

NOTICE

COMPTON CITY COUNCIL AGENDA Tuesday, June 14, 2016 5:30 PM

HEARING(S)

5:35 P.M. - PUBLIC HEARING - 2016-2017 FISCAL YEAR BUDGET

**6:00 P.M. - PUBLIC HEARING - 2016 APPROVAL/DENIAL FIREWORKS
HEARING (Item #5)**

OPENING

MOMENT OF SILENCE

ROLL CALL

INTRODUCTION OF SPECIAL GUESTS

COMMENDATORY RESOLUTIONS/PRESENTATIONS

1. SCHOLARSHIP PRESENTATIONS - Council Member Emma Sharif and
Republic Service

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

2. MAY 17, 2016
MAY 24, 2016

REPORTS OF OFFICERS AND COMMISSIONS

CITY MANAGER/CITY ATTORNEY/CITY TREASURER REPORTS

3. INVESTMENT REPORT (APRIL 30, 2016) - **Receive/File**

CITY MANAGER

4. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON SUPPORTING STATE LEGISLATION GRANTING COUNTIES AUTHORITY TO SEEK VOTER APPROVAL OF A PERSONAL INCOME TAX ON HIGH-INCOME TAXPAYERS TO COMBAT HOMELESSNESS

END CONSENT AGENDA

REGULAR AGENDA

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

CITY MANAGER'S REPORT

5. FIREWORK APPLICATIONS - APPROVAL/DENIAL (**Action Item**)
6. A REQUEST TO SCHEDULE A PUBLIC HEARING REGARDING THE MASTER FEE SCHEDULE FOR THE CITY OF COMPTON (**July 12, 2016 at 5:50 p.m.**)

CITY ATTORNEY'S REPORTS

CLOSED SESSION

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

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Bradford v. City of Compton, LASC Case Number TC026769
Pursuant to California Government Code Section 54956.9(a)

UNFINISHED BUSINESS

NEW BUSINESS

8. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANGER TO EXECUTE A MULTI-YEAR LEASE AGREEMENT BETWEEN THE CITY OF COMPTON AND VOLUNTEERS OF AMERICA OF LOS ANGELES FOR OFFICE SPACE AT THE CAREERLINK FACILITY AND RESCINDING RESOLUTION NO. 24,308

9. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON DECLARING ITS INTENTION TO GRANT A FRANCHISE TO TORRANCE PIPELINE COMPANY LLC TO OPERATE, INSTALL, MAINTAIN, REPLACE, REMOVE AND/OR REPAIR PIPELINES AND APPURTENANCES FOR THE TRANSPORTATION OF OIL, HYDROCARBON SUBSTANCES, REFINED PETROLEUM PRODUCTS INCLUDING CATHODIC PROTECTION FACILITIES, NECESSARY OR CONVENIENT FOR THE GRANTEE'S BUSINESS AND PUBLISHING NOTICE OF A PUBLIC HEARING THEREON (**June 28, 2016 AT 5:45 P.M.**)
10. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO PROFESSIONAL SERVICES AGREEMENT WITH JMDIAZ, INC. FOR CONSTRUCTION SUPPORT AND INSPECTION SERVICES FOR THE METRO BLUE LINE PEDESTRIAN SWING AND GATES CONSTRUCTION PROJECT AND ESTABLISHMENT OF A PURCHASE ORDER IN AMOUNT OF \$10,337.75
11. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE ISSUANCE AND SALE OF TAX AND REVENUE ANTICIPATION NOTES FOR FISCAL YEAR 2016-2017 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$16,000,000, AUTHORIZING THE EXECUTION AND DELIVERY OF THE TRUST AGREEMENT, THE ACCOMPANYING DOCUMENT, THE DIRECTION LETTER, THE NOTE PURCHASE AGREEMENT, THE PRELIMINARY LIMITED OFFERING MEMORANDUM, THE LIMITED OFFERING MEMORANDUM, THE TAX AGREEMENT, THE INVESTOR LETTER, AND APPROVING NOT TO EXCEED PARAMETERS FOR THE NOT TO EXCEED PAYMENT TERMS OF THE SERIES 2016-17 TRANS

APPROVAL OF WARRANTS

12. **WARRANT** - 233970 - **DATE** - 5/25/16 - **NAME** - TOTAL CORPORATE SOLUTIONS - **SERVICE** - PAYMENT FOR RELOCATION OF COPIERS AND PRINTERS TO NEW HOUSING AUTHORITY LOCATION
AMOUNT - \$300.00 - **REQUESTED BY:** HOUSING AUTHORITY

WARRANT - 233974 - **DATE** - 5/25/16 - **NAME** - WALTERS WHOLESALE ELECTRIC CO. - **SERVICE** - PAYMENT FOR ELECTRICAL SUPPLIES NEEDED AT FLEET YARD
AMOUNT - \$1054.76 - **REQUESTED BY:** GENERAL SERVICES

Total Amount \$1,054.76

COUNCIL COMMENTS

ADJOURNMENT

NEXT REGULAR MEETING: Tuesday, June 21, 2016 @ 5:30 PM.

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MAY 17, 2016

The City Council meeting was called to order at 5:45 p.m. in the Council Chambers of City Hall by Mayor Aja Brown. The Pledge of Allegiance and Moment of Silence ceremonies were also led by Mayor Aja Brown.

ROLL CALL

Council Members Present: **Zurita, Galvan, McCoy, Sharif, Brown**
Council Members Absent: **None**

Other Officials Present: **R. Rugley, A. Godwin, R. Haley**

5:45 PUBLIC HEARING - TO RECEIVE COMMENTS ON THE PROPOSED ANNUAL ACTION PLAN FOR FISCAL YEAR 2016-2017 (Item #8)

On motion by Zurita, seconded by Sharif, the public hearing was opened at 5:46 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**

Renea Ferrell, Grants Manager, offered an oral report on the Proposed Annual Action Plan for Fiscal Year 2016-2017. Ms. Ferrell notified the public that this information is available in the lobby. Staff requests that City Council, subsequent to the public hearing, adopt and authorize the City Manager to submit the HUD-mandated 2016-2017 Annual Action Plan to the United States Department of Housing and Urban Development (“HUD”), to execute contracts and to implement programs by allocating \$1,491,641 in Community Development Block Grant (“CDBG”) funds and \$453,284 in Home Investment Partnership funds into the City’s 2016-17 Fiscal Year budget for a total of \$1,949,925.

<u>CDBG Program Activities</u>	<u>2016-17 Recommended Allocation</u>
CDBG Administration (20% cap) -	
CDBG Program Administration	\$288,328
Fair Housing Services	\$10,000
CDBG Administration Sub-Total	\$298,328

<u>CDBG Public Service Activities as recommended by the City of Compton’s Federal Grants</u>	
<u>Advisory Board (FGAB) (15% cap)</u>	
Volunteers of America- CDBG Program	\$30,000
Champions of Caring- Literacy Program	\$10,000
El Nido Family Centers – Youth Development	\$16,746
GRID Alternatives- Solar Power	\$20,000
Legal Aid Society of OC – Domestic Violence Prevention	\$18,000
Queue Up, Inc. - Therapeutic Horseback Riding	\$15,000
Soledad Enrichment Action, Inc.	\$30,000
St. Francis Center- Outreach	\$15,000
St. Francis Medical Centers of Lynwood Foundation	\$9,000
The Children’s Clinic – Medical Care Service	\$40,000
The Compton Initiative	\$20,000
CDBG Public Service Sub-Total	\$223,746

<u>CDBG Non-Public Activities</u>	
Public Works - Residential Street Reconstruction 2016	\$427,467
Section 108 Loan Repayment	\$542,100
CDBG Non-Public Service Sub-Total	\$969,567
CDBG Total	\$1,491,641

#2.

HOME Program: The fundamental purpose of the HOME Program is to preserve and increase the supply of decent, safe, and sanitary affordable rental and owner-occupied housing for persons at 80% or below the Los Angeles County area median household income.

2016-2017 HOME Investment Partnership (HOME)
Activities and Budget

<u>HOME Program Activity</u>	<u>2016-2017</u>
HOME Administration 10% -	
HOME Program Administration	\$45,328
HOME Administration Sub-Total	\$45,328
CHDO Activity (15% cap) -	
CHDO Project	\$67,992
CHDO Activity Sub-Total	\$67,992
HOME Activities First-Time Homebuyer Program	\$189,964
Residential Rehabilitation Program	\$150,000
HOME Sub-Total	\$339,964
HOME TOTAL	\$453,284

PUBLIC COMMENTS ON THE PUBLIC HEARING

Ms. Candida, Queue Up, Inc., acknowledged the members of the Federal Grants Advisory Board (FGAB) for their efforts to recommend financial support to Queue Up, Inc.

Lynn Boone, Compton resident, asked the members of FGAB to confirm or deny whether or not they proposed all of these recommendations; citing that none of the organizations are from the City of Compton and seem not to serve the community. She went on to question why the local organizations previously approved for funding are no longer requesting funding, and why the people of Compton are not being served. She cited a conflict of interest with regard to the relationships that some of these organizations have with elected officials - when in the past - elected officials would excuse themselves from voting on conflicting items. Lastly, she inquired about monies that were issued to organizations last year, i.e., the \$100,000 allotment to Pressed Juicery.

Brenda Postelle, Compton resident and FGAB Chairperson, assured Ms. Boone that FGAB is 100% responsible for all recommendations. She also clarified that all agencies are required to serve the citizens of Compton - otherwise they are ineligible for funding.

Joyce Kelly, Compton resident, inquired about why the federal government will not allocate funding directly to the City of Compton and secondly, she questioned how this funding allocation was advertised to the local community. Ms. Kelly also made comments about the decrease in the total amount to be disbursed and the advertisement of the HOME program.

Sal Figueroa, El Nido Family Centers, re-introduced the El Nido Family Center located at 4323 East Rosecrans Avenue, Compton, California. He thanked FGAB for their recommendation and acknowledged their volunteer work as committed citizens of Compton.

On motion by Zurita, seconded by McCoy, the public hearing was closed at 6:00 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 inquired about the Old Timers participation in the Meals On Wheels Senior food program. Ms. Ferrell answered that staff is awaiting a response from the County of Los Angeles regarding their funding to the Old Timers foundation to service the citizens of Compton.

Councilperson Zurita inquired about funding set aside for the Old Timers organization. Ms. Ferrell stated that she is unaware of the amount of money set aside for the Old Timers organization or how many seniors will be assisted - and that, coincidentally, FGAB selected a company to provide a food pantry for the citizens of Compton.

Councilperson Zurita asked the City Manager to make certain the Meals On Wheels program continues in the City of Compton.

Councilperson Zurita asked if everyone who requested funding, received funding. Ms. Ferrell replied affirmatively.

Councilperson Zurita stated that this is another example of why the City of Compton needs a newspaper; and requested additional information regarding the City's Section 108 Loan Repayment program.

Mayor Brown thanked FGAB for their time and efforts to review the applications and make recommendations for funding. Ms. Brown added that she has never contacted any member of FGAB to influence their decision-making abilities for funding.

8. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ADOPTING AND AUTHORIZING THE HUD-MANDATED 2016-2017 ANNUAL ACTION PLAN OF THE CONSOLIDATED PLAN AND AUTHORIZING THE SUBMISSION OF THE PLAN TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (\$1,949,925)

On motion by Zurita, seconded by Galvan, **Resolution # 24,344** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ADOPTING AND AUTHORIZING THE HUD-MANDATED 2016-2017 ANNUAL ACTION PLAN OF THE CONSOLIDATED PLAN AND AUTHORIZING THE SUBMISSION OF THE PLAN TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (\$1,949,925)**" 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

9. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE ADOPTION OF SUBSTANTIAL AMENDMENTS TO THE CITY OF COMPTON'S FISCAL YEARS 2010-2011, 2011-2012, 2012-2013 AND 2015-2016 ANNUAL ACTION PLAN OF THE CONSOLIDATED PLANS BY REALLOCATING UNUSED CDBG AND ESG FUNDS AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT AMENDMENT WITH VOLUNTEERS OF AMERICA TO PROVIDE HOMELESS PREVENTION SERVICES.

Councilperson Zurita inquired about the person responsible for overseeing this program.

Renea Ferrell, Grants Manager, answered that she receives quarterly reports from HUD and that she can give that information to the City Manager for council review.

Mayor Brown instructed the City Manager to present those reports as agendaized items.

#2.

On motion by Zurita, seconded by Galvan, **Resolution # 24,345** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE ADOPTION OF SUBSTANTIAL AMENDMENTS TO THE CITY OF COMPTON'S FISCAL YEARS 2010-2011, 2011-2012, 2012-2013 AND 2015-2016 ANNUAL ACTION PLAN OF THE CONSOLIDATED PLANS BY REALLOCATING UNUSED CDBG AND ESG FUNDS AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT AMENDMENT WITH VOLUNTEERS OF AMERICA TO PROVIDE HOMELESS PREVENTION SERVICES**" 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

5:35 P.M. - PUBLIC HEARING - 2016-2017 FISCAL YEAR BUDGET

On motion by Zurita, seconded by Sharif, the public hearing was opened at 6:08 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 announced that this is the first of several budget hearings scheduled to be presented to the City Council and members of the public. Today, staff will be presenting a brief overview of revenues and expenditures by department in regards to their respective budgets.

CITY OF COMPTON - PROPOSED FY 2016-2017 BUDGET

2016-17 SUMMARY OF REVENUES

General Fund	\$55,362,784
Special Revenues	\$52,653,787
Debt Service Funds	\$13,926,494
Enterprise Funds	\$61,955,628
Internal Service Funds	\$8,943,032
Total	\$192,841,725

2016-2017 SUMMARY OF EXPENDITURES BY DEPARTMENTS

City Council	\$1,177,759
City Attorney	\$8,320,119
City Attorney-Code Enforcement	\$2,683,058
City Clerk	\$2,046,209
City Treasurer	\$859,948
City Manager -Parking & Security	\$8,687,200
City Controller	\$2,605,851
Human Resources	\$1,374,585
Non-Departmental	\$23,792,811
Local Housing Authority	\$11,276,097
Parks & Recreation	\$5,843,951
Planning	\$1,534,464
CareerLink	\$499,639
LA County Sheriff	\$19,500,000
Fire	\$16,702,682
Building and Safety	\$2,269,984
Public Works -Streets Division	\$9,321,341
Public Works -Eng. Division	\$16,269,114
General Services	\$7,082,490
Public Works-Water Division	\$50,994,423
Total Expenses	\$192,841,725

OFFICE OF THE CITY MANAGER - Roger Haley, City ManagerDIVISIONS

Grants Administration
 Parking Enforcement Services
 Budget Administration
 Public Access

STAFFING ALLOCATION

	<u>2015-2016 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
City Manager	1	1
Assistant City Manager	2	2
Budget Officer	1	1
Grants Manager	1	1
Security Supervisor	1	1
Program Development Specialist	1	1
Secretary to the City Manager	1	1
Administrative Analyst I	1	1
Administrative Assistant	1	1
Administrative Specialist	2	2
Parking Control Officer	6	6
Security Officers	9	9
Video Production Specialist	2	2
Production Aide I	1	1
Office Aide	1	0
Community Services Workers	0	11
Total	31	42

FY 2016-2017 BUDGET SUMMARY

	<u>Adopted 2015-2016</u>	<u>Proposed 2016-2017</u>	<u>Change</u>
General Fund	\$2,680,318	\$3,299,194	\$618,876
Personnel	\$2,666,940	\$3,730,981	\$1,064,041
Operations & Maintenance	\$4,750,645	\$4,151,152	-\$599,493
Capital	\$632,317	\$755,067	\$122,750
Total	\$8,049,902	\$8,637,200	\$587,298

HUMAN RESOURCES DEPARTMENT - Shawna Holmquist, Interim DirectorSTAFFING ALLOCATION

	<u>2015-2016 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
Human Resources Director	1	1
Human Resources Analyst	1	1
Human Resources Specialist	2	2
Administrative Analyst I	1	1
Office Assistant III	1	1
PBX Operator/Clerk I	1	1
Total	7	7

FY 2016-2017 BUDGET SUMMARY

	<u>Adopted 2015-2016</u>	<u>Proposed 2016-2017</u>	<u>Change</u>
General Fund	\$938,336	\$642,711	-\$295,625
Personnel	\$947,639	\$898,855	-\$48,784
Operations & Maintenance	\$580,200	\$475,730	-\$104,470
Capital	\$0	\$0	\$0
Total	\$1,527,839	\$1,374,585	-\$153,254

Councilperson Sharif inquired about the \$295,625 reduction in the General Fund budget from the 2015-2016 fiscal year to the 2016-2017 fiscal year. Ms. Holmquist cited a reduction in actual training and convention costs from last year and decrease in unnecessary expenses.

GENERAL SERVICES DEPARTMENT - Van Wilson, Director

DIVISIONS

Facility Maintenance
Custodial Services
Information Technology (IT)
Real Property Management
Central Utility Bill Management
Fleet Services

STAFFING ALLOCATION

	<u>2015-2016 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
General Services Director	1	1
Information Systems Engineer	1	1
Systems Coordinator	2	2
Building Maintenance Supervisor	1	1
Computer Technician	1	1
Administrative Analyst II	1	1
Plumber	1	1
Administrative Analyst I	1	1
Facility Maintenance Worker III	3	3
Mechanic Lead Worker	1	1
Custodian Lead Worker	1	1
Accounting Specialist	1	1
Facility Maintenance Worker II	2	2
Small Engine Mechanic	1	1
Custodian	11.5	13
Total	29.5	31

FY 2016-2017 BUDGET SUMMARY

	<u>Adopted 2015-2016</u>	<u>Proposed 2016-2017</u>	<u>Change</u>
General Fund	\$4,133,531	\$4,133,531	\$0
Personnel	\$2,855,231	\$3,245,087	\$389,856
Operations & Maintenance	\$3,902,446	\$3,837,403	-\$65,043
Capital	\$0	\$0	\$0
Total	\$6,757,677	\$7,082,490	\$324,813

CITY CONTROLLER'S OFFICE - Roel Briones, Acting Deputy City Controller

DIVISIONS

General Ledger and Accounting
Financial Reporting and Auditing
Payroll
Accounts Payable
Accounts Receivable

STAFFING ALLOCATION

	<u>2015-2016 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
City Controller	1	1
Deputy City Controller	1	1
Internal Auditor	1	1
Accountant II	2	2
Payroll Services Supervisor	1	1
Accountant I	4	4
Administrative Specialist	2	2

Accounting Specialist	6	6
Total	18	18

FY 2016-2017 BUDGET SUMMARY

	<u>Adopted 2015-2016</u>	<u>Proposed 2016-2017</u>	<u>Change</u>
General Fund	\$1,722,177	\$1,804,003	\$81,826
Personnel	\$1,984,822	\$2,134,646	\$149,824
Operations & Maintenance	\$467,005	\$471,205	\$4200
Capital	\$0	\$0	\$0
Total	\$2,451,827	\$2,605,851	\$154,024

FIRE DEPARTMENT - Bryan Batiste, Fire Chief

DIVISIONS

Administrative

Fire Prevention/ Hazmat

Emergency Preparedness

Fire Operations

STAFFING ALLOCATION

	<u>2015-2016 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
Fire Chief	1	1
Deputy Fire Chief	1	1
Battalion Chief	3	4
Fire Captain	16	16
Fire Engineer	15	15
Emergency Management Coordinator	1	1
Firefighter	18	18
Firefighter/Paramedic	18	18
Fire Protection Specialist II	1	1
Administrative Analyst II	1	1
Fire Protection Specialist I	2	2
Administrative Specialist	1	1
Total	91	92

FY 2016-2017 BUDGET SUMMARY

	<u>Adopted 2015-2016</u>	<u>Proposed 2016-2017</u>	<u>Change</u>
General Fund	\$11,284,412	\$12,634,997	\$1,350,585
Personnel	\$12,888,094	\$14,585,196	\$1,697,102
Operations & Maintenance	\$2,115,681	\$2,117,486	\$1,805
Capital	\$348,000	\$0	-\$348,000
Total	\$15,351,755	\$16,702,682	\$1,350,927

Councilperson Zurita questioned whether or not the Battalion Chief position has been in the budget for years; and if the doctor position is included in the budget. Mr. Batiste informed Councilperson Zurita that the Battalion Chief position is a new position and that the doctor's position is funded under contract services.

Mayor Brown asked Mr. Batiste if the proposed budget is congruent with last year's impact to the General Fund relative to overtime costs. **City Manager Haley** replied affirmatively noting that their budget also includes an additional \$400,000.

PUBLIC WORKS ENGINEERING DIVISION - Glen Kau, Director

DIVISIONS

Engineering Division

Administration

STAFFING ALLOCATION

#2.

	<u>2015-2016 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
Director	1	1
Assistant City Engineer	1	1
Civil Engineer, Senior	1	1
Project Manager	.5	.5
Civil Engineer, Assistant	1	0
Public Works Inspector	1	1
Engineering Clerk	1	0
Total	6.5	4.5

FY 2016-2017 BUDGET SUMMARY

	<u>Adopted 2015-2016</u>	<u>Proposed 2016-2017</u>	<u>Change</u>
General Fund	\$0	\$0	\$0
Personnel	\$1,002,043	\$874,474	-\$127,569
Operations & Maintenance	\$11,630,948	\$13,179,946	\$1,548,998
Capital	\$2,214,694	\$2,214,694	\$0
Total	\$14,847,685	\$16,269,114	\$1,421,429

Mayor Brown requested a report on all existing projects, remaining grant funds, and capital improvement projects.

Mayor Brown also requested the date for construction to begin on the Central Avenue Street Improvement Project. Mr. Kau indicated that staff will be issuing a notice to proceed on Thursday, May 19, 2016 with activities to begin in a couple of weeks.

Mayor Brown instructed the City Manager to notify Council about any delayed project construction dates. Furthermore, Mayor Brown asked the City Manager if more workshops will be held so that her more detailed operational questions for Public Works can be answered.

City Manager Haley answered that he could schedule a budget workshop if Council so desires. Mayor Brown conceded to scheduling a budget workshop to see where staff is operationally, as it relates to performance-based budgeting, staffing and service levels.

Mayor Brown asked that the budget workshop include detailed performance outputs for Public Works, Street Maintenance, Parks and Recreation, General Services, Code and Parking Enforcement divisions.

Councilperson Sharif asked that the budget workshop include a section for input from the constituents.

Councilperson Zurita asked the City Manager if funds are available for special projects.

City Manager Haley asked that those inquires and requests be made during the budget workshop which can include cost estimates for those items.

Councilperson Zurita formally requested that the budget workshop include estimates on the cost to clean up the public right-of-way areas on El Segundo, Rosecrans, Central and Palmer Lee, and Central and Slater on El Segundo Boulevard.

PUBLIC WORKS STREET DIVISION - Glen Kau, Director

DIVISIONS
Street Maintenance

STAFFING ALLOCATION

	<u>2015-2016 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
Street Superintendent	1	1
Project Manager	.5	.5
Senior Administrative Analyst	1	1

Traffic and Lighting Foreman	1	1
Traffic and Lighting Electrician	1	1
Maintenance Supervisor	2	1
Traffic Signal Technician	2	2
Wastewater Technician	4	1
Maintenance Lead Worker	6	6
Customer Service Representative	1	0
Maintenance Worker II	7	7
Accounting Specialist	1	1
Maintenance Worker I	12	12
Storekeeper	1	1
Office Assistant I	1	1
Total	41.5	36.5

FY 2016-2017 BUDGET SUMMARY

	<u>Adopted 2015-2016</u>	<u>Proposed 2016-2017</u>	<u>Change</u>
General Fund	\$0	\$0	\$0
Personnel	\$3,750,285	\$4,024,264	\$273,979
Operations & Maintenance	\$5,100,576	\$5,297,078	\$196,502
Capital	\$0	\$0	\$0
Total	\$8,850,861	\$9,321,342	\$470,481

BUILDING & SAFETY DEPARTMENT - David Dent, Director

DIVISIONS

Building and Safety
Business Licensing

STAFFING ALLOCATION

	<u>2015-2016 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
Chief Building Official	1	1
Building Inspector, Senior	1	1
Building and Permit Technician	1	1
Building Inspector II	1	1
Building Inspector I	3	3
Administrative Analyst, Senior	1	1
Administrative Specialist	1	1
Office Assistant III	2	2
Business Licensing Supervisor	1	1
Office Assistant I	1	1
Code Enforcement Officer I	2	2
Total	15	15

FY 2016-2017 BUDGET SUMMARY

	<u>Adopted 2015-2016</u>	<u>Proposed 2016-2017</u>	<u>Change</u>
General Fund	\$1,437,572	\$1,583,956	\$146,384
Personnel	\$1,650,977	\$1,791,876	\$140,899
Operations & Maintenance	\$415,582	\$478,108	\$62,526
Capital	\$0	\$0	\$0
Total	\$2,066,559	\$2,269,984	\$203,425

Mayor Brown requested a presentation on the number of people served by the Building & Safety Department at the next budget workshop, and a monthly presentation on the new expansion.

#2.

Councilperson McCoy requested the proposed target date to begin the automated service. Mr. Dent remarked that the automated services should be up and running by May 31, 2016.

PLANNING DEPARTMENT - Robert Delgadillo, Senior Planner

DIVISIONS
Planning
Economic Development

STAFFING ALLOCATION

	<u>2015-2016 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
Community Development Director	1	1
Senior Planner	1	1
Senior Economic Dev Specialist	1	1
Associate Planner	1	1
Assistant Planner	1	1
Administrative Analyst II	1	1
Planning Technician	1	1
Total	7	7

FY 2016-2017 BUDGET SUMMARY

	<u>Adopted 2015-2016</u>	<u>Proposed 2016-2017</u>	<u>Change</u>
General Fund	\$1,201,825	\$1,152,431	-\$49,394
Personnel	\$922,968	\$1,041,164	\$118,196
Operations & Maintenance	\$181,200	\$493,200	\$312,000
Capital	\$0	\$0	\$0
Total	\$1,104,168	\$1,534,364	\$430,196

HOUSING DEPARTMENT - Delmonsha Green, Director

STAFFING ALLOCATION

	<u>2015-2016 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
Housing Director	1	1
Accountant I	0	1
Family Self-Sufficiency Coordinator	1	1
Housing Specialist	4	5
Housing Rehabilitation Specialist	0	1
Property Inspector	2	2
Housing Aide	2	1
Tenant Relations Assistant	0	1
Accounting Technician	1	1
Total	11	14

FY 2016-2017 BUDGET SUMMARY

	<u>Adopted 2015-2016</u>	<u>Proposed 2016-2017</u>	<u>Change</u>
General Fund	\$0	\$0	\$0
Personnel	\$1,231,285	\$1,631,044	\$399,759
Operations & Maintenance	\$9,512,081	\$9,691,611	\$179,530
Capital	\$0	\$0	\$0
Total	\$10,743,366	\$11,322,655	\$579,289

CAREERLINK - Kimberly McKenzie, Director

DIVISIONS
Local Hire Program
Youth Vocational Skills Program
Job Search Assistance
Job Placement Assistance

Business Partnerships for conducting
Job training and job fairs

STAFFING ALLOCATION

	<u>2015-2016 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
Director	1	1
Training and Services Coordinator	1	1
Case Manager	1	1
Office Aide	1	1
Total	4	4

FY 2016-2017 BUDGET SUMMARY

	<u>Adopted 2015-2016</u>	<u>Proposed 2016-2017</u>	<u>Change</u>
General Fund	\$325,274	\$325,464	\$190
Personnel	\$394,791	\$438,476	\$43,685
Operations & Maintenance	\$79,763	\$61,163	-\$18,600
Capital	\$0	\$0	\$0
Total	\$474,554	\$499,639	\$25,085

Councilperson Zurita asked if there were any grant funds available to purchase computer equipment.

Ms. McKenzie answered that there were budgeted funds available to purchase computer equipment.

Councilperson Galvan complimented Careerlink on a job well done with the youth considering their limited resources.

Mayor Brown stated that she is hoping for a plan to aggressively seek grant funding for Careerlink activities and opportunities to partner with local community colleges.

PARKS AND RECREATION DEPARTMENT - Marvin Hunt, Director

DIVISIONS

Youth and Adult Recreational Services
Senior Recreation Services
Landscape Maintenance
Median Maintenance
Special Events
Facility Rentals
Senior Transportation

STAFFING ALLOCATION

	<u>2015-2016 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
Parks & Recreation Director	1	1
Deputy Director	1	1
Maintenance Supervisor	1	1
Recreation Supervisor	1	1
Maintenance Worker	22	22
Center Director	5	5
Recreation Leader	2	2
Office Assistant III	1	1
Office Assistant I Bilingual	1	1
Para Transit Driver	3	3
Recreation Aides	8	8
Seasonal Pool Staff	30	30
Total	76	76

FY 2016-2017 BUDGET SUMMARY

	<u>Adopted 2015-2016</u>	<u>Proposed 2016-2017</u>	<u>Change</u>
General Fund	\$2,618,602	\$2,655,588	\$36,986
Personnel	\$4,052,234	\$4,077,179	\$24,945
Operations & Maintenance	\$1,866,683	\$646,440	-\$1,220,243
Capital	\$0	\$1,120,332	\$1,120,332
Total	\$5,918,917	\$5,843,951	-\$74,966

Mayor Brown inquired about answers to her request for a thorough report on the number of rentals and fees charged for the Dollarhide Community Center and other city-owned facilities. Mayor Brown also mentioned her previous request for a fee schedule for residents, seniors, and local non-profit organizations before the budget is passed.

Councilperson Galvan recognized the Parks and Recreation Department for their efforts to keep the youth busy with recreational sports, summer camps, and trips at little to no charge to parents.

Mayor Brown stated that she would like to make certain that all youth field trips are publicly noticed.

PUBLIC WORKS & MUNICIPAL UTILITY - WATER DIVISION - Glen Kau, Director

DIVISIONS

Administration
Production and Distribution
Customer Service
Waste Management

STAFFING ALLOCATION

	<u>2015-2016 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
Dep. Director PW& Municipal Utilities	1	1
Senior Civil Engineer	1	1
Project Manager	1	1
Production & Distribution Supervisor	1	1
Water Operation Supervisor	1	1
Senior Administrative Analyst	1	1
Water Serviceworker III	2	2
Administrative Analyst II	2	1
Accountant	1	1
Customer Service Supervisor	1	1
Water Serviceworker II	8	8
Water Serviceworker I	7	7
Customer Service Representative	6	6
Utility Billing Specialist	2	2
Pump Operator	3	3
Accounting Specialist	2	1
Meter Reader II	4	4
Storekeeper	1	1
Total	45	43

FY 2016-2017 BUDGET SUMMARY

	<u>Adopted 2015-2016</u>	<u>Proposed 2016-2017</u>	<u>Change</u>
General Fund	\$0	\$0	\$0
Personnel	\$5,163,863	\$5,131,469	-\$32,394
Operations & Maintenance	\$29,328,124	\$27,799,254	-\$1,528,870
Capital	\$6,617,000	\$16,063,700	\$9,446,700
Total	\$41,408,987	\$50,994,423	\$7,585,436

Mayor Brown made note that the proposed budget is available in the City Clerk's Office.

PUBLIC COMMENTS ON THE PUBLIC HEARING

Robert Ray, Compton resident, expressed a concern for the total amount of the Sheriff's contract versus the number of deputies actually patrolling the City. He contended that a city with the size, population, and problems of Compton should have no less 100 sworn officers on duty on a full-time basis.

Benjamin Holifield, Compton resident, expressed a concern for the condition of the trees in the City, job training programs for the youth, and an increase in code enforcement officers.

Alvin "Alabama" Lovett, Carson Car Pros Kia, inquired about an opportunity to partner with the City Council to implement a youth scholarship program in the City of Compton.

Emil Auguson, Thorpe Development West representative, petitioned the City Council to consider Thorpe Development West's proposal to acquire several acres of land for development.

Lynn Boone, Compton resident, asked the City Manager to address the City's \$4.3M shortfall in this year's budget with regard to the department's claims that they will be reducing their budgets for the upcoming 2016-2017 fiscal year. She went on to state that there is no mention of any additional revenue source cultivated to cover the shortfall; and as it relates to the proposed Building & Safety online service capabilities, she indicated that there was no mention of any fee increases or inspectors going out. Ms. Boone also inquired about Proposition A, Proposition C, and Measure R monies to be used on street repair.

David Irons, Compton resident, questioned why the residents are being penalized with a rise in water rates for complying with the government's mandate to reduce water consumption. He maintained that because Compton has its own water supply, they should be able to control their water rates.

Barbara Calhoun, Compton resident, requested copies of the proposed budget for Fiscal Year 2016-2017.

Joyce Kelly, Compton resident, thanked the City Manager for acknowledging the smallness of font used for the budget presentation. She went on to state that she should not be surprised that none of the elected officials asked the department heads questions regarding the City's infrastructure. She indicated that two code enforcement officers are not enough for a city that's 10.5 miles. She maintained that there are so many things the City can do to generate revenue but instead the City is using this as a ploy to make certain the penny sales tax passes. She inquired about the location of the water main construction project and when last year's overpayment on the water bills will be reflected in the budget.

Damian Herd, Compton resident, alerted the City Council about the rust water coming from his faucet every time the fire hydrants are flushed. He professed that it was unfair that the residents were being held fiscally responsible for high water bills when they were instructed to run their water until the rust no longer appeared in their water supply.

On motion by Zurita, seconded by Sharif, the public hearing was closed at 7:45 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

#2.

Mayor Brown instructed the City Manager to clearly indicate during the budget workshop, the current number and recommended number of deputies the City of Compton should have. Mayor Brown also noted that additional copies of the budget are available in the City Clerk's Office. In regards to the fee schedule, Mayor Brown indicated that staff is awaiting the proposed fee schedule from certain departments. As it relates to water conservation and fire hydrant flushing, Mayor Brown asked the Fire Chief to present the process at the next budget workshop.

Mayor Brown also asked the City Manager to clearly indicate the amount of Prop C, Prop A, and Measure R funds that are currently available - what is available on an annual basis - a comparison or the total cost of improving the City's streets - and the number of years it will take to pave every street in the City of Compton.

PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS

Robert Ray, Compton resident, articulated his support for Item No. 11 and proposed a one-time only limit. He went on to state that his new home overlooks 18 acres of weeds formerly known as Alondra Regional Park; and indicated that five years ago that property was valued at \$8.5M and \$5M was set aside to develop it. Additionally, Mr. Ray stated that on April 26, 2011, MIG was paid \$65,000 to create designs for the park but it was never developed.

Emil Auguson, Thorpe Development West, Inc., petitioned the City Council and Successor Agency to consider Jeffrey Thorpe's proposal to acquire parcels of land on Compton Boulevard for a mixed-use development.

Sandra Moss, President of the Washington Avenue Block Club, solicited the City Council to address the illegal dumping in the Fourth District with signage so that people will be less likely to dump there. She also asked that City Council members consider making the City a place where people can pick up trash as part of their community service.

Penny Eldrige, Washington Avenue Block Club and long-time resident, stated that after speaking with the Sheriff's Department watch commander, Mayor Brown, and Councilperson Sharif regarding the recent increase in gang-related shootings, she requested a public response. She stated that she is extremely concerned about the effects of gang-shootings and asked what the special gang-related unit is doing to help the residents curtail this horrible situation.

Mayor Brown stated that she has had conversations with the City Manager suggesting that he work with Captain Thatcher to discuss what the actions will be to address the increase in gang-related activity over the weekend.

David Irons, Compton resident, complained about the recent closing of his local marijuana dispensary which supplies the medicine that eases his arthritis.

Brenda Postelle, Compton resident, stated that she was very disappointed with the City Council for authorizing the City to host a Cinco De Mayo Celebration over the Memorial Day weekend. She expressed a concern for ramifications in light of what happened last weekend. She also asked if anyone verified the promotion company's insurance and licensing due to potential alcohol-related accidents and damage to the golf course.

Lori Ray-Fordsher, former Compton resident, petitioned the City Council to support and help them promote their first literary production project entitled "The Bluest Eye" by award-winning author Toni Morrison. She asked that any fees required to utilize the Dollarhide Community Center for performances be waived; and made note that over half of the cast members are from the City of Compton.

Jacquelyn Ray-Phillips, former Compton resident and published author, shared her dreams to bring theater to the City of Compton as a continuum of care for the youth. She further urged the citizens and City Council to go see the "The Bluest Eye" stage play on June 17-19, 2016 at the Dollarhide Community Center.

Mayor Brown asked this Body to consider contributing some of their special event funds for "The Bluest Eye" production.

Councilperson Zurita stated that she has had the opportunity to observe some of the rehearsals for the stage-play and was impressed by what she saw. Ms. Zurita made note that she was also impressed with Jacquelyn's desire to give the residents an opportunity to participate in and see a stage play in their own city.

Mayor Brown stated that residents can purchase tickets by calling (800) 838-3006 or go to www.blueye.brownpapertickets.com.

City Manager Haley stated that he will work with the Parks and Recreation director to determine what the facility costs will be.

Leticia Hicks, Compton resident and Bluest Eyes cast member "Darlene", commented on the life-changing impact that acting in this stage play has had on her life, as a mother of 9 children and 13 grand-children.

Tanye Smith, Bluest Eyes cast member "Mrs. Breedlove", commented on the significance of giving back to the community she was raised in.

Mary Edwards, Compton resident, introduced the Academic Champions program- an after school and summer enrichment program held at Tucker Park. The summer enrichment program will begin June 21, 2016 and end August 10, 2016. The program will include: free breakfast and lunch, arts and crafts, performing arts, golf, self-defense, mentoring, field trips and cricket lessons for the youth ages 6 to 12. Parents are asked to go to Tucker Park for more information.

Kyron Campanos, Compton resident, solicited the community to vote yes on Measure P.

Barbara Calhoun, Compton resident, spoke in opposition to Measure P due to the data presented within its informational materials. Ms. Calhoun expressed a concern for the following words used inside the materials, i.e., Measure P funds "may be" used and Measure P funds "can be" used. She went on to state that on November 13, 2015, Trammel Crow distributed letters to known email addresses indicating that they were proud to announce that they had contributed nearly \$1M to Compton, including \$463,573 to C..U.S.D. and Compton Community College, \$225,000 to improve Central Avenue, \$250,000 towards a Careerlink job training program, and \$45,000 for Jackie Robinson stadium. She inquired about where all of this money went and maintained that she will be voting "no" on Measure P because the information is not saying that Measure P funds will be used for any specific purposes. She recommended that Council make Measure P a line item and made note that the item failed when the California Democratic Party considered it on Tuesday.

Mayor Brown stated that she understands that some of the seniors are on a fixed income; and that Measure P will not tax prescription medicines and other things that are of concern for residents and seniors. Mayor Brown also added that Measure P will not increase property taxes like some of the more recent measures that were passed in Compton.

Mayor Brown made note of the City Attorney's report last week that in order for information to be shared with the public, promises cannot be made for what Measure P will be used for until the City Council makes the actual approval.

Mayor Brown maintained that this current City Council is tasked with having to provide services with a limited budget because former council members have spent the City into a \$43M deficit.

Mayor Brown asked the City Manager to provide cost estimates on how much it will cost the City to restore Jackie Robinson stadium and stated that Measure P will give the citizens an opportunity to make the condition of the City's streets, public safety, and the need for brighter lighting a priority.

Maria Villa Real, Compton resident, contended that, regardless of how long someone has known a person they do not have the right to discriminate against them or make racial statements about them. She affirmed that she will not stop speaking her language - she is proud of being Mexican - and encouraged people to treat others the way they want to be treated.

#2.

Damian Herd, Compton resident, articulated concerns for the street sweeping citation writing process on Magnolia Street, which has a high population of apartment homes. Mr. Herd stated that he remembers Mayor Brown instructing staff "to have some type of consideration" when citing vehicles when there is no parking on either side of the street.

Councilperson Galvan agreed that code enforcement should be more respectful towards the residents as it relates to parking issues, i.e., auto body shops, inoperable vehicles parked on the street, minimal parking spaces.

City Manager Haley stated that he would be happy to instruct staff on reviewing multiple Citations written for the same offense on the same day once the street sweeper has done his/her job. Additionally, Mr. Haley stated that it is his opinion that once the street sweeper has done his/her job the resident should be able to park. Furthermore, Mr. Haley stated that he would try to address the issue by assigning part-time personnel to follow the street sweeper, and that way residents will be able park after it passes.

Councilperson Zurita asked that the City Manager and City Attorney work together to formulate a solution in 30 days.

Tomas Carlos, Compton resident, articulated several concerns for the recent shootings and the one that took place just 200 yards from his home. He made note of the prayer groups that formed in the area and the community's efforts to come together. He also noted that he was disappointed with the City's camera system and its inability to capture images of the recent shootings. He commented on the potential impact of allowing marijuana dispensaries to operate in the City of Compton and the low turnout at the Measure P workshop held at the park.

Joyce Kelly, Compton resident, solicited the voting community to vote no on Measure P. She also inquired about the monies that were allocated towards the rehabilitation of Alondra Regional Park. She made comments about the property at 950 West Alondra, the cost of lunch (\$13.00) at the Dollarhide Community Center, the Juneteenth Festival, Cinco De Mayo Festival, and the reasons why elected officials want to host community events in their City.

Lynn Boone, Compton resident, petitioned the citizens to pay close attention to the promises made in Measure P. She asked why Measure P was not brought forward in 2013 if it is a legitimate proposal. Ms. Boone claims that Measure P addresses twelve items with no dollar amounts, and says that it may or might address each one of those items but does not commit to any one item. She alleged that Measure P will be used as a bond so that this administration can fulfill all of those items for the citizens by any means possible. Ms. Boone stated that once the line items are calculated, the total will be so insurmountable that it will put people out of their homes and allow Mayor Brown to get her commission and leave. Lastly, Ms. Boone explained how a committee was formed for "Yes on Measure P" and that its members consist of: Los Angeles County Board of Supervisors Mark Riddley Thomas (\$1,500), Vision For Compton (\$1,000), a consultant from the finance company (\$1,000), and the Union (\$5,000).

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

APPROVAL OF MINUTES - There were no minutes to be approved.

CITY MANAGER/CITY ATTORNEY/CITY TREASURER REPORTS

- 1. INVESTMENT REPORT (March 2016) **(Received/Filed)**
- 2. REPORT OF LICENSE FEE REVENUES (BASED ON THE GROSS REVENUES

COMPUTATION) RECEIVED FROM CELEBRITY CASINOS, INC.FOR THE FISCAL YEAR 2015/2016 **(Received/Filed)**

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

Total Amount Received for Fiscal Year 2015/2016 - \$2,990,239.00

5. A REPORT OF THE CITY OF COMPTON 2015/2016 TAX AND REVENUE ANTICIPATION NOTES **(Received/Filed)**

END CONSENT AGENDA

REGULAR AGENDA

CITY MANAGER REPORTS

6. A REQUEST TO SCHEDULE THE 2016 FIREWORKS HEARING (June 14, 2016 at 6:00 PM)

On motion by Zurita, seconded by Galvan, a public hearing was scheduled for June 14, 2016 at 6:00 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

7. ORAL PRESENTATION - Overview of El Nido Family Centers, First 5 LA/Best Start Compton - East Compton and Building Stronger Families Initiative - Saul Figueroa, Presenter

Saul Figueroa, El Nido Family Centers representative, introduced El Nido Family Center's newest program "Building Stronger Families" a parent-driven program developed for children ages 0-5.

Alex, Best Start L.A. representative, reported that there are 14 Best Start L.A. communities and they are funded by First Five L.A. Alex encouraged everyone to visit their Facebook page "Best Start Compton-East Compton" for more information about the great things that are happening in the Compton community.

CITY ATTORNEY REPORTS - There were no City Attorney Reports.

UNFINISHED BUSINESS - There was no Unfinished Business.

NEW BUSINESS

10. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ACCEPTING THE PROPOSAL OF CIVIL SOURCE FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR THE COMPTON BOULEVARD/WILMINGTON AVENUE SEWER REPLACEMENT PROJECT (CIP #10-18) AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICE AGREEMENT AND ISSUE A PURCHASE ORDER IN THE AMOUNT OF \$ 108,302

On motion by Sharif, seconded by Zurita, **Resolution # 24,344** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ACCEPTING THE PROPOSAL OF CIVIL SOURCE FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR THE COMPTON BOULEVARD/WILMINGTON AVENUE SEWER REPLACEMENT PROJECT (CIP #10-18) AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICE AGREEMENT AND**

#2.

ISSUE A PURCHASE ORDER IN THE AMOUNT OF \$ 108,302" 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

11. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON REVISING THE CITY’S POLICIES AND PROCEDURES FOR THE APPROVAL OF PURCHASE ORDERS, CONTRACTS, WORK CHANGE ORDERS, AND BUDGETARY TRANSFERS TO REDUCE THE CITY MANAGER’S MAXIMUM APPROVAL LEVEL OF EXPENDITURES TO \$5,000 AND RESCINDING RESOLUTION NO. 24,336

On motion by Zurita, seconded by Sharif, **Resolution # 24,345** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON REVISING THE CITY'S POLICIES AND PROCEDURES FOR THE APPROVAL OF PURCHASE ORDERS, CONTRACTS, WORK CHANGE ORDERS, AND BUDGETARY TRANSFERS TO REDUCE THE CITY MANAGER'S MAXIMUM APPROVAL LEVEL OF EXPENDITURES TO \$5,000 AND RESCINDING RESOLUTION NO. 24,336**" was approved, by the following vote on roll call:

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

SUBSEQUENT NEED ITEM - CINCO DE MAYO CELEBRATION (CHANGE VENUE FROM COMPTON PAR 3 GOLF COURSE TO WILSON PARK)

Councilperson Galvan cited a change in the location of the Cinco De Mayo Celebration due to unforeseen circumstances.

A discussion ensued regarding the timeline in which Councilperson Galvan was notified about the change in location.

Ruth Rugley, Deputy City Attorney, acknowledged the time sensitive nature of this item, and qualified it as a subsequent need item.

On motion by Galvan, seconded by Zurita, to consider the subsequent need item, by the following vote on roll call:

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

On motion by Galvan, seconded by Zurita, the location of the venue was changed from the Compton Par 3 Golf Course to Wilson Park, by the following vote on roll call:

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

Councilperson Sharif inquired about parking for the event.

City Manager Haley proposed that participants of the event utilize both the Wilson Park and Dollarhide Community Center parking.

Marvin Hunt, Director of Parks & Recreation, stated that staff is also proposing the use of shuttle buses from the Dollarhide Community Center to Wilson Park, as well as parking on Alameda Street on the north and south, and a proposal for the Y.A.L. parking lot.

APPROVAL OF WARRANTS - There were no warrants to be approved.

SPECIAL PRIVILEGE - Captain Thatcher, Compton Sheriff's Station, sent his condolences to the families of the victims involved in the shootings that occurred over the weekend. Captain Thatcher made the following comments and updates:

- The shootings were not gang-related.
- The suspects are unknown.
- There is no indication that the victims were gang-members.
- The cameras on Wilmington and Caldwell captured the event in its entirety.

COUNCIL COMMENTS

Councilperson Zurita offered the following communications/announcements:

- "3rd Annual Autism Adventure Swim Club" will be starting June 11, 2016 through August 13, 2016 at the Gonzales Park Aquatics Center from 9 a.m. to 10:30 a.m. For more information contact the Parks and Recreation Department.
- Requested a written response from the City Manager regarding the whereabouts of the \$45,000 that was given to Gonzales Parks from Trammel Crow Company for the rehabilitation of Jackie Robinson stadium.
- Asked the Sheriff's Department to do something about the illegal dirt bike riders near Sebbie Park, Compton Avenue, and Grandee.
- Asked that staff look for grant funds allocated specifically for bus stop conversions.
- A "Parks & Recreation Father's Day" event will be held on Friday, June 10, 2016 at the Dollarhide Community Center.
- Commended Pastor Fisher for his quick-thinking skills and actions at the scene of the one of the recent shootings.

Councilperson McCoy offered the following communications/announcements:

- Attended the California Contract Cities Conference last weekend where she was able to attend the Ethics Training.
- Asked the City Manager to look into addressing the property at 950 West Alondra Boulevard.

Councilperson Sharif offered the following communications/announcements:

- Sent her condolences to the families who were affected by the shootings over the weekend.
- Acknowledged the staff members and citizens that participated in last week's townhall meeting.

***Councilperson Zurita exited the meeting at 9:36 p.m.**

- "4th District Townhall Meeting" will be held Wednesday, July 13, 2016 at Kelly Park beginning at 6 p.m.
- Made comments in regards to the power of partnerships - a concept she learned about during the California Contract Cities Conference last weekend.

#2.

- Requested an update on the development of signage for illegal dumping sites in Compton.

***Councilperson Galvan exited the meeting at 9:43 p.m.**

- **City Manager Haley** answered that staff is currently cleaning up illegal dumping sites; and a contractor has been hired who specializes in cleaning up dumping sites, alleyways, and right-of-ways. Staff has ordered signs to be posted by the end of the week in high traffic areas.
- Inquired about the availability of portable cameras that can be used in high traffic illegal dumping areas.
 - City Manager Haley stated that he would have to check with General Services.
- Acknowledged the staff and their budget report presentations.

Mayor Brown offered the following communications/announcements:

- Pastor Fisher will be hosting a "100 Days of Prayer" event on Saturday, May 21, 2016 at Greater Zion Family church beginning at 6 p.m.
- "Senior Health Fair" will be held Wednesday, May 25, 2016 from 11 a.m. to 2 p.m. at the Dollarhide Community Center.
- Sacred Heart Church will be hosting their "Annual 5K & Health Fair" event from June 3-5, 2016 at 1720 Culver Avenue, Compton. For more information call (310) 635-5436.
- Residents can attend a free screening of the documentary "Vaxxed" on Thursday, May 19, 2016 at the Dollarhide Community Center beginning at 6 p.m. To RSVP go to www.eventbrite.com.
- "Measure P Townhall Meeting" will be held Saturday, May 21, 2016 at the Dollarhide Community Center beginning at 10 a.m.
- Celebrated Pastor Fisher's 11th Pastoral Anniversary with Assembly-member Mike Gipson.

City Clerk Alita Godwin offered the following communications/announcements:

- Christian Clergy United Network Action Team (CCUNAT) will be hosting a "Community Communion" on Friday, May 20, 2016 at Holy Chapel Missionary Baptist Church beginning at 7 p.m. This event will be centered around the recent violence in the community.
- Reassured the voting community that sample ballots containing Measure P information were mailed out this week.

Meeting Adjournments

Individuals who lost their lives over the weekend.

ADJOURNMENT

On motion by Sharif, seconded by McCoy, the meeting was adjourned at 9:52 p.m. in memory of the individuals who lost their lives over the weekend, by the following vote on roll call:

AYES: Council Members - McCoy, Sharif, Brown

NOES: Council Members - None

ABSENT: Council Members - Zurita, Galvan

Clerk of the City of Compton

Mayor of the City of Compton

MAY 24, 2016

The City Council meeting was called to order at 5:55 p.m. in the Council Chambers of City Hall by Mayor Aja Brown. The Pledge of Allegiance and Moment of Silence ceremonies were also led Mayor Aja Brown.

ROLL CALL

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

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

INTRODUCTION OF SPECIAL GUESTS

Mayor Brown and the City Council acknowledged the following Compton High School basketball players and 2015 CIF Champions for their commitment to athleticism and academic excellence: Javontie Jackson (California State University Long Beach), Raysean Scott (Florida Gulf Coast University) and Chris Barnes (University of Texas El Paso and Moore League Player of the Year).

Mayor Brown and the City Council also presented Coach Lonnie and Coach Thomas with service appreciation proclamations in honor of their dedicated service and commitment to the youth.

SPECIAL PRIVILEGE - Pastor Fisher, Greater Zion Church Family

Pastor Fisher introduced the following efforts by Greater Zion Church Family to address the needs of the Compton community.

Food & Clothing Bank	Rehabilitation Programs
Low-Income Housing (for up to nine months)	Life Skills Classes
Marriage Counseling,	Financial Seminars
Bible Training & Development	Computer Literacy
Music Appreciation	Small Business Start-Up Seminars
Political Education	Vocational Training & Certification
College Prep Seminars	College Sunday every Third Sunday
Young Visionaries Summer Program (Boys)	Summer Camp for Young Ladies
College Tours	SAT & ACT Preparation
Family Counseling	College Placement

Tutoring and homework assistance is available every Wednesday from 6 p.m. to 7 p.m.

Partners of Greater Zion Church Family include: Los Angeles Trade Tech, 93.5 KDAY, 102.3 KJLH, Channel 7 News, Compton Community College, Shields for Families, Rapper/Actor Common, Senator Isadore Hall III, Assembly member Mike Gipson, and Congresswoman Janice Hahn.

If you would like to contribute any amount of resources to this organization, you can call (310) 639-5535 or go to www.gzcf.us.

6:00 P.M. - PUBLIC HEARING - ADOPTION OF THE CONGESTION MANAGEMENT PLAN (Item #3)

On motion by Sharif, seconded by McCoy, the public hearing was opened at 6:21 p.m., by the following vote on roll call:

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

#2.

Robert Delgadillo, Senior Planner for the Planning Department, reported that every urbanized county in California is required to develop a Congestion Management Program (CMP) to integrate land use, transportation, and air quality decision-making at the local and county level. The origin of this requirement was the passage of Proposition 111 in 1990 that mandated the development of a CMP for every urbanized California County, and required that the new gas tax funds authorized by Proposition 111 be used to reduce congestion and improve air quality. The Los Angeles County Metropolitan Transportation Authority (LACMTA) is responsible for administering the CMP in Los Angeles County. The City is also required to conduct traffic counts on a bi-annual basis (on odd-numbered years). The traffic counts were conducted in June of 2015 by the Los Angeles County Department of Public Works and will not be conducted again until 2017. The two intersections selected are Alameda and Compton and Alameda and the 91 Eastbound freeway ramps. LACMTA requires that the County and every City adopt a resolution on an annual basis that self-certifies that the jurisdiction is in conformance with the adopted CMP. Therefore, staff recommends to the City Council the adoption of the attached Local Development Report and attached Resolution (Item No. 3) finding the City to be in conformance with the 2015 Los Angeles County Congestion Management Program.

PUBLIC COMMENTS ON THE PUBLIC HEARING

Rudolfo Ruval, Compton resident, asked the Planning Department staff if they have ever considered constructing a right turn only lane on Alameda Street at Compton Boulevard going northbound and southbound.

Mr. Delgadillo referred to his request for a citywide traffic report in the upcoming fiscal year budget; and as it relates to the CMP, Mr. Delgadillo stated that it does not look at specific intersections other than the two mandated by the County of Los Angeles.

Robert Ray, Compton resident, asked that Mr. Delgadillo address whether or not this report takes into consideration traffic signal monitoring. Mr. Delgadillo reiterated that the report only analyzes the two intersections - and referred Mr. Ray to the Director of Public Works.

***Mayor Brown exited the meeting.**

Lynn Boone, Compton resident, asked if this report is due annually, if staff will be counting the traffic in 2017, and if the same information is reported on even years. Mr. Delgadillo replied that the report is due annually, that staff will be counting the traffic in 2017, and that the information is unique to each report because the LDR is based on the number of permits issued by the Building Department for single family homes, commercial, and demolition permits.

Ms. Boone asked Mr. Delgadillo if he will be counting traffic in 2017. Mr. Delgadillo remarked that on odd-numbered years, the City of Compton is required to log the CMP and conduct a survey on two specific intersections. Next fiscal year, funds may be available to conduct a city-wide traffic analysis to examine every intersection.

On motion by McCoy, seconded by Sharif, the public hearing was closed at 6:31 p.m., by the following vote on roll call:

AYES: Council Members - McCoy, Sharif, Zurita

NOES: Council Members - None

ABSENT: Council Members - Galvan, Brown

COUNCIL COMMENTS ON THE PUBLIC HEARING

Councilperson Sharif stated that she is looking forward to the completion of the city-wide traffic analysis so that she can have answers to the questions and concerns she gets about the traffic and congestion in the Fourth District.

Mayor Pro-Tem Zurita requested the date of the traffic control analysis. Mr. Delgadillo answered that staff should know the results by October 2016.

PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS

Robert Ray, Compton resident, petitioned Mr. Dent the Director of Building and Safety to enforce the building code that regulates the requirement of car garages and driveways for single-family homes to help alleviate parking problems in residential areas. Mr. Ray also asked that someone find out why the \$5M that was allocated to the Alondra Regional Park is not being used. He announced that a meeting will be held tomorrow at IHOP for citizens against Measure P to discuss why it should not be on the ballot in the first place; and maintained that the words "fiscal emergency" were used to foil the City Council into voting to place the item on the ballot. He indicated that per the Moody's credit rating agency, Compton is better off today, financially, than it has been in the last three years. And lastly, he stated that in the event Measure P passes, it will create more problems than people think it will fix.

Omar, Compton resident, expressed a concern for the division in the community that Measure P is causing and inquired about the possibility of amending the measure to include a timeline for how long the one cent sales tax will be in place and how much it will cost to repair the City's streets. He went on to ask that if Measure P passes, can the City make certain that the majority of the construction workforce are Compton residents.

Benjamin Holifield, Compton resident, stated that he was pleased to see those young men being recognized for excellence; and mentioned his grand-daughter's matriculation through Compton schools, how she studied abroad at the University of Cairo for four years and came back to become the executive director for the Compton Chamber of Commerce. He solicited the youth to do the same; to get their education and come back to serve their community. Mr. Holifield went on to recognize Reverend Fisher's efforts to expand his ministry and change the name of his church from Little Zion to Greater Zion.

David Irons, Compton resident, stated that his father was born in Columbus, Mississippi where the first Memorial Day occurred. He also stated that the first African American 761 Tank Battalion was the first military troupe to free Jewish people from concentration camps. He went on to state that he is the person responsible for Resolution No. 20,986 as it relates to efforts being made to rehabilitate Jackie Robinson stadium and making it a historical landmark in the City of Compton. He asked to be a part of its restoration and stated that he would do it for free.

Kyron Kopanos, Compton resident, solicited the voting community to vote yes on Measure P.

Maria Villa Real, Compton resident and representative of the Latino Chamber of Commerce, invited the concerned citizens in the community to attend a "Crime Prevention Program for Small Businesses" meeting on Thursday, May 26, 2016 at 810 West Rosecrans beginning at 6 p.m.

Kecia Woods, Compton resident, spoke in opposition to Measure P; citing previous votes by the City Council to defeat the Measure and the California Democratic Party's lack of support. She articulated her dissatisfaction and disdain for City officials, Senator Isadore Hall III, and Board Supervisor Mark Riddley Thomas, who are supposed support the people in the community.

Al Sanders, Compton resident, asked that the meeting be adjourned in the memory of Dorothy Lee Brown, a long-time resident and mother of Reverend Brown, the creator of the Compton 125 Project and CEO and founder of the Compton Historical Society. The funeral services will be held Saturday, May 28, 2016 at Morning Star Baptist Church in Los Angeles beginning at 10 a.m.

Sharon Johnson, manager of the Compton Library, invited the residents to attend the "Second Social Security Benefits Information Workshop" to be held Saturday, May 28, 2016 at 12 p.m. No registration is required. For more information, please call (310) 637-0202.

Rudolfo Ruval, Compton resident, spoke in opposition to Measure P and suggested that City Council members focus on the real issues such as enforcing the nine cent sales tax on local businesses.

#2.

Mr. Ruval acknowledged the City Council for finding the former city manager Harold Duffey through a nation-wide search and asked that the City Council consider the same process when looking for a new city manager. He spoke in favor of Senator Isadore Hall III for the House of Representatives and Bernie Sanders for President of the United States.

Marie Hollis, Compton resident and president of the Concerned Citizens of Compton Committee, acknowledged the women standing outside of City Hall holding signs that say "No on Measure P." She insisted that they were not protesting and that they were simply bringing information to the community. She went on to state that just reading the brochure will cause the voter to vote "no" on Measure P because it does not say that the City "will" do anything it says that they "might." Ms. Hollis further stated that during the first information meeting, one other voter called Measure P a might, a maybe, and a perhaps initiative. She claimed that the measure lacks a sunset clause and that it will significantly impact the senior citizen and low-income community. She further questioned the City's ability to properly manage Measure P monies, the effectiveness of an oversight committee, and the probability of Measure P addressing twelve items.

Joyce Kelly, Compton resident, invited the members of the City Council to attend the "Annual National Senior Health & Fitness Day" event to be held Wednesday, May 25, 2016 at the Dollarhide Community Center. Ms. Kelly went on to declare that there was no fiscal emergency until the City came up with those departments that were under-estimated all year. Ms. Kelly further suggested that the monies allocated under Item No. 4 be used to hire and train two residents to board up buildings. Lastly, Ms. Kelly commented that \$7.5M cannot and will not address twelve major projects in the City of Compton and affirmed that Mayor Brown could never go to Pasadena and put a sales tax on the ballot.

Lynn Boone, Compton resident, referenced Item No. 4 and spoke in opposition to the City Attorney's request for funds from the 2016-2017 budget. She referenced Item No. 6 and thanked Mr. Kau for asking the City Manager to submit an application to the California Beverage Container program. She referenced Item No. 7 and cited a need for building inspectors to help regulate garage conversions and generate revenues. And lastly, Ms. Boone accused the City Council of not properly vetting Measure P and professed that it is a smoke screen for a bond.

CONSENT AGENDA

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

AYES: Council Members - McCoy, Sharif, Zurita

NOES: Council Members - None

ABSENT: Council Members - Galvan, Brown

APPROVAL OF MINUTES

1. MAY 10, 2016 (Received/Filed)

END CONSENT AGENDA

REGULAR AGENDA

CITY MANAGER'S REPORT

2. A REQUEST TO SCHEDULE A PUBLIC HEARING - ADOPTION OF THE 2015 URBAN WATER MANAGEMENT PLAN

On motion by McCoy, seconded by Sharif, the public hearing was scheduled for July 12, 2016 at 5:40 p.m., by the following vote on roll call:

AYES: Council Members - McCoy, Sharif, Zurita

NOES: Council Members - None

ABSENT: Council Members - Galvan, Brown

CITY ATTORNEY'S REPORTS - There were no City Attorney Reports.

UNFINISHED BUSINESS - There was no Unfinished Business.

NEW BUSINESS

3. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON FINDING THE CITY TO BE IN CONFORMANCE WITH THE CONGESTION MANAGEMENT PROGRAM (CMP) AND ADOPTING THE CMP LOCAL DEVELOPMENT REPORT, IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 65089

On motion by Sharif, seconded by McCoy, **Resolution # 24,348** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON FINDING THE CITY TO BE IN CONFORMANCE WITH THE CONGESTION MANAGEMENT PROGRAM (CMP) AND ADOPTING THE CMP LOCAL DEVELOPMENT REPORT, IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 65089**" was approved, by the following vote on roll call:

AYES: Council Members - Zurita, McCoy, Sharif

NOES: Council Members - None

ABSENT: Council Members - Galvan, Brown

4. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A MULTI-YEAR WITH BEST RESTORATION SERVICES INC. FOR PROVISION OF STRUCTURE BOARD-UP AND PROPERTY ABATEMENT SERVICES (\$72,500)

Councilperson Sharif asked the City Attorney to provide a brief synopsis on this resolution.

City Attorney Cornwell stated that as it stands now, the code enforcement division is unable to get compliance on nuisance properties - and the actual work to clean up the property comes from the Public Works Street Division. So, to be able to go on the property and clean it up, staff is requesting the help of a private company that they can call to remediate properties. This company is also used when the City is dealing with sub-standard structures and illegal businesses, and when a building and safety inspector is red-tagging a structure.

Councilperson Sharif asked the City Attorney if there are any outstanding invoices that need to be resolved. Mr. Cornwell replied affirmatively.

Mayor Pro-Tem Zurita asked the City Attorney to verify whether or not a company can have more than one contract with the City. Mr. Cornwell replied affirmatively, noting that currently the City has a \$5,000 limit on the City Manager's authority so contracts in multiple departments will still be limited by the amount of his authority.

Mayor Pro-Tem Zurita inquired about the remaining balance owed to this company. City Attorney Cornwell reported a balance of \$500 for services provided in May and June of 2015, and \$22,500 from the current fiscal year.

Mayor Pro-Tem Zurita articulated her concerns for approving a resolution that incorporates balances owed to a company and stated that for the record, this will be her last time supporting payment to any company or organization prior to a resolution being approved, unless it is an emergency.

Councilperson Sharif asked the City Attorney if the City Council should anticipate a contract from the Building & Safety department.

A discussion ensued regarding the process of soliciting private companies to perform certain services and the issuance of purchase orders to said vendors.

#2.

On motion by Sharif, seconded by McCoy, **Resolution # 24,349** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A MULTI-YEAR WITH BEST RESTORATION SERVICES INC. FOR PROVISION OF STRUCTURE BOARD-UP AND PROPERTY ABATEMENT SERVICES (\$72,500)**" was approved, by the following vote on roll call:

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

- 5. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO EXECUTE THE FOURTH RESTATED AND AMENDED CALIFORNIA CITIES FOR SELF-RELIANCE JOINT POWERS AUTHORITY AGREEMENT

On motion by Sharif, seconded by McCoy, **Resolution # 24,350** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO EXECUTE THE FOURTH RESTATED AND AMENDED CALIFORNIA CITIES FOR SELF-RELIANCE JOINT POWERS AUTHORITY AGREEMENT**" was approved, by the following vote on roll call:

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

- 6. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO SUBMIT AN APPLICATION FOR THE CALIFORNIA BEVERAGE CONTAINER RECYCLING PAYMENT PROGRAMS AND RELATED AUTHORIZATIONS

Councilperson McCoy asked the City Manager to provide a brief synopsis on this resolution.

City Manager Haley stated that this is an ongoing program in the City of Compton which allows them to continue to encourage recycling facilities and individual collection places in the City.

Mayor Pro-Tem Zurita asked the City Manager if the City receives a recycling credit for the recycling centers located within its city limits. Mr. Haley replied affirmatively.

Glen Kau, Director of Public Works, made note that the program is supposed to generate and encourage the recycling of materials.

On motion by Sharif, seconded by McCoy, **Resolution # 24,000** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO SUBMIT AN APPLICATION FOR THE CALIFORNIA BEVERAGE CONTAINER RECYCLING PAYMENT PROGRAMS AND RELATED AUTHORIZATIONS**" was approved, by the following vote on roll call:

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

APPROVAL OF WARRANTS

- 7. WARRANT- #233865 - 5/18/16 - IMAGE MANAGEMENT SYSTEMS INC. - SERVICE - PAYMENT FOR IMAGING SERVICES - \$3,352.86 - REQUESTED BY: BUILDING AND SAFETY

Total Amount - \$3,352.86

Councilperson Sharif inquired about the types of services provided by this company.

City Attorney Cornwell answered that the company is responsible for electronically scanning and storing documents for the Building and Safety Department.

On motion by McCoy, seconded by Sharif, the above warrant was approved, by the following vote on roll call:

AYES: Council Members - Zurita, McCoy, Sharif

NOES: Council Members - None

ABSENT: Council Members - Galvan, Brown

COUNCIL COMMENTS

Councilperson McCoy offered the following communications/announcements:

- Attended the “Delta Sigma Thetas Gem Awards Ceremony” on Friday, Pastor Fisher's “11th Anniversary Celebration” on Saturday, and the funeral services for Richard Williams on Sunday.
- Asked the City Manager to look into the \$5M that was allocated towards the rehabilitation of Alondra Regional Park.

Councilperson Sharif offered the following communications/announcements:

- Attended the “47th Annual Los Angeles County Peace Officer Memorial Service” on Wednesday, Delta Sigma Thetas “7th Annual Essence of the Soul Awards” on Saturday, Janice Hahn's “2016 Congressional Art Competition Exhibit & Awards Reception”, and a sermon at the City of Refuge Church to hear former president of the United States Bill Clinton speak.
- Stated that after conducting her due diligence, she discovered that Measure R (a proposal for a 1/2 cent sales tax) if passed in November 2016, will increase the sales tax in the City of Compton to 10.5% provided Measure P passes. Furthermore, if Measure P does not pass, the City Council can come back and propose a 1/2 cent sales tax, or go to the legislature for a one cent sales tax. Likewise, the City of Compton will benefit financially if Measure R passes.
- Asked the City Manager to address the status of the South Park rehabilitation project.
 - City Manager Haley stated that he would have a report for Councilperson Sharif tomorrow.
- Asked the City Manager to bring back the information she requested regarding the \$25,000 contracts.

Meeting adjournment

Dorothy L. Brown, mother of Pauline Brown
Dr. Whitmore

Mayor Pro-Tem Zurita offered the following communications/announcements:

- Sacred Heart Church 5K Run/Walk will begin on June 3, 2016 and end June 5, 2016 at 1720 Culver Avenue, Compton at 1720 Culver Avenue, Compton. For more information call (310) 635-5436. 7 a.m. All participants are asked to register.
- "Stop the Violence Compton Watch: Taking Back Our City Townhall Meeting" will be held Thursday, May 26, 2016 at Gonzales Park from 6 p.m. to 7:30 p.m.
- Acknowledged Assembly-member Mike Gipson for his efforts to help her get the memorial signs for the 710 Freeway in honor of the three peace officers who lost their lives in the line of duty.

#2.

- Requested a report back from the City Manager in two weeks regarding the \$45,000 that was contributed to Gonzales Park from Trammel Crow Company.
- Requested a report back from the City Manager in two weeks regarding the monies the City received for the pay-by-phone-to-go program.
- Announced that there will be no meeting next week, it is a fifth Tuesday.
- Wished her father a Happy 85th birthday.
- Acknowledged the comments made by the President of the Concerned Citizens of Compton Committee Marie Hollis as she commended the City Manager for the New West landscapers James Jordan and Damon Johnson.

Meeting adjournments
Richard Williams Sr.

ADJOURNMENT

On motion by Sharif, seconded by McCoy, the meeting was adjourned at 7:55 p.m., in memory of **Dorothy L. Moore, Dr. Whitmore, and Richard Williams, Sr.**, by the following vote on roll call:

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

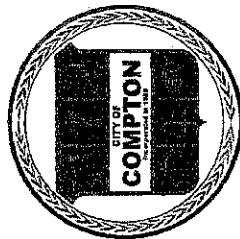
City Clerk of the City of Compton

Mayor of the City of Compton

DATE: JUNE 14, 2016
TO: MAYOR AND COUNCIL MEMBERS
FROM: CITY TREASURER
SUBJECT: INVESTMENT REPORT

IN ORDER TO COMPLY WITH STATE LAW AND THE CITY'S INVESTMENT POLICY, THE ATTACHED REPORT ACCURATELY REFLECTS ALL POOLED INVESTMENTS HELD ON BEHALF OF THE CITY AND SUCCESSOR AGENCY AS OF APRIL 30, 2016.

DOUGLAS SANDERS
CITY TREASURER



CITY OF COMPTON **Portfolio Management** **Portfolio Summary** **April 30, 2016**

City of Compton
205 S. Willowbrook Ave.
Compton, CA 90220
(310)605-5515

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Passbook/Checking Accounts -2	603,876.97	603,876.97	603,876.97	3.64	1	1	0.114	0.115
Local Agency Investment Funds	15,858,586.64	15,858,586.64	15,858,586.64	95.61	1	1	0.457	0.463
Managed Pool & Money Market Account	124,486.48	124,486.48	124,486.48	0.75	1	1	0.148	0.150
Investments	16,586,950.09	16,586,950.09	16,586,950.09	100.00%	1	1	0.442	0.448

Total Earnings	April 30	Month Ending	Fiscal Year To Date
Current Year		5,968.26	68,859.44
Average Daily Balance		18,063,615.57	21,938,488.79
Effective Rate of Return		0.40%	0.38%

This report reflects all pooled investments in conformity with the Investment Policy adopted by the City Council Gov Code 53646(b) (3)). The monthly investment report must state the ability of the agency to meet its expenditure requirements for the next six months or provide an explanation as to why sufficient cash funds may or may not be available. The investment program should provide sufficient cash to meet six months of estimated expenditures; there should be sufficient cash available. In August 2015, the City completed a TRAN's transaction of approximately \$10 million with the advance due in June 2016. As of April 30, 2016, the tenth month of the 2015/2016 Fiscal Year, the City had an estimated total in the General City Bank account plus LAIF account of \$16.1 million. At the time of this report period, approximately \$4.4 million in payroll funding and outstanding warrants to be paid to vendors. Our PERS balance is approximately \$7.3 million as of the date of this report period. PERS allocation from the April property tax revenue was approximately \$4.8 million, and approximately \$960,647 went to US BANK TRUSTEE towards the TRAN's balance. The City will receive more tax proceeds in the May 2016 distribution. The Federal Reserve has not increased rates since December of 2015. However there may be an increase in June and 2 or 3 more times after that, due to possible inflation. The City made its major Bond payments in August and September 2015. The City also made bond payments for the CRA/SUCCESSOR AGENCY in February 2016 and Sewer and Water Bond payments for March 2016. The next major Bond payment is in September 2016. Over the last 5 years, our City has continued to meet its obligations to the vendors on payments, due to the combined efforts of Management, The City Controller's office, as well as The Treasurer's office, contributing to the success of our City. The pricing of securities is done by Union Bank and Interactive Data Services. Moody Investor Service rates the State Pool Accounts AAA.

Treasury Rates as of 4/29/16
3 month T-Bill @ 0.2030%
6 month T-Bill @ 0.3810%
1 year T-Bill @ 0.5500%

[Signature]

[Signature]

DOUGLAS SANDERS, CITY TREASURER

Reporting period 04/01/2016-04/30/2016

Run Date: 06/01/2016 - 09:58

Portfolio COMP
AC
PM (PRF_PMT) 7.3.0
Report Ver. 7.3.3b

CITY OF COMPTON
Portfolio Management
Portfolio Details - Investments
April 30, 2016

Page 1

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 380	YTM 365	Days to Maturity	Maturity Date
Passbook/Checking Accounts -2												
5007	5007	Family Self Sufficiency			297,707.83	297,707.83	297,707.83	0.080	0.079	0.080	1	
4000	4000	Neighborhood Improvement			306,169.14	306,169.14	306,169.14	0.150	0.148	0.150	1	
		Subtotal and Average	672,890.88		603,876.97	603,876.97	603,876.97		0.114	0.115	1	
Local Agency Investment Funds												
6000	6000	General City			5,003,908.56	5,003,908.56	5,003,908.56	0.463	0.457	0.463	1	
6011	6011	SA Low Cost Housing			0.00	0.00	0.00	0.463	0.457	0.463	1	
6029	6029	Measure R			266,212.61	266,212.61	266,212.61	0.463	0.457	0.463	1	
6019	6019	EDA Revolving Loan			68,147.87	68,147.87	68,147.87	0.463	0.457	0.463	1	
6002	6002	Prop C			2,263,760.43	2,263,760.43	2,263,760.43	0.463	0.457	0.463	1	
6030	6030	PROP A			1,351,358.73	1,351,358.73	1,351,358.73	0.463	0.457	0.463	1	
6027	6027	River Mountain Conservancy			11,817.51	11,817.51	11,817.51	0.463	0.457	0.463	1	
6007	6007	Successor Agency General			9,693.00	9,693.00	9,693.00	0.463	0.457	0.463	1	
6003	6003	Sewer Bond Proceeds			832,799.20	832,799.20	832,799.20	0.463	0.457	0.463	1	
6022	6022	Regional Park			2,754,856.44	2,754,856.44	2,754,856.44	0.463	0.457	0.463	1	
6021	6021	Retirement Fund			3,296,032.29	3,296,032.29	3,296,032.29	0.463	0.457	0.463	1	
		Subtotal and Average	17,268,552.45		15,858,586.64	15,858,586.64	15,858,586.64		0.457	0.463	1	
Managed Pool & Money Market Account												
5004	5004	Formal Assurance Prg Money Mkt			123,953.26	123,953.26	123,953.26	0.150	0.148	0.150	1	
5005	5005	Rental Rehab Prg Money Market			203.12	203.12	203.12	0.060	0.059	0.060	1	
5003	5003	Residential Rehab Money Market			330.10	330.10	330.10	0.040	0.039	0.040	1	
		Subtotal and Average	124,472.24		124,486.48	124,486.48	124,486.48		0.148	0.150	1	
		Total and Average	18,063,615.57		16,586,950.09	16,586,950.09	16,586,950.09		0.442	0.448	1	

Portfolio COMP
AC
PM (PRF_PM2) 7.3.0

Report Ver. 7.3.3b

CITY OF COMPTON
BANK ACCOUNT BALANCES AS OF
APRIL 30, 2016

FUND #	NAME OF ACCOUNT	BANK NAME	BALANCE
101	PAYROLL	WELLS FARGO BANK	1,443,890.14
1001	GENERAL CITY ACCOUNT	BANK OF THE WEST	10,158,578.15
1520	MEASURE R	BANK OF THE WEST	156,743.45
2000	PROP A	BANK OF THE WEST	161,414.17
4000	SA GENERAL	BANK OF THE WEST	5,904,234.50
1203	SA LOW COST HOUSING	BANK OF THE WEST	2,645,128.70
2100	PERS	BANK OF THE WEST	4,790,025.38
9203	PUBLIC FINANCE AUTHORITY	BANK OF THE WEST	179,145.40
1001	COC - REGIONAL PARK	BANK OF THE WEST	963.80
2820	COC - FAMILY SELF SUFFICIENCY	BANK OF THE WEST	297,707.83
2754-84-85	JTPA - CAREERLINK	BANK OF THE WEST	2,585.17
2805	HOME LOAN PROGRAM	BANK OF THE WEST	455,213.60
2818	SECTION 108 - HUD FUND	BANK OF THE WEST	2,422,687.38
1022	POLICE DRUG PROPERTY FORFEITURE	BANK OF THE WEST	8,805.90
5116	BOND SEWER CONSTRUCTION FUND	BANK OF THE WEST	8,328.40
6400	LIABILITY	BANK OF THE WEST	51,933.76

#3.

**CITY OF COMPTON
BANK ACCOUNT BALANCES AS OF
APRIL 30, 2016**

FUND #	NAME OF ACCOUNT	BANK NAME	BALANCE
1001	COC - CHANGE FUND	BANK OF THE WEST	164.00
1900	PROP C	BANK OF THE WEST	226,358.48
6300	WORKERS COMP	BANK OF THE WEST	132,540.28
2820	HOUSING AUTHORITY	BANK OF THE WEST	1,434,874.18
1001	EMERGENCY MEDICAL SERVICES COC	BANK OF THE WEST	707,810.02
1061	COPS GRANT WEED AND SEED	BANK OF THE WEST	175,220.39
1001	COC PARKING VIOLATIONS	BANK OF THE WEST	450,299.88
1001	COC UTILITIES BILLINGS	BANK OF THE WEST	1,528,819.47

RESOLUTION SIGN-OFF FORM

DEPARTMENT: City Treasurer
RESOLUTION TITLE: City Treasurer's investment report for April 2016 to the City Council

<ManagersName>
DEPARTMENT MANAGER’S SIGNATURE

<ManagersDate>
DATE

REVIEW / APPROVAL

<LegalName>
CITY ATTORNEY

<LegalDate>
DATE

<ControllerName>
CITY CONTROLLER

<ControllerDate>
DATE

<CityManager>
CITY MANAGER

<CityManagerDate>
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.

June 14, 2016

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: CITY MANAGER

RE: **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON
SUPPORTING STATE LEGISLATION GRANTING COUNTIES
AUTHORITY TO SEEK VOTER APPROVAL OF A PERSONAL INCOME
TAX ON HIGH-INCOME TAXPAYERS TO COMBAT HOMELESSNESS**

SUMMARY

Councilperson Emma Sharif has requested that a resolution be brought forth for City Council consideration and approval that will register the City of Compton's support of State legislation referred to as the "Millionaire's Tax," which will grant counties the authority to seek voter approval of a tax on personal income above \$1 million per year to help combat homelessness.

BACKGROUND

On May 17, 2016, the Los Angeles County Board of Supervisors approved a resolution to seek State legislation that will authorize counties to levy a tax on personal income above \$1 million per year, known as the "Millionaire's Tax." The County will use the tax revenues generated to fund its homeless strategies to address the homelessness crises in the County by improving and expanding services for the homeless as well as provide housing and shelter resources to reduce the number of people living on the streets.

STATEMENT OF ISSUE

The County of Los Angeles is seeking an amendment to State law to authorize counties to seek voter approval to impose a local income tax on the same income which is subject to the Mental Health Services Act ("MHSA") tax, i.e. personal income in excess of \$1 million per year. This tax would be specifically to combat homelessness and would not be limited to people with mental health conditions. A simple majority vote of the Legislature is required to provide this authority to counties. If the Legislature and Governor grant this authority and a majority of the Board of Supervisors decide to place such an initiative on a countywide ballot, two-thirds approval by the electorate would be required.

According to the County, the estimated annual revenue that may be generated from this tax is \$243 million. This estimate is calculated by the County by: 1) securing Franchise Tax Board data on the percentage of the statewide MHSA tax paid by high-income taxpayers in Los Angeles County; 2) applying that percentage to the level of statewide MHSA revenue projected by the State over the next few years, to determine the

#4.

Staff Report – Resolution Supporting Legislation
Granting Counties Authority to Seek Voter Approval
½% Personal Income on High-Income Taxpayers
“Millionaire’s Tax” – Combat Homelessness
June 14, 2016, page 2

estimated average MHSA tax over the next few years that will be paid by Los Angeles County taxpayers; and 3) taking one-half of that number to estimate what a one-half percent (1/2%) tax on personal income above \$1 million would generate (since the MHSA tax is based on 1% of personal income above \$1 million per year).

FISCAL IMPACT

There is no anticipated fiscal impact resulting from adoption of this Resolution.

RECOMMENDATION

No recommendation is offered by staff. Resolution presented for consideration and adoption pursuant to request of Councilperson Sharif.

ROGER L. HALEY
CITY MANAGER

RLH:CJC:RAR:rar

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON SUPPORTING STATE LEGISLATION GRANTING COUNTIES AUTHORITY TO SEEK VOTER APPROVAL OF A PERSONAL INCOME TAX ON HIGH-INCOME TAXPAYERS TO COMBAT HOMELESSNESS

WHEREAS, in February of this year the County of Los Angeles took action by approving a comprehensive plan to address homelessness; and

WHEREAS, addressing homelessness and implementing the plan will require hundreds of millions of dollars over multiple years to provide the housing and services needed to provide stable homes; and

WHEREAS, on May 17, 2016, the Los Angeles County Board of Supervisors approved a resolution to seek State legislation that will authorize counties to levy a tax on personal income above \$1 million per year, known as the “Millionaire’s Tax”; and

WHEREAS, the County plans to use the tax revenues generated to fund its homeless strategies to address the homelessness crises in the County by improving and expanding services for the homeless as well as provide housing and shelter resources to reduce the number of people living on the streets; and

WHEREAS, State legislation is needed to allow counties the authority to levy such a tax and place such a measure on the ballot for voter approval, as counties do not currently have the authority to levy such an income tax; and

WHEREAS, in order to ensure funding options are available to address homelessness, the City of Compton should support the Los Angeles County’s legislative proposal to amend State law to grant counties the authority to seek voter approval of a tax on personal income above \$1 million per year to combat homelessness.

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

Section 1. That the City of Compton hereby declares its support for the Los Angeles County’s effort to amend State law to grant counties the authority to seek voter approval of a tax on personal income above \$1 million per year to help combat homelessness.

Section 2. That a certified copy of this Resolution will be filed in the offices of the City Clerk, City Manager and forwarded to the elected representatives for the City of Compton, the Governor and the Chairman of the Los Angeles County Board of Supervisors.

Section 3. 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, 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:

AYES: COUNCIL MEMBERS-
NOES: COUNCIL MEMBERS-
ABSENT: COUNCIL MEMBERS-
ABSTAINS: 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 SUPPORTING STATE LEGISLATION GRANTING COUNTIES AUTHORITY TO SEEK VOTER APPROVAL OF A PERSONAL INCOME TAX ON HIGH-INCOME TAXPAYERS TO COMBAT HOMELESSNESS

Ruth Rugley
DEPARTMENT MANAGER’S SIGNATURE

6/7/2016 7:18:53 PM
DATE

REVIEW / APPROVAL

Ruth Rugley
CITY ATTORNEY

6/8/2016 6:07:24 PM
DATE

Austin Okonta
CITY CONTROLLER

6/8/2016 6:02:52 PM
DATE

Roger Haley
CITY MANAGER

6/8/2016 3:17:16 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.

June 14, 2016

TO: MAYOR & CITY COUNCIL

FROM: CITY CLERK

SUBJECT: FIREWORKS APPLICATIONS

According to Compton Municipal Code Section 22-2.3, charitable organizations, associations, or corporations may sell safe and sane fireworks upon first obtaining a permit from the City of Compton. Organizations are selected through a random drawing conducted by the City Clerk.

For the 2016 Fireworks selection, a random drawing was held in the City Clerk's Office on May 10, 2016. There were twenty-five (25) applications submitted to operate a 2016 fireworks stand. The top three (3) qualified organizations are selected for firework stands along with nine (9) second year organizations, for a total of (12) twelve organizations. The results of the lottery are as follows:

1. Sandra's Soul Steppers
2. Compton HS Basketball Alumni
3. Dominguez Samoan Congregational Christian Church
4. Christ First Baptist Church
5. Love Peace and Happiness Church
6. KDS! Associates Kappa Delta Sigma, Inc
7. Blessed Child Chapter # 277
8. A-Z Community Resources
9. Light of the World Community Center
10. KTNG.org
11. Compton Bears Youth Football & Cheer
12. Phi Beta Sigma Fraternity, Inc
13. Veterans of Foreign Wars
14. Light of the World Church
15. Specialettes Drill Team
16. Latino Chamber of Commerce

#5.

Organization returning on their second year:

1. Community Care, Inc
2. Compton Hs Drill Team
3. Curry Temple Church
4. New Holy Trinity Baptist Church
5. Pentecost Temple Ministries
6. Tomorrow's Aeronautical Museum
7. Trinity Chapel Life Center
8. Trinity Ministry Outreach Church
9. Victory Outreach

Section 22-2.8 of the Compton Municipal Code gives the City Council, sole discretion to grant or deny a permit to sell fireworks. The criteria to make such a decision is listed in CMC sections 22-2.8(a) through 22-2.8(g).

STAFF RECOMMENDATIONS

It is Staff's recommendation that the following organizations be approved for a fireworks stand:

1. Community Care, Inc
2. Compton High School Basketball Alumni
3. Compton HS Drill Team
4. Curry Temple Church
5. Dominguez Samoan Congregational Christian Church
6. New Holy Trinity Baptist Church
7. Pentecost Temple Ministries
8. Sandra's Soul Steppers
9. Tomorrow's Aeronautical Museum
10. Trinity Chapel Life Center
11. Trinity Ministry Outreach Church
12. Victory Outreach

The following organizations will be placed on a waiting list, in the event one of the top twelve organizations drops out:

1. Christ First Baptist Church
2. Love Peace and Happiness Church
3. KDS! Associates Kappa Delta Sigma, Inc
4. Blessed Child Chapter # 277
5. A-Z Community Resources
6. Light of the World Community Center
7. KTNG.org
8. Compton Bears Youth Football & Cheer
9. Phi Beta Sigma fraternity, Inc
10. Veterans of Foreign Wars
11. Light of the World Church
12. Specialettes Drill Team
13. Latino Chamber of Commerce

Alita Godwin, CMC
City Clerk

June 14, 2016

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: ROGER L. HALEY, CITY MANAGER
SUBJECT: A REQUEST TO SCHEDULE A PUBLIC HEARING REGARDING THE
MASTER FEE SCHEDULE

SUMMARY

Staff is requesting to schedule a Public Hearing on July 12, 2016 at 5:50 p.m., to establish a Master Fee Schedule for the City of Compton.

Thank you,

ROGER L. HALEY
CITY MANAGER

June 14, 2016

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

**FROM: VAN WILSON, DIRECTOR
GENERAL SERVICES DEPARTMENT**

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
COMPTON AUTHORIZING THE CITY MANGER TO EXECUTE A
MULTI-YEAR LEASE AGREEMENT BETWEEN THE CITY OF
COMPTON AND VOLUNTEERS OF AMERICA OF LOS
ANGELES FOR OFFICE SPACE AT THE CAREERLINK
FACILITY AND RESCINDING RESOLUTION NO. 24,308**

SUMMARY

City Council adoption of the attached resolution will rescind Resolution No. 24,308, adopted on March 15, 2016, and authorize the City Manager to enter into a 34-month (March 1, 2016 through December 31, 2018) lease agreement with Volunteers of America of Los Angeles ("Volunteers of America") for occupancy of a total of approximately 1,175 square feet of dedicated indoor office space within the Compton CareerLink facility.

BACKGROUND

The City of Compton owns certain real property located at 700 North Bullis Road, commonly known as the "CareerLink" facility. This property is used as a "shared occupancy" facility in that it houses certain City administered services in addition to offering indoor spaces for leasing to outside agencies, organizations and individuals.

Pursuant to guidance of the City Council, in November 2012, the City Manager implemented a City-wide leasing policy which mandates that City-owned facilities and/or property *shall not* be leased without first obtaining proper authorization from the City Council (i.e. an adopted resolution) and execution of a written lease agreement [City of Compton Standard Operating Manual, Policy 4.17(A)]. In addition to other matters, the Policy specifies that lease rates shall be based on the square footage of the area(s) subject to the exclusive use/occupation of the Lessee and that the standard leasing rate for indoor floor space in a City-owned facility shall be **at least One Dollar (\$1.00) per square foot.**

In addition to the base rental rate, proposed lease agreements are to address the costs incurred by the City for utilities, maintenance and repairs, custodial and general security -- at the CareerLink location, staff has identified that cost to be ninety-seven cents (\$0.97) per square foot. Thus the cost to the City will be

**Staff Report – Resolution Authorizing Lease
CareerLink Facility (Rooms 7B & 11A/1,175 Square Feet)
Volunteers of America of Los Angeles
June 14, 2016, page 2**

recovered in a recommended minimal monthly rental rate based on a square footage charge of \$1.97 (i.e. \$1.00 per square foot base rental rate plus \$0.97 per square foot for utilities, maintenance, custodial and security).

STATEMENT OF THE ISSUE

Volunteers of America is currently leasing 828 square feet of indoor space (Room 11A) at the *CareerLink* facility for general office use for support services staffing at the leasing rate of \$1.00 per square (pursuant to Council authorization) and on March 15, 2016, sought Council authorization to renew their lease with the City, acquire usage of an additional 347 square feet (Room 7B), and continue at the leasing rate of \$1.00 per square foot.

On March 15, 2016, the City Council adopted Resolution 24,308, which authorized the requested 34-month lease agreement with Volunteers of America, however, inadvertently the requested leasing rate of \$1.00 per square feet was incorrectly recorded as \$1.00 per year, thus Resolution No. 24,308 needs to be rescinded.

FINANCIAL IMPACT

Approval of the 34-month lease agreement at the requested \$1.00 per square foot for exclusive occupation of a total of approximately 1,175 square feet of indoor office space will total \$1,175.00 per month in rental fees for use of the City's facilities.

RECOMMENDATION

While staff is not authorized to offer to lease City-owned property wherein the terms sought by the Lessee vary from the requirements of the City's Leasing Policy – City Council authorization is required – in order to correct the leasing rate error adopted by Resolution No. 24,308, said resolution must be rescinded and the attached resolution adopted by Council.

**VAN WILSON, DIRECTOR
GENERAL SERVICES DEPARTMENT**

APPROVED FOR FORWARDING:

**ROGER L. HALEY
CITY MANAGER**

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
COMPTON AUTHORIZING THE CITY MANGER TO EXECUTE A
MULTI-YEAR LEASE AGREEMENT BETWEEN THE CITY OF
COMPTON AND VOLUNTEERS OF AMERICA OF LOS ANGELES
FOR OFFICE SPACE AT THE CAREERLINK FACILITY AND
RESCINDING RESOLUTION NO. 24,308**

WHEREAS, the City of Compton owns certain real property located at 700 North Bullis Road, also known as the CareerLink facility which is used as a “shared occupancy” facility in that it houses certain City administered services in addition to offering indoor spaces for leasing to outside agencies, organizations and individuals; and

WHEREAS, pursuant to guidance of the City Council, in November 2012, the City Manager implemented a City-wide leasing policy [Standard Operating Manual, Policy 4.17(A)], which mandates that City-owned facilities and/or property shall not be leased without first obtaining proper authorization from the City Council (i.e. an adopted resolution) and execution of a written lease agreement; and

WHEREAS, Volunteers of America of Los Angeles is currently leasing 828 square feet of indoor space (Room 11A) at the CareerLink facility for general office use for support services staffing at the leasing rate of \$1.00 per square (pursuant to Council authorization) and on March 15, 2016, sought Council authorization to renew their lease with the City for 34-months, acquire usage of an additional 347 square feet (Room 7B), and continue at the leasing rate of \$1.00 per square foot; and

WHEREAS, on March 15, 2016, the City Council adopted Resolution 24,308, which authorized the requested 34-month lease agreement with Volunteers of America of Los Angeles, however, inadvertently the requested leasing rate of \$1.00 per square feet was incorrectly recorded as \$1.00 per year, thus Resolution No. 24,308 needs to be rescinded.

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

Section 1. That Resolution No. 24,308, adopted by the City Council on March 15, 2016, is hereby rescinded.

Section 2. That the City Manager, upon the approval of the City Attorney is authorized to enter into a thirty-four (34) month lease agreement, effective March 1, 2016 through December 31, 2018, with the Volunteers of America of Los Angeles for the use of approximately 828 square feet (specifically Room 11A) and approximately 347 square feet (specifically Room 7B), for a total of 1,175 square feet of indoor square of indoor space at 700 North Bullis Road, Compton (CareerLink facility), for general office use for their support services staffing.

Section 3. That the monthly lease rate shall be One Thousand One Hundred Seventy Five Dollars (\$1,175) per month for the term of the Lease.

Section 4. That Account No. 1001 000 000 3425 has been established to receive CareerLink facility lease payments.

Section 5. That a certified copy of this Resolution shall be filed in the offices of the City Manager (Security Division), City Clerk, City Controller, General Services, CareerLink 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 the ____ 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

**LEASE AGREEMENT BETWEEN
CITY OF COMPTON
AND
VOLUNTEERS OF AMERICA OF LOS ANGELES**

This **LEASE AGREEMENT** is entered into by and between the **CITY OF COMPTON**, a municipal corporation of the State of California (hereinafter referred to as “**OWNER**”) and the **VOLUNTEERS OF AMERICA OF LOS ANGELES** (hereinafter referred to as “**LESSEE**”).

RECITALS:

WHEREAS, the City of Compton (“Owner”), has under its jurisdiction certain real property located at 700 North Bullis Road, Compton, California 90221, also known as the “CareerLink” facility (the “Site”); and

WHEREAS, on _____, 2016, the City Council adopted Resolution No. _____, which authorized the City Manager to enter into a lease agreement with the Volunteers of America of Los Angeles (“Lessee”) for a period of thirty-four (34) months, commencing March 1, 2016 through December 31, 2018.

NOW, THEREFORE, Owner and Lessee, for the consideration, terms and conditions herein described, mutually agree as follows:

WITNESSETH:

Section 1. PREMISES. The Owner, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the Lessee and upon the following terms and conditions, hereby leases to the Lessee, and the Lessee hereby hires and takes of and from the Owner, those certain Premises situated in the City of Compton, County of Los Angeles, State of California, more particularly described as:

**Compton CareerLink Facility
700 North Bullis Road
Compton, California 90221**

[The “Site”]

Lessee shall lease the following indoor square footage within the Site. Lessee may also have access to and use of shared public spaces within the Site:

<u>Location</u>	<u>Square Footage</u>	<u>Monthly Lease Amount</u>
Room 7B	347 square feet	\$ 347.00
Room 11A	828 square feet	\$ 828.00

[The “Premises”]

Section 2. TERM. This Lease shall be for a term of thirty-four (34) months, commencing on March 1, 2016 and shall terminate on December 31, 2018, unless extended or terminated as otherwise provided herein. This Lease shall supersede any previous Leases and/or agreements.

Section 3. RENT. During the Lease term, the Lessee shall pay to Owner as rent for said Premises hereof the sum of **One Thousand One Hundred Seventy Five Dollars (\$1,175.00)** per month, based on a rental rate of **One Dollar (\$1.00) per square foot** for each square foot of exclusive use space. Lease payments shall be due in advance on the first day of each and every month of the term hereof. Any lease payment not received by the Owner by the tenth (10th) day of the month will be deemed late and a late fee (penalty) in the amount of **Five Percent (5%)** will be charged.

Payments shall be remitted to: General Services Department
205 South Willowbrook Avenue
Compton, California 90220
Attn: Director
Payable to: City of Compton
[Please identify your Lease Site on the payment]

Section 4. USE OF PREMISES. Lessee is entitled to use the Premises during normal building business hours (Mondays through Fridays, 7:00 a.m. to 6:00 p.m.), **(excepting legal City holidays)** for the following purpose(s) only:

General Office Use for Support Services Staff

Lessee shall not use the Premises for any other purpose without the prior written consent of the Owner. Lessee shall not use the Premises in a manner so as to interfere with Owner's use or equipment at the Site. Lessee shall not use the Premises for the storage of inoperable or unusable equipment or property.

Use of Premises at Shared Site on City Holidays and Non-Business Hours

On those dates designated by the City Council as legal City holidays, the Site **(including the Premises)** shall be closed. If Lessee desires to use the Premises on a City holiday or during hours not specified above, Lessee shall pay the City the costs (e.g. employees' salary) of providing access to the Premises/Site and for provision of City security (if applicable).

Lessee shall provide written notification to the General Services Department a minimum of three (3) business days in advance of its desire to use the Premises on a City holiday or during non-business building hours. Lessee shall include the additional amounts owed in the next lease payment.

Section 5. DELIVERY OF PREMISES. If Owner, for any reason, cannot deliver the Premises described above to Lessee at the commencement of the term hereof, Owner shall not be liable to Lessee for any loss or damage resulting therefrom and Lessee at Lessee's option, may declare this Agreement to be null and void.

Section 6. UTILITIES AND OTHER SERVICES. Owner agrees to furnish the following utilities and services at Owner's expense during normal business hours:

Lease Agreement – Volunteers of America of Los Angeles
 CareerLink – 700 North Bullis Road (Rooms 7B & 11A)
 March 2016-December 2018/Resolution No.

- a. Electricity for normal lighting and power for office use. Special or additional electrical requirements over and above the standard for general office uses will be charged directly to Lessee.
- b. Heating/Cooling.
- c. Hot and cold water.
- d. Routine maintenance.
- e. General/shared security for the Site.

Any and all other types of utilities (e.g. telephone, cable, etc.) and services shall be at the sole expense and responsibility of the Lessee. Prior written approval shall be required for the installation of any utility and/or service that will involve physical alteration of the Premises and/or Site. Lessee shall reimburse Owner for the cost of repairing any and all damages to the Premises and/or Site caused directly or indirectly by Lessee's utility or service provider or its equipment.

Owner shall in no way be liable or responsible for any loss, damage or expense that Lessee may sustain or incur by reason of any change, failure, interference, disruption or defect in the supply or character of the utilities and services supplied to Premises and/or Site, unless directly caused by the active negligence or willful misconduct of the Owner.

Section 7. ASSIGNMENT AND SUBLETTING. Lessee agrees not to sublet the whole or part of the Premises, assign the Lease nor permit the use of the Premises by anyone other than the Lessee, its employees, business invitees, customers and patrons without in each case first securing the written consent of the Owner. Any attempted assignment or subletting of this Lease without the written consent of the Owner constitutes fraud and this Agreement shall be null and void.

Section 8. ALTERATIONS AND ADDITIONS. Lessee shall not make any alterations or construct any additions or improvements in or on the Site and/or the Premises until the Owner has approved the complete plans and specifications for the project. Once the Owner has been provided with said plans and specifications, Owner shall have a fifteen (15) day minimum review period before granting Lessee approval or disapproval of the project in writing. Lessee shall, at the time of the request, specify if they desire to retain ownership and/or possession of the alteration, addition or improvement subject to plan review by Owner at Lessee's expense. Lessee shall keep the Premises free of liens from such work.

Owner agrees that except for structural alterations, the Lessee may remove, during or at the expiration or other termination of the term of this Lease, or of any extension or holdover period thereof, as the case may be, personal property placed or installed in or upon the Site and/or the Premises by the Lessee or under its authority. Any personal property, improvements or additions not removed by Lessee within thirty (30) days after the end of the term, or any extension or holdover period thereof, shall automatically become the property of Owner.

Lessee shall repair any damage to the Site and/or the Premises caused by Lessee's installation and/or removal of its personal property, alterations, improvements or additions.

Section 9. REPAIRS AND MAINTENANCE. Owner shall not be responsible to make any repairs or alterations to the Premises, excepting due to reasonable normal wear and tear, and Lessee assumes any and all cost and liability for the repair and maintenance of the Premises leased herein, unless such repairs, alterations or maintenance are due to Owner's negligence or willful misconduct. Lessee agrees to repair any damage caused by Lessee, its employees, contractors, agents or invitees, negligently or otherwise, at its own expense, and maintain the Premises leased and to return said Premises to Owner in as good order, repair and condition as the same were in at the commencement of this Lease, subject to normal wear and tear. Lessee must obtain prior written approval from the Owner prior to commencing any repairs to the leased Premises. Lessee shall keep the Premises free of liens from such work.

Lessee shall continue to maintain said Premises in good repair and tenable condition and in compliance with all health, safety and sanitation laws, ordinances and regulations of the State of California and local authorities throughout the term of the Lease.

Lessor agrees to keep the roof, walls, foundation, HVAC system, plumbing and electrical system in and servicing the Premises in good order and condition at its sole cost and expense. Lessee agrees to perform all other repairs and maintenance to the Premises at their sole cost and expense. All work done by Lessee on the Premises shall be done in a lawful manner and in conformity with all applicable laws, ordinances and regulations. The Premises shall be kept free from any and all liens and charges on account of labor or materials used in contribution to any work thereon.

Unless otherwise required by law or expressly provided for within this Lease Agreement, Owner shall have no liability to Lessee for any condition on the Premises leased herein and Lessee agrees that it has inspected the same, knows the condition and takes this Lease with the Premises in its present condition. Lessee agrees to hold the Owner harmless from any and all liability arising out of or in connection with the use of the Premises leased herein by the Lessee, its agents, employees, business invitees, customers and patrons, except to the extent any such liability is attributable to Owner's negligence or willful misconduct.

Section 10. INSURANCE. Lessee shall furnish certificates of insurance, along with endorsements, issued to Owner substantiating the fact that it has taken out the specified insurance for the term covered by this Lease, or any extension or holdover period thereof, with an insurance carrier acceptable to the Owner under forms satisfactory to the Owner. Each certificate shall bear an endorsement precluding cancellation or reduction in coverage of any policy covered by such certificate except upon at least thirty (30) days prior written notice to Owner. It is agreed that Owner shall not be liable for the payment of any premiums or assessments on the insurance required.

Lessee shall present evidence of required insurance and certificate of endorsement to Owner no later than the commencement date of this Lease. The Lessee shall not occupy the Premises until the Owner has received and approved the required certification. ***Failure on the part of the Lessee to procure or maintain***

insurance shall constitute a material breach upon which the City may immediately terminate this Lease Agreement.

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:

a. General Liability. Lessee shall provide and maintain at its own expense during the term of this Lease Agreement a policy of Commercial General Liability Insurance, inclusive of personal injury liability and broad form property damage coverage, in an amount not less than **One Million Dollars (\$1,000,000)** per occurrence. The coverage shall be written on an occurrence basis. Claims made coverage is not acceptable.

b. Workers' Compensation Insurance. Lessee shall provide and maintain at its own expense during the term of this Agreement a program of Workers' Compensation Insurance and Employer's Liability Insurance in an amount and form to meet all applicable requirements of the State Labor Code and which specifically covers all persons providing services by or on behalf of the Lessee and all risks to such persons under the Agreement.

c. Fire and Casualty Insurance. Lessee shall maintain fire insurance on such party's own equipment and property or to adequately self-insure the same. Lessee shall provide, or cause to be provided, and maintained at its sole cost property insurance in the amount of the value of the improvements on the Premises on a replacement cost basis. The property insurance shall insure against the perils of fire (with extended coverage), theft, vandalism, malicious mischief, collapse, flood, earthquake, windstorm and physical loss or damage. Owner will not keep improvements which are constructed or installed and owned by Lessee under the provisions of this Lease insured against fire or casualty, and Lessee will make no claim of any nature against Owner by reason of any damage to the business or property of Lessee in the event of damage or destruction by fire or other cause, arising other than from or out of negligence or willful misconduct of agents or employees of the Owner in the course of their employment.

d. Insurance Endorsements. The liability insurance policy(ies) shall be endorsed with the following language:

.1 The City of Compton and its respective elected and appointed officers, officials, employees, agents and volunteers are to be named and covered as **"additional insureds"** with respect to liability arising out of the activities of the Lessee.

.2 The insurer waives all rights of subrogation against the City.

.3 Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City.

.4 Identify the leased Premises covered by the policy(ies) and the identities of the insured(s).

Insurance coverage specified herein constitutes the minimum requirements and said requirements shall in no way lessen or limit the liability of the Lessee under the

terms of the Lease Agreement. Lessee 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 relating to Lessee's use of the Premises.

Section 11. LOSSES. Owner shall not be responsible for losses or damage to personal property, equipment or materials of Lessee. Owner will not keep improvements which are constructed or installed and owned by Lessee under the provisions of this Lease insured against fire or casualty, and Lessee will make no claim of any nature against Owner by reason of any damage to the business or property of Lessee in the event of damage or destruction by fire or other cause, arising other than from or out of the gross negligence or willful misconduct of agents or employees of the Owner in the course of their employment.

Section 12. DAMAGE OR DESTRUCTION. Owner agrees that should the Premises be so badly damaged by earthquake or other violent action of the elements as to render them wholly unfit for Lessee's occupancy, then this Lease shall be terminated immediately upon the happening of any such event, whereupon Lessee shall surrender the Premises and shall not be obligated for any further rental payment and Owner shall refund any unearned rent paid in advance by Lessee, calculated at a daily rate based on the regular monthly rental.

In the event of any lesser damage by casualty, then Owner shall commence the repair and restoration of such premises within thirty (30) days of the event which necessitated the repair and restoration, unless it is not reasonably possible to commence repair and restoration within thirty (30) days, in which case it shall be commenced as soon as feasibly possible. If the damage to the Premises is caused by the Lessee or its agents, employees or invitees, then after receiving Owner's approval for the same, Lessee shall promptly repair the damage at Lessee's expense.

Section 13. DEFAULT. Lessee shall pay said rent to the Owner without deduction, default or delay. In the event of the failure of Lessee to do so, or in the event of a breach of any other terms, covenants or conditions herein contained on the part of Lessee to be kept and performed and if such default continues for a period of thirty (30) days after receipt of written notice from Owner to Lessee of such default, this Lease may be terminated. Owner may not terminate the Lease if (a) Lessee cures the default within the thirty (30) day period after notice of default is given, or (b) the default cannot reasonably be cured within thirty (30) days after notice of default is given, but Lessee reasonably commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default. In the event of termination of this Lease, it shall be lawful for Owner to reenter into and upon the Premises and every part thereof and to remove and store at Lessee's expense all property therefrom and to repossess and occupy the Premises. In addition thereto, Owner shall have such other rights or remedies as may be provided for by law.

Section 14. HOLDING OVER. In case Lessee holds over beyond the term herein provided with the consent, express or implied, of the Owner, such tenancy shall be from month-to-month only, subject to the same terms and conditions of this Lease, but shall not be a renewal hereof. Such month-to-month tenancy shall be terminable on thirty (30) days written notice by either party to the other party.

Section 15. CANCELLATION PROVISION. Notwithstanding any other provisions contained herein, either party shall have the right to cancel this Lease, without cause, at anytime after the twelfth (12th) month of the Lease term, upon ninety (90) days prior written notice to the other party.

Section 16. TERMINATION BY LESSEE. If Lessee terminates this Lease Agreement prior to the expiration of the first twelfth (12) months of the Lease term without cause as provided herein, Lessee shall be liable to pay to Owner the base rental rate (“termination fee”) for the remaining Lease term. All of the terms of the Lease Agreement must be complied with through the date of vacating the premises on or before the effective date of termination. Owner shall retain all remedies for non-compliance with the Lease Agreement.

Section 17. OWNER’S ACCESS. Lessee agrees to permit the Owner or Owner’s authorized agents, upon at least twenty-four (24) hours advance notice, free access to the Premises at all reasonable times for the purpose of inspection of the Premises or for making necessary alterations, improvements or major repairs.

Section 18. DISCRIMINATION. The Lessee herein covenants by and for itself, its heirs, executors, administrator, and assigns, and all persons claiming under or through it that this Lease is made, accepted and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, the leasing, subleasing, transferring, use, occupancy, tenure, enjoyment of the Premises herein leased nor shall the Lessee itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with referenced to the selection, location, number, use of occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the Premises herein leased.

Section 19. INDEMNIFICATION. Lessee shall indemnify and save harmless the Owner, its officials, officers, employees, agents and volunteers (collectively hereafter the “Owner”), against any and all damages to property or injuries to or death of any person or persons, and shall defend, indemnify and save the Owner from any and all liability and expense, including reasonable defense costs and legal fees, and claims, demands, suits, actions or proceedings of any kind or nature, including Workers’ Compensation claims, of or by anyone whomsoever in any way resulting from or arising out of Lessee’s, its employees, contractors, agents or invitees negligent or intentional acts in or on the Premises, or from conduct of Lessee, its employees, contractors, agents or invitees practice or business from any activity, work or things done.

This indemnification and hold harmless obligation does not extend to claims arising out of the sole negligence or willful misconduct of the Owner.

Section 20. PARTNERSHIP DISCLAIMER. Lessee and any and all agents of Lessee shall act in an independent capacity and not as officers or employees of the Owner. Nothing herein contained shall be construed as constituting the parties herein as partners.

Section 21. VACATING PREMISES. Lessee shall, on the last day of said term or sooner termination of this Lease, peaceably and quietly leave, surrender and yield up to the Owner, the Premises in good order, condition and repair, reasonable use and wear thereof and damage by acts of nature, excepted.

Section 22. COMPLIANCE WITH LAWS. Lessee shall at its sole cost and expense, comply with all the laws and requirements of all municipal, county, state and federal authorities now in force, or which may hereafter be in force pertaining to the Premises and use of the Premises as provided by this Lease.

Section 23. EASEMENTS AND RIGHT OF WAY. This Lease is subject to all existing easements and right of way. Owner further reserves the right to grant additional public utility easements as may be necessary and Lessee hereby consents to the granting of any such easements. The public utility will be required to reimburse Lessee for any damages suffered by Lessee caused by the construction work on the easement area.

Section 24. PARKING ACCESS. Unless specifically provided herein, if off-street parking is provided at the Site of the Premises, Lessee, its employees and invitees may have equal access to non-restricted/non-reserved parking spaces provided to all tenants on a first-come, first-served basis.

Section 25. RELOCATION. Lessee acknowledges that Lessee, its employees, contractors, subordinates and assigns are not entitled to any Relocation Payment or Relocation Advisory Assistance due to their occupancy of the Premises.

Section 26. FAILURE TO PERFORM. In the event of the failure, neglect or refusal of Lessee to do, or perform work, or any part thereof, of any act or thing in this Lease provided to be done and performed by Lessee, Owner shall, at its option, have the right to do and perform the same, and Lessee hereby covenants and agrees to pay Owner the costs thereof on demand.

Section 27. BINDING ON SUCCESSORS. Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the successors in interest of the Owner, and wherever the context permits or requires the successors in interest to the Lessee.

Section 28. AMENDMENTS. This Lease Agreement may be modified or amended only by written document executed by both Lessee and Owner's City Manager and approved as to form by the City Attorney. Such document shall expressly state that it is intended by the parties to amend the terms and conditions of this Lease Agreement.

Section 29. WAIVERS. A waiver by either party to this Agreement of any breach of any terms, covenants 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.

Section 30. GOVERNING LAW AND SEVERABILITY. This Agreement shall be governed by and construed under 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

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.

To OWNER: City of Compton
205 South Willowbrook Avenue
Compton, California 90220
Attn: Director, General Services Department
(310) 605-5519
(310) 605-1753 – fax.

To LESSEE: **Volunteers of America of Los Angeles**
3600 Wilshire Boulevard, Suite 1500
Los Angeles, California 90010
Attn: Director of Assest Management
(213) 251-7646
(213) 383-2493 – fax.

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

Dated:

#8.

Lease Agreement – Volunteers of America of Los Angeles
CareerLink – 700 North Bullis Road (Rooms 7B & 11A)
March 2016-December 2018/Resolution No.

CITY OF COMPTON/OWNER
Recommended for Approval:

By _____
Van Wilson, Director
General Services Department

Dated: _____

Approved by:

By _____
Roger L. Haley, City Manager

Dated: _____

Approved as to form:

By _____
Craig J. Cornwell, City Attorney

Dated: _____

ATTEST:

Dated: _____

By _____
Alita Godwin, City Clerk

Attachmts: Resolution No.
Diagram of Premises
City Holiday Schedule

RESOLUTION SIGN-OFF FORM

DEPARTMENT: General Services

RESOLUTION TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANGER TO EXECUTE A MULTI-YEAR LEASE AGREEMENT BETWEEN THE CITY OF COMPTON AND VOLUNTEERS OF AMERICA OF LOS ANGELES FOR OFFICE SPACE AT THE CAREERLINK FACILITY AND RESCINDING RESOLUTION NO. 24,308

Van Wilson
DEPARTMENT MANAGER’S SIGNATURE

6/9/2016 11:34:47 AM
DATE

REVIEW / APPROVAL

Ruth Rugley
CITY ATTORNEY

6/9/2016 12:40:24 PM
DATE

Barbara Rumbaoa
CITY CONTROLLER

6/9/2016 12:03:22 PM
DATE

Alma Martinez
CITY MANAGER

6/9/2016 11:54:55 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.

June 14, 2016

TO: MAYOR AND CITY COUNCIL MEMBERS

**FROM: GLEN W.C. KAU, P.E., DIRECTOR
PUBLIC WORKS/MUNICIPAL UTILITIES**

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON DECLARING ITS INTENTION TO GRANT A FRANCHISE TO TORRANCE PIPELINE COMPANY, LLC TO OPERATE, INSTALL, MAINTAIN, REPLACE, REMOVE AND/OR REPAIR PIPELINES AND APPURTENANCES FOR THE TRANSPORTATION OF OIL, HYDROCARBON SUBSTANCES, REFINED PETROLEUM PRODUCTS INCLUDING CATHODIC PROTECTION FACILITIES, NECESSARY OR CONVENIENT FOR THE GRANTEE'S BUSINESS AND PUBLISHING NOTICE OF A PUBLIC HEARING THEREON.

[Proposed Hearing Date: June 28, 2016 @ 5:45 p.m.]

SUMMARY

Adoption of this resolution will declare the City Council's intentions to grant a twenty-five (25) year franchise (July 28, 2016 through July 27, 2041), to Torrance Pipeline Company, LLC to operate, install, maintain, replace, remove and/or repair pipelines and appurtenances for the transportation of oil, hydrocarbon substances, refined petroleum products including cathodic protection facilities necessary or convenient for the Grantee's business situated within the jurisdiction of the City of Compton and set a public hearing date and time thereon to receive public comments on the proposed granting of the franchise for **Tuesday, June 28, 2016 at 5:45 p.m.** in the City Council Chambers, located at 205 South Willowbrook Avenue, Compton.

BACKGROUND

A primary method of transporting petroleum, both in its crude and refined varieties is via pipelines that traverse beneath various roadways. Section 1501 of the Compton City Charter provides that any person, firm or corporation furnishing the City or its inhabitants with any public utility or service, or using the public streets, ways, alleys or places for the operation of plants, works or equipment for the furnishing thereof or traversing any portion of the City for the transmitting or conveying of any such service elsewhere may be required by ordinance to have a valid and existing franchise.

On April 24, 1979, the City Council adopted Ordinance No. 1,581, which granted a twenty-five (25) year (April 24, 1979 through April 23,

**Staff Report – Resolution Declaring Intention to
Grant Franchise/Set Public Hearing Thereon
Torrance Pipeline Company, LLC (Petroleum Products)
June 14, 2016, Page 2**

2004), petroleum pipeline franchise to Mobil Oil Corporation (currently known as ExxonMobil Oil Corporation – “ExxonMobil”). Presently, this franchise has been recognized as being in hold-over status.

A second petroleum pipeline franchise was granted to Mobil Oil Corporation by Ordinance No. 1,903, adopted by the City Council on July 20, 1993. This Ordinance granted a franchise retroactively effective as of July 7, 1991, with an initial term of five (5) years and an option for Mobil Oil Corporation and the City to extend the franchise for four (4) additional five (5) year terms. The City Council has adopted the extension resolutions as follows:

1. Initial Term: 07/07/1991 thru 07/06/1996 Ordinance No. 1,903
2. Extension #1: 07/07/1996 thru 07/06/2001 Resolution No. 18,347
3. Extension #2 07/07/2001 thru 07/06/2006 Resolution No. 20,272
4. Extension #3 07/07/2006 thru 07/06/2011 Resolution No. 22,838
5. Extension #4 07/07/2011 thru 07/06/2016 Resolution No. 23,341

STATEMENT OF ISSUE

ExxonMobil entered into a Sale and Purchase Agreement with PBF Holding Company, LLC (“PBF”) to purchase the assets covered by both Franchise Ordinance No. 1581 and Franchise Ordinance No. 1903. The pipelines will be owned by Torrance Pipeline Company, LLC (“Torrance Pipeline”) and Torrance Logistics Company, LLC (“Torrance Logistics”) will be the operator. PBF is the parent company of Torrance Pipeline and Torrance Logistics.

City staff recommends and Torrance Pipeline desires to combine both pre-existing franchise Ordinances – Nos. 1,581 and 1,903 – into one (1) franchising ordinance for a term of twenty-five (25) years; effective July 28, 2016 through July 27, 2041; to eliminate confusion, maximize efficiencies and minimize administrative costs.

Key provisions of the proposed franchise ordinance are as follows:

Term: The new franchise shall be effective July 28, 2016 and expire on July 27, 2041.

**Staff Report – Resolution Declaring Intention to
Grant Franchise/Set Public Hearing Thereon
Torrance Pipeline Company, LLC (Petroleum Products)
June 14, 2016, Page 3**

Franchise Fees: The base annual fee shall be approximately Seventy Nine Thousand One Hundred Fifteen Dollars and Fifty-Two Cents, (\$79,115.52). The fees shall vary based on adjustments with the Annual Consumer Price Index (“CPI”), but in no case shall a year’s payment be less than the preceding one.

The pipeline routes and facilities are listed on “Exhibit A,” attached hereto and incorporated herein.

In accordance with Section 1502 of the Compton City Charter, prior to the granting of any franchise, the City Council shall pass a resolution declaring its intention to grant the franchise and fixing a date, time and place when any persons having any interest therein or objection to the granting of the franchise may appear before the City Council and be heard thereon.

FISCAL IMPACT

Torrance Pipeline has indicated its willingness to abide by all terms and conditions of the proposed Franchise Ordinance. This recommended ordinance includes an updated franchise combining both of the existing Ordinances. The proposed fee schedule is consistent with the Franchise Ordinance provisions currently held with the City.

The proposed annual compensation base will result in revenue to the General Fund in the amount of \$79,115.52 for Fiscal Year 2015-2016 and will be adjusted annually by the CPI. The Ordinance provides that annual payments will be due and payable on July 1st of every year.

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution.

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

APPROVED FOR FORWARDING:

**ROGER L. HALEY
CITY MANAGER**

RLH:GK:JS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON DECLARING ITS INTENTION TO GRANT A FRANCHISE TO TORRANCE PIPELINE COMPANY, LLC TO OPERATE, INSTALL, MAINTAIN, REPLACE, REMOVE AND/OR REPAIR PIPELINES AND APPURTENANCES FOR THE TRANSPORTATION OF OIL, HYDROCARBON SUBSTANCES, REFINED PETROLEUM PRODUCTS INCLUDING CATHODIC PROTECTION FACILITIES, NECESSARY OR CONVENIENT FOR THE GRANTEE'S BUSINESS AND PUBLISHING NOTICE OF A PUBLIC HEARING THEREON

WHEREAS, Section 1501 of the Compton City Charter authorizes the City to grant franchises to any person, firm or corporation furnishing the City or its inhabitants with transportation, communication, terminal facilities, water, light, heat, power, refrigeration, storage or any other public utility or service, or using the public streets, ways, alleys, or places for the operation of plants, works, or equipment for the furnishing thereof or traversing any portion of the City for the transmitting or conveying of any such service elsewhere may be required by ordinance to have a valid and existing franchise; and

WHEREAS, the use of public streets and ways for the transport of refined petroleum products in pipelines within the jurisdiction of the City requires a franchise as contemplated by Section 1501 of the Compton City Charter; and

WHEREAS, Ordinance No. 1,581, adopted April 24, 1979, granted a twenty-five (25) year franchise to Mobil Oil Corporation (now known as ExxonMobil Oil Corporation) to operate, maintain, replace and repair certain pipelines and appurtenances for the transportation of refined petroleum oil in the City of Compton; and

WHEREAS, the term of the franchise granted by Ordinance No. 1,581 expired on April 23, 2004; and

WHEREAS, a second franchise was granted to ExxonMobil Oil Corporation pursuant to Ordinance No. 1,903, adopted on July 20, 1993, which also granted a petroleum pipeline franchise effective July 7, 1991 for a term of five (5) years with an option to extend the franchise for four (4) five (5) year terms; and

WHEREAS, the term of the franchise granted by Ordinance No. 1,903 shall expire on July 6, 2016; and

WHEREAS, ExxonMobil Oil Corporation entered into a Sale and Purchase Agreement with PBF Holding Company, LLC to purchase the assets covered by Franchise Ordinance No.'s 1581 and 1903 and these pipeline assets shall be transferred into the name of Torrance Pipeline Company, LLC; and

WHEREAS, the City and Torrance Pipeline Company, LLC desire to combine both franchises into one franchising ordinance for a term of twenty-five (25) years (July 28, 2016 through July 27, 2041), to eliminate confusion, maximize efficiencies and minimize administrative costs; and

WHEREAS, the City desires to hold a public hearing pursuant to Section 1502 of the Compton City Charter on **Tuesday, June 28, 2016 at 5:45 p.m.** to receive public comments on the proposed granting of a twenty-five (25) year petroleum pipeline franchise to Torrance Pipeline Company, LLC.

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

Section 1. That the City Council of the City of Compton declares its intention to grant a twenty-five (25) year franchise (July 28, 2016 through July 27, 2041) to Torrance Pipeline Company, LLC to operate, install, maintain, replace, remove and/or repair pipelines and appurtenances for the transportation of oil, hydrocarbon substances, refined petroleum products including cathodic protection facilities necessary or convenient for the Grantee’s business situated within the jurisdiction of the City of Compton.

Section 2. That a public hearing regarding the granting of a pipeline franchise to Torrance Pipeline Company, LLC is set for **Tuesday, June 28, 2016 at 5:45 p.m.** in the City Council Chambers at 205 South Willowbrook Avenue, Compton, California.

Section 3. That persons having interest in or any objections to the granting thereof may appear before the City Council and be heard thereon.

Section 4. That it is the intention of said City Council to grant said Torrance Pipeline Company, LLC said franchise for the purpose aforesaid and said franchise to be upon the following terms, provisions and conditions.

Item 1. Nature and Extent of Grant:

The **CITY OF COMPTON** hereinafter also referred to as “**CITY**,” herewith grants to **TORRANCE PIPELINE COMPANY, LLC**, its successors and assigns, hereinafter referred to as “**GRANTEE**,” subject to the terms and conditions herein contained, the right, privilege and franchise to install, operate, maintain, replace, change the size of, abandon in place, remove and/or repair the existing pipeline for the purpose of transporting refined petroleum products, oil, hydrocarbon substances, together with all appurtenances and service connections necessary or convenient to properly maintain and operate said pipelines, including cathodic protection facilities, necessary or convenient for the Grantee’s business, hereinafter collectively called “franchise property”. The pipeline is currently located in certain public streets, highways or public property now existing or hereafter dedicated, hereinafter collectively called “streets”, located in the **CITY**, described in “Exhibit A,” which is attached hereto and incorporated herein.

Item 2. Duration of Franchise:

The franchise shall be effective on July 28, 2016. The term of this franchise shall be for twenty-five (25) years, terminating on July 27, 2041. The **CITY** reserves the right to limit this franchise prior to its expiration in the event:

A. GRANTEE fails to comply with any of the provisions hereof; provided, however, that if such failure to comply shall be due to a cause beyond the control of the **GRANTEE**, the franchise shall not be so terminated; and provided further that this franchise shall not be so terminated unless the **GRANTEE** is given written notice of such noncompliance and fails within ninety (90) days of the date of such notice to commence and thereafter diligently prosecute to completion the corrective action necessary to cure such noncompliance. Notwithstanding the foregoing, if **GRANTEE’S** noncompliance is of such kind or nature as to cause a hazard to the public or endanger the public peace, health safety or general welfare, the **CITY’S** Director of Public Works may so notify the **GRANTEE** and reduce the period during which **GRANTEE** shall commence the work necessary to correct such noncompliance. In the event the **GRANTEE** fails to commence the corrective action

within the time specified, as an alternative to terminating this franchise, the **CITY** may do the corrective work at the **GRANTEE'S** expense.

B. Any provision herein becomes invalid or unenforceable and the **CITY** expressly finds that such provisions constitute a consideration material to the granting of this franchise, then this franchise may be terminated by the **CITY** on ten (10) days written notice.

Item 3. Pipeline Operations:

A. Applicable Rules: The **GRANTEE** agrees to operate, install, maintain, replace and repair the pipelines and appurtenances in a good workmanlike manner, and in conformity with all regulations now or hereafter adopted by the State Fire Marshal.

B. Repairs and Street Excavations:

1. The work of maintaining or repairing all pipelines and appurtenances covered by this franchise shall be conducted with the least possible hindrance to the use of the streets.

2. The **GRANTEE** shall have the right to make all necessary street excavations for the purpose of exercising the rights granted by this franchise, but nothing herein contained shall relieve the **GRANTEE** from the provisions of any **CITY** ordinance or law that may be in force at the time requiring that permits be obtained for street excavations before such work is commenced.

All excavations shall be made and back-filled in strict compliance with all **CITY** ordinances that may be in effect at the time of the performance of the work and shall be made as not to interfere unreasonably with the free use of the streets by the public.

Upon completion of the work for which street excavations are made, all portions of the streets which have been excavated or otherwise damaged by such excavation work shall be restored to their original condition or equivalent to the satisfaction of the Director of Public Works.

C. Cleanup of Breaks and Leaks: If any portion of any street shall be damaged by reason of breaks or leaks in any pipeline or appurtenance maintained or repaired under this franchise, or if any street, sidewalk, sewer, storm drain, waterline, or other facility be contaminated by any substance transported in said pipelines, the **GRANTEE** shall at its own expense immediately repair or clean up or cause to be repaired or cleaned up, any such damage or contamination and put such street, sidewalk, sewer, storm drain, waterline or other facility in **as** good condition as it was before such break or leak to the satisfaction of the Director of Public Works. Such cleanups shall be accomplished in a timely manner, with as little public disruption as possible. Emergency repairs of franchise property may be commenced without prior permit; provided however, that the **GRANTEE** no later than the next normal working day shall notify by telephone, the Director of Public Works of any such work and shall within the next seven (7) calendar days apply for an excavation permit authorizing such emergency work.

D. Emergency Crews and Equipment: At all times during the term of this franchise, the **GRANTEE** shall maintain, on a twenty-four (24) hour basis, personnel to operate the pipeline system, including monitoring the leak detection system and the communications equipment. In addition, during the term of this

franchise, the **GRANTEE** shall maintain on a twenty-four (24) hour basis, adequate standby equipment and properly trained emergency standby crews, within a radius of twenty-five (25) miles from any facilities maintained pursuant hereto, for the purpose of implementing emergency response, such as, shutting off the pressure and the flow of contents of such facilities, repairs, oil-spill cleanup, preventing or minimizing damage or the threat of any damage to people or the environment in the event of an emergency resulting from an earthquake, act of war, civil disturbance, flood, fire, leakage or other cause whatsoever.

E. Changes Required by Public Improvements: Whenever, during the existence of this franchise, the **CITY** shall change the grade, width, or location of any street in any manner, including the laying of sewer, storm drain, conduits, gas, water or other pipes owned or operated by the **CITY** or any other public agency, under the jurisdiction of the **CITY**, or construct any pedestrian tunnels, or other work of the **CITY** (the right to do all of which is specifically reserved to the **CITY** without any admission on its part that it would not otherwise have such rights) and such work shall, in the opinion of the Director of Public Works, render necessary any change in the position or location of any facilities of the **GRANTEE** in the street, the **GRANTEE** shall, at its sole cost and expense begin and thereafter diligently perform the necessary work to completion, in conformity with the written notice of the Director of Public Works as provided hereinafter. However, the **CITY** shall not require any relocation or modification which will have the effect of depriving the **GRANTEE** of a continuous and contiguous pipeline right-of-way. Except as provided herein before in this section, when such rearrangement is done for the accommodation of any person, firm or corporation, the cost of such rearrangement shall be borne by the accommodated party. Such accommodated party in advance of such arrangement, shall: (1) deposit with the **GRANTEE** in cash an amount, as in the reasonable discretion of the **GRANTEE** shall be required to pay the costs of such rearrangement; and (2) shall execute an instrument agreeing to indemnify and hold harmless the **GRANTEE** from any and all damages caused by such rearrangement.

Nothing contained in this franchise shall be construed to require the **CITY** to move, alter or relocate any of its facilities upon said streets, at its own expense, for the convenience, accommodation or necessity of any other public utility, person, firm or corporation, or to require the **CITY** or any person, firm or corporation now or hereafter owning a public utility system of any type or nature, to move, alter or relocate any part of its system upon said streets for the convenience, accommodation or necessity of the **GRANTEE**.

The **GRANTEE** shall be given not less than one hundred twenty (120) days written notice of any rearrangement of facilities which the **GRANTEE** is required to make hereunder. Such notice shall specify in reasonable detail the work to be done by the **GRANTEE** and shall specify the time that such work is to be accomplished. In the event that the **CITY** shall change the provisions of any such notice given to the **GRANTEE**, **GRANTEE** shall be given an additional period of not less than ninety (90) days to accomplish work.

F. Abandoned or Removal of Franchise Property: At the expiration, renovation or termination of this franchise or of the permanent discontinuance of the use of its facilities or any portion thereof, the **GRANTEE** shall, within ninety (90) days thereafter, make a written application to the Director of Public Works for authority (as determined by the **GRANTEE**) either: (1) to abandon all, or a portion, of such facilities in place; or (2) to remove all, or a portion of such facilities. Such application shall describe the facilities desired to be abandoned or removed by reference to the map or maps required hereinafter and shall also describe with

reasonable accuracy the relative physical condition of such facilities. The Director of Public Works shall determine whether such abandonment or removal which is thereby proposed may be effected without detriment to the public interest or under what conditions such proposed abandonment or removal may be safely effected. He/She shall then notify the **GRANTEE**, and according to such requirements as shall be specified in the Public Works Director's order, the **GRANTEE** shall, within ninety (90) days thereafter, either:

- 1. Remove all or a portion of such facilities; or
- 2. Abandon in place all or a portion of such facilities, as set forth in the Public Director's order.

If any facilities to be abandoned in place, subject to prescribed Conditions, shall not be abandoned in accordance with all such conditions, then the Director of Public Works may take additional appropriate steps, including, if he/she deems desirable, issuance of an order that the **GRANTEE** shall remove all such facilities in accordance with applicable requirements. In the event the **GRANTEE** shall fail to remove any facilities which it is obligated to remove in accordance with such applicable requirements within such time as may be prescribed by the Director of Public Works, then the **CITY** may remove or cause to be removed such facilities at the **GRANTEE'S** expense and the **GRANTEE** shall pay to the **CITY** the actual cost thereof, plus the current rate of overhead being charged by the **CITY** for reimbursable work.

G. Suspension of Operations: If, for any reason, the **GRANTEE** suspends operations of any pipeline contained in the franchise for a period in excess of ninety (90) days, the **GRANTEE** shall notify the Director of Public Works. During this period of suspended operations, the **GRANTEE** shall maintain its normal pipeline surveillance and all cathodic protection systems to insure pipeline integrity. This shall continue until such a time as the line is returned to service or abandoned in accordance with provisions mentioned hereinbefore.

Item 4. Maps and Records:

Within ninety (90) days following the date on which the pipeline has been relocated under this franchise, **GRANTEE** shall file as-built drawings and maps in such form as may be required by the City Engineer, the location, length and size of all of its facilities then in place; and shall, upon installation of any additional facilities, or upon removal, change or abandonment of all or any portion thereof, file revised as-built drawings and maps showing the location, length and size of all such additional, removed or abandoned facilities as of that date.

Item 5. Compensation to the City:

Upon the adoption of this franchise ordinance, the **GRANTEE** shall pay to the **CITY** annually in advance for the term of this franchise, a base annual fee calculated as follows:

<u>Pipe Internal Diameter</u>	<u>Rate (per lineal foot)</u>
Four (4) inches	\$.229
Six (6) inches	\$.449
Eight (8) inches	\$.742
Twelve (12) inches	\$1.549

Compensation provided for above shall be due and payable on July 1st of each year. Commencing with the first payment due, the base annual fee shall be multiplied by the Consumer Price Index, All Urban Consumers, Los Angeles-Riverside-Orange County, CA, "All Items" prepared by the United States Bureau of Labor Statistics, Department of Labor, for the month of April, and divided by the base index of April 1991, with said index having a value set at 140.70. However, in no event shall any annual Consumer Price Index, All Urban Consumers, Los Angeles-Riverside-Orange County, CA be less than the preceding annual index, and in no event shall the multiplying factor be less than one. If said Bureau discontinues the preparation and publication of the Consumer Price Index, All Urban Consumers, Los Angeles-Riverside-Orange County, CA, "All Items", and if no transposition table prepared by the Department of Labor is available so as to make those statistics which are then available applicable to the Base Index, then the City Council shall prescribe a rate of payment which shall, in its judgment, vary from rates specified in this subsection in approximate proportion as commodity consumer prices, then current. Upon this point, the determination by the City Council shall be final and conclusive. Notwithstanding the provision of this Item 5, the **GRANTEE** shall be liable to pay the **CITY** the annual fee for the period to and including the date of either actual removal of the facilities or the effective date of a properly approved abandonment "in place" authorized by the **CITY**, and until the **GRANTEE** shall have fully complied with all the provisions of the law or ordinances relative to such abandonments.

In the event of partial abandonment of facilities with the approval of the **CITY** as elsewhere herein provided, or in the event of partial removal of such facilities by the **GRANTEE**, the payment otherwise due the **CITY** for occupancy of the streets by such facilities shall be prorated beginning the first day of the next succeeding franchise year; and for each franchise year thereafter, at the prorated amount per each linear foot of pipeline abandoned or removed; provided, however, that the said base rate shall be modified to reflect the Price Index adjustment (as provided hereinbefore) applicable to such abandoned or removed pipeline at the beginning of the next succeeding franchise year following abandonment or removal.

All annual payments shall be paid, without deduction or offset to the office of the City Controller at 205 South Willowbrook Avenue, Compton, California, 90220, or at such place as the **CITY** shall from time to time designate in writing. In the event any payment required hereunder is late, the following schedule of late charges shall be applicable to that portion which is overdue.

a. Late ten (10) days but under thirty (30) days - 2% of the amount due; plus

b. For each additional thirty (30) days or fraction thereof over thirty (30) days - an additional 2% for each thirty (30) days or fraction thereof; however in no event shall such penalty exceed twenty-five percent (25%).

Item 6. Responsibility:

A. Indemnification: The **GRANTEE**, by the acceptance or use of the franchise hereby granted, agrees to indemnify, defend and hold harmless, to the maximum extent permitted by law, the **CITY**, its elected officials, officers, agents, employees and representatives, from and against any and all liability, suits, actions, proceedings, judgments, claims, losses, liens, damages, injuries (whether in contract or in tort, including personal injury, accidental death or property damage and regardless of whether the allegations are false, fraudulent or groundless), costs and expenses (including reasonable attorney's fees, litigation, arbitration, mediation,

appeal expenses) which in whole or in part arise out of or are connected with, or which are alleged to have arisen out of or to have been connected with, the **GRANTEE's** use of the **CITY** streets hereunder or arising out of any of the operations and/or activities of the **GRANTEE** pursuant to this franchise, excepting any claim, demand or cause of action arising out of the negligent or willful conduct of the **CITY**, its officials, officers, agents and/or employees.

CITY may, in its sole and absolute discretion, select counsel of its choosing to defend against any asserted liability, suit, action, proceeding, judgment, claim, loss, lien, damage, injury, cost or expense which is subject to indemnification obligations set forth herein. **GRANTEE** shall be required to fully reimburse the **CITY** for the legal fees and all related litigation and expert costs of such defense.

B. Insurance: On or before any commencement of any franchise operations, the **GRANTEE** shall obtain, pay for and maintain in full force and effect throughout the term of this franchise, an insurance policy or policies that fully protects the **CITY** from claims and suits for bodily injury and property damage. The insurance shall be issued by an insurance carrier or carriers which is duly authorized and qualified to engage in such insurance business under the laws of the State of California, insuring the **CITY** against any liability for loss resulting from or arising out of any operations and/or activities of the **GRANTEE** pursuant to this franchise. The policy or policies must include a signed endorsement naming the **CITY**, its officials, officers, agents and employees, as additionally insured's; provide that the **GRANTEE's** insurance is primary and that no other insurance available to the **CITY** will be called on to contribute to a loss covered under the policy or policies; provide that **GRANTEE's** insurance applies separately to each insured or additional insured who is seeking coverage, or against whom a claim is made or suit is brought; and, provide at least thirty (30) days' advance written notice of cancellation, termination or reduction of coverage. The insurance must afford coverage for the **GRANTEE's** use, operation and activities, vehicles, equipment, facility representatives, agents and employees as follows:

1. Commercial General Liability Insurance with combined single limit liability coverage for bodily injury and property damage, and including coverage for contractual liability; personal injury; explosion, collapse and underground damage hazards; products; and completed operations in an amount equivalent to not less than Ten Million Dollars (\$10,000,000.00) per occurrence.

2. Workers' Compensation Insurance in compliance with the laws of the State of California and Employer's Liability Insurance in an amount not less than One Million Dollars (\$1,000,000.00) per claimant.

3. Business Automobile Liability Insurance with separate per occurrence limits for bodily injury and property damage, including rented, leased, hired, scheduled, owned and non-owned auto and/or equipment coverage, as applicable, or in a combined single limit in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence.

Notwithstanding the above, and subject to approval by **CITY**, **GRANTEE** may provide a program of self-insurance. Any self-insurance program maintained by **GRANTEE** shall comply with the provisions and the specified limits contained herein. **GRANTEE** shall provide each year for the duration of the franchise, written notification to the **CITY** of its intent to self-insure.

Such insurance policies shall be maintained by the **GRANTEE** for the life of this franchise, and on the first anniversary of this franchise, and on every one thereafter, **GRANTEE** will provide updated evidence that such insurance is in force. The **CITY** has the right during the terms of this franchise to increase the amount and scope of coverage. The **CITY** covenants that it will not exercise such right in an unreasonable manner.

Item 7. Assignment:

GRANTEE shall not permit any right or privilege granted by the franchise to be exercised by another, nor shall the franchise or any interest therein or any right or privilege hereunder be in whole or in part sold, transferred, leased, assigned, or disposed of except to a corporation acquiring or owning a portion of the assets of the **GRANTEE** without the consent of the **CITY** expressed by ordinance or resolution, as may be required.

Item 8. Faithful Performance Bond:

On or before the effective date of the ordinance granting the franchise, **GRANTEE** shall file and thereafter at all times during the life of the franchise keep on file with the City Clerk, a corporate surety bond approved by the City Attorney payable to the **CITY** in the penal sum of One Hundred Thousand Dollars (\$100,000.00), with a surety to be approved by the City Attorney, conditioned that **GRANTEE** shall well and truly observe, fulfill and perform each condition of the franchise and that in case of any breach of condition of the bond, the whole amount of the penal sum shall be deemed to be liquidated damages and shall be recoverable from the principal and sureties of the bond. If said bond is filed prior to the effective date of the ordinance granting the franchise, the award of the franchise may be set aside and the ordinance granting the franchise repealed at any time prior to filing of said bond and any money paid in consideration for said award of the franchise shall be forfeited. In the event that said bond, after it has been so filed, shall at any time during the life of the franchise become insufficient, **GRANTEE** agrees to renew said bond, subject to the approval of the City Attorney within ten (10) days written notice to do so from the Director of Public Works.

Item 9. Acceptance:

This franchise is granted and shall be held and enjoyed only upon the terms and conditions herein contained, and the **GRANTEE** shall, within ten (10) days after the adoption of the ordinance granting said franchise, file with the City Clerk of the City of Compton, a written acceptance of such terms and conditions.

This franchise is granted upon each and every condition contained herein and shall ever be strictly construed against the **GRANTEE**. Each of said condition is a material and essential condition to the granting of this franchise.

Item 10. Affirmative Action:

Throughout the term of the franchise, the **GRANTEE** shall maintain an acceptable Affirmative Action Program, which assures that job applicants are sought and employed and that employees are treated during their employment without regard to their race, color, or national origin or ancestry, sex or religion and shall file documentary evidence thereof within thirty (30) days on written demand thereof by the City Manager.

Item 11. Eminent Domain:

No franchise granted by the **CITY** shall in any way impair or affect the right of the **CITY** or of any successor in authority to acquire the property of the **GRANTEE** by purchase or condemnation, and nothing contained in such a franchise shall be construed to contract away, modify or abridge either for a term or in perpetuity the **CITY’S** right of eminent domain in respect to any public utility.

Item 12. Cancellation of Prior Ordinance(s):

That this Franchise Ordinance shall entirely supersede and replace both Franchise Ordinance 1,581 and Franchise Ordinance 1,903. The parties agree that the aforementioned franchises shall terminate on the date and time this Franchise Ordinance becomes effective.

Item 13. Said franchise is not and shall not be exclusive.

Section 5. That if any section, subsection, sentence, clause or phrase hereof us for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the ordinance. The City Council hereby declares that it would have passed this legislation and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that anyone or more sections, subsections, sentences, clauses or phrased be declared invalid or unconstitutional.

Section 6. That copies of this resolution shall be forwarded to the offices of the City Manager, City Controller, City Attorney and the Department of Public Works/Municipal Utilities.

Section 7. That the City Clerk shall publish this Resolution pursuant to Section 1502 of the Compton City Charter. That the City Clerk of the City of Compton be and is hereby authorized and directed to advertise the fact that said application for franchise has been made to said City Council together with a statement that it is proposed to grant said franchise upon terms, provisions and conditions, set forth in this Resolution by publishing within fifteen (15) days of the passage of said Resolution and at least ten (10) days prior to the date of hearing.

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 Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was duly 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.

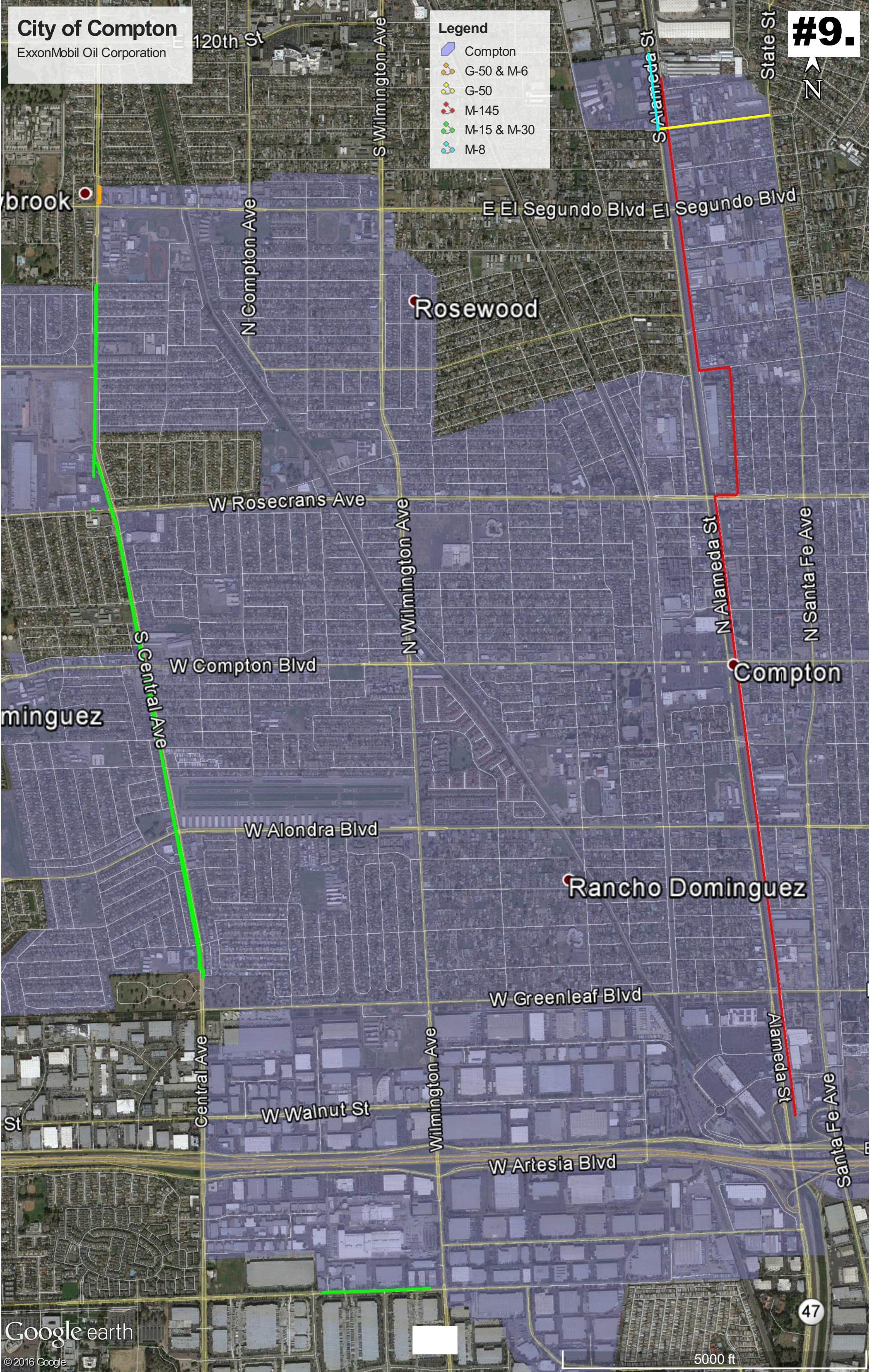
That said Resolution was adopted by the following vote, to wit:

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

CITY CLERK OF THE CITY OF COMPTON

- Legend
- Compton
 - G-50 & M-6
 - G-50
 - M-145
 - M-15 & M-30
 - M-8

#9.



RESOLUTION SIGN-OFF FORM

DEPARTMENT: Public Works-Engineering

RESOLUTION TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON DECLARING ITS INTENTION TO GRANT A FRANCHISE TO TORRANCE PIPELINE COMPANY LLC TO OPERATE, INSTALL, MAINTAIN, REPLACE, REMOVE AND/OR REPAIR PIPELINES AND APPURTENANCES FOR THE TRANSPORTATION OF OIL, HYDROCARBON SUBSTANCES, REFINED PETROLEUM PRODUCTS INCLUDING CATHODIC PROTECTION FACILITIES, NECESSARY OR CONVENIENT FOR THE GRANTEE’S BUSINESS AND PUBLISHING NOTICE OF A PUBLIC HEARING THEREON

Glen Kau
DEPARTMENT MANAGER’S SIGNATURE

5/19/2016 5:57:38 PM
DATE

REVIEW / APPROVAL

Ruth Rugley
CITY ATTORNEY

5/23/2016 6:55:59 PM
DATE

Austin Okonta
CITY CONTROLLER

5/23/2016 12:39:20 PM
DATE

Roger Haley
CITY MANAGER

5/23/2016 11:38:12 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.

June 14, 2016

TO: MAYOR AND CITY COUNCIL

**FROM: GLEN W.C. KAU, P.E., DIRECTOR
PUBLIC WORKS/MUNICIPAL UTILITIES**

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO PROFESSIONAL SERVICES AGREEMENT WITH JMDIAZ, INC. FOR CONSTRUCTION SUPPORT AND INSPECTION SERVICES FOR THE METRO BLUE LINE PEDESTRIAN SWING AND GATES CONSTRUCTION PROJECT AND ESTABLISHMENT OF A PURCHASE ORDER IN AMOUNT OF \$10,337.75

SUMMARY

Adoption of this resolution by the City Council will authorize the City Manager to enter into a professional service agreement with JMDiaz, Inc. for provision of construction support and inspection services for the Los Angeles County Metropolitan Transportation Authority ("LACMTA") Metro Blue Line Pedestrian Swing and Gates Construction Project within the City of Compton and authorize the issuance of a purchase order in the amount of \$10,337.75.

BACKGROUND

The LACMTA is constructing pedestrian swings and gates at all six (6) rail crossing along the Metro blue Line corridor within the City of Compton. The six (6) rail crossing locations are as follows: (1) Elm Street/Willowbrook Avenue; (2) Compton Boulevard/Willowbrook Avenue; (3) Myrrh Street/Willowbrook Avenue; (4) Alondra Boulevard/Willowbrook Avenue; (5) Greenleaf Boulevard/Willowbrook Avenue; and, (6) Manville Street/Willowbrook Avenue.

On October 20, 2015, pursuant to Resolution No. 24,246, the Council authorized the City Manager to issue purchase orders to vendors who are commonly used by the Public Works/Municipal Utilities Department, including a \$5,864.77 purchase order to JMDiaz, Inc. for provision of "one-time" plan check services of the Metro Blue Line Pedestrian Swing and Gates Construction Project. Those services were satisfactorily completed and the City was reimbursed by LACMTA for the fees paid to JMDiaz, Inc.

STATEMENT OF ISSUE

Essential to this project is to retain the services of a qualified and experienced engineering firm to provide construction support and inspection services for the project. For the construction phase, LACMTA has approved the proposal of JMDiaz, Inc. to provide construction support and inspection services and has authorized a work order in the amount of \$10,337.75.

#10.

Staff Report – Resolution Authorizing Agreement with JMDiaz, Inc.
Construction Support/Inspection Services
Metro Blue Line Pedestrian Swing & Gates Construction Project
June 14, 2016, Page 2 of 2

ALTERNATIVE

LACMTA has selected and approved the use of JMDiaz, Inc. to provide the construction support and inspection services on the Metro blue Line Pedestrian Swing and Gates Construction Project – JMDiaz is intimately familiar with the project based on its plan review services on this project and its ability to provide continuity and expediency in progressing forward with the project. Therefore, is no other alternative is being proposed.

FISCAL IMPACT

There is no impact to the City for these services.

Funds in the amount of \$10,337.75 are available in the Public Works/Municipal Utilities Department's 2015-2016 Fiscal Year budget in Account No. 1012 720 000 4269. As of this writing, the balance in this account is \$28,399.00.

These construction management/inspection services are eligible for reimbursement from LACMTA and they are in agreement to reimburse the City for retaining the professional services for this phase of the project.

To acquire reimbursement for the services provided by JMDiaz, Inc., LACMTA requires that all of the City's invoices be charged to the Metro purchase order No. 930000000CCF16MBLSG.

RECOMMENDATION

Staff recommends the City Council adopt the attached Resolution.

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

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 PROFESSIONAL
SERVICES AGREEMENT WITH JMDIAZ, INC. FOR CONSTRUCTION
SUPPORT AND INSPECTION SERVICES FOR THE METRO BLUE LINE
PEDESTRIAN SWING AND GATES CONSTRUCTION PROJECT AND
ESTABLISHMENT OF A PURCHASE ORDER IN AMOUNT OF \$10,337.75**

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (“LACMTA”) is constructing pedestrian swings and gates at all six (6) rail crossing along the Metro Blue Line corridor within the City of Compton, which locations are as follows: (1) Elm Street/Willowbrook Avenue; (2) Compton Boulevard/Willowbrook Avenue; (3) Myrrh Street/Willowbrook Avenue; (4) Alondra Boulevard/Willowbrook Avenue; (5) Greenleaf Boulevard/Willowbrook Avenue; and, (6) Manville Street/Willowbrook Avenue; and

WHEREAS, on October 20, 2015, pursuant to Resolution No. 24,246, the Council authorized the City Manager to issue purchase orders to vendors who are commonly used by the Public Works/Municipal Utilities Department, including a \$5,864.77 purchase order to JMDiaz, Inc. for provision of “one-time” plan check services of the Metro Blue Line Pedestrian Swing and Gates Construction Project; and

WHEREAS, for the construction phase of the pedestrian swings and gates LACMTA has selected and approved the use of JMDiaz, Inc. to provide the construction support and inspection services on the Metro blue Line Pedestrian Swing and Gates Construction Project – JMDiaz is intimately familiar with the project based on its plan review services on this project and its ability to provide continuity and expediency in progressing forward with the project; and

WHEREAS, LACMTA has authorized a work order in the amount of \$10,337.75 to reimburse the City for retaining the professional services of JMDiaz, Inc. for this phase of the project; and

WHEREAS, funds in the amount of \$10,337.75 are available in the Public Works/Municipal Utilities Fiscal Year 2015-2016 budget.

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

SECTION 1. That the City Manager, upon approval of the City Attorney is authorized to enter into a professional services agreement with JMDiaz, Inc. for provision of construction support and inspection services for the Metro Blue Line Pedestrian Swing and Gates Construction Project within the City of Compton.

SECTION 2. That a purchase order in the amount of \$10,337.75 is authorized to be established for JMDiaz, Inc. for services performed for the Metro Blue Line Pedestrian Swing and Gates Construction Project.

SECTION 3. That funds in the amount of \$10,337.75 are available in the Public Works/Municipal Utilities Department’s 2015-2016 Fiscal Year budget in Account No. 1012 720 000 4269.

SECTION 4. That copies of this Resolution shall be filed in the offices of the City Manager, City Controller, City Clerk, City Attorney and the Public Works/Municipal Utilities 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, signed by the Mayor and attested to 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-
ABSTAIN:	COUNCIL MEMBERS-
ABSENT:	COUNCIL MEMBERS-

CITY CLERK OF THE CITY OF COMPTON

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN
CITY OF COMPTON
AND
JMDIAZ, INC.**

This **AGREEMENT** is entered 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 **JMDIAZ, INC.** (hereinafter referred to as "**CONSULTANT**"), located at 18645 East Gale Avenue, Suite 212, Industry, California 91748.

RECITALS:

WHEREAS, the Los Angeles County Metropolitan Transportation Authority ("LACMTA") is constructing pedestrian swings and gates at all six (6) rail crossing along the Metro Blue Line corridor within the City of Compton, which locations are as follows: (1) Elm Street/Willowbrook Avenue; (2) Compton Boulevard/Willowbrook Avenue; (3) Myrrh Street/Willowbrook Avenue; (4) Alondra Boulevard/Willowbrook Avenue; (5) Greenleaf Boulevard/Willowbrook Avenue; and, (6) Manville Street/Willowbrook Avenue; and

WHEREAS, the LACMTA and the City has identified a need for a qualified and experienced engineering consulting firm to provide construction support and inspection services for the Metro Blue Line Pedestrian Swing and Gates Construction Project within the City of Compton; and

WHEREAS, by **Resolution No. _____**, adopted on the _____th day of **June 2016**, the City Council authorized the City Manager to enter into a professional services agreement with the Consultant (JMDiaz, Inc.) to provide construction support and inspection management services for the Metro Blue Line Pedestrian Swing and Gates Construction Project within the City of Compton; and

WHEREAS, Consultant represents that it is specifically trained, experienced, competent, and has the resources to provide such services which will be required by this project; and

WHEREAS, Consultant is willing to render such professional services subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, Consultant and City, for the consideration, terms and conditions herein described, mutually agree as follows:

AGREEMENT:

1. Services to be rendered by Consultant. It is the mutual understanding of the parties that the Consultant shall perform and be responsible for providing professional construction support and construction inspection services relative to the Metro Blue Line Pedestrian Swing and Gates Construction Project within the City of Compton. The scope of work for this Project includes providing services as more fully described in the following LACMTA Metro-provided documents:

1. Brown Book (January 2, 2011 version), also known as “Additions and Amendments to the 2009 Edition of the Standard Specifications for Public Works Construction”
2. 2.1 C1086 Conformed Drawings – Keynotes
3. 3.4 C1086 Conformed Drawings – Civil Improvement, Elm Street through Manville
4. Work Schedule (dated 4.19.2016)

All of which are incorporated herein by this reference.

Consultant acknowledges that in entering into this Agreement the City is relying on Consultant's special skills and experience to do and perform the services in accordance with best standards of professional practice. While performing the Services, Consultant agrees to perform all the said work and furnish all the necessary materials at its own cost and expense necessary to complete said services in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances and to the reasonable satisfaction of the City.

Consultant services hereunder shall be performed in good, workmanlike and professional manner. Consultant shall be responsible for correcting and completing all errors and omissions related to the services provided by the Consultant for this Agreement at no additional cost to the City. “Errors” and “Omissions” for purposes of this paragraph are defined to mean a failure by the Consultant to meet the standards of its profession as set forth in the preceding paragraph. The acceptance of the services by City does not release Consultant from these obligations.

Consultant will be responsible for employing or engaging all persons necessary to perform the services. All of Consultant's staff will be qualified by training and experience to perform their assigned tasks. Consultant will give its personal attention to the fulfillment of the provisions of this Agreement by all of its employees and subcontractors, if any, and will keep the services under its control. On demand of City, if any employee or subcontractor of Consultant fails or refuses to carry out the provisions of this Agreement or appears to be incompetent or to act in a disorderly or improper manner, he or she will be discharged immediately from the services to be provided pursuant to this Agreement.

Juan Diaz, P.E., President/CEO of Consultant, shall be primarily responsible for representing Consultant in performance of this Agreement.

2. Duration of Contract. Consultant agrees to commence the services provided for herein upon written Notification to Proceed from the City and to continue in a diligent and professional manner until the services to be rendered are complete, unless terminated earlier. Based on the progression of the construction, the parties anticipate that Consultant's services will be completed within approximately thirty-five (35) working days after commencement of the services by Consultant.

Consultant will generally adhere to the schedule set forth within the Work Schedule (dated 4.19.2016), which is incorporated herein provided, that City and LACMTA may grant reasonable extensions of time for the performance of the services occasioned by unusually lengthy governmental reviews of Consultant's work product or other unavoidable delays occasioned by unforeseen circumstances; provided, further, that such unavoidable delay will not include strikes, lockouts, work stoppages, or other labor disturbances conducted by, or on behalf of, Consultant's officers or employees.

Consultant acknowledges the importance to City of the project schedule and agrees to put forth its best professional efforts to perform the services in a manner consistent with that schedule. City understands, however, that Consultant's performance must be governed by sound practices. Consultant will work such overtime or engage such personnel and equipment as necessary to maintain the schedule, without additional compensation.

3. Compensation. The method of payment for this Contract will be on a fee-for-services basis as specified within the **Work Order #F202-205104-16-00** dated April 4, 2016 and incorporated herein. The total price paid the Consultant will include compensation for all work, including travel, materials, supplies, vendor services, expenses and subcontracted work. No additional compensation will be paid to the Consultant, unless there is a change in the scope of the work or the scope of the project. In the instance of a change in the scope of work or scope of the project, adjustment to the total compensation will be negotiated between the Consultant and the City and LACMTA. Adjustment in the total compensation will not be effective until authorized and approved in writing by the City.

Progress payments may be made in arrears based on the percentage of work and deliverables completed by the Consultant. If Consultant fails to submit the required deliverable items according to schedule or as required by the Agreement, except for those amounts that are due and not reasonably in dispute, the City shall have the right to delay payment and/or terminate this Agreement in accordance with the provisions noted herein.

Consultant shall be reimbursed within thirty (30) days, or as promptly as fiscal procedures may permit, upon receipt by the City of itemized invoices for services completed. Invoices shall be submitted no later than 45 calendar days after the performance of work for which the Consultant is billing. Invoices shall detail the work performed on each task as applicable. Invoices shall be delivered or mailed to the **Director of Public Works/Municipal Utilities Department** at the following address: **City of Compton, 205 South Willowbrook Avenue, Compton, California 90220.**

As full and complete compensation for performance of all the services performed by the Consultant pursuant to this Agreement, City shall pay, and Consultant agrees to accept, a not-to-exceed maximum sum of **Ten Thousand Three Hundred Thirty Seven Dollars and Seventy-Five Cents (\$10,337.75).**

In the event of termination, the Consultant shall be entitled to compensation for the undisputed reasonable value of services performed to the effective date of termination, including any noncancellable obligations incurred prior to termination; provided, however, that the City may condition payment of such compensation upon the Consultant's delivery to the City of any and all City property, documents, reports, records, materials and work product associated with the performance of this Agreement.

4. Ownership of Materials. All product produced by Consultant or its agents, employees, and subcontractors pursuant to this Agreement (the "Work Product") is the property of City. In the event this Agreement is terminated, all Work Product produced by Consultant or its agents, employees and subcontractors pursuant to this Agreement will be delivered to City pursuant to the termination clause of this Agreement. Consultant will have the right to make one (1) copy of the Work Product for Consultant's records.

The Work Product may be used by City and its agents, employees, representatives, and assigns, in whole or in part, or in modified form, for all purposes City may deem advisable, without further employment of or payment of any compensation to Consultant; provided, however, that if this Agreement is terminated for any reason prior to completion of the Project and if under such circumstances City uses, or engages the services of and directs another consultant to use the Work Product, City agrees to hold Consultant harmless from any and all liability, costs, and expenses relative to claims arising out of matters and/or events which occur subsequent to the termination of this Agreement as a result of causes other than the fault or negligence of Consultant, or anyone for whose acts it is responsible, in preparation of the Work Product. Consultant will not be responsible for deficiencies solely attributable to modifications of the Work Product performed by others, or that arise from use of the Documents in connection with a project or site other than that shown in the Work Product.

5. Independent Contractor Status. Consultant, its officers, employees, subconsultants, subcontractors, agents and volunteers (collectively hereinafter the "Consultant"), will perform the services in Consultant's own way and pursuant to this Agreement as an independent contractor and in pursuit of Consultant's independent calling, and not as an employee of City. The persons used by Consultant to provide the services under this Agreement will not be considered employees of City for any purposes. Neither the City nor any of its officers, employees, agents or volunteers shall have any control over the conduct of the Consultant, except as expressly set forth in this Agreement. Consultant expressly warrants that while engaged in carrying out and complying with any terms and conditions of this Agreement that Consultant shall not at any time or in any manner, represent that Consultant is in any manner officers, employees, agents or volunteers of the City. Consultant shall obtain no rights to retirement, health care or any other benefit that accrue to City officials, officers, or employees. Consultant expressly waives any claim to such rights.

The payment(s) made to Consultant pursuant to the Agreement will be the full and complete compensation to which Consultant is entitled. City will not make any federal or state tax withholdings on behalf of Consultant or its agents, employees or subcontractors. City will not pay any workers' compensation insurance, retirement contributions or unemployment contributions on behalf of Consultant or its employees or subcontractors. Consultant agrees to indemnify and pay City within thirty (30) days for any tax, retirement contribution, social security, overtime payment, unemployment payment or workers' compensation payment which City may be required to make on behalf of Consultant or any agent, employee, or contractor of Consultant for work done under this Agreement. At the City's election, City may deduct the amounts paid pursuant to this Section, from any balance owing to Consultant.

6. Successors, Assignment and Delegation. City and the Consultant each binds themselves, their partners, successors, assigns and legal representatives to the other hereto and to partners, successors, assigns and legal representatives of such other party in respect to all covenants, agreements and obligations contained in this Agreement.

The expertise and experience of Consultant are material considerations for this Agreement. Consultant shall not assign or transfer any interest in this Agreement or the performance of any of Consultant's obligations under this Agreement without the prior written consent of the City. Any attempted assignment or transfer of any of Consultant's rights, duties or obligations arising under this Agreement shall be null and void.

7. Nondiscriminatory Employment Practices. During the performance of this Agreement, the Consultant agrees not to discriminate against any employee or applicant for employment because of race, sex, creed, color, religion, age, sexual orientation, marital status, national origin, political affiliation, handicap or belief in accordance with requirements of City, State or Federal laws and regulations. Consultant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, sex, creed, color, religion, age, sexual orientation, marital status, national origin, political affiliation, handicap or belief in accordance with requirements of City, State or Federal laws and regulations. Such actions 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 Consultant agrees to post in conspicuous places, available to employees, applicants and subcontractors for employment, notices setting forth the provisions of this non-discrimination clause.

In the event of the Consultant's non-compliance with the non-discrimination clause of this Agreement, this Agreement may be immediately canceled, terminated or suspended in whole or in part.

8. Subcontracting. Consultant's services are unique and personal. Except as may be specified in Consultant's Proposal and agreed to by the City, Consultant will not subcontract any portion of the services without prior written approval of City Manager or his/her designee. If Consultant subcontracts any of the services, Consultant will be fully responsible to City for the acts, errors and omissions of Consultant's subcontractor and of the persons either directly or indirectly employed by the subcontractor, as Consultant is for the acts and omissions of persons directly employed by Consultant. Nothing contained in this Agreement will create any contractual relationship between any subcontractor of Consultant and City. Consultant will be responsible for payment of subcontractors. Consultant will bind every subcontractor and every subcontractor of a subcontractor by the terms of this Agreement applicable to Consultant's work unless specifically noted to the contrary in the subcontract and approved in writing by City.

9. Other Consultants. The City reserves the right to employ other consultants in connection with the services.

10. Indemnification. Consultant shall indemnify and save harmless the City, its officials, officers, employees, agents and volunteers (collectively hereinafter the "City"), against any and all damages to property or injuries to or death of any person or persons, including property and employees or agents of the City and shall indemnify and save the City from any and all liability and expense including reimbursement of reasonable defense costs and legal fees, and claims, demands, suits, actions or proceedings of any kind or nature, including Workers' Compensation claims, of or by anyone whomsoever to the extent resulting from or arising out of the negligent, reckless or willful misconduct for the Consultant, its officers, employees, subconsultants, subcontractors or agents in the performance of the duties undertaken by Consultant pursuant to this Agreement.

This indemnification and hold harmless obligation does not extend to claims arising out of the negligence or willful misconduct of the City.

11. Insurance. Without limiting the Consultant's indemnification of the City, Consultant shall obtain and maintain, at its cost and expense, for the duration of the Agreement and any and all amendments, insurance against claims for injuries to persons or damage to property which may arise out of or in connection with performance of the services by Consultant or Consultant's agents, representatives, employees or subcontractors. The insurance will be obtained from an insurance carrier admitted and authorized to do business in the State of California. Such evidence shall specifically identify this Agreement and shall contain express conditions that the City is to be given written notice at least thirty (30) days in advance of any termination or implementation of a reduction of limits or material change of insurance coverage as specified herein. Failure on the part of the Consultant to procure or maintain insurance shall constitute a material breach upon which the City may immediately terminate this Agreement. All insurance required hereunder shall be primary with respect to any insurance maintained by the City.

Coverages and Limits. Consultant will maintain the types of coverages and minimum limits indicated below, unless the Risk Manager or City Manager, in consultation with the City Attorney approves a lower amount. These minimum amounts of coverage will not constitute any limitations or cap on Consultant's indemnification obligations under this Agreement. City, its officers, agents, volunteers and employees make no representation that the limits of the insurance specified to be carried by Consultant pursuant to this Agreement are adequate to protect Consultant. The coverage will contain no special limitations on the scope of its protection to the below-designated insureds except for Workers Compensation and errors and omissions insurance. Consultant will obtain occurrence coverage, excluding Professional Liability, which will be written as claims-made coverage. If Consultant believes that any required insurance coverage is inadequate, Consultant will obtain such additional insurance coverage, as Consultant deems adequate, at Consultant's sole expense.

11.1 Commercial General Liability Insurance. \$1,000,000 combined single-limit per occurrence for bodily injury, personal injury and property damage. If the submitted policies contain aggregate limits, general aggregate limits will apply separately to the work under this Agreement or the general aggregate will be twice the required per occurrence limit.

11.2 Automobile Liability. \$1,000,000 combined single-limit per accident for bodily injury and property damage.

11.3 Workers' Compensation and Employer's Liability. Workers' Compensation limits as required by the California Labor Code and Employer's Liability limits of \$1,000,000 per accident for bodily injury. Workers' Compensation and Employer's Liability insurance will not be required if Consultant has no employees and provides, to City's satisfaction, a declaration stating this.

11.4 Professional Liability. Errors and omissions liability appropriate to Consultant's profession with limits of not less than \$1,000,000 per claim. The coverage shall also provide an extended two (2) year reporting period commencing upon termination or cancellation of this Agreement.

Endorsements. For Commercial General Liability Insurance and Automobile Liability Insurance, Consultant will ensure that the policies are endorsed to name the City of Compton and its respective elected and appointed officers, officials, employees, agents and volunteers as **"additional insureds"** with respect to liability arising out of the activities of the Consultant. Any

failure to comply with reporting provisions of the policies shall not affect coverage provided to the City. ***Prior to City's execution of this Agreement, Consultant will furnish certificates of insurance and endorsements to City.***

Waiver of Subrogation. The policies shall contain a waiver of subrogation for the benefit of City.

12. Permits and Licenses. Consultant, at its own expense, during the term of this Agreement, shall obtain and maintain all appropriate business and professional permits, licenses and certificates that may be required in connection with the performance of services by the Consultant. Upon execution of this Agreement, the Consultant shall show evidence of a business license permit in conformance with *Section 9-1.2 of the Compton Municipal Code*.

13. Maintenance of Records. Consultant will maintain complete and accurate records with respect to costs incurred under this Agreement. All records will be clearly identifiable. Consultant will allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of records and any other documents created pursuant to this Agreement. Consultant will allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years, or longer if required by law, from the date of final payment under this Agreement.

14. Warranties. Consultant represents and warrants (i) that Consultant has no obligations, legal or otherwise, inconsistent with the terms of this Agreement or with Consultant's undertaking this relationship with City, (ii) that the performance of the services called for by this Agreement do not and will not violate any applicable law, rule or regulation or any proprietary or other right of any third party, (iii) that Consultant will not use in the performance of his responsibilities under this Agreement any confidential information or trade secrets of any other person or entity and (iv) that Consultant has not knowingly entered into or will enter into any agreement (whether oral or written) in conflict with this Agreement.

15. General Compliance with Laws. Consultant will keep fully informed of federal, state and local laws and ordinances and regulations which in any manner affect those employed by Consultant, or in any way affect the performance of the services by Consultant. Consultant will at all times observe and comply with these laws, ordinances, and regulations and will be responsible for the compliance of the services with all applicable laws, ordinances and regulations.

16. Termination. In the event of the Consultant's failure to prosecute, deliver, or perform the services, after giving written notice of default and two (2) days to correct the same, then, in addition to any other remedies, City may terminate this Agreement for nonperformance by notifying Consultant in writing. Consultant has five (5) business days to deliver any documents owned by City and all work in progress to City address contained in this Agreement. City will make a determination of fact based upon the work product delivered to City and of the percentage of work that Consultant has performed which is usable and of worth to City in having the Agreement completed. Based upon that finding City will determine the final payment of the Agreement. In the event City elects to terminate, City will have the right to immediate possession of all Work Product and work in progress prepared by Consultant, whether located at the project site, at Consultant's place of business, or at the offices of a subconsultant.

The City's obligation is payable only from funds appropriated for the purpose of this Agreement. All funds for payments after the end of the current fiscal year are subject to the City's legislative appropriation for this purpose. In the event this Agreement extends into succeeding fiscal year periods and the City Council does not allocate sufficient funds for the next succeeding fiscal year payments, this Agreement shall terminate immediately upon written notice from the City.

Either Party, upon tendering fifteen (15) calendar days written notice to the other Party, may terminate this Agreement for convenience. In this event and upon request of City, Consultant will assemble the work product without charge and put it in order for proper filing and closing and deliver it to City. Consultant will be paid for work performed to the termination date; however, the total will not exceed the lump sum fee payable under this Agreement. City will make the final determination as to the portions of tasks completed and the compensation to be made.

17. Force Majeure. In the event that performance by either party is rendered impossible (permanently or temporarily) due to acts of war, acts of terrorism, fires, floods, epidemics, quarantine restrictions, or other natural occurrences, strikes, work slowdowns, lockouts (other than lockout by Consultant), or other similar acts to those described above or other causes beyond the reasonable control of such party, and without fault or negligence, said event shall excuse performance by such party, or in the case of temporary impossibility, shall excuse performance only for a period commensurate with the period of impossibility. Notwithstanding the foregoing, City shall have the right to terminate this Agreement upon any event that renders performance impossible. In such case, City shall be responsible for payment of compensation for the reasonable value of services rendered to the point at which this Agreement is terminated, but in no event to exceed the total lump sum fee payable under this Agreement.

18. Covenants Against Contingent Fees. Consultant warrants that Consultant has not employed or retained any company or person, other than a bona fide employee working for Consultant, to solicit or secure this Agreement, and that Consultant has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon, or resulting from, the award or making of this Agreement. For breach or violation of this warranty, City will have the right to terminate this Agreement for nonperformance, or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of the fee, commission, percentage, brokerage fees, gift, or contingent fee.

19. Jurisdiction, Venue and Governing Law. Any action at law or in equity brought by either of the Parties for the purpose of enforcing a right or rights provided for by this Agreement will be tried in a court of competent jurisdiction in the County of Los Angeles, State of California, and the Parties waive all provisions of law providing for a change of venue in these proceedings to any other county. This agreement will be governed by the laws of the State of California.

20. Certifications. The Consultant, under penalty of perjury, certifies that, except as noted below, he/she or any other person associated therewith in the capacity of owner, partner, director, officer, manager:

- is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal, State or local agency;
- has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal, State or local agency within the past 3 years;
- does not have a proposed debarment pending; and
- has not been indicted, convicted, or had a civil judgment rendered against he/she/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]

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction. The above certifications are part of this contract. Signing this agreement on the signature portion thereof shall also constitute signature of the above Certifications.

Juan Diaz, P.E., President /CEO

(Date)

21. Testimony. Consultant will testify at City's request if litigation is brought against City in connection with Consultant's services under this agreement. Unless the action is brought by Consultant, or is based upon Consultant's actual or alleged negligence or other wrongdoing, City, upon prior written agreement with Consultant will compensate Consultant for time spent in preparation for testimony, testimony, and travel at Consultant's standard hourly rates at the time of actual testimony.

22. Waivers. The waiver by either Party of any breach or violation of any term, covenant, or condition of this Agreement or of any applicable law will not be deemed to be a waiver of such term, covenant, condition or law or of any subsequent breach or violation of same or of any other term, covenant, condition or law. The acceptance by either Party of any fee or other payment which may become due under this Agreement will not be deemed to be a

waiver of any preceding breach or violation by the other Party of any term, covenant, or condition of this Agreement or any applicable law.

23. Authority. The individuals executing this Agreement and the instruments referenced in it on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions of this Agreement.

24. Severability. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

25. Amendments. This Agreement may be modified or amended only be written document executed by both Consultant and City's City Manager and approved as to form by the City Attorney. Such document shall expressly state that it is intended by the parties to amend the terms and conditions of this Agreement.

26. Confidentiality. All documents, reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of the services pursuant to the Agreement are confidential until released by the City to the public, and the Consultant will not make any of these documents or information available to any individual or organization not employed by the Consultant or the City without the written consent of the City before any such release.

27. Entire Agreement. This Agreement, together with any other written document referred to or contemplated by it embody the entire Agreement and understanding between the parties relating to the subject matter of it. The City Manager is authorized, in consultation with the City Attorney, to agree to non-material amendments to this Agreement. Neither this Agreement nor any of its provisions may be amended, modified, waived or discharged except in a writing signed by both parties.

28. Notices. Any notices required or permitted under this Agreement shall be effective when delivered in person; and effective one (1) business day after delivery by facsimile transmission; and effective five (5) days after mailing by U.S. Mail, postage prepaid and properly addressed as follows:

TO CONSULTANT:

**JMDiaz, Inc.
18645 East Gale Avenue, Suite 212
Industry, California 91748
Attn: Juan Diaz, P.E., President/CEO
(626) 820-1137**

TO CITY:

**CITY OF COMPTON
205 South Willowbrook Avenue
Compton, California 90220
Attn: Director, Public Works Department
(310) 605-5505
(310) 605-6326 – fax.**

With Copy to:

**CITY OF COMPTON
205 South Willowbrook Avenue
Compton, California 90220
Attn: City Manager**

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.

29. Miscellaneous. No provision of this Agreement is to be interpreted for or against either party because that party or that party's legal representative drafted such provision.

Should either party hereto, or any representative, successor or assign of either party hereto, resort to litigation to enforce the provisions of this Agreement, the party or parties prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to recover its or their reasonable attorney's fees and costs in such litigation from the party or parties against whom enforcement is sought.

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

JMDIAZ, INC./CONSULTANT

Dated: _____

By _____
Juan Diaz, P.E., President/CEO

**CITY OF COMPTON
Recommended for Approval:**

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

Dated: _____

Approved by:

Dated: _____

By _____
Roger L. Haley, City Manager

#10.

Approved as to form:

By _____
Craig J. Cornwell, City Attorney

Dated: _____

ATTEST:

Dated: _____

By _____
Alita Godwin, City Clerk

RESOLUTION SIGN-OFF FORM

DEPARTMENT: Public Works-Engineering

RESOLUTION TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO PROFESSIONAL SERVICES AGREEMENT WITH JMDIAZ, INC. FOR CONSTRUCTION SUPPORT AND INSPECTION SERVICES FOR THE METRO BLUE LINE PEDESTRIAN SWING AND GATES CONSTRUCTION PROJECT AND ESTABLISHMENT OF A PURCHASE ORDER IN AMOUNT OF \$10,337.75

Glen Kau
DEPARTMENT MANAGER’S SIGNATURE

5/25/2016 06:33:02 PM
DATE

REVIEW / APPROVAL

Ruth Rugley
CITY ATTORNEY

5/26/2016 6:34:07 PM
DATE

Austin Okonta
CITY CONTROLLER

5/26/2016 2:24:47 PM
DATE

Roger Haley
CITY MANAGER

5/26/2016 10:10:53 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.

June 14, 2016

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: ROGER L. HALEY, CITY MANAGER

SUBJECT: A RESOLUTION OF THE COUNCIL OF THE CITY OF COMPTON, AUTHORIZING THE ISSUANCE AND SALE OF TAX AND REVENUE ANTICIPATION NOTES FOR FISCAL YEAR 2016-17 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$16,000,000, AUTHORIZING THE EXECUTION AND DELIVERY OF THE TRUST AGREEMENT, THE ACCOMPANYING DOCUMENT, THE DIRECTION LETTER, THE NOTE PURCHASE AGREEMENT, THE PRELIMINARY LIMITED OFFERING MEMORANDUM, THE LIMITED OFFERING MEMORANDUM, THE TAX AGREEMENT, THE INVESTOR LETTER, AND APPROVING NOT TO EXCEED PARAMETERS FOR THE NOT TO EXCEED PAYMENT TERMS OF THE SERIES 2016-17 TRANS

SUMMARY

The Resolution authorizes the City to initiate work to issue and sell 2016-17 Tax and Revenue Anticipation Notes (the “Notes”) pursuant to Section 53850 et. seq. of the Government Code of the State of California. Pursuant to the Resolution, the City Council (the “Council”) approves the preparation of documents for the purpose of issuing the Notes and the execution of contracts for professional services related to the issuance of the Notes.

BACKGROUND

Tax and Revenue Anticipation Notes are used by public entities in the State of California to address cash flow concerns through the use of a short-term borrowing. The City expects to sell its Notes on a negotiated basis to IFS Securities, Inc., (the “Underwriter”) in consultation with Comer Capital Group, the financial advisor and Butler Snow LLP, bond and disclosure counsel to the City. The Underwriter will be represented by separate counsel. The Bonds are expected to require any noteholder to execute an investment letter covering the status of the noteholder as an “accredited investor” within the meaning of Rule 501(a) promulgated under the Securities Act of 1933, as amended and setting forth the terms of any subsequent transfer of the Notes (the “Investment Letter”). The issuance of the Notes involves a security sale and detailed disclosure through a Limited Offering Memorandum. The City requires the assistance of professionals, including attorneys and financial consultants and investment bankers, for the purpose of issuing the Notes.

STATEMENT OF ISSUE

As part of the City's efforts to ensure that sufficient revenues are available to pay City expenditures when due, City management has considered options and is recommending the Council authorize the issuance of Notes to ensure the availability of funds to address the City's current liquidity concerns during Fiscal Year 2016-17. The City has utilized this same cash flow borrowing mechanism for the past three years. The resolution includes as exhibits, substantially final forms of documents required for the transaction. The City will enter into these and other appropriate documents which will come before the Council prior to the issuance of the Notes in a subsequent resolution (the "Bond Resolution"). In the Bond Resolution the Council will establish interest rate parameters and authorize the execution of certain bond documents.

FISCAL IMPACT

The Resolution permits the City to move forward in preparation for the issuance of Tax and Revenue Anticipation Notes in a principal amount not to exceed \$_____. When authorized by the Bond Resolution, the Tax and Revenue Anticipation Note would be a general obligation of the City and would be secured by all taxes, income, revenues, cash receipts and other moneys of the City received or accrued by the City during Fiscal Year 2016-17 that are lawfully available for payment of the 2015-16 TRANS and the interest thereon (collectively, the "Unrestricted Revenues"). The City will pledge Unrestricted Revenues toward repayment of the Tax and Revenue Anticipation Notes and will direct the County to transfer certain revenue to a fund for the purpose of paying the principal and interest on the Notes. However, in the event insufficient money designated for the repayment of the Notes and collected to pay principal of and interest on the Notes, the City would be obligated to pay the Notes from any Unrestricted Revenues. The Resolution allows for the establishment of a lock box system through which the Los Angeles County (the "County") will deposit funds collected by the County directly into a Repayment Fund held by a trustee on behalf of the City. The County will make such deposits until the County is notified by the City that the repayment amount needed to repay the notes has been deposited into the repayment fund. The Resolution authorizes the execution of professional services contracts expected to be in a maximum amount of \$500,000.

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution.

ROGER L. HALEY
CITY MANAGER

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE ISSUANCE AND SALE OF TAX AND REVENUE ANTICIPATION NOTES FOR FISCAL YEAR 2016-2017 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$16,000,000, AUTHORIZING THE EXECUTION AND DELIVERY OF THE TRUST AGREEMENT, THE ACCOMPANYING DOCUMENT, THE DIRECTION LETTER, THE NOTE PURCHASE AGREEMENT, THE PRELIMINARY LIMITED OFFERING MEMORANDUM, THE LIMITED OFFERING MEMORANDUM, THE TAX AGREEMENT, THE INVESTOR LETTER, AND APPROVING NOT TO EXCEED PARAMETERS FOR THE NOT TO EXCEED PAYMENT TERMS OF THE SERIES 2016-17 TRANS

WHEREAS, the City of Compton (the “City”), a municipal corporation and chartered city of the State of California, requires funds for the purposes authorized by Section 53352 of the California Government Code; and

WHEREAS, the City is authorized to borrow money pursuant to Article 7.6 of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, being Sections 53850 through 53858, inclusive, as amended, and Charter of the City of Compton (as amended, the “City Charter”) Section 1403 (collectively, the “Authorizing Law”), for the purposes authorized by California Government Code Section 53852 and the City Charter, respectively, such indebtedness to be represented by a note or notes of the City; and

WHEREAS, pursuant to the Authorizing Law, such notes are to be issued pursuant to a resolution of the City Council of the City (the “City Council”) and may be issued from time to time as provided in such resolution; and

WHEREAS, the City has determined that it is necessary and in the best interests of the City to authorize the borrowing of an amount not to exceed \$16,000,000 with respect to the City’s Fiscal Year 2016-17 such indebtedness to be evidenced by the 2016-17 Tax and Revenue Anticipation Notes authorized and described herein (the “Series 2016-17 TRANS”) in an aggregate principal amount not to exceed the sum described above; and

WHEREAS, the Series 2016-17 TRANS together with the interest payable thereon, will not exceed 85% of the estimated amount of the uncollected taxes, income, revenue, cash receipts and other moneys of the City which will be available for the payment of the Series 2016-17 TRANS or other indebtedness and the interest thereon subject to the Authorizing Law; and

WHEREAS, in connection with the public sale of the Series 2016-17 TRANS, the City proposes to authorize and approve the use and distribution of the Preliminary Limited Offering Memorandum in substantially the form attached hereto, and authorize and approve the preparation, use, distribution, execution and delivery of a final Limited Offering Memorandum in substantially the form of the Preliminary Limited Offering Memorandum in each case with such additions, deletions and changes as may be necessary or appropriate to complete and finalize the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum pertaining to the Series 2016-17 TRANS, and with respect to the Limited Offering Memorandum with the addition of the payment terms of the Series 2016-17 TRANS following the sale of the Series 2016-17 TRANS and to authorize and direct the City Manager to approve the preparation, use and distribution of, and to “deem final,” the Preliminary Limited Offering Memorandum and approve the preparation, use and distribution of, and to execute and deliver, the Limited Offering Memorandum;

WHEREAS, in connection with the issuance of the Series 2016-17 TRANS, the City, as issuer, proposes to authorize and approve entering into a certain Accompanying Document (the “Accompanying Document”) in substantially the form attached hereto, pursuant to which the City will grant a security interest in, convey, bargain, pledge, transfer and assign unto U.S Bank National Association, as trustee (the “Trustee”), all of the City’s right, title, and interest in and to the Unrestricted Revenues (as defined in the Accompanying Document, including the County Collected Revenues (as defined it the Accompanying Document));

WHEREAS, in connection with the issuance of the Series 2016-17 TRANs and pursuant to the Authorizing Law, the City proposes to authorize and approve entering into those certain other documents, including the Trust Agreement, the Direction Letter and the Continuing Disclosure Agreement in substantially the forms attached hereto;

WHEREAS, in connection with the issuance of the Series 2016-17 TRANs the City proposes to authorize and approve entering into a certain Tax Agreement obligating the City to comply with certain covenants in order to maintain the exclusion of interest on the Series 2016-17 TRANs from the gross income of the owners thereof for federal income tax purposes;

WHEREAS, in connection with the foregoing, the City proposes to authorize and approve the completion, finalization execution, delivery and performance of the Accompanying Document, the Trust Agreement, the Direction Letter, the Investor Letter, the Tax Certificate, the Continuing Disclosure Agreement, and the distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, the execution, authentication, issuance, sale, and delivery of the Series 2016-17 TRANs and the preparation. Execution, delivery and performance of any and all other documents necessary or appropriate in connection with the issuance and sale of the Series 2016-17 TRANs, including, without limitation, to authorize the City Manager and each such other authorized officers to approve such additions, deletions and changes to each such document as the City Manager or such other authorized officer deems appropriate in each case as provided hereinafter; and

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

SECTION 1. That this Resolution (the “Resolution”) is adopted pursuant to the provisions of the Authorizing Law and other applicable laws.

SECTION 2. That the Series 2016-17 TRANs are hereby authorized to be issued, which notes shall mature on or before June 1, 2017 in an aggregate principal amount not to exceed the lesser of \$16,000,000 or the amount authorized to be issued pursuant to the Authorizing Law, as certified by the City Manager or his designee (the “City Manager”), and pursuant to the Accompanying Document for the Series 2016-17 TRANs attached hereto as Exhibit A, and as further approved by the City Manager, his execution of the Accompanying Document to be conclusive evidence thereof. The Series 2016-17 TRANs shall be issued as provided in the Accompanying Document. The form of Accompanying Document presented at this meeting shall be completed and executed in accordance with this Resolution, such instrument is by this reference incorporated herein and hereby approved. The City Manager is hereby authorized for and in the name of, and on behalf of, the City, to execute and deliver said Accompanying Document, substantially in the form attached hereto and on file with the City Clerk, with such changes therein as may be necessary or desirable or as he may approve, in his sole discretion as being in the best interests of the City, such approval to be evidenced conclusively by the execution and delivery thereof. The City Manager is empowered to implement this Resolution in a manner determined by the City Manager to be necessary or desirable and in the best interests of the City. Without limiting the foregoing, the City Manager, subject to Section 5 hereof, may determine the maturity date and amount for the Series 2016-17 TRANs and the City Manager is hereby authorized to make conforming changes reflecting such maturity and amount to each of the documents approved by this Resolution, including changes to the date and amounts to be set aside hereunder and under the Accompanying Document prior to the end of the fiscal year as the City Manager determines are necessary or appropriate. The terms and conditions as set forth (or incorporated by reference) in the Accompanying Document, together with the terms and conditions of the Series 2016-17 TRANs set forth in this Resolution, together with any authorized and approved supplements and amendments thereto, if any, shall upon the execution and delivery of the Accompanying Document, be the terms and conditions of such Series 2016-17 TRANs, as if all such terms and conditions were fully set forth in this Resolution.

SECTION 3. That in consideration of the purchase and acceptance of the Series 2016-17 TRANs authorized to be issued hereunder by those who shall hold the same from time to time. this Resolution shall be deemed to be and shall constitute a contract between the City and the owners from time to time of the Series 2016-17 TRANs The pledge made in, and the covenants and agreements to be performed by and on behalf of the City set forth in. this Resolution, in any resolution supplemental hereto or in the Accompanying Document with respect to the Series 2016-17 TRANs shall be for the benefit, protection and security of the owners of the Series 2016-17 TRANs.

SECTION 4. The form of the Series 2016-17 TRANs and the provisions for dating, execution, authentication, payment, registration and redemption (optional and mandatory) shall be as set forth in the Accompanying Document and in accordance with the pricing parameters set forth hereinafter in Section 5. The Series 2016-17 TRANs shall be dated the date of issuance and delivery thereof, shall be initially issued in book-entry only form as fully registered TRANs without coupons, shall be in the denomination of \$100,000 or any integral multiple thereof, shall be transferable to subsequent owners as provided herein and in the Accompanying Document and shall bear interest from the dates at the rates per annum to be set forth in the Accompanying Document and, as provided therein, the Series 2016-17 TRANs shall not be subject to redemption prior to maturity.

SECTION 5. That the City Manager, for and on behalf of the City, is hereby authorized to sell the 2016-17 TRANs on a negotiated basis to IFS Securities, Inc. (the "Underwriter"), in consultation with Corner Capital Group, LLC, the City's Financial Advisor, with respect to the Series 2016-17 TRANs, pursuant to the terms, conditions and procedures set forth in the Accompanying Document and in the Note Purchase Agreement between the City and the Underwriter (the "Note Purchase Agreement"), attached hereto as Exhibit B; provided that the Series 2016-17 TRANs shall (1) mature not later than June 1, 2017 and (2) bear interest at the rate established prior to delivery of the Series 2016-17 TRANs pursuant to the Note Purchase Agreement, in no event to exceed a rate of interest of four percent (4%) per annum and an original issue discount of two percent (2%). The form of the Note Purchase Agreement, with such additions thereto and changes therein as are consistent with this Section 5 and as the City Manager, or his designee, deems necessary and appropriate is hereby authorized. The form of Note Purchase Agreement presented at this meeting shall be completed and executed in accordance with this Resolution, such instrument is by this reference incorporated herein and hereby approved. The City Manager is hereby authorized for and in the name of, and on behalf of, the City, to execute and deliver said Note Purchase Agreement, substantially in the form attached hereto and on file with the City Clerk, with such changes therein as may be necessary or desirable or as he may approve, in his sole discretion, as being in the best interests of the City, such approval to be evidenced conclusively by the execution and delivery thereof.

SECTION 6. That the City Council hereby approves the Preliminary Limited Offering Memorandum (the "Preliminary Limited Offering Memorandum"), attached hereto as Exhibit C, describing the Series 2016-17 TRANs in substantially the form presented at this meeting, together with such additions thereto and changes therein as are determined necessary or desirable by the City Manager and with the approval as to term of the City Attorney, including but not limited to such changes as are deemed necessary or desirable by the City Attorney. The City Manager is hereby authorized and directed to approve any changes in or additions to the Preliminary Limited Offering Memorandum that are determined to be necessary or desirable to cause such Preliminary Limited Offering Memorandum to be put in final form and to make such final Limited Offering Memorandum complete and accurate as of its date, and to execute said final Limited Offering Memorandum for and in the name and on behalf of the City.

SECTION 7. That the engagement of the U.S. Bank National Association (the "Trustee") to provide trustee services for the Series 2016-17 TRANs, is hereby approved pursuant to the form of the Trust Agreement (the "Trust Agreement"), attached hereto as Exhibit D and on file with the City Clerk and presented at this meeting and the City Manager is hereby authorized to execute the Trust Agreement, with such additions thereto and changes therein as he, or his designee, deem necessary and appropriate to be executed by the City Manager, subject to the approval of the City Attorney and such approval to be evidenced conclusively by the execution and delivery thereof.

SECTION 8. That as provided in the Authorizing Law, the Series 2016-17 TRANs shall be general obligations of the City, payable from all legally available sources, including Unrestricted Revenues and County Collected Revenues (as both of those terms are defined in the Accompanying Document). The Trustee shall establish a Series 2016-17 TRANs Repayment Fund (the "Repayment Fund") and any additional subaccounts therein to the extent provided in the Accompanying Document. The City shall cause to be deposited in the Repayment Fund all County Collected Revenues allocated or attributable to the City until the amounts deposited and held in the Repayment Fund, from any source, shall equal the total principal of and interest due on the Series 2016-17 TRANs as set forth in the Accompanying Document. The City does hereby grant a security interest in, convey, bargain, pledge, transfer and assign unto the Trustee, as security for the City's obligations under the Series 2016-17 TRANs, the Accompanying

Document and the Trust Agreement, all of the City's right, title, and interest in and to the County Collected Revenues and Unrestricted Revenues, and the City further authorizes the Trustee to take any and all actions necessary or desirable to perfect the security interest granted hereby: in the County Collected Revenues and Unrestricted Revenues pursuant to applicable law.

SECTION 9. To the extent that on the day immediately preceding the maturity date of the Series 2016-17 TRANs the total amount of County Collected Revenues deposited by the City into the Repayment Fund is less than the principal of and interest due on the Series 2016-17 TRANs as set forth in the Accompanying Document, the City shall deposit or cause to be deposited into the Repayment Fund additional amounts as needed from any other moneys of the City lawfully available therefor, including, but not limited to Unrestricted Revenues. As provided in the Authorizing Law, the Series 2016-17 TRANs and the interest thereon are a first lien and charge against, and are payable from all moneys received by the City from such Unrestricted Revenues. The County Collected Revenues shall be invested by the Trustee only in Permitted Investments (as defined in the Accompanying Document), shall be used to pay the principal of the Series 2016-17 TRANs and the interest thereon when the same shall become due and payable, and may not be used for any other purpose, except as provided herein. Any amounts remaining in the Repayment Fund after repayment of all principal of the Series 2016-17 TRANs, and the interest thereon, shall be the sole and exclusive property of the City, shall not be subject to any claims by the Trustee, or on behalf of any holder of Series 2016-17 TRANs, and shall be transferred to any account of the City as the City Manager may appropriately direct.

SECTION 10. That the City Manager, or any designee thereof, is authorized to execute and deliver a Tax Certificate (as defined in the Accompanying Document) obligating the City to comply with certain covenants in order to maintain the exclusion of interest on the Series 2016-17 TRANs from the gross income of the owners thereof for federal income tax purposes and such approval by the City Manager to be evidenced conclusively by the execution and delivery thereof.

SECTION 11. That the form of the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") attached hereto as Exhibit E by and between the City and U.S. Bank National Association, as dissemination agent thereunder, is hereby authorized. The City Manager is hereby authorized and empowered to execute and deliver the Continuing Disclosure Agreement. The Continuing Disclosure Agreement must be in form and substance satisfactory to the City Manager and City Attorney and the execution of the Continuing Disclosure Agreement by such City Manager shall be conclusive evidence of such approval.

SECTION 12. That the form of the Direction Letter (the "Direction Letter"), attached hereto as Exhibit F and on file with the City Clerk, from the City to the County of Los Angeles, presented at this meeting is hereby approved and the City Manager is hereby authorized to execute the Direction Letter, with such additions thereto and changes therein as he, or his designee, deems necessary and appropriate and such approval to be evidenced conclusively by the execution and delivery thereof.

SECTION 13. That the Authorized Officers (as hereinafter defined) of the City are hereby authorized and directed to pay all the fees and other costs of issuance of the Series 2015-16 TRANs in accordance with the Note Purchase Agreement and as otherwise agreed in writing with the City and the respective parties thereto.

SECTION 14. That the City Manager, the City Treasurer, the Controller and the City Clerk, and their designees (each, an "Authorized Officer"), upon advice of the City Attorney and Butler Snow LLP, as Bond Counsel and Disclosure Counsel to the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute, modify and deliver any and all documents, agreements and certificates that they may deem necessary or advisable in order to effect the issuance, sale and delivery of the Series 2016-17 TRANs and otherwise to carry out the purposes of this Resolution.

SECTION 15. That the City Attorney is authorized: i) to execute an agreement with Butler Snow LLP to provide bond counsel and disclosure counsel services in connection with the tax exemption and the issuance of the 2015-17 TRANs; ii) to execute an agreement with Corner Capital to provide financial advice in connection with the tax exemption and issuance of the 2016-17 TRANs as the City's Independent Registered Municipal Advisor, iii) to initiate a payment to counsel to the Underwriter in connection with the issuance of the 2015-16 TRANs

and iv) to execute an agreement with U.S. National Bank Association to provide trustee services in connection with the issuance of the 2016-17 TRAns.

SECTION 16. That the Authorized Officers and the other officers of the City and their respective authorized representatives are, and each of them acting alone is hereby authorized to execute any and all documents and to do and perform any and all acts and things, from time to time, consistent with this Resolution and the Accompanying Document and necessary or appropriate to carry the same into effect and to carry out their purposes. The execution of any such documents shall constitute conclusive evidence that the officer or official approved the form and content of the document.

SECTION 17. That copies of this Resolution shall be filed in the offices of the City Clerk, City Manager, City Attorney, City Treasurer and the City Controller.

SECTION 18. 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:

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
Accompanying Document

#11.

Exhibit B
Note Purchase Agreement

Exhibit C
Preliminary Limited Offering Memorandum

#11.

Exhibit D
Trust Agreement

Exhibit E
Continuing Disclosure Agreement

#11.

Exhibit F
Direction Letter

TRUST AGREEMENT

by and between

THE CITY OF COMPTON

and

U.S. BANK NATIONAL ASSOCIATION,

as Trustee

Dated as of June 1, 2016

Relating to:

\$ _____

City of Compton, California 2016-17 Tax and Revenue Anticipation Notes

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TRUST AGREEMENT

This **TRUST AGREEMENT**, dated as of June 1, 2016 (the 'Trust Agreement'), is by and between the City of Compton (the 'City'), a municipal corporation and chartered city of the State of California, and U.S. Bank National Association (the 'Trustee'), a national banking association organized and existing under the laws of the United States of America.

BACKGROUND

WHEREAS, the City requires funds for the purposes authorized by Section 53852 of the California Government Code; and

WHEREAS, the City is authorized to borrow money pursuant to Article 7.6 of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, being Sections 53850 through 53858, inclusive, as amended, and City Charter of the City (the 'City Charter') Section 1403 (collectively, the 'Authorizing Law'), for the purposes authorized by California Government Code Section 53852 and the City Charter, respectively, such indebtedness to be represented by a note or notes of the City; and

WHEREAS, the City has duly authorized and provided for the issuance of not to exceed \$_____ in aggregate principal amount of City of Compton 2016-17 Tax and Revenue Anticipation Notes (the '2016-17 TRAns') pursuant to a resolution adopted by the City Council of the City on June __, 2016 (the 'Resolution') and the Accompanying Document Providing for the Terms and Conditions of the Issuance and Sale of the City of Compton 2016-17 Tax and Revenue Anticipation Notes, dated as of July __, 2016 (the 'Accompanying Document'), executed by the City Manager of the City (the 'City Manager'), approved by the City Attorney and acknowledged by the Trustee and the County of Los Angeles, attached hereto as Exhibit A;

WHEREAS, the City has requested that the Trustee perform certain trustee, paying agent and Note Registrar functions in connection with the 2016-17 TRAns; and

WHEREAS, the Trustee has agreed to serve in such capacities, subject to the terms of this Trust Agreement, the Resolution and the Accompanying Document.

NOW, THEREFORE, WITNESSETH, the City and the Trustee agree as follows:

ARTICLE 1 APPOINTMENT AND COMPENSATION OF TRUSTEE

SECTION 1.01 Appointment.

The City hereby appoints the Trustee to act as Trustee, Paying Agent and Note Registrar with respect to the 2016-17 TRAns, and to hold the amounts pledged for payment of the 2016-17 TRAns in trust for the benefit of the Owner of the 2016-17 TRAns as set forth herein and in the Accompanying Document, attached hereto as Exhibit A. The Trustee hereby accepts its appointment and agrees to act as Trustee, Paying Agent and Note Registrar to perform the duties set forth in Article III hereof and in the Accompanying Document.

SECTION 1.02 Compensation.

As compensation for the Trustee's services hereunder, the City agrees to pay the Trustee the fees and amounts heretofore agreed to by the City and the Trustee. In addition, the City agrees to reimburse the Trustee for all reasonable expenses, disbursements and advances incurred or made by the Trustee in connection with this Trust Agreement (including the reasonable compensation and the expenses and disbursements of the Trustee's agents and counsel).

ARTICLE 2 DEFINITIONS

SECTION 2.01 Definitions.

For purposes of this Trust Agreement, all capitalized terms used and not defined herein shall have the meanings ascribed to them in the Accompanying Document.

ARTICLE 3 DUTIES

SECTION 3.01 Duties as Trustee.

Pursuant to the Resolution and the Accompanying Document, the Trustee is hereby directed to establish and maintain the '2016-17 TRANs Repayment Fund'. The Trustee is hereby authorized to establish any additional subaccounts therein if deemed necessary to effectuate the purposes of the Resolution, the Accompanying Document and the Direction Letter. The City shall transfer or cause to be transferred to the Trustee and the Trustee is directed hereby to deposit in the 2016-17 TRANs Repayment Fund the County Collected Revenues as set forth under Section 402 of the Accompanying Document and the Direction Letter and any other funds as directed for such deposit by the City Manager, including Unrestricted Revenues. The Trustee is authorized and directed to acknowledge the Direction Letter and the Accompanying Document.

All funds in the 2016-17 TRANs Repayment Fund shall be accounted for separately from the other funds of the Trustee and shall be invested in Permitted Investments in accordance with the Accompanying Document, as may be directed in writing by the City from time to time. In the absence of such direction, the Trustee shall hold moneys uninvested. The Trustee shall keep a written record of all investments and investment earnings (including any investment of earnings) of amounts in the 2016-17 TRANs Repayment Fund, as well as a written record of disbursements from the 2016-17 TRANs Repayment Fund.

The 2016-17 TRANs Repayment Fund shall be used to pay the 2016-17 TRANs and the interest thereon when the same shall become due and payable and may not be used for any other purpose; provided, however, that subsequent to the payment of principal of and interest on the 2016-17 TRANs when due, earnings on amounts in the 2016-17 TRANs Repayment Fund shall be transferred by the Trustee to the City and deposited into the General Fund of the City. Any amounts on deposit in the 2016-17 TRANs Repayment Fund in excess of the amount sufficient to pay all of the 2016-17 TRANs and the interest thereon when due, plus an amount, if any,

equal to the rebate amount calculated to be due to the United States Treasury, shall be transferred by the Trustee upon receipt of a Written Direction of an Authorized Officer to any account in the General Fund of the City as the City Manager or any designee may direct in a Written Direction.

SECTION 3.02 Duties as Paying Agent.

The Trustee shall pay on behalf of the City the principal of and interest on the 2016-17 TRAns when due, in accordance with the provisions of the Resolution and the Accompanying Document.

SECTION 3.03 Duties as Note Registrar.

The Trustee shall perform the duties of the Note Registrar as set forth in the Accompanying Document, including maintaining the registration books for the 2016-17 TRAns. The Trustee will effect transfers of registered ownership of the 2016-17 TRAns upon surrender of validly issued Notes to the Trustee accompanied by such instruments of transfer and other documents as Trustee may reasonably require only as permitted in the Accompanying Document.

SECTION 3.04 Discharge and Cancellation of Notes.

The Trustee shall cancel all 2016-17 TRAns surrendered to it for transfer or payment and will dispose of said cancelled 2016-17 TRAns at the written direction of the City.

**ARTICLE 4
PROTECTIONS, OBLIGATIONS AND LIABILITIES OF THE TRUSTEE;
FIDUCIARY CAPACITY**

SECTION 4.01 Incorporation of Accompanying Document and the Direction Letter.

The protections, obligations and liabilities of the Trustee set forth under the Accompanying Document and the Direction Letter are incorporated herein by reference and such provisions shall apply to the Trustee in its various capacities hereunder.

SECTION 4.02 Money Held by Trustee.

All funds at any time and from time to time provided to or held by the Trustee hereunder shall be deemed, construed and considered for all purposes as being provided to or held by the Trustee in trust and as a trustee for the benefit of the Owner. The Trustee acknowledges, covenants and represents that it is acting herein as a trustee in relation to such funds, and is not accepting, holding, administering or applying such funds as a banking depository, but solely as a trustee for and on behalf of the Owner of the 2016-17 TRAns.

SECTION 4.03 Liability of Trustee.

The Trustee makes no representations as to the validity or sufficiency of the Accompanying Document, this Trust Agreement or of any 2016-17 TRAns or as to the security

afforded by the Resolution, this Trust Agreement or the Accompanying Document, and the Trustee shall incur no liability in respect thereof.

SECTION 4.04 Evidence on Which Trustee May Act.

(a) In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action, or doing or not doing anything, as such Trustee, and in any case in which the Resolution, the Accompanying Document or this Trust Agreement provides for permitting or taking any action, it may rely upon any notice, resolution, request, consent, order, waiver, statement, certificate, report, opinion, bond or other paper or document to be furnished to it under the provisions of the Resolution, the Accompanying Document or this Trust Agreement, and any such instrument shall be evidence of such fact to protect it in any action that it may or may not take, or in respect of anything it may or may not do, acting reasonably and in good faith, by reason of the supposed existence of such fact.

(b) The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Resolution, the Accompanying Document or this Trust Agreement, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper City Council or person, or to have been prepared and furnished pursuant to any of the provisions of the Resolution, the Accompanying Document or this Trust Agreement or at the sole cost and expense of the City with the prior written consent of the City, and when determined necessary in the reasonable discretion of the Trustee, as the case may be, upon the written opinion of any attorney (who may be an attorney for the City or an employee of the City) believed by the Trustee, to be qualified in relation to the subject matter.

SECTION 4.05 Indemnification of Trustee.

(a) To the extent permitted by law, the City shall indemnify the Trustee and hold it harmless, from and against any loss, liability or reasonable expense (including the costs and expenses of its counsel and of investigating and defending against any claim of liability) arising out of or in connection with its acting as Trustee under this Trust Agreement; provided, however, that the Trustee shall not be indemnified for or held harmless against any such loss, liability or expense resulting from its negligence, willful misconduct or bad faith. The provision of this Section 4.05 shall remain in full force and effect notwithstanding the resignation or removal of any Trustee or the termination of the Resolution, the Accompanying Document or this Trust Agreement.

(b) Nothing in the Resolution, the Accompanying Document or this Trust Agreement shall require or obligate the Trustee to advance, expend or risk its own funds or otherwise to incur any personal financial liability in the performance or exercise of any of its duties or rights hereunder and the Trustee shall be fully justified and protected in taking or refusing to take any action under the Resolution, the Accompanying Document or this Trust Agreement or the 2016-17 TRANs unless it shall first be indemnified

against any and all liability and expense which may be incurred by it by reason of such taking or refusing to take any such action (other than any liability or expense resulting from its negligence, willful misconduct or bad faith). Notwithstanding the foregoing, the Trustee shall not require indemnification prior to the making, when due, of any payment required at the maturity of the 2016-17 TRAns.

SECTION 4.06 Ownership of the 2016-17 TRAns Permitted.

Subject to Section 305 of the Accompanying Document, any Trustee may become the Owner of any 2016-17 TRAns.

SECTION 4.07 Resignation or Removal of Trustee and Appointment of Successor.

(a) The Trustee may at any time resign and be discharged of the duties and obligations created by this Trust Agreement by giving at least 60 days' prior written notice to the City. Any Trustee may be removed at any time with or without cause by an instrument filed with such Trustee and signed by the City. A successor Trustee may be appointed by the City and shall be a commercial bank with trust powers or a trust company organized under the laws of any state of the United States or a national banking association, having capital and surplus aggregating at least \$100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution, the Accompanying Document or this Trust Agreement. For purposes of this Section, a commercial bank with trust powers or a trust company shall be deemed to have capital and surplus aggregating at least \$100,000,000 if it is a wholly-owned subsidiary of a corporation having capital and surplus aggregating at least \$100,000,000 and such corporation provides a written guaranty, in form and substance satisfactory to the City, of the performance by the bank or trust company of its obligations as Trustee hereunder. Such Trustee shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the City a written acceptance thereof. Resignation or removal of a Trustee shall be effective upon appointment and acceptance of a successor Trustee.

(b) In the event of the resignation or removal of a Trustee, such Trustee shall pay over, assign and deliver any moneys held by it to its successor. In no event shall the resignation or removal of the Trustee become effective prior to the assumption of such resigning or removed Trustee's duties and obligations by a successor Trustee.

SECTION 4.08 Trustee's Right To Exercise Rights & Remedies Under Accompanying Document.

Notwithstanding anything to the contrary in the Accompanying Document, the Trustee agrees to exercise any rights and remedies available to the Owner under the Accompanying Document on behalf of the Owner subject to the following:

(a) Written direction of the Owner(s) holding at least 51% of the unpaid par amount of the 2016-17 TRAns (individually and collectively the 'Directing Owner' and 'Owner Direction'); and

(b) Indemnification of the Trustee to the satisfaction of the Trustee by the Directing Owner on a several (but not joint) basis for the matters to be undertaken set forth in the Owner Direction from and against any reasonable loss, liability or reasonable expense (including the costs and expenses of its counsel and of investigating and defending against any claim of liability) arising out of or in connection with its acting as Trustee under the Owner Direction; provided, however, that the Trustee shall not be indemnified against any such loss, liability or expense resulting from its negligence, willful misconduct or bad faith.

In furtherance of the Trustee's ability to undertake any matters on behalf of the Directing Owner hereunder and under the Accompanying Document and to support any indemnification requested by the Trustee under this Section 4.08, the City agrees that the Trustee is entitled to a lien on any funds held by the Trustee hereunder for the purpose of covering all of the Trustee's fees and expenses (including reasonable attorney's fees) and any source of indemnification payments.

ARTICLE 5 MISCELLANEOUS PROVISIONS

SECTION 5.01 Amendment.

This Trust Agreement may be amended only by an agreement in writing signed by each of the parties hereto; provided, however, that all amendments must be consistent with the provisions of the Resolution and the Accompanying Document.

SECTION 5.02 Assignment.

This Trust Agreement may be assigned by the Trustee only with the prior written consent of the City.

SECTION 5.03 Notices.

Any request, demand; authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the City or the Trustee, respectively, shall be in writing and shall be hand delivered, sent by electronic-mail, facsimile transmission, by first-class United States mail, postage prepaid or such other readily accessible electronic means (so long as such recipient shall agree to the receipt of information by such means), to the addresses set forth below:

If to the City:

City of Compton
205 S. Willowbrook Avenue
Compton, California 90220
Attention: City Manager

If to the Trustee:

U.S. Bank National Association
1420 Fifth Avenue, 7th Floor
Seattle, Washington 98101
Attention: Global Corporate Trust Services

SECTION 5.04 Effect of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 5.05 Successors and Assigns.

All covenants and agreements herein by the City shall bind its successors and assigns, whether so expressed or not.

SECTION 5.06 Severability.

In case any provision herein shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 5.07 Benefits of Agreement.

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

SECTION 5.08 Entire Agreement.

This Trust Agreement, the Resolution, the Direction Letter and the Accompanying Document constitute the entire agreement between the parties hereto and if any conflict exists between this Trust Agreement, the Resolution and the Accompanying Document, the Resolution and the Accompanying Document shall govern.

SECTION 5.09 Counterparts.

This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

SECTION 5.10 Termination.

This Trust Agreement will terminate on the date of final payment of the principal of and interest on the 2016-17 TRANs to the Owner thereof or may be earlier terminated by any party upon 60 days written notice; provided, however, an early termination of this Trust Agreement shall not be effective until (a) a successor Trustee has been appointed by the City and such appointment accepted and (b) notice has been given to the Owner of the 2016-17 TRANs of the appointment of a successor Trustee.

SECTION 5.11 Governing Law.

This Trust Agreement shall be construed in accordance with and governed by the laws of the State of California.

#11.

IN WITNESS WHEREOF, the parties hereto have executed this Trust Agreement as of the day and year first above written.

CITY OF COMPTON

By: _____
Roger L. Haley, City Manager

ATTESTED:

By: _____
Alita Godwin, City Clerk
City Council of City of Compton

APPROVED AS TO FORM:

By: _____
Craig J. Cornwell, City Attorney

[Signature Page of the 2016-17 TRANs Trust Agreement]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
[Greg E. Skutnik, Assistant Vice President]

#11.

EXHIBIT A
Accompanying Document

31343590v3

**ACCOMPANYING DOCUMENT
PROVIDING FOR THE TERMS AND CONDITIONS
OF THE ISSUANCE AND SALE OF
THE CITY OF COMPTON
2016-17 TAX AND REVENUE ANTICIPATION NOTES**

Dated as of July 1, 2016

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**ACCOMPANYING DOCUMENT
PROVIDING FOR THE TERMS AND CONDITIONS OF ISSUANCE AND
SALE OF 2016-17 TAX AND REVENUE ANTICIPATION NOTES**

In connection with the issuance and sale of the 2016-17 Tax and Revenue Anticipation Notes issued by the City of Compton, California (the “City”), the City Manager of the City hereby certifies that such 2016-17 Tax and Revenue Anticipation Notes are issued on the following terms and conditions:

**ARTICLE I.
DEFINITIONS AND STATUTORY AUTHORITY**

SECTION 101 Definitions.

The following terms shall for all purposes of this Accompanying Document have the following meanings:

“Accredited Investor” shall mean an “accredited investor” within the meaning of Rule 501 (a) promulgated under the Securities Act of 1933, as amended (the “1933 Act”).

“Auditor-Controller” shall mean the Auditor-Controller of the County of Los Angeles.

“Authorizing Law” shall mean collectively (1) Article 7.6 of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, being Sections 53850 through 53858, inclusive, as amended and (2) Section 1403 of the City Charter.

“Authorized Newspapers” shall mean The Bond Buyer and two other newspapers customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation, in the City of Compton, California and in the Borough of Manhattan, City and State of New York.

“Authorized Officer” shall mean each of the Mayor, the City Manager, the City Treasurer, the Controller and the City Clerk, and their designees.

“Business Day” shall mean any calendar day other than (i) a Saturday or Sunday; (ii) a day on which banking institutions are authorized or required by law to be closed for commercial banking purposes in either the State of New York or the State of California or the State of Washington; or (iii) a day on which the New York Stock Exchange is closed.

“City” shall mean the City of Compton, California, its successors and assigns.

“City Charter” shall mean the duly enacted Charter of the City, as amended.

“City Clerk” shall mean the duly appointed person performing the duties of the City Clerk, or in the absence or inability of such person to act, any duly appointed deputy City Clerk. “City Council” shall mean the duly elected or appointed members of the City Council of the City.

“City Manager” shall mean the City Manager of the City and any other person designated by the City Manager to act on his or her behalf.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time, and all rules and temporary, proposed or final regulations from time to time promulgated thereunder.

“County” shall mean the County of Los Angeles, California.

“County Collected Revenues” shall mean the Vehicle License Fees and Property Tax 1% of City of Compton TD#1 (Account #132.01) collected by the County on behalf of the City, attributable to the City's current Fiscal Year, which is July 1, 2016 through June 30, 2017 and shall not include any Unavailable Revenue.

“Direction Letter” shall mean the Direction Letter dated July __, 2016 from the City to the County.

“DTC” shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“Event of Default” shall have the meaning assigned to such term in Section 503.

“Federal Securities” shall mean the following securities:

(i) United States Treasury bills, bonds, and notes for which the full faith and credit of the United States are pledged for payment of principal and interest;

(ii) Direct obligations issued by the following agencies of the United States Government: the Federal Farm Credit Bank System, the Federal Home Loan Bank System, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Tennessee Valley Authority;

(iii) Mortgage backed securities (except stripped mortgage securities) issued by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Government National Mortgage Association;

(iv) United States Treasury Obligations, State and Local Government Series; and

(v) Issues guaranteed as to timely payment of principal and interest by the full faith and credit of the Federal Deposit Insurance Corporation.

“Fitch” shall mean Fitch Ratings, located at One State Street Plaza, New York, New York 10004, a corporation organized and existing under the laws of the State of New York, and its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency (other than Moody's or S&P) designated by the City.

“General Fund” shall mean the General Fund of the City.

“Investor Letter” shall mean the letter duly executed and delivered by the Accredited Investor purchasers of Series 2016-17 TRANs in accordance with Section 301 of this Accompanying Document.

“Limited Offering Memorandum” shall mean the Limited Offering Memorandum relating to the 2016-17 TRANs, including any approved supplement or amendment thereto.

“Los Angeles County Treasury Pool” shall mean the County Treasury, in which the Treasurer-Tax Collector of the County of Los Angeles has the delegated authority to invest funds.

“Maturity Date” shall mean June 1, 2017 as set forth in Section 203 hereof.

“Moody's” shall mean Moody's Investors Service, located at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, a corporation organized and existing under the laws of the State of Delaware, and its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency (other than S&P or Fitch) designated by the City.

“Note Purchase Agreement” shall mean the agreement between the City and the Underwriter of the 2016-17 TRANs, together with any amendments thereto.

“Note Register” shall mean the registration books for the 2016-17 TRANs, maintained by the Note Registrar pursuant to Section 302.

“Note Registrar” shall mean U.S. Bank National Association or a substitute or successor Registrar appointed in accordance with this Accompanying Document.

“Opinion of Bond Counsel” shall mean a written opinion of any attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on bonds issued by states and political subdivisions thereof, and duly admitted to practice law before the highest court of any state of the United States of America.

“Outstanding” when used with reference to the 2016-17 TRANs, shall mean, as of any date, all of the 2016-17 TRANs, issued under this Accompanying Document except:

- (i) 2016-17 TRANs, cancelled on or prior to such date;
- (ii) 2016-17 TRANs, for which other 2016-17 TRANs, shall have been delivered in lieu of or in substitution therefor pursuant to Article III hereof; and
- (iii) 2016-17 TRANs, referred to in Section 305 hereof

“Owner” shall mean the Person in whose name any 2016-17 TRANs is registered on the

Note Register.

“Participant” shall mean an entity which is recognized as a participant by the Securities Depository in the book-entry system of maintaining records with respect to the 2016-17 TRANs.

“Paying Agent” shall mean U.S. Bank National Association a national banking association organized and existing under the laws of the United States of America

“Permitted Investments” shall mean, to the extent permitted by law:

- (i) Federal Securities;
- (ii) Commercial Paper having original maturities of not more than the final maturity of the 2016-17 TRANs, payable in the United States of America and issued by corporations that are organized and operating in the United States with total assets in excess of \$500 million and having an “A” or better rating for the issuer's long-term debt as provided by Moody's, S&P, or Fitch and “P-1”, “A-1”, “F1” or better rating for the issuer's short-term debt as provided by Moody's, S&P, or Fitch, respectively.
- (iii) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which have short-term obligations outstanding which are rated by two Rating Agencies in their respective highest short-term rating categories, a long-term debt rating of not less than “A” by a Rating Agency, and a maturity no later than the final maturity of the 2016-17 TRANs.
- (iv) Negotiable or non-negotiable certificates of deposit issued by a nationally- or state-chartered bank or a state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-licensed branch of a foreign bank, in each case which has, or which is a subsidiary of a parent company which has, obligations outstanding having a rating in the “A” category or better from S&P, Moody's, or Fitch.
- (v) Any repurchase agreement with any bank or trust company organized under the laws of any state of the United States or any national banking association, or a state-licensed branch of a foreign bank, having a minimum permanent capital of one hundred million dollars (\$100,000,000) and with short-term debt rated by two Rating Agencies in their respective three highest short-term rating categories or any government bond dealer reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities and obligations described in clause (i) of this definition and having maturities equal to or less than 5 years from the date of delivery, which shall have a market value (valued at least monthly) not less than 102% of the principal amount of such investment.
- (vi) Shares of beneficial interest issued by diversified management companies, known as money market funds which invest in securities described in (i)—(v) above, registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and whose fund has received the highest possible rating from S&P and at least one other Rating Agency.

(vii) Investment Agreements and Guaranteed Investment Contracts: obligations of any institution either (1) the long-term senior unsecured debt or claims-paying ability or financial strength of which, or of any unconditional guarantor of full and timely payment of its obligations thereunder, is rated at least “A-” by S&P or “A3” by Moody's or A-by Fitch, or alternatively, investment agreements and guaranteed investment contracts permitted by California law;

(viii) The Los Angeles County Treasury Pool;

(ix) The Local Agency Investment Fund created pursuant to Section 16429.1 of the Government Code of the State.

“Person” shall mean an individual, corporation, firm, association, partnership, trust or other legal entity, including a governmental entity or any agency or political subdivision thereof.

“Principal Office” shall mean (i) with respect to the City Manager, the principal office of the City Manager in Compton, California, and (ii) with respect to the Trustee, the principal corporate trust office of the Trustee in Seattle, Washington, or the principal corporate trust office of any successor Trustee, provided that for purposes of the surrender, transfer, exchange, payment or registration of the 2016-17 TRANs, the term “Principal Corporate Trust Office” shall mean the designated corporate trust office of the Registrar.

“Rating Agency” shall mean Moody's, S&P, Fitch or any other nationally recognized securities rating agency designated by the City.

“Repayment Amount” shall mean an amount not to exceed \$_____, which amount shall be sufficient to pay principal of and interest on the Notes when due.

“Representation Letter” shall mean one or more letters of representation from the City to, or other instruments or agreements of the City with, a Securities Depository in which the City, among other things, makes certain representations to such Securities Depository with respect to the 2016-17 TRANs, the payment thereof and delivery of notices with respect thereto.

“Resolution” shall mean the “A Resolution of the City Council of the City of Compton authorizing the issuance and sale of Tax and Revenue Anticipation Notes for fiscal year 2016-17 in an aggregate principal amount not to exceed \$_____, authorizing the execution and delivery of the Trust Agreement, the Accompanying Document, the Direction Letter, the Note Purchase Agreement, the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum, the Tax Agreement, the Investor Letter, approving not to exceed parameters for the not to exceed payment terms of the Series 2016-17 TRANs, as from time to time amended by any Supplemental Resolution in accordance with the terms hereof.

“S&P” shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., located at 55 Water Street, New York, New York 10041, a corporation organized and existing under the laws of the State of New York, and its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency (other than Fitch or Moody's) designated by the City.

“Securities Depository” shall mean DTC or any successor as Securities Depository for the 2016-17 TRANs, appointed pursuant to Section 202.

“State” shall mean the State of California.

“Supplemental Document” shall mean any supplemental document amending or supplementing this Accompanying Document in accordance with Article VII.

“Supplemental Resolution” shall mean any resolution amending the Resolution, adopted by the City in accordance with Article VII.

“Tax Certificate” shall mean the Tax Certificate executed by the City on the date of issuance and delivery of the 2016-17 TRANs, as amended from time to time.

“Trust Agreement” shall mean the Trust Agreement dated as of June 1, 2016 by and between the City and the Trustee, together with any authorized amendments thereof or supplements thereto permitted to be made thereunder.

“Trustee” shall mean U.S. Bank National Association a national banking association organized and existing under the laws of the United States of America.

“2016-17 TRANs” shall mean all of the City's 2016-17 Tax and Revenue Anticipation Notes authorized pursuant to the Resolution and issued in accordance with the terms and conditions of this Accompanying Document and the Resolution pursuant to Section 203.

“2016-17 TRANS Proceeds Fund” shall mean the 2016-17 TRANs Proceeds Fund established pursuant to Section 401 hereof.

“2016-17 TRANs Repayment Fund” shall mean the 2016-17 TRANs Repayment Fund established pursuant to Section 402 hereof and caused to be kept by the Trustee for collection and deposit of County Collected Revenue, and other funds so directed for deposit by the City Manager, including the City Sales and Use Tax, for the repayment of the 2016-17 TRANs, including amounts held in the 2016-17 TRANs Repayment Fund and invested in Permitted Investments established in accordance with the Resolution and described in Section 402.

“Underwriter” shall mean IFS Securities, Inc. or any successor thereto.

“Unavailable Revenue” shall mean the revenue described under Section 402 of this Accompanying Document.

“Unrestricted Revenues” shall mean the revenues pledged by the City under the Authorizing Law and pursuant to the Resolution, and described in Section 402, for the security and payment of the 2016-17 TRANs, including the interest thereon in accordance with the provisions herein, whether or not such taxes, income, revenue, cash receipts or other moneys are deposited in the 2016-17 TRANs Repayment Fund and as so described under Section 402 of this Accompanying Document.

“Written Direction” shall mean a written direction from an Authorized Officer.

SECTION 102 Other Definitional Provisions.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa. Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof. Unless otherwise indicated, all references herein to “Articles,” “Sections” or other subdivisions are to the corresponding Articles, Sections or subdivisions of this Accompanying Document; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Accompanying Document as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 103 Authority for Accompanying Document.

This Accompanying Document is executed and delivered pursuant to and in connection with the Resolution.

SECTION 104 Timing of Actions.

Whenever in this Accompanying Document there is designated a time of day at or by which a certain action must be taken, such time shall be local time in New York, New York except as otherwise specifically provided herein.

SECTION 105 Accompanying Document to Constitute Contract.

In consideration of the purchase and acceptance by the Owner of any and all of the 2016-17 TRANs to be issued hereunder from time to time, this Accompanying Document shall be deemed to be and shall constitute a contract between the City and the Owner from time to time of the 2016-17 TRANs. The pledge made in this Accompanying Document and the covenants and agreements herein set forth to be performed by and on behalf of the City shall be for the equal benefit, protection and security of the Owner of any and all of the 2016-17 TRANs, all of which shall be of equal rank without preference, priority, privilege or distinction of any of the 2016-17 TRANs over any other thereof, except as expressly provided in or permitted by this Accompanying Document.

ARTICLE II.

AUTHORIZATION AND ISSUANCE OF 2016-17 TRANs

SECTION 201 Authorization, Form and Date of 2016-17 TRANs.

1. The 2016-17 TRANs have been authorized to be issued pursuant to the Resolution and are entitled to the benefit, protection and security thereof. The 2016-17 TRANs shall be issued in an aggregate principal amount of \$_____ and shall bear interest as set forth in Section 203. The 2016-17 TRANs shall be issued in anticipation of the receipt by the City of Unrestricted Revenues attributable to the City's current Fiscal Year, which is July 1, 2016 to June 30, 2017. Such notes shall be designated as, and shall be securities distinguished from all other issues of the City by the title “2016-17 Tax and Revenue Anticipation Notes” or “2016-17 TRANs.”

2. The 2016-17 TRANs shall be issued in fully registered form, without coupons and in the principal amount of the Notes in book-entry only form pursuant to Section 202 of this Accompanying Document. The City hereby certifies and recites that all acts, conditions and things required by law, the Resolution and this Accompanying Document to exist, to have happened, and to have been performed precedent to and during the issuance of the 2016-17 TRANs do exist, have happened and have been performed in due time, form and manner, as required by law and the Resolution and this Accompanying Document. The 2016-17 TRANs shall be in substantially the form attached hereto as Exhibit A which form is hereby approved and adopted as the form of the 2016-17 TRANs.

3. Interest shall be payable on the Maturity Date to the Owner at the address as it appears in the Note Register or, at the request of an Owner, by wire transfer of immediately available funds in lawful money of the United States of America, at maturity. Except as otherwise provided in a Representation Letter, principal of and interest on the 2016-17 TRANs due at the maturity date shall be payable in lawful money of the United States of America upon surrender of the 2016-17 TRANs at the Principal Office of the Trustee. The 2016-17 TRANs so surrendered to the Trustee on any Business Day at or prior to 12:00 noon at the office of the Trustee, shall be paid in funds immediately available on such Business Day. The 2016-17 TRANs so surrendered to the Trustee on any Business Day after 12:00 noon shall be paid on the next succeeding Business Day in funds immediately available on such succeeding Business Day.

4. The 2016-17 TRANs shall not be subject to redemption prior to maturity.

SECTION 202 Book-Entry Notes.

1. Subject to any limitation on maximum principal amount imposed by DTC, the 2016-17 TRANs shall be initially issued in the form of a fully registered, single note without coupons, in denominations of \$100,000, and upon initial issuance, the ownership of such 2016-17 TRANs shall be registered in the Note Register in the name of Cede & Co., as nominee of DTC, the initial Securities Depository. Except as provided in subsection 5 of this Section, all of the 2016-17 TRANs shall be registered in the Note Register in the name of Cede & Co., or such other nominee of DTC or any successor Securities Depository or the nominee thereof, as shall be specified pursuant to a Representation Letter.

2. With respect to the 2016-17 TRANs, registered in the Note Register in the name of the Securities Depository, or its nominee, the City and the Trustee shall have no responsibility or obligation to any Participant or to any Person on behalf of which such a Participant holds an interest in any such 2016-17 TRANs. Without limiting the immediately preceding sentence, the City and the Trustee shall have no responsibility, obligation or liability with respect to (a) the accuracy of the records of the Securities Depository, the nominee of the Securities Depository or any Participant with respect to any ownership interest in the 2016-17 TRANs, (b) the delivery to any Participant or any other Person, other than an Owner as shown in the Note Register, of any notice with respect to the 2016-17 TRANs, or (c) the payment to any Participant or any other Person, other than an Owner as shown in the Note Register, of any amount with respect to principal of or interest on the 2016-17 TRANs. The City may treat and consider the Person in whose name any 2016-17 TRANs is registered in the Note Register as the Owner and absolute owner of such 2016-17 TRANs, for the purpose of payment of principal of and interest on such

2016-17 TRANs, and for all other purposes whatsoever.

3. The Trustee shall pay all principal of and interest on the 2016-17 TRANs, only to or upon the order of the Owner, as shown in the Note Register on the Maturity Date thereof, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the obligations with respect to the payment of principal of and interest on the 2016-17 TRANs, under this Accompanying Document and the 2016-17 TRANs, to the extent of the sums so paid. Upon delivery by the Securities Depository to the City Manager of written notice to the effect that the Securities Depository has determined to substitute a new nominee, the word "nominee" in this Accompanying Document shall refer to such new nominee of the Securities Depository.

4. In order to qualify the 2016-17 TRANs for the Securities Depository's book-entry system, the City Manager has been authorized to execute and deliver, or has executed and delivered, on behalf of the City to the Securities Depository a Representation Letter or Representation Letters representing such matters as shall be necessary to so qualify such 2016-17 TRANs. The execution and delivery of the Representation Letter or Representation Letters shall not in any way limit the provisions of subsection 2 of this Section or in any other way impose upon the City any obligation or liability whatsoever with respect to Persons having interests in the 2016-17 TRANs, other than the Owner as shown in the Note Register. In addition to the execution and delivery of the Representation Letter or Representation Letters, the City Manager and all other officers of the City, and their authorized representatives, are each hereby authorized and directed to take any other actions as they deem necessary or desirable, not inconsistent with this Accompanying Document, to qualify such 2016-17 TRANs, for the Securities Depository's book-entry program.

5. In the event (a) the incumbent Securities Depository determines not to continue to act as Securities Depository for the 2016-17 TRANs, or (b) the City determines that the incumbent Securities Depository shall no longer so act, and delivers a written certificate to the incumbent Securities Depository to that effect, then the City will discontinue the book-entry system for the 2016-17 TRANs with the incumbent Securities Depository. If the City determines to replace the incumbent Securities Depository with another qualified Securities Depository, the City shall prepare or direct the preparation of and execute, and the Trustee shall authenticate and deliver, subject to any limitation on maximum principal amount imposed by the successor Securities Depository, a new single, separate fully-registered note (which may be typewritten) for the aggregate outstanding principal amount of the 2016-17 TRANs, held by the incumbent Securities Depository, registered in the name of such successor or substitute qualified Securities Depository or its nominee, or make such other arrangement reasonably acceptable to the City and the successor Securities Depository as are not inconsistent with the terms of this Accompanying Document. If the City fails to identify another qualified successor Securities Depository to replace the incumbent Securities Depository, then the 2016-17 TRANs shall no longer be restricted to being registered in the Note Register in the name of the Securities Depository or its nominee, but shall be registered in whatever name or names the Securities Depository or its nominee shall designate. In such event the City shall prepare or direct the preparation of and execute, and the Trustee shall authenticate and deliver to the Owner thereof, such 2016-17 TRANs as are necessary or desirable to carry out the transfers and exchanges provided in this Section and Section 302. All such 2016-17 TRANs shall be in fully registered

form in the denomination authorized pursuant to Section 201.

6. Notwithstanding any other provision of this Accompanying Document to the contrary, so long as any 2016-17 TRANS are registered in the name of the Securities Depository or its nominee, all notices and payments with respect to principal of and interest on such 2016-17 TRANS, shall be given and made, respectively, as provided in a Representation Letter or as otherwise instructed by the Securities Depository.

SECTION 203 Terms of the 2016-17 TRANS.

The 2016-17 TRANS shall be dated the date of issuance and delivery thereof. Interest shall be paid on the Maturity Date for the 2016-17 TRANS. The 2016-17 TRANS shall bear interest computed on the basis of a 360-day year comprised of 12 months of 30 days each. The 2016-17 TRANS shall mature on June 1, 2017 and bear interest at the rate of [two] and [two] tenths percent ([2.20] %) per annum.

ARTICLE III. GENERAL TERMS AND PROVISIONS OF 2016-17 TRANS

SECTION 301 Execution of 2016-17 TRANS; Authentication.

1. The 2016-17 TRANS shall be executed in the name of the City by the manual or facsimile signature of the City Manager and the City Clerk of the City, and the City's seal shall be impressed, imprinted, engraved or otherwise reproduced thereon. No 2016-17 TRANS shall be entitled to any benefit under the Resolution or this Accompanying Document or be valid or obligatory for any purpose, unless there appears on such 2016-17 TRANS, a certificate of authentication substantially in the form provided for herein executed by the manual signature of the Trustee. Such certificate upon any 2016-17 TRANS, shall be conclusive evidence, and the only evidence, that such 2016-17 TRANS, have been duly issued, authenticated and delivered hereunder.

2. In case any one or more of the officers who shall have signed or sealed any of the 2016-17 TRANS, shall cease to be such officer before the 2016-17 TRANS so signed and sealed shall have been issued, such 2016-17 TRANS, so signed and sealed may nevertheless be issued, as herein provided, as if such persons who signed or sealed such 2016-17 TRANS had not ceased to hold such offices. Any of the 2016-17 TRANS may be signed and sealed on behalf of the City by such persons as at the time of the execution of such 2016-17 TRANS shall be duly authorized to hold or shall hold the proper office in the City, although on the date borne by the 2016-17 TRANS, such persons may not have been so authorized or have held such office.

SECTION 302 Negotiability, Transfer and Exchange.

1. The Note Registrar shall keep at its Principal Office sufficient books for the registration of transfer and exchange of the 2016-17 TRANS as to which it serves as Note Registrar, which shall at all times be open to inspection by the City upon reasonable notice, and upon presentation for such purpose the Note Registrar shall, under such reasonable regulations as it may prescribe, register or transfer 2016-17 TRANS on such books as hereinafter provided.

2. The 2016-17 TRANS shall be initially held by, and subsequently transferred to, only an Accredited Investor and the maximum number of Accredited Investor Owners shall be thirty-five (35). Prior to purchasing any 2016-17 TRANS, each holder of the 2016-17 TRANS shall execute an Investment Letter, the form of which is attached to the Limited Offering Memorandum as an exhibit. The 2016-17 TRANS may not be transferred or exchanged except as provided herein.

3. The City and the Trustee may deem and treat the Owner of any 2016-17 TRANS as the absolute owner of such 2016-17 TRANS, regardless of whether such 2016-17 TRANS, shall be overdue, for the purpose of receiving payment thereof and for all other purposes, and all such payments so made to any such Owner or upon such Owner's order shall be valid and effective to satisfy and discharge the liability upon such 2016-17 TRANS, to the extent of the sum or sums so paid, and neither the City nor any Trustee shall be affected by any notice to the contrary. The City agrees, to the extent permitted by law, to indemnify and hold the Trustee harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under this Accompanying Document, in so treating such Owner.

4. The 2016-17 TRANS shall not be exchangeable for other 2016-17 TRANS, except as provided in Section 202, this Section 302 and Section 303.

SECTION 303 2016-17 TRANS, Mutilated, Destroyed, Stolen or Lost.

In case any 2016-17 TRANS shall become mutilated or be destroyed, stolen or lost, the City shall issue new 2016-17 TRANS, of like principal amount, denomination and tenor as the 2016-17 TRANS, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated 2016-17 TRANS, or in lieu of and substitution for the 2016-17 TRANS, destroyed, stolen or lost, upon the filing with the Trustee and the City of evidence satisfactory to the Trustee and the City that such 2016-17 TRANS have been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Trustee and the City with indemnity satisfactory to the Trustee and the City and complying with such other reasonable regulations as the Trustee and the City may prescribe and paying such expenses as the Trustee and the City may incur. All 2016-17 TRANS so surrendered shall be cancelled. Any such substitute 2016-17 TRANS shall constitute original contractual obligations on the part of the City, whether or not the 2016-17 TRANS alleged to be destroyed, stolen or lost are at any time enforceable by anyone. Such substitute 2016-17 TRANS shall be equally secured by and entitled to equal and proportionate benefits with all other 2016-17 TRANS issued under the Resolution and this Accompanying Document in any moneys or securities held by the City or the Trustee for the benefit of the Owner of the 2016-17 TRANS.

SECTION 304 Cancellation of the 2016-17 TRANS.

All 2016-17 TRANS which at or after maturity are surrendered to the Trustee for the collection of the principal thereof and interest thereon shall be cancelled by the Trustee and forthwith destroyed by the Trustee. The Trustee shall promptly deliver to the City a certificate specifying the cancellation and destruction of such 2016-17 TRANS. In all matters provided for in this Section, the City shall act through the City Manager.

SECTION 305 2016-17 TRANS Held by City.

If the City shall become the Owner of any 2016-17 TRANS, such 2016-17 TRANS shall no longer be deemed Outstanding and shall be surrendered to the Trustee for cancellation; provided, however, that the City shall not be deemed to be the Owner of any 2016-17 TRANS, held by it in a fiduciary capacity.

**ARTICLE IV.
ESTABLISHMENT OF 2016-17 TRANS PROCEEDS FUND AND
REPAYMENT FUND AND APPLICATION THEREOF**

SECTION 401 Use of Proceeds of 2016-17 TRANS.

1. The City Manager shall cause the Trustee to establish and the Trustee shall establish the “2016-17 TRANS Proceeds Fund.” The proceeds of sale of the 2016-17 TRANS shall be transferred to the Trustee and deposited in the 2016-17 TRANS Proceeds Fund. The City Manager shall cause the Trustee to make disbursements and the Trustee shall make disbursements from the 2016-17 TRANS Proceeds Fund to pay current Fiscal Year 2016-17 expenditures and to discharge other obligations or indebtedness of the City in accordance with written direction of the City. Amounts on hand in the 2016-17 TRANS Proceeds Fund shall be accounted for separately from the other funds of the Trustee in accordance with standard accounting practices of the Trustee for such a separate account and shall be invested in Permitted Investments, so as to be available for the aforementioned disbursements. The Trustee shall keep a written record of all investments and investment earnings (including any investment of earnings) of amounts in the 2016-17 TRANS Proceeds Fund, as well as a written record of disbursements from the 2016-17 TRANS Proceeds Fund.

2. Without limiting the generality of subsection 1 of this Section, the City Manager is authorized to cause the Trustee to pay the fees and reasonable expenses incurred in connection with the authorization, sale and issuance of the 2016-17 TRANS out of moneys in the 2016-17 TRANS Proceeds Fund or any account in the General Fund of the City.

SECTION 402 Payment and Security for the 2016-17 TRANS.

Pursuant to the Resolution, the City Manager shall cause to be established by the Trustee the “2016-17 TRANS Repayment Fund.” The City Manager shall cause to be established by the Trustee any additional subaccounts therein if deemed necessary to effectuate the purposes of the Resolution. Amounts on hand in the 2016-17 TRANS Repayment Fund shall be accounted for separately from the other funds of the Trustee in accordance with standard accounting practices of the Trustee for such a separate account and shall be invested in Permitted Investments, so as to be available for use for any authorized disbursements. As provided in the Authorizing Law, the 2016-17 TRANS, and the interest thereon, are general obligations of the City, payable from certain unencumbered moneys, including the taxes, income, revenues, cash receipts, and other moneys deposited in inactive or term deposits, received or accrued by the City during Fiscal Year 2016-17 that are lawfully available for such purpose (collectively, the “Unrestricted Revenue”). Taxes, income, revenues, cash receipts and other moneys received by the City and encumbered for a special purpose shall not be available for payment of the 2016-17 TRANS (the

“Unavailable Revenue”), unless an equivalent amount of the proceeds from the 2016-17 TRANs is set aside for and used for said special purpose. Unavailable Revenue shall include, but not be limited to: funds collected by or on behalf of the City for the City retirement fund, water fund and street lighting fund.

SECTION 403 County Collected Revenues.

Pursuant to the Resolution, the Authorizing Law, this Accompanying Document and the Letter of Direction, the City has authorized the County to send to the Trustee (by wire or ACH transfer) for deposit, and the Trustee to accept and deposit, into the 2016-17 TRANs Repayment Fund, 100% of the County Collected Revenues on a monthly basis in accordance with this Section 403 and the transfer instructions set forth in the Letter of Direction and Exhibit C thereto.

The City has further directed the County to deliver to the Trustee all County Collected Revenues, and any other funds so directed for deposit by the City Manager, for deposit in the 2016-17 TRANs Repayment Fund held by the Trustee, for subsequent application per the terms of the Trust Agreement, until such time as the total amounts deposited and held in the 2016-17 TRANs Repayment Fund, from any source, equal the Repayment Amount.

To the extent that any amounts received pursuant to the foregoing paragraphs are less than the Repayment Amount, the City Manager shall cause to be deposited into, and the Trustee shall deposit into the 2016-17 TRANs Repayment Fund, no later than the Business Day prior to the Maturity Date, Unrestricted Revenues, and additional amounts from any other moneys of the City lawfully available therefor, until the amount on deposit in the 2016-17 TRANs Repayment Fund equals the Repayment Amount. To the extent any 2016-17 TRANs is not paid from the County Collected Revenue, such 2016-17 TRANs shall be paid, with the interest thereon, from Unrestricted Revenues, including City Sales and Use Tax, and any other moneys of the City lawfully available therefor. As provided in the Authorizing Law, the 2016-17 TRANs, and the interest thereon, are a first lien and charge against and are payable from the first moneys received by the City from such pledged moneys.

On the Maturity Date, the City shall cause the Trustee to pay and the Trustee shall pay from the 2016-17 TRANs Repayment Fund the principal and interest due on the 2016-17 TRANs so maturing on the Maturity Date, and such moneys in the 2016-17 TRANs Repayment Fund may not be used for any other purpose, although earnings may be invested in Permitted Investments so as to be available for disbursement and in no event for a term that exceeds the term of the 2016-17 TRANs, and earnings on amounts in the 2016-17 TRANs Repayment Fund shall be deposited as and when received into any account in the General Fund of the City as the City Manager may direct in a Written Direction. Any amounts remaining in the 2016-17 TRANs Repayment Fund after payment in full of principal of and interest on the 2016-17 TRANs, shall be the sole and exclusive property of the City, shall not be subject to any claims by or on behalf of any Owner of 2016-17 TRANs, and shall be transferred by the Trustee to the City for deposit into any account in the General Fund of the City as the City Manager may direct in a Written Direction.

The City does hereby grant a security interest in, convey, bargain, pledge, transfer and

assign unto the Trustee, all of the City's right, title, and interest in and to the Unrestricted Revenues, including the County Collected Revenues, whether or not such County Collected Revenues or Unrestricted Revenues have been deposited into the 2016-17 TRANs Repayment Fund, and the City will cause the security interest granted hereby in the Unrestricted Revenues to be perfected, pursuant to applicable law. Upon the final payment of the principal of and interest on the 2016-17 TRANs, the security interest created herein shall automatically terminate and the Trustee is directed to make appropriate filings to evidence such termination.

ARTICLE V. CERTAIN COVENANTS; EVENTS OF DEFAULT AND REMEDIES

SECTION 501 General Covenants and Representations.

1. The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of the Authorizing Law, the Resolution, the Trust Agreement, the Direction Letter and this Accompanying Document.

2. Upon the date of issuance of the 2016-17 TRANs all conditions, acts and things required of the City by law, the Resolution and this Accompanying Document to exist, to have happened and to have been performed precedent to and during the issuance of the 2016-17 TRANs, shall exist, shall have happened and shall have been performed, in due time, form and manner, and the issue of the 2016-17 TRANs, together with all other indebtedness of the City, shall be within all applicable debt and other limits prescribed by the laws of the State as of the date of such issuance.

3. The 2016-17 TRANs do not exceed, and the City shall not issue any notes, or otherwise incur any indebtedness, pursuant to the Authorizing Law with respect to Fiscal Year 2016-17 in an amount which, when added to the interest payable thereon, shall exceed, either 85% of the estimated amount of the then-uncollected taxes, income, revenue, cash receipts and other moneys of the City which will be available for the payment of said notes or other indebtedness and the interest thereon; provided, however, that to the extent that any principal of or interest on such notes or other indebtedness is secured by a pledge of the amount in any inactive or term deposit of the City, the term of which shall terminate during said Fiscal Year, such principal and interest may be disregarded in computing said limit.

SECTION 502 Covenants Relating to the Code.

The City shall do the following with respect to the 2016-17 TRANs:

1. The City shall comply with each applicable requirement of the Code necessary to maintain the exclusion of interest on the 2016-17 TRANs from gross income for federal income tax purposes. To this end, the City agrees to comply with the provisions of the Tax Certificate. The City shall make all calculations as provided in the Tax Certificate relating to any rebate of excess investment earnings on the 2016-17 TRANs proceeds due to the United States Department of Treasury in a reasonable and prudent fashion and shall segregate and set aside the amounts such calculations indicate may be required to be paid to the United States Department

of Treasury.

2. Notwithstanding any other provisions of this Accompanying Document to the contrary, so long as necessary to maintain the exclusion from gross income of interest on the 2016-17 TRANs, for federal income tax purposes, the covenants contained in this Section shall survive the payment of the 2016-17 TRANs, and the interest thereon.

3. Notwithstanding any other provision of this Accompanying Document to the contrary, upon the City's material failure to observe or refusal to comply with the covenants contained in this Section, the Owner, and any adversely affected former Owner, shall be entitled to the rights and remedies provided to Owner under this Accompanying Document.

SECTION 503 Events of Default and Remedies.

1. The following shall be Events of Default under the Resolution and this Accompanying Document and the term "Event of Default" whenever used in this Accompanying Document shall mean any one or more of the following:

(a) default shall be made in the due and punctual payment of the principal of, or interest on any 2016-17 TRANs when and as the same shall become due and payable; or

(b) default shall be made in the performance or observance by the City of any other of the material covenants, agreements or conditions required to be performed or observed by the City pursuant to the Resolution, this Accompanying Document or any 2016-17 TRANs, and such default shall continue for a period of 60 days after written notice thereof to the City by the Owner of not less than 10% in principal amount of the 2016-17 TRANs Outstanding.

2. Whenever any Event of Default shall have happened and shall be continuing, the Owner, and any adversely affected former Owner, of the 2016-17 TRANs, and their legal representatives, shall be entitled to take any and all actions available at law or in equity to enforce the performance of the covenants herein and in the Authorizing Law. Nothing herein shall preclude an individual Owner from enforcing his or her rights to payment of principal of or interest on 2016-17 TRANs.

SECTION 504 Trustee Direction of Rights and Remedies.

Notwithstanding any section of this Accompanying Document to the contrary, the Trustee shall be deemed to be the sole holder of the 2016-17 TRANs and the sole Owner for the purpose of exercising any rights or privileges or remedies, or giving any consent or any direction, or taking any other action that the Owner is entitled to take pursuant to, and under the terms of, this Trust Agreement.

ARTICLE VI. SUPPLEMENTAL RESOLUTIONS AND ACCOMPANYING DOCUMENT

SECTION 601 Supplemental Resolutions and Accompanying Document Effective Without Consent of the Owner.

A Supplemental Resolution of the City may be adopted, or a supplemental Accompanying Document may be executed, for any one or more of the following purposes, which, without the requirement of consent of the Owner, shall be fully effective in accordance with its terms:

(a) to add to the covenants and agreements of the City in the Resolution or this Accompanying Document, as the case may be, other covenants and agreements to be observed by the City that are not contrary to or inconsistent with the Resolution or this Accompanying Document as theretofore in effect;

(b) to add to the limitations and restrictions in the Resolution or this Accompanying Document as the case may be, other limitations and restrictions to be observed by the City that are not contrary to or inconsistent with the Resolution or this Accompanying Document as theretofore in effect;

(c) to confirm as further assurance, any pledge under, and subject to any lien or pledge created or to be created by, the Resolution or this Accompanying Document, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution or this Accompanying Document;

(d) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution or this Accompanying Document, as the case may be, as theretofore in effect; and

(e) to supplement or amend the Resolution or this Accompanying Document, as the case may be, in any other respect, provided that the City obtains an Opinion of Bond Counsel to the effect that such Supplemental Resolution or supplemental Accompanying Document does not adversely affect the interests of the Owner.

SECTION 602 Supplemental Accompanying Document.

Except as provided in Section 601 hereof, any amendment of or supplement to this Accompanying Document and of the rights and obligations of the City and of the Owner of the 2016-17 TRANs under this Accompanying Document may be made by a supplemental Accompanying Document with the written consent of the Owner of at least a majority in principal amount of the 2016-17 TRANs Outstanding at the time such consent is given; provided, however, that if such supplement or amendment will, by its terms, not take effect so long as any 2016-17 TRANs of any particular Series remain Outstanding, the consent of the Owner of such Series shall not be required. No such supplement or amendment shall permit a change in the terms of maturity of the principal of any 2016-17 TRANs, or of the interest rate thereon or a reduction in the principal amount thereof, or shall change the dates or amounts of the pledges set forth in Section 402, or shall reduce the percentage of Owners required to approve any such supplemental Accompanying Document, without the consent of all of the Owners of affected 2016-17 TRANs, nor shall any such supplement or amendment change or modify any of the rights or obligations of any Trustee, if applicable, without its written consent thereto. The City shall provide any Rating Agency then rating the 2016-17 TRANs, notice of any Supplemental Accompanying Document or Supplemental Resolution.

ARTICLE VII. MISCELLANEOUS

SECTION 701 Moneys Held in Trust for One Year.

Anything in this Accompanying Document to the contrary notwithstanding, any moneys held in trust for the payment and discharge of any of the 2016-17 TRANs that remain unclaimed for a period of one year after the date when such 2016-17 TRANs have become due and payable, if such moneys were so held at such date, or for one year after the date of deposit of such moneys if deposited after the date when such 2016-17 TRANs, became due and payable, shall be repaid to the City, as its absolute property and free from trust, and the Owner shall thereafter look only to the City for the payment of such 2016-17 TRANs, from lawfully available funds; provided, however, that before any such payment is made to the City, the City shall create (and shall thereafter maintain until payment of all of the 2016-17 TRANs) a record of the amount so repaid, and the City shall cause to be published at least twice, at any interval of not less than seven days between publications, in the Authorized Newspapers, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed shall be returned to the City.

SECTION 702 Certified Copies.

The City Clerk shall provide a certified copy of this Accompanying Document to the City Manager who is hereby authorized and directed to take such action as shall be necessary to assure compliance by the City with the terms and conditions hereof.

SECTION 703 Funds, Accounts and Subaccounts.

Any fund, account or subaccount required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account, subaccount or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account, subaccount or a fund; but all such records with respect to all such accounts, subaccounts and funds shall at all times be maintained in accordance with corporate trust industry practice and with due regard for the protection of the security of the 2016-17 TRANs, and the rights of the Owners with respect to the 2016-17 TRANs.

SECTION 704 Article and Section Headings and References.

The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Accompanying Document as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 705 Partial Invalidity.

If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the City or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the 2016-17 TRANs and the Owner with respect to the 2016-17 TRANs shall retain all the benefit, protection and security afforded to them hereunder or any applicable provisions of law. The City and the Trustee hereby declare that they would have executed and delivered this Accompanying Document and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the 2016-17 TRANs pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 706 Execution in Several Counterparts.

This Accompanying Document may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the City and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 707 Governing Law.

This Accompanying Document shall be interpreted, governed and enforced in accordance with the laws of the State of California. If any party to this Accompanying Document initiates any legal or equitable action to enforce the terms of this Accompanying Document, to declare the rights of the parties under this Accompanying Document or which relates to this Accompanying Document in any manner, each such party agrees that the place of making and for performance of this Accompanying Document shall be Los Angeles County, State of California, and the proper venue for any such action shall be the Superior Court of the State of California, in and for the County of Los Angeles.

SECTION 708 Notices.

All approvals, authorizations, consents, demands, designations, notices, offers, requests, statements or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States first class mail, postage prepaid or if sent by overnight delivery service.

#11.

IN WITNESS WHEREOF, I have set my hand onto this Accompanying Document Providing for the Terms and Conditions of Issuance and Sale of 2016-17 Tax and Revenue Anticipation Notes dated as of the day and year first above written.

CITY OF COMPTON

By: _____
Roger L. Haley
City Manager

APPROVED AS TO FORM
CRAIG J. CORNWELL

By: _____
Craig J. Cornwell
City Attorney

[Signature Page to 2016-17 TRANS Accompanying Document)

ACKNOWLEDGED AND AGREED TO

BY: **U.S. BANK NATIONAL ASSOCIATION,**
as Trustee

By:

Greg Skutnik
Assistant Vice President

[Signature Page to 2016-17 TRANs Accompanying Document]

#11.

ACKNOWLEDGED AND AGREED TO

BY: **COUNTY OF LOS ANGELES,**

By: _____
Name: Auditor-Controller

[Signature Page to 2016-17 TRANs Accompanying Document]

EXHIBIT A

FORM OF NOTE

THIS NOTE MAY NOT BE EXCHANGED OR TRANSFERRED EXCEPT AS PROVIDED IN THE RESOLUTION AND ACCOMPANYING DOCUMENT DESCRIBED HEREIN. THE NOTES ARE NOT TRANSFERABLE EXCEPT TO AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501A UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE PURCHASERS OF THE NOTES WILL BE REQUIRED TO EXECUTE AN INVESTMENT LETTER.

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
CITY OF COMPTON
2016-17 TAX AND REVENUE ANTICIPATION NOTES**

<u>Interest Rate</u> ____ %	<u>Dated Date</u> July __, 2016	<u>Maturity Date</u> June 1, 2017	<u>CUSIP Number</u> _____
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Registered Owner: Cede & Co.

Principal Amount: \$ _____

Note Number: R-1

The City of Compton, a political subdivision of the State of California (herein called the “City”), acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner hereof; or registered assigns, interest at the Interest Rate specified above and the Principal Amount on the Maturity Date upon presentation and surrender of this note at the Principal Office of U.S. Bank National Association, as Trustee (the “Trustee”), in lawful money of the United States of America. Interest on this Note shall accrue from the Dated Date set forth above and shall be computed on the basis of a 360-day year comprised of 12 months of 30 days.

This Note is one of a duly authorized issue of notes of the City designated as its “Tax and Revenue Anticipation Notes” (the “Notes”), issued in an aggregate principal of \$ _____ in full compliance with the Constitution and statutes of the State of California, particularly Article 7.6 of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code being Sections 53850 to 53858, inclusive, as amended and Section 1403 of the City Charter of the City (collectively, the “Authorizing Law”) and under and pursuant to the resolution of the City Council of the City, adopted on June __, 2016, entitled “A Resolution of the City Council of the City of Compton authorizing the issuance and sale of Tax and Revenue Anticipation Notes for Fiscal Year 2016-17 in an aggregate principal amount not to exceed \$ _____, authorizing the execution and delivery of the Trust Agreement, the Accompanying Document, the Direction Letter, the Note Purchase Agreement, the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum, the Tax Agreement, the Investor Letter, approving not to exceed parameters for the not to exceed payment terms of the Series 2016-17 TRANS, the adoption of post issuance tax compliance procedures and authorizing other related matters” (such

resolution, as the same may be amended or supplemented from time to time, is herein called the “Resolution”), and is issued on the terms and conditions set forth in the Accompanying Document, dated as of July 1, 2016, entitled “Accompanying Document Providing for the Terms and Conditions of the Issuance and Sale of the City of Compton 2016-17 Tax and Revenue Anticipation Notes” (as the same may be amended or supplemented from time to time, is herein called the “Accompanying Document”). Capitalized terms used and not otherwise defined shall have the meanings given such terms in the Accompanying Document. Copies of the Resolution and the Accompanying Document are on file at the office of the Clerk of the City Council, and reference to the Resolution and any and all supplements thereto and modifications and amendments thereof, to the Accompanying Document and any and all supplements thereto and modifications and amendments thereof, and to the Authorizing Law is made for a complete statement of such terms and conditions.

The 2016-17 TRANs and the interest thereon are ratably secured by a pledge, and accompanying security interest granted, by the City of certain unrestricted taxes, income, revenue, cash receipts and other moneys attributable solely to the City's Fiscal Year 2016-17, as more fully described in the Accompanying Document. In accordance with California law, the 2016-17 TRANs are general obligations of the City but payable from taxes, income, revenues, cash receipts and other moneys of the City, including moneys deposited in inactive or term deposits (but excepting certain moneys which, when received by the City, will be encumbered for a special purpose unless an equivalent amount of the proceeds from said Notes is set aside for and used for said special purpose) received or accrued by the City during Fiscal Year 2016-17 that are lawfully available for payment of the 2016-17 TRANs and the interest thereon (collectively, the “**Unrestricted Revenues**”). Pursuant to the Authorizing Law and the Direction Letter, the City has directed from the Unrestricted Revenues available for the payment of principal of and interest on the 2016-17 TRANs, the County Collected Revenues to be deposited directly in the TRANs Repayment Fund (as defined in the Accompanying Document) as additional security for the 2016-17 TRANs. The City Manager shall cause to be deposited into the 2016-17 TRANs Repayment Fund (subject to the provisions set forth in the Accompanying Document) all County Collected Revenues allocated or attributable to the City until the amounts in the 2016-17 TRANs Repayment Fund, from any source, shall equal the Repayment Amount. To the extent not paid from the Unrestricted Revenues pledged for the repayment thereof as more fully described in the Accompanying Document, the 2016-17 TRANs shall be paid with the interest thereon from other moneys of the City lawfully available therefor, including the City's sales and use tax.

The 2016-17 TRANs may not be exchanged for other Notes except as provided in the Accompanying Document.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution and the Accompanying Document, or any supplemental resolution amending the Resolution and the Accompanying Document, may be amended by the City; provided, however, that no such amendment shall permit a change in the terms of maturity, the principal of any Note or of the then prevailing interest thereon or a reduction in the principal amount thereof without the consent of the owners of such Notes or shall reduce the percentage of Notes the consent of the owners of which is required to effect any such amendment or change the dates or amounts of the pledges set forth in the Resolution

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution and the Accompanying Document to exist, to have happened and to have been performed precedent to and during the issuance of the 2016-17 TRANS, do exist, have happened and have been performed, in due time, form and manner, as required by law and the Resolution and the Accompanying Document, and that the 2016-17 TRANS, together with all other indebtedness of the City, is within every debt and other limit prescribed by the laws of the State of California.

#11.

IN WITNESS WHEREOF, the CITY OF COMPTON has caused this Note to be signed in its name and on its behalf by the manual or facsimile signature of the City Manager of the City and attested to by the City Clerk as of the Dated Date set forth above,

CITY OF COMPTON

By: _____
Roger L. Haley
City Manager

ATTEST:

By: _____
Alita Godwin
City Clerk

CERTIFICATE OF AUTHENTICATION

This Note is the 2016-17 TRANS delivered pursuant to the within-mentioned Resolution.

Date of Authentication: July __, 2016

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Greg Skutnik
Assistant Vice President

ASSIGNMENT

FOR VALUE RECEIVED _____ hereby sell(s), assign(s) and transfer(s) unto _____ the within Note and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the Note Registrar of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature of Registered Owners: _____

Signature Guaranteed by: _____

NOTICE: The signature to this assignment must correspond with the name as it appear upon the face of the within Note in every particular, without alteration or enlargement or any change whatever and must be guaranteed by a commercial bank, trust company, or a member firm of the New York Stock Exchange.

IRREVOCABLE / UNCONDITIONAL DIRECTION LETTER

July __, 2016

City of Compton
205 S. Willowbrook Avenue
Compton, California 90220
Attention: City Treasurer

County of Los Angeles
500 West Temple Street, Room 525
Kenneth Hahn Hall of Administration
Los Angeles, California 90012
Attention: Department of the Auditor-Controller

U. S. Bank National Association
1420 5th Avenue, 7th Floor, PD-WA-T7CT
Seattle, WA 98101
Attention: Greg E. Skutnik

Re: \$_____ City of Compton, California 2016-17 Tax and Revenue Anticipation
 Notes

Ladies and Gentlemen:

This Direction Letter constitutes an irrevocable and unconditional agreement (“Direction Agreement”) between the County of Los Angeles (the “County”) acting by and through the Auditor-Controller of the County (the “Auditor-Controller”), the City of Compton (the “City”), and U.S. Bank National Association, as Trustee (the “Trustee”) for the City's 2016-17 Tax and Revenue Anticipation Notes (the “Notes”) regarding the direct payment to the Trustee of the County Collected Revenues otherwise payable to the City as security and payment source for the Notes. The City has executed and delivered this Direction Agreement pursuant to a resolution adopted by the City Council of the City on [June __, 2016], a copy of which is attached hereto as Exhibit A (the “Resolution”), and the Accompanying Document Providing for the Terms and Conditions of the Issuance and Sale of the City of Compton 2016-17 Tax and Revenue Anticipation Notes, Series 2016 dated as of July __, 2016, a copy of which is attached hereto as Exhibit B (the “Accompanying Document”), executed by the City Manager of the City (the “City Manager”), and the Trust Agreement dated as of June 1, 2016, by and between the City and the Trustee (“Trust Agreement”). All capitalized terms used in this Direction Agreement but not otherwise defined herein shall have the meanings set forth in the attached Accompanying Document.

Pursuant to Section 402 of the Accompanying Document, the City Manager has caused to be established by the Trustee the 2016-17 TRANs Repayment Fund under the Trust Agreement. Effective as of the date of this Direction Agreement, the City hereby unconditionally and irrevocably directs the Auditor-Controller to promptly allocate and pay in good funds (by wire,

or ACH transfer) to the Trustee on a monthly basis, 100% of the County Collected Revenues, (as defined in the Accompanying Document) until such time as the total amounts deposited and held in the 2016-17 TRANs Repayment Fund, from any source, equal the Repayment Amount as set forth in Section 403 of the Accompanying Document. Such monthly transfers shall be made pursuant to the wire or ACH transfer instructions set forth in Exhibit C hereto. The City represents and warrants to the County and the Trustee that the County Collected Revenues are unrestricted and unassigned revenues of the City in all respects. The Trustee agrees to deposit all such County Collected Revenues in the 2016-17 TRANs Repayment Fund held by the Trustee for subsequent application per the terms of the Trust Agreement and this Direction Agreement. The County, through its Auditor-Controller, irrevocably and unconditionally agrees to transfer 100% of the County Collected Revenues allocable to the City to the Trustee as provided for in this Direction Agreement, without delay, deduction, set-off or abatement for any reason except as provided herein. Such wire or ACH transfers by the County, through its Auditor-Controller, of the County Collected Revenues shall take place each month on the date that is no later than one (1) business day after the County apportions such County Collected Revenues to all local taxing agencies, including the City. The parties agree to strictly comply with the terms of this Direction Agreement notwithstanding any judicial proceedings (including any proceedings under the U.S. Bankruptcy Code) by or against any party, and for purposes of the U.S. Bankruptcy Code, the parties agree that this Direction Agreement does not constitute an executory contract, and that the City agrees that the County Collected Revenues constitute "special revenues" to the maximum extent possible under Section 922 of the US Bankruptcy Code. Furthermore, the City shall not take any actions to thwart or impair the County or the Trustee from undertaking their obligations hereunder in any judicial proceedings or otherwise (including the Trustee taking any actions to lift any automatic stay), and any such attempted actions by the City will be deemed taken in bad faith. The City hereby directs the County acting through its Auditor-Controller to promptly provide the Trustee with any information needed to verify the amount of County Collected Revenues which the City is entitled to receive hereunder.

The terms of this Direction Agreement shall be irrevocable and shall not terminate until (1) the amounts in the 2016-17 TRAM Repayment Fund certified in writing by the Trustee to the City and the County to its Auditor-Controller, from any source, shall equal approximately \$[_____,] and no less and (2) the County acting through its Auditor-Controller shall have received a subsequent Written Direction from the City and the Trustee stating that the Auditor-Controller shall henceforth transfer directly to the City and not to the Trustee, pursuant to this Direction agreement, any further County Collected Revenues.

The City shall hold the County and the Auditor-Controller harmless for depositing the County Collected Revenues as set forth in Section 402 of the Accompanying Document and transferring such County Collected Revenues to the Trustee for deposit in the 2016-17 TRANs Repayment Fund held by the Trustee. Nothing in this Direction Agreement, the Notes, the Resolution, or the Accompanying Document is intended to confer standing upon Trustee to challenge the Auditor-Controller's computations of County Collected Revenues.

IN WITNESS WHEREOF, I have set my hand onto this Direction Agreement on this ____ day of _____, 2016.

CITY OF COMPTON

By: _____
Roger L. Haley
City Manager

APPROVED AS TO FORM
CRAIG J. CORNWELL

By: _____
Craig J. Cornwell
City Attorney

#11.

ACKNOWLEDGED AND AGREED TO:

By: **U.S. BANK NATIONAL ASSOCIATION**, as
Trustee

By: _____
Name:
Title:
Date:

By: **COUNTY OF LOS ANGELES**, acting through its
Auditor-Controller

By: _____
Name:
Title:
Date:

(Signature page of The City of Compton, California 2016-17 TRANS Direction Letter)

EXHIBIT A
COPY OF THE RESOLUTION

#11.

EXHIBIT B

COPY OF THE ACCOMPANYING DOCUMENT

EXHIBIT C
ACH WIRING INSTRUCTION

#11.

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is dated and made as of June 1, 2016 by and between the City of Compton (the “City”) and U.S. Bank National Association, the dissemination agent (the “Dissemination Agent”) in connection with the issuance of the \$_____ City of Compton 2016-17 Tax and Revenue Anticipation Notes (the “2016-17 TRANS”). All capitalized terms not otherwise defined in this Disclosure Agreement, shall have the respective meanings set forth in the Accompanying Document, dated as of July 1, 2016 (the “Accompanying Document”) executed by the City. In connection therewith, the City and the Dissemination Agent agree as follows:

ARTICLE I THE DISCLOSURE AGREEMENT

Section 1.1 Purpose. This Disclosure Agreement is being entered into and delivered by the City and the Dissemination Agent for the benefit of the Owner of the 2016-17 TRANS, or if the 2016-17 TRANS are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system (collectively, the “Holders”) and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2016-17 TRANS (including persons holding 2016-17 TRANS through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2016-17 TRANS for federal income tax purposes (collectively, the “Beneficial Owners”) of the 2016-17 TRANS.

Section 1.2 Listed Event Notices. If a Listed Event (defined herein) occurs, the City shall provide or cause to be provided by the Dissemination Agent, in a timely manner not in excess of ten (10) Business Days after the occurrence of such Listed Event, notice of such Listed Event to the Municipal Securities Regulatory Board (the “MSRB”) through its Electronic Municipal Market Access System (EMMA), a service of the MSRB, now the only nationally recognized municipal securities information depository, and to the Trustee. For purposes of this Disclosure Agreement, “Business Day” means any day of the year other than Saturday or Sunday or any other day on which banks in New York, New York, Seattle, Washington, or Los Angeles, California are not authorized or obligated by law or executive order to close and on which the New York Stock Exchange is not closed. The following events are each a “Listed Event” with respect to the 2016-17 TRANS:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Modifications to rights of Holders, if material;
4. Bond calls, if material and tender offers;
5. Defeasances;
6. Rating changes;

#11.

7. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (Internal Revenue Service Form 5701-TEB) or other material notices of determinations with respect to the tax status of the 2016-17 TRAns, or other material events affecting the tax status of the 2016-17 TRAns;

8. Release, substitution or sale of property securing repayment of the 2016-17 TRAns, if material;

9. Bankruptcy, insolvency, receivership or similar event of the City (such event is considered to occur when any of the following occur; the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City;

10. Substitution of credit or liquidity providers, or their failure to perform;

11. Unscheduled draws on debt service reserves;

12. Unscheduled draws on credit enhancement;

13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material; and

15. Any amendment or waiver of a provision of this Disclosure Agreement.

The City notes that items 6, 8, 10, 11 and 12 are not applicable to the 2016-17 TRAns. The Dissemination Agent shall promptly advise the City whenever, in the course of performing its duties as Trustee (defined herein) under the Trust Agreement, dated as of June 1, 2016 (the "Trust Agreement"), by and between the City and U.S. Bank National Association, as trustee (the "Trustee"), the Trustee has actual notice of an occurrence which, if material, would require the City to provide a Listed Event Notice hereunder; provided, however, that the failure of the Trustee to advise the City shall not constitute a breach by the Trustee of any of its duties and responsibilities under this Disclosure Agreement or the Trust Agreement.

Section 1.3 Additional Disclosure Obligations. The City acknowledges and understands that other State and federal laws, including but not limited to the Securities Act of

1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the City and that, under some circumstances, compliance with this Disclosure Agreement without additional disclosures or other action may not fully discharge all duties and obligations of the City under such laws.

Section 1.4 Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future notice of occurrence of a Listed Event.

Section 1.5 No Previous Non-Compliance. The City represents that in the previous five years it has not failed to comply in any material respects with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule except as otherwise disclosed in the Limited Offering Memorandum dated _____, 2016 relating to the 2016-17 TRANs.

ARTICLE II OPERATING RULES

Section 2.1 CUSIP Numbers. Whenever providing information to the MSRB, including but not limited to Listed Event Notices the City shall indicate the full name of the 2016-17 TRANs and the 9-digit CUSIP number for such 2016-17 TRANs as to which the provided information relates.

Section 2.2 Transmission of Information and Notices. Unless otherwise required by law and, in the City's sole determination, subject to technical and economic feasibility, the City shall employ such methods of information and notice transmission as shall be requested or recommended by the herein designated recipients of the City's information and notices.

Section 2.3 Fiscal Year. The City's Fiscal Year currently begins July 1 and ends on the next succeeding June 30, and the City shall promptly notify (i) the MSRB and (ii) the Trustee of each change in its Fiscal Year.

Section 2.4 Filing with Certain Dissemination Agents. The City may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the City under this Disclosure Agreement, and revoke or modify any such designation.

ARTICLE III TERMINATION, AMENDMENT AND ENFORCEMENT

Section 3.1 Effective Date; Termination. The obligations of the City and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2016-17 TRANs. If such termination occurs

prior to the final maturity of the 2016-17 TRANs, the City shall give notice of such termination in the same manner as for a Listed Event under Section 1.2 hereof.

Section 3.2 No applicability. This Disclosure Agreement, or any provision hereof, shall be null and void in the event that the City and the Dissemination Agent (1) receive an opinion of Butler Snow LLP or other nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the City and the Dissemination Agent, to the effect that those portions of the Rule which require this Disclosure Agreement, or any of the provisions hereof, do not or no longer apply to the 2016-17 TRANs, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the MSRB through its EMMA system within ten (10) Business Days from the execution thereof.

Section 3.3 Amendment.

(a) This Disclosure Agreement may be amended by the City and the Dissemination Agent without the consent of the Holders of the 2016-17 TRANs (except to the extent required under clause 3.3(a)(4)(ii) hereof), if all of the following conditions are satisfied:

1. such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the City or the type of business conducted thereby;

2. this Disclosure Agreement as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

3. the City and the Dissemination Agent shall have received an opinion of Butler Snow LLP or other nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the City and the Dissemination Agent, to the same effect as set forth in clause 3.3(a)(2) above;

4. either (i) the City and the Dissemination Agent shall have received an opinion of Butler Snow LLP or other nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the City and the Dissemination Agent, to the effect that the amendment does not materially impair the interests of the holders of the 2016-17 TRANs or (ii) the amendment is approved by the Holders of the 2016-17 TRANs in the same manner as provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Holders; and

5. the City shall have delivered copies of such opinion and amendment to the MSRB through its EMMA system within ten (10) Business Days from the execution thereof.

(b) In addition to subsection 3.3(a) above, this Disclosure Agreement may be amended and any provision of this Disclosure Agreement may be waived, by written certificate

of the City, without the consent of the Holders of the 2016-17 TRANs, if all of the following conditions are satisfied:

1. an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Disclosure Agreement which is applicable to this Disclosure Agreement;

2. the City and the Dissemination Agent shall have received an opinion of Butler Snow LLP or other nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the City and the Dissemination Agent, to the effect that performance by the City under this Disclosure Agreement as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule; and

3. the Dissemination Agent shall have delivered copies of such opinion and amendment to the MSRB through its EMMA system.

(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the City shall describe such amendment in the Listed Event Notice, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, notice of such change shall be given in the same manner as for a Listed Event under Section 1.2 hereof.

Section 3.4 Benefit; Third-Party Beneficiaries; Enforcement.

(a) The provisions of this Disclosure Agreement shall constitute a contract with and inure solely to the benefit of the Holders of the 2016-17 TRANs, except that beneficial owners of 2016-17 TRANs shall be third-party beneficiaries of this Disclosure Agreement.

(b) Except as expressly provided in this subsection (b), the provisions of this Disclosure Agreement shall create no rights in any person or entity. The obligations of the City to comply with the provisions of this Disclosure Agreement shall be enforceable, in the case of enforcement of obligations to provide notices, by the Dissemination Agent on behalf of the Holders of Outstanding 2016-17 TRANs. The Holders' and Dissemination Agent's rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance, by any Holder of 2016-17 TRANs. Such Holders' rights to enforce the provisions of this Disclosure Agreement and the City's obligations under this Disclosure Agreement shall be limited solely to an action to compel performance. In consideration of the third party beneficiary status of beneficial owners of 2016-17 TRANs pursuant to subsection (a) of this Section, Beneficial Owners shall be deemed to be holders of 2016-17 TRANs for purposes of this subsection (b).

(c) Any failure by the City or the Dissemination Agent to perform in accordance with this Disclosure Agreement shall not constitute a default or an Event of Default

under the Trust Agreement, and the rights and remedies provided by the Trust Agreement upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Disclosure Agreement shall be construed and interpreted in accordance with the laws of the State; provided, however, that to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof. If any party initiates any legal or equitable action to enforce the terms of this Disclosure Agreement, to declare the rights of any party under this Disclosure Agreement or which relates to this Disclosure Agreement in any manner, each such party agrees that the place of making and for performance of this Disclosure Agreement shall be Los Angeles, California, the State of California, and the proper venue for any such action is the Superior Court of the State of California, in and for the City of Compton.

ARTICLE IV MISCELLANEOUS

Section 4.1 Duties, Immunities and Liabilities of Dissemination Agent. Article III and Article IV of the Trust Agreement are hereby made applicable to this Agreement as if this Disclosure Agreement were, solely for this purpose, contained in the Trust Agreement. The Dissemination Agent shall have only such duties under the Disclosure Agreement as are specifically set forth in this Disclosure Agreement and, to the extent allowable by law, the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless from and against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct in the performance of its duties hereunder. Such indemnity shall be separate from and in addition to that provided to the Trustee under the Trust Agreement. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2016-17 TRAns.

Section 4.2 Section Headings. All section headings contained herein are for, convenience of reference only and are not intended to define or limit the scope of any provision hereof.

Section 4.3 Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms hereof shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining agreements, conditions, covenants or terms hereof shall be affected thereby, and each provision of this Disclosure Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 4.4 Counterparts. This Disclosure 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.

Section 4.5 Governing Law. This Disclosure Agreement shall be construed in accordance with and governed by the laws of the State of California.

IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Disclosure Agreement as of the date first written above.

#11.

CITY OF COMPTON

By: _____
Roger L. Haley, City Manager

APPROVED AS TO FORM:

By: _____
Craig J. Cornwell, City Attorney

[Signature Page to Continuing Disclosure Agreement]

U.S. BANK NATIONAL ASSOCIATION,
as Dissemination Agent

By: _____
Name:
Title:

[Counterpart Signature Page to Continuing Disclosure Agreement]

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED JULY __, 2016
OFFERED ONLY TO ACCREDITED INVESTORS

NEW ISSUE, BOOK-ENTRY ONLY

NO RATING

In the opinion of Bond Counsel, subject to the limitations and conditions described herein, interest on the Notes (defined below) allocable to a holder thereof is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion contains greater detail, and is subject to exceptions, as noted in "TAX MATTERS" herein

\$ _____ *
CITY OF COMPTON, CALIFORNIA
2016-17 TAX AND REVENUE ANTICIPATION NOTES

Interest Rate: _____ %

Yield: _____ %

CUSIP: _____

Dated Date: Day of Delivery

Maturity Date: June 1, 2017

The City of Compton, California (the "City") is issuing its \$ _____ * 2016-17 Tax and Revenue Anticipation Notes (the "Notes") for the purpose of financing Fiscal Year 2016-17 expenditures, including, but not limited to, current expenses, capital expenditures and the discharge of other obligations of the City. In accordance with California law, the Notes are general obligations of the City payable from the taxes, income, revenue, cash receipts and other moneys that are received or accrued by (or allocable to) the City during Fiscal Year 2016-17 that are lawfully available for the payment of the Notes and interest thereon, but exclusive of any moneys that when received will be encumbered for a special purpose (as more particularly described herein, the "Unrestricted Revenues"). In accordance with a Direction Letter from the City to the County of Los Angeles (the "County"), the Auditor-Controller of the County will transfer County Collected Revenues (as defined herein), which comprise a portion of Unrestricted Revenues, to the Trustee (as defined below) for deposit in an account to be held in trust solely for the benefit of the holders of the Notes (the "Repayment Fund"). As provided in Title 5, Division 2, Part 1, Chapter 4, Article 7.6 (Sections 53850 to 53858 of the Government Code of the California) (the "Law"), the Notes and the interest thereon will be a valid lien and charge against, and will be payable from, the first moneys received by the City comprising the Unrestricted Revenues. To the extent that any amounts so received are less than the total dollar amount designated for such deposit in the Repayment Fund, additional amounts will be deposited into the Repayment Fund from any other moneys of the City lawfully available therefor, as more particularly described herein. The Repayment Fund is to be held in trust by U.S. Bank National Association, Los Angeles, California, as trustee, paying agent and note registrar for the Notes (the "Trustee"). See "THE NOTES — Security and Sources of Payment for the Notes."

The Notes will be issued in fully registered form, without coupons, at the interest rate stated above. The Notes, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Purchase of the Notes will be made only through DTC participants under the book-entry system maintained by DTC. The Purchaser (as defined herein) will not receive a certificate representing its ownership interest in the Notes. Principal of and interest on the Notes are payable on the Maturity Date of the Notes. The Notes will not be subject to redemption prior to maturity. The Notes may not be transferred or exchanged except as provided herein to Accredited Investors, as defined herein. See "THE NOTES" and "BOOK-ENTRY ONLY SYSTEM."

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY AND IS NOT A SUMMARY OF THE TRANSACTION. INVESTORS MUST READ THE ENTIRE LIMITED OFFERING MEMORANDUM TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

THE NOTES ARE SUBJECT TO A SIGNIFICANT DEGREE OF RISK. THE NOTES ARE SUITABLE FOR INVESTMENT CONSIDERATION ONLY FOR THOSE PERSONS WHO ARE SOPHISTICATED AND EXPERIENCED IN THE FIELD OF TAX AND REVENUE ANTICIPATION NOTES. NO RATING FOR THE NOTES HAS BEEN APPLIED FOR. SEE "THE NOTES — SECURITY AND SOURCES OF PAYMENT FOR THE NOTES," "RISK FACTORS," AND "CITY FISCAL CRISIS UPDATE" HEREIN.

This Limited Offering Memorandum relates only to the purchase of the Notes as of their date of delivery and should not be relied upon after such date.

The Notes are offered when, as and if executed and delivered by the City and received by the Purchaser, subject to the approval as to their legality by Butler Snow LLP Atlanta, Georgia, Bond Counsel to the City. Certain other legal matters will be passed upon for the City by the City Attorney, and by the City's Disclosure Counsel, Butler Snow LLP, Atlanta, Georgia and for the underwriter by its counsel Ballard Spahr LLC _____, _____, _____. Corner Capital Group, LLC, Jackson, Mississippi, is serving as Financial Advisor for the City. It is expected that the Notes will be available through the facilities of DTC in New York, New York for delivery on or about July, 2016.



Dated: _____, 2016

* Preliminary, subject to change.

No dealer, broker, salesperson, or other person has been authorized by the City to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the City. This Limited Offering Memorandum does not constitute an offer to sell nor the solicitation of an offer to buy, nor shall there be any sale of the Notes by a person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Limited Offering Memorandum is not to be construed as a contract with the purchaser of the Notes. Statements contained in this Limited Offering Memorandum that involve estimates, forecasts, or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts. No representation is made that any past experience, as shown by any financial or other information herein, will necessarily continue or be repeated in the future. The information set forth in this Limited Offering Memorandum has been obtained from official sources and other sources, which are believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by, the City.

The information and expressions of opinions herein are subject to change without notice and neither delivery of this Limited Offering Memorandum nor any sale made in connection therewith shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Limited Offering Memorandum is submitted with respect to the original issuance and sale of the Notes referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of the documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS LIMITED OFFERING MEMORANDUM, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS LIMITED OFFERING MEMORANDUM, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE NOTES IS MADE ONLY BY MEANS OF THIS LIMITED OFFERING MEMORANDUM.

CUSIP data on the cover hereof are provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers are provided for convenience of reference only. Neither the City nor the Underwriter (as defined herein) assumes any responsibility for the selection or uses of, or for the accuracy or correctness of, such data.

Certain statements in this Limited Offering Memorandum, which may be identified by the use of such terms as "plan," "expect," "estimate," "project," "budget" or other similar words, constitute "forward-looking statements." Such forward-looking statements include, but are not limited to, statements under the caption "RISK FACTORS" and in "APPENDIX B: CITY OF COMPTON CASH FLOW PROJECTIONS." Such forward-looking statements refer to the achievement of certain results or other expectations of performance which involve known and unknown risks, uncertainties and other factors. These risks, uncertainties and other factors may cause actual results, performance or achievements to be materially different from any projected results, performance or achievements described or implied by such forward-looking statements. The City does not plan to issue updates or revisions to such forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based, occur, or if actual results, performance or achievements are materially different from any results, performance or achievements described or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements because actual results may differ materially from those expressed in, or implied by, the statements. Any forward-looking statement made in this Limited Offering Memorandum speaks only as of the date of such statement, and the City undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

This Limited Offering Memorandum speaks only as of the date printed on the cover page hereof. The information contained herein is subject to change. The Limited Offering Memorandum will be made available through the Electronic Municipal Market Access System (EMMA), a service of the Municipal Securities Rulemaking Board (MSRB), now the only nationally recognized municipal securities information depository.

EACH PURCHASER OF NOTES WILL BE REQUIRED TO EXECUTE AN INVESTMENT LETTER IN THE FORM ATTACHED HERETO AS “APPENDIX F: INVESTMENT LETTER” (THE INVESTMENT LETTER”) IN WHICH, AMONG OTHER MATTERS, SUCH PURCHASER WILL REPRESENT THAT IT IS AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501 UNDER THE SECURITIES ACT OF 1933. THE NOTES MAY BE TRANSFERRED ONLY TO ACCREDITED INVESTORS.

CITY OF COMPTON

County of Los Angeles, California

MAYOR and CITY COUNCIL

Aja Brown, Mayor

Janna Zurita (District 1)

Isaac Galvan (District 2)

Yvonne Arceneaux (District 3)

Emma Sharif (District 4)

ELECTED OFFICERS

Craig J. Cornwell, City Attorney

Alita Godwin, CMC, City Clerk

Douglas Sanders, City Treasurer

CITY STAFF

Roger L. Haley, City Manager

_____, City Controller

BOND AND DISCLOSURE COUNSEL

BUTLER SNOW LLP

Atlanta, Georgia

TRUSTEE

U.S. BANK NATIONAL ASSOCIATION

Seattle, Washington

FINANCIAL ADVISOR

COMER CAPITAL GROUP, LLC

Jackson, Mississippi

UNDERWRITER

IFS SECURITIES, INC.

Atlanta, Georgia

UNDERWRITERS COUNSEL

BALLARD SPHAR LLP

_____, _____

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LIMITED OFFERING MEMORANDUM

\$ _____ *

CITY OF COMPTON, CALIFORNIA
2016-17 TAX AND REVENUE ANTICIPATION NOTES

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the Notes being offered, and a brief description of this Limited Offering Memorandum. All statements contained in this introduction are qualified in their entirety by reference to the entire Limited Offering Memorandum. References to, and summaries of provisions of the Constitution and laws of the State of California and any documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions. This Limited Offering Memorandum speaks only as of its date, and the information contained herein is subject to change.

General

This Limited Offering Memorandum, which includes the cover and Appendices attached hereto, provides information concerning the sale and delivery of \$ _____* City of Compton, California 2016-17 Tax and Revenue Anticipation Notes (the “Notes”). The Notes are issued pursuant to the Charter of the City of Compton (as amended, the “City Charter”) and the Constitution and laws of the State of California (the “State”), including Title 5, Division 2, Part 1, Chapter 4, Article 7.6 (Sections 53850 to 53858 of the Government Code of the State) (the “Law”). The Notes are authorized pursuant to a resolution of the City Council (the “City Council”) of the City of Compton, California (the “City”) adopted on June __ 2016 (the “Resolution”) and the Accompanying Document Providing for the Terms and Conditions of the Issuance and Sale of the City of Compton - Tax and Revenue Anticipation Notes, dated as of June 1, 2016 (the “Accompanying Document”). The Notes are being issued for the purpose of financing Fiscal Year 2016-17 (July 1, 2016 to June 30, 2017) expenditures, including, but not limited to, current expenses, capital expenditures and the discharge of other obligations of the City. The City may, under the Law, issue the Notes only if the principal of and interest on the Notes will not exceed eighty-five percent (85%) of the estimated Unrestricted Revenues (as defined herein) legally available for the payment of the Notes. Capitalized terms used but not defined herein have the meanings assigned to them in the Resolution or the Accompanying Document, as applicable.

The City

The City is a municipal corporation and charter city organized and existing under the Constitution and laws of the State. The City Charter provides for the election, organization, powers and duties of the legislative branch, known as the City Council; the powers and duties of the executive and administrative branches; fiscal administration; and public utilities and franchises. The City Council governs the City and is composed of five members, four who are residents of their respective City Council districts, and one member who is nominated and elected from the City at large to hold the office of Mayor. The Mayor is the presiding officer of the City Council and is the official head of the City. Other elected officers of the City are the City Clerk, the City Treasurer and the City Attorney. All City Council members and other elected officers serve for a term of four years, without term limits. The City Council appoints the City Manager, who is the chief executive officer and the head of the administrative branch of the City government.

The City is located in the geographical center of the County of Los Angeles (the “County”), between the greater Los Angeles and Long Beach metropolitan areas. The City had approximately 98,506 residents as of January 1, 2015 and encompasses an area of approximately 10.2 square miles.

* Preliminary, subject to change.

Security and Sources of Payment for the Notes

Under the Law, the Notes are general obligations of the City payable only out of Unrestricted Revenues (as defined herein) received or accrued by (or allocable to) the City during Fiscal Year 2016-17 that are lawfully available for payment of the Notes and the interest thereon. In accordance with a Direction Letter from the City to be dated the date of delivery of the Notes (the “Direction Letter”) to the County, the Auditor-Controller of the County will transfer County Collected Revenues (as defined herein), which are a portion of Unrestricted Revenues, to the Trustee for deposit in the Repayment Fund. As provided in the Law, the Notes and the interest thereon will be a valid lien and charge against, and will be payable from, the first moneys received by the City comprising the Unrestricted Revenues. To the extent that any amounts so received are less than the total dollar amount designated for such deposit in the Repayment Fund, additional amounts will be deposited into the Repayment Fund from any other moneys of the City lawfully available therefor, as described below. The Repayment Fund is to be held in trust by U.S. Bank National Association, Los Angeles, California, as trustee, paying agent and note registrar for the Notes (the “Trustee”) pursuant to the Trust Agreement, dated as of June 1, 2016 (the “Trust Agreement”), by and between the City and the Trustee. The City expects that the aggregate amounts required to be deposited in the Repayment Fund will be sufficient to repay the Notes and accrued interest thereon when due. See “THE - NOTES — Security and Sources of Payment for the Notes” herein.

General Description of the Notes

The Notes will be delivered in fully registered form, without coupons. The Notes will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, securities depository of the Notes. Purchase of the Notes will be made in book-entry form only. The purchaser of the Notes (the “Purchaser”) will not receive a certificate representing its ownership interest in the Notes. See “BOOK-ENTRY ONLY SYSTEM” herein. The principal of and interest on the Notes will be paid on June 1, 2017 (the “Maturity Date”) by the Trustee to DTC, which will in turn remit such principal and interest to the Purchaser.

The Notes are not subject to redemption prior to maturity. See “THE NOTES” herein for more information.

Tax Exemption

In the opinion of Bond Counsel, subject to the limitations and conditions described herein, interest on the Notes is exempt from present State of California personal income taxes. In the opinion of Bond Counsel, subject to the limitations and conditions described herein, interest on the Notes is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; provided, however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion of Bond Counsel contains greater detail, and is subject to exceptions, as noted in “TAX MATTERS” herein. See “APPENDIX D: FORM OF OPINION OF BOND COUNSEL.”

Continuing Disclosure

The City has covenanted in the Resolution and the Continuing Disclosure Agreement dated as of the date of the Notes (the “Continuing Disclosure Agreement”), by and between the City and U.S. Bank National Association, as dissemination agent, to file notices of certain events (each, a “Listed Event”) with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access (“EMMA”) system or as otherwise directed by the MSRB or the Securities and Exchange Commission (the “SEC”). See “APPENDIX E: FORM OF CONTINUING DISCLOSURE AGREEMENT” for an enumeration of the Listed Events.

Prior to July 2012 the City had failed to timely file certain annual reports, notices of failure to file annual reports, and notices of rating changes required to be filed pursuant to continuing disclosure agreements entered into by the City and the respective dissemination agents thereunder pursuant to Rule 15c2-12(b)(5) (the “Rule”) of the SEC within the past five years. Other than the filing of the fiscal year 2012-13 audit, which was not completed until August 2015, the City has made timely continuing disclosure filings since February 2013.

See “CONTINUING DISCLOSURE” below for more information.

Investment Considerations and Risk Factors

THE NOTES ARE SUBJECT TO A SIGNIFICANT DEGREE OF RISK. THE NOTES ARE SUITABLE FOR INVESTMENT CONSIDERATION ONLY FOR THOSE PERSONS WHO ARE SOPHISTICATED AND EXPERIENCED IN THE FIELD OF TAX AND REVENUE ANTICIPATION NOTES. NO RATING FOR THE NOTES HAS BEEN APPLIED FOR. SEE “THE NOTES - SECURITY AND SOURCES OF PAYMENT FOR THE NOTES,” “RISK FACTORS” AND “NO RATING” HEREIN. THE DISCUSSION OF RISK FACTORS HEREIN IS NOT, AND IS NOT INTENDED TO BE, COMPREHENSIVE OR EXHAUSTIVE.

Miscellaneous

The descriptions herein of the Resolution, the Accompanying Document, the Trust Agreement and the Direction Letter are qualified in their entirety by reference to such documents, and the descriptions herein of the Notes are qualified in their entirety by the form thereof and the information with respect thereto included in the aforementioned documents. Copies of the Resolution, the Accompanying Document, the Trust Agreement and the Direction Letter are on file and available for inspection at the City and from the offices of the Trustee at U.S. Bank National Association, 1420 Fifth Avenue, 7th Floor, Seattle, Washington 98101, Attention: Global Corporate Trust Services.

The information and expressions of opinion herein speak only as of their date and are subject to change without notice. Neither the delivery of this Limited Offering Memorandum nor any sale made in connection therewith nor any future use of this Limited Offering Memorandum shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. The Underwriter (as defined herein) has reviewed the information in this Limited Offering Memorandum, but the Underwriter does not guarantee the accuracy or completeness of such information.

The presentation of information, including tables of receipt of revenues, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

The City regularly prepares a variety of reports, including audits, budgets and related documents, as well as certain monthly activity reports. The Owner of the Notes may obtain a copy of any such report, as available, from the City. Such reports are not incorporated herein by this reference.

THE NOTES

General

The Notes will be issued in the aggregate principal amount of \$ _____*, will be dated their date of issuance and delivery, and will mature on June 1, 2017. The Notes will bear interest at the rate per annum set forth on the cover page hereof, computed on the basis of a 360-day year comprised of 12 months of 30 days each. Interest on the Notes will be payable at maturity.

The Notes are not subject to redemption prior to maturity.

THE NOTES ARE NOT TRANSFERABLE EXCEPT TO AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501 UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). THE PURCHASERS OF THE NOTES WILL BE REQUIRED TO EXECUTE AN INVESTMENT LETTER, THE FORM OF WHICH IS ATTACHED HERETO AS APPENDIX F.

The Trustee will serve as trustee, paying agent and note registrar for the Notes. The Notes are to be delivered as fully registered Notes, without coupons, and, when delivered, will be registered in the name of Cede &

Co., as nominee of DTC. DTC will act as initial securities depository of the Notes. Purchase will be made in book-entry form only in the principal amount of the Notes. See “BOOK-ENTRY ONLY SYSTEM” herein.

Security and Sources of Payment for the Notes

General. Under the Law, the Notes and the interest thereon are general obligations of the City payable from the taxes, income, revenues, cash receipts and other moneys of the City, including moneys deposited in inactive or term deposits (but excepting certain moneys which, when received by the City, will be encumbered for a special purpose unless an equivalent amount of the proceeds from the Notes is set aside for and used for such special purpose) received or accrued by (or allocable to) the City during Fiscal Year 2016-17 that are lawfully available for payment of the Notes and the interest thereon, including City sales and use tax revenues (collectively, the “Unrestricted Revenues”). The Unrestricted Revenues include the 1% property tax labeled account number “132.01-City-Compton TD #1” by the County of Los Angeles Auditor/Controller and vehicle licensing fee revenues collected by the County on behalf of the City (collectively, the “County Collected Revenues”).

Pursuant to the Resolution and the Accompanying Document, and in accordance with the Law and the City Charter, the City will pledge from the Unrestricted Revenues available for the payment of principal of and interest on the Notes as security for the Notes, and the City Manager will cause to be deposited into the 2016-17 TRANS Repayment Fund created pursuant to the Accompanying Document and held in trust by the Trustee (the “Repayment Fund”) (subject to the provisions of the Accompanying Document as described below), all County Collected Revenues allocated or attributable to the City until the amounts in the Repayment Fund equal the principal of and interest due on the Notes, plus an amount, if any, equal to the rebate amount calculated to be due to the United States Treasury. In accordance with the Direction Letter, the City will direct the Auditor-Controller of the County to transfer, and the Auditor-Controller of the County will transfer, the County Collected Revenues to the Trustee for deposit in the Repayment Fund. The terms of the Direction Letter are irrevocable and will not terminate until the amounts in the Repayment Fund equal the principal of and interest due on the Notes, plus an amount, if any, equal to the rebate amount calculated to be due to the United States Treasury.

To the extent that any amounts received, as described in the preceding paragraph, are less than the total dollar amount designated for such deposit in the Repayment Fund, the City Manager will cause to be deposited and the Trustee will deposit into the Repayment Fund additional amounts from any other moneys of the City lawfully available therefor, including City sales and use tax revenues, no later than the day immediately preceding the Maturity date. To the extent any Note is not paid from the County Collected Revenues, such Note will be paid with the interest thereon and from any other moneys of the City lawfully available therefor. As provided in the Law, the Notes and the interest thereon are a valid lien and charge against, and are payable from, the first moneys received by the City comprising Unrestricted Revenues.

On the Maturity Date of the Notes, the Trustee will pay from the County Collected Revenues and any funds held in the Repayment Fund, the principal and interest due on the Notes, and such County Collected Revenues may not be used for any other purpose, although earnings may be invested in Permitted Investments as described in the Accompanying Document so as to be available for disbursement and in no event for a term that exceeds the term of the Notes, and earnings on amounts in the Repayment Fund will be deposited as and when received into the General Fund of the City. Any amounts remaining in the Repayment Fund after payment of principal of and interest on the Notes will be the sole and exclusive property of the City, will not be subject to any claims by or on behalf of any holder of Notes and will be transferred to the City for deposit into any account in the General Fund of the City as the City Manager may direct.

Please see “APPENDIX G: FORM OF ACCOMPANYING DOCUMENT” for more information and a complete description of the Security and Sources of Payment for the Notes.

County Collected Revenues. The following Table 1 sets forth the County Collected Revenues received by the City during Fiscal Years 2010-11 through 2014-15.

TABLE 1
City of Compton
County Collected Revenues ⁽¹⁾
Fiscal Years 2010-11 through 2014-15

Fiscal Year	Property Tax⁽²⁾	VLF	Sales Tax	Total
2010-11	1,454,612	7,595,366	1,851,753	10,901,731
2011-12	2,999,362	7,682,171	1,439,626	12,121,159
2012-13	3,195,018	7,940,326	1,827,591	12,962,935
2013-14	4,078,593	8,233,467	2,164,822	14,476,882
2014-15				

Source: City of Compton

(1) Unaudited.

(2) Property Tax Revenues reflect collections from the 1% ad valorem property tax levy. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS — Article XIII A” in the forepart of the Limited Offering Memorandum.

Repayment Fund

In accordance with the provisions of the Resolution and the Accompanying Document, the City Manager will cause to be established by the Trustee the Repayment Fund, to be held in trust by the Trustee, and all County Collected Revenues are to be deposited with the Trustee into the Repayment Fund as required by the terms of the Resolution and the Accompanying Document. Moneys in the Repayment Fund are to be invested in Permitted Investments (as defined below) that provide sufficient liquidity so that moneys will be available no later than the Maturity Date of the Notes. Moneys in the Repayment Fund are to be used to pay the Notes and the interest thereon when and as they become due and payable, and amounts necessary to pay any rebate requirement as provided in the Resolution and the Accompanying Document, and may not be used for any other purposes. Any amounts remaining in the Repayment Fund after payment of principal of and interest on the Notes will be the sole and exclusive property of the City, will not be subject to any claims by or on behalf of any holder of Notes and will be transferred to City for deposit into any account in the General Fund of the City as the City Manager may direct.

“Permitted Investments” consist of any of the following securities, provided that in no event shall any Permitted Investment mature or otherwise be repayable such that moneys will be available later than the Maturity Date: (i) United States Treasury bills, bonds, and notes for which the full faith and credit of the United States are pledged for payment of principal and interest; (ii) direct obligations issued by the following agencies of the United States Government: the Federal Farm Credit Bank System, the Federal Home Loan Bank System, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Tennessee Valley Authority; (iii) mortgage backed securities (except stripped mortgage securities) issued by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Government National Mortgage Association; (iv) United States Treasury Obligations, State and Local Government Series; (v) issues guaranteed as to timely payment of principal and interest by the full faith and credit of the Federal Deposit Insurance Corporation (clauses (i) through (v), “Federal Securities”); (vi) Commercial Paper having original maturities of not more than the Maturity Date of the Notes, payable in the United States of America and issued by corporations that are organized and operating in the United States with total assets in excess of \$500 million and having an “A” or better rating for the issuer’s long term debt as provided by Moody’s, S&P, or Fitch and “P-1”, “A-1”, “F1” or better rating for the issuer’s short term debt as provided by Moody’s, S&P, or Fitch, respectively; (vii) bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which have short term obligations outstanding which are rated by two Rating Agencies in their respective highest short term rating categories, a long term debt rating of not less than “A” by a Rating Agency, and a maturity no later than the Maturity Date of the Notes; (viii) negotiable or non-negotiable certificates of deposit issued by a nationally or state chartered bank or a state or federal association (as defined by Section 5102 of the California Financial Code) or by a state licensed branch of a foreign bank, in each case which has, or which is a subsidiary of a parent company which has, obligations outstanding having a rating in the “A” category or better from S&P, Moody’s, or Fitch; (ix) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States or

any national banking association, or a state licensed branch of a foreign bank, having a minimum permanent capital of one hundred million dollars (\$100,000,000) and with short term debt rated by two Rating Agencies in their respective three highest short term rating categories or any government bond dealer reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York, which agreement is secured by any one or more of the Federal Securities and having maturities equal to or less than 5 years from the date of delivery, which shall have a market value (valued at least monthly) not less than 102% of the principal amount of such investment; (x) shares of beneficial interest issued by diversified management companies, known as money market funds which invest in securities described in clauses (i)—(ix) above, registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a 1 et seq.) and whose fund has received the highest possible rating from S&P and at least one other Rating Agency; (xi) investment agreements and guaranteed investment contracts with issuers having a long term debt rating of at least “AA” or “Aa2” by S&P or Moody’s, respectively; (xii) the Los Angeles County Treasury Pool; or (xiii) the Local Agency Investment Fund created pursuant to Section 16429.1 of the Government Code of the State.

Available Sources of Repayment

As described above in “—Security and Sources of Payment for the Notes,” the Notes, in accordance with the Law, are general obligations of the City payable from Unrestricted Revenues, which include the taxes, income, revenue, cash receipts and other moneys of the City received or accrued by (or allocable to) the City during Fiscal Year 2016-17 that are lawfully available for the payment of the Notes and interest thereon. The Constitution of the State substantially limits the City’s ability to levy ad valorem taxes and increase fees charged for services of the City. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS” herein.

Additional Borrowing

The City currently expects that, other than the Notes, it will not issue any other notes or warrants for cash flow borrowing purposes with respect to Fiscal Year 2016-17. The City expects to refinance the Compton Public Finance Authority Lease Revenue Bonds (Refunding and Various Capital Projects), Series 2008; City of Compton Sewer Revenue Refunding Bonds (Los Angeles County, California) Series 1998; the City of Compton Sewer Revenue Bonds (Los Angeles County, California) Series 2009; and the City of Compton Water Revenue Bonds (Los Angeles County, California) Series 2009 to take advantage of prevailing low interest rate and reduce debt service payments.

Use and Investment of Note Proceeds

The net proceeds of sale of the Notes will be transferred to the Trustee and deposited in the 2016-17 TRANS Proceeds Fund established by the Trustee at the direction of the City Manager (the “Proceeds Fund”). The City Manager will cause the Trustee to make disbursements and the Trustee will make disbursements from the Proceeds Fund to pay Fiscal Year 2016-17 expenditures and discharge other obligations or indebtedness of the City in accordance with the Law and the instructions and agreements set forth in the Tax Certificate of the City. Amounts in the Proceeds Fund will be invested in Permitted Investments.

BOOK-ENTRY ONLY SYSTEM

The following information concerning The Depository Trust Company, New York, New York and its book-entry system has been obtained from sources the City believes to be reliable; however, the City takes no responsibility as to the accuracy or completeness thereof There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued in the aggregate principal amount of the Notes and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on this website is not incorporated by reference herein.

Purchase of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of the Purchaser of the Notes ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. The Beneficial Owner will not receive written confirmation from DTC of its purchase. The Beneficial Owner is, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of its holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. The Beneficial Owner will not receive a certificate representing its ownership interest in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

The Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owner of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owner. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to the Beneficial Owner will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. The Beneficial Owner of the Notes may wish to take certain steps to augment the transmission to it of notices of significant events with respect to the Notes, such as defaults and proposed amendments to the Resolution and the Accompanying Document. For example, the Beneficial Owner of the Notes may wish to ascertain that the nominee holding the Notes for its benefit has agreed to obtain and transmit notices to the Beneficial Owner. In the alternative, the Beneficial Owner may wish to provide its name and address to the Trustee and request that copies of notices be provided directly to it.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments with respect to the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the

Trustee on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to the Beneficial Owner will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or its nominee, the Trustee or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest and premiums, if any, and purchase prices, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owner will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

In accordance with the Resolution and the Accompanying Document, in the event (a) DTC determines not to continue to act as securities depository for the Notes or (b) the City determines that DTC shall no longer so act, and delivers a written certificate to DTC to that effect, then the City will discontinue the book-entry system for the Notes with DTC. If the City determines to replace DTC with another qualified securities depository, the City will prepare or direct the preparation of and execute, and the Trustee will authenticate and deliver, subject to any limitation on maximum principal amount imposed by the successor securities depository, a new single, separate fully registered note for the aggregate outstanding principal amount of the Notes held by DTC, registered in the name of such successor or substitute qualified securities depository or its nominee, or make such other arrangement reasonably acceptable to the City and the successor securities depository. If the City fails to identify another qualified successor securities depository to replace DTC, then the Notes will no longer be restricted to being registered in the note register in the name of DTC or its nominee, but will be registered in whatever name or names the securities depository or its nominee designate. In such event the City will prepare or direct the preparation of and execute, and the Trustee will authenticate and deliver to the holders thereof, such Notes as are necessary or desirable in accordance with the Accompanying Document. Interested persons should contact the City or the Trustee for further information regarding such provisions of the Resolution and the Accompanying Document.

Each payment to DTC or its nominee will be valid and effective to satisfy and discharge fully the obligations of the City and the Trustee with respect to the principal of or interest on the Notes to the extent of the sum or sums so paid. The City may treat and consider the person in whose name the Note is registered in the note register as the absolute owner of such Note for purpose of payment of principal of and interest on such Note and for all other purposes whatsoever.

THE CITY AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNER OF THE NOTES (I) PAYMENTS OF PRINCIPAL OF AND INTEREST EVIDENCED BY THE NOTES, (II) CONFIRMATIONS OF OWNERSHIP INTERESTS IN THE NOTES OR (III) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED HEREIN.

NEITHER THE CITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY, OBLIGATION OR LIABILITY TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNER WITH RESPECT TO (1) THE ACCURACY OR COMPLETENESS OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF ANY AMOUNT DUE TO THE BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF ANY NOTICE TO THE BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS UNDER THE TERMS OF THE RESOLUTION OR THE ACCOMPANYING

DOCUMENT; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE NOTES.

City Audit History

The City has experienced delays in the release of its audits. In fiscal year 2010-11 an Independent Auditors' Report, dated June 27, 2012, produced by the City's then auditors, Mayer Hoffman McCann, P.C., stated that the 2011 Financial Statements "have been prepared assuming that the City will continue as a going concern" and cited "substantial doubt about the City's ability to continue as a going concern." Following the issuance of its Independent Auditors' Report, Mayer Hoffman McCann, P.C. resigned from its position as auditor. On November 6, 2012 the City hired Macias Gini & O'Connell LLP ("MGO") as the City's independent auditor.

On _____ the City received a completed, clean audit from MGO for fiscal year 2011-12. The fiscal year 2011-12 audit financial statement is attached hereto as Exhibit C-1. The City received the fiscal year 2012-13 audited financial statements on August 14, 2015 with a clean opinion of the Auditors (MGO). The audited Annual Financial Report for the Fiscal Year Ended June 30, 2013, is attached hereto as Appendix C-2. The City's unaudited, internally prepared, Financial Report for the Year Ended June 30, 2014, which includes financial information through June 30, 2014, is attached hereto as Appendix C-3. The City's auditors began the fiscal year 2013-14 audit in February 2016 and are expected to complete the audit by June 30, 2016.

During the fiscal year 2014-15, the City met all its obligations including the part payment of \$4.5 million to the Los Angeles County regarding liability arising from the dissolution of the former Redevelopment Agency. The City's unaudited, internally prepared, Financial Report for the Month of June 30, 2015, is attached hereto as Appendix C-4. The City's auditors are expected to begin the City's fiscal year 2014-15 audit immediately upon the completion of the fiscal year 2013-14 audit.

The City's unaudited, internally prepared, Financial Report for the Month of May 30, 2016, is attached hereto as Appendix C-5.

The following Table 2 sets forth revenues and expenditures for Total Governmental Funds and the General Fund during Fiscal Years 2009-10 through 2014-15.

TABLE 2
Total Governmental Funds and General Fund
Revenues And Expenditures ⁽¹⁾
Fiscal Years 2009-10 Through 2015-16
(\$ in millions)

Total Governmental Funds				General Fund		
	Revenues	Expenditures	Surplus/(Deficit)	Revenues	Expenditures	Surplus/(Deficit)
2009-10	137.18	184.64	(47.46)	61.15	70.00	(8.85)
2010-11	125.63	170.80	(45.17)	44.19	69.18	(24.99)
2011-12	149.86	162.27	(12.41)	44.35	47.98	(3.63)
2012-13	138.55	121.97	16.58	49.54	48.01	1.53
2013-14	153.22	157.64	(4.42)	52.33	50.79	1.54
2014-15	152.45	155.67	(3.22)	59.45	58.79	0.66*
2015-16						

Source: City of Compton

⁽¹⁾ Excludes Transfers In and Transfers Out

(*) The figures for fiscal year 2014-15 are estimates provided by the City of Compton

CITY FISCAL POLICIES

Background

Following several years of general fund operating deficits, the City's General Fund revenue exceeded the General Fund expenditures in fiscal years 2012-13, 2013-14, 2014-15 and 2015-16. The fiscal year 2014-15 budget was the first City budget since fiscal year 2010-11 that did not necessitate reductions in services, programs, or employees to balance the City's general fund. In fiscal year 2015-16 the City restored all employee concessions and benefit reductions implemented as part of the budget reductions of fiscal year 2011-12. In fiscal year 2015-16 the City provided a 10% salary increase for sworn and unsworn fire department employees and a 3% salary increase for general fund employees.

Reserve Policy

To reinforce the City's fiscal standing, on July 22, 2014 the City adopted a General Fund Contingency Reserve Policy (the "Reserve Policy"). Under the Reserve Policy the City is required to include a contribution to its reserves as a line item in the annual General Fund budget. The Reserve Policy goal is to assure solvency by gradually building the rainy day reserve to be equal to 10% of the General Fund's total expenditures. In fiscal year 2015-16 the City deposited \$_____ into its newly established rainy day reserve fund. This figure represents the budgeted deposit amount as well as unanticipated surplus funds which the City added to its reserve fund on _____, 2016.

The City's General Fund budget is balanced for the 2016-17 fiscal year with revenue of approximately \$___ million and expenditures of approximately \$___ million. The fiscal year 2016-17 budget's rainy day reserve fund deposit line item is \$_____. In addition to the budgeted mandatory reserve fund contribution, it is again expected that any unanticipated General Fund revenue received during fiscal year 2016-17 will not be appropriated for spending and will be deposited into the rainy day reserve fund.

Interfund Borrowing Repayment Policy

During fiscal year 2010-11, the City temporarily borrowed from other City governmental funds and internal service funds and used proceeds to fund General Fund expenditures. In fiscal year 2010-11 the negative General Fund balance of approximately \$41.2 million included, among other things, the net interfund liability of approximately \$28.3 million, the accounts payable in the amount of \$12.6 million, and accrued liabilities of approximately \$3.3 million. On December 20, 2011, the City Council approved a twenty year amortization schedule and authorized the repayment of approximately \$41.92 million the City's General Fund owed to various internal funds of the City. A second resolution, resolution number 23,970, was later adopted on July 17, 2014 amending the amortization schedule by reducing the amortization schedule from a payment period of twenty years to fifteen years. This change was made pursuant to the advice of Macias Gini & O'Connell LLP ("MGO"), the City's independent auditor, hired on November 6, 2012. All payments pursuant to the amortization payback schedules have been made when due.

Revenue Enhancement Policies

In December 2001 the City modified the provisions of the Crystal Park Casino (the "Casino") gaming license ordinance to provide for a reduced fee in light of the economic impact of the events of September 11, 2001. The reduced fee amounted to \$240,000 in each fiscal year from 2002 through 2012. The reduced gaming license fee remained in effect until January 2012 when the City returned to the original provisions of the gaming license ordinance. In fiscal year 2013-14, the first full year of receiving gaming revenue following the discontinuance of the post September 11th modification, the City received approximately \$2 million in gaming license fee revenue. In fiscal year 2014-15 the City received \$2.1 million in gaming license fee revenue from the Casino.

The City has engaged Willdan Financial Services to conduct a Comprehensive User Fee Study. This fee study will be the foundation for a Master Fee Schedule to be presented to the Council for adoption in the 2015-16

fiscal year. This fee study initiative is expected to increase General Fund revenues by \$500,000 annually. The Council adopted a resolution establishing development impact fees to be paid by developers and used for the maintenance of City parks and other services. The development impact fees are expected to reduce the amount of General Fund revenues utilized to maintain City parks and services.

During fiscal year 2014-15 the City continued its fiscal recovery and revenue enhancement through the implementation of expenditure monitoring and control procedures. When adopted, the City budget anticipated a minimal fiscal year surplus of \$100,000. However, actual surplus as of June 30, 2015 was \$1,391,693.

No assurance can be made, however, that the foregoing efforts of the City will be successful in improving the City's financial condition. See "RISK FACTORS" herein.

See APPENDIX C-1: "CITY OF COMPTON AUDITED FINANCIALS FOR THE FISCAL YEAR ENDING JUNE 2012," APPENDIX C-2: "CITY OF COMPTON UNAUDITED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013;" C-3 "CITY OF COMPTON FINANCIAL REPORT FOR THE MONTH OF JUNE 2014," C-4 "CITY OF COMPTON FINANCIAL REPORT FOR THE MONTH OF JUNE 2015," and C-5 "CITY OF COMPTON FINANCIAL REPORT FOR THE MONTH OF MAY 2016," each attached hereto for more information related to the City's financial results for the fiscal year ended June 30, 2012, fiscal year ended June 30, 2013, fiscal year ended June 30, 2014, for the fiscal year ended June 2015 and fiscal year ended June 30, 2016, through May 31, 2016.

RISK FACTORS

The following information should be considered by the Purchaser in evaluating the Notes. However, this information does not purport to be an exhaustive listing of the risks and other considerations which may be relevant to an investment in the Notes. In addition, the order in which the following factors are presented is not intended to reflect the relative importance of such factors.

No Rating

NO RATING FOR THE NOTES HAS BEEN APPLIED FOR. THE NOTES ARE SUBJECT TO A SIGNIFICANT DEGREE OF RISK. THE NOTES ARE SUITABLE FOR INVESTMENT CONSIDERATION ONLY FOR THOSE PERSONS WHO ARE SOPHISTICATED AND EXPERIENCED IN THE FIELD OF TAX AND REVENUE ANTICIPATION NOTES. SEE "THE NOTES — SECURITY AND SOURCES OF PAYMENT FOR THE NOTES" HEREIN.

Ratings Withdrawal

In September 2012, Standard & Poor's Rating Services ("Standard & Poor's"), which has rated the City's outstanding lease revenue, water and sewer bonds, and the City's redevelopment agency tax allocation debt, announced that it had suspended its long-term and underlying ratings on such bonds because the City had yet to obtain an audit firm to provide an opinion on the fair presentation of and application of generally accepted accounting principles to the 2011 Financial Statements. In November 2012, Moody's Investors Service, Inc. ("Moody's"), which rated the City's Series 1998 sewer enterprise revenue refunding bonds, announced that it too had suspended its rating of such bonds due to a lack of or inadequate information to support the rating. No assurance can be given as to when or if Standard & Poor's or Moody's will reinstate their ratings on the City's bonds or if such a rating will reflect a change from the City's most recent rating.

Limited Transfer or Exchange of Notes

Pursuant to the Resolution and the Accompanying Document, the Notes may not be transferred or exchanged except to an "accredited investor" as defined in Rule 501 of the Securities Act. The purchasers of the Notes will be required to execute an investment letter, the form of which is attached hereto as Appendix F. The Resolution and the Accompanying Document contain additional restrictions on transfer and exchange of the Notes.

A signed copy of the Resolution and the form of the Accompanying Document are included as exhibits to this Limited Offering Memorandum and each should be reviewed carefully prior to making an investment in the Notes.

City Audit Delays

As discussed above in “CITY AUDIT HISTORY,” the City has had a history of delayed audits. In fiscal year 2010-11, the auditors, (Mayer Hoffman, McCann P.C.), resigned from the audit and issued an Independent Auditors’ Report, but did not issue an opinion on the fiscal year 2010-11 financial statements of the City. The City received audited financial statements for the fiscal year ended June 30, 2012 in which MGO expressed a clean opinion on the fiscal year 2011-12 financial statements. MGO commenced audit of the 2012-13 financial statements in February 2015 and completed and delivered the final fiscal year 2012-13 audit in August 2015. The fiscal year 2013-14 audit is expected to be completed by June 30, 2016. However, there is no guaranty that the fiscal year 2013-14 audit will be delivered by the projected delivery date. After completion of the 2013-14 audit, it is expected that the City will engage MGO to prepare the fiscal year 2014-15 audit. Following delivery of the fiscal year 2014-15 audit it is expected that MGO will be engaged to prepare the fiscal year 2015-16 audit. Contract dates and delivery dates for the fiscal year 2014-2015 audit and the fiscal year 2015-16 audit have not been established by the City and MGO.

City Unrestricted Revenue

The Notes are general obligations of the City payable only out of Unrestricted Revenues received or accrued by (or allocable to) the City during Fiscal Year 2016-17 that are lawfully available for payment of the Notes and the interest thereon. However, liquidity constraints affecting the City and the General Fund could have a material adverse effect on the City’s ability to pay principal of and interest on the Notes when due in the event Unrestricted Revenues received or accrued by (or allocable to) the City during Fiscal Year 2016-17 are insufficient to cover all of the city’s budgeted and unbudgeted financial needs.

See “RISK FACTORS — Enforceability of Remedies” herein.

Current and Future Obligations

The City is currently liable and may become liable on other obligations payable from General Fund revenues, such as employee salaries and benefits. To the extent that additional obligations are incurred by the City, the revenues available for the City to pay such obligations may be decreased subsequent to the payment of principal of and interest on the Notes when due. See “APPENDIX A: FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY OF COMPTON” attached hereto for a description of certain other obligations of the City, including its unfunded accrued actuarial liabilities with respect to post-employment benefits.

VCAP Proceedings /IRS Audit Exposure

On August 14, 2015 the City submitted a request to the IRS to utilize the Tax-Exempt Bonds Voluntary Closing Agreement Program (“VCAP”), described in Notice 2008-31, 2008-11 I.R.B. 592, related to the Compton Public Finance Authority Lease Revenue Bonds (Refunding and Various Capital Projects), Series 2008 (the “Lease Revenue Bonds”); City of Compton Water Revenue Bonds, Series 2009 (the “Series 2009 Water Bonds”); and City of Compton Sewer Revenue Bonds, Series 2009 (the “Series 2009 Sewer Bonds,” collectively with the Lease Revenue Bonds and the Series 2009 Water Bonds, the “Prior Bonds”). This City submitted all required documents to initiate VCAP proceedings for the Prior Bonds. On January 2016 the City submitted a spending plan for the Prior Bonds’ unspent bond proceeds. On February 2, 2016, the IRS issued a “Voluntary Closing Agreement” covering Prior Bonds in which it stated the following:

“The Tax Exempt Bonds Compliance & Program Management function has concluded that, based upon our review of all of the information provided and pursuant to the actions taken by the City of Compton, a violation of the Code has not been articulated or identified as required by IRM 7.2.3 (09-30-2015) or Notice 2008-31 with respect to the specific matters identified in the requests. Accordingly, the requests are not eligible for TEB VCAP and we are closing our review of this matter.

Please note that a review under TEB VCAP does not constitute an examination of the Bonds. As such, we have not determined whether the Bonds satisfy all applicable federal tax law requirements.”

The City has complied with the representations made to the IRS regarding the use of the Prior Bonds’ unspent bonds proceeds. Notwithstanding receipt of the Voluntary Closing Letter, application to utilize VCAP proceedings for the Prior Bonds involves known and unknown risks, uncertainties and other factors which may impact the City’s general fund and could have a material adverse effect on the City’s ability to pay principal of and interest on the Notes when due in the event Unrestricted Revenues received or accrued by (or allocable to) the City during Fiscal Year 2016-17 are insufficient to cover all of the city’s budgeted and unbudgeted financial needs.

No Liability of County

No County funds are pledged to the payment of principal of and interest on the Notes. The County Collected Revenues are received by the County on behalf of the City and will be deposited as provided in the Direction Letter into the Repayment Fund held in trust by the Trustee under the Trust Agreement.

Enforceability of Remedies

The rights of the Owner of the Notes are subject to the limitations on legal remedies against cities and counties in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the Owner of the Notes, and the obligations incurred by the City, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against cities and counties in the State. Bankruptcy proceedings, if initiated, or the exercise of powers by the federal, State or City government, could subject the Owner of the Notes to judicial discretion and interpretation of its rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of rights. The opinions of Bond Counsel and Special Tax Counsel to the City, the proposed forms of which are attached hereto as “APPENDIX D: FORM OF OPINIONS OF BOND COUNSEL”, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditors’ rights. See “CITY FISCAL UPDATE” and “RISK FACTORS herein.

Los Angeles County Treasury Pool

The Los Angeles County Treasury Pool is among the Permitted Investments in which Note proceeds may be invested. See “THE NOTES — Repayment Fund” herein. On January 24, 1996, the United States Bankruptcy Court for the Central District of California held in the case of *County of Orange v. Merrill Lynch* that a State statute providing for a priority of distribution of property held in trust conflicted with, and was preempted by, federal bankruptcy law. In that case, the court addressed the priority of the disposition of moneys held in a county investment pool upon bankruptcy of the county, but was not required to directly address the State statute that provides for the lien in favor of holders of tax and revenue anticipation notes. The Trustee will be in possession of certain Unrestricted Revenues that are pledged and will be set aside to repay the Notes and, following payment of these funds to the Trustee, these funds may be invested in the name of the Trustee for a period of time in the Los Angeles County Treasury Pool, a Permitted Investment. In the event of a petition for the adjustment of County debts under Chapter 9 of the Bankruptcy Code, a court might hold that the Owner of the Notes does not have a valid and prior lien on such pledged amounts where such amounts are deposited in the Los Angeles County Treasury Pool and may not provide the Owner with a priority interest in such amounts. Such pledged amounts may not be available for payment of principal of and interest on the Notes unless the Owner could “trace” the funds from the Repayment Fund that have been deposited in the Los Angeles County Treasury Pool. There can be no assurance that the Owner of the Notes could successfully so “trace” the pledged amounts.

Taxation of Notes

An opinion of Butler Snow LLP, Bond Counsel, has been obtained to the effect that, subject to the limitations and conditions described herein, interest on the Notes is exempt from present State of California personal income taxes and interest on the Notes is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; provided, however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions contain greater detail, and are subject to exceptions, as noted in “TAX MATTERS” herein. See “APPENDIX D: FORM OF OPINION OF BOND COUNSEL.”

An application for a ruling from the Internal Revenue Service regarding the tax-exempt status of the interest on the Notes has not been made, and an opinion of counsel is not binding upon the Internal Revenue Service. The opinion of Butler Snow LLP, Bond Counsel, is based upon certain representations made by the City, officials of the City. If these representations or opinions are incorrect, interest on the Notes could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. The opinion of Special Tax Counsel is subject to the condition that the City comply with all requirements of the Code, compliance with which subsequent to the issuance of the Notes is necessary in order that the interest thereon be, and continue to be, excludable from the gross income of the owners thereof for federal income tax purposes. There can be no guarantee that the City will not violate such requirements and thereby cause interest on the Notes to become includable in gross income for federal income tax purposes, in some cases retroactive to the date of issuance of the Notes. In addition, there can be no guarantee that present, advantageous provisions of the Code or the rules and regulations thereunder will not be adversely amended or modified, thereby rendering the interest earned on the Notes includable in gross income for federal income tax purposes. Butler Snow, Bond Counsel has expressed no opinion regarding any other federal tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, the acquisition or disposition of, or otherwise arising with respect to, the Notes. For a description of collateral federal income tax consequences to certain taxpayers, see “TAX MATTERS” herein.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS

Described below are certain measures which have impacted or may impact the City’s General Fund Budget.

Article XIII A of the California Constitution

On June 6, 1978, California voters approved Proposition 13, adding Article XIII A to the California Constitution. Article XIII A, as amended, among other things, affects the valuation of real property for the purpose of taxation in that it defines the full cash property value to mean “the county assessor’s valuation of real property as shown on the 1975/76 tax bill under ‘full cash value,’ or thereafter, the appraised value of real property newly constructed, or when a change in ownership has occurred after the 1975 assessment.” The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data for the area under taxing jurisdiction, or reduced in the event of declining property value caused by substantial damage, destruction or other factors including a general economic downturn. Any reduction in assessed value is temporary and may be adjusted for any given year by the Assessor. The assessed value increases to its pre-reduction level (escalated to the annual inflation rate of no more than two percent) following the year(s) for which the reduction is applied. Article XIII A further limits the amount of any ad valorem tax on real property to 1% of the full cash value except that additional taxes may be levied to pay (i) debt service on indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-thirds of the votes cast by the voters voting on the proposition; and (iii) bonded indebtedness incurred by a school district, community college district or county office of education for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district or county, as appropriate, but only if certain accountability measures are included in the proposition.

On June 3, 1986, California voters approved Proposition 46, which added an additional exemption to the 1% ad valorem property tax limitation imposed by Article XIII A. Under this amendment to Article XIII A, local governments and school districts may only increase the property tax rate above 1% for the period necessary to retire new general obligation bonds, if two-thirds of those voting in a local election approve the issuance of such bonds and the money raised through the sale of the bonds is used exclusively to purchase or improve real property.

Legislation enacted and amended by the California Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement (except as noted) is shown at 100% of assessed value and all general tax rates reflect the \$1 per \$100 of taxable value. Tax rates for voter approved bonded indebtedness are also applied to 100% of assessed value.

Future assessed valuation growth allowed under Article XIII A (new construction, change of ownership, 2% annual value growth) will be allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts will share the growth of “base” revenue from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation the following year. The City is unable to predict the nature or magnitude of future revenue sources which may be provided by the State to replace lost property tax revenues. Article XIII A effectively prohibits the levying of any other ad valorem property tax above the 1% limit imposed by Article XIII A, except for taxes to support indebtedness approved by the voters as described above.

Article XIII B of the California Constitution

On October 6, 1979, California voters approved Proposition 4, which added Article XIII B to the California Constitution. In June 1990, the voters through their approval of Proposition 111 amended Article XIII B. Article XIII B of the California Constitution limits the annual appropriations of the State and any city, county, school district, special district, authority or other political subdivision of the State (e.g. local governments) to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and services rendered by the governmental entity. The “base year” for establishing such appropriation limit is the 1978-79 fiscal year. Increases in appropriations by a governmental entity are also permitted (i) if financial responsibility for providing services is transferred to another governmental entity, or (ii) for emergencies so long as the appropriations limits for the three years following the emergency are reduced accordingly to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations subject to Article XIII B include generally any authorization to expend during the fiscal year the proceeds of taxes levied by or for the State, exclusive of certain State subventions for the use and operation of local government, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations subject to limitation of an entity of local government include any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity and refunds of taxes. Appropriations subject to limitation pursuant to Article XIII B do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to any entity of government from (i) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (ii) the investment of tax revenues and (iii) certain State subventions received by local governments.

Article XIII B includes a requirement pursuant to which 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount which may be appropriated by the State in compliance with Article XIII B during that fiscal year and the fiscal year immediately following it shall be transferred and allocated, from a fund established for that purpose, pursuant to Article XVI of the State Constitution. In addition, 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount which may be appropriated by the State in compliance with Article XIII B during that fiscal

year and the fiscal year immediately following it shall be returned by revising tax rates or fee schedules within the next two subsequent fiscal years. Further, Article XIII B includes a requirement that all revenues received by an entity of government, other than the State, in a fiscal year and in the fiscal year immediately following it that exceed the amount which may be appropriated by that entity in compliance with Article XIII B during that fiscal year and the fiscal year immediately following it shall be returned by revising tax rates or fee schedules within the next two subsequent fiscal years.

As amended in June 1990, the appropriations limit for a county in each year is based on the limit for the prior year, adjusted annually for changes in the costs of living and changes in population, and adjusted, where applicable, for transfer of financial responsibility of providing services to or from another unit of government. The change in the cost of living is, at the county's option, either (i) the percentage change in California per capita personal income from the preceding fiscal year, or (ii) the percentage change in the local assessment roll from the preceding fiscal year for the jurisdiction due to the addition of local nonresidential new construction. Pursuant to the Revenue and Taxation Code, the State's Department of Finance annually transmits to each city and each county an estimate of the percentage change in the population of the city or the county.

Article XIII B permits any government entity to change the appropriations limit by vote of the electorate in conformity with statutory and Constitutional voting requirements, but any such voter-approved change can only be effective for a maximum of four years.

The City's maximum appropriation limit for the Fiscal Year 2015-16 is approximately \$89 million. The limitation applies only to proceeds of taxes and therefore does not apply to regulatory licenses, user charges, user fees and service fees and charges that do not exceed the reasonable cost of services, investment earnings on non-proceeds of taxes, fines, and revenue from the sale of property and taxes received from the State and federal governments that are tied to special programs. City Council will consider a resolution regarding the appropriations limit for Fiscal Year 2015-16 that will project proceeds of taxes for Fiscal Year 2015-16 in an amount below the Article XIII B limit.

Article XIII C and Article XIII D of the California Constitution

On November 5, 1996, the California voters approved Proposition 218, a constitutional initiative entitled the "Right to Vote on Taxes Act". Proposition 218 added Articles XIII C and XIII D to the California Constitution and contains a number of interrelated provisions limiting the ability of local governments, including the City, to impose and collect both existing and future taxes, assessments, fees and charges. The City is unable to predict whether and to what extent Proposition 218 may be held to be constitutional or how its terms will be interpreted and applied by the courts. Proposition 218 could substantially restrict the City's ability to raise future revenues and could subject certain existing sources of revenue to reduction or repeal, and increase the City's costs to hold elections, calculate fees and assessments, notify the public and defend its fees and assessments in court. Further, as described below, Proposition 218 provides for broad initiative powers to reduce or repeal local taxes, assessments, fees and charges, which are among the sources of the County Collected Revenues pledged to the payment of principal of and interest on the Notes. However, other than any impact resulting from the exercise of this initiative power, the City does not presently believe that the potential impact on the financial condition of the City as a result of the provisions of Proposition 218 will adversely affect the City's ability to pay principal of and interest on the Notes and perform its other obligations as and when due.

Article XIII C requires that all new, extended, or increased local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City require a majority vote of the electorate and taxes for specific purposes, even if deposited in the City's General Fund, require a two-thirds vote of the electorate. These voter approval requirements of Proposition 218 reduce the flexibility of the City to raise revenues through General Fund taxes, and no assurance can be given that the City will be able to impose, extend or increase such taxes in the future to meet increased expenditure requirements.

Article XIII C also expressly extends the initiative power to give voters the power to reduce or repeal local taxes, assessments, fees and charges, regardless of the date such taxes, assessments, fees or charges were imposed. This extension of the initiative power is not limited by the terms of Proposition 218 to local taxes, assessments, fees or charges imposed after November 6, 1996 and absent other legal authority could result in retroactive reduction in

any existing taxes, assessments or fees and charges. The City does not believe that any existing taxes imposed by the City, the proceeds of which are deposited into the City's General Fund will be affected by the voter approval requirements of Proposition 218. The City believes that the voter approval requirement of Proposition 218 reduces the flexibility of the City to raise revenues for the General Fund. No assurances can be given that the City will impose, extend or increase such taxes in the future to meet increased expenditure needs.

The repeal of local taxes, assessments, fees or charges could be challenged as a violation of the prohibition against impairing contracts under the contract clause of the United States Constitution. Subsequent to the amendment of Article XIII C, the State Legislature approved SB 919 (the "Proposition 218 Omnibus Implementation Act"), which directed that the initiative power provided for in Proposition 218 "shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after November 6, 1998, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights" protected by the United States Constitution. However, no assurance can be given that the voters of the City will not, in the future, approve an initiative which reduces or repeals local taxes, assessments, fees or charges that are or will be deposited into the City's General Fund. Further, "fees" and "charges" are not defined in Article XIII C or Proposition 218 Omnibus Implementation Act, and it is unclear whether these terms are intended to have the same meanings for purposes of Article XIII C as they do in Article XIII D, as described below. Accordingly, the scope of the initiative power under Article XIII C could include all sources of General Fund moneys not received from or imposed by the federal or State government or derived from investment income.

The initiative power granted under Article XIII C, by its terms, applies to all local taxes, assessments, fees and charges and is not limited to local taxes, assessments, fees and charges that are property related. The City is unable to predict whether the courts will interpret the initiative provision to be limited to property related fees and charges. No assurance can be given that the voters of the City will not, in the future, approve an initiative which reduces or repeals local taxes, assessments, fees or charges which are deposited into the City's General Fund.

Article XIII D added several requirements that generally made it more difficult for local agencies, such as the City, to levy and maintain "assessments" for municipal services and programs. "Assessment" is defined in Proposition 218 and the Proposition 218 Omnibus Implementation Act (as enacted in Government Code Section 53750) to mean any levy or charge upon real property for a special benefit conferred upon the real property. This includes maintenance assessments imposed in City service areas and in special districts. In most instances, in the event that the City is unable to collect assessment revenues relating to specific programs as a consequence of Proposition 218, the City will curtail such services rather than use amounts in the General Fund to finance such programs. Accordingly, the City anticipates that any impact Article XIII D may have on existing or future taxes, fees, and assessments will not adversely affect the ability of the City to pay the principal of and interest on the Notes, as and when due. However, no assurance can be given that the City may or will be able to reduce or eliminate such services to avoid new costs for the City General Fund in the event the assessments that presently finance them are reduced or repealed.

Article XIII D also added several provisions affecting "fees" and "charges" which are defined as "any levy other than an ad valorem tax, a special tax, or an assessment, imposed by an agency (subdivision (a) of Section 2 of Article XIII D defines an agency as any local government as defined in subdivision (b) of Section 1 of Article XIII C) upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." All new fees and charges and, after June 30, 1997, all existing property related fees and charges that are extended, imposed or increased must conform to requirements prohibiting, among other things, fees and charges which (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) are for a service not actually used by, or immediately available to, the owner of the property in question, or (iv) are used for general governmental services, including police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The City must then hold a hearing upon the proposed imposition or increase of such property-related fee or charge, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the City may not impose or increase the fee or charge. The City does not expect to collect such fees or charges in Fiscal Year 2015-16. No assurance can be given that the voters of the City will not, in the

future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges, the revenues and proceeds of which comprise a significant part of the City's General Fund.

Additional implementing legislation respecting Proposition 218 may be introduced in the State legislature from time to time that would amend and supplement and add provisions to California statutory law. No assurance may be given as to the terms of such legislation or its potential impact on the City.

Proposition 62

Proposition 62 was adopted by the California voters at the November 4, 1986, general election and (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities such as the City be approved by a two-thirds vote of the governmental entity's legislative body and by a majority vote of the voters of the governmental entity voting in an election on the tax, (b) requires that any special tax (defined as taxes imposed for specific purposes) imposed by a local government entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed, (d) prohibits the imposition of ad valorem taxes on real property by local governmental entities except as permitted by Article XIII A of the California Constitution, (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities, and (f) required that any tax imposed by a local governmental entity on or after August 1, 1985, be ratified by a majority vote of the voters voting in an election on the tax within two years of the adoption of the initiative or be terminated by November 15, 1988.

On September 28, 1995, the California Supreme Court, in the case of Santa Clara County Local Transportation Authority v. Guardino, 11 Cal. 4th 220 (1995), upheld the constitutionality of Proposition 62. In Guardino, the court held that a county-wide sales tax of one-half of one percent was a special tax that, under Section 53722 of the Government Code, was invalid without the required two-thirds voter approval. The decision did not address the question of whether or not it should be applied retroactively. Since the adoption of Proposition 62, the City has enacted increases in taxes in compliance with Proposition 62.

Following the California Supreme Court's decision upholding Proposition 62, several actions were filed challenging taxes imposed by public agencies since the adoption of Proposition 62. On June 4, 2001, the California Supreme Court released its decision in one of these cases, Howard Jarvis Taxpayers Association v. City of La Habra, 25 Cal. 4th 809 (2011). In La Habra, the court held that public agency's continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes that are subject to Proposition 62 is three years. Accordingly, a challenge to a tax that is subject to Proposition 62 may only be made for those taxes collected within three years of the date the action is brought. The City does not believe that any of its taxes are subject to Proposition 62.

Proposition 1A

Proposition 1A, approved by California voters in November 2004, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. Proposition 1A provides, however, that beginning in fiscal year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses of the State Legislature and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also provides that if the State reduces the VLF rate below 0.65 percent of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State, beginning July 1, 2005, to suspend State mandates affecting cities, counties and special districts, except mandates relating to employee rights, schools or community colleges, in any year that the State does not fully

reimburse local governments for their costs to comply with such mandates. The State's ability to initiate future exchanges and shifts of funds will be limited by Proposition 22. See "Constitutional and Statutory Limitations on Taxes, Revenues and Appropriations - Proposition 22" below.

Proposition 22

Proposition 22, which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. Due to the prohibition with respect to State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A. See "Constitutional and Statutory Limitations on Taxes, Revenues and Appropriations - Proposition 1A" above. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increase school and community college district's share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. The LAO states that Proposition 22 will prohibit the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies.

Proposition 22 prohibits the State from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local government except pursuant to specified procedures involving public notices and hearings. In addition, Proposition 22 requires that the State apply the formula setting forth the allocation of State fuel tax revenues to local agencies revert to the formula in effect on June 30, 2009. The City does not believe that Proposition 22 will have a significant impact on its revenues and expenditures during Fiscal Year 2015-16.

Proposition 26

Proposition 26, which was approved by California voters on November 2, 2010, amends the California Constitution to expand the definition of "taxes." Proposition 26 re-categorizes many State and local fees as taxes and specifies a requirement of two-thirds voter approval for taxes levied by local governments.

Proposition 26 requires the State obtain the approval of two-thirds of both houses of the State Legislature for any proposed change in State statutes, which would result in any taxpayer paying a higher tax. Proposition 26 eliminates the previous practice whereby a tax increase coupled with a tax reduction that resulted in an overall neutral fiscal effect was subject only to a majority vote in the State Legislature. Furthermore, pursuant to Proposition 26, any increase in a fee above the amount needed to provide the specific service or benefit is deemed to be a tax which will require a two-thirds vote of approval to be effective. In addition, for State imposed fees and charges, any fee or charge adopted after January 1, 2010 with a majority vote of approval of the State Legislature which would have required a two-thirds vote of approval of the State Legislature if Proposition 26 were effective at the time of such adoption, is repealed as of November 2011, absent the re-adoption by the requisite two-thirds vote.

Proposition 26 amends Article XIII C of the State Constitution to state that a "tax" means a levy, charge or exaction of any kind imposed by a local government, except (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property or the purchase rental or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law; (6) a charge imposed as a condition of

property development; or (7) assessments and property related fees imposed in accordance with the provisions of Proposition 218. See “Constitutional and Statutory Limitations on Taxes, Revenues and Appropriations - Article XIII C and Article XIII D of the California Constitution “above.

Proposition 26 applies to any levy, charge or exaction imposed, increased, or extended by local government on or after November 3, 2010, unless exempted, as stated above. Accordingly, fees adopted prior to that date are not subject to the measure until they are increased or extended or if it is determined that an exemption applies. As of the date hereof, none of the City’s fees or charges has been challenged in a court of law in connection with the requirements of Proposition 26.

If the local government specifies how the funds from a proposed local tax are to be used, the approval will be subject to a two-thirds voter requirement. If the local government does not specify how the funds from a proposed local tax are to be used, the approval will be subject to a fifty percent voter requirement. Proposed local government fees that are not subject to Proposition 26 generally are subject to the approval of a majority of the governing body. In general, proposed property charges will be subject to a majority vote of approval by the governing body although certain proposed property charges will also require approval by a majority of the affected property owners.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C, Article XIII D, Proposition 111, Proposition 1A, Proposition 62, Proposition 22, and Proposition 26 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time, other initiative measures could be adopted, further affecting revenues of the City or the City’s ability to expend revenues. The nature and impact of these measures cannot be predicted by the City.

TAX MATTERS

Federal Tax Matters

In the opinion of Butler Snow LLP, Atlanta, Georgia, Bond Counsel, under existing statutes, rulings and court decisions and under applicable regulations, interest on the Notes is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; provided, however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

The opinion contains greater detail, and is subject to exceptions. See APPENDIX D attached hereto for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Notes.

Ownership of the Notes may result in other collateral federal income tax consequences to certain taxpayers, including without limitation, corporations subject to the environmental tax, banks, thrift institutions and other financial institutions, foreign corporations which conduct a trade or business in the United States, property and casualty insurance corporations, S corporations, individual recipients of social security or railroad retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Notes. Purchasers of the Notes should consult their tax advisors as to the applicability of any such collateral consequences.

In rendering its opinion that the interest on the Notes is excludable from gross income for federal income tax purposes, Bond Counsel will (i) rely as to questions of fact material to its opinion upon certificates and certified proceedings of public officials including officials of the City and representations of the City, without undertaking to verify the same by independent investigation and (ii) assume the continued compliance by the City with its covenants relating to the use of the proceeds of the Notes and compliance with the requirements of the Code, including, but not limited to, the arbitrage requirements contained in Section 148 of the Code. The inaccuracy of any

such representations or noncompliance with such covenants may cause interest on the Notes to become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Notes.

Changes in Federal Tax Law

Proposed, pending or future tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of the interest on the Notes subsequent to their issuance. Future legislation could directly or indirectly reduce or eliminate the value of certain deductions and exclusions, including the benefit of the exclusion of tax-exempt interest on the Notes from gross income for federal income tax purposes. Any such proposed legislation, actions or decisions, whether or not enacted, taken or rendered, could also adversely affect the value and liquidity of the Notes. In addition, regulatory actions from time to time are announced or proposal and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Notes or the market value thereof would be impacted thereby. Purchasers of the Notes should consult their own tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Special Tax Counsel are based upon existing law, legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Notes and Special Tax Counsel has expressed no opinion as of any date subsequent thereto or with any respect to any pending legislation, regulatory initiatives or litigation.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, sale, execution and delivery by the City of the Notes are subject to the approval of Butler Snow LLP, Bond Counsel. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of the Limited Offering Memorandum. Certain other legal matters will be passed upon for the City by the City Attorney, by the City's Disclosure Counsel, Butler Snow, Atlanta, Georgia and for the underwriter by its counsel Ballard Spahr LLP

FINANCIAL ADVISOR

The City has retained Comer Capital Group, LLC, of Jackson, Mississippi, as financial advisor (the "Financial Advisor") in connection with the issuance of the Notes. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Limited Offering Memorandum.

Comer Capital Group, LLC is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities.

UNDERWRITING

Under the Bond Purchase Agreement, IFS Securities, Inc., Atlanta, Georgia (the "Underwriter"), will purchase the Notes at a price of \$ _____, less an Underwriter's discount of ____ percent (___%). The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes. The Underwriter may offer and sell Notes to certain dealers at prices lower than the public offering price or otherwise allow concessions to such dealers who may re-allow concessions to other dealers.

The City has agreed to indemnify the Underwriter against certain civil liabilities, including certain liabilities under federal securities laws. Under existing statutes, regulations, and court decisions, the enforceability of such an agreement to indemnify is uncertain.

LITIGATION

No litigation is pending or, to the best of the knowledge of the City, threatened concerning the validity of the Notes, and an opinion of the City Attorney to that effect will be furnished to the Purchaser at the time of the

original delivery of the Notes. The City is not aware of any litigation pending or threatened questioning its political existence or contesting its ability to levy and collect *ad valorem* taxes or to collect or receive the County Collected Revenues or contesting its ability to pay the principal of and interest on the Notes. However, the City is routinely involved in certain disputes relating to its day-to-day operations.

NO RATING

NO RATING FOR THE NOTES HAS BEEN APPLIED FOR. THE NOTES ARE SUBJECT TO A SIGNIFICANT DEGREE OF RISK. THE NOTES ARE SUITABLE FOR INVESTMENT CONSIDERATION ONLY FOR THOSE PERSONS WHO ARE SOPHISTICATED AND EXPERIENCED IN THE FIELD OF TAX AND REVENUE ANTICIPATION NOTES. SEE “THE NOTES — SECURITY AND SOURCES OF PAYMENT FOR THE NOTES” AND “RISK FACTORS” HEREIN.

CONTINUING DISCLOSURE

The City has agreed in the Resolution and has covenanted in the Continuing Disclosure Agreement for the benefit of the Owner of the Notes to provide notices of the occurrence of certain Listed Events. Pursuant to the Continuing Disclosure Agreement, the notices of Listed Events will be filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) system or to another repository designated by the MSRB or the SEC within 10 Business Days. The City’s obligations under the Continuing Disclosure Agreement will terminate upon payment in full of all of the Notes without any requirement to provide notice to the Owner of the Notes. If such termination occurs prior to the final maturity of the Notes, the City will give notice of such termination in the same manner as for a Listed Event. See “APPENDIX E: FORM OF CONTINUING DISCLOSURE AGREEMENT” attached hereto.

During the past four fiscal years, the City has failed to timely file certain annual reports, notices of failure to file annual reports, and notices of rating changes required to be filed pursuant to continuing disclosure agreements entered into by the City and the respective dissemination agents thereunder pursuant to the Rule for the City’s Sewer Revenue Refunding Bonds, Series 1998 (the “Series 1998 Sewer Bonds”), Sewer Revenue Bonds, Series 2009 (the “Series 2009 Sewer Bonds”), and Water Revenue Bonds, Series 2009 (the “Series 2009 Water Bonds” and, together with the Series 2009 Sewer Bonds, the “Series 2009 Bonds”). Although they were filed past the due date, the City has filed its financial information in accordance with the continuing disclosure agreements related to the Series 1998 Bonds and the Series 2009 Bonds for fiscal years 2009 through 2012, but the City has not filed certain additional operating data required by the continuing disclosure agreement related to the Series 1998 Bonds for the 2010 through 2012 fiscal years. And, although the City failed to file certain notices within the time required by the continuing disclosure agreements, the dissemination agent for the City has notified the MSRB of those failures, and the dissemination agent for the City has also filed the required notices (i.e. a Notice of Rating Change related to Standard & Poor’s and Moody’s rating withdrawals on the Series 1998 Sewer Bonds and the Series 2009 Bonds was posted on EMMA on December 11, 2012).

In addition to the City’s continuing disclosure obligations related to the Series 1998 Bonds and the Series 2009 Bonds, the City was required to file monthly financial information with EMMA related to the City’s financial results for the months of February through May, 2013 in connection with the City’s issuance of its 2012-13 Tax and Revenue Anticipation Notes. The City timely filed those required monthly disclosure reports.

See <http://emma.msrb.org> for a complete history of the City’s continuing disclosure filings.

FINANCIAL STATEMENTS

APPENDIX C-1: “CITY OF COMPTON AUDITED FINANCIAL REPORT FOR THE FISCAL YEAR ENDING JUNE 2012;” APPENDIX C-2: “CITY OF COMPTON UNAUDITED FINANCIAL REPORT FOR THE MONTH OF JUNE 2013;” C-3: “CITY OF COMPTON UNAUDITED FINANCIAL REPORT FOR THE MONTH OF JUNE 2014;” C-4: “CITY OF COMPTON UNAUDITED FINANCIAL REPORT FOR THE MONTH OF JUNE 2015” and C-5: “CITY OF COMPTON UNAUDITED FINANCIAL REPORT FOR THE MONTH OF MAY 2016” are attached hereto.

The City's Financial Report for the Month of June 30, 2011, the City's Financial Report for the Month of June 30, 2013 and the City's Financial Report for the Month of May 31, 2014 reflect unaudited financial data prepared by the City Controller that has not been reviewed by an independent auditor. No assurances can be given that the review of the City's financial data by an independent auditor will yield the same or similar results.

Mayer Hoffman McCann, P.C. has not been engaged to perform and has not performed, since the date of the Independent Auditor's Report. MGO is the City's current independent auditor. MGO was engaged to perform the City's audit for the Fiscal Year ended June 30, 2012. MGO completed the fiscal year 2011-12 audit and issued a clean opinion on the City's financial statements for the fiscal year ended June 30, 2012. MGO was also engaged to perform the fiscal year 2012-13 audit and the auditors issued a clean opinion on the audited Annual Financial Report in August 2015. The City of Compton Audited Annual Financial Report for the Fiscal Year Ended June 30, 2012 is attached as C-1. The City of Compton Audited Annual Financial Report for the Fiscal Year Ended June 30, 2013 is attached as C-2. The City of Compton Unaudited Annual Financial Report for the Fiscal Year Ended June 30, 2014 is attached as C-3. The City of Compton Unaudited Annual Financial Report for the Fiscal Year Ended June 30, 2015 is attached as C-4. The City of Compton Unaudited Annual Financial Report for the Fiscal Year Ended June 30, 2016 through May 2016 is attached as C-5. The City has not requested nor has the City obtained the consent of MGO to the inclusion of its reports attached hereto at Appendix C. Mayer Hoffman McCann, P.C. has not been requested to perform and neither has performed any procedures relating to this Limited Offering Memorandum.

ADDITIONAL INFORMATION

Included herein are brief summaries of certain documents and reports, which summaries do not purport to be complete or definitive, and reference is made to such documents and reports for full and complete statements of the contents thereof. This Limited Offering Memorandum is not to be construed as a contract or agreement between the City and the Purchaser of the Notes. Any statements made in this Limited Offering Memorandum involving matters of opinion, whether or not expressly so stated, are intended merely as an opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

#11.

The execution and delivery of this Limited Offering Memorandum have been duly authorized and approved by the City Council of the City.

CITY OF COMPTON, CALIFORNIA

By: _____
Roger Haley, City Manager

[Signature Page to Limited Offering Memorandum]

**APPENDIX A
FINANCIAL, ECONOMIC AND DEMOGRAPHIC
INFORMATION REGARDING THE CITY OF COMPTON**

#11.

APPENDIX B
CITY OF COMPTON CASH FLOW PROJECTIONS

**APPENDIX C-1
CITY OF COMPTON AUDITED ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

#11.

**APPENDIX C-2
CITY OF COMPTON UNAUDITED ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**APPENDIX C-3
CITY OF COMPTON UNAUDITED ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

#11.

**APPENDIX C-4
CITY OF COMPTON UNAUDITED FINANCIAL REPORT FOR THE MONTH OF JUNE 2015**

**APPENDIX C-5
CITY OF COMPTON UNAUDITED FINANCIAL REPORT FOR THE MONTH OF MAY 2016**

APPENDIX D
FORM OF OPINIONS OF BOND COUNSEL

**APPENDIX E
FORM OF CONTINUING DISCLOSURE AGREEMENT**

#11.

APPENDIX F
FORM OF INVESTMENT LETTER

**APPENDIX G
FORM OF ACCOMPANYING DOCUMENT**

#11.

APPENDIX H
FORM OF DIRECTION LETTER

**APPENDIX I
FORM OF TRUST AGREEMENT**

31115865v2

WARRANTS APPROVED BY COUNCIL

<u>Warrant #</u>	<u>Date</u>	<u>Name</u>	<u>Services Provided</u>	<u>Amount</u>	<u>Amount Paid Year to Date</u>
233970	5/25/16	Total Corporate Solutions	Relocation of copiers and printers to new Housing Authority location	\$300.00	\$191,496.00
Requested by Housing					
233974	5/25/16	Walters Wholesale Electric Co.	Electrical supplies needed at fleet yard	\$1,054.76	\$39,500.00

Requested by General Services

I hereby certify that the above demands in the amount of **\$1,354.76** were approved at a regular meeting of the City Council and reject _____ as of June 7, 2016.

Council Member

Council Member

City Manager

I hereby certify that the Finance Committee at a regular meeting of the City Council on June 7, 2016 allowed the above demands.

Alita Godwin
City Clerk

#12.

**TOTAL
CORPORATE
SOLUTIONS**

20335 S Western Ave Torrance, CA 90501
P: 310-436-8600 F: 310-436-1594

INVOICE

Invoice No: 114215

Date: 6/26/2015

Account No: C001

Paid By	AN
Ref #	10006462
P.O. #	JD/1653
PO #	2820-79-0000-4218
PO #	

Bill To: City Of Compton
Attn: Del Green
700 N Bullis Rd
Compton, CA 90221
US

Ship To: (F) City Of Compton
Attn: Del Green
700 N Bullis Rd
Compton, CA 90221
US

Sales Order No	P. O. Number	Ship Method	Payment Terms	Payment Due					
25908		UPS - Ground	Net 30	7/26/2015					
Remarks			Sales Person						
			Richard Gomez						
Item No	Description	Serial No	Order	Ship	BkO	UM	Price	Disc	Amount
Del&Rem	Delivery and or Removal		1.0	1.0	0.0	EA	\$300.00		\$300.00
	Relocate (2) Copiers and (1) printer MX-623N - From Building & Safety to Housing MX-365N & HP 9500 - From Housing to Building & Safety								

OK to PAY

Date: 3/14/16

D. Green: 

DATE 3/14/16

3/30/16

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DATE NO
5/23/16
5/23/16
5/23/16
5/23/16

2016 MAY 24 PM 5:23
Controller's Office

OK to PAY
Date: 3/14/16
D. Green: *dg*

A Finance charge of 1.5% per month (18% per annum) will be charged on past due balances.

If you have any billing questions feel free to contact The Accounting Department, AR@teamtcs.com, or your sales rep listed above.
Thank you.

Subtotal	\$300.00
Discount	\$0.00
Freight	\$0.00
Sales Tax	\$0.00
Invoice Total	\$300.00
Balance Due	\$300.00

20335 S Western Ave Torrance, CA 90501 310-436-8600



WHOLESALE ELECTRIC CO.
(562) 988-3100

PLEASE REMIT TO:
P.O. Box 91929
Long Beach, CA 90809-1929

INVOICE	INVOICE DATE
213537-01	02/10/16
CUSTOMER NUMBER	INVOICE TOTAL
121078	745.26
CASH DISCOUNT	
Deduct 0.18 if paid before 03/10/16	

SOLD TO:

744 1 AB 0.416 E0132 I0302 D1631510609 P3112498 0002:0002



CITY OF COMPTON GENERAL SERV
205 S WILLOWBROOK AVE
COMPTON CA 90220-3134

SHIP TO:

CITY OF COMPTON GENERAL SERV
205 S WILLOWBROOK
COMPTON CA 90220-3134

PACKING LIST		CUSTOMER PO.		GIVEN BY:		OUTSIDE SALES REPRESENTATIVE		PAGE
213537-01		B02581		ROBERTO ROBERTO		COMPTON BRANCH		1 of 1
LINE	PART/NUMBER DESCRIPTION	QTY ORDERED	QTY SHIPPED	QTY BACKORD	UNIT PRICE	U/M	EXTENDED AMOUNT	
3	3M33PLUS 3M 33+SUPER-3/4X66FT PLSTC T	2.0	1	1	4.610	E	4.61	
2	3M35WHI 3M 35-WHITE-3/4X66FT CODING	2.0	1	1	4.270	E	4.27	
1	MEDDCL400 MED DCL400 54W 4000 PH DM FL (27PCS/2WATT) PHILIPS LUMILE LED CHIP 4800LM	2	2		337.419	E	674.84	
		Paid By JN						
		V# 00930000						
		P.O.# J01573						
		A/C# 6000-100-5000 4236						
		A/C#						
TERMS: VENDOR TERMS						SUB TOTAL		683.72
A 1% per month service charge will be added to all delinquent balances at the close of our monthly billing cycle.						SHIPPING		.00
T = Taxable Tool Items						TOTAL TAX		61.54
YOUR ORDER WAS PROCESSED BY: DAN COULTRUP						TC/RATE		407 9.00
TOTAL DUE:								745.26



Okay to Pay Invoice
Uck

General Services Director

Please return this portion
with your remittance.
THANK YOU!

INVOICE	INVOICE DATE
213537-01	02/10/16
CUSTOMER NUMBER	INVOICE TOTAL
121078	745.26
CASH DISCOUNT	
Deduct 0.18 if paid before 03/10/16	

PLEASE REMIT TO:

CITY OF COMPTON GENERAL SERV
205 S WILLOWBROOK AVE
COMPTON CA 90220-3134

Walters Wholesale Electric Co.
P.O. Box 91929
Long Beach, CA 90809-1929

#12.

REC'D MAR 07 2016
Walters

WHOLESALE ELECTRIC CO.
 (562) 988-3100

PLEASE REMIT TO:
 P.O. Box 91929
 Long Beach, CA 90809-1929

INVOICE	INVOICE DATE
214891-00	02/29/16
CUSTOMER NUMBER	INVOICE TOTAL
121078	309.50
CASH DISCOUNT	
Deduct 5.68 if paid before 04/10/16	

SOLD TO:

2916 1 AB 0.416 E0015X I0028 D1650280594 P3140737 0001:0001



CITY OF COMPTON GENERAL SERV
 205 S WILLOWBROOK AVE
 COMPTON CA 90220-3134

SHIP TO:

CITY OF COMPTON GENERAL SERV
 205 S WILLOWBROOK
 COMPTON CA 90220-3134

PACKING LIST		CUSTOMER PO.		GIVEN BY:		OUTSIDE SALES REPRESENTATIVE		PAGE	
214891-00		KELLY PARK		ROBERTO ROBERTO		COMPTON BRANCH		1 of 1	
LINE	PART/NUMBER DESCRIPTION	QTY ORDERED	QTY SHIPPED	QTY ON HAND	UNIT PRICE	U/M	EXTENDED AMOUNT		
1	UNIM1000ML5AC5M500 ULT M1000ML5AC5M500K 1000 MH	2.0	2		141.971	E	283.94		
Paid By <i>AN</i> # <i>00930000</i> P.O. # <i>501573</i> A/C # <i>LISTED</i> A/C # <i>(F)</i>									
TERMS: VENDOR TERMS					SUB TOTAL			283.94	
1% per month service charge will be added to all delinquent					SHIPPING			00	
balances at the close of our monthly billing cycle.					TOTAL TAX			25.56	
T = Taxable Tool Items					TC/RATE			407 9.00	
IF PAID ON OR BEFORE:		04/10/16	YOU SAVE:		5.68	AND PAY ONLY:		303.82	TOTAL DUE:
									309.50

Walters

OK
 General Services Director

Please return this portion
 with your remittance.
 THANK YOU!

INVOICE	INVOICE DATE
214891-00	02/29/16
CUSTOMER NUMBER	INVOICE TOTAL
121078	309.50
CASH DISCOUNT	
Deduct 5.68 if paid before 04/10/16	

PLEASE REMIT TO:

CITY OF COMPTON GENERAL SERV
 205 S WILLOWBROOK AVE
 COMPTON CA 90220-3134

Walters Wholesale Electric Co.
 P.O. Box 91929
 Long Beach, CA 90809-1929