortgage Finance Authority.

"Board" means the governing board of the Authority as described in Section 7 below.

"Bonds" means bonds, notes, warrants, leases, certificates of participation, installment purchase agreements, loan agreements and other securities or obligations issued by the Authority, or financing agreements entered into by the Authority pursuant to the Act and any other obligation within the meaning of the term "Bonds" under the Act.

"Delegate" means the Supervisor designated by the governing board of each Member to serve on the Board of the Authority.

"Executive Committee" means the nine-member Executive Committee of the Board established pursuant to Section 10 hereof.

"Member" means any county which is a member of RCRC, has executed this Agreement and has become a member of the Authority.

"Obligations" means bonds, notes, warrants, leases, certificates of participation, installment purchase agreements, loan agreements and other securities or obligations issued by the Authority, or financing agreements entered into by the Authority pursuant to the Act and any other financial or legal obligation of the Authority under the Act.

"Program" or "Project" means any work, improvement, program, project or service undertaken by the Authority.

"Rural County Representatives of California" or "RCRC" means the nonprofit entity incorporated under that name in the State of California.

"Supervisor" means an elected County Supervisor from an RCRC member county.

2. Purpose

The purpose of the Authority is to provide financing for the acquisition, construction, , improvement and rehabilitation of real property in accordance with applicable provisions of law for the benefit of residents and communities. In pursuit of this purpose, this Agreement provides for the joint exercise of powers common to any of its Members and Associate Members as provided herein, or otherwise authorized by the Act and other applicable laws, including assisting

in financing as authorized herein, jointly exercised in the manner set forth herein.

3. Principal Place of Business

The principal office of the Authority shall be 1215 K Street, Suite 1650, Sacramento, California 95814.

4. Creation of Authority; Addition of Members or Associate Members

a. The Authority is hereby created pursuant to the Act. As provided in the Act, the Authority shall be a public entity separate and distinct from the Members or Associate Members.

b. The Authority will cause a notice of this Agreement or any amendment hereto to be prepared and filed with the office of the Secretary of State of California in a timely fashion in the manner set forth in Section 6503.3 of the Act.

c. A county that is a member of RCRC may petition to become a member of the Authority by submitting to the Board a resolution or evidence of other formal action taken by its governing body adopting this Agreement. The Board shall review the petition for membership and shall vote to approve or disapprove the petition. If the petition is approved by a majority of the Board, such county shall immediately become a Member of the Authority.

d. An Associate Member may be added to the Authority upon the affirmative approval of its respective governing board and pursuant to action by the Authority Board upon such terms and conditions, and with such rights, privileges and responsibilities, as may be established from time to time by the Board. Such terms and conditions, and rights, privileges and responsibilities may vary among the Associate Members. Associate Members shall be entitled to participate in one or more programs of the Authority as determined by the Board, but shall not be voting members of the Board. The Executive Director of the Authority shall enforce the terms and conditions for prospective Associate Members to the Authority as provided by resolution of the Board and as amended from time to time by the Board. Changes in the terms and conditions for Associate Membership by the Board will not constitute an amendment of this Agreement.

5. Term and Termination of Powers

This Agreement shall become effective from the date hereof until the earlier of the time when all Bonds and any interest thereon shall have been paid in full, or provision for such payment shall have been made, or when the Authority shall no longer own or hold any interest in a public capital improvement or program. The Authority shall continue to exercise the powers herein conferred upon it until termination of this Agreement, except that if any Bonds are issued and delivered, in no event shall the exercise of the powers herein granted be terminated until all Bonds so issued and delivered and the interest thereon shall have been paid or provision for such payment shall have been made and any other debt incurred with respect to any other financing program established or administered by the Authority has been repaid in full and is no longer outstanding.

6. Powers; Restriction upon Exercise

a. To effectuate its purpose, the Authority shall have the power to exercise any and all powers of the Members or of a joint powers authority under the Act and other applicable provisions of law, subject, however, to the conditions and restrictions herein contained. Each Member or Associate Member may also separately exercise any and all such powers. The powers of the Authority are limited to those of a general law county.

b. The Authority may adopt, from time to time, such resolutions, guidelines, rules and regulations for the conduct of its meetings and the activities of the Authority as it deems necessary or desirable to accomplish its purpose.

c. The Authority shall have the power to finance the construction, acquisition, improvement and rehabilitation of real property, including the power to purchase, with the amounts received or to be received by it pursuant to a bond purchase agreement, bonds issued by any of its Members or Associate Members and other local agencies at public or negotiated sale, for the purpose set forth herein and in accordance with the Act. All or any part of such bonds so purchased may be held by the Authority or resold to public or private purchasers at public or negotiated sale. The Authority shall set any other terms and conditions of any purchase or sale contemplated herein as it deems necessary or convenient and in furtherance of the Act. The Authority may issue or cause to be issued Bonds or other indebtedness, and pledge any of its property or revenues as security to the extent permitted by resolution of the Board under any applicable provision of law. The Authority may issue Bonds in accordance with the Act in order to raise funds necessary to effectuate its purpose hereunder and may enter into agreements to secure such Bonds. The Authority may issue other forms of indebtedness authorized by the Act, and to secure such debt, to further such purpose. The Authority may utilize other forms of capital, including, but not limited to, the Authority's internal resources, capital markets and other forms of private capital investment authorized by the Act..

d. The Authority is hereby authorized to do all acts necessary for the exercise of its powers, including, but not limited to:

- (1) executing contracts,
- (2) employing agents, consultants and employees,
- (3) acquiring, constructing or providing for maintenance and operation of any building, work or improvement,
- (4) acquiring, holding or disposing of real or personal property wherever located, including property subject to mortgage,
- (5) incurring debts, liabilities or obligations,
- (6) receiving gifts, contributions and donations of property, funds, services and any other forms of assistance from persons, firms, corporations or governmental entities,
- (7) suing and being sued in its own name, and litigating or settling any suits or claims,
- (8) doing any and all things necessary or convenient to the exercise of its specific powers and to accomplishing its purpose
- (9) establishing and/or administering districts to finance and refinance the acquisition, installation and improvement of energy efficiency, water

conservation and renewable energy improvements to or on real property and in buildings. The Authority may enter into one or more agreements, including without limitation, participation agreements and implementation agreements to implement such programs.

e. Subject to the applicable provisions of any indenture or resolution providing for the investment of monies held thereunder, the Authority shall have the power to invest any of its funds as the Board deems advisable, in the same manner and upon the same conditions as local agencies pursuant to Section 53601 of the Government Code of the State of California.

f. All property, equipment, supplies, funds and records of the Authority shall be owned by the Authority, except as may be provided otherwise herein or by resolution of the Board.

g. Pursuant to the provisions of Section 6508.1 of the Act, the debts, liabilities and obligations of the Authority shall not be debts, liabilities and obligations of the Members or Associate Members. Any Bonds, together with any interest and premium thereon, shall not constitute debts, liabilities or obligations of any Member. The Members or Associate Members hereby agree that any such Bonds issued by the Authority shall not constitute general obligations of the Authority but shall be payable solely from the moneys pledged to the repayment of principal or interest on such Bonds under the terms of the resolution, indenture, trust, agreement or other instrument pursuant to which such Bonds are issued. Neither the Members or Associate Members nor the Authority shall be obligated to pay the principal of or premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Members or Associate Members or the Authority shall be pledged to the payment of the principal of or premium, if any, or interest on the Bonds, nor shall the Members or Associate Members of the Authority be obligated in any manner to make any appropriation for such payment. No covenant or agreement contained in any Bond shall be deemed to be a covenant or agreement of any Delegate, or any officer, agent or employee of the Authority in an individual capacity, and neither the Board nor any officer thereof executing the Bonds or any document related thereto shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

7. Governing Board

a. The Board shall consist of the number of Delegates equal to one representative from each Member.

b. The governing body of each Member shall appoint one of its Supervisors to serve as a Delegate on the Board. A Member's appointment of its Delegate shall be delivered in writing (which may be by electronic mail) to the Authority and shall be effective until he or she is replaced by such governing body or no longer a Supervisor; any vacancy shall be filled by the governing body of the Member in the same manner provided in this paragraph b..

c. The governing body of each Member of the Board shall appoint a Supervisor as an alternate to serve on the Board in the absence of the Delegate; the alternate may exercise all the

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rights and privileges of the Delegate, including the right to be counted in constituting a quorum, to participate in the proceedings of the Board, and to vote upon any and all matters. No alternate may have more than one vote at any meeting of the Board, and any Member's designation of an alternate shall be delivered in writing (which may be by electronic mail) to the Authority and shall be effective until such alternate is replaced by his or her governing body or is no longer a Supervisor, unless otherwise specified in such appointment. Any vacancy shall be filled by the governing body of the Member in the same manner provided in this paragraph c..

d. Any person who is not a member of the governing body of a Member and who attends a meeting on behalf of such Member may not vote or be counted toward a quorum but may, at the discretion of the Chair, participate in open meetings he or she attends.

e. Each Associate Member may designate a non-voting representative to the Board who may not be counted toward a quorum but who may attend open meetings, propose agenda items and otherwise participate in Board Meetings.

f. Delegates shall not receive compensation for serving as Delegates, but may claim and receive reimbursement for expenses actually incurred in connection with such service pursuant to rules approved by the Board and subject to the availability of funds.

g. The Board shall have the power, by resolution, to the extent permitted by the Act or any other applicable law, to exercise any powers of the Authority and to delegate any of its functions to the Executive Committee or one or more Delegates, officers or agents of the Authority, and to cause any authorized Delegate, officer or agent to take any actions and execute any documents for and in the name and on behalf of the Board or the Authority.

h. The Board may establish such committees as it deems necessary for any lawful purpose; such committees are advisory only and may not act or purport to act on behalf of the Board or the Authority.

i. The Board shall develop, or cause to be developed, and review, modify as necessary, and adopt each Program.

8. Meetings of the Board

a. The Board shall meet at least once annually, but may meet more frequently upon call of any officer or as provided by resolution of the Board.

b. Meetings of the Board shall be called, noticed, held and conducted pursuant to the provisions of the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part I of Division 2 of Title 5 of the Government Code of the State of California.

c. The Secretary of the Authority shall cause minutes of all meetings of the Board to be taken and distributed to each Member as soon as possible after each meeting.

d. The lesser of twelve (12) Delegates or a majority of the number of current Delegates shall constitute a quorum for transacting business at any meeting of the Board, except

that less than a quorum may act to adjourn a meeting. Each Delegate shall have one vote.

e. Meetings may be held at any location designated in notice properly given for a meeting and may be conducted by telephonic or similar means in any manner otherwise allowed by law.

9. Officers; Duties; Official Bonds

a. The Board shall elect a chair and vice chair from among the Delegates at the Board's annual meeting who shall serve a term of one (1) year or until their respective successor is elected. The chair shall conduct the meetings of the Board and perform such other duties as may be specified by resolution of the Board. The vice chair shall perform such duties in the absence or in the event of the unavailability of the chair.

b. The Board shall contract annually with RCRC to administer the Agreement and to provide administrative services to the Authority, and the President and Chief Executive Officer of RCRC shall serve *ex officio* as Executive Director, Secretary, Treasurer, and Auditor of the Authority. As chief executive of the Authority, the Executive Director is authorized to execute contracts and other obligations of the Authority, unless prior Board approval is required by a third party, by law or by Board specification, and to perform other duties specified by the Board. The Executive Director may appoint such other officers as may be required for the orderly conduct of the Authority's business and affairs who shall serve at the pleasure of the Executive Director. Subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent, the Executive Director, as Treasurer, is designated as the custodian of the Authority's funds, from whatever source, and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Act. The Executive Director, as Auditor, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Act.

c. The Legislative Advocate for the Authority shall be the Rural County Representatives of California.

d. The Treasurer and Auditor are public officers who have charge of, handle, or have access to all property of the Authority, and a bond for such officer in the amount of at least one hundred thousand dollars (\$100,000.00) shall be obtained at the expense of the Authority and filed with the Executive Director. Such bond may secure the faithful performance of such officer's duties with respect to another public office if such bond in at least the same amount specifically mentions the office of the Authority as required herein. The Treasurer and Auditor shall cause periodic independent audits to be made of the Authority's books by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act.

e. The business of the Authority shall be conducted under the supervision of the Executive Director by RCRC personnel.

10. Executive Committee of the Authority

a. Composition

The Authority shall appoint nine (9) members of its Board to serve on an Executive Committee.

b. Powers and Limitations

The Executive Committee shall act in an advisory capacity and make recommendations to the Authority Board. Duties will include, but not be limited to, review of the quarterly and annual budgets, service as the Audit Committee for the Authority, periodically review this Agreement; and complete any other tasks as may be assigned by the Board. The Executive Committee shall be subject to all limitations imposed by this Agreement, other applicable law, and resolutions of the Board.

c. Quorum

A majority of the Executive Committee shall constitute a quorum for transacting business of the Executive Committee.

11. Disposition of Assets

Upon termination of this Agreement, all remaining assets and liabilities of the Authority shall be distributed to the respective Members in such manner as shall be determined by the Board and in accordance with the law.

12. Agreement Not Exclusive; Operation in Jurisdiction of Member

This Agreement shall not be exclusive, and each Member expressly reserves its rights to carry out other public capital improvements and programs as provided for by law and to issue other obligations for those purposes. This Agreement shall not be deemed to amend or alter the terms of other agreements among the Members or Associate Members.

13. Conflict of Interest Code

The Authority shall by resolution adopt a Conflict of Interest Code as required by law.

14. Contributions and Advances

Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by any Member, Associate Member or any other public agency to further the purpose of this Agreement. Payment of public funds may be made to defray the cost of any contribution. Any advance may be made subject to repayment, and in that case shall be repaid in the manner agreed upon by the advancing Member, Associate Member or other public agency and the Authority at the time of making the advance.

15. Fiscal Year; Accounts; Reports; Annual Budget; Administrative Expenses

a. The fiscal year of the Authority shall be the period from January 1 of each year to and including the following December 31, except for any partial fiscal year resulting from a change

in accounting based on a different fiscal year previously.

b. Prior to the beginning of each fiscal year, the Board shall adopt a budget for the succeeding fiscal year.

c. The Authority shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles. The books and records of the Authority are public records and shall be open to inspection at all reasonable times by each Member and its representatives.

d. The Auditor shall either make, or contract with a certified public accountant or public accountant to make, an annual audit of the accounts and records of the Authority. The minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California, and shall conform to generally accepted auditing standards. When an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member (and also with the auditor of Sacramento County as the county in which the Authority's office is located) within 12 months after the end of the fiscal year.

e. In any year in which the annual budget of the Authority does not exceed five thousand dollars (\$5,000.00), the Board may, upon unanimous approval of the Board, replace the annual audit with an ensuing one-year period, but in no event for a period longer than two fiscal years.

16. Duties of Members or Associate Members; Breach

If any Member or Associate Member shall default in performing any covenant contained herein, such default shall not excuse that Member or Associate Member from fulfilling its other obligations hereunder, and such defaulting Member or Associate Member shall remain liable for the performance of all covenants hereof. Each Member or Associate Member hereby declares that this Agreement is entered into for the benefit of the Authority created hereby, and each Member or Associate Member hereby grants to the Authority the right to enforce, by whatever lawful means the Authority deems appropriate, all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative, and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

17. Indemnification

To the full extent permitted by law, the Board may authorize indemnification by the Authority of any person who is or was a Board Delegate, alternate, officer, consultant, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Delegate, alternate, officer, consultant, employee or other agent of the Authority. Such indemnification may be made against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal

proceeding, had no reasonable cause to believe his or her conduct was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

18. Immunities

All of the privileges and immunities from liabilities, exemptions from law, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activity of officers, agents or employees of any of the Members or Associate Members when performing their respective functions, shall apply to them to the same degree and extent while engaged as Delegates or otherwise as an officer, agent or other representative of the Authority or while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

19. Amendment

This Agreement may be amended by the adoption of the amendment by the governing bodies of a majority of the Members. The amendment shall become effective on the first day of the month following the last required member agency approval. An amendment may be initiated by the Board, upon approval by a majority of the Board. Any proposed amendment, including the text of the proposed change, shall be given by the Board to each Member's Delegate for presentation and action by each Member's board within 60 days, which time may be extended by the Board.

The list of Members, Attachment 1, may be updated to reflect new and/or withdrawn Members without requiring formal amendment of the Agreement by the Authority Board of Directors.

20. Withdrawal of Member or Associate Member

If a Member withdraws as member of RCRC, its membership in the Authority shall automatically terminate. A Member or Associate Member may withdraw from this Agreement upon written notice to the Board; provided however, that no such withdrawal shall result in the dissolution of the Authority as long as any Bonds or other obligations of the Authority remain outstanding. Any such withdrawal shall become effective thirty (30) days after a resolution adopted by the Member's governing body which authorizes withdrawal is received by the Authority. Notwithstanding the foregoing, any termination of membership or withdrawal from the Authority shall not operate to relieve any terminated or withdrawing Member or Associate Member from Obligations incurred by such terminated or withdrawing Member or Associate Member prior to the time of its termination or withdrawal.

20. Miscellaneous

a. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

b. **Construction.** The section headings herein are for convenience only and are not to

be construed as modifying or governing the language in the section referred to.

c. **Approvals.** Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

d. **Jurisdiction; Venue.** This Agreement is made in the State of California, under the Constitution and laws of such State and is to be so construed; any action to enforce or interpret its terms shall be brought in Sacramento County, California.

e. **Integration.** This Agreement is the complete and exclusive statement of the agreement among the parties hereto, and it supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the parties relating to the subject matter of this Agreement.

f. **Successors; Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the Board.

g. **Severability.** Should any part, term or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

The parties hereto have caused this Agreement to be executed and attested by their properly authorized officers.

AS ADOPTED BY THE MEMBERS:

Originally dated July 1, 1993

Amended and restated December 10, 1998

Amended and restated February 18, 1999

Amended and restated September 18, 2002

Amended and restated January 28, 2004

Amended and restated December 10, 2014

[SIGNATURES ON FOLLOWING PAGES]

#9.

SIGNATURE PAGE FOR NEW ASSOCIATE MEMBERS

NAME OF COUNTY OR CITY:

Dated:_____

By:_____

Name:_____

Title:_____

Attest:

By _____
[Clerk of the Board Supervisors or City Clerk]

AFTER EXECUTION, PLEASE SEND TO:

Golden State Finance Authority
(formerly California Home Finance Authority)
1215 K Street, Suite 1650
Sacramento, CA 95814

ATTACHMENT 1
CALIFORNIA HOME FINANCE AUTHORITY MEMBERS

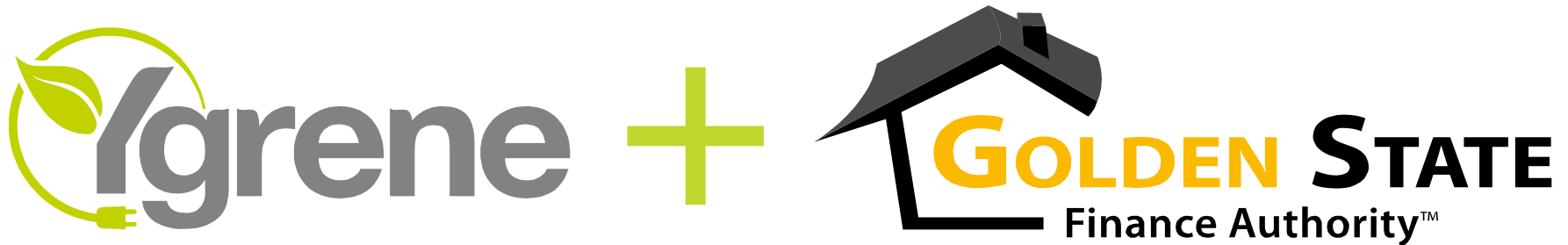
As of December 10, 2014

Alpine County
Amador County
Butte County
Calaveras County
Colusa County
Del Norte County
El Dorado County
Glenn County
Humboldt County
Imperial County
Inyo County
Lake County
Lassen County
Madera County
Mariposa County
Mendocino County
Merced County
Modoc County
Mono County
Napa County
Nevada County
Placer County
Plumas County
San Benito County
Shasta County
Sierra County
Siskiyou County
Sutter County
Tehama County
Trinity County
Tuolumne County
Yolo County
Yuba County

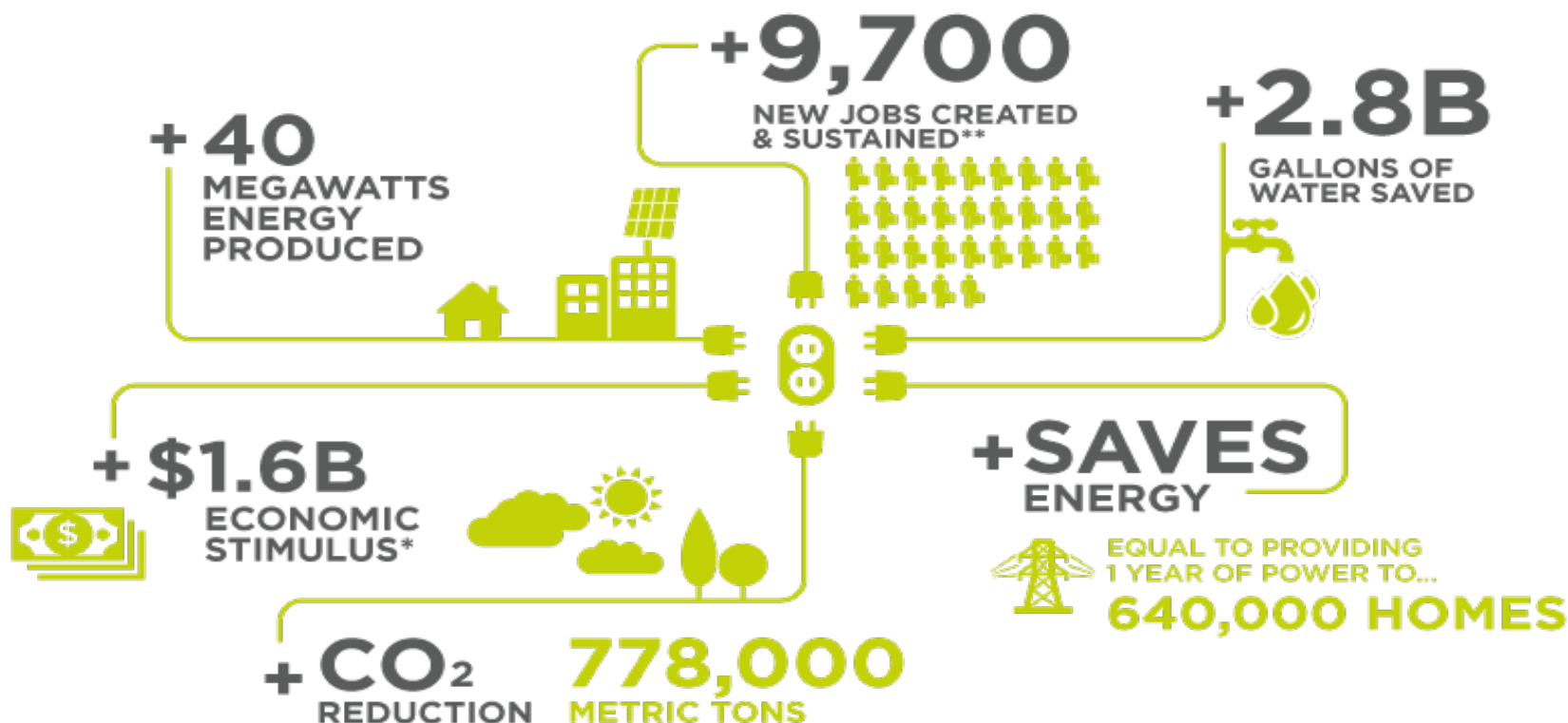


OFFERED IN PARTNERSHIP BETWEEN
GOLDEN STATE FINANCE AUTHORITY (GSFA) + YGRENE ENERGY FUND (YE

#9.



What does \$648,000,000 in water and energy efficient upgrades look like?



* Estimated annual Economic Impact/Stimulus includes both local impact (e.g., labor costs) as well as manufacturing, distribution, materials, etc., that may occur outside the local economy but that are a part of the national economy.

** Depending on the improvement, CO₂ reduction and annual job creation may vary.

All figures are current as of October 2015.

CURRENTLY AVAILABLE TO NEARLY...

14

**MILLION
CALIFORNIANS**

Current Service Area and Expansion



ACTIVE IN...
+121
JURISDICTIONS

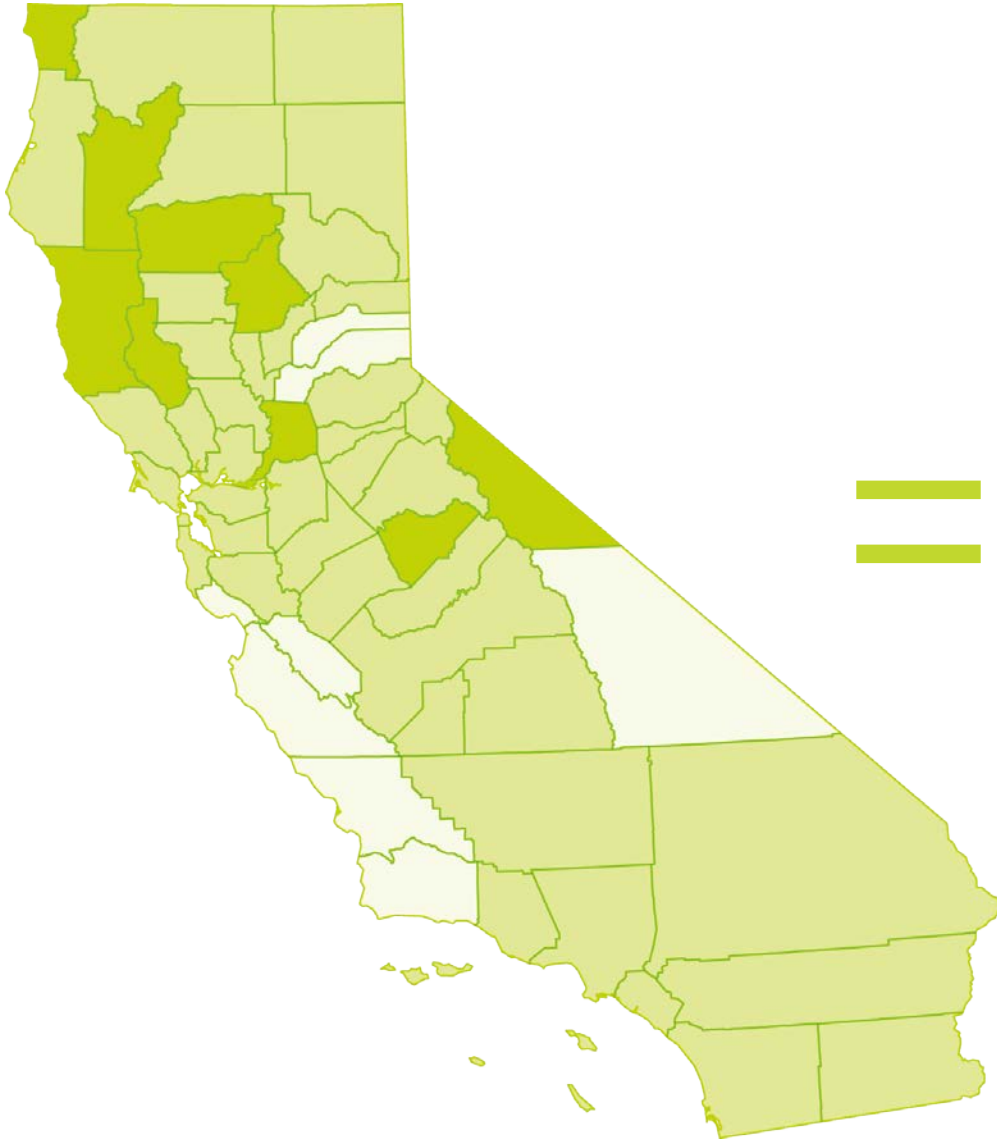
14 M POP.

RECENTLY LAUNCHED /
PENDING
+71
COUNTIES
& CITIES

10 M POP.

ACTIVELY
UNDER REVIEW
+45
COUNTIES
& CITIES

2.7 M POP.



TOTAL
COUNTIES
& CITIES

= 237

26.7 M POP.

RESIDENTIAL MULTI-Family & COMMERCIAL

Use Financing to
Pay for Upgrades



Consumer Protection

Certified Contractors,
Local Permits and
Customer Approval
are Required

CERTIFIED CONTRACTORS

Utilize Financing to Market
Building Upgrades



JPA
Form PACE
Program

**LOCAL
GOVERNMENT**
Authorize Program

WE PROVIDE...



LOCAL
Government
Relations &
Community
Representative



▶ **LOCAL**
Contractor
Training &
Certification



▶ **REGIONAL**
Account
Managers



▶ **CALL
CENTER**
Expansion
to Serve
Statewide
Communities



▶ **JPA
INTEGRATED**
GSFA staff
providing
expertise &
oversight



Contractor Training & Certification

Consumer Disclosures

Property & Financial Underwriting

Eligibility & Project Cost Review

Quality Assurance Control

Dispute Resolution

Post-Close Audit

CONTRACTOR TRAINING + CERTIFICATION



- Recruiting
- Training +Registration
- Initial Certification
- Trial Period
- Contractor Agreement
- Annual Re-Cert

CONSUMER DISCLOSURES



- Lender Notification
- P.O. SRDL
- NJTL
- FA/UAA
- Closing Statement
- SRRP

QUALITY ASSURANCE + CONTROL



- Contract Eligibility Review
- Energy Efficient Product Verification
- Permit Verification + Building Department Review
- Consumer ID Confirmation
- Privacy and Protection for Seniors and ESL

FINANCIAL PROTECTIONS



- Safe, Flexible Financing Platform
- 3-day Right to Cancel
- Pricing Controls
- Dispute Resolution

100%
FINANCING

Projects include



Solar Panels



Heating & AC



Windows & Doors



Lighting



Roofing



Insulation



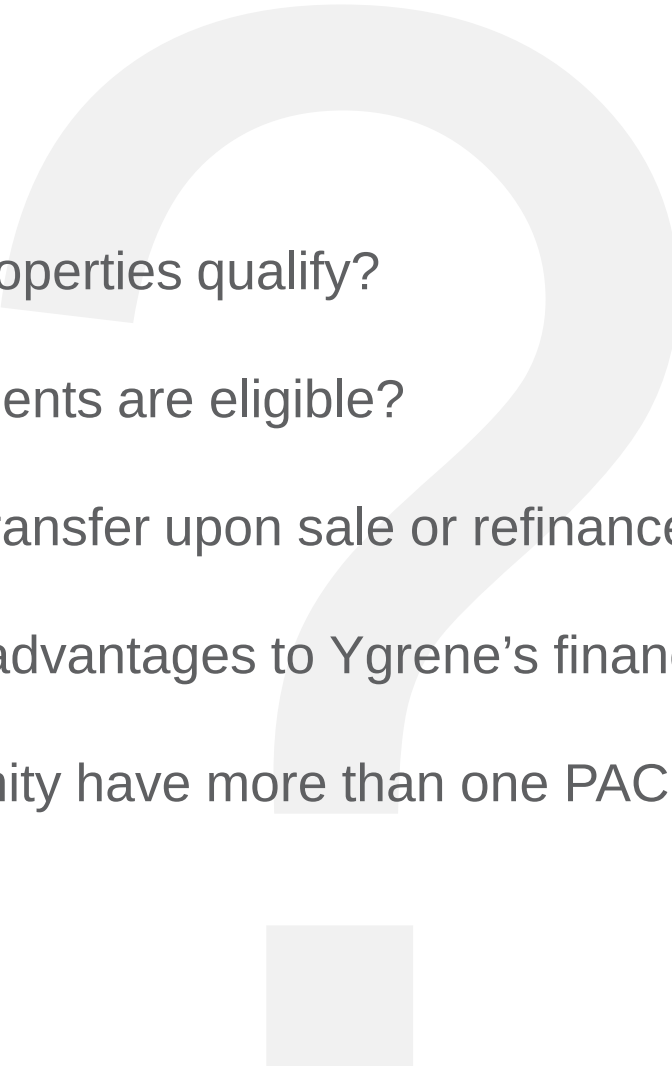
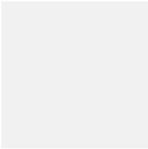
Water Saving



Hurricane



Landscaping
and many more!

- 
- A large, light gray question mark is centered in the background of the slide, behind the list of questions.
- 
- A small, light gray square is positioned at the bottom center of the slide.
- 1 What types of properties qualify?
 - 2 Which improvements are eligible?
 - 3 Do PACE liens transfer upon sale or refinance?
 - 4 What are some advantages to Ygrene's financing?
 - 5 Can my community have more than one PACE program?

CONTACT US TODAY



(707) 236.6608

To Speak With A
Program Representative



RESOLUTION SIGN-OFF FORM

DEPARTMENT: Planning

RESOLUTION TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE CITY'S INCORPORATED AREA IN CALIFORNIA HOME FINANCE AUTHORITY PROGRAM TO FINANCE RENEWABLE ENERGY GENERATION, ENERGY AND WATER EFFICIENCY IMPORVEMENTS AND ELECTRIC VEHICLE CHARGING INFRASTRUCTURE AND AUTHORIZING ASSOCIATE MEMBERSHIP IN THE JOINT EXERCISE OF POWERS AUTHORITY

Robert Delgadillo
DEPARTMENT MANAGER’S SIGNATURE

1/21/2016 1:19:39 PM
DATE

REVIEW / APPROVAL

Craig Cornwell
CITY ATTORNEY

2/4/2016 11:51:58 AM
DATE

Stephen Ajobiewe
CITY CONTROLLER

1/21/2016 6:23:41 PM
DATE

Roger Haley
CITY MANAGER

1/21/2016 1:23:33 PM
DATE

Use when:	
Public Works:	When contracting for Engineering Services.
City Attorney:	When contracting for legal services; contracts that require City Attorney’s review.
Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.

February 16, 2016

TO: MAYOR AND COUNCIL MEMBERS

FROM: ROBERT DELGADILLO, SENIOR PLANNER
PLANNING & ECONOMIC DEVELOPMENT DEPARTMENT

SUBJECT: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING SECTIONS 9-23.8, 9-23.14, 9-23.15 AND 9-23.16 OF CHAPTER IX OF THE COMPTON MUNICIPAL CODE RELATIVE TO THE REGULATION AND LICENSING OF BINGO GAMES FOR CHARITABLE PURPOSES IN THE CITY OF COMPTON

SUMMARY

The City Council will consider adopting an ordinance amending Chapter IX of the Compton Municipal Code by amending, in part, Sections 9-23.8, 9-23.14, 9-23.15 and 9-23.16 for the purpose of revising regulations for the operation of charitable bingo games in the City of Compton.

BACKGROUND

All bingo games for charitable purposes operated within the City of Compton are regulated under the Compton Municipal Code ("CMC"), specifically Chapter IX, Section 9-23, which was revised in its entirety by ordinance on June 15, 1993 (Ordinance No. 1,891) and later revised, in part, by ordinance on July 14, 2009 (Ordinance No. 2,193). Pursuant to CMC Subsection 9-23.3(a), there shall be a maximum of one (1) Special Bingo License approved for each one hundred thousand (100,000) residents located within the City. Currently, under CMC Section 9-23.8, the Special Bingo License is valid for ten (10) years from the date of issuance. Notwithstanding the annual renewal fee in the amount of fifty dollars (\$50.00), no other fees or funds are collected from the operation of the "Special" bingo license.

The current and only "Special" Bingo License ever issued by the City was awarded to the Samoan Christian Church of South Los Angeles to conduct bingo operations for charitable purposes at the Crystal Casino event center located at 123 Artesia Boulevard. They were awarded Special Bingo License #BL 09-01 on January 26, 2010 pursuant to City Council Resolution No. 23,038. Prior to operating in the City of Compton, the Samoan Christian Church of South Los Angeles had operated bingo games in the City of Inglewood at the Hollywood Park Casino. In June 2015, the City Council, for specified reasons, revoked the Church's Special Bingo License, with said revocation becoming effective December 31, 2015. On December 22, 2015, the City Council extended the effective date of the approved revocation of Special Bingo License # BL 09-01 to June 30, 2016.

STATEMENT OF THE ISSUE

The City of Compton intends to improve the enforcement of its regulations relative to the operation of bingo games for charitable purposes by amending, in part, certain provisions of Section 9-23 that pertain to the retention of charitable proceeds and the reduction of the term from the date on which the Special bingo license was issued.

The purpose of this Staff Report and Ordinance is to propose amendments revising four (4) specific subsections of Chapter IX, Section 9-23. The amendments proposed are shown below. The proposed new language is shown as underlined and in **bold**. The proposed amendments reduce the current license term of ten (10) years to one (1) year, require all net financial proceeds to be given to local Compton-based charities/non T profit organizations and requires financial reports to be filed with the City Controller instead of the Planning Department. All of the proposed amendments maintain the intent of Section 9-23 while granting the City more oversight control.

Proposed Amendments to CMC 9-23 “BINGO FOR CHARITABLE PURPOSES”

9-23.8 Issuance, Termination and Renewal of License.

In approving an application for a special license, the Council may impose conditions upon such license in addition to the requirements contained herein. The Planning Department shall provide to the applicant a copy of the City's acceptance form, which shall state that the applicant is aware of and will abide by all conditions imposed by the Council. Upon receipt of the acceptance form signed by the applicant, the City License Collector shall thereupon issue the license, which shall be for a term of ~~ten (10) years~~ **one (1) year** from the date on which it was issued, unless revoked by the Council pursuant to the provisions hereof or surrendered by the licensee. In the event of the surrender, suspension, revocation or expiration of the license, no portion of any license fee or deposit shall be refunded. **Not less than two (2) months prior to the expiration of a license, the licensee shall file a request for renewal with the City Clerk to extend the special license for another term of one (1) year. Such request shall be placed before the City Council for consideration by resolution.**

9-23.14 Profits of Bingo Game Operated by 23701d Organization.

All profits derived from bingo games operated by an organization exempt from payment of the bank and corporation tax under Section 23701d of the Revenue and Taxation Code shall be deposited into and retained in a special fund or account, which shall not be commingled with any other fund or account of the licensee. Such profits shall be deposited into such account within twenty-four (24) hours after completion of the bingo game and shall be used only for **local** charitable purposes **within the City of Compton.** **The holder of any special license shall provide the office of the City Manager with a list of all charities and non-profit organizations receiving such bingo funds and**

shall be notified of all charities no longer receiving such funds or of any changes. The City Manager may designate or approve new charities or non-profit organizations to receive bingo funds.

9-23.15 Proceeds of Bingo Game Operated by Other Than 23701d Organization.

All proceeds derived from bingo games operated by an organization other than one exempt from payment of the bank and corporation tax under Section 23701d of the Revenue and Taxation Code shall be deposited into and retained in a special fund or account, which shall not be commingled with any other fund or account of the licensee. Such proceeds shall be deposited into such account within twenty-four (24) hours after completion of the bingo games and shall be used only for charitable purposes, except as follows:

- a. Such proceeds may be used for prizes;
- b. A portion of such proceeds, ~~not to exceed twenty (20%) percent of the proceeds before the deduction for prizes or one thousand (\$1,000.00) dollars per month, whichever is less,~~ may be used for rental of property, overhead, including the purchase of bingo equipment, administrative expenses, security equipment and security personnel; and
- c. Such proceeds may be used for license fees; and
- d. All net proceeds (minus prizes, rent, security, and bingo supplies) shall remain in the City of Compton and shall be given to local charities or non-profit organizations. The holder of any special license shall provide the office of the City Manager with a list of all charities and non-profit organizations receiving such bingo funds and shall be notified of all charities no longer receiving such funds or of any changes. The City Manager may designate or approve new charities or non-profit organizations to receive bingo funds.**

9-23.16 Records and Reports

f. All licensees shall file with the Planning Department **City Controller** a financial report, showing the gross revenue received from the bingo games, the costs incurred and disbursements made, the deposits into the special fund or account and all withdrawals therefrom. Accessory bingo licensees shall file the report six (6) months after the date of issuance of the license and annually thereafter. Special bingo licensees shall file said report on or before the first of each month for the life of the license. A copy of said report shall be submitted to the City Treasurer in conjunction with the monthly licensing fee. Failure to file such report within ten (10) days after the date due shall be grounds for suspension or revocation of the license or, if applicable, for denial of a new license.

**Staff Report – Resolution Amending CMC Section 9-23
Bingo Games for Charitable Purposes
February 16, 2016, Page 4**

No other changes to the remaining provisions of Section 9-23 are proposed.

FINANCIAL IMPACT

Presently, Bingo licensees must pay an initial and annual license fee of \$50. No other Business license fee or tax, based off the gross bingo receipts, can be collected. However, Section 9-23.3(b)(1) permits the City to collect a monthly fee to pay for the costs of law enforcement and fire protection services related to bingo. Currently, there is no adopted fee schedule for law enforcement and public safety services related to bingo. However, the City may adopt by resolution establishing a schedule of fees for the costs incurred by the City for law enforcement and public safety services.

The adoption of these amendments will not adversely impact the General Fund, however, the proposed retention of the net financial bingo proceeds will have significant impact for certain local charities through the receipt of monthly bingo funds.

RECOMMENDATION

Staff recommends that the City Council adopt the attached proposed Ordinance amending certain sections of CMC 9-23.

**ROBERT DELGADILLO, SENIOR PLANNER
PLANNING & ECONOMIC DEVELOPMENT DEPARTMENT**

APPROVED FOR FORWARDING:

**ROGER L. HALEY
CITY MANAGER**

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING SECTIONS 9-23.8, 9-23.14, 9-23.15 AND 9-23.16 OF CHAPTER IX OF THE COMPTON MUNICIPAL CODE RELATIVE TO THE REGULATION AND LICENSING OF BINGO GAMES FOR CHARITABLE PURPOSES IN THE CITY OF COMPTON

WHEREAS, all bingo games for charitable purposes operated within the City of Compton are regulated under Section 9-23 of Chapter IX of the Compton Municipal Code (CMC); and

WHEREAS, pursuant to CMC Subsection 9-23.3, there shall be a maximum of one (1) Special Bingo License approved for each one hundred thousand (100,000) residents located within the City; and

WHEREAS, current City regulations grant a Special Bingo License for a term of ten (10) years from the date of issuance by the City; and

WHEREAS, the City desires to reduce the ten (10) year term to a more accepted term of one (1) year; and

WHEREAS, current regulations of a "Special" Bingo License do not adequately insure that the financial proceeds of the charitable bingo games remain in the City of Compton and benefit local charities; and

WHEREAS, the City Council has determined that the proposed amendments to reduce the current license term of ten (10) years to one (1) year, to require all net financial proceeds to be given to local Compton-based charities/non-profit organizations and to require financial reports to be filed with the City Controller instead of the Planning Department will promote the public health, safety and welfare of the residents of the City and provide greater oversight control to the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. That **Section 9-23.8** of Chapter IX of the Compton Municipal Code is hereby amended to read as follows:

9-23.8 Issuance, Termination and Renewal of License.

In approving an application for a special license, the Council may impose conditions upon such license in addition to the requirements contained herein. The Planning Department shall provide to the applicant a copy of the City's acceptance form, which shall state that the applicant is aware of and will abide by all conditions imposed by the Council. Upon receipt of the acceptance form signed by the applicant, the City License Collector shall thereupon issue the license, which shall be for a term of one (1) year from the date on which it was issued, unless revoked by the Council pursuant to the provisions hereof or surrendered by the licensee. In the event of the surrender, suspension, revocation or expiration of the license, no portion of any license fee or deposit shall be refunded. Not less than two (2) months prior to the expiration of a license, the licensee shall file a request for renewal with the City Clerk to extend the special license for another term of one (1) year. Such request shall be placed before the City Council for consideration by resolution.

Section 2. That **Section 9-23.14** of Chapter IX of the Compton Municipal Code is hereby amended to read as follows:

9-23.14 Profits of Bingo Game Operated by 23701d Organization.

All profits derived from bingo games operated by an organization exempt from payment of the bank and corporation tax under Section 23701d of the Revenue and Taxation Code shall be deposited into and retained in a special fund or account, which shall not be commingled with any other fund or account of the licensee. Such profits shall be deposited into such account within twenty-four (24) hours after completion of the bingo game and shall be used only for local charitable purposes within the City of Compton. The holder of any special license shall provide the office of the City Manager with a list of all charities and non-profit organizations receiving such bingo funds and shall be notified of all charities no longer receiving such funds or of any changes. The City Manager may designate or approve new charities or non-profit organizations to receive bingo funds.

Section 3. That **Section 9-23.15** of Chapter IX of the Compton Municipal Code is hereby amended to read as follows:

9-23.15 Proceeds of Bingo Game Operated by Other Than 23701d Organization.

All proceeds derived from bingo games operated by an organization other than one exempt from payment of the bank and corporation tax under Section 23701d of the Revenue and Taxation Code shall be deposited into and retained in a special fund or account, which shall not be commingled with any other fund or account of the licensee. Such proceeds shall be deposited into such account within twenty-four (24) hours after completion of the bingo games and shall be used only for charitable purposes, except as follows:

- a. Such proceeds may be used for prizes;
- b. A portion of such proceeds may be used for rental of property, overhead, including the purchase of bingo equipment, administrative expenses, security equipment and security personnel;
- c. Such proceeds may be used for license fees; and

d. All net proceeds (minus prizes, rent, security, and bingo supplies) shall remain in the City of Compton and shall be given to local charities or non-profit organizations. The holder of any special license shall provide the office of the City Manager with a list of all charities and non-profit organizations receiving such bingo funds and shall be notified of all charities no longer receiving such funds or of any changes. The City Manager may designate or approve new charities or non-profit organizations to receive bingo funds.

Section 4. That **Section 9-23.16** of Chapter IX of the Compton Municipal Code is hereby amended to read as follows:

9-23.16 Records and Reports

f. All licensees shall file with the City Controller a financial report, showing the gross revenue received from the bingo games, the costs incurred and disbursements made, the deposits into the special fund or account and all withdrawals therefrom. Accessory bingo licensees shall file the report six (6) months after the date of issuance of the license and annually thereafter. Special bingo licensees shall file said report on or before the first of each month for the life of the license. A copy of said report shall be submitted to the City Treasurer

in conjunction with the monthly licensing fee. Failure to file such report within ten (10) days after the date due shall be grounds for suspension or revocation of the license or, if applicable, for denial of a new license.

Section 5. That the City Council declares that, should any provision, section, subsection, sentence, paragraph, clause, phrase or word of this Ordinance, hereby adopted, be rendered or declared invalid by any final court action in a court of competent jurisdiction, or by an reason of any preemptive legislation, the remaining provisions, sections, subsections, sentences, paragraphs, clauses, phrases or words of this Ordinance hereby adopted shall remain in full force and effect.

Section 6. That a copy of this Ordinance shall be filed in the offices of the City Clerk, City Manager, City Attorney, Planning and Economic Development Department, Building and Safety Department, and the Los Angeles County Sheriff's Department - Compton Station.

Section 7. That this Ordinance and the rules, regulations, provisions, requirements, orders and matters established and adopted hereby shall take effect and be in full force and effect thirty (30) days after the date of its final passage and adoption by the City Council.

Section 8. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Ordinance and shall cause the same to be published as required by law.

ADOPTED this ____ day of _____, 2016.

MAYOR OF THE CITY OF COMPTON

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the City of Compton, do hereby certify that the foregoing Ordinance was adopted by the City Council of the City of Compton, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on the ____ day of _____, 2016.

That said Ordinance was adopted by the following vote, to wit:

AYES: COUNCIL MEMBERS -
NOES: COUNCIL MEMBERS -
ABSENT: COUNCIL MEMBERS -
ABSTAIN: COUNCIL MEMBERS -

CITY CLERK OF THE CITY OF COMPTON

RESOLUTION SIGN-OFF FORM

DEPARTMENT: City Attorney

RESOLUTION TITLE: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING SECTIONS 9-23.8, 9-23.14, 9-23.15 AND 9-23.16 OF CHAPTER IX OF THE COMPTON MUNICIPAL CODE RELATIVE TO THE REGULATION AND LICENSING OF BINGO GAMES FOR CHARITABLE PURPOSES IN THE CITY OF COMPTON (First Reading)

Ruth Rugley
DEPARTMENT MANAGER’S SIGNATURE

2/10/2016 12:32:29 PM
DATE

REVIEW / APPROVAL

Ruth Rugley
CITY ATTORNEY

2/11/2016 2:19:55 PM
DATE

Regina Tercero
CITY CONTROLLER

2/11/2016 1:43:29 PM
DATE

Roger Haley
CITY MANAGER

2/11/2016 10:01:50 AM
DATE

Use when:	
Public Works:	When contracting for Engineering Services.
City Attorney:	When contracting for legal services; contracts that require City Attorney’s review.
Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.

February 16, 2016

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: CITY ATTORNEY

SUBJECT: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON, CALIFORNIA, ADOPTING PREVAILING WAGE REQUIREMENTS FOR PUBLIC WORKS PROJECTS, AND AMENDING CHAPTER IV OF THE COMPTON MUNICIPAL CODE

SUMMARY

The attached ordinance adds a new section 4-11.12, “Payment of Prevailing Wages Required for Public Works Projects,” to the Compton Municipal Code.

BACKGROUND

Senate Bill No. 7 (2013)

Senate Bill No. 7 (“SB7”) served to enact Labor Code Section 1782 which provides that charter cities may not receive State funding or financial assistance for construction projects unless the City has a local prevailing wage ordinance, applicable to all of its public works contracts, which includes requirements that are equal to or greater than the requirements imposed by Labor Code Section 1770, *et seq.*, the State’s prevailing wage requirements. Labor Code Section 1782 excludes construction contracts for projects of \$25,000.00 or less, and projects of \$15,000.00 or less involving alteration, demolition, repair, or maintenance work. Labor Code Section 1782 does not apply to State funding or financial assistance that was awarded prior to January 1, 2015, or to such funding or financial assistance to complete contracts that were bid or awarded prior to January 1, 2015.

STATEMENT OF THE ISSUE

SB7 was passed in response to the 2012 California Supreme Court decision *State Building and Construction Trades Council v. City of Vista*, which held that a charter city may exempt itself from the State’s prevailing wage requirements because the issue of wages paid for locally funded projects is a “municipal affair,” rather than being of statewide significance. The City currently has no prevailing wage ordinance. Therefore, based upon the express provisions of Labor Code Section 1782, upon adoption of the prevailing wage ordinance under consideration, the City will be entitled to continue to receive State funding and financial assistance for its public works projects.

#11.

Staff Report
Page 2 of 2

RECOMMENDATION

For the reasons set forth above, it is recommended that the City Council adopt this ordinance requiring payment of prevailing wages on specified public works projects in order to satisfy the requirements of Labor Code Section 1782, and to continue to receive State funding and financial assistance for public works projects undertaken by the City.

CRAIG CORNWELL
CITY ATTORNEY

APPROVED FOR FORWARDING:

ROGER L. HALEY
CITY MANAGER

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON, CALIFORNIA, ADOPTING PREVAILING WAGE REQUIREMENTS FOR PUBLIC WORKS PROJECTS, AND AMENDING CHAPTER IV OF THE COMPTON MUNICIPAL CODE

WHEREAS, newly enacted Labor Code Section 1782 provides that charter cities may not receive State funding or financial assistance for construction projects unless the city has a local prevailing wage ordinance, applicable to all of its public works contracts, which includes requirements that are equal to or greater than the requirements imposed by Article 2, Chapter 1, Part 7, Division 2 of the California Labor Code, commencing with Section 1770, and containing the State’s prevailing wage requirements; and

WHEREAS, Labor Code Section 1782 excludes contracts for projects of \$25,000 or less for construction work, and projects of \$15,000 or less for alteration, demolition, repair, or maintenance work; and

WHEREAS, Labor Code Section 1782 does not apply to State funding or financial assistance that was awarded prior to January 1, 2015, or to State funding or financial assistance to complete contracts bid or awarded prior to January 1, 2015; and

WHEREAS, it is the intent of the City of Compton in adopting this Ordinance to satisfy the requirements of Labor Code Section 1782, and to require the payment of prevailing wages on all non-exempt public works projects in order to continue to receive State funding and financial assistance for the City’s construction projects.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Chapter IV of the Compton Municipal Code is hereby amending by adding Section 4-11.12 (Payment of Prevailing Wages Required for Public Works Projects), to read as follows:

“4-11.12 Payment of Prevailing Wages Required for Public Works Projects. Except as otherwise provided in this section, the general rate of per diem wages, as set forth in Labor Code Section 1770, et seq., or any successor provision thereto (“prevailing wages”), shall be paid on all City public works projects. As used in this section, the term ‘public works’ shall have the same meaning and shall refer to the same term as used in Labor Code Section 1782. All notices inviting bids for such public works projects shall incorporate and provide notification of the provisions of this section. Nothing in the City Charter, including Section 1409, shall affect the provisions of this Section.

ORDINANCE NO. _____

Exceptions. In accordance with the provisions of Labor Code Section 1782, the requirement to pay prevailing wages, as set forth above in this section, does not apply to the following: (a) a contract of \$25,000 or less when the contract is for construction work; or (b) a contract of \$15,000 or less when the contract is for alteration, demolition, repair, or maintenance work; or (c) a public works contract that was advertised or awarded prior to January 1, 2015.”

Section 2. As this Ordinance affects only wages to be paid on public works contracts, this Ordinance is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3), which provides that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and CEQA does not apply where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

Section 3. The City Council declares that, should any provision, section, subsection, sentence, paragraph, clause, phrase, or word of this Ordinance, or the Code section hereby adopted, be rendered or declared invalid by any final court action in a court of competent jurisdiction, or by an reason of any preemptive legislation, the remaining provisions, sections, subsections, sentences, paragraphs, clauses, phrases or words of this Ordinance and Code section hereby adopted shall remain in full force and effect.

Section 4. A copy of this Ordinance shall be filed in the offices of the City Clerk, City Manager, City Attorney, and City Controller, and a copy shall be forwarded to the State Director of Industrial Relations in order for the City to be included on the Director’s list of charter cities that may receive and use State funding or finance assistance for their construction projects.

Section 5. This Ordinance and the rules, regulations, provisions, requirements, orders and matters established and adopted hereby shall take effect and be in full force and effect thirty (30) days after the date of its final passage and adoption by the City Council.

Section 6. The Mayor shall sign and the City Clerk shall attest to the adoption of this Ordinance and shall cause the same to be published as required by law.

ADOPTED this _____ day of _____, 2016.

MAYOR OF THE CITY OF COMPTON

ORDINANCE NO. _____

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON

I, Alita L. Godwin, City Clerk of the City of Compton, do hereby certify that the foregoing Ordinance was adopted by the City Council of the City of Compton, signed by the Mayor and attested to by the City Clerk at a regular meeting thereof held on the _____ day of _____, 2016.

The Ordinance was adopted by the following vote, to wit:

AYES:	COUNCIL MEMBERS-
NOES:	COUNCIL MEMBERS-
ABSTAIN:	COUNCIL MEMBERS-
ABSENT:	COUNCIL MEMBERS-

CITY CLERK OF THE CITY OF COMPTON

February 9, 2016

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON CALLING AND PROVIDING FOR A SPECIAL MUNICIPAL ELECTION TO BE HELD IN THE CITY OF COMPTON ON JUNE 7, 2016

SUMMARY

The attached Ordinance calls and gives notice of a Special Municipal Election to be held on June 7, 2016, and to be consolidated with the election to be conducted by the County of Los Angeles on the same date.

BACKGROUND

The Compton City Charter serves as the local Constitution for the City of Compton and authorizes the City Council to control municipal affairs. Article XIII of the Charter governs municipal elections and provides that other than primary nominating elections and general municipal elections, all other municipal elections that may be held by authority of the Charter, or of any law, shall be known as Special Municipal Elections and shall be called by ordinance.

The attached Ordinance calls and gives notice of a Special Municipal Election to be held on June 7, 2016. The attached Ordinance provides that in all particulars not recited in the attached Ordinance or in the Council resolution ordering the measure to be submitted to the voters of the City at the Special Municipal Election, the Special Municipal Election shall be held and conducted as provided by law for holding municipal elections. All persons qualified and registered to vote in the City of Compton as of the date of said election shall be entitled to vote.

The attached Ordinance relates to the calling of an election and shall take effect immediately upon its adoption.

FISCAL IMPACT

Los Angeles County will divide election costs among participating cities after costs are determined. The City has allocated the anticipated cost of this special election in the 2015-2016 Fiscal Year Budget.

#12.

Staff Report – Ordinance Calling Special Election Page 2

RECOMMENDATION

Staff recommends that the City Council adopt the attached Ordinance.

**ROGER HALEY
CITY MANAGER**

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON CALLING AND PROVIDING FOR A SPECIAL MUNICIPAL ELECTION TO BE HELD IN THE CITY OF COMPTON ON JUNE 7, 2016

THE CITY COUNCIL OF THE CITY OF COMPTON DOES ORDAIN AS FOLLOWS:

Section 1. Calling and Giving Notice of Special Municipal Election. Pursuant to its right, power and authority under the laws of the State of California and the Compton Municipal Code and Charter, the City Council hereby calls and gives notice of a Special Municipal Election to be held in the City of Compton on Tuesday, June 7, 2016, to be consolidated with the election to be conducted by the County of Los Angeles on the same date. The City Clerk is hereby authorized, instructed and directed to give further or additional notice of the Special Municipal Election, in the time, form, and manner as required by law.

Section 2. Conduct of the Special Municipal Election. In all particulars not recited in this Ordinance or in a Council resolution ordering the measure to be submitted to the voters of the City at the Special Municipal Election, the Special Municipal Election shall be held and conducted as provided by law for holding municipal elections. All persons qualified and registered to vote in the City of Compton as of the date of said election shall be entitled to vote. The City Clerk is hereby authorized, instructed and directed to procure and furnish any and all supplies and equipment that may be necessary in order to properly and lawfully conduct the election.

Section 3. Severability. The City Council declares that, should any provision, section, subsection, sentence, paragraph, clause, phrase or word of this Ordinance hereby adopted, be rendered or declared invalid by any final court action in a court of competent jurisdiction, or by reason of any preemptive legislation, the remaining provisions, sections, subsections, sentences, paragraphs, clauses, phrases or words of this Ordinance hereby adopted shall remain in full force and effect.

Section 4. Effective Date. This Ordinance relates to the calling of an election and shall take effect immediately upon its adoption.

Section 5. Filing Copies of Ordinance. Copies of this Ordinance shall be filed in the offices of the City Clerk, City Manager and City Attorney, and with the County of Los Angeles Registrar of Voters.

Section 6. Publication or Posting of Ordinance. The City Clerk shall cause this Ordinance or a summary of this Ordinance to be published or posted in accordance with the City of Compton Charter.

Section 7. Signature and Attestation. The Mayor shall sign and the City Clerk shall attest to the adoption of this Ordinance.

ADOPTED this _____ day of _____, 2016.

MAYOR OF THE CITY OF COMPTON

RESOLUTION NO. _____
Page 2

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF COMPTON)

I, Alita L. Godwin, City Clerk of the City of Compton, do hereby certify that the foregoing Ordinance was adopted by the City Council, signed by the Mayor, and attested to by the City Clerk at a regular meeting thereof held on the 9th day of February, 2016.

That said Ordinance was adopted by the following vote, to wit:

AYES: Council Members-
NOES: Council Members-
ABSENT: Council Members-
ABSTAIN: Council Members-

CITY CLERK OF THE CITY OF COMPTON

FEBRUARY 9, 2016

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING AN ORDINANCE IMPOSING A ONE PERCENT TRANSACTIONS AND USE TAX FOR GENERAL PURPOSES TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION, DECLARING A FISCAL EMERGENCY IN THE CITY OF COMPTON WHICH INTERFERES WITH THE CITY'S ABILITY TO PROVIDE AN ADEQUATE LEVEL OF MUNICIPAL SERVICES, ORDERING THAT THE MEASURE TO ADOPT THE TRANSACTIONS AND USE TAX BE SUBMITTED TO THE VOTERS OF THE CITY AT THE SPECIAL MUNICIPAL ELECTION TO BE HELD JUNE 7, 2016, AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE MEASURE

SUMMARY

The attached Resolution authorizes a measure to be placed on the ballot for the Special Municipal Election to be held on June 7, 2016, and to be consolidated with the election to be conducted by the County of Los Angeles on the same date. The measure is for the purpose of approving an ordinance imposing a one percent general transactions and use tax.

BACKGROUND

A Special Municipal Election to be held on June 7, 2016 has been called by Ordinance No. ____, adopted by the Council on February 9, 2016.

The City Council proposes that a measure be presented to the voters at the Special Municipal Election to approve an ordinance enacting a general 1% transactions and use tax (sometimes called a once cent sales tax increase).

The law generally provides that the Council must submit such a tax measure to the voters at the next scheduled regular municipal election, which is in June of 2017. However, when a fiscal emergency exists, the Council is authorized to submit such a tax measure to the voters at a Special Municipal Election.

Along with other cities in California, the City of Compton continues on a path to recovery from the worst recession in recent history. However, the fiscal emergency which has existed in the City for a number of years still continues to exist.

Staff Report – Resolution re Transaction and Use Tax

Page 2

The City's fiscal emergency is well-documented. As set forth in the official statement prepared in connection with the issuance by the City of its 2013-14 tax and revenue anticipation notes, for fiscal years 2009-2013, total City-wide expenditures exceeded total City-wide revenues and for fiscal years 2009-2012, General Fund expenditures exceeded General Fund revenues. The City's unaudited 2011 financial statements set forth a negative fund balance as of June 30, 2011 for the General Fund of approximately \$41.2 million. The Independent Auditors' Report related to the 2011 Financial Statements noted, among other things, that the amount of deficits, interfund liabilities, accounts payable and accrued liabilities within the General Fund indicated "significant liquidity problems" as of June 30, 2011. During the fiscal year ended June 30, 2012, the City experienced continued stress on its General Fund. The City's unaudited, internally prepared financial statements for the fiscal year ended June 30, 2012 reflected an approximate \$3.63 million deficiency of General Fund revenues under General Fund expenditures. During the fiscal year ended June 30, 2013, the City Council adopted measures projected to reduce expenditures and increase revenues. The City's General Fund experienced an approximate \$1.2 million surplus of revenues over expenditures for the fiscal year ended June 30, 2013, but as of June 30, 2013, the City's General Fund still suffered from a cumulative negative fund balance of approximately \$43.15 million.

As set forth in the official statement prepared in connection with the issuance by the City of its 2014-15 tax and revenue anticipation notes, in fiscal year 2013-14, General Fund revenues exceeded General Fund expenditures, and the City's General Fund budget was balanced for the 2014-15 fiscal year with revenues of approximately \$53.01 million and expenses of approximately \$52.98 million. The 2014-15 budget was the first City budget since 2011 that did not necessitate reductions in employees. The 2014-15 budget included an increase in expenditures which included a General Fund payment for lease revenue bonds, an internal deficit repayment, and a restoration of funding for full employee labor costs (no furloughs).

However, even though the City appears to be on the path to recovery based on more recent trends, including adopting a policy to put money aside each year for a reserve, the City's General Fund still suffers from a substantial cumulative negative fund balance. Based on the City's unaudited, internally prepared financial statement for the 2014-15 fiscal year, the City's General Fund had a cumulative negative fund balance of \$35.07 million as of June 30, 2014. This amount included the cumulative deficit of \$43.11 million from prior years less an adjustment recommended by the City's independent auditors for internal fund payments (\$6.50 million) less the current year surplus of \$1.54 million recorded as of June 30, 2014. The General Fund cumulative negative balance is anticipated to take at least 15 years to eliminate. In that regard, on December 20, 2011, the City Council approved a resolution delineating a 20-year repayment schedule to enable the General Fund to erase the prior years' accumulated deficit and to repay amounts owed to other funds (including sewer, water and retirement funds). On June 17, 2014, the City Council adopted a resolution approving a revised plan reducing the repayment period to 15 years.

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As noted above, the City's fiscal emergency has required the City to cut services, programs, and employees. Such cuts have been dramatic, and include the laying off of one-third of the City employees in 2011, and the renegotiation of labor contracts. While the 2014-15 budget did not necessitate further reductions in employees, the General Fund deficit has made it impossible for the City to reverse previous cuts and restore the City's services and programs to an adequate level. The majority of the City's General Fund expenditures have been for public safety and general government services. The lack of funding for programs and services is particularly dire in light of the City's high unemployment rate, as of May of 2015, of 11.3% (compared to a State unemployment rate of only 6.2%) and the City's high poverty (the average household income in the City is under \$43,000 compared to \$61,000 for the State). The City has been forced to reduce funding for youth and vocational training programs.

The City's fiscal emergency caused the City Council to abandon its plans to establish its own police department. Instead, the City continues to contract its police services with the Los Angeles County Sheriff's Department. Through 2011, the City fell behind on its monthly payments to the County and accumulated \$369,000 in late fees.

The City currently does not have the funding to provide an additional fire station for the east side of the City. Because there is only one fire station to serve the east side, the City is limited in the volume of service calls the City can respond to and in the fire protection and ambulatory services it can provide. In the event of a major disaster, all mutual aid agencies would likely be at their maximum capacity and be unable to come to the aid of the City. The addition of a fire station for the east side would allow the City to provide additional fire protection and ambulatory services, reduce response times by three to five minutes on average, reduce the City's dependence on mutual aid by approximately twenty percent, and increase inspection services to ensure better prevention. Additional services would help the City to better meet the needs of the City's senior population.

The City's fiscal emergency has not only impacted services and programs in the City, but has also negatively affected the City's ability to provide and maintain essential public facilities and infrastructure, requiring the City to even defer performing preventative maintenance. According to the National Recreation and Parks Association, the City should have approximately 500 acres of parks and open space, which is less than 15% of the desired amount. In addition, a recent assessment of the City's 15 existing parks demonstrates that it will cost approximately \$27 million to improve the existing parks to current standards. However, the City was only able to budget \$1.7 million in one-time funds for park improvements in fiscal year 2015-16. The City has also completed a recent City-wide pavement study of all roadways in the City using the pavement conditions index developed by the United States Army Corp of Engineers. The City's study documents that the City's arterial and local streets are in need of an estimated \$114,000,000 for pavement/street rehabilitation. However, the City's current dedicated funding sources available for such work (Proposition C, Proposition A, Gas Tax and Measure R funds) total only \$2 million. This means it would take over 60 years with the current fund source to

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improve the streets to an adequate condition based on today's costs; however, the streets will continue to deteriorate over time and street improvement costs will continue to climb.

The City's fiscal emergency has resulted in the City not being able to pay the balances of the amounts owed to the County Auditor-Controller as a result of due diligence reviews undertaken by the State Department of Finance in connection with the former Redevelopment Agency's funds. The City recently agreed to a single installment payment plan for the combined outstanding balances which provides for annual installment payments of \$402,596 over a 15-year period.

STATEMENT OF THE ISSUE

The California Revenue and Taxation Code authorizes the City to levy a transactions and use tax at a rate not to exceed 1% for general purposes, subject to a majority vote of the qualified electors of the City voting on the issue.

The attached Resolution authorizes a measure to be submitted to the voters at the Special Municipal Election to be held on June 7, 2016 to approve an ordinance (the "Tax Ordinance") enacting a one percent general transactions and use tax in the City of Compton. The Tax Ordinance is attached as Exhibit A to the attached Resolution authorizing the measure to be submitted to the voters.

The California Constitution requires the City to present the Tax Ordinance to the voters at the next scheduled regular municipal election (June of 2017) unless the City Council declares by a unanimous vote that a fiscal emergency now exists in the City. Due to the existence of the fiscal emergency, the Council desires to submit the Tax Ordinance to the voters at the Special Municipal Election to be held on June 7, 2016, to be consolidated with the election conducted by the County of Los Angeles to be held on the same date. This requires the Council to approve the attached Resolution by a unanimous vote (instead of a 2/3 vote of the full membership of the City Council).

The State Board of Equalization will administer the Tax Ordinance, which must conform with the Board's model transactions and use tax ordinance. The Tax Ordinance provides that the City will contract with the State Board of Equalization to perform all functions required to administer the Tax Ordinance. Although not required by law, the Tax Ordinance provides for the Council to establish a Compton Taxpayers Committee to review the expenditure of the revenues collected pursuant to the Tax Ordinance, and also provides for annual independent financial audits.

FISCAL IMPACT

If the Tax Ordinance is approved by the voters, the transactions and use tax will become operative on the first day of the first calendar quarter commencing more than 110 days after the date of adoption of the Tax Ordinance. If the tax is approved, the City will be required to enter

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into two contracts with the State Board of Equalization, including a preparatory cost agreement and an ongoing administration agreement.

The transactions and use tax is estimated to annually generate approximately \$7,000,000 in revenues. Because the proposed transactions and use tax is a general tax, the proceeds of the tax must be placed into the General Fund and be available to fund general City services.

RECOMMENDATION:

Staff recommends that the Council adopt the attached Resolution.

ROGER HALEY
CITY MANAGER

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING AN ORDINANCE IMPOSING A ONE PERCENT TRANSACTIONS AND USE TAX FOR GENERAL PURPOSES TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION, DECLARING A FISCAL EMERGENCY IN THE CITY OF COMPTON WHICH INTERFERES WITH THE CITY'S ABILITY TO PROVIDE AN ADEQUATE LEVEL OF MUNICIPAL SERVICES, ORDERING THAT THE MEASURE TO ADOPT THE TRANSACTIONS AND USE TAX BE SUBMITTED TO THE VOTERS OF THE CITY AT THE SPECIAL MUNICIPAL ELECTION TO BE HELD JUNE 7, 2016, AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE MEASURE

WHEREAS, by Ordinance No. _____, adopted on February 9, 2016, the City Council has previously called and given notice of the Special Municipal Election to be held on Tuesday, June 7, 2016, and to be consolidated with the statewide election to be conducted by the County of Los Angeles on the same date; and

WHEREAS, Section 7285.9 of the California Revenue and Taxation Code authorizes any city to levy, increase or extend a transactions and use tax at a rate of 0.125 percent, or a multiple thereof up to the authorized cap, for general purposes, subject to approval by a two-thirds vote of all of the members of the city council and by a majority vote of the qualified voters of the city voting in an election on the issue; and

WHEREAS, the City Council desires to submit to the voters of the City a ballot measure relating to the approval of a proposed ordinance imposing a one percent transactions and use tax; and

WHEREAS, information and reports presented to the City Council at this meeting document that there is an immediate need for the City to act to address a fiscal emergency in the City of Compton which has required the City to cut services, programs, and employees and which interferes with the City's ability to provide an adequate level of municipal services required to properly protect the public health, safety and welfare; and

WHEREAS, due to the existence of such fiscal emergency, the City Council may, by unanimous vote, submit to the voters at the Special Municipal Election to be held on Tuesday, June 7, 2016, a proposed ordinance imposing a one percent transactions and use tax (sometimes referred to as a one cent sales tax increase) for general purposes pursuant to Section 2(b) of Article XIII C of the California Constitution;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Declaration of Fiscal Emergency. The City Council hereby finds and declares by a unanimous vote that a fiscal emergency now exists in the City of Compton, which has required the City to cut services, programs, and employees and which interferes with the City's ability to provide an adequate level of municipal services. Given such fiscal emergency, coupled with the State's cuts in funding for local services, there is an immediate need for the City to act in that a continuing level of local revenue is immediately needed to fund a level of municipal services required to properly protect the public health, safety and welfare. There is no scheduled regular municipal election prior to June of 2017. Given the existence of such a fiscal emergency and the requirements of the California Constitution, the City Council desires that the measure described in Section 2 hereof be submitted to the voters of the City at the Special Municipal Election rather than at the next regular municipal election.

Section 2. Measure Ordered to be Submitted. Pursuant to its rights, powers, and authority under the laws of the State of California, including California Elections Code Sections 9222 and 10201, and the Compton Municipal Code, the City Council hereby orders submitted to the voters at the Special Municipal Election to be held on June 7, 2016, , the following measure:

CITY OF COMPTON VITAL CITY SERVICES AND NEIGHBORHOOD PROTECTION MEASURE. To repair local streets/sidewalks; retain/hire firefighters/paramedics; increase sheriff’s staffing to improve response times; expand gang/drug prevention, economic development and youth job training programs; improve parks; and provide other general fund services in Compton, shall an ordinance be adopted to increase the sales tax by one cent on an ongoing basis to raise approximately \$7 million in local annual funding, requiring citizens’ oversight?	Yes
	No

Section 3. Approval of Ordinance Imposing Transactions and Use Tax. By a vote of at least 2/3 of its full membership, the City Council hereby approves the proposed ordinance to be submitted to the voters, as attached to this Resolution as Exhibit “A” and incorporated herein by reference. The proposed measure is a general tax as defined in Article XIII C of the California Constitution, being an additional Transactions and Use Tax to be collected by the State Board of Equalization at a rate of one percent and shall not take effect unless and until approved by a vote of at least a majority of the voters voting on the question at said Special Municipal Election. The full text of the ordinance shall be printed in the voter pamphlet.

Section 4. Impartial Analysis. The City Clerk is hereby directed to forward a copy of the measure to be voted on at the Special Municipal Election to the City Attorney and the City Attorney is hereby directed to prepare an impartial analysis of the measure pursuant to Elections Code Section 9280.

Section 5. Ballot Argument. The City Council hereby authorizes any of its members to submit a ballot argument in favor of or against the measure to be voted on at the Special Municipal Election pursuant to Elections Code Section 9282.

Section 6. Conduct of the Special Municipal Election. In all particulars not recited in this Resolution, the Special Municipal Election shall be held and conducted as provided by law for holding municipal elections. All persons qualified and registered to vote in the City of Compton as of the date of said election shall be entitled to vote.

Section 7. Notice of Time and Place of Holding Election. Notice of the time and place of holding the Special Municipal Election is hereby given and the City Clerk is authorized instructed, and directed to give further or additional notice of the election, in the time, form and manner as required by law.

Section 8. Filing Copies of Resolution. Copies of this Resolution shall be filed in the offices of the City Clerk, City Manager, and City Attorney and with the Registrar of Voters of the County of Los Angeles.

Section 9. Signature and Attestation. The Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

ADOPTED this _____ day of _____, 2016.

RESOLUTION NO. _____
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MAYOR OF THE CITY OF COMPTON

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF COMPTON)

I, Alita L. Godwin, City Clerk of the City of Compton, do hereby certify that the foregoing resolution was adopted by the City Council, signed by the Mayor, and attested to by the City Clerk at a regular meeting thereof held on the 9th day of February, 2016.

That said resolution was adopted by the following vote, to wit:

AYES: Council Members-
NOES: Council Members-
ABSENT: Council Members-
ABSTAIN: Council Members-

CITY CLERK OF THE CITY OF COMPTON

EXHIBIT A

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF COMPTON
IMPOSING A TRANSACTIONS AND USE TAX TO BE
ADMINISTERED BY THE STATE BOARD OF
EQUALIZATION

THE PEOPLE OF THE CITY OF COMPTON, CALIFORNIA DO HEREBY ORDAIN
AS FOLLOWS:

Section 1. Sections 3-5.1 through 3-5.16 are hereby added to Chapter III of the Compton Municipal Code, to read as follows:

"3-5 TRANSACTIONS AND USE TAX

3-5.1 Title. This ordinance shall be known as the Compton Transactions and Use Tax Ordinance. The City of Compton hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

3-5.2 Operative Date. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

3-5.3 Purpose. This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

3-5.4 Contract with State. Prior to the operative date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

3-5.5 Transactions Tax Rate. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one (1%) percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

3-5.6 Place of Sale. For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

3-5.7 Use Tax Rate. An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of one (1%) percent of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

3-5.8 Adoption of Provisions of State Law. Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

3-5.9 Limitations on Adoption of State Law and Collection of Use Taxes. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

#13.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

3-5.10 Permit Not Required. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

3-5.11 Exemptions and Exclusions.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3-5.12 Amendments.

A. All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

B. Pursuant to California Elections Code Section 9217 or any successor statute, the City Council of the City of Compton may amend or repeal this ordinance and any of its exhibits, but not increase the rate of tax imposed herein, without a vote of the people.

3-5.13 Enjoining Collection Forbidden. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

3-5.14 Severability. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

3-5.15 Compton Taxpayers Committee. By no later than January 7, 2017, the City Council shall establish a Compton Taxpayers Committee to review the expenditure of the revenues collected pursuant to this ordinance. The Committee shall consist of at least five members appointed by the City Council. The Committee members shall be residents in the City. The terms of the Committee members and their specific duties shall be established by resolution of the City Council.

3-5.16 Independent Financial Audit. By no later than December 31 of each year, the City’s independent auditors shall complete a Transactions and Use Tax Ordinance Compliance and Internal Control Audit Report. Such report shall review whether the tax revenues collected pursuant to this ordinance are collected, managed, and expended in accordance with the requirements of this ordinance.”

Section 2. Effective Date. This ordinance relates to the levying and collecting of the City transactions and use tax and shall take effect immediately following certification of the vote by the City Council.

Section 3. Filing Copies of Ordinance. Copies of this ordinance shall be filed in the offices of the City Clerk, City Manager, and City Attorney.

Section 4. Publication or Posting of Ordinance. The City Clerk shall cause this ordinance or a summary of this ordinance to be published or posted in accordance with the City of Compton Charter and shall forward a copy of the adopted ordinance to the State Board of Equalization.

Section 5. Signature and Attestation. The Mayor shall sign and the City Clerk shall attest to the adoption of this ordinance.

ADOPTED by the voters of Compton, California at an election held on the _____ day of _____, _____.

MAYOR OF THE CITY OF COMPTON

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

February 9, 2016

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO CONSOLIDATE A SPECIAL MUNICIPAL ELECTION TO BE HELD ON JUNE 7, 2016, WITH THE ELECTION TO BE CONDUCTED BY THE COUNTY OF LOS ANGELES ON THE SAME DATE PURSUANT TO SECTION 10403 OF THE CALIFORNIA ELECTIONS CODE

SUMMARY

The attached Resolution requests the Board of Supervisors of Los Angeles County to consolidate a Special Municipal Election to be held on June 7, 2016 with the election to be conducted by the County of Los Angeles on the same date.

BACKGROUND

At this meeting, the City Council previously considered Ordinance No. ____, calling and providing for a Special Municipal Election to be held in the City of Compton on June 7, 2016; and Resolution No. ____ ordering a measure to be submitted to the voters at the Special Municipal Election.

The Council desires that the Special Municipal Election be consolidated with the election to be conducted by Los Angeles County on the same date and that, within the City, the precincts, polling places and election officers of the two elections be the same, and that the Registrar of Voters of the County of Los Angeles conduct the election and canvass the returns of the Special Municipal Election and that the election be held in all respects as if there were only one election.

The attached Resolution requests the County Board of Supervisors to consent and agree to the consolidation of the Special Municipal Election with the election to be conducted by the County of Los Angeles on Tuesday, June 7, 2016.

The deadline for filing a certified copy of the attached Resolution requesting consolidation with the County is 88 days prior to the June 7th election date, or March 11, 2016.

FISCAL IMPACT

Additional costs will be incurred by the County by reason of the consolidation of the Special Municipal Election, and the City will be responsible to reimburse the City County for such costs.

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Staff Report – Resolution Requesting Consolidation Page 2

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution.

**ROGER HALEY
CITY MANAGER**

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO CONSOLIDATE A SPECIAL MUNICIPAL ELECTION TO BE HELD ON JUNE 7, 2016, WITH THE ELECTION TO BE CONDUCTED BY THE COUNTY OF LOS ANGELES ON THE SAME DATE PURSUANT TO SECTION 10403 OF THE CALIFORNIA ELECTIONS CODE

WHEREAS, on February 9, 2016, the City Council adopted Ordinance No. _____ calling and providing for a Special Municipal Election to be held in the City of Compton on June 7, 2016, which Ordinance became effective immediately; and

WHEREAS, on February 9, 2016, the City Council of the City of Compton adopted Resolution No. _____ ordering a measure to be submitted to the voters at the Special Municipal Election, as described in Section 2 hereof; and

WHEREAS, it is desirable that the Special Municipal Election be consolidated with the election to be conducted by Los Angeles County on the same date and that, within the City, the precincts, polling places and election officers of the two elections be the same, and that the Registrar of Voters of the County of Los Angeles conduct the election and canvass the returns of the Special Municipal Election and that the election be held in all respects as if there were only one election;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON HEREBY RESOLVES AS FOLLOWS:

Section 1. That pursuant to the requirements of Section 10403 of the California Elections Code, the Board of Supervisors of the County of Los Angeles is hereby requested to consent and agree to the consolidation of a Special Municipal Election with the election to be conducted by the County of Los Angeles on Tuesday, June 7, 2016, for the purpose of submitting the measure set forth in Section 2 to the voters.

Section 2. That a Measure is to appear on the Special Municipal Election ballot as follows:

CITY OF COMPTON VITAL CITY SERVICES AND NEIGHBORHOOD PROTECTION MEASURE. To repair local streets/sidewalks; retain/hire firefighters/paramedics; increase sheriff’s staffing to improve response times; expand gang/drug prevention, economic development and youth job training programs; improve parks; and provide other general fund services in Compton, shall an ordinance be adopted to increase the sales tax by one cent on an ongoing basis to raise approximately \$7 million in local annual funding, requiring citizens’ oversight?	YES
	NO

The full text of the Compton Transactions and Use Tax Ordinance to be submitted to the voters is attached to this Resolution as Exhibit A. The measure shall not take effect unless and until approved by a vote of at least a majority of voters voting on the question at the Special Municipal Election.

Section 3. That the Registrar of Voters of the County of Los Angeles is authorized to canvass the returns of the Special Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the Special Municipal Election.

Section 4. Within the City, the election precincts, polling places and voting booths shall in every case be the same, and there shall be only one set of election officers in each of the precincts; provided that no person not a qualified elector of the City of Compton shall be permitted to vote for the measures placed on the ballot by the City Council. The election precincts, polling places, and election officers with the City for the Special Municipal Election shall be the same as determined by the Los Angeles County Board of Supervisors. The Registrar of Voters of the County of Los Angeles shall conduct the election and canvass the returns of the Special Municipal Election and the election shall be held in all respects as if there were only one election.

Section 5. That the Board of Supervisors is requested to issue instructions to the Registrar of Voters of the County of Los Angeles to take any and all steps necessary for the holding of the consolidated election.

Section 6. That the City of Compton recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs upon presentation of reasonably detailed invoices.

Section 7. That the City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and Registrar of Voters of the County of Los Angeles forthwith, and by March 11, 2016.

Section 8. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

ADOPTED this _____ day of __, 2016.

MAYOR OF THE CITY OF COMPTON

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF COMPTON)

I, Alita L. Godwin, City Clerk of the City of Compton, do hereby certify that the foregoing resolution was adopted by the City Council, signed by the Mayor, and attested to by the City Clerk at a regular meeting thereof held on the 9th day of February, 2016.

That said resolution was adopted by the following vote, to wit:

AYES: Council Members-
NOES: CouncilMembers-
ABSENT: Council Members-

CITY CLERK OF THE CITY OF COMPTON

EXHIBIT A

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF COMPTON
IMPOSING A TRANSACTIONS AND USE TAX TO BE
ADMINISTERED BY THE STATE BOARD OF
EQUALIZATION**

**THE PEOPLE OF THE CITY OF COMPTON, CALIFORNIA DO HEREBY ORDAIN
AS FOLLOWS:**

Section 1. Sections 3-5.1 through 3-5.16 are hereby added to Chapter III of the Compton Municipal Code, to read as follows:

"3-5 TRANSACTIONS AND USE TAX

3-5.1 Title. This ordinance shall be known as the Compton Transactions and Use Tax Ordinance. The City of Compton hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

3-5.2 Operative Date. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

3-5.3 Purpose. This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

3-5.4 Contract with State. Prior to the operative date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

3-5.5 Transactions Tax Rate. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the

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rate of one (1%) percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

3-5.6 Place of Sale. For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

3-5.7 Use Tax Rate. An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of one (1%) percent of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

3-5.8 Adoption of Provisions of State Law. Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

3-5.9 Limitations on Adoption of State Law and Collection of Use Taxes. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

3-5.10 Permit Not Required. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

3-5.11 Exemptions and Exclusions.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

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3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3-5.12 Amendments.

A. All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

B. Pursuant to California Elections Code Section 9217 or any successor statute, the City Council of the City of Compton may amend or repeal this ordinance and any of its exhibits, but not increase the rate of tax imposed herein, without a vote of the people.

3-5.13 Enjoining Collection Forbidden. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

3-5.14 Severability. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

3-5.15 Compton Taxpayers Committee. By no later than January 7, 2017, the City Council shall establish a Compton Taxpayers Committee to review the expenditure of the

revenues collected pursuant to this ordinance. The Committee shall consist of at least five members appointed by the City Council. The Committee members shall be residents in the City. The terms of the Committee members and their specific duties shall be established by resolution of the City Council.

3-5.16 Independent Financial Audit. By no later than December 31 of each year, the City’s independent auditors shall complete a Transactions and Use Tax Ordinance Compliance and Internal Control Audit Report. Such report shall review whether the tax revenues collected pursuant to this ordinance are collected, managed, and expended in accordance with the requirements of this ordinance.”

Section 2. Effective Date. This ordinance relates to the levying and collecting of the City transactions and use tax and shall take effect immediately following certification of the vote by the City Council.

Section 3. Filing Copies of Ordinance. Copies of this ordinance shall be filed in the offices of the City Clerk, City Manager, and City Attorney.

Section 4. Publication or Posting of Ordinance. The City Clerk shall cause this ordinance or a summary of this ordinance to be published or posted in accordance with the City of Compton Charter and shall forward a copy of the adopted ordinance to the State Board of Equalization.

Section 5. Signature and Attestation. The Mayor shall sign and the City Clerk shall attest to the adoption of this ordinance.

ADOPTED by the voters of Compton, California at an election held on the _____ day of _____, ____.

MAYOR OF THE CITY OF COMPTON

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

