

NOTICE

COMPTON CITY COUNCIL AGENDA Tuesday, October 16, 2012 5:45 PM

HEARING(S)

**5:50 P.M. - PUBLIC HEARING - WASTE HAULING FRANCHISE AGREEMENT
(Item #6)**

OPENING

ROLL CALL

INTRODUCTION OF SPECIAL GUESTS

COMMENDATORY RESOLUTIONS/PRESENTATIONS

1. **CERTIFICATE PARTICIPATION - 2012 Explore Academy Participants**

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. **SEPTEMBER 27, 2012 (Regular Adjourned)
SEPTEMBER 27, 2012 (Special Meeting)
OCTOBER 2, 2012**

REPORTS OF OFFICERS AND COMMISSIONS

END CONSENT AGENDA

REGULAR AGENDA

REPORTS OF OFFICERS, BOARDS, COMMISSIONS AND COMMITTEES

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORTS

3. CLAIM AGAINST THE CITY:
Albert Alexander v. City of Compton - I-8533/LI0000219A
4. ORAL REPORT: NEW CITY OF COMPTON SMOKE FREE ORDINANCE

UNFINISHED BUSINESS

NEW BUSINESS

5. A RESOLUTION OF THE CITY OF COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO AMEND THE 2012-2013 FISCAL YEAR BUDGET TO REDUCE GENERAL FUND EXPENDITURE AND INCREASE THE COMPTON LOCAL HOUSING AUTHORITY REVENUE AND EXPENDITURE APPROPRIATIONS BASED ON THE FIRST QUARTER BUDGET REVIEW
6. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A WASTE HAULING FRANCHISE AGREEMENT WITH PACIFIC COAST WASTE AND RECYCLING LLC

APPROVAL OF WARRANTS

COUNCIL COMMENTS

ADJOURNMENT

NEXT REGULAR MEETING: Tuesday, October 23, 2012 @ 5:45 PM.

Visit our website at <http://www.comptoncity.org>

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

SEPTEMBER 27, 2012

The regularly adjourned City Council meeting was called to order at 7:16 p.m. in the Council Chambers of City Hall by Mayor Eric Perrodin. The Pledge of Allegiance and Moment of Silence ceremonies were led by Mayor Eric Perrodin.

ROLL CALL

Council Members Present: Zurita, Dobson, Arceneaux, Jones, Perrodin

Council Members Absent: None

Other Officials Present: C. Cornwell, A. Godwin, G. H. Duffey

PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS

The public comments section was not taken in accordance to James Chaffee versus San Francisco Library Commission.

7:05 P.M. - PUBLIC HEARING - PROPOSED RE-ALIGNMENT OF ELECTORAL DISTRICTS (Item #1)

On motion by Arceneaux, seconded by Dobson, the public hearing was opened at 7:17 p.m., by the following vote on roll call:

AYES: Council Members - Zurita, Dobson, Arceneaux, Jones, Perrodin

NOES: Council Members - None

ABSENT: Council Members - None

Douglas Johnson, Demographer for National Demographers Corporation (NDC), presented the proposed plan maps A, B, C & D and the plaintiff's plan maps 1, 2 and 3.

***All maps are available on the City's website at www.comptoncity.org or in the City Clerk's Office.**

AUDIENCE COMMENTS ON THE HEARING

Barbara Calhoun, Compton resident, requested a copy of Plan D.

Pedro Pallan, concerned citizen, spoke in favor of the plaintiff's Plan 2 and Plan D.

Joyce Kelly, Compton resident, spoke in favor of Plan A because there were not many changes.

Joe Serrado, labors international union, petitioned the City Council to allow the Latino community an opportunity to be a part of the re-alignment process.

On motion by Arceneaux, seconded by Dobson, the public hearing was closed at 7:28 p.m., by the following vote on roll call:

AYES: Council Members - Zurita, Dobson, Arceneaux, Jones, Perrodin

NOES: Council Members - None

ABSENT: Council Members - None

COUNCIL COMMENTS ON THE HEARING

Councilperson Dobson contended the Second District's southern boundary in Plan D.

Mayor Perrodin asked the city attorney if there were any time restrictions.

#2.

City Attorney Cornwell notified the Mayor that the deadline is October 1, 2012.

Councilperson Arceneaux maintained that she had no problems with Plan D and asked the demographer to address the Second District councilperson's concerns of bringing the Palmer Street border down to Compton Boulevard.

Mr. Douglas stated that any attempts to bringing the border down to Compton Boulevard would put too many people in the Second District and potentially violate the Voting Rights Act.

Councilperson Arceneaux asked the city attorney if there would be any legal challenges to moving the boundary to Compton Boulevard.

City Attorney Cornwell replied affirmatively and added that a reduction in one area would require an increase in another.

Councilperson Dobson asked if it was permissible to extend the Second District to Compton Boulevard and extend the Fourth District to the canal.

Mr. Douglas stated that the Second District would be overpopulated significantly and the Fourth District would have to pick up more territory.

Mayor Perrodin recognized the need to comply with the settlement and the City Charter simultaneously, and cited the considerable impacts of the plan maps on the Second District.

Mayor Perrodin expressed a concern for feeling rushed and made recommendations to the demographer to maintain the Second District boundaries to Compton Boulevard on the Plan D map to maintain its constituency and original boundaries.

Mayor Perrodin requested the pleasure of the council.

Councilperson Dobson spoke in favor of what is legal.

Mayor Perrodin spoke in favor of Plan C because it closely resembles the current lines and meets all requirements by the plaintiffs; expressed a need for extensive voter education and asked that the district lines remain as close to the original lines as possible.

Councilperson Dobson asked the city attorney if Plan C was in compliance with the plaintiff's settlement. City Attorney Cornwell replied affirmatively.

Councilperson Dobson spoke in favor of Plan C.

Councilperson Arceneaux spoke in favor of Plan C, if the council agrees to it.

Councilperson Zurita stated that she is not partial to either map, although Plan A is more natural.

City Attorney Cornwell notified the members of council that the plaintiffs have not commented on Plan C; therefore he stated that the City Attorney's Office would not be able to advise on the outcome or response.

Councilperson Zurita asked if comments were received on the latest amendment to Plan D. City Attorney Cornell replied affirmatively.

Councilperson Jones mentioned his consent to change Plan D to address Councilperson Dobson's concerns regarding her constituents; and asked the city attorney if the criterion in Plan C meets the plaintiff's requirements, as well.

Mr. Douglas indicated that the plaintiffs may not comply due to the Spanish surnames registration and turnout numbers at 44% in District Two in Plan A or D.

Councilperson Arceneaux asked the city attorney if Plan C had any legal standing.

City attorney Cornwell conceded that all maps withstand legal scrutiny noting that some may avoid challenge from the plaintiffs.

CONSENT AGENDA - There were no items on Consent Agenda.

REGULAR AGENDA

UNFINISHED BUSINESS- There was no Unfinished Business.

NEW BUSINESS

- 1. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON RE-ALIGNING THE BOUNDARIES OF THE CITY COUNCIL DISTRICTS, BASED ON THE 2010 CENSUS, FOR USE AT THE CITY’S APRIL 2013 PRIMARY ELECTION AND SUBSEQUENT ELECTIONS

On motion by Dobson, seconded by Zurita, "**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON RE-ALIGNING THE BOUNDARIES OF THE CITY COUNCIL DISTRICTS, BASED ON THE 2010 CENSUS, FOR USE AT THE CITY’S APRIL 2013 PRIMARY ELECTION AND SUBSEQUENT ELECTIONS**" was placed on first reading by title only, by the following vote on roll call:

AYES: Council Members - Dobson, Arceneaux, Jones, Perrodin
NOES: Council Members - Zurita
ABSENT: Council Members - None

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

COUNCIL COMMENTS

Councilperson Arceneaux commented on the significance of voter education with the approval of Plan C.

ADJOURNMENT

On motion by Arceneaux, seconded by Dobson, the meeting was adjourned at 8:16 p.m., by the following vote on roll call:

AYES: Council Members - Zurita, Dobson, Arceneaux, Jones, Perrodin
NOES: Council Members - None
ABSENT: Council Members - None

Clerk of the City of Compton

Mayor of the City of Compton

SEPTEMBER 27, 2012

A special City Council meeting was called to order at 8:17 p.m. in the Council Chambers of City Hall by Mayor Eric Perrodin.

ROLL CALL

Council Members Present: Zurita, Dobson, Arceneaux, Jones, Perrodin

Council Members Absent: None

Other Officials Present: C. Cornwell, A. Godwin, G. H. Duffey

PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS

The public comments section was not taken in accordance to James Chaffee versus San Francisco Library Commission.

CONSENT AGENDA

There were no Consent Agenda items.

REGULAR AGENDA

UNFINISHED BUSINESS- There was no Unfinished Business.

NEW BUSINESS

1. MINUTE MOTION: A MOTION TO APPROVE THE REQUEST OF MCKINLEY JOHNSON FOR A FILM PERMIT AND WAIVER OF PERMIT FEES. [Permit Dates: October 4 and 5, 2012]

McKinley Johnson, MFA Thesis Student and U.S. veteran, requested an opportunity to film a cinematic clip of a party scene at VFW Post 5394; A&D Minimart and his mother's home on Anzac Street.

Councilperson Arceneaux expressed a concern for the content of the film production as it relates to the City of Compton being viewed in a negative light; and the request to waive fees.

City Attorney Cornwell stated that he received an email from both the Fire Department and Sheriff's Department that no additional personnel would be required for this event.

Councilperson Jones asked if there were any liability issues. City Attorney Cornwell indicated that there would be no liability issues incurred to the City.

Mayor Perrodin requested the length of the film. Mr. Johnson indicated that the clip would last 90 seconds.

Mayor Perrodin stated that he has the same concerns as Councilperson Arceneaux regarding the City's reputation.

Councilperson Dobson asked if the City is named as the loss payee on the insurance. Mr. Johnson replied affirmatively.

Mayor Perrodin requested a copy of the finished product.

On motion by Dobson, seconded by Jones, the minute motion was approved, by the following vote on roll call:

AYES: Council Members - Zurita, Dobson, Arceneaux, Jones, Perrodin

NOES: Council Members - None

ABSENT: Council Members - None

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

COUNCIL COMMENTS

Councilperson Zurita announced the open house for the Compton College Foster & Kinship Care Education program to be held on Wednesday, October 3, 2012 from 10 a.m. to 12 p.m. For more information, please contact Pamela Godfree at (310) 537-3808.

Councilperson Zurita also announced the "First Annual Compton Walk for A Cure" event to be held on Saturday, October 27, 2012. Registration begins at 7 a.m. on the corner of Wilmington and Greenleaf Boulevard. For more information, please contact Kiera Joe at (310) 605-5510.

Councilperson Dobson thanked the following persons for their support of the "9th Annual Homeless Veterans Stand-down" event: Mark Woods, Herman Wilson, Ms. Pearl, Mr. Kardoona, Ms. Williams, Chris Frost, Ralphs grocery store, Trina Flemmings, Floyd, Michael, and Linda.

Councilperson Dobson recognized Bruce Boyden in the audience.

City Attorney Cornwell thanked the City Council for their consideration and approval of the minute motion.

Councilperson Arceneaux reported on her travels to the Mosquito Abatement District conference in San Diego.

Councilperson Arceneaux asked the city manager to address the maintenance of city-owned properties and growing trend of commercial vehicles parking in residential neighborhoods.

Mayor Perrodin commended Councilperson Dobson for her leadership in the "9th Annual Homeless Veterans Stand-down" event.

Mayor Perrodin asked the city manager to address the five street lights that are out on Long Beach Boulevard, all the lights on Walnut Street between Central and Wilmington Boulevard and the traffic signal at Central and Reeves.

ADJOURNMENT

On motion by Zurita, seconded by Jones, the meeting was adjourned at 8:46 p.m., by the following vote on roll call:

- AYES:** Council Members - Zurita, Dobson, Arceneaux, Jones, Perrodin
- NOES:** Council Members - None
- ABSENT:** Council Members - None

Clerk of the City of Compton

Mayor of the City of Compton

OCTOBER 2, 2012

The City Council meeting was called to order at 6:19 p.m. in the Council Chambers of City Hall by Mayor Eric Perrodin.

ROLL CALL

Council Members Present: Zurita, Dobson, Arceneaux, Jones, Perrodin

Council Members Absent: None

Other Officials Present: C. Cornwell, A. Godwin, G. H. Duffey

COMMENDATORY RESOLUTIONS/PRESENTATIONS

1. PROCLAMATION - VENUS AND SERENA WILLIAMS

Councilperson Zurita and the City Council proclaimed October 2, 2012 "Venus and Serena Williams Hometown Heroes Day" in the City of Compton, in recognition of their many accomplishments in professional sports.

2. AWARD CERTIFICATE - BLUDSO'S BBQ

Councilperson Zurita and the City Council recognized Bludso's BBQ with an award certificate for winning the Hoodie Award for "Best BBQ in California."

PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS

Robert Ray, Compton resident, stated that he would much rather be in the City of Compton in the middle of the night than in Camden New Jersey. He went on to petition the city manager to consider adding additional deputies because they are overworked.

Paulette Simpson, Compton resident, indicated that council members were paid to answer the citizen's questions, noting that bed-ridden citizens cannot attend town hall meetings. She indicated that the topic among senior citizens is the money being spent outside the city; and why the city manager would hire someone outside the city for the assistant city manager position. She contended that she believes the citizens in the audience need metal detectors, in light of the recent incidents involving two council members. She also mentioned the directive by the city attorney to deny copies of council meetings. She advised the city manager to investigate the Human Resources Department because employees are helping their friends get hired.

Councilperson Arceneaux asked the city attorney why he would issue such a directive.

City Attorney Cornwell clarified that it was not his directive.

Mayor Perrodin advised anyone who would like a copy of the meetings to contact the City Clerk's Office.

Lee Wax, Coalition of Compton Unions, affirmed that the approval of Proposition 32 would be fundamental to maintaining a middle class in America. He voiced a concern for the decorum during last week's meeting and cited an ability to conduct a meeting in a professional manner to be vital to the City's survival.

Benjamin Holifield, Compton resident, questioned why the gate has not been opened between the Crystal Casino and the Gateway Towne Center. He further asked that the elected officials corroborate with each other and the city manager to ensure widespread success throughout the City.

Councilperson Dobson invited the residents to attend the Metro meeting to voice their concerns.

#2.

Val Dudley, Compton resident, asked the city attorney why he does not address the decorum of the meetings when the Mayor's not present. She indicated that there are people living in Texas and Alabama that want to move to Compton but they are disheartened when they watch the council meetings.

Barbara Calhoun, Compton resident, encouraged anyone that does not believe her to Google Skye Fisher and Barbara Calhoun. She spoke in opposition to metal detectors in the council chambers, and noted that the agenda specifically states that the citizens can comment on non-agenda items. She encouraged the council to remain steadfast and strong instead of trying to attack the citizens that attend council meetings.

Ms. Alvarez, Measure B plaintiff, petitioned the City Council to reconsider the modified Plan A as a fair alternate to re-districting.

Carolyn Stokes, Compton resident, suggested that any elected official, that does not want to hear the concerns of the people to resign from their position. She requested additional handicap parking areas in front of City Hall; and that council not to allow anyone the authority to spend \$75,000 at their disposal.

Lorraine Cervantes, Compton resident, corrected her announcement from last week and invited the City Council to participate in the closing ceremony at the Our Lady of Victory parish carnival this weekend. She insisted that the events from last week were provoked by a member of the City Council and proposed that they obtain training on parliamentary proceedings.

Pedro Pallan, Measure B supporter, petitioned the City Council to consider the modified Plan A. He indicated that he believes through their attorneys that two majority Latino districts must be drawn to ensure effective representation.

Diane Sanchez, Compton resident, asked the City Council to consider the modified Plan A.

Father Francisco, Our Lady of Victory, cordially invited the City Council to participate in the parish carnival closing ceremony Sunday, October 7, 2012 at 9 p.m.

Lynn Boone, Compton resident, referenced Item Number Four and questioned how the Fire Department preserved their maintenance supplies prior to this resolution. She referenced Item Number Six and requested a breakdown of the services provided. She referred to Item Number Eight and contended that the city manager needed permission from the Oversight Board before he could address Successor Agency-owned properties. Item Number Fourteen, she asked if the City received its money from the Compton Unified School District because it is not reflected in the background documentation. With regard to Item Number Fifteen, she asked the City Council to purchase an improved computer system; Item Number Sixteen, she indicated that it was a request to remove the right of the council to vote on, or be advised on budget amendments.

CONSENT AGENDA

ITEMS REMOVED FROM THE CONSENT AGENDA - Item Number Six was removed from the Consent Agenda.

APPROVAL OF MINUTES

3. SEPTEMBER 18, 2012

CITY FIRE DEPARTMENT

4. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ESTABLISH A PURCHASE ORDER WITH SMART & FINAL FOR SUPPLIES NEEDED FOR THE CARE AND MAINTENANCE OF THE FIRE STATION'S (**Resolution # 23,613**)

5. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A PREVENTIVE MAINTENANCE AGREEMENT WITH THE CITY OF SANTA FE SPRINGS FOR ROUTINE MAINTENANCE AND REPAIR ON CITY FIRE APPARATUS
(Resolution # 23,614)

ITEMS REMOVED FROM THE CONSENT AGENDA

MUNICIPAL LAW ENFORCEMENT SERVICES

6. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ISSUE A PURCHASE ORDER TO PAY ALL INVOICES BILLED FOR ANIMAL CARE AND CONTROL SERVICES FOR FISCAL YEAR 2012-2013

Councilperson Zurita asked if this service would be more cost effective for the City if it was performed in-house.

City Manager Duffey notified Councilperson Zurita that the City does not have a facility to house the animals which happens to be the majority of the costs; however he stated that he could bring back a report of the cost to provide the service.

Councilperson Zurita also asked the city manager to review their contract to ensure that the City is taking advantage of all contract services.

Mayor Perrodin asked the city manager to determine the feasibility of obtaining an exclusive contract for animal care and control due to the substantial amount of animals in the City of Compton.

On motion by Arceneaux, seconded by Zurita, **Resolution # 23,615** entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ISSUE A PURCHASE ORDER TO PAY ALL INVOICES BILLED FOR ANIMAL CARE AND CONTROL SERVICES FOR FISCAL YEAR 2012-2013" was approved, by the following vote on roll call:

AYES: Council Members - Zurita, Dobson, Arceneaux, Jones, Perrodin

NOES: Council Members - None

ABSENT: Council Members - None

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

AYES: Council Members - Zurita, Dobson, Arceneaux, Jones, Perrodin

NOES: Council Members - None

ABSENT: Council Members - None

END CONSENT AGENDA

REGULAR AGENDA

CITY MANAGER'S REPORT

7. ORAL REPORT - 2012/2013 BUDGET DOCUMENT

City Manager Duffey presented a staff report regarding his goals and objectives to increase the level of service provided to the citizens.

City Manager Duffey indicated that he would return on October 16, 2012 with a Power Point presentation and written report of the City's final 2012-2013 fiscal year budget.

***Copies of the budget are available on the city's website at www.comptoncity.org and the offices of the City Clerk, City Manager, City Treasurer and City Controller.**

#2.

8. **INFORMATIONAL REPORT - ESTABLISHMENT OF THE CITY OF COMPTON'S LEASING POLICY (Standard Operating Manual)**

On motion by Arceneaux, seconded by Jones, the report was received and filed, by the following vote on roll call:

AYES: Council Members - Zurita, Dobson, Arceneaux, Jones, Perrodin

NOES: Council Members - None

ABSENT: Council Members - None

9. REQUEST TO SET A PUBLIC HEARING TO CONSIDER THE FINANCING OF THE ACQUISITION AND DEVELOPMENT OF THE MULTIFAMILY RENTAL PROPERTY, LOCATED AT 708 WEST CORREGIDOR STREET, COMPTON COMMONLY KNOWN AS PARK VILLAGE APARTMENTS

On motion by Arceneaux, seconded by Jones, the public hearing was scheduled for October 23, 2012 at 6:00 p.m., by the following vote on roll call:

AYES: Council Members - Zurita, Dobson, Arceneaux, Jones, Perrodin

NOES: Council Members - None

ABSENT: Council Members - None

UNFINISHED BUSINESS

10. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON RE-ALIGNING THE BOUNDARIES OF THE CITY COUNCIL DISTRICTS, BASED ON THE 2010 CENSUS, FOR USE AT THE CITY'S APRIL 2013 PRIMARY ELECTION AND SUBSEQUENT ELECTIONS

Councilperson Dobson asserted that Plan C is in the best interest of the Second District constituents.

On motion by Zurita, seconded by Arceneaux, to waive the reading of the ordinance in full, by the following vote on roll call:

AYES: Council Members - Zurita, Dobson, Arceneaux, Jones, Perrodin

NOES: Council Members - None

ABSENT: Council Members - None

On motion by Dobson, seconded by Perrodin, (who stepped from the chair) to adopt the ordinance.

Councilperson Arceneaux indicated that she could not support Plan C due to the correspondence she received from legal counsel regarding a potential liability for the City.

Councilperson Dobson questioned what the issue is, if the plan is legal.

Councilperson Arceneaux clarified that it was not illegal, but that it would be challenged.

Councilperson Zurita spoke in favor of Plan D because it is favored among the plaintiffs and legal counsel.

Councilperson Dobson spoke in opposition to Plan D because it takes two to three parts from the Second District and puts it in the Fourth District.

The ordinance to approve Plan C failed, by following vote on roll call:

AYES: Council Members - Dobson, Perrodin

NOES: Council Members - Zurita, Arceneaux, Jones

ABSENT: Council Members - None

Councilperson Arceneaux stated that another map would have to be introduced at some point.

Mayor Perrodin stated that four votes are needed to pass a map and Councilperson Dobson has indicated that she does not approve of Plan D.

Mayor Perrodin conceded that the council would have to work together to comply with the settlement agreement and the federal voting rights act.

Mayor Perrodin further maintained that he believes the lines should be changed in accordance to the plaintiff's settlement agreement and because the population have changes.

The floor was opened to consider another map.

On motion by Zurita, seconded by Arceneaux, to approve Plan D, by the following vote on roll call:

AYES: Council Members - Zurita, Arceneaux, Jones

NOES: Council Members - Dobson, Perrodin

ABSENT: Council Members - None

Councilperson Arceneaux stated that she would not support Plan A out of respect for her colleague Councilperson Dobson.

On motion by Zurita, seconded by Jones, to approve Plan A, by the following vote on roll call:

AYES: Council Members - Zurita, Jones

NOES: Council Members - Dobson, Arceneaux, Perrodin

ABSENT: Council Members - None

Councilperson Dobson stated that she would rather support Plan B.

Mayor Perrodin spoke in opposition to Plan B because it removes the traditional lines of Compton and Willowbrook Avenue.

NEW BUSINESS

11. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON
AUTHORIZING A LEASE AGREEMENT BETWEEN THE CITY OF COMPTON
AND CRYSTAL STAIRS, INC.

Mayor Perrodin asked if this company was currently doing business in the building.

Kelly Montgomery, Director of the General Services Department, indicated that they were currently in the process of obtaining a business license.

Mayor Perrodin requested the area they would occupy.

Councilperson Zurita stated that they would utilize the space previously used by the former daycare center.

Mayor Perrodin requested additional information regarding the previous daycare center.

Marvin Hunt, Director of Parks and Recreation, explained that the previous tenant Child Development Institute (CDI) notified them during the summer that they would not be returning under the current CDI agreement. Some time afterward, staff was contacted by Crystal Stairs and informed them that they were interested in bringing their services to Dollarhide.

Mayor Perrodin asked Mr. Hunt if this lease agreement went out to bid. Mr. Hunt indicated that Crystal Stairs submitted a request to move into Dollarhide.

#2.

City Manager Duffey requested the monthly lease rate per month. Mr. Hunt stated that the approval of this contract would authorize \$2,552 per month, whereas the previous company only paid \$500 a month. Mr. Hunt added that they have their own janitorial and maintenance services with no entries, exits or common areas connected to Dollarhide.

Mayor Perrodin expressed a concern for the City obtaining the optimal lease rate for the space.

Councilperson Arceneaux asked if the parking would be an issue. Mr. Hunt indicated that parking has not changed from the previous company.

Councilperson Zurita asked the city manager if he is working on designating one department for lease agreement processing. Mr. Duffey asserted that, that issue was addressed under Item Eight.

Mayor Perrodin indicated that it is his job, as the mayor, to ascertain top value for the City of Compton; however he stated that there is not enough information within this resolution for him to give an honest assessment of the situation.

On motion by Arceneaux, seconded by Zurita, **Resolution # 23,616** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING A LEASE AGREEMENT BETWEEN THE CITY OF COMPTON AND CRYSTAL STAIRS, INC.**" was approved, by the following vote on roll call:

AYES: Council Members - Zurita, Dobson, Arceneaux, Jones
NOES: Council Members - None
ABSENT: Council Members - None
ABSTAIN: Council Members - Perrodin

Mayor Perrodin abstained for the aforementioned reasons.

12. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON
CERTIFYING AND AUTHENTICATING THE RATIFICATION BY THE VOTERS OF
THE PROPOSED COMPTON CITY CHARTER AMENDMENTS TO SECTIONS 500
AND 501

Councilperson Arceneaux requested legal counsel.

City Attorney Cornwell explained that all changes to the City Charter are submitted to Sacramento, who has indicated that they would like to see the resolution ratifying Measure B.

Councilperson Arceneaux asked the city attorney to publicly announce the changes.

City Attorney Cornwell stated that Section 500 of the City Charter now requires a vote by district system; and Section 501 has been modified to allow a redistricting of the electoral boundary lines in the City of Compton every ten years, if necessary.

Councilperson Zurita asked the city clerk to determine whether or not the fees should be adjusted for a person running for office.

Councilperson Zurita asked the city attorney if the lines would remain the same for the next election if the council does not agree on a plan map. City Attorney Cornwell replied affirmatively or unless a court order is submitted.

Councilperson Zurita stated that the districts did not have equal representation. Mr. Cornwell stated that that is one of the reasons why they are changing the district boundaries; the federal voting rights act requires equal population in the districts.

On motion by Zurita, seconded by Jones, **Resolution # 23,617** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON CERTIFYING AND AUTHENTICATING THE RATIFICATION BY THE VOTERS OF THE PROPOSED COMPTON CITY CHARTER AMENDMENTS TO SECTIONS 500 AND 501**" was approved, by the following vote on roll call:

AYES: Council Members - Zurita, Dobson, Arceneaux, Jones, Perrodin

NOES: Council Members - None

ABSENT: Council Members - None

13. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING A LANDSCAPE EASEMENT AT THE NORTHWEST CORNER OF ALAMEDA STREET AND THE ARTESIA BOULEVARD TRANSITION ROAD ADJOINING PHASE II OF GATEWAY TOWNE CENTER IN THE CITY OF COMPTON, CALIFORNIA.

On motion by Arceneaux, seconded by Jones, **Resolution # 23,618** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING A LANDSCAPE EASEMENT AT THE NORTHWEST CORNER OF ALAMEDA STREET AND THE ARTESIA BOULEVARD TRANSITION ROAD ADJOINING PHASE II OF GATEWAY TOWNE CENTER IN THE CITY OF COMPTON, CALIFORNIA**" was approved, by the following vote on roll call:

AYES: Council Members - Zurita, Dobson, Arceneaux, Jones, Perrodin

NOES: Council Members - None

ABSENT: Council Members - None

14. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE RENEWAL OF THE CONTRACTUAL AGREEMENT FOR SERVICES PROVIDED BY ALL CITY MANAGEMENT SERVICES, INC. AND COMPTON UNIFIED SCHOOL DISTRICT FOR CROSSING GUARD RESPONSIBILITIES

Councilperson Zurita questioned if the Compton Unified School District (CUSD) pays a portion of the crossing guard fees.

City Manager Duffey stated that CUSD pays a fifty percent share of the fees.

Councilperson Zurita requested the last time the contract was negotiated.

Carl Houston, Municipal Law Enforcement Services, stated approximately five years ago.

Mayor Perrodin asked if the City is reimbursed by CUSD. Mr. Houston replied affirmatively.

Mayor Perrodin requested the name of the company and if the City has been reimbursed yet. Mr. Houston cited All City Management Company and indicated that payments are processed when this agreement is ratified by CUSD.

Councilperson Arceneaux inquired about why the City has a share of the cost. Mr. Houston stated that the City determined that it would be more cost effective to hire a crossing guard service.

On motion by Arceneaux, seconded by Jones, **Resolution # 23,619** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE RENEWAL OF THE CONTRACTUAL AGREEMENT FOR SERVICES PROVIDED BY ALL CITY MANAGEMENT SERVICES, INC. AND COMPTON UNIFIED SCHOOL DISTRICT FOR CROSSING GUARD RESPONSIBILITIES**" was approved, by the following vote on roll call:

AYES: Council Members - Zurita, Dobson, Arceneaux, Jones, Perrodin

NOES: Council Members - None

ABSENT: Council Members - None

15. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY CONTROLLER TO ACCEPT SETTLEMENT BENEFIT PAYMENTS IN THE AMOUNT OF \$19,470.75 FROM A CLASS ACTION LAWSUIT SETTLEMENT AGAINST MICROSOFT CORPORATION FOR CERTAIN HARDWARE AND/OR SOFTWARE PURCHASES MADE BY THE CITY

#2.

On motion by Arceneaux, seconded by Zurita, **Resolution # 23,620** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY CONTROLLER TO ACCEPT SETTLEMENT BENEFIT PAYMENTS IN THE AMOUNT OF \$19,470.75 FROM A CLASS ACTION LAWSUIT SETTLEMENT AGAINST MICROSOFT CORPORATION FOR CERTAIN HARDWARE AND/OR SOFTWARE PURCHASES MADE BY THE CITY**" was approved, by the following vote on roll call:

AYES: Council Members - Zurita, Dobson, Arceneaux, Jones, Perrodin

NOES: Council Members - None

ABSENT: Council Members - None

16. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON REVISING THE CITY'S POLICIES AND PROCEDURES FOR THE APPROVAL OF PURCHASE ORDERS, WORK CHANGE ORDERS, BUDGETARY TRANSFERS AND CONTRACTS, AND RESCINDING RESOLUTION NO. 23,393

Councilperson Arceneaux requested legal counsel.

City Attorney Cornwell stated that one of the purposes of this resolution is to address a previous audit comment regarding how the City handles its utility payments. Therefore for clarification, Section 6 of this resolution addresses urgent situations in which the city manager under certain parameters can approve an item up to \$75,000 with the caveat that the item be brought before this Body at the next scheduled meeting. In addition, a provision has been added to authorize up to \$100,000 with the concurrence of the city attorney.

Mr. Cornwell cited the following reasons why the provisions should be in place: for the preservation of life, health, property, and fiscal stability particularly during the month of August.

Councilperson Jones asked if there were any policies in place for emergency spending.

City Manager Duffey replied affirmatively, citing Resolution # 21,925 approved in April 2006; Resolution # 22,085 approved in September 6, 2006; Resolution # 22,271 approved in April 2007; Resolution # 22,522 approved in February 2008 and Resolution # 22,398 approved on September 11th as having the emergency provision.

Councilperson Jones questioned the need for the proposed resolution, in light of those resolutions.

City Manager Duffey explained that the city controller has become cautious and wants to be sure he is authorized to release funds to pay for specific (utilities) items that may exceed the city manager's limit of \$5,000.

City Attorney Cornwell clarified that the only difference within this resolution is the inclusion of utility payments and fiscal stability.

Mayor Perrodin stated that he does not agree and read Resolution # 23,393.

Mayor Perrodin conceded that the City Charter should be followed to the letter regardless of who receives the authority to make determinations on emergency situations.

Councilperson Zurita maintained that the goal of this resolution is to ensure transparency in accounting.

City Attorney Cornwell stated that he is not in support of this item, nor does he object to it. Mr. Cornwell clarified that this item is not improper or in violation of the City Charter and further added that this item is a resolution and governed by the plain meaning rule doctrine; therefore any discrepancies should be directed towards the dictionary and not the City Charter.

Councilperson Arceneaux requested clarity on the city attorney's statement.

City Attorney Cornwell asserted that he was not advocating a position but has merely addressed the assertion that the resolution is in violation of the City Charter.

City Manager Duffey indicated that all line items would be clearly identified to ensure extreme transparency.

On motion by Arceneaux, seconded by Jones, "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON REVISING THE CITY'S POLICIES AND PROCEDURES FOR THE APPROVAL OF PURCHASE ORDERS, WORK CHANGE ORDERS, BUDGETARY TRANSFERS AND CONTRACTS, AND RESCINDING RESOLUTION NO. 23,393**" failed, by the following vote on roll call:

AYES: Council Members - Zurita, Arceneaux

NOES: Council Members - Dobson, Jones, Perrodin

ABSENT: Council Members - None

REQUEST TO EXTEND MEETING

On motion by Arceneaux, seconded by Jones, the meeting was extended past the four-hour mark, by the following vote on roll call:

AYES: Council Members - Zurita, Dobson, Arceneaux, Jones, Perrodin

NOES: Council Members - None

ABSENT: Council Members - None

APPROVAL OF WARRANTS - There were no warrants considered for approval.

COUNCIL COMMENTS

Councilperson Zurita requested an ordinance that prohibits the use of plastic bags in the City of Compton; and asked that community service workers be solicited to help keep the City's shopping centers and major thoroughfares clean.

Councilperson Zurita encouraged the residents to call Pacific Coast Waste & Recycling at (310) 635-2955 to schedule a bulky waste pick up.

Councilperson Zurita announced the "First Annual Compton Walk for a Cure" event to be held on Saturday, October 27, 2012. Registration will begin at 7:30 a.m. in the Greenleaf Parkway near Walton Middle School. For more information, please call (310) 605-5510.

Councilperson Zurita invited the residents to participate in the Kalsman Avenue Block Club casino bus trip to Pechanga on Saturday, November 10, 2012. For more information, please contact Mr. Johnson at (310) 631-5326 or Nancy Goodwin at (310) 291-7752.

Councilperson Zurita also announced the grand opening of the new library at 4420 East Rose Street, East Rancho Dominguez on Monday, October 29, 2012 beginning at 4 p.m.

Councilperson Dobson stated that it is always her intent to do what is legal, what is right, and what is best for the citizens of Compton.

Councilperson Dobson requested a status report on the Crane Street project; and encouraged the residents to attend the "Metro Meeting" to ensure that their concerns are heard. The event will be held on Thursday, November 15, 2012 at the Transit Center beginning at 6:30 p.m.

Councilperson Dobson invited anyone that would like specific information concerning employment opportunities to call her office at (310) 605-5684.

Councilperson Dobson recognized the following individuals for their contributions towards the "9th Annual Homeless Veterans Stand-down" event: Mark Woods, Mr. Wilson, Ms. Pearl, Mr. Steve Kardoan, Ms. Williams, Miranda Rankins, Mr. Chris Frost, Norma from the Compton Fashion Center, NAEJA, Nestle, Holidays Barber Shop, Lions Club, Victory Outreach Church,

Compton Fire Department, Explorer One, Gas Company, Ms. Penniman, Our Lady of Victory Church, Barbara Thompson, and Ms. Burr.

Councilperson Arceneaux directed the city manager to make a consorted effort to eradicate the prostitution on Long Beach Boulevard.

Councilperson Arceneaux wished Margaret Reed a happy birthday.

Councilperson Jones announced the "Just Do Good Cleanup Event in the Fourth District" to be held on Saturday, October 20, 2012 beginning at Vanguard Learning Center located at 13305 San Pedro Street. For more information, please call (310) 605-5662.

Councilperson Jones also announced the “Children’s Fall Festival" event to be held on Saturday, October 27, 2012 at Kelly Park from 10 a.m. to 2 p.m.

Councilperson Jones requested that the meeting be adjourned in the memory of Reverend Cherry Cunningham.

Mayor Perrodin thanked Councilperson Dobson for allowing him the opportunity to speak at the veteran’s stand-down event. The Mayor went on to suggest that the apartment building north of Careerlink be purchased to house female and male veterans.

Mayor Perrodin provided the background information as to why he would have voted against the resolution to authorize the city manager to enter into an agreement with B.L. Hayes to pay for construction services rendered on the Martin Luther King Jr. Transit Center.

Councilperson Arceneaux asked that a report be brought back concerning a company dumping dirt and debris from various sites at the 18 acre site on Alondra Boulevard.

City Attorney Cornwell notified the Mayor that the B.L. Hayes issue is being prepared to come back on a Successor Agency agenda. Mr. Cornwell affirmed that it did not need to go to the Oversight Board because it is not dealing with tax increment or state funds.

ADJOURNMENT

On motion by Zurita, seconded by Arceneaux, the meeting was adjourned at 10:26 p.m. in the memory of **Cherry Cunningham**, by the following vote on roll call:

- AYES: Council Members - Zurita, Dobson, Arceneaux, Jones, Perrodin**
- NOES: Council Members - None**
- ABSENT: Council Members - None**

Clerk of the City of Compton

Mayor of the City of Compton

October 16, 2012

TO: MAYOR AND CITY COUNCIL MEMBERS

FROM: CITY ATTORNEY

SUBJECT: CITY ATTORNEY REPORT/CLAIM NO. I-8533/LI0000219A

SUMMARY

Council will consider the claim of Albert Alexander (Claim No. I-8533/ LI0000219A), presented to the City on August 28, 2012, pursuant to Govt. Code §915, 912.4(a) and 912.6(a).

BACKGROUND

On August 28, 2012, the above claim was presented to the City Controller for property damage. Claimant alleges that on August 18, 2012, while driving west on Artesia Boulevard to the 91 west on ramp, his vehicle was allegedly damaged as the result of a pothole. Claimant alleges two rims to his vehicle were damaged as the result of this incident.

Staff has reviewed the information presented by Claimant and has determined that the City has no liability for Claimant's property damage because the incident location is in an area owned and maintained by Cal Trans.

FINANCIAL IMPACT

Two Thousand Dollars (\$2,000).

RECOMMENDATION

Staff recommends that this claim be denied.

/S/

CRAIG J. CORNWELL
CITY ATTORNEY

October 16, 2012

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: G. HAROLD DUFFEY, CITY MANAGER

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO AMEND THE 2012-2013 FISCAL YEAR BUDGET TO REDUCE GENERAL FUND EXPENDITURES AND INCREASE THE COMPTON LOCAL HOUSING AUTHORITY REVENUE AND EXPENDITURE APPROPRIATIONS BASED ON THE FIRST QUARTER BUDGET REVIEW

SUMMARY

The City Manager will provide an update of Fiscal Year 2012-2013. The first quarter of this year's budget ended September 30, 2012. The adopted budget is a projection of revenue and expenditures based on nine months of data from Fiscal Year 2011-2012. In order to be fiscally prudent, the Council needs to review the Fiscal Year 2012-2013 first quarter revenues and expenditures and reconcile assumptions to ensure that a balance budget is achieved. The reconciliation by staff will address both the financial and organizational structure to ensure that a balanced budget is achieved by June 30, 2013.

BACKGROUND

On June 19, 2012, per Resolution No. 23,566, Council adopted a 2012-2013 fiscal year budget outlining \$152,024,699 (Attachment I) in public resources. The Fiscal Year 2012-2013 General Fund budget shows approximately a \$9,000,000 structural deficit (Attachment II). To fill the budget gap, previous staff implemented several cost saving measures and revenue enhancements to reduce the structural deficit to approximately \$1,900,000 (Attachment III). To further reduce expenditures, the City Manager exercised Resolution No. 23,422 (Attachment IV), which reduces the overall General Fund budget by approximately \$2.3 million, thus eliminating the structural deficit for Fiscal Year 2012-2013.

However, the budget is really a planning document based on assumptions and projections. The significance of the first quarter review provides not only an update on revenues for this year, but allows the Council to review the accuracy of the year end projections from Fiscal Year 2011-2012. The final result of revenues and expenditures for Fiscal Year 2011-2012 sets a new benchmark for Fiscal Year 2012-2013 revenue. Staff must adjust their year-end assumptions to reflect the actuals of the 2011-2012 budget year (Attachment V). As a result of the first quarter monitoring and a review of revenue enhancements received in the first quarter, staff revised its projections from the original revenue enhancement list (Attachment VI). In addition, staff introduced approximately \$2.4 million dollars in new revenue enhancements (Attachment VII) to

#5.

augment the shortfall in the original revenue enhancements, reaffirming a balanced budget for Fiscal Year 2012-2013.

STATEMENT OF ISSUE

Given the City of Compton's financial condition at the start of this budget year, it is critical that during the course of this fiscal year that Council conducts in depth reviews of the City's budget. The City must establish a new norm and review its budget at least 3 times per year (Attachment VIII). In addition, staff must arm the Council with information so they can make decisions to allow the organization to function in a more effective and efficient manner. A good example and a best practice is establishing a 5-year revenue forecast (Attachment IX), which allows the policy makers to adjust or accelerate their short and long term goals.

Over the last 84 days of this fiscal year staff has reviewed the budget and determined that the following adjustments should be made (Attachment X):

1. Consolidation of the Public Works Department and the Water Department to create the Department of Public Work and Municipal Utilities. The Department would provide core infrastructure, street and road maintenance as well as water delivery and sanitation services.
2. Consolidate internal functions and utilize the General Services Department to carry out internal services such as, payments of utilities for City facilities, building maintenance, security, Park Patrol, information technology services, fleet, real estate management, central purchasing and reprographic services.
3. Establish a Community Development Department. This Department would consist of Planning, Building and Safety, Code Enforcement and the Successor Agency and would be the primary point for the development of vacant and improved land within the City of Compton.
4. Establish the Department of Neighborhood Services. This Department would consist of Parks and Recreation, Senior and Community Centers, Local Housing Authority.
5. The creation of an Public Policy and Economic Development manager within the City Manager's Office to replace an existing funded position to work with the State and Federal lobbyist, and new and emerging businesses/industries looking to relocate to the City of Compton.
6. Return 1.0 full time equivalent Administrative Analyst II position to the Water Department to assist the Department in the advancement of Capital Improvement Programs. **This action would have no General Fund impact.**
7. Increase the Local Housing Authority authorized positions by 1.0 part-time equivalent Housing Aide to assist in the implementation of the First Time Home Buyer Program. **This action would have no General Fund impact.**

The recommendations above were configured to provide a more efficient approach to delivering services to the residents and businesses within the City of Compton. As a result of these changes, some non General Fund budget modifications would be necessary. In addition, some of the recommendations above require the City to meet and confer with the labor unions and once that occurs staff will take appropriate steps to return to Council with a requested action.

Budget Adjustment for Fiscal Year 2012-2013

The budget modification does not increase the adopted Fiscal Year 2012-2013 approved allocations. However, the following budget transaction is necessary to assist the Local Housing Authority in meeting its annual obligations:

8. Authorize a fund transfer in the amount of \$358,691 in awarded First Time Home Buyer Program Grant funding, as approved thorough the Housing and Urban Development Annual Action Plan passed on May 8, 2012 per Resolution No. 23,533 (Attachment XI). This action would increase the Local Housing Authority revenue appropriations in the amount of \$358,691 and expenditure appropriations to Home Ownership account (2805-3584). This action, if approved, would have no General Fund impact.

ALTERNATIVES

Council can take no action and staff can return at the Midyear review with similar recommendations.

FISCAL IMPACT

As outlined in this report, given the anticipated salary savings and revenue enhancements identified during the first quarter of this fiscal year, the City of Compton has a balanced budget and the recommendations for additional staff has no impact on the City's General Fund.

RECOMMENDATIONS

Staff recommends that the Mayor and City Council:

Approve the attached resolution, reducing General Fund appropriations by \$2.3M as identified in (Attachment IV) and item 8 as referenced in the requested as budget adjustments for Fiscal Year 2012-2013.

G. HAROLD DUFFEY
CITY MANAGER

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO AMEND THE 2012-2013 FISCAL YEAR BUDGET TO REDUCE GENERAL FUND EXPENDITURE AND INCREASE THE COMPTON LOCAL HOUSING AUTHORITY REVENUE AND EXPENDITURE APPROPRIATIONS BASED ON THE FIRST QUARTER BUDGET REVIEW

WHEREAS, pursuant to Resolution No. 23,566, the City Council of the City of Compton adopted the Fiscal Year 2012-2013 budget on June 19, 2012; and

WHEREAS, the Fiscal Year 2012-2013 General Fund budget shows approximately a \$9,000,000 structural deficit, whereby previous staff implemented cost saving measures and revenue enhancements to reduce the structural deficit to approximately \$1,900,000, to fill this budget gap; and

WHEREAS, to further reduce expenditures, the City Manager exercised Resolution No. 23,422, which reduces the overall General Fund budget by approximately \$2.3 million, thus eliminating the structural deficit for Fiscal Year 2012-2013; and

WHEREAS, the City has been awarded \$358,691.00 for implementation of the First Time Home Buyers Program, as approved by Resolution No. 23,533, and seeks to manage this program through the Compton Local Housing Authority; and

WHEREAS, the 2012-2013 Fiscal Year budget shall be amended to transfer and reallocate the First Time Home Buyers Program funds to the Compton Local Housing Program.

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

SECTION 1. That the City Manager is hereby authorized to reduce General Fund appropriations by **\$2,321,260.00** from Account No. 1001 610 000 4297.

SECTION 2. That the City Manager is further authorized to transfer the First Time Home Buyers Program funds to the Compton Local Housing Authority FY 2012-2013 budget as follows:

Increase Revenue in Account No. 2805 000 000 3584	\$358,691.00
Increase Expenditures in Account No. 2805 790 000 4289	\$358,691.00

SECTION 3. That a certified copy of this resolution shall be filed in the Offices of the City Clerk, City Attorney, City Manager and City Controller.

SECTION 4. That the Mayor shall sign and the City Clerk shall attest to the adoption of this resolution.

ADOPTED this _____ day of _____ 2012.

MAYOR OF THE CITY OF COMPTON

RESOLUTION NO. _____
PAGE TWO

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

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

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor, and attested by the City Clerk at a regular meeting thereof held on the _____ day of _____, 2012.

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

Attachment I:
Fiscal Year 2012-2013 Adopted
Budget Summary

Fund No	Object Code		ACTUAL REVENUES FY 2009-2010	ACTUAL REVENUES FY 2010-2011	PROPOSED BUDGET FY 2011-2012	REVISED BUDGET FY 2011-2012	PROPOSED BUDGET FY 2012-2013
		GENERAL FUND					
		Property Taxes					
1001	3010	Property Taxes-Secured	\$ 3,724,354	\$ 2,881,583	\$ 3,406,302	3,406,302	3,406,302
1001	3020	Property Taxes-Unsecured	72,124	63,714	67,352	67,352	68,200
1001	3030	Property Taxes-Prior Year Secured	261,290	(495,265)	-	-	-
1001	3040	Property Taxes-Prior Year Unsecured	12,542	7,588	3,496	3,496	3,496
1001	3060	Aircraft	61,287	20,241	39,470	39,470	39,470
1001	3090	Interest and Penalties	1,389	-	1,416	1,416	-
		Sub Total	4,132,986	2,477,861	3,518,036	3,518,036	3,517,468
		Other Taxes					
1001	3110	Sales and Use Taxes	5,866,430	7,434,381	6,591,365	6,301,365	6,556,000
1001	3111	Sales and Use Taxes-P.S.A.F..	228,219	237,578	208,883	208,883	208,200
1001	3121	Gas Franchise	209,905	235,343	266,194	257,927	257,927
1001	3122	Electric Franchise	309,612	295,789	298,898	299,021	298,021
1001	3124	Other Water Franchise	5,438	5,588	5,438	5,438	5,400
1001	3125	Rubbish Franchise	575,005	597,522	624,386	600,500	800,000
1001	3126	Other Franchise	47,803	74,953	63,741	59,950	63,740
1001	3127	Towing Franchise	22,257	19,145	15,065	15,065	15,065
1001	3140	Transient Occupancy Tax	156,781	149,817	162,698	150,000	150,810
1001	3150	Property Transfer Fee	152,723	191,232	146,100	160,078	160,078
1001	3160	Telephone Users	1,652,615	1,760,770	1,695,140	1,595,140	1,505,000
1001	3161	Gas Users	1,567,329	1,696,353	1,506,000	1,406,000	1,350,600
1001	3162	Electric Users	5,099,509	4,697,140	4,648,326	4,611,000	4,610,400
1001	3163	City Water Users	899,115	1,025,393	932,562	1,189,964	1,189,964
1001	3164	Other Water Users	478,322	468,580	469,655	469,655	450,600
1001	3165	Cellular Phone Users	2,974,752	2,873,919	2,987,790	2,982,050	2,980,700
		Sub Total	20,245,815	21,763,503	20,622,241	20,312,036	20,602,505
		License and Permits					
1001	3210	Building Permits	622,898	426,481	562,325	442,325	420,500
1001	3220	Plumbing Permits	64,765	71,912	83,316	83,316	76,500
1001	3230	Electric Permits	90,428	77,943	83,127	83,127	71,521
1001	3240	Other Construction Permits	99,089	44,808	41,663	35,600	32,283
1001	3242	Enterprise Zone Vouchers	46,000	54,395	46,000	40,000	40,000
1001	3243	Tobacco Permit	51,383	63,700	61,200	61,200	58,543
1001	3245	Business License	1,530,348	1,435,835	1,895,983	1,450,200	1,651,252
1001	3246	Business License (Rentals)	85,129	83,794	84,794	84,794	85,512
1001	3248	Business License (Casino)	238,318	240,000	240,000	240,000	240,000
1001	3250	Certificates of Occupancy	51,052	43,630	43,630	43,630	35,000
1001	3264	Burglar Alarm Permits	5,415	7,085	7,085	7,085	7,100

Fund No	Object Code		ACTUAL REVENUES FY 2009-2010	ACTUAL REVENUES FY 2010-2011	PROPOSED BUDGET FY 2011-2012	REVISED BUDGET FY 2011-2012	PROPOSED BUDGET FY 2012-2013
1001	3265	Fire Permit Fee	28,383	54,797	84,100	40,000	45,000
1001	3266	Tank Removal (Underground)	27,916	21,378	21,377	21,900	21,900
1001	3275	Conditional Use Permits	119,064	27,635	27,635	27,635	15,000
1001	3280	Miscellaneous Permits	90,441	91,385	208,125	72,100	72,110
		Sub Total	3,150,629	2,744,777	3,490,360	2,732,912	2,872,221
		Fines, Forfeitures and Penalties					
1001	3315	Parking Citations	1,232,837	1,516,198	1,873,766	1,253,766	1,253,000
1001	3318	Career Link Parking Fees	-	-	-	-	-
1001	3320	Other Court Fines & Traffic Safety	293,546	375,133	347,598	347,598	348,500
1001	3321	Vehicle Impound Fined	79,450	74,699	74,699	54,699	54,600
1001	3332	False Alarm Program	-	-	-	20	20
1001	3340	Furfeitures, Penalties, Other	-	3,341	3,341	45	45
		Sub Total	1,605,833	1,969,371	2,299,404	1,656,128	1,656,165
		Use of Money and Property					
1001	3410	Interest Income	56,157	11,829	12,881	13,315	11,500
1001	3420	Rents and Concessions	1,081,064	746,960	796,460	130,228	130,227
1001	3421	Transit Center Room Rentals	-	500	500	500	100
1001	3425	Bullis Road Rental	62,468	69,099	69,099	15,000	15,000
		Sub Total	1,199,689	828,389	878,940	159,043	156,827
		Revenues From Other Agencies					
1001	3350	Census Grant Revenue	-	15,000	-	-	-
1001	3511	Motor Vehicle License	8,575,827	8,046,635	7,815,707	8,216,250	8,016,250
1001	3521	State Homeowners	29,410	24,979	24,979	24,979	21,360
1001	3550	SB-90 State Mandate	-	-	-	-	-
1001	3565	Other Federal Grants	-	-	-	111,000	-
1001	3570	Court Subpoena Reimbursements	1,611	1,719	1,718	1,730	1,740
1001	3571	Legal Recovery Fees	50,688	667	-	1,012,885	-
1001	3577	Other Agencies-MTA	-	-	-	-	-
1001	3580	Career Link Revenue	-	-	-	-	-
1001	3350	Census Grant Revenue	-	-	-	-	-
		Sub Total	8,657,536	8,089,000	7,842,404	9,366,844	8,039,350
		Charges From Current Services					
1001	3602	Current Services Provided/Water	3,383,968	3,383,967	3,423,968	3,383,967	3,423,968
1001	3603	Current Service Provided/Successor Agency	1,860,739	1,860,739	3,860,739	1,800,000	300,000
1001	3603	Current Service Provided/Local Housing Authority	-	-	-	-	25,800
1001	3610	Zoning Fees (Environmental Review)	23,085	18,750	19,325	16,835	12,500
1001	3612	Subdivision Fee	750	1,250	1,250	1,500	1,500
1001	3615	Sales of Maps/Publications	500	125	125	150	150
1001	3616	Banner Processing Fees	-	(425)	1,000	1,325	1,000
1001	3617	Other Filing and Certification	-	13,701	1,200	1,200	1,200
1001	3618	City Provided Medical Services	1,097,576	760,379	1,058,015	810,500	910,500

Fund No	Object Code		ACTUAL REVENUES FY 2009-2010	ACTUAL REVENUES FY 2010-2011	PROPOSED BUDGET FY 2011-2012	REVISED BUDGET FY 2011-2012	PROPOSED BUDGET FY 2012-2013
1001	3619	I. D. Cards and Fingerprints	-	-	-	-	-
1001	3622	Special Police Department	-	-	-	-	-
1001	3623	Special Fire Department	3,000	7,547	7,548	4,100	4,100
1001	3630	EMS Subscriptions	-	50	50	50	50
1001	3633	Quimby Act Fees	-	136,008	-	20,996	21,000
1001	3640	Plan Checking Fees	345,588	384,757	367,309	341,359	341,359
1001	3641	Admin Fee-Payroll	882	2,747	2,739	2,739	2,700
1001	3662	Nuisance Abatement	-	-	1,000	1,000	500
1001	3665	Weed and Lot Cleaning	-	110	110	300	325
1001	3666	Substandard Abatement	130,528	138,947	136,700	108,726	108,000
1001	3667	Abandoned Vehicles	-	-	-	-	-
1001	3681	Damage To City Property	-	1,337	-	-	-
1001	3684	Advertisement fees	824,000	266,255	210,000	210,000	210,000
1001	3700	Swim & Slide Pool Collections	11,887	22,004	21,971	21,971	22,100
1001	3712	Cleaning Deposits	-	1,470	1,470	1,470	500
1001	3721	Park and Recreation Room Rental	-	2,863	2,187	2,187	2,200
1001	3842	Other Penalties-Returned Check	550	425	425	425	200
1001	3848	Miscellaneous - Water	-	-	-	-	-
1001	3870	Collection Fees	-	-	-	-	-
1001	3881	Reproduction Charges	8,414	9,520	9,234	9,234	6,248
1001	3684	Advertisement fees	-	-	-	-	-
1001	3884	Administration fees	-	-	21,658	-	-
1001	3890	Miscellaneous Charges for Current Svcs	-	17,395	81,000	81,000	26,020
		Sub Total	7,691,467	7,029,921	9,229,023	6,821,034	5,421,920
		Other Revenues and Financing Sources					
1001	3910	Sale of Land/Real Property	-	4,485,000	-	-	-
1001	3920	Contributions from Other Funds / Agency	11,918,088	7,753,405	111,985	111,985	114,221
1001	3959	Overage/Shortage	-	(226)	-	20	20
1001	3980	Miscellaneous	2,765,683	765,110	188,504	188,504	105,690
1001	3982	Public Works Misc Revenue	16,716	57,798	143,434	143,434	131,850
		Sub Total	14,700,487	13,061,087	443,923	443,943	351,781
		TOTAL GENERAL FUND	61,384,442	57,963,909	48,324,331	45,009,976	42,618,237
		SPECIAL REVENUE FUNDS					
		HAZARDOUS MATERIALS FUND					
1003	3672	Hazard Materials Permit Fees	136,419	113,378	142,902	142,902	176,340
		FUND TOTAL	136,419	113,378	142,902	142,902	176,340

Fund No	Object Code		ACTUAL REVENUES FY 2009-2010	ACTUAL REVENUES FY 2010-2011	PROPOSED BUDGET FY 2011-2012	REVISED BUDGET FY 2011-2012	PROPOSED BUDGET FY 2012-2013
		RETIREMENT FUND					
2100	3010	Property Taxes-Secured	12,726,751	12,526,860	12,981,286	12,981,286	12,981,286
2100	3020	Property Taxes-Unsecured	466,724	553,413	175,742	175,741	176,000
2100	3030	Property Taxes-Prior Year Secured	1,118,191	(329,990)	-	132	135
2100	3040	Property Taxes-Prior Year Unsecured	84,173	13,978	6,100	6,100	6,100
2100	3060	Aircraft	-	-	-	-	-
2100	3090	Interest and Penalties	2,465	-	2,540	2,540	1,000
2100	3410	Interest Income	-	187	-	-	-
2100	3980	Miscellaneous Revenue	25	135,632	451	451	460
2100	3990	Surplus of Prior Years	-	-	1,835,077	2,262,286	228,646
2100	3521	State Homeowner (Property Taxes)	264,838	274,877	269,000	269,000	270,000
		FUND TOTAL	14,663,167	13,174,956	15,270,196	15,697,536	13,663,627
		PROPOSITION A FUNDS					
2000	3410	Interest Income	352	15	-	-	-
2000	3422	Passenger Fare L A County	-	133,023	22,100	22,100	120,356
2000	3423	Passenger Fares-City	-	2,991	2,300	2,300	3,975
2000	3578	1/2 Cent Sales Taxes	1,406,910	1,412,727	1,340,120	1,377,284	1,373,223
2000	3980	Miscellaneous Revenue	-	(499)	-	-	-
		FUND TOTAL	1,407,262	1,548,256	1,364,520	1,401,684	1,497,554
		PROPOSITION 1B FUNDS					
1521	3410	Interest	173	51	-	-	-
1521	3569	Other State Grant	1,478,473	-	-	-	-
		FUND TOTAL	1,478,646	51	-	-	-
		PROPOSITION C FUNDS					
1900	3410	Interest	12,843	209	-	321	350
1900	3423	Passenger Fares-Dial A Ride	138,721	-	150,000	150,000	1,300
1900	3427	Passenger Fares- Renaissance	-	-	-	-	-
1900	3578	1/2 Cent Sales Taxes	1,047,403	1,116,762	1,201,124	1,201,124	1,139,052
		FUND TOTAL	1,198,967	1,116,972	1,351,124	1,351,445	1,140,702
		SPECIAL GAS TAX FUND					
		Use of Money/Property					
2300	3410	Interest Income	28	-	-	-	-
2300	3512	State Gas Tax 2106	345,360	331,820	336,257	336,257	327,336
2300	3513	State Gas Tax 2107	776,617	747,543	740,448	740,448	692,066
2300	3514	State Gas Tax 2108 and 2107.5	15,000	15,000	7,500	7,500	7,500
2300	3515	State Gas Tax 2105	582,961	511,855	551,701	551,701	482,229
2200	3410	Gas Tax County	9	-	-	-	-
		FUND TOTAL	1,719,975	1,606,218	1,635,906	1,635,906	1,509,131

Fund No	Object Code		ACTUAL REVENUES FY 2009-2010	ACTUAL REVENUES FY 2010-2011	PROPOSED BUDGET FY 2011-2012	REVISED BUDGET FY 2011-2012	PROPOSED BUDGET FY 2012-2013
		JTPA/WIA/CAREER LINK Fund					
		Revenue from Other Agencies					
2751	3580	Other County Grants WIA Adult	118,389	-	-	-	-
2754	3580	Other County Grants WIA Youth	276,024	732,211	609,567	609,567	609,567
2754	3420	Rent and Concession	-	-	25,083	25,083	-
2755	3580	Other County Grants WIA Dislocated Worker	87,892	-	-	-	-
2762	3580	Rapid Response - Summer Youth	-	-	-	-	-
2767	3580	Summer First	-	-	-	-	-
2777	3580	SYEP	-	-	-	-	-
2771	3580	Other County Grants ARRA	696,731	12,649	-	-	-
2770	3580	Congressional Grant	5,499	-	-	-	-
2782	3580	Youth Employment Program	-	-	63,835	63,835	-
2783	3580	WIA Youth Waiver program	-	-	125,827	125,827	-
2784	3580	Summer Youth	-	-	-	-	37,929
2801	3580	HPRP	-	-	149,912	-	-
2870	3580	Temporary Assistance for needy Families	10,244	653,233	-	-	-
		FUND TOTAL	1,194,779	1,398,093	974,224	824,312	647,496
		DEPT of HEALTH SERVICES GRANTS					
2700	3579	Other County Grants	28,531	8,921	-	-	-
2700	3890	Misc Charges for Current Services	-	3,672	-	-	-
2700	3980	Misc Revenue	-	25	-	-	-
2701	3891	Drug Testing Fees	-	942	-	-	-
		FUND TOTAL	28,531	13,560	-	-	-
		OTHER GRANTS					
1012	3410	Transportation Investment - Interest	86	-	-	732	100
1012	3569	Transportation Investment Fund (Prop 42)	900,011	944,612	938,193	938,193	124,030
1022	3970	Asset Forfeiture	-	-	2,641	2,642	-
1033	3579	Supplemental Law Enforcement Service Funds	128,383	127,792	44,120	110,562	-
1033	3990	Revenue Prior Years	-	-	-	43,028	-
1041	3569	California Law Enforcement Equipment	-	-	-	-	-
1045	3569	LLEBG - 2001LBVX3794	-	120	-	-	-
1046	3569	LLEBG - 2002LBVX0169	-	16,024	-	-	-
1055	3565	Urban Area Security Grants	139,737	-	-	-	-
1057	3990	Youth Gang Intervention - Prior Year Balance	-	-	-	-	182,735
1058	3569	Hazardous Material Emergency Preparedness	-	-	-	-	-
1060	3565	Justice Assistance Grant	113,657	3,668	5,118	5,118	477,147
1060	3990	Justice Assistance Grant - Prior Year Balance	-	-	-	-	145,729
1061	3579	Justice Assistance Grant	-	1,108,198	957,123	957,123	150,998
1518	3410	Interest Income	-	3	-	-	-
1518	3565	Community Improvement	25,518	1,692,848	450,000	450,000	512,808

Fund No	Object Code	Object	ACTUAL REVENUES		ACTUAL REVENUES		PROPOSED BUDGET		REVISED BUDGET		PROPOSED BUDGET	
			FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2011-2012	FY 2012-2013	FY 2011-2012	FY 2012-2013	FY 2011-2012	FY 2012-2013
1518	3569	Other State Grants	559,583	58,511	-	-	-	-	-	-	-	-
1518	3989	Continued Approp	-	-	-	-	-	-	4,221,609	-	-	-
1519	3577	Martin Luther King Transit Center	2,250,202	-	-	-	-	-	-	-	-	-
1520	3410	Interest income	1	19	-	-	-	-	-	-	-	-
1520	3565	Measure R	630,192	833,774	900,000	855,785	900,000	900,000	900,000	900,000	855,785	855,785
1520	3578	1/2 Cent Sales Tax	-	-	-	-	-	-	60,806	-	59,318	59,318
1521	3990	Local Street & Road Improvement Fund (Prop 1-B)	-	-	-	-	-	-	-	-	486,122	486,122
1522	3410	Interest Income	-	3	-	-	-	-	-	-	-	-
1522	3565	American Recovery Reinvestment Act	22,590	2,503,512	-	-	-	-	-	-	-	-
1522	3569	Other State Grants	60,467	65,207	-	-	-	-	-	-	-	-
1523	3569	Rosecrans Traffic Signal Upgrade Grant	-	-	1,050,000	680,105	1,050,000	1,050,000	1,050,000	1,050,000	680,105	680,105
1524	3569	State Water Control Board Grant (Prop 40)	-	-	284,745	-	284,745	284,745	284,745	284,745	-	-
1525	3569	CAL Fire Grant	-	-	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
1641	3410	EDA Interest Income	5,793	1,230	-	-	-	-	1,053	-	-	-
1641	3990	EDA Revolving Loan - Prior Year Surplus	-	-	332,500	125,000	332,500	332,500	338,479	338,479	125,000	125,000
1663	3806	Parks Rehabilitation	-	200,000	-	-	-	-	-	-	-	-
1674	3410	Interest Income	-	1	-	-	-	-	-	-	-	-
1674	3583	Neighborhood Stabilization Program	1,054,653	1,164,767	2,158,795	-	2,158,795	2,158,795	2,158,795	2,158,795	-	-
1674	3980	Misc Revenue	-	1,250	-	-	-	-	-	-	-	-
1916	3577	Other Agencies-MTA	102,610	-	-	-	-	-	-	-	-	-
2601	3569	Emergency Mgmt Asst Program	-	2,536	-	-	-	-	-	-	-	-
2602	3569	Prop A Park Maintenance	-	-	-	-	-	-	-	-	-	-
2603	3569	RZH Skate Park	31,500	-	-	-	-	-	-	-	-	-
2604	3410	TDA Interest Income	39	4	-	-	-	-	-	-	-	-
2604	3569	TDA Sidewalk Improvement	-	105,735	145,000	-	145,000	145,000	-	-	-	-
2604	3579	TDA Other County Grants	-	-	-	-	-	-	145,000	145,000	48,059	48,059
2606	3410	Compton Creek Bikeway - Interest Income	14	2	-	-	-	-	-	-	-	-
2606	3569	Compton Creek Bikeway	-	47,718	-	-	-	-	-	-	-	-
2615	3410	Interest River Mountain Conservancy	156	28	-	-	-	-	-	-	-	-
2615	3569	River Mountain Conservancy	-	-	-	-	-	-	-	-	-	-
2618	3579	OS Raymond Park	-	335,030	-	-	-	-	-	-	-	-
2619	3410	Urban Development Action Grant	-	-	-	-	-	-	-	-	-	-
2620	3565	EPA Water Line Rehab Project	-	371,306	-	-	-	-	-	-	-	-
2624	3565	EPA Water Project	-	-	-	485,000	-	-	-	-	485,000	485,000
2625	3410	California Clean Air Act Interest Income	117	6	-	-	-	-	-	-	-	-
2625	3569	California Clean Air Act	112,583	116,549	-	35,600	-	-	34,763	34,763	35,600	35,600
2625	3990	Surplus of Prior Years Revenue	-	-	225,000	241,534	225,000	225,000	225,000	225,000	241,534	241,534
2639	3410	CPD Corrections Training	1	-	-	-	-	-	-	-	-	-
2641	3577	TEA21 TMOG	143,503	-	-	-	-	-	-	-	-	-
2647	3410	Beverage Container Recycle	5	1	-	-	-	-	-	-	-	-
2653	3569	Beverage Container Recycle	12,318	-	55,895	25,000	55,895	55,895	55,895	55,895	25,000	25,000
2653	3410	Beverage Container Recycle Interest	14	2	-	-	-	-	-	-	-	-

Fund No	Object Code		ACTUAL REVENUES FY 2009-2010	ACTUAL REVENUES FY 2010-2011	PROPOSED BUDGET FY 2011-2012	REVISED BUDGET FY 2011-2012	PROPOSED BUDGET FY 2012-2013
2653	3980	Beverage Container Recycle - Prior Year	-	-	80,339	80,339	61,294
2655	3410	Beverage Container Recycle-Interest	23	3	-	-	-
2663	3569	Used Oil 10th Cycle	-	-	-	-	-
2659	3569	DWR Ground Water Storage	61,875	2	-	-	-
2659	3410	DWR Ground Water Storage	1	-	-	-	-
2662	3659	Used Oil 12th Cycle	-	-	-	-	-
2663	3659	Used Oil 13th Cycle	7,288	12,631	-	-	-
2664	3659	Tony Hawk Skate	-	-	-	-	-
2665	3569	Click It or Ticket Program	20,474	17,880	-	-	-
2668	3569	Sobriety Check Point Program	26,888	-	-	-	-
2669	3569	Used Oil Block Grant	-	4,061	-	-	-
2670	3579	Los Angeles County Tartar Lane	-	-	-	-	-
2670	3410	Los Angeles County Tartar Lane-Interest	5	2	-	-	-
2671	3991	Brickyard Site Transition Plan	-	168,337	20,000	20,000	-
2671	3410	Brickyard Site Transition Plan-Interest	16	1	-	-	-
2672	3569	Used Oil Payment OPP1	-	27,657	-	-	28,392
2709	3410	Interest Income	-	2	-	-	-
2709	3579	Anti Graffiti Grants	67,300	-	-	-	-
2772	3565	Veterans Employment and Training	-	-	-	-	-
2773	3569	Tomorrow's Aeronautical Museum	133,601	143,047	50,000	50,000	-
2773	3970	Tomorrow's Aeronautical Museum - Prior Balance	-	-	-	-	45,000
2774	3569	Sobriety Check Point Program	152,174	203,166	50,000	120,000	-
2774	3970	Revenue Prior Years	-	-	-	43,440	-
2777	3579	Youth Employment Plan Grant	-	6,800	-	-	-
2778	3410	Interest Income	-	11	-	-	-
2778	3579	Annual Maintenance and Service	-	341,294	-	-	-
2778	3990	Surplus of Prior Years Revenue	-	-	350,000	350,000	-
2779	3579	Energy Efficiency And Concervation	-	-	185,000	185,000	675,756
2781	3565	Dot Paratransit Vehicles Grant	-	-	-	556,064	-
2799	3579	Creek Trail Project	-	-	150,000	150,000	500,200
1641	3608	Loan Origination Fees	60	-	-	-	-
		FUND TOTAL	6,763,438	10,625,348	8,534,469	13,638,385	6,045,712
		HOUSING & COMMUNITY DEVELOPMENT FUNDS					
		Other Revenues					
1672	3410	Interest Income	-	1,508	-	-	-
			-	1,508	-	-	-
		COMMUNITY DEVELOPMENT BLOCK GRANT(2800)					
2800	3410	Interest Income	-	3	-	-	-
2800	3583	Community Development Block Grant	1,993,031	3,564,737	2,039,750	2,962,274	1,572,749
2800	3970	Revenue Prior Years	-	-	-	-	1,121,614
		FUND TOTAL	1,993,031	3,564,740	2,039,750	2,962,274	2,694,363

Fund No	Object Code		ACTUAL REVENUES FY 2009-2010	ACTUAL REVENUES FY 2010-2011	PROPOSED BUDGET FY 2011-2012	REVISED BUDGET FY 2011-2012	PROPOSED BUDGET FY 2012-2013
		EMERGENCY SHELTER GRANT					
2801	3583	Emergency Shelter Grant	104,787	271,022	90,629	369,922	161,009
2801	3970	Revenue Prior Years	-	-	-	-	50,797
2801	3583	Homeless Prevention and Rapid Rehousing Program	-	297,425	50,135	-	-
		FUND TOTAL	104,787	568,447	140,764	369,922	211,806
		HOME GRANT					
2805	3410	Interest		10			
2805	3583	Home Grant	985,335	477,765	869,027	869,027	-
2805	3965	Repayment of Deferred Loan	93,926	-	-	-	-
2805	3966	Loan Repayment Commercial	-	-	-	-	-
2805	3410	Interest	7	-	-	-	-
2805	3970	Revenue Prior Year	-	-	-	17,733	-
		FUND TOTAL	1,079,268	477,775	869,027	886,760	-
		EDEDI					
2819	3410	Interest Income	146	17	-	-	-
		FUND TOTAL	146	17	-	-	-
		SECTION 108 LOAN					
2818	3410	Interest Income	42,534	3,169	-	10,576	10,576
2818	3970	Revenue Prior Year	-	-	488,020	488,020	2,400,000
2818	3980	Miscellaneous Revenue	-	-	-	3,954	-
		FUND TOTAL	42,534	3,169	488,020	502,550	2,410,576
		LOCAL HOUSING AUTHORITY					
2820	3410	Interest Income	3,238	356	1,275	750	3,200
2820	3420	Rents and Concessions	2,733,661	2,311,489	2,357,719	2,500,000	2,948,267
2820	3583	Local Housing Authority	6,383,443	7,528,424	6,511,112	7,248,168	6,947,388
2820	3884	Administrative Fees	192,085	172,546	168,875	183,353	158,498
2820	3886	Administrative Fees HUD	898,559	769,395	870,956	730,222	648,132
2820	3980	Misc Revenue	34,875	10,061	10,200	15,000	217,270
		FUND TOTAL	10,245,861	10,792,272	9,920,136	10,677,493	10,922,755
		CABLE TV FUND					
7002	3126	Government Access Franchise	354,512	344,729	276,495	276,495	165,406
7002	3980	Prior Year Surplus	-	-	36,829	37,235	-
7002	3410	Interest Income	171	1	-	-	-
7003	3410	Cable TV Public Access	-	3	-	-	-
		FUND TOTAL	354,683	344,732	313,324	313,730	165,406

Fund No	Object Code		ACTUAL REVENUES FY 2009-2010	ACTUAL REVENUES FY 2010-2011	PROPOSED BUDGET FY 2011-2012	REVISED BUDGET FY 2011-2012	PROPOSED BUDGET FY 2012-2013
		SPECIAL ASSESSMENTS					
2502	3761	Assessment-Lighting/Landscaping	4,320,927	4,351,246	4,438,271	4,394,634	4,229,446
		FUND TOTAL	4,320,927	4,351,246	4,438,271	4,394,634	4,229,446
		TOTAL SPECIAL REVENUE FUNDS	46,732,421	49,700,737	47,482,633	54,799,533	45,314,914
		REDEVELOPMENT FUNDS					
		LOW COST HOUSING FUND					
1203	3010	Property Taxes Current	-	4,417,118	-	-	-
1203	3410	Interest Income	5,802	9,257	8,750	8,750	-
1203	3920	Contribution From Other Funds	8,621,717	213,445	5,559,752	5,540,335	-
1203	3965	Repayment of Deferred Loans	-	28,780	-	-	-
1203	3966	Loan Repayment Commercial	-	-	-	-	-
1203	3980	Miscellaneous Revenue	22,834	62,545	-	-	-
1203	3990	Surplus of Prior Years Revenue	-	0	-	-	-
		FUND TOTAL	8,650,353	4,731,145	5,568,502	5,549,085	-
		PUBLIC FINANCE AUTHORITY					
9203	3410	Interest Income(9203)	2,032	(1,500)	-	356	-
9203	3920	Operating Transfer From General Fund	-	105,808	105,808	100,275	100,275
9203	3920	Operating Transfer From General Fund	-	-	-	-	-
		FUND TOTAL	2,032	104,308	105,808	100,631	100,275
		REDEVELOPMENT AGENCY					
1200	3010	Property Taxes	18,844,471	17,668,571	19,221,360	19,124,274	-
1200	3410	Interest Income	228,815	392,098	57,050	57,050	-
1200	3420	Rents & Concessions	-	30,000	-	-	-
1200	3920	Operating Transfer From Trustee	-	-	-	-	-
1200	3963	Bond/Loan Proceeds	9,150,000	-	-	-	-
1200	3966	Loan Repayment Commercial	-	103,794	-	-	-
1200	3980	Misc. Revenue	10,819	3,579	-	-	-
1300	3410	Interest Income	114	23	-	-	-
1300	3900	Sale of Land	-	-	-	-	-
1300	3966	Loan Repayment Commercial	-	4,739	-	-	-
1300	3980	Miscellaneous	-	-	-	-	-
4000	3410	Interest Income	3,425	(36)	-	-	-
4000	3420	Rents & Concessions	24,325	14,680	-	-	-
4000	3421	Transit Center Rents	1,050	500	-	-	-
1200	3569	Other State Grant	-	-	-	-	-
4000	3920	Contribution From Other Funds	1,338,914	900,000	1,243,160	1,243,160	-
4000	3980	Misc Revenue	21,568	-	-	-	-
		FUND TOTAL	29,623,501	19,117,947	20,521,570	20,424,484	-
		TOTAL REDEVELOPMENT FUNDS	38,275,886	23,953,400	26,195,880	26,074,200	100,275

[illegible]

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Fund No	Object Code		ACTUAL REVENUES FY 2009-2010	ACTUAL REVENUES FY 2010-2011	PROPOSED BUDGET FY 2011-2012	REVISED BUDGET FY 2011-2012	PROPOSED BUDGET FY 2012-2013
5000	3890	Misc Charges for Current Svcs	4,677	25,411	22,139	22,140	20,000
5000	3892	Scrap Metal Sales	8,188	-	-	-	-
5000	3890	Miscellaneous Charges IVR Fees	-	-	-	-	-
5000	3892	Scrap Metal Sales	-	513	-	-	-
5000	3890	Miscellaneous	(271,982)	17,821	19,552	19,552	59,000
		FUND TOTAL	10,353,514	11,825,860	16,096,120	14,117,630	15,270,500
		RICHLAND FARMS WATER FUND					
5001	3130	Richland Farm Assessment	51,977	49,662	48,000	48,000	48,000
5001	3410	Interest Income	-	-	-	-	-
5001	3980	Miscellaneous Revenue	(43,474)	-	-	-	-
		FUND TOTAL	8,503	49,662	48,000	48,000	48,000
		MIDLAND PARK WATER TRUST					
5010	3410	Interest Income	-	2	-	-	-
5010	3410	Self Insurance Trust - Interest Income	14	-	-	-	-
		FUND TOTAL	14	2	-	-	-
		CAPITAL IMPROVEMENT FUND					
5003	3410	Interest	5,012	4,526	-	3,225	-
5003	3808	Water CIP Revenue	2,361,147	2,705,663	2,763,450	2,763,450	2,763,450
5003	3970	Revenue Prior Year	-	-	18,785,358	18,785,358	13,132,546
5003	3980	Miscellaneous Revenue	(151,734)	-	-	-	-
		FUND TOTAL	2,214,425	2,710,189	21,548,808	21,552,033	15,895,996
		RUBBISH FUND					
5100	3410	Interest Income	117	7	-	-	-
5100	3670	Refuse Collection	9,026,435	8,673,433	11,154,750	10,164,622	10,903,911
5100	3722	Residential Bin Service	86,889	93,994	369,000	137,023	100,000
5100	3884	Administrative Fee	250,104	244,907	287,830	222,768	222,769
5100	3941	Principle & Interest/Hub City Contribution	196,097	126,373	-	111,737	50,000
5100	3942	Other Bond Revenue/Hub City	-	7,210	-	-	-
5100	3980	Miscellaneous Revenue	(271,492)	3,000	-	101,133	50,566
		FUND TOTAL	9,286,150	9,148,924	11,811,580	10,737,283	11,327,246
		SEWER					
5116	3410	Interest	3,008	460	45	300	300
5116	3761	Assessments	962,549	959,813	916,984	930,306	930,306
		FUND TOTAL	965,557	960,274	917,029	930,606	930,606

Fund No	Object Code		ACTUAL REVENUES FY 2009-2010	ACTUAL REVENUES FY 2010-2011	PROPOSED BUDGET FY 2011-2012	REVISED BUDGET FY 2011-2012	PROPOSED BUDGET FY 2012-2013
		CAPITAL IMPROVEMENT FUND					
5117	3410	Interest	2,048	1,953	699	1,600	1,600
5117	3809	Sewer Capital	941,528	1,929,114	2,033,783	2,033,783	1,862,203
5117	3970	Revenue Prior Year	-	-	12,631,532	12,631,532	10,965,305
5117	3980	Miscellaneous Revenue	(18,681)	-	-	-	-
		FUND TOTAL	924,895	1,931,066	14,666,014	14,666,915	12,829,108
		GOLF COURSE FUND					
5200	3710	Golf Fees	73,130	78,091	79,100	79,100	83,200
		FUND TOTAL	73,130	78,091	79,100	79,100	83,200
		RECREATION PROGRAM FUND					
5300	3410	Interest Income	30	4	-	-	-
5300	3740	Recreation Program	5,405	29,257	27,000	27,000	24,000
5300	3980	Miscellaneous Revenue	1,208	1,150	-	-	-
		FUND TOTAL	6,643	30,411	27,000	27,000	24,000
		TOTAL ENTERPRISE FUNDS	23,834,831	26,734,479	65,193,651	62,158,567	56,408,656
		INTERNAL SERVICES FUNDS					
		WORKERS COMPENSATION FUND					
6300	3410	Interest Income	302	148	-	-	-
6300	3750	Insurance Charges/Other	-	-	-	-	-
6300	3930	Workers Compensation Insurance	5,988,990	4,437,726	2,648,259	2,521,435	2,095,982
6300	3980	Miscellaneous	166	-	-	-	-
		FUND TOTAL	5,989,458	4,437,874	2,648,259	2,521,435	2,095,982
		GENERAL LIABILITY FUND					
6400	3920	Contributions from Other Funds	3,194,313	20,683,513	320,799	320,799	1,300,000
6400	3920	Contributions from Surplus Tax	-	-	1,116,710	1,116,710	-
6400	3920	Contributions from Prop A & Others	-	-	-	-	-
6400	3980	Miscellaneous Revenue	8,728	-	-	173,000	87,890
		FUND TOTAL	3,203,041	20,683,513	1,437,509	1,610,509	1,387,890
		EQUIPMENT RENTAL FUND					
6000	3882	Equipment Rental Charges	3,444,904	2,497,602	2,346,642	2,306,642	2,246,453
6000	3980	Misc Revenue	190,920	13,690	14,375	-	-
		FUND TOTAL	3,635,824	2,511,292	2,361,017	2,306,642	2,246,453

#5.

Fund No	Object Code		ACTUAL REVENUES FY 2009-2010	ACTUAL REVENUES FY 2010-2011	PROPOSED BUDGET FY 2011-2012	REVISED BUDGET FY 2011-2012	PROPOSED BUDGET FY 2012-2013
		CENTRAL DUPLICATING FUND					
6200	3410	Interest Income	88	5	-	-	-
6200	3881	Reproduction Charges	614,961	576,953	611,665	542,170	652,094
		FUND TOTAL	615,049	576,958	611,665	542,170	652,094
		TOTAL INTERNAL SERVICE FUNDS	13,443,372	28,209,637	7,058,450	6,980,756	6,382,419
		GRAND TOTAL	\$ 295,014,390	\$ 199,006,953	\$ 239,960,536	245,705,756	152,024,699

Attachment II:
Fiscal Year 2012-2013
General Fund Budget Deficit
Projection Summary

#5.

Department	1001	1003	1012	1057	1060	1061	1518
	General	Hazardous	Prop 42	2010	2011	2012	Community
	Fund	Materials		JAG	JAG	JAG	ARRA
							Improvement
1 City Council	849,524						
2 City Attorney	1,395,267						
3 City Clerk	1,082,385						
4 City Treasurer	495,531						
5 City Manager	2,948,706			182,735	145,729		
6 City Controller	1,616,708						
7 Human Resources	595,800						
8 Non-Departmental	3,255,287						
9 Local Housing Authority							
10 Parks & Recreation	2,396,094						
11 Planning	645,554						
12 CareerLink	30,939						
13 Municipal Law Enforcement	3,390,571						
14 LA County Sheriff	17,501,286					477,147	
15 Fire	10,485,588	176,340					
16 Building and Safety	996,181						
17 Street Maintenance Div	817,500		124,130			150,998	
18 Public Works - Eng.	228,350		-				512,808
19 General Services	2,900,145						
20 CRA (Successor Agency)							
21 Water							
Total Expenses	\$51,631,414	\$176,340	\$124,130	\$182,735	\$145,729	\$150,998	\$512,808
Estimated Revenue							
Fund Balance/Prior Year	\$42,618,237	\$176,340	\$124,130	-	\$0	\$150,998	\$512,808
Operating Transfer	(100,575.00)			\$182,735	\$145,729		
Total Revenue	\$42,517,662	\$176,340	\$124,130	\$182,735	\$145,729	\$150,998	\$512,808
	(\$9,113,752)	(\$0)	\$0	\$0	(\$0)	\$0	\$0

Attachment III:
Fiscal Year 2012-2013 Adopted
Budget Gap, Cost Savings and
Revenue Enhancements
Summary

Fiscal Year 2012-2013 Fiscal Year 2012-2013 Adopted Budget Gap Summary with Savings and Revenue Enhancement Projections

Fiscal Year 2012-2013 Adopted Cost Savings Projections

Measure	Projected Savings
Vacant Positions	\$1,721,946
Furlough Savings	\$845,760
Fire Department Savings	\$256,404
Benefit Savings	\$921,519
TOTAL	\$3,745,629

Fiscal Year 2012-2013 Adopted Revenue Enhancement Projections

Revenue Source	Original FY12/13 Projection
Trash Host Fee	\$500,000
Quimby Fees	\$1,100,000
Building Fees Increase	\$50,000
Fire Inspection Fee	\$150,000
MLES Admin. Fee	\$100,000
Successor Agency Reimbursement	\$300,000
Planning Fee	\$50,000
Medi-Cal Reimbursement	\$800,000
TOTAL	\$3,050,000

Fiscal Year 2012-2013 Adopted Budget Gap Summary

Projected General Fund Budget Shortfall	\$8,753,419
Cost Savings Measures	\$3,050,000
Revenue Enhancements	\$3,745,629
Net Projected Shortfall	\$1,957,790

Attachment IV:
Resolution No. 23,422 -
Refinancing of Revenue Lease
Bonds

RESOLUTION NO. 23,422

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON
AMENDING THE CAPITAL IMPROVEMENT PLAN AND
REALLOCATING CAPITAL FUNDING FOR PROJECTS FINANCED
THROUGH THE REFINANCING OF LEASE REVENUE BONDS

WHEREAS, on September 11, 2007, the City Council approved a resolution directing City Staff to move forward with a plan to provide for the issuance of lease revenue bonds to refinance outstanding certificates of participation issued in 1997, and to finance various additional projects; and

WHEREAS, on March 11, 2008, the City Council and the Compton Public Finance Authority (the "Authority") adopted two companion resolutions, Resolutions No. 22,536 of the City Council and Resolution No. 24 of the Authority, authorizing the issuance of the Compton Public Finance Authority Lease Revenue Bonds (Refunding and Various Capital Projects), Series 2008 (the "Bonds") for the purpose of (i) refinancing all of the outstanding 1997 certificates of participation and (ii) financing various additional projects; and

WHEREAS, the Facility Lease related to the Bonds (the "Facility Lease") and the Trust Agreement relating to the Bonds (the "Trust Agreement") provide the definition of the "2008 Project" to be financed by the Bonds as follows:

"2008 Project" means the financing of various capital projects of the City, and payment of any costs associated with the financing of said projects, including, but not limited to, improvements to Compton City Hall, design, construction and equipping a senior citizen support center, various improvements to the City's parks, construction of a transit center parking structure, purchase and installation of police surveillance cameras throughout the City and various other capital improvements and equipment within the City, as the same may be changed from time to time by the City by filing a Certificate of the City with the Trustee, together with an approving resolution of the City Council."

WHEREAS, under such definition of the "2008 Project", the City Council has the flexibility to change the projects as described therein; and

WHEREAS, pursuant to its Resolution No. 22,901, in 2009, the City Council made certain changes to the definition of "2008 Project" and reallocated moneys in the 2008 Project Fund established under the Trust Agreement for the purpose of financing those changes; and

WHEREAS, the City Council desires to make further changes to the definition of "2008 Project" and reallocate certain funds remaining on deposit in the 2008 Project Fund established under the Trust Agreement to accomplish those further changes; and

WHEREAS, Section 6586.5 of the Government Code provides for public input through a public hearing to solicit comments regarding changes to the definition of the "2008 Project"; and

WHEREAS, after notice duly published in accordance with law, the City Council and the Board of Directors of the Public Finance Authority of the City of Compton held a joint public hearing on this date with respect to the proposed changes to the definition of "2008 Project" described herein and received evidence concerning the public benefits therefrom.

Resolution No. 23,422
Page 2

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

SECTION 1. That the above recitals, and each of them, are true and correct. The City Council hereby finds that the changes to the definition described in the Recitals hereof from monies on deposit in the 2008 Project Fund established under the Trust Agreement will result in significant public benefits to the constituents of the City, including employment benefits from undertaking the projects in a timely fashion and more efficient delivery of City services funded by the City's General Fund to residential and commercial development within the City.

SECTION 2. That the City Council of the City of Compton hereby changes the definition of "2008 Project" in the Facility Lease and in the Trust Agreement to include the following:

1. The financing of improvements to the Martin Luther King Multimodal Transit Center.
2. The financing of improvements to the dispatch center at the Los Angeles County Sheriff's Department, Compton Station.
3. The payment of debt service on the Bonds.

SECTION 3. That monies in the 2008 Project Fund shall be reallocated for the purposes described above as follows:

1. For the Martin Luther King Multimodal Transit Center, an amount not to exceed \$4,000,000.
2. For the Los Angeles County Sheriff's Department -- Compton Station dispatch center, an amount not to exceed \$700,000.
3. For the payment of debt service on the Bonds, an amount not to exceed \$7,000,000.

SECTION 4. That the City Manager is hereby authorized and directed to execute, deliver, and file with the Trustee under the Trust Agreement a Certificate of the City regarding the changes of the definition of "2008 Project" approved hereby, together with a copy of this Resolution, all as described in Exhibit C to the Facility Lease and in Section 1.01 of the Trust Agreement.

SECTION 5. That at such time or times as he deems appropriate, the City Manager is hereby authorized and directed to execute and deliver to the Trustee, one or more Written Requests of the City as described in Section 3.02 of the Trust Agreement, that the City Manager may deem necessary or advisable in connection with disbursements for the items listed in Section 3 hereof, subject to and in accordance with the terms and provisions of this Resolution, the Trust Agreement, and the Facility Lease and in order to effectuate the purposes of this Resolution.

#5.

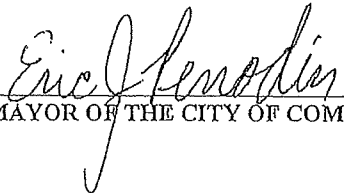
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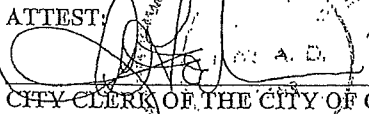
Resolution No. 23,422
Page 3

SECTION 6. That a copy of this Resolution shall be filed with the Offices of the City Clerk, City Controller, City Treasurer, City Manager and the City Attorney.

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

ADOPTED this 8th day of November, 2011.


MAYOR OF THE CITY OF COMPTON

ATTEST: 
CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
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 to by the City Clerk at a regular meeting thereof held on the 8th day of November, 2011.

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

AYES: COUNCIL MEMBERS-zurita, Arceneaux, Jones
NOES: COUNCIL MEMBERS-Dobson, Perrodin
ABSENT: COUNCIL MEMBERS-None
ABSTAINS: COUNCIL MEMBERS-None


CITY CLERK OF THE CITY OF COMPTON

Attachment V:
Fiscal Year 2011-2012 Year
End Revenue and Expenditure
Summaries

Appendix A

Revenues Summary						
Account Number	Fund Name	Original Budget FY 2011-2012	Adjusted Budget FY 2011-2012	Actual June 2012	Year-To-Date 6/30/2012	Percentage Collection
General Fund						
1001	General Fund	\$ 48,324,331	\$ 49,327,450	\$ 4,257,670	\$ 44,347,996	90%
1003	Hazardous Materials Fund	142,902	143,498	-	-	0%
	Subtotal	48,467,233	49,470,948	4,257,670	44,347,996	90%
Special Revenue Funds						
2100	Retirement Fund	15,697,405	15,427,162	3,748,957	19,436,683	126%
2502	Street Lighting City Wide	4,394,634	4,396,068	319,130	4,293,962	98%
2820	Local Housing Authority	10,679,743	10,680,268	920,102	10,447,669	98%
	All others	17,578,680	35,264,167	1,344,878	11,112,877	32%
	Subtotal	48,350,462	65,767,665	6,333,067	45,291,191	69%
Redevelopment Funds						
1200	CRA - Tax Increment	19,181,324	19,476,488	-	9,801,215	50%
1201	Successor Agency - Admin Fund	-	18,516,721	7,030,176	7,157,364	N/A
1203	CRA - Low Cost Housing	5,479,494	5,556,503	-	1,806,441	33%
1205	Successor Agency - Low Cost Housing	-	-	-	174	N/A
4000	CRA - Admin Fund	1,243,160	1,250,205	-	6,096	0%
9203	Revenue Bonds 1987	100,275	100,275	-	101,245	101%
	Subtotal	26,004,253	44,900,192	7,030,176	18,872,535	42%
Debt Service Funds						
3001	CRA - Tax Allocation Bond	8,578,154	8,578,154	-	447,859	5%
3002	Successor Agency - Tax Alloc. Bond	-	3,573,916	1,070	1,070	0%
3030	Revenue Bonds 2008	5,524,260	13,562,637	-	1,163,219	9%
3040	CRA Bonds Series 2010A	8,300,000	10,614,084	-	2,919	0%
3050	CRA Bonds Series 2010B	20,000,000	20,599,367	-	2,962,539	14%
3060	CRA Bonds Series 2010C	3,300,000	4,616,798	-	1,369,020	30%
3070	Successor Agency - 2010A Bond	-	19,000,000	1	2	0%
3080	Successor Agency - 2010B Bond	-	21,000,000	1	3	0%
3090	Successor Agency - 2010C Bond	-	2,939,817	-	-	0%
	Subtotal	45,702,414	104,484,773	1,072	5,946,631	6%
Enterprise Funds						
5000	Water Fund	16,117,630	16,535,401	1,220,082	13,263,381	80%
5001	Richland Farms	48,000	48,000	6,219	55,196	115%
5003	Water Bond Fund 2009	21,548,808	22,623,876	260,204	2,942,361	13%
5100	Rubbish Fund	11,811,580	11,811,743	760,814	10,117,036	86%
5116	Sewer Fund	917,029	918,461	48,954	952,453	104%
5117	Sewer Bond Series 2009	14,666,014	14,669,057	163,881	1,876,603	13%
5200	Golf Course	79,100	79,100	9,354	96,645	122%
5300	Recreation Programs	27,000	28,938	1,905	4,780	17%
	Subtotal	65,215,161	66,714,576	2,471,413	29,308,455	44%
Internal Service Funds						
6000	Equipment Rental	2,108,480	2,123,327	178,769	2,170,764	102%
6200	Central Duplicating	542,170	555,050	25,754	308,096	56%
6300	Worker's Compensation	2,521,435	2,359,812	152,830	2,172,207	92%
6400	Liability Insurance Fund	1,610,509	1,620,460	-	1,437,513	89%
	Subtotal	6,782,594	6,658,649	357,353	6,088,580	91%
	Grand Total	\$ 240,522,117	\$ 337,996,803	\$ 20,450,751	\$ 149,855,388	44%

Appendix D

Expenditures Summary

Account Number	Fund Name	Original Budget FY 2011-2012	Adjusted Budget FY 2011-2012	Actual June 2012	Year-To-Date 6/30/2012	Percentage Spent
<u>General Fund</u>						
1001	General Fund	\$ 49,699,824	\$ 51,193,881	\$ 4,544,349	\$ 47,888,072	94%
1003	Hazardous Materials Disclosure	142,902	143,498	8,092	92,528	64%
	Subtotal	49,842,726	51,337,379	4,552,441	47,980,600	93%
<u>Special Revenue Funds</u>						
2100	Retirement Fund	15,697,405	15,427,162	1,527,750	15,588,269	101%
2502	Street Lighting City-wide	4,394,634	4,396,068	457,710	4,114,482	94%
2820	Local Housing Authority	10,679,743	10,680,268	63,269	10,509,823	98%
All others	All others	17,578,880	35,264,167	4,585,744	13,514,988	38%
	Subtotal	48,350,662	65,767,665	6,634,473	43,727,562	66%
<u>Redevelopment Funds</u>						
1200	CRA Tax Increment	19,181,324	19,476,488	-	6,026,492	31%
1201	Successor Agency - Admin Fund	-	18,516,721	246,638	639,322	3%
1203	Low Cost Housing	5,479,494	5,556,503	221	308,623	6%
1205	Successor Agency - LCH	-	-	-	-	0
4000	CRA- Admin Fund	1,243,160	1,250,205	-	153,849	12%
9203	Revenue Bonds 1987 Series A	100,275	100,275	7,971	91,311	91%
	Subtotal	26,004,253	44,900,192	254,830	7,219,597	16%
<u>Debt Service Funds</u>						
3001	CRA Tax Allocation	8,578,154	8,578,154	-	10,915,542	127%
3002	Successor Agency - Tax Alloc Bond	-	3,573,916	415,250	415,250	N/A
3030	Lease Revenue Bonds Series2008	5,524,260	13,562,637	269,635	4,462,001	33%
3040	CRA Bonds Series 2010A	8,300,000	10,614,084	-	1,448,362	14%
3050	CRA Bonds Series 2010B	20,000,000	20,599,367	-	2,936,584	14%
3060	CRA Bonds Series 2010C	3,300,000	4,616,798	-	684,353	15%
3070	Successor Agency 2010A Bond	-	19,000,000	-	755,813	4%
3080	Successor Agency - 2010B Bond Fund	-	21,000,000	361,094	2,110,551	10%
3090	Successor Agency 2010C Bond	-	2,939,817	-	1,698,239	58%
	Subtotal	45,702,414	104,484,773	1,045,979	25,426,695	24%
<u>Enterprise Funds</u>						
5000	Water Fund	16,117,630	16,535,401	1,244,371	10,265,488	62%
5001	Richland Farms	48,000	48,000	-	42,383	88%
5003	Water Bond Fund 2009	21,548,808	22,623,876	1,196,475	10,800,014	48%
5100	Rubbish Fund	11,811,580	11,811,743	845,327	9,283,549	79%
5116	Sewer Fund	917,029	1,520,399	35,164	791,045	52%
5117	Sewer Bond Series 2009	14,666,014	14,067,119	-	1,109,803	8%
5200	Golf Course	79,100	79,100	7,000	42,000	53%
5300	Recreation Programs	27,000	28,938	799	8,490	29%
	Subtotal	65,215,161	66,714,576	3,329,136	32,342,772	48%
<u>Internal Service Funds</u>						
6000	Equipment Rental	2,108,480	2,123,327	216,700	1,497,834	71%
6200	Central Duplicating	542,170	555,050	62,344	478,608	86%
6300	Worker's Compensation	2,521,435	2,359,812	120,271	2,193,312	93%
6400	Liability Insurance Fund	1,610,509	1,620,460	57,600	1,404,847	87%
	Subtotal	6,782,594	6,658,649	456,915	5,574,601	84%
	Grand Total	\$ 241,897,810	\$ 339,863,234	\$ 16,273,774	\$ 162,271,827	48%

Appendix A

Revenues Summary						
Account Number	Fund Name	Original Budget FY 2012-2013	Adjusted Budget FY 2012-2013	Actual July 2012	Year-To-Date 7/31/2012	Percentage Collection
General Fund						
1001	General Fund	\$ 42,618,237	\$ 44,672,669	\$ 1,271,837	\$ 1,271,837	3%
1003	Hazardous Materials Fund	176,340	177,340	-	-	0%
	Subtotal	42,794,577	44,850,009	1,271,837	1,271,837	3%
Special Revenue Funds						
2100	Retirement Fund	13,663,627	13,663,627	-	-	0%
2502	Street Lighting City Wide	4,229,446	4,352,562	-	-	0%
2820	Local Housing Authority	10,922,755	10,926,448	912,453	912,453	8%
	All others	19,524,660	22,462,951	75,184	75,184	0%
	Subtotal	48,340,488	51,405,588	987,637	987,637	2%
Successor Agency Funds						
1201	Successor Agency - Admin Fund	16,021,295	16,226,692	-	-	0%
1205	Successor Agency - Low Cost Housing	-	-	-	-	N/A
3002	Successor Agency - Tax Alloc. Bond	7,795,640	7,795,640	-	-	0%
3070	Successor Agency - 2010A Bond	19,415,000	19,415,000	-	-	0%
3080	Successor Agency - 2010B Bond	20,447,071	20,550,646	-	-	0%
3090	Successor Agency - 2010C Bond	5,301,151	5,301,151	-	-	0%
	Subtotal	68,980,157	69,289,129	-	-	0%
Debt Service Funds						
3030	Revenue Bonds 2008	3,690,325	4,267,285	-	-	0%
9203	Revenue Bonds 1987	100,275	100,275	-	-	0%
	Subtotal	3,790,600	4,367,560	-	-	0%
Enterprise Funds						
5000	Water Fund	15,270,500	17,211,896	1,213,751	1,213,751	7%
5001	Richland Farms	48,000	48,000	-	-	0%
5003	Water Bond Fund 2009	15,895,996	19,047,159	260,204	260,204	1%
5100	Rubbish Fund	11,327,246	12,598,654	743,143	743,143	6%
5116	Sewer Fund	930,606	930,606	-	-	0%
5117	Sewer Bond Series 2009	12,829,108	12,829,108	163,881	163,881	1%
5200	Golf Course	83,200	86,700	10,129	10,129	12%
5300	Recreation Programs	24,000	25,446	-	-	0%
	Subtotal	56,408,656	62,777,569	2,391,108	2,391,108	4%
Internal Service Funds						
6000	Equipment Rental	2,246,453	2,332,400	178,769	178,769	8%
6200	Central Duplicating	652,094	765,847	20,017	20,017	3%
6300	Worker's Compensation	2,095,982	2,096,899	160,325	160,325	8%
6400	Liability Insurance Fund	1,387,890	1,465,729	-	-	0%
	Subtotal	6,382,419	6,660,875	359,111	359,111	5%
	Grand Total	\$ 226,696,897	\$ 239,350,730	\$ 5,009,693	\$ 5,009,693	2%

Appendix D

Expenditures Summary						
Account Number	Fund Name	Original Budget FY 2012-2013	Adjusted Budget FY 2012-2013	Actual July 2012	Year-To-Date 7/31/2012	Percentage Spent
General Fund						
1001	General Fund	\$ 51,728,597	\$ 53,783,029	\$ 2,181,617	\$ 2,181,617	4%
1003	Hazardous Materials Fund	176,340	177,340	2,591	2,591	1%
	Subtotal	51,904,937	53,960,369	2,184,208	2,184,208	4%
Special Revenue Funds						
2100	Retirement Fund	13,663,627	13,663,627	571,076	571,076	4%
2502	Street Lighting City Wide	4,229,446	4,352,562	102,200	102,200	2%
2820	Local Housing Authority	10,922,755	10,926,448	881,636	881,636	8%
	All others	19,524,660	22,462,951	138,915	138,915	1%
	Subtotal	48,340,488	51,405,588	1,693,827	1,693,827	3%
Successor Agency Funds						
1201	Successor Agency - Admin Fund	16,021,295	16,226,692	34,414	34,414	0%
1205	Successor Agency - Low Cost Housing	-	-	-	-	N/A
3002	Successor Agency - Tax Alloc. Bond	7,795,640	7,795,640	-	-	0%
3070	Successor Agency - 2010A Bond	19,415,000	19,415,000	-	-	0%
3080	Successor Agency - 2010B Bond	20,447,071	20,550,646	5,930	5,930	0%
3090	Successor Agency - 2010C Bond	5,301,151	5,301,151	479,380	479,380	9%
	Subtotal	68,980,157	69,289,129	519,724	519,724	1%
Debt Service Funds						
3030	Revenue Bonds 2008	3,690,325	4,267,285	-	-	0%
9203	Revenue Bonds 1987	100,275	100,275	6,100	6,100	6%
	Subtotal	3,790,600	4,367,560	6,100	6,100	0%
Enterprise Funds						
5000	Water Fund	15,270,500	17,211,896	517,170	517,170	3%
5001	Richland Farms	48,000	48,000	-	-	0%
5003	Water Bond Fund 2009	15,895,996	19,047,159	24,960	24,960	0%
5100	Rubbish Fund	11,327,246	12,598,654	4,367	4,367	0%
5116	Sewer Fund	930,606	930,606	8,002	8,002	1%
5117	Sewer Bond Series 2009	12,829,108	12,829,108	3,095	3,095	0%
5200	Golf Course	83,200	86,700	-	-	0%
5300	Recreation Programs	24,000	25,446	-	-	0%
	Subtotal	56,408,656	62,777,569	557,594	557,594	1%
Internal Service Funds						
6000	Equipment Rental	2,246,453	2,332,400	14,810	14,810	1%
6200	Central Duplicating	652,094	765,847	6,992	6,992	1%
6300	Worker's Compensation	2,095,982	2,096,899	42,139	42,139	2%
6400	Liability Insurance Fund	1,387,890	1,465,729	449,169	449,169	31%
	Subtotal	6,382,419	6,660,875	513,110	513,110	8%
	Grand Total	\$ 235,807,257	\$ 248,461,090	\$ 5,474,563	\$ 5,474,563	2%

Appendix A

Revenues Summary						
Account Number	Fund Name	Original Budget FY 2012-2013	Adjusted Budget FY 2012-2013	Actual September 2012	Year-To-Date (First Quarter) 9/30/2012	Percentage Collection
General Fund						
1001	General Fund	\$ 42,618,237	\$ 44,672,669	\$ 2,818,933	\$ 6,787,358	15%
1003	Hazardous Materials Fund	176,340	177,340	-	-	0%
	Subtotal	42,794,577	44,850,009	2,818,933	6,787,358	15%
Special Revenue Funds						
2100	Retirement Fund	13,663,627	13,663,627	-	-	0%
2502	Street Lighting City Wide	4,229,446	4,352,562	-	-	0%
2820	Local Housing Authority	10,922,755	10,926,448	1,037,242	2,944,346	27%
	All others	19,524,660	23,112,529	162,401	899,095	4%
	Subtotal	48,340,488	52,055,166	1,199,643	3,843,441	7%
Successor Agency Funds						
1201	Successor Agency - Admin Fund	16,021,295	16,226,692	14,271	39,652	0%
1205	Successor Agency - Low Cost Housing	-	-	-	-	N/A
3002	Successor Agency - Tax Alloc. Bond	7,795,640	7,795,640	-	-	0%
3070	Successor Agency - 2010A Bond	19,415,000	19,415,000	-	-	0%
3080	Successor Agency - 2010B Bond	20,447,071	20,550,646	-	-	0%
3090	Successor Agency - 2010C Bond	5,301,151	5,301,151	-	-	0%
	Subtotal	68,980,157	69,289,129	14,271	39,652	0%
Debt Service Funds						
3030	Revenue Bonds 2008	3,690,325	4,267,285	-	-	0%
9203	Revenue Bonds 1987	100,275	100,275	-	-	0%
	Subtotal	3,790,600	4,367,560	-	-	0%
Enterprise Funds						
5000	Water Fund	15,270,500	17,211,896	1,444,274	4,229,882	25%
5001	Richland Farms	48,000	48,000	-	-	0%
5003	Water Bond Fund 2009	15,895,996	19,047,159	288,581	848,849	4%
5100	Rubbish Fund	11,327,246	12,598,654	831,513	2,424,651	19%
5116	Sewer Fund	930,606	930,606	-	-	0%
5117	Sewer Bond Series 2009	12,829,108	12,829,108	180,335	542,367	4%
5200	Golf Course	83,200	86,700	5,122	21,483	25%
5300	Recreation Programs	24,000	25,446	-	-	0%
	Subtotal	56,408,656	62,777,569	2,749,825	8,067,232	13%
Internal Service Funds						
6000	Equipment Rental	2,246,453	2,332,400	170,256	544,819	23%
6200	Central Duplicating	652,094	765,847	-	37,509	5%
6300	Worker's Compensation	2,095,982	2,096,899	154,166	540,629	26%
6400	Liability Insurance Fund	1,387,890	1,754,119	100,000	100,040	6%
	Subtotal	6,382,419	6,949,265	424,422	1,222,997	18%
	Grand Total	\$ 226,696,897	\$ 240,288,698	\$ 7,207,094	\$ 19,960,680	8%

Appendix D

Expenditures Summary						
Account Number	Fund Name	Original Budget FY 2012-2013	Adjusted Budget FY 2012-2013	Actual September 2012	Year-To-Date (First Quarter) 9/30/2012	Percentage Spent
General Fund						
1001	General Fund	\$ 51,728,597	\$ 53,743,515	\$ 4,730,231	\$ 9,712,206	18%
1003	Hazardous Materials Fund	176,340	177,340	7,914	19,064	11%
	Subtotal	51,904,937	53,920,855	4,738,145	9,731,270	18%
Special Revenue Funds						
2100	Retirement Fund	13,663,627	13,663,627	206,616	1,285,148	9%
2502	Street Lighting City Wide	4,229,446	4,352,562	343,186	662,728	15%
2820	Local Housing Authority	10,922,755	10,926,448	888,862	2,684,921	25%
	All others	19,524,660	23,112,529	821,298	1,401,907	6%
	Subtotal	48,340,488	52,055,166	2,259,962	6,034,704	12%
Successor Agency Funds						
1201	Successor Agency - Admin Fund	16,021,295	16,226,692	4,789,715	4,920,741	30%
1205	Successor Agency - Low Cost Housing	-	-	-	-	N/A
3002	Successor Agency - Tax Alloc. Bond	7,795,640	7,795,640	-	-	0%
3070	Successor Agency - 2010A Bond	19,415,000	19,415,000	-	846	0%
3080	Successor Agency - 2010B Bond	20,447,071	20,550,646	80,500	86,430	0%
3090	Successor Agency - 2010C Bond	5,301,151	5,301,151	-	479,380	9%
	Subtotal	68,980,157	69,289,129	4,870,215	5,487,397	8%
Debt Service Funds						
3030	Revenue Bonds 2008	3,690,325	4,267,285	6,850	17,724	0%
9203	Revenue Bonds 1987	100,275	100,275	-	12,200	12%
	Subtotal	3,790,600	4,367,560	6,850	29,924	1%
Enterprise Funds						
5000	Water Fund	15,270,500	17,211,896	613,351	1,623,885	9%
5001	Richland Farms	48,000	48,000	497	497	1%
5003	Water Bond Fund 2009	15,895,996	19,047,159	48,311	131,035	1%
5100	Rubbish Fund	11,327,246	12,598,654	827,725	1,549,498	12%
5116	Sewer Fund	930,606	930,606	10,151	30,931	3%
5117	Sewer Bond Series 2009	12,829,108	12,829,108	8,101	20,547	0%
5200	Golf Course	83,200	86,700	-	-	0%
5300	Recreation Programs	24,000	25,446	-	-	0%
	Subtotal	56,408,656	62,777,569	1,508,136	3,356,393	5%
Internal Service Funds						
6000	Equipment Rental	2,246,453	2,332,400	86,734	265,482	11%
6200	Central Duplicating	652,094	765,847	12,467	36,699	5%
6300	Worker's Compensation	2,095,982	2,096,899	16,176	175,957	8%
6400	Liability Insurance Fund	1,387,890	1,754,119	121,595	875,958	50%
	Subtotal	6,382,419	6,949,265	236,972	1,354,096	19%
	Grand Total	\$ 235,807,257	\$ 249,359,544	\$ 13,620,280	\$ 25,993,784	10%

#5.

Attachment VI:
Fiscal Year 2012-2013 Revised
Revenue Enhancement
Projections

Fiscal Year 2012-2013 Revised Revenue Enhancement Projections

Fiscal Year 2012-2013 Adopted Revenue Enhancements vs. Adjusted First Quarter Projections

Revenue Source	Original FY12/13 Projection	Revised FY12/13 Projection*
Trash Host Fee	\$500,000	\$200,000
Quimby Fees	\$1,100,000	\$0
Building Fees Increase	\$50,000	\$50,000
Fire Inspection Fee	\$150,000	\$150,000
MLES Admin. Fee	\$100,000	\$100,000
Successor Agency Reimbursement	\$300,000	\$300,000
Planning Fee	\$50,000	\$50,000
Medi-Cal Reimbursement	\$800,000	\$0
TOTAL	\$3,050,000	\$850,000

* Revenue projections revised based on First Quarter actuals.

#5.

Attachment VII:
Fiscal Year 2012-2013 New
Revenue Enhancement
Projections

Revised First Quarter Projections with New Revenue Enhancements

Revenue Source	Revised FY12/13 Projection	New Revenue Enhancements (Additions)	Q1 Revised Revenue Enhancements Projection
Trash Host Fee	\$200,000	\$0	\$200,000
Franchise Fee	\$0	\$750,000	\$750,000
LA County Park Reimbursement	\$0	\$1,390,000	\$1,390,000
Quimby Fees	\$0	\$0	\$0
Casino Revenue	\$0	\$120,000	\$120,000
Building Fees Increase	\$50,000	\$0	\$50,000
Billboard Ads	\$0	\$40,000	\$40,000
Fire Inspection Fee	\$150,000	\$0	\$150,000
MLES Admin. Fee	\$100,000	\$0	\$100,000
Successor Agency Reimbursement	\$300,000		
		\$0	\$300,000
Planning Fee	\$50,000	\$0	\$50,000
Medi-Cal Reimbursement	-	\$0	\$0
TOTAL	\$850,000	\$2,300,000	\$3,150,000

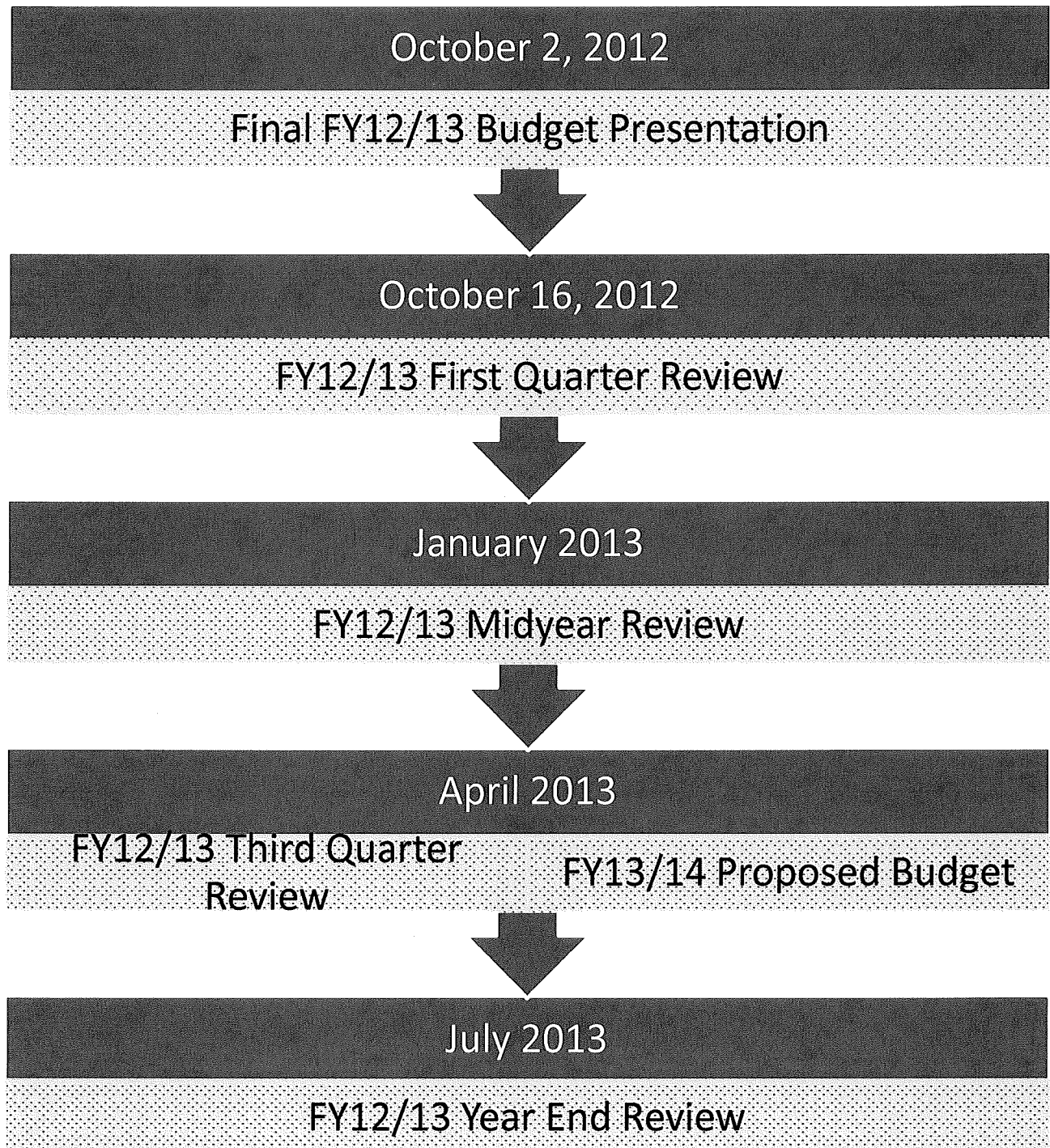
Net Difference from FY12/13 Adopted Enhancements

\$100,000

#5.

Attachment VIII:
Fiscal Year 2012-2013 Budget
Review Schedule

FY12/13 Budget Review Schedule



#5.

Attachment IX:
5-Year Revenue Projections

**5-Year Revenue Projection
(City Controller)**

Fund No	Object Code		PROPOSED BUDGET FY 2012-2013	PROPOSED BUDGET FY 2013-2014	PROPOSED BUDGET FY 2014-2015	PROPOSED BUDGET FY 2015-2016	PROPOSED BUDGET FY 2016-2017
		GENERAL FUND					
		Property Taxes					
1001	3010	Property Taxes-Secured	3,406,302	2,657,272	2,657,272	2,857,272	2,857,272
1001	3020	Property Taxes-Unsecured	68,200	68,200	68,200	68,200	68,200
1001	3030	Property Taxes-Prior Year Secured	-	-	-	-	-
1001	3040	Property Taxes-Prior Year Unsecured	3,496	3,496	3,496	3,496	3,496
1001	3060	Aircraft	39,470	39,470	39,470	39,470	39,470
1001	3090	Interest and Penalties	-	-	-	-	-
		Sub Total	3,517,468	2,768,438	2,768,438	2,968,438	2,968,438
		Other Taxes					
1001	3110	Sales and Use Taxes	6,556,000	6,777,689	7,116,573	7,123,690	7,127,252
1001	3111	Sales and Use Taxes-P.S.A.F..	208,200	258,903	259,680	259,939	260,069
1001	3121	Gas Franchise	257,927	300,428	301,329	301,631	301,781
1001	3122	Electric Franchise	298,021	299,021	299,021	299,021	299,021
1001	3124	Other Water Franchise	5,400	5,400	5,400	5,400	5,400
1001	3125	Rubbish Franchise	800,000	900,000	950,000	1,000,000	1,050,000
1001	3126	Other Franchise	63,740	63,740	63,740	63,740	63,740
1001	3127	Towing Franchise	15,065	15,065	15,065	15,065	15,065
1001	3140	Transient Occupancy Tax	150,810	137,805	137,805	137,805	137,805
1001	3150	Property Transfer Fee	160,078	160,078	160,078	160,078	160,078
1001	3160	Telephone Users	1,505,000	1,489,807	1,460,011	1,430,811	1,402,194
1001	3161	Gas Users	1,350,600	1,572,750	1,577,468	1,579,046	1,579,835
1001	3162	Electric Users	4,610,400	4,848,116	4,862,660	4,867,523	4,869,957
1001	3163	City Water Users	1,189,964	1,289,964	1,293,834	1,295,128	1,295,775
1001	3164	Other Water Users	450,600	543,518	545,149	545,694	545,967
1001	3165	Cellular Phone Users	2,980,700	2,713,443	2,713,443	2,713,443	2,713,443
		Sub Total	20,602,505	21,375,727	21,761,256	21,798,013	21,827,383
		License and Permits					
1001	3210	Building Permits	420,500	447,713	447,713	447,713	447,713
1001	3220	Plumbing Permits	76,500	62,925	62,925	62,925	62,925
1001	3230	Electric Permits	71,521	74,704	74,704	74,704	74,704
1001	3240	Other Construction Permits	32,283	39,485	39,485	39,485	39,485
1001	3242	Enterprise Zone Vouchers	40,000	40,015	40,015	40,015	40,015
1001	3243	Tobacco Permit	58,543	58,543	58,543	58,543	58,543
1001	3245	Business License	1,651,252	1,337,414	1,337,414	1,337,414	1,337,414
1001	3246	Business License (Rentals)	85,512	85,512	85,512	85,512	85,512
1001	3248	Business License (Casino)	360,000	480,000	480,000	480,000	480,000
1001	3250	Certificates of Occupancy	35,000	46,806	46,806	46,806	46,806
1001	3264	Burglar Alarm Permits	7,100	7,100	7,100	7,100	7,100

**5-Year Revenue Projection
(City Controller)**

Fund	Object	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET
No	Code	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017	
1001	3265	45,000	45,000	45,000	45,000	45,000	
1001	3266	21,900	26,780	26,780	26,780	26,780	
1001	3275	15,000	33,000	15,000	15,000	15,000	
1001	3280	72,110	72,110	72,326	72,399	72,435	
	Sub Total	2,992,221	2,857,107	2,839,323	2,839,396	2,839,432	
	Fines, Forfeitures and Penalties						
1001	3315	1,253,000	1,300,000	1,306,500	1,313,033	1,319,598	
1001	3318	-	-	-	-	-	
1001	3320	348,500	351,985	353,745	355,514	357,291	
1001	3321	54,600	54,600	54,600	54,600	54,600	
1001	3332	20	20	20	20	20	
1001	3340	45	45	45	45	45	
	Sub Total	1,656,165	1,706,650	1,714,910	1,723,211	1,731,554	
	Use of Money and Property						
1001	3410	11,500	11,512	11,523	11,535	11,546	
1001	3420	130,227	140,136	140,136	140,136	140,136	
1001	3421	100	100	100	100	100	
1001	3425	15,000	25,000	25,000	25,000	25,000	
	Sub Total	156,827	176,748	176,759	176,771	176,782	
	Revenues From Other Agencies						
1001	3350	-	-	-	-	-	
1001	3511	8,016,250	8,016,250	8,016,250	8,016,250	8,016,250	
1001	3521	21,360	21,360	21,360	21,360	21,360	
1001	3550	-	-	-	-	-	
1001	3565	-	-	-	-	-	
1001	3570	1,740	1,740	1,740	1,740	1,740	
1001	3571	-	-	-	-	-	
1001	3577	-	-	-	-	-	
1001	3580	-	-	-	-	-	
1001	3350	-	-	-	-	-	
	Sub Total	8,039,350	8,039,350	8,039,350	8,039,350	8,039,350	
	Charges From Current Services						
1001	3602	3,423,968	3,423,968	3,423,968	3,423,968	3,423,968	
1001	3603	300,000	150,000	-	-	-	
1001	3603	25,800	25,800	25,800	25,800	25,800	
1001	3610	12,500	12,500	12,500	12,500	12,500	
1001	3612	1,500	1,500	1,500	1,500	1,500	
1001	3615	150	150	150	150	150	
1001	3616	1,000	1,000	1,000	1,000	1,000	
1001	3617	1,200	1,200	1,200	1,200	1,200	
1001	3618	910,500	910,500	910,500	910,500	910,500	

**5-Year Revenue Projection
(City Controller)**

Fund No	Object Code	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET
		FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017	
1001	3619	-	-	-	-	-	-
1001	3622	-	-	-	-	-	-
1001	3623	4,100	4,100	4,100	4,100	4,100	4,100
1001	3630	50	50	50	50	50	50
1001	3633	21,000	21,000	21,000	21,000	21,000	21,000
1001	3640	341,359	341,359	341,359	341,359	341,359	341,359
1001	3641	2,700	2,700	2,700	2,700	2,700	2,700
1001	3662	500	500	500	500	500	500
1001	3665	325	325	325	325	325	325
1001	3666	108,000	108,540	109,083	109,628	110,176	110,176
1001	3667	-	-	-	-	-	-
1001	3681	-	-	-	-	-	-
1001	3684	210,000	281,616	281,616	281,616	281,616	281,616
1001	3700	22,100	22,100	22,100	22,100	22,100	22,100
1001	3712	500	500	500	500	500	500
1001	3721	2,200	2,200	2,200	2,200	2,200	2,200
1001	3842	200	200	200	200	200	200
1001	3848	-	-	-	-	-	-
1001	3870	-	-	-	-	-	-
1001	3881	6,248	6,248	6,248	6,248	6,248	6,248
1001	3684	-	-	-	-	-	-
1001	3884	-	-	-	-	-	-
1001	3890	26,020	26,020	26,020	26,020	26,020	26,020
	Sub Total	5,421,920	5,344,076	5,194,619	5,195,164	5,195,712	
	Other Revenues and Financing Sources						
1001	3910	500,000	662,000	-	-	-	-
1001	3920	114,221	114,221	114,221	114,221	114,221	114,221
1001	3959	20	20	20	20	20	20
1001	3980	105,690	105,690	105,690	105,690	105,690	105,690
1001	3982	131,850	131,850	131,850	131,850	131,850	131,850
	Sub Total	851,781	1,013,781	351,781	351,781	351,781	351,781
	TOTAL GENERAL FUND	43,238,237	43,281,877	42,846,436	43,092,123	43,130,432	

5-Year Revenue Projections
(Includes City Manager Enhancements)

Fund No	Object Code	PROPOSED BUDGET FY 2012-2013	PROPOSED BUDGET FY 2013-2014	PROPOSED BUDGET FY 2014-2015	PROPOSED BUDGET FY 2015-2016	PROPOSED BUDGET FY 2016-2017	PROPOSED BUDGET FY 2017-2018
	GENERAL FUND						
	Property Taxes						
1001	3010 Property Taxes-Secured	2,657,272	2,657,272	2,657,272	2,857,272	2,857,272	2,857,272
1001	3020 Property Taxes-Unsecured	68,200	68,200	68,200	68,200	68,200	68,200
1001	3030 Property Taxes-Prior Year Secured	-	-	-	-	-	-
1001	3040 Property Taxes-Prior Year Unsecured	3,496	3,496	3,496	3,496	3,496	3,496
1001	3060 Aircraft	39,470	39,470	39,470	39,470	39,470	39,470
1001	3090 Interest and Penalties	-	-	-	-	-	-
	Sub Total	2,768,438	2,768,438	2,768,438	2,968,438	2,968,438	2,968,438
	Other Taxes						
1001	3110 Sales and Use Taxes	7,000,000	7,200,000	7,500,000	7,700,000	8,000,000	8,000,000
1001	3111 Sales and Use Taxes-P.S.A.F..	258,903	258,903	259,680	259,939	260,069	260,095
1001	3121 Gas Franchise	300,428	300,428	301,329	301,631	301,781	301,812
1001	3122 Electric Franchise	299,021	299,021	299,021	299,021	299,021	299,021
1001	3124 Other Water Franchise	5,400	5,400	5,400	5,400	5,400	5,400
1001	3125 Rubbish Franchise	900,000	900,000	900,000	900,000	1,000,000	1,100,000
1001	3126 Other Franchise	63,740	63,740	63,740	63,740	63,740	63,740
1001	3127 Towing Franchise	15,065	15,065	15,065	15,065	15,065	15,065
1001	3140 Transient Occupancy Tax	137,805	137,805	137,805	137,805	137,805	137,805
1001	3150 Property Transfer Fee	160,078	160,078	160,078	160,078	160,078	160,078
1001	3160 Telephone Users	1,500,000	1,500,000	1,501,500	1,503,002	1,504,505	1,506,009
1001	3161 Gas Users	1,572,750	1,572,750	1,572,750	1,572,750	1,572,750	1,572,750
1001	3162 Electric Users	4,848,116	4,848,116	4,862,660	4,867,523	4,869,957	4,870,444
1001	3163 City Water Users	1,200,000	1,200,000	1,203,600	1,204,804	1,205,406	1,205,527
1001	3164 Other Water Users	475,000	475,000	476,425	476,901	477,140	477,188
1001	3165 Cellular Phone Users	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
	Sub Total	21,536,306	21,736,306	22,059,053	22,267,659	22,672,717	22,774,933
	License and Permits						
1001	3210 Building Permits	447,713	447,713	447,713	447,713	447,713	447,713
1001	3220 Plumbing Permits	62,925	62,925	62,925	62,925	62,925	62,925
1001	3230 Electric Permits	74,704	74,704	74,704	74,704	74,704	74,704
1001	3240 Other Construction Permits	39,485	39,485	39,485	39,485	39,485	39,485
1001	3242 Enterprise Zone Vouchers	40,015	40,015	40,015	40,015	40,015	40,015
1001	3243 Tobacco Permit	58,543	58,543	58,543	58,543	58,543	58,543
1001	3245 Business License	1,337,414	1,337,414	1,337,414	1,337,414	1,337,414	1,337,414
1001	3246 Business License (Rentals)	85,512	85,512	85,512	85,512	85,512	85,512
1001	3248 Business License (Casino)	360,000	360,000	480,000	480,000	480,000	480,000
1001	3250 Certificates of Occupancy	46,806	46,806	46,806	46,806	46,806	46,806
1001	3264 Burglar Alarm Permits	7,100	7,100	7,100	7,100	7,100	7,100

**5-Year Revenue Projections
(Includes City Manager Enhancements)**

Fund No	Object Code		PROPOSED BUDGET FY 2012-2013	PROPOSED BUDGET FY 2013-2014	PROPOSED BUDGET FY 2014-2015	PROPOSED BUDGET FY 2015-2016	PROPOSED BUDGET FY 2016-2017	PROPOSED BUDGET FY 2017-2018
1001	3265	Fire Permit Fee	45,000	45,000	45,000	45,000	45,000	45,000
1001	3266	Tank Removal (Underground)	26,780	26,780	26,780	26,780	26,780	26,780
1001	3275	Conditional Use Permits	33,000	33,000	15,000	15,000	15,000	15,000
1001	3280	Miscellaneous Permits	72,110	72,110	72,326	72,399	72,435	72,442
		Sub Total	2,737,107	2,737,107	2,839,323	2,839,396	2,839,432	2,839,439
		Fines, Forfeitures and Penalties						
1001	3315	Parking Citations	1,300,000	1,300,000	1,306,500	1,313,033	1,319,598	1,326,196
1001	3318	Career Link Parking Fees	-	-	-	-	-	-
1001	3320	Other Court Fines & Traffic Safety	351,985	351,985	353,745	355,514	357,291	359,078
1001	3321	Vehicle Impound Fined	54,600	54,600	54,600	54,600	54,600	54,600
1001	3332	False Alarm Program	20	20	20	20	20	20
1001	3340	Furfeitures, Penalties, Other	45	45	45	45	45	45
		Sub Total	1,706,650	1,706,650	1,714,910	1,723,211	1,731,554	1,739,938
		Use of Money and Property						
1001	3410	Interest Income	11,512	11,512	11,523	11,535	11,546	11,558
1001	3420	Rents and Concessions	140,136	140,136	140,136	140,136	140,136	140,136
1001	3421	Transit Center Room Rentals	100	100	100	100	100	100
1001	3425	Bullis Road Rental	15,000	15,000	15,000	15,000	15,000	15,000
		Sub Total	166,748	166,748	166,759	166,771	166,782	166,794
		Revenues From Other Agencies						
1001	3350	Census Grant Revenue	-	-	-	-	-	-
1001	3511	Motor Vehicle License	8,016,250	8,016,250	8,016,250	8,016,250	8,016,250	8,016,250
1001	3521	State Homeowners	21,360	21,360	21,360	21,360	21,360	21,360
1001	3550	SB-90 State Mandate	-	-	-	-	-	-
1001	3565	Other Federal Grants	-	-	-	-	-	-
1001	3570	Court Subpoena Reimbursements	1,740	1,740	1,740	1,740	1,740	1,740
1001	3571	Legal Recovery Fees	-	-	-	-	-	-
1001	3577	Other Agencies-MTA	-	-	-	-	-	-
1001	3580	Career Link Revenue	-	-	-	-	-	-
1001	3350	Census Grant Revenue	-	-	-	-	-	-
		Sub Total	8,039,350	8,039,350	8,039,350	8,039,350	8,039,350	8,039,350
		Charges From Current Services						
1001	3602	Current Services Provided/Water	3,423,968	3,423,968	3,423,968	3,423,968	3,423,968	3,423,968
1001	3603	Current Service Provided/Successor Agency	150,000	150,000	-	-	-	-
1001	3603	Current Service Provided/Local Housing Authority	25,800	25,800	25,800	25,800	25,800	25,800
1001	3610	Zoning Fees (Environmental Review)	12,500	12,500	12,500	12,500	12,500	12,500
1001	3612	Subdivision Fee	1,500	1,500	1,500	1,500	1,500	1,500
1001	3615	Sales of Maps/Publications	150	150	150	150	150	150
1001	3616	Banner Processing Fees	1,000	1,000	1,000	1,000	1,000	1,000
1001	3617	Other Filing and Certification	1,200	1,200	1,200	1,200	1,200	1,200

#5.

5-Year Revenue Projections
(Includes City Manager Enhancements)

Fund No	Object Code		PROPOSED		PROPOSED		PROPOSED		PROPOSED		PROPOSED		PROPOSED	
			BUDGET	FY 2012-2013	BUDGET	FY 2013-2014	BUDGET	FY 2014-2015	BUDGET	FY 2015-2016	BUDGET	FY 2016-2017	BUDGET	FY 2017-2018
1001	3618	City Provided Medical Services	910,500		910,500		910,500		910,500		910,500		910,500	910,500

5-Year Revenue Projections
(Includes City Manager Enhancements)

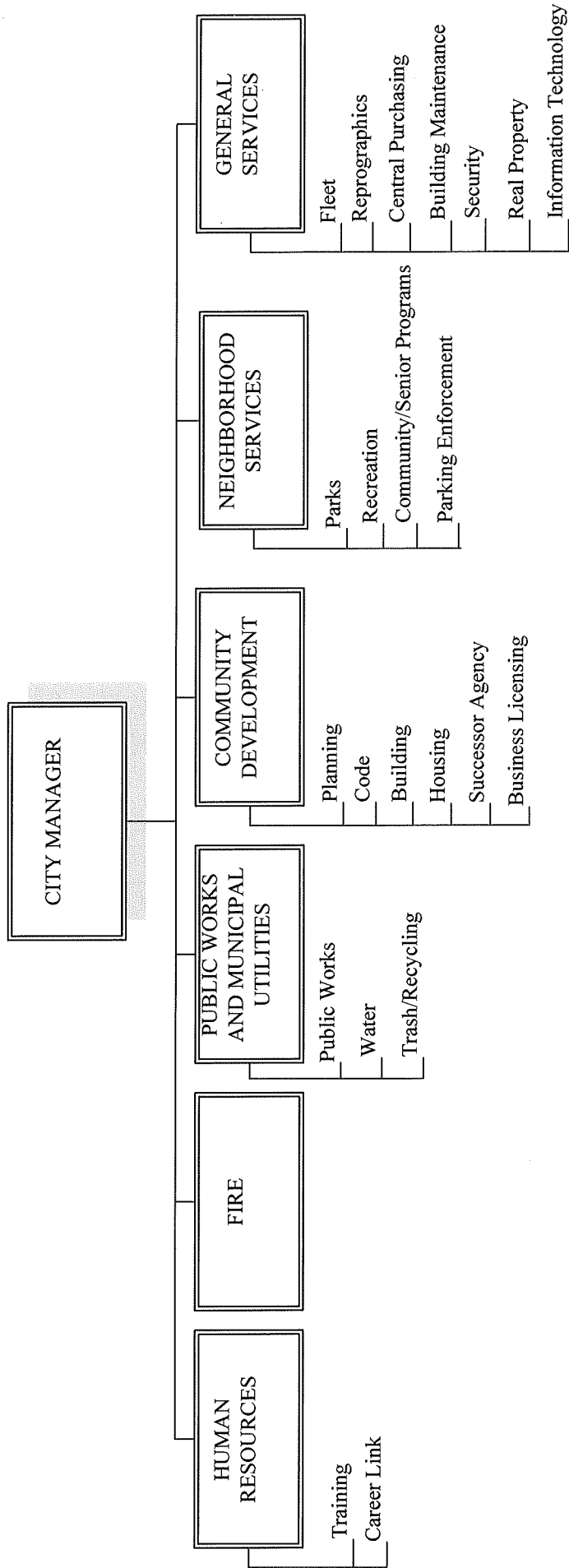
Fund No	Object Code	PROPOSED BUDGET FY 2012-2013	PROPOSED BUDGET FY 2013-2014	PROPOSED BUDGET FY 2014-2015	PROPOSED BUDGET FY 2015-2016	PROPOSED BUDGET FY 2016-2017	PROPOSED BUDGET FY 2017-2018
1001	3619	-	-	-	-	-	-
1001	3622	-	-	-	-	-	-
1001	3623	4,100	4,100	4,100	4,100	4,100	4,100
1001	3630	50	50	50	50	50	50
1001	3633	21,000	21,000	21,000	21,000	21,000	21,000
1001	3640	341,359	341,359	341,359	341,359	341,359	341,359
1001	3641	2,700	2,700	2,700	2,700	2,700	2,700
1001	3662	500	500	500	500	500	500
1001	3665	325	325	325	325	325	325
1001	3666	108,540	108,540	109,083	109,628	110,176	110,727
1001	3667	-	-	-	-	-	-
1001	3681	-	-	-	-	-	-
1001	3684	281,616	281,616	281,616	281,616	281,616	281,616
1001	3700	22,100	22,100	22,100	22,100	22,100	22,100
1001	3712	500	500	500	500	500	500
1001	3721	2,200	2,200	2,200	2,200	2,200	2,200
1001	3842	200	200	200	200	200	200
1001	3848	-	-	-	-	-	-
1001	3870	-	-	-	-	-	-
1001	3881	6,248	6,248	6,248	6,248	6,248	6,248
1001	3684	-	-	-	-	-	-
1001	3884	-	-	-	-	-	-
1001	3890	26,020	26,020	26,020	26,020	26,020	26,020
	Sub Total	5,344,076	5,344,076	5,194,619	5,195,164	5,195,712	5,196,263
	Other Revenues and Financing Sources						
1001	3910	-	-	-	-	-	-
1001	3920	114,221	114,221	114,221	114,221	114,221	114,221
1001	3959	20	20	20	20	20	20
1001	3980	600,000	775,000	705,690	705,690	705,690	705,690
1001	3982	131,850	131,850	131,850	131,850	131,850	131,850
	Sub Total	846,091	1,021,091	951,781	951,781	951,781	951,781
	TOTAL GENERAL FUND	43,144,766	43,519,766	43,734,233	44,151,769	44,565,766	44,676,936

#5.

Attachment X:
Proposed Organizational
Restructuring and Alignment

Proposed City Organizational Restructuring

#5.



#5.

Attachment XI:
Resolution No. 23,533 –
Adoption of Department of
Housing and Urban
Development Annual Action
Plan

RESOLUTION NO. 23,533

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON
ADOPTING THE HUD-MANDATED 2012-2013 ANNUAL ACTION PLAN
OF THE CONSOLIDATED PLAN AND AUTHORIZING THE SUBMISSION
OF THE PLAN TO THE UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) has allocated \$2,224,920 for FY 2012-2013 funding to the City of Compton through the Community Development Block Grant (CDBG), Home Investment Partnership (HOME) and Emergency Solutions Grant (ESG); and

WHEREAS, the City's FY 2012-2013 Annual Action Plan of the Consolidated Plan outlines the City's planned uses of these HUD funding allocations; and

WHEREAS, HUD requires that citizens be given the opportunity to comment on the City's proposed Annual Action Plan prior to its submission; and

WHEREAS, in compliance with HUD requirement, copies of the Draft Plan were made available for public viewing in the Office of the City Clerk, City Manager's Office and the Dollarhide Senior Citizen Center; and

WHEREAS, the City noticed the availability of the Draft Plan for public viewing and comment in the local newspaper and informed citizens that they had an option to submit written comments on the proposed Plan; and

WHEREAS, the City held a public hearing on May 8, 2012, to obtain citizen input and comments on the proposed activities.

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

Section 1: That the City Council hereby adopts the funding recommendations of the proposed FY 2012-2013 Annual Action Plan of the Consolidated Plan, which are as follows:

#5.

RESOLUTION NO. 23,533

Page 2 of 4

Proposed 2012-2013 CDBG Activities

CDBG Program Activity	2012-2013 Budget
<i>CDBG Administration (20% cap)</i>	
CDBG Program Administration	\$297,131
CDBG Financial Administration - Controller's Office	\$5,000
Fair Housing Services	\$15,000
<i>Sub-Total</i>	<i>\$317,131</i>
<i>CDBG Public Service Activities (15% cap)</i>	
Angels for Sight - Eye Care Service	\$56,362
Champions of Caring Connections- Tutoring	\$10,000
Dickson Community Lighted Schools - Meals for the Elderly	\$84,000
El Nido Family Centers	\$30,000
Graffiti Removal Program (city operated)	\$7,486
Legal Aid Society of OC - Domestic Violence Prevention	\$15,000
The Children's Clinic - Medical Care Service	\$35,000
<i>Sub-Total</i>	<i>\$237,848</i>
<i>CDBG Non-Public Service Activities</i>	
Residential Street Reconstruction 2012	\$678,043
Section 108 Loan Repayment	\$352,635
<i>Sub-Total</i>	<i>\$1,030,678</i>
CDBG TOTAL	\$1,585,657

Proposed 2012-2013 HOME Activities

HOME Program Activity	2012-2013 Budget
<i>HOME Administration (10% cap)</i>	
Home Program Administration	\$47,825
<i>Sub-Total</i>	<i>\$47,825</i>
<i>CHDO Activity (15% cap)</i>	
CHDO Project	\$71,738
<i>Sub-Total</i>	<i>\$71,738</i>
<i>HOME Activities</i>	
First Time Homebuyer Program	\$358,691
<i>Sub-Total</i>	<i>\$358,691</i>
HOME TOTAL	\$478,254

RESOLUTION NO. 23,533

Page 3 of 4

Proposed 2012-2013 ESG Activities

ESG Program Activity	2012-2013 Budget
ESG Administration	
ESG Program Administration	\$4,025
Sub-Total	\$4,025
ESG Activity (Los Angeles Homeless Services Authority/LAHSa)	
Street Outreach	\$6,098
Emergency Shelter (Compton Welfare Rights)	\$80,001
Homelessness Prevention	\$10,957
Rapid Re-Housing	\$43,828
HMIS	\$8,050
Administration	\$8,050
Sub-Total to LAHSa	\$156,984
ESG TOTAL	\$161,009

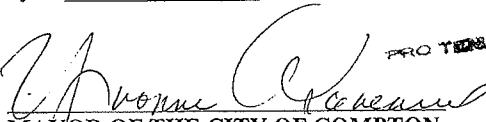
Section 2. That the City Manager is authorized to submit the FY 2012-2013 Annual Action Plan of the Consolidated Plan in accordance with HUD regulations.

Section 3. That the City Manager is authorized to execute all necessary contracts and implement all programs under the FY 2012-2013 Annual Action Plan.

Section 4. That a certified copy of this Resolution shall be filed in the offices of the City Manager, City Attorney, City Controller, Local Housing Authority and the Public Works Department.

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

ADOPTED this 8th day of May, 2012.


MAYOR OF THE CITY OF COMPTON

ATTEST:


CITY CLERK OF THE CITY OF COMPTON
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON

RESOLUTION NO. 23,533
Page 4 of 4

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 8th day of May, 2012.

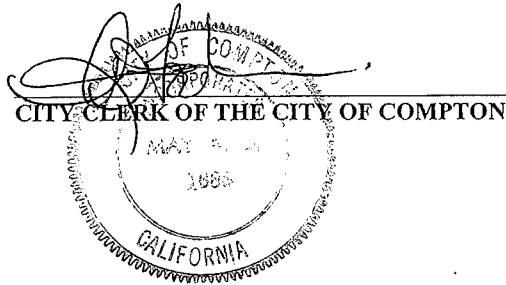
That said resolution was adopted by the following vote, to wit:

AYES: COUNCIL MEMBERS- Dobson, Arceneaux, Jones

NOES: COUNCIL MEMBERS- None

ABSTAIN: COUNCIL MEMBERS- None

ABSENT: COUNCIL MEMBERS- Zurita, Perrodin



RESOLUTION SIGN-OFF FORM

DEPARTMENT: City Manager

RESOLUTION TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO AMEND THE 2012-2013 FISCAL YEAR BUDGET TO REDUCE GENERAL FUND EXPENDITURES AND INCREASE THE COMPTON LOCAL HOUSING AUTHORITY REVENUE AND EXPENDITURE APPROPRIATIONS BASED ON THE FIRST QUARTER BUDGET REVIEW

Terrance C. Davis
DEPARTMENT MANAGER’S SIGNATURE

10/11/2012 6:02:20 PM
DATE

REVIEW / APPROVAL

Ruth Rugley
CITY ATTORNEY

10/11/2012 6:49:01 PM
DATE

<ControllerName>
CITY CONTROLLER

<ControllerDate>
DATE

G. Harold Duffey
CITY MANAGER

10/11/2012 6:47:06 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.

October 16, 2012

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: G. HAROLD DUFFEY, CITY MANAGER

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A WASTE HAULING FRANCHISE AGREEMENT WITH PACIFIC COAST WASTE AND RECYCLING LLC

SUMMARY

Staff is requesting authorization to enter into a ten (10) year franchise agreement with Pacific Coast Waste and Recycling LLC upon the terms set forth below.

BACKGROUND

Section 1501 of the Compton City Charter authorizes the City to grant franchises for entities providing public services such as water, light, heat, power and waste hauling. The City Council is empowered to grant such franchise to any such person, firm or corporation, whether operating under an existing franchise or not. The City Council may prescribe the terms and conditions of any such grant.

Pacific Coast Waste and Recycling LLC is currently operating a five year franchise agreement for waste and recycling entered into in January 2010. This agreement is set to terminate on June 30, 2015. On July 17, 2012, after a duly noticed public hearing, the City Council approved the City Manager to enter into a franchise agreement through its adoption of Resolution Number 23,574 under the following terms:

1. PCWR LLC be given the right of first refusal to purchase City-owned property at 1105 Alameda Street;
2. PCWR LLC shall repay, in full, the 2000 Solid Waste Management Facilities Variable Rate Revenue Bond by December 31, 2013 (valued at approximately \$880,000.00);

#6.

3. City is to transfer the titles and obligation to maintain all solid waste collection vehicles currently used by PCWR LLC to PCWR LLC;
4. The Franchise Agreement is to maintain the rate schedule implemented by the 2010 PCWR LLC Franchise Agreement.

Subsequent to the approval of Resolution 23,574, negotiations among the parties continued and resulted in the addition of several deal points as well as removing accelerated repayment of the 2000 Solid Waste Management Facilities Variable Rate Revenue Bond from the negotiations. As a result, it is necessary to present the current negotiated deal points to the City Council and if acceptable, rescind Resolution Number 23,574 and adopt a new resolution authorizing the City Manager to enter into a Franchise Agreement with PCWR LLC.

STATEMENT OF THE ISSUE

The current proposal for waste hauling and recycling services is as follows:

1. The term of the new agreement shall be from October 1, 2012 to September 30, 2022;
2. PCWR LLC may automatically extend this agreement by two additional years by paying an extension fee of \$500,000.00 prior to June 30, 2014;
3. City is to receive a monthly franchise fee of 10% of receivables effective October 1, 2012, (this franchise fee can be increased by 1% in any month receivables due to PCR LLC are paid within thirty-five (35) days and reduced by 2% in any month which receivables are more than 70 days outstanding);
4. PCWR LLC shall purchase City owned collection vehicles for \$500,000.00 with \$250,000.00 due no later than January 30, 2013 and a subsequent payment of \$250,000.00 due June 1, 2013;
5. PCWR LLC to purchase City owned bins for \$162,730.00 by January 1, 2014.
6. PCWR LLC shall begin billing Commercial and Industrial accounts effective January 1, 2013.

FISCAL IMPACT

The cost of waste hauling services for the City of Compton is recouped through Compton rate payers. The overall budget for waste hauling is approximately nine million dollars per year. The current franchise fee is 6.4%. The proposed franchise fee is 10.0%. The difference will result in approximately \$300,000 additional revenue per year. The sale of the City owned vehicles and bins will result in a payment to the City of \$718,730 to the City by January 1, 2014. Additionally, if the PCWR LLC exercises the two year

extension, an additional payment of \$500,000.00 will be received by the City by June 30, 2014.

CONCLUSION

Staff requests adoption of the attached resolution.

**G. HAROLD DUFFEY
CITY MANAGER**

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
COMPTON AUTHORIZING THE CITY MANAGER TO
ENTER INTO A WASTE HAULING FRANCHISE
AGREEMENT WITH PACIFIC COAST WASTE AND
RECYCLING LLC**

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (“AB 939”) and California Public Resources Code Section 40000 et. Seq. has declared that it is in the public interest to require local agencies to make adequate provisions for solid waste hauling within its jurisdiction to meet the goals and requirements of AB 939; and

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; and

WHEREAS, the collection of waste materials, recycling materials and green waste are considered a public service within the definition of Section 1501 of the Compton City Charter; and

WHEREAS, in January 2010 the City granted a five (5) year Franchise Agreement to Pacific Coast Waste and Recycling LLC (PCWR LLC) to provide waste collection, recycling, processing and disposal services for the City, which Franchise Agreement expires on June 30, 2015; and

WHEREAS, the City and PCWR LLC have been in negotiations to enter into a ten (10) year agreement with a 2 year extension option; and

WHEREAS, following notice duly given, the City Council held a public hearing on July 17, 2012, to hear and consider public comments regarding this proposed change to the Franchise Agreement with PCWR LLC; and

WHEREAS, on July 17, 2012, City Council adopted Resolution Number 23,574 authorizing the City Manager to enter into an agreement to amend the current franchise agreement with PCWR LLC by an additional seven (7) years (for a total of ten (10) years) and a two (2) year extension at the sole discretion of and upon approval of the City Council; and

WHEREAS, subsequently, negotiations continued among the parties outside the parameters set by Resolution Number 23,574 requiring a new duly noticed public hearing set for October 16, 2012 at 6:00pm to hear public comments regarding the current status of negotiations among the parties; and

WHEREAS, staff is recommending that City Council rescind Resolution Number 23,574 and authorize the City Manager to enter into a franchise agreement with PCWR LLC consistent with the currently proposed deal points; and

WHEREAS, the current negotiated deal points are as follows: 1) the term of the new agreement shall be from October 1, 2012 to September 30, 2022; 2) PCWR LLC may automatically extend this agreement by two additional years (October 31, 2024) by paying an extension fee of \$500,000.00 prior to June 30, 2014; 3) City is to receive a monthly

franchise fee of 10% of receivables effective October 1, 2012, (this franchise fee can be increased by 1% in any month receivables due to PCWR LLC are paid within thirty-five (35) days and reduced by 2% in any month which receivables are more than 70 days outstanding); 4) City shall convey an interest in City owned collection vehicles to PCWR LLC to secure performance by the City under the franchise agreement for \$556,000 with \$250,000.00 due no later than January 30, 2013 and a subsequent payment of \$306,000.00 due June 1, 2013; City to convey an interest in City owned bins to PCWR LLC for \$162,730.00 by January 1, 2014.

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

- Section 1.** That Resolution Number 23,574 is hereby rescinded.
- Section 2.** That the City Council hereby authorizes the City Manager, upon the advice of the City Attorney, to enter into a Franchise Agreement with Pacific Coast Waste and Recycling LLC consistent with the negotiated deal points set forth above.
- Section 3.** That a certified copy of this Resolution shall be filed in the offices of the City Clerk, City Attorney, Water Department and City Manager.
- Section 4.** That the Mayor shall sign and City Clerk attest to the adoption of this Resolution.

ADOPTED this _____ day of _____, 2012

MAYOR OF THE CITY OF COMPTON

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
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 this _____ day of _____ 2012.

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

AYES: COUNCIL MEMBERS
NOYES: COUNCIL MEMBERS
ABSTAIN: COUNCIL MEMBERS
ABSENT: COUNCIL MEMBERS

CITY CLERK OF THE CITY OF COMPTON

**AMENDED AND RESTATED
AGREEMENT
BETWEEN
CITY OF COMPTON
AND
PACIFIC COAST WASTE & RECYCLING, LLC**

**FOR
INTEGRATED SOLID WASTE
MANAGEMENT SERVICES**

*** * ***

~~July~~, October 1, 2012

AGREEMENT

This Amended and Restated Agreement for Integrated Solid Waste Management Services (hereinafter the "Agreement") is entered into this 1st day of ~~July~~November, 2012, by and between the City of Compton, a California charter city ("City") and Pacific Coast Waste and Recycling LLC, a California Limited Liability Corporation ("Company"), regarding the performance of Solid Waste and Recyclable Materials Handling Services related to meeting the goals and requirements of the California Integrated Waste Management Act.

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (the "Act") (California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for solid waste handling within their jurisdictions; and,

WHEREAS, pursuant to California Public Resources Code Section 49300 and 49500-49524, as well as Section 21.13 of the Compton Municipal Code, the City of Compton has determined that the public health, safety, and well-being require that an exclusive franchise be awarded to a qualified company for the collection, transfer and transportation, recycling, processing, and disposal of solid waste and other services related to meeting the diversion goals required by the Act, and other requirements of the California Integrated Waste Management Act; and,

WHEREAS, City declares its intention of maintaining reasonable rates and quality service related to the collection, transfer and transportation, recycling, processing, and disposal of solid waste and other services; and,

WHEREAS, On June 29, 2000, the City issued its Solid Waste Management Facilities, Variable Rate Revenue Bonds, Series 2000 (the "Bonds"), to finance the acquisition of the City Property, and Company acknowledges that the City must take certain remedial actions pursuant to Treasury Regulation 1.141-12 in order to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes, and such remedial actions may or may not affect one or more of the provisions of this Agreement; and

WHEREAS, the City Council hereby determines and finds pursuant to California Public Resources Code § 40059(a)(1), that the public health, safety and well being, including the minimization of adverse impacts on air quality and traffic from excessive numbers of collection vehicles, the implementation of measures consistent with the City's Source Reduction and Recycling Element, and the protection of the City against CERCLA liability, require that an exclusive contract be awarded for collection, recycling and disposal of Solid Waste from Residential, Commercial and Industrial Premises in the City; and,

WHEREAS, Company represents and warrants to City that it has the experience, responsibility and qualifications necessary to conduct recycling programs, provide City with information sufficient to meet the City's reporting requirements under the Act, meet City's other requirements under the Act, arrange for the collection, transport and to disposal of Solid Wastes, including handling Solid Wastes which may contain small amounts of household products with

the characteristics of Hazardous Wastes, conduct such collection, transportation, and disposal activities in a safe and lawful manner, including taking measures which shall minimize the adverse effects of collection vehicles on air quality and traffic; and,

WHEREAS, City and Company previously entered into that certain Agreement for Integrated Solid Waste Management Services dated on or about May 17, 2010 (the "2010 Agreement"); and

WHEREAS, City and Company desire to amend the 2010 Agreement to provide for the acquisition by Company of the City owned vehicles used for the provision of Solid Waste and Recyclable Materials Handling Services, provide for Company to full defease the Bonds by December 31, 2013, extend the term of the agreement, and make certain other changes; and

WHEREAS, City and Company are mindful of the provisions of the laws governing the safe collection, transport, recycling, processing and disposal of solid waste, including the Act, the Resource Conservation and Recovery Act ("RCRA") (42 U.S.C. § 6901 et seq.), and the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") (42 U.S.C. § 9601 et seq.). City and Company desire to leave no doubts as to their respective roles and to memorialize that by entering into this Agreement, City is not thereby becoming an "arranger" or a "generator" as those terms are used in CERCLA, and that it is Company, not City, who is "arranging for" the collection from residences in the City, transport for disposal, composting or other processing, and recycling of municipal solid waste which may contain hazardous substances; and further to confirm that as a material inducement to City entering into this Agreement, Company has agreed to fully indemnify City in connection with any claims, losses, liabilities, lawsuits or actions relating to the inadvertent or intentional collection, transportation and/or disposal of hazardous materials that may occur in connection with Company's performance under this Agreement, and

WHEREAS, Company has agreed, as part of this Agreement, acting as an independent contractor to provide such personnel, equipment and supplies as are necessary to ensure City complies with the requirements of Public Resources Code Section 40000, et seq.,

NOW, THEREFORE, in consideration of the premises above stated and the terms, conditions, covenants and agreements contained herein, the Parties do hereby agree as follows:

ARTICLE 1: DEFINITIONS

The terms used in this Agreement shall have the meaning set forth in this Article 1. In the event a term is not defined in this Article 1, then it shall have the meaning set forth in Chapter XXI of the Compton Municipal Code or in Division 30, Part 1, Chapter 2 of the California Public Resources Code (with precedence given to definitions in the Compton Municipal Code over conflicting definitions contained in the Public Resources Code). Except as provided in Article 1, words beginning with lower case letters are being used with their common ordinary meanings, not as defined terms. Otherwise, the following capitalized words and terms shall have the following meanings:

1.1 Act

"Act" means the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000 et seq.), sometimes referred to as "AB 939", as it may be amended from time to time.

1.2 Adjusted Monthly Payment

"Adjusted Monthly Payment" is defined in Section 5.1.1(3) of this Agreement.

1.3 ~~1.2~~ Affiliate

"Affiliate" means all businesses (including corporations, limited and general partnerships and sole proprietorships) which are directly or indirectly related to Company by virtue of direct or indirect ownership interest or common management. An Affiliate shall include a business in which Company owns a direct or indirect ownership interest, a business which has a direct or indirect ownership interest in Company and/or a business which is also owned, controlled or managed by any business or individual which has a direct or indirect ownership interest in Company. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986 (26 U.S.C. § 318(a)), as in effect on the date of this Agreement, shall apply; provided, however, that (i) "ten percent (10%)" shall be substituted for "fifty percent (50%)" in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and (ii) Section 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership interest of less than ten percent (10%) shall be disregarded and percentage interests shall be determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater.

1.4 ~~1.3~~ Applicable Law

"Applicable Law" means all laws, regulations, rules, orders, directives, judgments, decrees, permits, approvals, or other requirement of the United States, the State of California, the County of Los Angeles, the City of Compton (including, but not limited to, Chapter XXI of the Compton Municipal Code), and any federal, state, regional or local administrative and regulatory agencies, that are applicable to any aspect of this Agreement or the provision of Solid Waste and

Recyclable Materials Handling Services, that are in force on the Effective Date and as they may be enacted, issued or amended during the Term.

1.5 ~~1.4~~ **Billings**

"Billings" or "Billing" or "Bill" means the statement(s) of charges provided to Customers for services rendered by Company.

1.6 ~~1.5~~ **Bin**

"Bin" means a metal Container with hinged lids and wheels with a capacity of less than ten (10) cubic yards, and designed for mechanical pick-up by Collection Vehicles.

1.7 ~~1.6~~ **Bin Service**

"Bin Service" means Solid Waste and Recyclable Materials Handling Services in which a Bin is used for the Collection of Solid Waste and Recyclable Materials.

1.8 ~~1.7~~ **Bonds**

"Bonds" means the Bonds referred to in the Recitals hereof.

1.9 ~~1.8~~ **Bond Expenses**

"Bond Expenses" means any and all costs and expenses incurred by the City which are related to the Bonds, the administration of the Bonds and/or the closing agreement with the Internal Revenue Service relating to the Bonds including without limitation trustee fees, arbitrage rebate calculation fees, continuing disclosure fees, financial advisory fees, credit enhancement fees, legal fees and accounting fees.

1.10 ~~1.9~~ **Brown Goods**

"Brown Goods" mean discarded electronic equipment such as, but not limited to, cellular telephones, video cassette recorders, compact disk (CD) players, CD recorders, digital video disk (DVD) players, DVD recorders, video cassette recorders, stereos, audio receivers, video receivers, facsimile machines, central processing units (CPUs), laptop computers, and peripherals (e.g., external computer hard drives, computer keyboards, computer mice, and computer printers), and other similar items commonly known as "brown goods" and "e-waste."

1.11 ~~1.10~~ **Bulky Items**

"Bulky Items" means Solid Waste that cannot and/or would not typically be accommodated within a Cart including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as "white goods"); Electronic Waste; wood waste, tree branches, scrap wood, rocks, sod and earth, in the aggregate not exceeding one cubic yard per Collection; clothing; and tires. Bulky Items do not include car bodies, Construction and Demolition Debris or items requiring more than two

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persons to remove. Other items not specifically included or excluded above will be Collected provided that they are not more than eight feet in length, four feet in width, or more than 150 pounds. In the event a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, the City Manager shall determine whether that definition shall apply, which determination shall be final and binding on the Parties.

1.12 ~~1.11~~ Business Day

“Business Day” means any day of the week except Saturday, Sunday and the following holidays: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day.

1.13 ~~1.12~~ Cart

“Cart” means a plastic Container with a hinged lid and wheels serviced by an automated or semi-automated truck with a capacity of no less that 30- and no greater than 101-gallons.

1.14 ~~1.13~~ City

"City" means City of Compton, a municipal corporation.

1.15 ~~1.14~~ City Council

“City Council” means the City Council of the City of Compton, California.

1.16 ~~1.15~~ City Facilities

“City Facilities” means all Premises owned or operated by City, now and in the future, including but not limited to, City Hall, City offices, parks, City yard and street maintenance operations.

1.17 ~~1.16~~ City Manager

“City Manager” means the City Manager of the City of Compton or the City Manager’s designee.

1.18 ~~1.17~~ City Property

“City Property” means the bins and roll-off boxes owned by City, and the ~~real property located at 1105 South Alameda Street in the City, including the improvements thereon, consisting of an office building and storage area~~City Real Property, to be used by Company during the Term.

1.19 City Real Property

“City Real Property” means the real property located at 1105 South Alameda Street in the City, including the improvements thereon, consisting of an office building and storage area.

1.20 ~~1.18~~ Collect/Collection

"Collect" or "Collection" means to take physical possession, transport, and remove Solid Waste or Recyclable Materials within and from City.

1.21 ~~1.19~~ Collection Vehicle

"Collection Vehicle" is defined in Section 4.6.1 of this Agreement.

1.22 ~~1.20~~ Commercial

"Commercial" refers to services performed at or for Commercial Premises.

1.23 ~~1.21~~ Commercial Premises

"Commercial Premises" means Premises upon which business activity is conducted, including but not limited to retail sales, services, wholesale operations, manufacturing and industrial operations, but excluding Residential Premises upon which business activities are conducted when such activities are permitted under applicable zoning regulations and are not the primary use of the property. Notwithstanding any provision to the contrary herein, in the Compton Municipal Code, or otherwise, for purposes of this Agreement, Premises upon which the following uses (as defined in the Compton Municipal Code) are occurring shall be deemed to be Commercial Premises: Adult Residential Facilities, Assisted Living Facilities, Convalescent Homes, Dormitories, Extended Stay Motels, Group Residential Facilities, Group Care Facilities, Hotels, and Motels and any other businesses not specifically listed at which residency is transient in nature and hence should be classified as Commercial Premises. In the event a question ever arises as to whether a specific Premises meets the definition of Commercial Premises, the City Manager shall determine whether that definition will apply, which determination shall be final and binding on the Parties.

1.24 ~~1.22~~ Company

"Company" means Pacific Coast Waste and Recycling LLC, a corporation organized and operating under the laws of the State of California and its officers, directors, employees, agents, companies and subcontractors.

1.25 ~~1.23~~ Company Compensation

"Company Compensation" means the revenue received by the Company from Customers in return for providing services in accordance with this Agreement.

1.26 ~~1.24~~ Company Fees

"Company Fees" is defined in the preamble of Article 3.

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1.27 ~~1.25~~ Construction and Demolition Debris

"Construction and Demolition Debris" means used or discarded materials, including recyclable solid wastes, resulting from construction, remodeling, repair, or demolition operations at any Premises.

1.28 ~~1.26~~ Container

"Container" means any and all types of Solid Waste or Recyclable Materials receptacles, including Carts, Bins and Roll-off Boxes.

1.29 ~~1.27~~ CPI

"CPI" means the Consumer Price Index for All Urban Consumers (CPI-U), all items index – U.S. city average.

1.30 ~~1.28~~ Customer

"Customer" means a Person receiving Solid Waste and Recyclable Materials Handling Services from Company pursuant to the terms of this Agreement.

1.31 ~~1.29~~ Designated Green Waste Processing Facility

"Designated Green Waste Processing Facility" is defined in Section 4.10.2.

1.32 ~~1.30~~ Designated Recycling Facility

"Designated Recycling Facility" is defined in Section 4.10.1.

1.33 ~~1.31~~ Disposal

"Disposal" means the ultimate disposition of Solid Waste Collected by Company at a landfill or otherwise as permitted by Applicable Law.

1.34 ~~1.32~~ Disposal Site(s)

"Disposal Site(s)" means the Solid Waste handling Facility or Facilities utilized for the Disposal of Solid Waste Collected by Company.

1.35 ~~1.33~~ Diversion

"Diversion" has the meaning ascribed in Section 40124 of the California Public Resources Code, as it now exists or may subsequently be amended.

1.36 Due Date

"Due Date" is defined in Section 5.1.1(3) of this Agreement.

1.37 ~~1.34~~ Effective Date

“Effective Date” means ~~August~~October 1, 2012.

1.38 ~~1.35~~ Electronic Waste

“Electronic Waste” means “Covered Electronic Waste” as defined in the Act (Section 42463 of Public Resources Code) and all Brown Goods.

1.39 ~~1.36~~ Environmental Laws

"Environmental Laws" means all federal and state statutes, county, local and City ordinances concerning public health, safety and the environment including, by way of example and not limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq.; the Federal Clean Water Act, 33 U.S.C. §1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. §2601 et seq.; the Occupational Safety and Health Act, 29 U.S.C. §651 et seq.; the California Hazardous Waste Control Act, California Health and Safety Code §25100 et seq.; the California Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code §25300 et seq.; the Porter-Cologne Water Quality Control Act, California Water Code §13000 et seq.; the Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code §25249.5 et seq.; as currently in force or as hereafter amended, and all rules and regulations promulgated thereunder.

1.40 ~~1.37~~ Facility

"Facility" means any plant or site, owned or leased and maintained, operated or used by Company for purposes of performing under this Agreement.

1.41 ~~1.38~~ Franchise Fee

"Franchise Fee" shall mean the fee paid by Company to City pursuant to Section ~~3.2.1~~3.1.1.

1.42 ~~1.39~~ Green Waste

"Green Waste" means any vegetative matter resulting from normal yard and landscaping maintenance that is not more than forty-eight (48) inches in its longest dimension or six (6) inches in diameter. Green Waste includes plant debris, such as tree trimmings, wood stumps, grass cuttings, dead plants, leaves, branches, flowers, plant stocks, leaves, dead trees (subject to length and diameter limitations), and other forms of organic waste that is generated at the Premises wherein the Green Waste is collected. Green Waste excludes yucca and palm fronds, which should be collected as Refuse. Green Waste does not include material not normally produced from gardens or landscape areas, such as brick, rock, gravel, large quantities of dirt, concrete, sod, non-organic wastes, oil, and painted or treated wood products.

1.43 ~~1.40~~ Green Waste Processing Facility

“Green Waste Processing Facility” means a permitted Facility where Green Waste is sorted, mulched or separated for the purposes of Recycling, reuse or composting.

1.44 ~~1.41~~ Gross Revenues

“Gross Revenues” means any and all revenue received from Billings by City and/or Company, and compensation in any form, of Company or subsidiaries, parent companies or other Affiliates of Company, for the provision of Solid Waste and Recyclable Materials Handling Services pursuant to this Agreement, in accordance with generally accepted accounting principles, including, but not limited to, Customer fees for Collection of Solid Waste and Recyclable Materials, without subtracting Franchise Fees, administrative fees or other fees or any other cost of doing business.

1.45 ~~1.42~~ Hazardous Substance

"Hazardous Substance" shall mean any of the following: (a) any substances defined, regulated or listed (directly or by reference) as "hazardous substances", "hazardous materials", "hazardous waste", "toxic waste", "pollutants" or "toxic substances" or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601 et seq. (CERCLA); (ii) the Hazardous Materials Transportation Act, 49 U.S.C. §5101, et seq.; (iii) the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq.; (iv) the Clean Water Act, 33 U.S.C. §1251 et seq.; (v) California Health and Safety Code §§25110.02, 25115, 25117, 25249.8, 25281, 25316, 25501 and 25501.1; (vi) the Clean Air Act, 42 U.S.C. §7401 et seq.; and (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other applicable federal, state or local Environmental Laws currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

1.46 ~~1.43~~ Hazardous Waste

"Hazardous Waste" means and includes wastes defined as hazardous by Public Resources Code Section 40141 as it now exists or subsequently may be amended, as well as all substances defined as Hazardous Waste, acutely Hazardous Waste, or extremely Hazardous Waste by the State of California in Health and Safety Code §§25110.02, §25115, and §25117 or in the future amendments to or recodifications of such statutes or identified and listed as Hazardous Waste by the US Environmental Protection Agency (EPA), pursuant to the Federal Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.), all future amendments thereto, and all rules and regulations promulgated thereunder.

1.47 ~~1.44~~ Household Hazardous Waste (“HHW”)

"Household Hazardous Waste" means Hazardous Waste generated at Residential Premises.

1.48 ~~1.45~~ License

"License" means the rights created under this Agreement whereby City grants to Company certain rights to use and maintain the City Property for the purposes of carrying out this Agreement.

1.49 ~~1.46~~ Materials Recovery Facility ("MRF")

"Materials Recovery Facility" means a fully permitted Facility where Solid Wastes or Recyclable Materials are sorted or separated for the purposes of Recycling, processing or composting.

1.50 Monthly Payment

"Monthly Payment" is defined in Section 5.1.1(3) of this Agreement.

1.51 ~~1.47~~ Multi-Family Dwelling

"Multi-Family Dwelling" means any building or lot containing four or more dwelling units. Multi-Family Dwelling units generally receive Solid Waste and Recyclable Materials Collection through the use of shared Bins.

1.52 ~~1.48~~ Owner

"Owner" means the Person holding the legal title to the real property constituting the Premises to which Solid Waste and Recyclable Materials Collection service is to be provided under this Agreement.

1.53 Past Due

"Past Due" is defined in Section 5.1.1(3) of this Agreement.

1.54 ~~1.49~~ Person

"Person" means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, the County of Los Angeles, cities, and special purpose districts.

1.55 ~~1.50~~ Premises

"Premises" means any land, or building in the Service Area where Solid Waste and Recyclable Materials are generated or accumulated.

1.56 ~~1.51~~

This section has been intentionally left blank.

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1.57 ~~1.52~~ Rate Schedule

"Rate Schedule" means the approved schedule of maximum permissible monthly rates currently in effect on the date Solid Waste and Recyclable Materials Service is provided. See Exhibit 3 for the initial maximum rates.

1.58 ~~1.53~~ Rate Year

"Rate Year" means the period July 1 to June 30, for each year during the Term. The 1st Rate Year, however, shall be ~~August~~October 1, 2012 to June 30, 2013.

1.59 ~~1.54~~ Recycling

"Recycling" means the process of collecting, sorting, cleansing, treating, and reconstituting materials that would otherwise be disposed as solid waste, and returning them to the economic mainstream in the form of raw materials for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace. Recycling does not include Transformation, except to the extent that State law or the Act is amended after the Effective date of this Agreement, or otherwise affords diversion or disposal reduction credit for the activity.

1.60 ~~1.55~~ Recyclable Materials

"Recyclable Materials" means those materials that are capable of being recycled. These materials will be as defined by the City. The initial list of Recyclable Materials to be collected pursuant to this Agreement is set forth in Section 4.3.1.

1.61 ~~1.56~~ Refuse

"Refuse" is synonymous with Solid Waste as defined herein.

1.62 ~~1.57~~ Residential

"Residential" refers to services performed at and for Residential Premises.

1.63 ~~1.58~~ Residential Premises

"Residential Premises" means Premises upon which dwelling units exist, including, without limitation, Single Family and Multi-Family Dwellings, apartments, boarding or rooming houses, condominiums, mobile homes, efficiency apartments, and second units. Notwithstanding any provision to the contrary herein, in the Compton Municipal Code, or otherwise, for purposes of this Agreement, Premises upon which the following uses are occurring shall not be deemed to be Residential Premises, and rather shall be deemed to be Commercial Premises: Adult Residential Facilities, Assisted Living Facilities, Convalescent Homes, Dormitories, Extended Stay Motels, Group Residential Facilities; Group Care Facilities, Hotels, Motels, and any other businesses not specifically listed at which residency is transient in nature and hence should be classified as Commercial Premises. In the event a question ever arises as to whether a specific Premises meets the definition of Residential Premises, the City Manager shall determine whether that definition will apply, which determination shall be final and binding on the Parties.

1.64 ~~1.59~~ Roll-off Box

“Roll-off Box” means Solid Waste and Recyclable Materials Collection Containers of 10-yards or larger.

1.65 ~~1.60~~ Scout Vehicles

“Scout Vehicles” is defined in Section 4.2.7.

1.66 ~~1.61~~ Service Area

"Service Area" means all the territory lying within the municipal boundaries of City as presently existing or as such boundaries may be modified during the Term.

1.67 ~~1.62~~ Single Family Dwelling

"Single Family Dwelling" means a means a dwelling unit in a building or lot containing three or fewer Residential dwelling units. Single Family Dwelling units generally receive individual Refuse Collection service.

1.68 ~~1.63~~ Solid Waste

"Solid Waste" means all discarded putrescible and non-putrescible solid, semisolid, and liquid wastes, including Refuse, Construction and Demolition Debris, and Bulky Items, or any combination thereof which are permitted to be disposed of in a Class III landfill, and which are included in the definition of “Non-hazardous Solid Waste” set forth in the California Code of Regulations. Solid Waste includes Recyclable Materials and Green Waste when those items are not Source Separated, and whenever a fee, charge, or other consideration, in any form or amount, is indirectly or directly paid by the Generator to any person in exchange for any form of Recyclable Materials storage, collection, transfer, removal, processing, consulting, brokering, disposal or equipment rental services (“fee for service” recycling).

1.69 ~~1.64~~ Solid Waste and Recyclable Materials Handling Services

“Solid Waste and Recyclable Materials Handling Services” means the Collection, transfer, transport, Recycling, processing, and Disposal of Solid Waste and the Collection, transfer, transport, Recycling and processing of Recyclable Materials and Green Waste.

1.70 ~~1.65~~ Solid Waste Services and Performance Review Hearing

“Solid Waste Services and Performance Review Hearing” is defined in Section 7.1.

1.71 ~~1.66~~ Source Separated

"Source Separated" means the segregation by the Waste Generator of Recyclable Materials or Green Waste, which otherwise would become Solid Waste.

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1.72 ~~1.67~~ State

“State” means the State of California.

1.73 ~~1.68~~ Term

“Term” means the Initial Term (as defined in Section 2.6), together with any extension of the Initial Term.

1.74 ~~1.69~~ Transfer Station

“Transfer Station” means a Facility that received Solid Waste from collection vehicles and transfers the material to larger vehicles for transport to landfills and other destinations. Transfer Stations may or may not also include MRFs, transferring residual Refuse (Refuse left after the sorting of Recyclable Materials) to landfills and Recyclable Materials, including Green Waste and/or Construction and Demolition debris, to processors, brokers or end-users.

1.75 ~~1.70~~ Transformation

“Transformation” means incineration, pyrolysis, distillation, or gasification, composting, biomass conversion, anaerobic digestion, or conversion technologies employing nonincineration thermal, chemical, biological or mechanical processes used to produce renewable fuel or clean burning fuel for electricity generation.

1.76 ~~1.71~~ Walk-Out Service

“Walk-Out Service” is defined in Section 4.2.3.

1.77 ~~1.72~~ Waste Generator

"Waste Generator" means any Person whose act or process produced Solid Waste or Recyclable Materials, or whose act first causes Solid Waste or Recyclable Materials to become subject to regulation.

1.78 ~~1.73~~ Working Day

“Working Day” means any day of the week except Sunday and the following holidays: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day.

ARTICLE 2: GRANT AND ACCEPTANCE OF FRANCHISE

2.1 Grant and Acceptance of Franchise

Subject to the terms and conditions of this Agreement (including but not limited to the exclusions set forth in Section 2.9 hereof) and Applicable Laws, and to the rights of State, county and school district facilities, and other entities that are permitted pursuant to state law, to use a Solid Waste enterprise other than Company, City hereby grants to Company and Company hereby accepts from City, for the Term hereof, the exclusive franchise, right and privilege to provide Solid Waste and Recyclable Materials Handling Services at all Residential and Commercial Premises within the Service Area (the “Franchise”).

2.2 Grant of License for City Property

The City hereby grants to Company a nontransferable License, for the term of this Agreement, to use, occupy and maintain the City Property for the sole purpose of carrying out Company’s duties and responsibilities related to this Agreement. Company acknowledges that City retains all ownership rights and interests in the City Property; unless and until Company tenders full payment to purchase City Real Property, City Bins, or both, pursuant to Sections 4.6.2.1 and 4.6.5.1. Company shall maintain the City Property in good condition at all times, and shall insure the City Property in accordance with Section 9.4 hereof. The parties acknowledge and agree that nothing in this Agreement shall be construed or regarded as a transfer of any of the City Property from the City to Company, or as the creation in Company of any interest in property. Company hereby irrevocably elects, which election shall be binding on Company and all of its successors hereunder, not to claim depreciation or an investment credit with respect to the City Property.

2.3 Right of First Refusal to Purchase City Real Property

Commencing ~~August~~October 1, 2012, Company shall have the right of first refusal to purchase the City Real Property. Prior to consummating a proposed sale of ~~the~~such City Real Property, City shall provide Company with a right to purchase the City Real Property on and subject to the terms and conditions hereinafter stated:

- (a) City shall give written notice (the “Proposed Sale Notice”) to Company setting forth the proposed purchase price and any other material economic terms of the proposed sale (collectively, the “Basic Sale Terms”).
- (b) The purchase price for the City Real Property shall be the fair market value (FMV), determined and adjusted as set forth in the remainder of this paragraph (b). The FMV shall be determined by an MAI appraiser selected by the City. Company shall pay one-half of the cost of the appraisal. The City Real Property shall be appraised as clean (free of hazardous waste or hazardous materials). The appraised value shall then be adjusted to deduct the estimated cost of remediating and hazardous waste or hazardous materials located on, in, or under the property. In no event, however, shall the purchase price be less than 50% of the FMV (as clean). In addition to the purchase price, if Company acquires the City Real Property, it shall reimburse City

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one-half of the cost of preparing any environmental analysis or remediation plan utilized in determining the purchase price.

- (c) Company shall have ~~fifteen~~forty-five (~~15~~45) days (the "Election Period") after the giving of the Proposed Sale Notice to elect to purchase the City Real Property (such election to be made, if at all, by giving written notice thereof to City within the Election Period). If Company shall elect not to purchase the City Real Property, then promptly following receipt of written request therefor from City, Company shall provide to City, or to such party as City may designate, written confirmation of Company's election not to purchase the City Real Property as provided in this clause (c).
- (d) If Company fails to deliver written notice to City of its election to purchase the City Real Property within the Election Period, then City may close a sale of the City Real Property at any time or times during the one year period (the "Closing Period") that commences on the first day after the Election Period, for a purchase price and on terms which are at least as favorable to City as the Basic Sale Terms contained in the Proposed Sale Notice; but if a sale of the City Real Property for such purchase price and on such terms is not consummated within the Closing Period, then the rights of Company to notice and purchase as set forth above will continue as to any sale occurring subsequent to such Closing Period.
- (e) If Company makes the election to purchase the City Real Property, then such election shall be deemed to create a contract between City and Company pursuant to which Company agrees to acquire the City Real Property from City on the Basic Sale Terms, except that the closing date for such sale shall be the date which is ~~30~~ninety (90) days after the making of such election, and Company and City shall promptly and in good faith enter into a purchase and sale contract incorporating the terms of such sale. If Company makes the election to purchase the City Real Property but the closing fails to occur due to Company's default, then without limitation on City's other rights and remedies (including specific performance and damages), Company's rights under this Section 2.3 will be permanently lost.

Company's right of first refusal contained in this Section 2.3 may not be assigned, sold or otherwise transferred by Company.

Notwithstanding anything to the contrary contained herein, the right of first refusal contained in this Section 2.3 shall automatically terminate and be of no further force or effect upon the earlier of (i) the termination of this Agreement, or (ii) July 1, 2019.

2.4 Enforcement of Exclusivity

City shall have the right to enforce the exclusivity provisions hereof if, in its absolute and sole discretion, it chooses to do so, but shall have no obligation to do so for the benefit of Company or otherwise. If Company requests that City take administrative, law enforcement, or other legal action to protect Company's exclusive rights, or otherwise enforce the exclusivity of this Agreement (including the adoption of any resolution or ordinance intended to facilitate the

enforcement of the exclusive rights granted herein), Company shall reimburse City for all its administrative, law enforcement, or other legal costs and fees related to any such action.

2.5 Effective Date; Commencement of Services; Effect on Prior Agreement

Subject to the provisions of Section 2.9, this Agreement shall become effective on the Effective Date. The obligations of the Parties hereunder, and the provision of Solid Waste and Recyclable Materials Handling Services by Company shall commence on ~~August~~October1, 2012.

Upon the Effective Date and satisfaction or waiver of the conditions in Section 2.9, the 2010 Agreement shall automatically terminate, and be of no further force or effect.

2.6 Term of Agreement

The initial term of this Agreement shall be ~~nineteen~~ (9)10 years ~~and eleven (11) months~~, commencing on ~~August~~October1, 2012, and expiring ~~June~~September 30, 2022 (the “Initial Term”), subject to extension or earlier termination as provided herein.

2.7 Option to Extend Term

~~The Term may be extended until June 30, 2024, in City’s sole and absolute discretion. Company may extend the Term of this Agreement through September 30, 2024, by providing City with written notice of its intent to extend the Term and tendering payment of a contract extension fee in the amount of Five-Hundred Thousand Dollars (\$500,000.00) on or before June 30, 2014. The City, in its sole and absolute discretion, shall have the right to deny any request for extension made by Company and received by City after June 30, 2014.~~

2.8 Representations and Warranties of Company

Company hereby covenants, represents, and warrants the following to City for the purpose of inducing City to enter into this Agreement and to consummate the transaction contemplated hereby, all of which shall be true as of the Effective Date of this Agreement:

- a) Company is wholly owned by Pacific Coast Waste & Recycling LLC, which is duly organized and validly existing as a Limited Liability Company under the laws of the State of California.
- b) Company is duly organized, validly existing and in good standing under Applicable Laws. It is qualified to transact business in the State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.
- c) Company has the authority to enter into and perform its obligations under this Agreement. The Board of Directors or partners of Company (or the shareholders, if necessary) have taken all actions required by law, its articles of incorporation, its bylaws or otherwise to authorize the execution of this Agreement. The Persons signing this Agreement on behalf of Company have authority to do so.

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- d) Neither the execution of this Agreement nor the delivery by Company of services nor the performance by Company of its obligations hereunder: (1) conflicts with, violates or results in a breach of any Applicable Law; (2) conflicts with, violates or results in a breach of any term or condition of any judgment, decree, agreement (including, without limitation, the certificate of incorporation of Company) or instrument to which Company is a party or by which Company or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument; or (3) will result in the creation or imposition of any encumbrance of any nature whatsoever upon any of the properties or assets of Company.
- e) There is no action, suit or other proceeding as of the date of this Agreement, at law or in equity, or to the best of Company's knowledge, any investigation, before or by any court or governmental authority, pending or threatened against Company or which is likely to result in an unfavorable decision, ruling or finding which would materially and adversely affect the validity or enforceability of this Agreement or any such agreement or instrument entered into by Company in connection with the transactions contemplated hereby, or which could materially and adversely affect the ability of Company to perform its obligations hereunder or which would have a material adverse effect on the financial condition of Company.
- f) Company has no knowledge of any Applicable Law in effect as of the date of this Agreement that would prohibit the performance by Company of this Agreement and the transactions contemplated hereby.
- g) Company has made an independent investigation, satisfactory to it, of the conditions and circumstances surrounding this Agreement and the work to be performed by it, and is satisfied that those conditions and circumstances will not impair its ability to perform the work and provide the Collection services required by this Agreement.
- h) The information supplied by Company in all submittals made in connection with negotiation and execution of this Agreement, including but not limited to all materials in Exhibits of this Agreement, and all representations and warranties made by Company throughout this Agreement are true, accurate, correct and complete in all material respects on and as of the Effective Date of this Agreement.
- i) Company's Contract Liaison, designated in Section 5.2.5, shall have authority in all daily operational matters related to this Agreement. City may rely upon action taken by such designated representative as action of Company unless the actions taken are not within the scope of this Agreement.
- j) The company will be responsible for making sure that all waste, recycling, and greenwaste is delivered to properly permitted by the Regional Water quality Control Board and the CalRecycle, and are classified as a Class 3 landfill (permitted to receive municipal Solid Waste).
- k) The Designated Recycling Facility is properly permitted and in compliance with all Applicable Laws.

- l) The Designated Green Waste Processing Facility is properly permitted and is in compliance with all Applicable Laws.
- m) No elected official, officer, agent or employee of the City has a financial interest, directly or indirectly, in this Agreement, the compensation to be paid under it and, further, no City employee who acts in the City as a “purchasing agent” as defined in the appropriate Section of California Statutes, nor any elected or appointed officer of the City, nor any spouse or child of such purchasing agent, employee or elected or appointed officer, is a partner, officer, director or proprietor of the Company and, further, that no such City employee, purchasing agent, City elected or appointed officer, or the spouse or child of any of them, alone or in combination, has a material interest in the Company. Material interest means direct or indirect ownership of more than five percent (5%) of the total assets or capital stock of the Company.
- n) Company is familiar with City’s prohibition against acceptance of [any gift] [any gift over twenty-five dollars (\$25)] by a City officer or designated employee. Company shall not offer any City officer or designated employee any gifts prohibited by the City.

2.9 Conditions to Effectiveness of Agreement

The satisfaction of each and all of the conditions set out below, each of which may be waived in whole or in part by City in writing, is a condition precedent to the effectiveness of this Agreement, and a condition of Company’s continued right to the benefits conveyed herein:

- a) Accuracy of Representations. All representations and warranties made by Company and set forth in this Agreement shall be accurate, true and correct on and as of the Effective Date, and shall remain so during the Term hereof.
- b) Absence of Litigation. There shall be no litigation pending in any court challenging the award of this Franchise to Company or the execution of this Agreement or seeking to restrain or enjoin its performance.
- c) Furnishing of Insurance and Bond or Letter of Credit. Company shall have furnished evidence of the insurance and bonds or letter of credit required by Article 9, and shall comply with all ongoing requirements relating thereto.
- d) Effectiveness of City Council Action. City's approval of this Agreement shall have become effective pursuant to California law on or prior to the Effective Date.

2.10 Delegation of Authority

2.10.1 City Representatives

References in this Agreement to the "City" shall mean the City Council and all actions to be taken by City shall be taken by the City Council except where this Agreement expressly delegates the authority to the City Manager, in which case the action shall be taken by the City Manager, or his or her designee. The City Council may also delegate, in writing, additional authority to the City Manager, and/or to other City employees and may permit such employees,

in turn, to delegate in writing some or all of such authority to subordinate employees. Company may rely upon actions taken by such delegates if they are within the scope of the authority so delegated to them.

2.10.2 Company Representative

Company shall, by the Effective Date, authorize and designate in writing a responsible officer who shall serve as the representative of Company in all matters related to this Agreement and who shall be responsible for working with City and/or City's designated representative(s) to resolve Agreement-related issues ("Contract Liaison"). Company shall include in the written designation any limitations upon the Contract Liaison's authority to bind Company. City shall have the right to approve the Company's choice for Contract Liaison. City shall be notified in advance of any change in Contract Liaison. Company acknowledges and agrees that City may rely upon action taken by the Contract Liaison as actions of Company taken on behalf of and with the full approval of the Company unless the action is outside the scope of the authority delegated to him/her by Company as communicated in writing to City.

2.11 Limitations to Scope

Notwithstanding any provision to the contrary contained herein, the exclusive franchise, right and privilege to provide Solid Waste and Recyclable Materials Handling Services at Residential and Commercial Premises within the Service Area granted to Company by this Agreement specifically excludes the following services, which services may be provided by Persons other than Company and which may be the subject of other permits, licenses, franchises or agreements issued or entered by City:

- a) The sale or donation of Source- Separated Recyclable Material by the Waste Generator to any Person or entity issued a permit by City other than Company; provided, however, to the extent permitted by law, if the Generator is required to pay monetary or non-monetary consideration in any form or amount for the Collection, transportation, transfer, brokerage, removal, handling or processing of Recyclable Material, the fact that the Generator receives a reduction or discount in price (or in other terms of the consideration the Generator is required to pay) shall not be considered a sale or donation;
- b) Solid Waste, including Green Waste and Bulky Items, and Recyclable Materials which are removed from any Premises by the Waste Generator, and which is transported personally by such Generator (or by his or her full-time employees) to a processing or Disposal Facility in a manner consistent with all Applicable Laws and regulations;
- c) Green Waste removed from a Premises by a gardening, landscaping, or tree trimming company, utilizing its own equipment, as an incidental part of a total service offered by that company rather than as a hauling service;
- d) The Collection, transfer, transport, Recycling, processing, and disposal of animal waste and remains from slaughterhouse or butcher shops for use as tallow;
- e) The Collection, transfer, transport, Recycling, processing, and disposal of by-products of sewage treatment, including sludge, sludge ash, grit and screenings;

- f) The Collection, transfer, transport, Recycling, processing, and disposal of Hazardous Substances, Hazardous Waste, Household Hazardous Waste and radioactive waste regardless of its source;
- g) Construction and Demolition Debris which is removed by a duly-licensed construction or demolition company that is not a solid waste enterprise, as part of a total service offered by that licensed company or by the City, where the licensed company utilizes its own employees and equipment; and has meet all the City's municipal Construction and Demolition Ordinances.
- h) The Collection, transfer, transport, Recycling, processing, and Disposal of Solid Waste and Recyclable Materials by City through City officers or employees in the normal course of their City employment;
- i) Solid Waste and Recyclable Materials Handling Services for governmental agencies other than City, which may have facilities in the Service Area, but over which City has no jurisdiction in connection with the regulation of Solid Waste; and

While the grant contained herein shall not be exclusive with respect to the above noted matters, Company shall still be obligated to provide those services which may be included in the above (e.g., Collection of Bulky Items, Collection of Green Waste, Collection of Recyclables, Collection of Solid Waste) pursuant to the rates, and other terms, as set forth in this Agreement.

The exclusive franchise, right and privilege to provide Solid Waste and Recyclable Materials Handling Services within the Service Area granted to Company by this Agreement shall be interpreted to be consistent with all Applicable Laws, and the scope of this Agreement shall be limited by all Applicable Laws. In the event that future interpretations of current law, future enactments or developing legal trends limit the ability of City to lawfully grant Company the scope of services as specifically set forth herein, Company agrees that the scope of this Agreement will be limited to those services and materials which may be lawfully provided, and that City shall not be responsible for any lost profits claimed by Company as a result thereof. In such event, City agrees that Company may be entitled to a Special Circumstances Rate Adjustment upon submission of adequate proof of lost profit.

2.12 City's Right to Direct Changes

2.12.1 General

City may direct Company to perform additional Solid Waste and Recyclable Materials Handling Services (including new Diversion programs, etc.) or modify the manner in which it performs existing services or Bills for services. Pilot programs and innovative services which may entail new Collection methods, and different kinds of services and/or new requirements for Waste Generators are included among the kinds of changes which City may direct. Company acknowledges that State or City law may increase the Diversion requirement during the term of this Agreement and Company agrees to propose services to meet such Diversion requirements. Company shall be entitled to an adjustment in its Company Compensation for providing such additional or modified services. If the City Manager and Company cannot agree upon the

amount of a rate adjustment authorized pursuant to this section, the City Council shall make the final determination and its decision shall be final and binding.

2.12.2 New Diversion Programs

Company shall present, within thirty (30) days of a request to do so by City, a proposal to provide additional or expanded Diversion services. The proposal shall contain a complete description of the following:

- Collection methodology to be employed (equipment, manpower, etc.).
- Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- Labor requirements (number of employees by classification).
- Type(s) of Containers to be utilized.
- Type(s) of material to be Collected.
- Provision for program publicity/education/marketing.
- Three-year projection of the financial results of the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.
- The added cost for providing such additional or expanded Diversion services.
- The projected increase in the Service Area's Diversion rate.
- The cost of any program to fall within the present approval process.

2.13 Ownership of Solid Waste

City and Company understand and agree that it is Company, and not City, who will arrange to Collect Solid Waste and Recyclable Materials, that City has not, and, by this Agreement does not, instruct Company on its Collection methods, nor supervise the Collection process; nor do the Parties intend to place title to Solid Waste and Recyclable Materials Collected by Company in City. Rather, the Parties intend that whatever, if any, title in and to the Solid Waste and Recyclable Materials that is Collected by Company which otherwise might exist in or with City in the absence of this Agreement is hereby transferred to Company; and further that if Company gains title to such Solid Waste and Recyclable Materials it is by operation of law and agreement with its Customers and is not the result of this Agreement. At no time does City obtain any right of ownership or possession of Solid Waste or Recyclable Materials placed for Collection, and nothing in this Agreement shall be construed as giving rise to any inference that City has any such rights. City and Company agree that, for the purposes of the Uniform Commercial Code and all other laws imposing liability for defective products, it is Company, and not City which is to be considered the merchant of goods recycled pursuant to this Agreement. Subject to the provisions of this Agreement, and unless City exercises its rights to direct the location for

Disposal and processing of Solid Waste and Recyclable Materials, Company shall have the right to retain, Recycle, process, dispose of, and otherwise use Solid Waste and Recyclable Materials Collected pursuant to the terms hereof in any lawful fashion or for any lawful purpose; and, further, shall have the right to retain any benefit resulting from its right to retain, convert, Recycle, process, dispose of, or reuse the Solid Waste and Recyclable Materials which it Collects including, without limitation, all carbon, air quality, green house gas reduction, emission, and renewable energy credits, set-offs, and similar benefits (collectively “Credits”) arising from the solid waste and recyclable materials handling activities by company pursuant to this Agreement. Ownership of Solid Waste shall transfer to Company, excluding prohibited waste when Customer places it at point of Collection.

2.14 Permits and Licenses

Company shall acquire and maintain, at its own expense, all necessary permits and licenses required by Applicable Law for the Collecting, transporting, processing, and storing of Solid Waste and Recyclable Materials, disposing of Solid Waste, and the Recycling of Recyclable Materials, and maintain same in full force and effect throughout the Term. Company shall provide proof of such permits, licenses or approvals and shall demonstrate compliance with the terms and conditions of such permits, licenses and approvals upon the request of the City Manager, or his or her designee. Failure to maintain all required permits shall be deemed a material breach of contract for which City may terminate this Agreement as provided in Section 11.2. Company must follow requirements of the applicable Compton Municipal Code.

2.15 Company Name

Company name may not include “Compton” or any other language indicating that the Company is a division of, or otherwise connected to, City.

ARTICLE 3: ADMINISTRATIVE, FRANCHISE & OTHER FEES

In addition to any other consideration set forth herein, as part of its consideration for entering into this Agreement, and for the exclusive franchise, right and privilege to provide Solid Waste and Recyclable Materials Handling Services as specified herein, Company shall pay the fees specified in this Article 3 ("Company Fees").

3.1 Additional Company Payment Obligations

The following payments are due monthly and shall be withheld by City from the monthly compensation payment to Company.

3.1.1 Franchise Fee

Company shall pay a Franchise Fee to City ~~on a monthly basis for the Term. The initial amount shall be \$ 69,793.48 per month. This amount shall be increased annually on July 1 based on the percentage change in the CPI for the twelve month period ending the preceding May. each month for the Term equal to ten percent (10%) of the Monthly Payment. The Franchise Fee shall be adjusted monthly as follows:~~

a) Any month for which City remits the Adjusted Monthly Payment to Company on or before the Due Date (for example, payment is remitted for services billed on October 25th no later than October 29th), the Franchise Fee paid to City by Company shall be eleven percent (11%) of the Monthly Payment.

b) Any month for which City's remittance of the Adjusted Monthly Payment is Past Due in excess of thirty-five (35) days (for example, payment is remitted for services billed on October 25th after January 3rd of the following year), the Franchise Fee paid to City by Company shall be eight percent (8%) of the Monthly Payment.

3.1.2 Administrative Fee

Company shall pay an Administrative Fee to City on a monthly basis for the Term to cover the City's cost of Billing Customers, collecting payment, directing Customer service requests and complaints to Company and performing other administrative duties under this Agreement. The initial amount shall be \$ 22,199.63 per month. This amount shall be increased annually on July 1 based on the percentage change in the CPI for the 12-month period ended the preceding May.

3.1.3 License Fees

In addition to the Franchise Fees and Administrative Fees described above, the City shall retain for itself from Gross Revenues the following License Fees for the use of the City Property by Company: (i) each month during the term of this Agreement until December 31, 2013, one twelfth of the annual debt service on the Bonds, and (ii) in any month following a month during which the City incurs Bond Expenses, the amount of any and all such Bond Expenses, but not to exceed \$25,000 in the aggregate in any calendar year. The City shall reconcile amounts retained with annual debt service at least annually and make the appropriate adjustments to the amounts

retained by the City as soon as is practicable. A schedule of annual debt service payments is attached hereto as Exhibit 1.

In addition, Company shall pay to City, on or before December 31, 2013, the full amount necessary to fully defease the Bonds. City shall notify Company of the exact sum necessary to fully defease the Bonds by December 1, 2013.

ARTICLE 4: DIRECT SERVICES

4.1 General

The work to be done by Company pursuant to this Agreement shall include, but not be limited to, the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the services required.

The work to be done by Company pursuant to this Agreement shall be accomplished in a thorough and professional manner so that all Customers are provided reliable, courteous and high-quality Solid Waste and Recyclable Materials Handling Services at all times.

4.2 Refuse

4.2.1 Single Family Dwelling Refuse Collection

Company shall provide all Customers at Single Family Dwellings and Multi-Family Dwellings without Bin Service, with one 95-gallon Cart (“Refuse Cart(s)”), and shall Collect all Refuse placed therein for Collection not less than once per week. Cart Customers shall be instructed to place the Cart(s) in the street gutter for Collection, unless the Customer receives Walk-Out Service. However, Company shall relocate Carts for Collection when necessary, and return them to their original position.

Cart Customers that regularly require more than one Refuse Cart may request a second Cart for an additional charge per Cart per month in accordance with the Rate Schedule.

4.2.2 Party Rental

Company shall provide Cart Customers with an extra Refuse Cart at a weekly rate per the Rate Schedule, to accommodate occasional increases in Refuse, such as that resulting from parties.

4.2.3 Walk-Out Service

Company shall provide disabled Cart Customers with Walk- Out Service at no additional charge. Cart Customers shall place Containers at the edge of Customers’ property line. Company shall remove Refuse, Recyclable Materials, and Green Waste Containers from the edge of the property line transport to the vehicle service area, and return Containers to the original point of removal after Collection. In order to qualify as disabled under this section, Customers must have been issued a handicap placard issued by the Department of Motor Vehicles. Additionally, Walk-Out Service need not be provided if an able- bodied person resides with the disabled Cart Customer. Company may require annual confirmation that the disability continues and that no able- bodied person resides at the Residential Premises.

4.2.4 Multi-Family and Commercial Refuse Collection

Company shall provide Bin Service to Multi-Family and Commercial Customers. Company shall Collect and remove all Refuse that is placed in Bins from the property of Customers

receiving Bin Service, at least as frequently as required per the Compton Municipal Code and more frequently if required to handle the waste generated at the Premises where the Bins are located. In the event of a Customer dispute, the City Manager shall make the final determination as to the number and size of Containers, and frequency of Collection to be provided to Bin Customers. Special consideration shall be given when determining the pickup areas to ensure that the flow of traffic is not impeded.

Company shall provide Commercial Customers who, on the effective date of this Agreement, have 40-gallon can service with 95-gallon Cart service, replacing Commercial can service wherever feasible. Company must provide necessary Carts.

4.2.5 Roll-off Box Service

Company shall provide permanent and temporary Roll-off Box Collection service upon request. If Company cannot or does not deliver a temporary Roll-off Box to a Customer within two (2) business days, Customer may be granted additional time or a full refund of all fees paid.

4.2.6 Temporary Bin Service

Company shall provide temporary Bin Service to Customers upon request. Rates for temporary Bin Service are listed separately in the Rate Schedule. Only a four cubic yard Bin will be used for temporary Bin Service.

4.2.7 Scout Vehicles/Roll-Outs

“Scout Vehicles” are defined as vehicles that transport Bins to and from the point of Collection to provide access by a Collection Vehicle. Scout Vehicles shall be used upon request of Customer or City to access Bins and to avoid driving Collection Vehicles on private roads or driveways. In special instances, scout service or a long roll-out may be required to provide service to Bins, avoid potential damage to a private road or due to noise from the Collection Vehicle, even if not operationally required. Company shall receive compensation for scout service or long roll-out service in accordance with Exhibit 3.

4.2.8 Bulky Item Waste Collection

Company shall provide Bulky Item waste pickup service to all Residential Premises under this Agreement on an on-call basis once per quarter free of charge. Residents may place out for collection a maximum of six (6) items per collection. Residents requiring additional Bulky Item pickup service in excess of once per quarter or with more than six (6) items will be charged according to the rate schedule provided in Exhibit 3. Residents shall call Company at least forty-eight (48) hours in advance. Bulky Item collection will be provided on the next regularly scheduled collection day.

4.2.9 Abandoned Item Collection by City

City will Collect abandoned items and transport them to the City yard. Company will provide and service a Roll-off Box at the City yard for the City to process or dispose of abandoned items at a rate that does not exceed the rate set forth in Exhibit 3 and Exhibit 5. Company will Collect

and properly process and recycle items left alongside the Roll-off Box, should the City choose to separate out items such as Electronic Waste or reusable items from items deposited in the Roll-off Box.

4.2.10 Bulky Item Diversion

Bulky Items Collected by Company in accordance with Sections 4.2.8, 4.2.9, 4.2.10, or 4.2.11, or otherwise Collected under this Agreement, may not be landfilled or disposed of until the following hierarchy of Diversion efforts has been followed by Company:

- 1) Reuse as is (if energy efficient)
- 2) Disassemble for reuse or Recycling
- 3) Recycle
- 4) Disposal

4.2.11 Electronic Waste

Company shall collect Electronic Waste at a minimum of one (1) day a week from residents and multi-families for the fee established in Exhibit 3.

4.3 Recycling

4.3.1 Single Family Dwelling Recyclable Material Collection

Company shall provide all Single Family Dwelling Customers receiving Cart Refuse Collection with a 64-gallon Cart for Collection of Source Separated Recyclable Materials (“Recycling Cart(s)”), and shall Collect all Recyclable Materials placed therein for Collection not less than once per week. Single Family Dwelling Customers shall be instructed to place the Carts in the street gutter for Collection, unless Customer receives Walk-Out Service. However, Company shall relocate Carts for Collection, when necessary, and return them to their original position. Company shall Collect Recyclable Material placed in Recycling Carts for Collection from each Single Family Dwelling Customer on the same day as Customers’ Refuse Cart is Collected.

Single Family Dwelling Customers may request a second Cart for an additional charge per Cart per month in accordance with the Rate Schedule.

4.3.2 Multi-Family and Commercial Recyclable Material Collection

Company agrees to provide, unlimited Recyclable Material Collection service to Multi-Family and Commercial Customers requesting it from the Company. Company may purchase Recyclable Materials from its Customers as well. The Company agrees to provide Recycling Bins, Cans or Carts to such Customers in sufficient quantities to meet the Recycling needs of each Customer. Recyclable Material Collection programs shall be made available at a minimum for the same materials as included above in Section 4.2.1 for the Single Family Recycling program.

4.3.3 Additional Recyclable Material Programs

In addition to the materials included above in Section 4.3.1, Company also agrees to make programs available for all other Recyclable Materials for which it has established markets. The Company shall notify all Customers via a mailed flyer each year of the availability of the Recyclable Material Collection programs.

4.3.4 Multi-Family and Commercial Site Visits

Company will visit each Multi-Family and Commercial Customer, for the purpose of establishing a Recycling Program. Fifty percent (50%) of the Customers shall be contacted within the first six (6) months, and one hundred percent (100%) of the Customers shall be contacted during the first twelve (12) months. Company will provide a monthly log to the City, including the name and address of Customer, the date of the visit and the contact name and phone number, demonstrating that the required visits have been made. At the end of the first six (6) months of service, and again at the end of the first twelve (12) months of service, Company will provide City with two (2) lists, one (1) of Multi-Family and Commercial Recycling program participants and one (1) of Multi-Family and Commercial Customer non-participants. Each list shall include Customer names and addresses, contact names and phone numbers, Refuse service levels including number and size of Containers and number of weekly pickups, and Recycling service levels (if applicable), including number and size of Containers and number of weekly pickups. The lists shall be sorted so that Customers with and without Recycling Containers are grouped separately.

Company will visit all new Customers within two weeks of the start of new service. Company will continue to conduct on-site visits to Multi-Family and Commercial Customers throughout the Term to implement and optimize Recycling programs for each Customer. A list of new account and ongoing account visits, including all the information required above, shall be provided to the City each six (6) months for the Term.

4.3.5 Marketing and Sale of Recyclable Materials

Company shall be responsible for undertaking commercially reasonable efforts in marketing and selling Recyclable Materials Collected pursuant to this Agreement to the maximum extent feasible. Company may retain revenue from the sale of Recyclable Materials, and shall report the amount of such revenues to City upon request, with actual CRV revenue separately reported to permit City to track Customer participation in Recycling programs.

4.3.6 Minimum Diversion Requirements

By calendar year 2011, and for each calendar year thereafter for the Term, Company shall undertake commercially reasonable efforts to recycle or divert from landfill Disposal Solid Waste Collected pursuant to this Agreement to the maximum extent feasible. Solid Waste Collected shall only be considered to have been recycled or diverted as required under this Agreement if it is deemed to be Diversion by the California Integrated Waste Management Board in connection with efforts to meet City's Diversion goals. Company shall provide documentation to the City within 30 days of the end of each calendar year stating and supporting that calendar year's Diversion rate.

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If the State materially increases waste Diversion requirements, or the City materially increases waste Diversion requirements, Company and City shall negotiate in good faith a rate adjustment for the additional waste Diversion requirement services that may be required, and the provisions of this Section and Sections 4.3.7 and 4.3.8 will apply using the higher Diversion rate.

4.3.7 Transformation Facility Requirement

If City's most recently submitted annual report to the CIWMB (including revisions that may be made during the review process) reports a Diversion rate for the Service Area that, excluding Diversion from Solid Waste sent to Transformation Facilities, would be 40% or lower, then Company will use commercially reasonable efforts to deliver Solid Waste in a quantity equal to 10% of Service Area-generated total Solid Waste to Transformation Facilities for Diversion credit.

4.3.8 Recyclable Materials Processing Facility

All loads of Recyclable Materials shall be taken to the Designated Recycling Facility for material recovery except where contamination makes it impractical to do so. Recyclable Materials properly set out for Collection (excluding contaminated loads that have been red-tagged and recorded) shall only be Collected in vehicles on dedicated Recycling routes bound for Facilities capable of Recycling Recyclable Materials

4.3.9 Construction and Demolition Debris Diversion

Construction and Demolition Debris Collected in Roll-off Boxes or temporary Bins shall be diverted to Construction and Demolition Debris Recycling facilities, or diverted to qualified inert facilities for Construction and Demolition Debris where quantities would not be counted as disposal for Act compliance purposes.

4.4 Green Waste Program

4.4.1 Single Family Dwelling Green Waste Collection

Company shall provide all Single Family Dwelling Customers receiving Cart Refuse Collection with a 64-gallon Cart for Collection of Green Waste ("Green Waste Cart(s)"). Such Customers shall be instructed to place the Carts in the street gutter for Collection, unless Customer receives Walk-Out Service. However, Company shall relocate Carts for Collection, when necessary, and return them to their original position. Company shall Collect all Green Waste placed in Green Waste Carts, as well as all Green Waste bundled as set forth below, and put out for Collection by Single Family Dwelling Customers not less than once per week on the same day as Refuse Collection. Company shall have a Green Waste Recycling program whereby it, at a minimum, Collects the types of Green Waste defined in Section 1.39.

Company shall only be obligated to Collect Green Waste set out for Collection in bundles if it is a maximum of forty-eight (48) inches long and twenty-four (24) inches in diameter, with a bundled weight limit of forty-five (45) lbs.

Customers may request a second Cart for an additional charge per Cart per month in accordance with the Rate Schedule.

4.4.2 Holiday Tree Collection Program

Company shall operate an annual holiday tree Collection program, beginning December 26 and continuing through the second Saturday in January (“Holiday Tree Collection Period”). During the Holiday Tree Collection Period all holiday trees placed out for Collection by Single Family Dwelling and Multi-Family Dwelling Customers shall be Collected by Company on Customer’s regular Collection days at Customer’s collection locations for Solid Waste. After the Holiday Tree Collection Period, trees will be Collected as Bulky Items. Trees up to ten (10) feet in length will be Collected and diverted without Customers needing to cut them. Company may request that Customers with larger trees cut the trees to pieces no longer than ten (10) feet. Company will divert all holiday trees from landfill to the maximum extent feasible. To encourage participation in this program, Company shall not charge Customers an additional fee for this program during the Holiday Tree Collection Period.

Upon request of the Owner or property manager, Company shall deliver a free Roll-off Box or Bin for holiday tree Collection to Multi-Family Dwellings, which delivery shall occur no later than January 7. Company shall notify all Multi-Family Dwelling customers annually of this program and explain the limitations to the program, the dates of service, and any materials collection preparation or participation requirements, including the option to order a free Roll-off Box or Bin, or collect the trees loose from designated collection locations.

4.4.3 End Uses for Green Waste

Company shall divert Green Waste materials Collected through weekly Cart and bundle Collection, holiday tree Collection, Roll-off Box Collection and mixed waste processing from Disposal to the maximum extent feasible. The company has the responsibility to take all diverted Green Waste to an approved and permitted facility by the CalRecycle of the state of California.

4.5 City Services

4.5.1 City Facilities Collection

Company shall Collect and dispose of all Refuse, Recyclable Material, and Green Waste put in Containers for Collection at City Facilities excluding City’s ICMS yard, at no additional charge. Service levels and number of City Facilities serviced may increase during the Term without any additional compensation paid to the Company. Collections shall be scheduled at a time mutually agreed upon by Company and City, but not less than once per week. Company shall allow each City Facility to use Carts, Bins, or Roll-off Boxes for Solid Waste and Recyclable Materials Collection, as determined by the City Manager.

Company shall provide Containers for staging Recyclable Materials inside City buildings. Company shall provide sufficient new Containers so that the City has 60 in-office 35-gallon Carts, and 200 individual office 14-gallon Containers for Recyclable Materials at no additional charge.

Company will provide locking Bin Service for City if requested at no additional charge.

4.5.2 City Sponsored Events

Company shall provide Solid Waste and Recyclable Materials Collection and Disposal/processing service for up to five (5) City-sponsored events to be named by the City. This shall include providing Containers (Bins, Roll-off Boxes, clearly labeled Recyclable Materials Containers and cardboard waste boxes with liners) to Collect and dispose of or process all Solid Waste and Recyclable Materials, as determined by City. The Company shall provide these services at City-sponsored events, at no cost to City, the ratepayers, or the event sponsors.

4.5.3 Street Litter Container Collection

City shall service street litter Containers and deposit Collected material at the City yard.

4.5.4 Emergency Collection and Disposal Service

Company will assist City at the City's request with emergency Collection and Disposal service (in the event of major disaster, such as an earthquake, storm, riot or civil disturbance), or as otherwise determined necessary by the City, by providing Collection equipment and drivers normally assigned to the Service Area. Company shall develop an emergency action plan that will include items such as:

- Emergency contact names and numbers;
- A specific commitment of resources (such man-power, vehicles and refuse containers, to the extent not destroyed by the disaster) that would be made available to the City in the event of a natural disaster; and,
- Optional resources that would be moved in from other locations should local resources be unavailable.

Company must obtain written City approval for this plan within 60 days of the execution of this Agreement. City may ask Company to revise its submitted plan.

4.5.5 District Cleanups

Each year, Company will provide, at no additional cost, Roll-off Boxes and Container service, as determined by City, for five district clean-up events in which volunteers collect litter and abandoned items from the Service Area or a portion of the Service Area, and deposit materials in the Roll-off Boxes, to a maximum of three (3) 40 cy bins per event, additional to be billed at ICMS rate. This event does not count as one of the five (5) City-sponsored events to be provided under Section 4.5.2.

4.5.6 Community Development Review Services

Upon City request and at no additional charge, Company will review building permit applicant's plans and advise regarding adequacy of Container storage space and access, particularly to accommodate Recycling programs.

4.5.7 Large Venue Event Assistance, Event Recycling

Company will assist planners of large City sponsored venue events with reporting and planning needs as may be useful in meeting the requirements of Public Resources Code Section 42648 et seq. (also known as AB 2176) at no additional charge. Company shall provide Recycling services upon request to large venue, large event and special event planners.

4.6 Operations

4.6.1 Schedules

To preserve peace and quiet, Solid Waste and Recyclable Materials shall only be Collected between 5:00 a.m. and 6:00 p.m. Monday through Saturday. No Sunday Collection is permitted without prior written approval from the City Manager. If the regularly scheduled Collection day falls on a day on which the Disposal Site (landfill, not Transfer Station) is closed (initially New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day), Collection days for the remainder of that week shall all be postponed one Collection day, and regularly scheduled Collections shall resume by the following calendar week. If one of these holidays falls on a Saturday, the Company shall perform Collection on the following Monday. Holiday scheduling, including the addition or deletion of holidays, is not permitted without advance written City approval.

Company shall review its operations plan outlining the Collection routes, intervals of Collection and Collection times for all materials Collected under this Agreement with City at least once annually, and upon thirty (30) day written notice requesting a review of its operations plan. Company shall submit a copy of its Commercial and Residential Collection schedule and route map annually, and a list of Sunday service addresses (if any have been approved). If the plan is determined to be inadequate by City, Company shall revise it incorporating any changes necessary to make it satisfactory to City within thirty (30) days. No change in schedules and routing shall be implemented until fifteen (15) days after Company receives approval from City and notifies Customers.

When notified of a missed pickup prior to 1:00 p.m., Company shall Collect the Refuse, Recyclable Materials, and/or Green Waste that was not Collected the same day. If notified after 1:00 p.m., Collection must take place no later than the next Working Day.

4.6.2 Vehicles

4.6.2.1 General.

"Collection Vehicles" means all vehicles used in the provision of Solid Waste and Recyclable Materials Handling Services. ~~On or before August 1, 2012,~~ Pursuant to Section 2.2, Company

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~~shall take possession of~~has a license to use Collection Vehicles ~~previously~~ owned by the City, which vehicles are listed on Exhibit 2, attached hereto and incorporated herein by this reference. Company shall purchase the Collection Vehicles listed on Exhibit 2 in "as is" condition, without warranty from City, and pay to City the sales price of ~~\$1.00~~Five-Hundred Thousand Dollars (\$556,000.00) for all of the Collection Vehicles listed on Exhibit 2. The sales price shall be paid in two separate payments of Two-Hundred Fifty-Thousand Dollars (\$250,000.00). Company shall make the first payment of \$250,000.00 to the City no later than January 30, 2013, and Company shall make the second payment of \$306,000.00 to the City no later than June 1, 2013. If on June 1, 2013, any City payment of the Adjusted Monthly Payment is in excess of seventy (70) days Past Due, Company shall not be required to make the second payment until such date after June 1, 2013, that the Past Due payment has been made, and Company shall make the second payment within five (5) days of such date. City shall transfer to Company title to Collection Vehicles previously owned by the City within thirty (30) days of completion of such second payment. City and Company shall enter into a separate Purchase Agreement, in form reasonably acceptable to City, documenting the sale and transfer of title of the Collection Vehicles previously owned by the City.

The Company may sell the Collection Vehicles previously owned by the City or use such vehicles to provide services in the City or other jurisdictions. If Collection Vehicles previously owned by the City are to be used in the City to provide services under this Agreement, all City-specific paint schemes, logos, phone numbers, advertising, or other identification shall be removed from the vehicles within sixty (60) days of the Effective Date. If Collection Vehicles previously owned by the City are to be sold or transferred to operations in another jurisdiction, all City-specific paint schemes, logos, phone numbers, advertising, or other identification shall be removed from the vehicles prior to sale or transfer.

Company is responsible for providing all additional Collection Vehicles that may be required for the Collection of Solid Waste and Recyclable Materials, sufficient in number and capacity to efficiently perform the work required by this Agreement in strict accordance with its terms, and at a minimum as described in Exhibit 2. Company shall provide such Collection Vehicles and routes as are required to meet the service standards set forth herein. Company shall have available on Collection days sufficient back-up vehicles for each type of Collection Vehicle used to respond to complaints and emergencies. The Company shall clean, maintain, service, and operate all Collection Vehicles in accordance with the specifications, standards and requirements provided in this Agreement, including but not limited to this Sub-Section 4.6.2, and all Collection Vehicles shall meet the specifications, standards and requirements set forth herein.

4.6.2.2 Specifications.

~~Such vehicles must be registered~~Company shall register all Collection Vehicles with the California Department of Motor Vehicles ~~and~~upon purchase of City-owned Collection Vehicles by Company and all Collection Vehicles used by Company shall have water-tight bodies designed to prevent leakage, spillage or overflow. At all times during the Term, Company's Collection Vehicles shall comply with all applicable air pollution control laws, including but not limited to South Coast Air Quality Management District Requirements (including but not limited to SCAQMD Rule 1193), and the California Air Resource Board's (CARB) emission standards for Solid Waste Collection Vehicles as established in the California Code of Regulations Title 13

Section 2020 et seq. and as they may be approved for Solid Waste and Recyclable Materials removal vehicles, as well as other Applicable Laws. Annually, Company shall provide City with documentation of such compliance for each vehicle. For example, with regard to CARB regulations, such documentation shall demonstrate, at a minimum, the vehicle number, make, model, year, control technology used or planned, and the year that the control technology was applied or is planned to be applied. Company will provide Collection Vehicles that can provide Collection service to buildings with covered parking areas having a minimum height of seven feet, six inches (7'6").

4.6.2.3 Vehicle Identification and Labeling.

Each Collection Vehicle shall be marked with Company's name, toll free phone number, and a vehicle identification number designated by Company for each Collection Vehicle which shall be prominently displayed in letters of contrasting colors, at least four (4) inches high, on each side and the rear of all Collection Vehicles. City must approve truck labeling, and may place billboards with public notices on vehicles at no additional charge; no other advertising is permitted.

4.6.2.4 Cleaning and Maintenance

Company shall maintain all properties, Collection Vehicles, facilities, and equipment used in providing service under this Agreement in a good, safe, neat, clean and operable condition at all times.

Collection Vehicles shall be painted, thoroughly washed, and thoroughly steam cleaned on a regular basis so as to present a clean appearance. City may inspect vehicles or any other equipment used in providing service pursuant to this Agreement at any time to determine compliance with this Agreement. Company shall also make all Collection Vehicles available to the County of Los Angeles for inspection regarding health concerns and requirements, at any frequency it requests. Company agrees to replace or repair to the City's satisfaction, any Collection Vehicle that City determines to be of unsightly appearance, leaking, or in unsatisfactory operating condition.

Company shall repaint any or all Collection Vehicles within thirty (30) days' notice from City, if City determines that their appearance warrants painting. City may not require a vehicle to be repainted if it has been repainted within the previous twenty-four (24) months.

Company shall inspect each Collection Vehicle daily to ensure that all equipment is operating properly. Collection Vehicles which are not operating properly shall be removed from service until repaired and operating properly. Company shall perform all scheduled maintenance functions upon Collection Vehicles in accordance with the manufacturer's specifications and schedule. Company shall keep accurate records of all Collection Vehicle maintenance, recorded according to date and mileage and shall make such records available to City upon request.

Company shall repair, or arrange for the repair of, all Collection Vehicles and all of its equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a safe and operable condition. Company shall maintain accurate

records of repair, which shall include the date and mileage, nature of repair and the verification by signature of a maintenance supervisor that the repair has been properly performed and shall make such records available to City upon request.

Company shall clean up any leaks or spills from its vehicles per the National Pollutant Discharge Elimination System (NPDES) permit in effect at the time. No fluids shall be washed into storm drains at any time. All NPDES dry-cleaning measures shall be complied with. All Collection Vehicles must be equipped with absorbent for such cleanup efforts.

Upon request, Company shall furnish City a written inventory of all equipment, including Collection Vehicles, used in providing service pursuant to this Agreement. This inventory shall list all equipment by manufacturer, year of production, ID number, date of acquisition, type, capacity, and whether the vehicle is a spare.

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4.6.2.6 Operation.

Collection Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Company shall not load Collection Vehicles in excess of the manufacturer's recommendations or limitations imposed by state or local weight restrictions on such vehicles.

Company's equipment shall comply with US EPA noise emission regulations, currently codified at 40 CFR Part 205 and other applicable noise control regulations (including but not limited to Section 21-1.7(b) of the Compton Municipal Code), as well as other Applicable Laws, and such noise control features shall be incorporated throughout the entirety of all Collection Vehicle. Noise levels of equipment used for Collection shall comply with City ordinance and in no event shall the noise level exceed 75 dba when measured at a distance of 25 feet from the vehicle, five feet from the ground. Company shall store all equipment in safe and secure locations in accordance with City's applicable zoning regulations.

Company shall be responsible for any damage resulting from or directly attributable to any of its operations, and which it causes to: driving surfaces in the Service Area, whether or not paved, public or private; associated curbs, gutters and traffic control devices; and all other public and private improvements.

4.6.2.7 Collection Vehicle Certification.

Company shall obtain a certificate of compliance (smog check) issued pursuant to Part 5 of Division 26 of the California Health and Safety Code (Section 43000 et seq.) and regulations promulgated thereunder and/or a safety compliance report issued pursuant to Division 14.8 of the California Vehicle Code (Section 34500 et seq.) and the regulations promulgated thereunder, as applicable to the Collection Vehicle. Company shall maintain copies of such certificates and reports and shall make such certificates and reports available for inspection upon request by the City.

4.6.2.8 City Inspection Per Code.

City may cause any Collection Vehicle used in performance of this Agreement to be inspected and tested at any commercially reasonable time and in such manner as may be appropriate to determine that the vehicle is being maintained in compliance with the provisions of the State Vehicle Code, including, but not limited to, California Vehicle Code Sections 27000(b), 23114, 23115, 42030, 42032, and all Vehicle Code Sections regarding smog equipment requirements. City may direct the removal of any Collection Vehicle from service if that vehicle is found to be in nonconformance with Applicable Laws. No Collection Vehicle directed to be removed from service shall be returned to service until it conforms with Applicable Laws, and its return to service has been approved by City.

4.6.2.9 Vehicle Inspections.

Company shall submit the Safety Compliance Report/Terminal Record Update from its Biennial Inspection of Terminal, or BIT. If Company receives a terminal rating below satisfactory, Company shall notify the City. Company has the time allowed by the Department of California Highway Patrol ("CHP") to cure violations and bring the terminal rating up to satisfactory. If the CHP does not adjust the rating to satisfactory or better within six (6) months, then this shall be considered a material breach of the Agreement, and the Company shall be considered in default and the City may terminate this Agreement.

4.6.2.10 California Heavy Duty Inspection Program.

No later than January, 2012, Company shall submit to the City verification that each Collection Vehicle has passed the California Heavy Duty Vehicle Inspection. Thereafter, Company shall cause each Collection Vehicle to be tested annually in the California Heavy Duty Inspection Program and shall submit written verification to City within ten (10) Business Days of the completion of such test. Company shall not use any vehicle that does not pass such inspection.

4.6.2.11 Correction of Defects.

Following any inspection, the City Manager shall have the right to cause Company, at its sole cost and expense, to recondition or replace any Collection Vehicle or equipment found to be unsafe, unsanitary or unsightly. The City Manager's determination may be appealed to the City Council, whose decision shall be final.

4.6.3 Containers

City owns and will provide for Company's use, the Solid Waste and Recyclable Materials Collection Containers in use by Customers at the start of service under this Agreement. City will purchase no additional Containers. Company will provide any and all additional Containers to be used throughout the Term. Company shall include the phone number that Customers may call for pickup of Bulky Items and other service needs on a label on all Containers (see Section 5.2.2 regarding phone numbers).

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Company shall provide unlimited graffiti removal from Containers at no additional charge. Company shall remove graffiti from any Container within two (2) Business Days of request by City or Customer.

4.6.4 Carts

4.6.4.1 Cart Design Requirements

All Carts provided by Company utilized in the performance of this Agreement shall be manufactured by injection or rotational molding and meet the Cart design and performance requirements as specified below. All Carts selected shall be subject to City's approval prior to Company placing order for Carts.

4.6.4.2 Capacity

The references in Sections 4.2, 4.3 and 4.4 to Cart sizes of 64 and 95-gallons may be approximate. The City has distributed Refuse Carts of approximately 95-gallons, and Recycling Carts and Green Waste Carts of approximately 64-gallons in size. New Carts distributed by Company shall be of the same size and appearance of those already distributed.

4.6.4.3 Cart Color and Appearance

The Refuse, Recycling and Green Waste Carts will be differentiated by color. The colors shall be colorfast and resistant to fading as a result of weathering or ultraviolet degradation. Color must be uniform within each Container. Refuse Carts will be brown. Recycling Carts will be gray. Green Waste Carts will be green. Cart colors shall be consistent throughout the Service Area. New Carts provided by Company shall be the same shade of color already distributed, and Cart markings shall match. The City will not permit Carts and Cart lids with inconsistent colors or in poor condition to be used in the City at any time during the term of this Agreement, and may require Company to replace such Carts.

4.6.4.4 Cart Labeling and Hot Stamping

Carts will be hot stamped with written and graphic instructions, in English and Spanish, indicating which materials should and should not be deposited in the Cart. Cart labels will identify, at a minimum, in English and Spanish, written and graphic instruction indicating what items do and do not belong in each Cart, the name and telephone number of Company, and where to call for proper disposal of HHW and Bulky Items and other service needs. Design for both the labels and the hot stamps must be approved by City prior to ordering labels or Carts. City shall approve what information is included on the label and in the hot stamp, as well as approve design and quality. Labels shall be replaced when worn, and when information on the label is in need of updating.

4.6.4.5 Cart Maintenance and Replacement Responsibilities

Company shall be responsible for Cart repair and maintenance, and replacing lost, stolen or damaged Carts within one (2) Business Day. All repairs must restore the Cart to its full functionality.

4.6.5 Bins

4.6.5.1 ~~Cleaning.~~ General.

City has provided a fixed number of Bins at the start of service under this Agreement. Pursuant to Section 2.2, Company has a license to use Bins owned by the City, which Bins are listed on Exhibit 2, attached hereto and incorporated herein by this reference. Company shall purchase the Bins listed on Exhibit 2 in “as is” condition, without warranty from City, and pay to City no later than January 1, 2014, the sales price of One-Hundred Sixty-Two Thousand Seven-Hundred and Thirty Dollars (\$162,730.00) for all of the Bins listed on Exhibit 2. If on January 1, 2014, any City payment of the Adjusted Monthly Payment is in excess of seventy (70) days Past Due, Company shall not be required to pay City for the Bins until such date after January 1, 2014, that the Past Due payment has been made, and Company shall pay City for the Bins within five (5) days of such date.

Company shall provide Customers with any additional Bins required during the Term, due to Bin damage, increase in Customer service or otherwise. The size of Company-provided Bins shall be determined by mutual agreement of Owner and Company, and shall be subject to City approval.

4.6.5.2 Cleaning.

Company shall maintain both City-owned and Company-provided Bins in a clean, sound condition free from putrescible residue. All Bins in use shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well painted. Wheels, forklift slots, and other apparatuses, which were designed for movement, loading, or unloading of the Bin shall be maintained in good repair.

Company shall clean all Bins once per year at no additional charge upon request. In addition to these mandatory annual cleanings, Company shall perform cleaning or replacement of Bins more frequently if necessary, or if requested by Customer or City, for an additional fee, to prevent a nuisance caused by odors or vector harborage. When a Bin is removed for cleaning, Company shall replace the Bin, either temporarily or as a change-out, with another Container.

4.6.5.3 ~~4.6.5.2~~ **Bin Identification and Color.**

Each Bin placed in the Service Area by Company shall have the name of Company and phone number, in accordance with Section 5.2.2, in letters not less than three (3) inches high on the exterior of the Bin so as to be visible when the Bin is placed for use. Company shall identify the Bins that are assigned to each Multi-Family and Commercial Customer using a method that is acceptable to City. Company shall label Bins with bilingual (English and Spanish) and graphic instruction on what materials should and should not be placed in each Bin. Labels on all Bins shall include the telephone number to call for Bulky Item pickups and other service needs. Company shall repaint Bins upon City's request. All Refuse Bins shall be painted a uniform color of green, and all Recycling Bins shall be painted a different, uniform color of white.

Within ninety (90) calendar days from the execution of this Agreement, Company will conduct a physical audit and report to City the number of commercial Bins in use. Upon termination of this Agreement, Company has the option to sell all commercial Bins purchased by Company

after the Effective Date. City shall have the option to purchase the equipment at its then Book Value.

4.6.5.4 ~~4.6.5.3~~ Roll-off Boxes

City has supplied a number of Roll-off Boxes at the beginning of service under this Agreement. Company shall provide any additional Roll-off Boxes that might be needed to meet the Service Area's demand throughout the Term, and will keep all Roll-off Boxes clean, free from graffiti, equipped with reflectors, and with the name and phone number of Company in letters not less than three (3) inches high on the exterior of the Roll-off Box so as to be visible when the Roll-off Box is placed for use with all new purchases. Company shall properly cover all open Roll-off Boxes during transport as required by the State Vehicle Code.

Each Roll-off Box placed in the Service Area by Company shall have the name of Company and phone number, in accordance with Section 5.2.2, in letters not less than three (3) inches high on the exterior of the Roll-off Box on at least two sides. Company shall label Roll-off Boxes with bilingual (English and Spanish) for all new bins purchased and graphic instruction on what materials should and should not be placed in each Bin.

Within ninety (90) calendar days from the execution of this Agreement, Company will conduct a physical audit and report to City the number of industrial Roll-off Boxes in use. Upon termination of this Agreement, Company has the option to sell all commercial Roll-off Boxes purchased by Company after the Effective Date. City shall have the option to purchase the equipment at its then book value.

4.6.5.5 ~~4.6.5.4~~ Repair of Bins and Roll-off Boxes

Company shall be responsible for repair and maintenance of Bins and Roll-off Boxes, and replacing lost, stolen or damaged Bins and Roll-off Boxes within two (2) Working Day at no additional charge. All repairs must restore the Bins and Roll-off Boxes to their full functionality. Unsightly/worn-out Bins and Roll-off Boxes shall be replaced by Company upon Customer request.

4.6.5.6 ~~4.6.5.5~~ Residential Carts

All Containers currently in use by Customers are the property of the City. Company shall retain ownership of all Residential Carts purchased by Company after ~~August~~October 1, 2012. Company shall retain copies of all invoices for Residential Cart purchases and shall reserve the option to sell Residential Carts purchased by Company to the City. City agrees to purchase all Residential Carts offered for sale by Company at present used Value, and unused carts at invoice purchase price.

4.6.6 Litter Abatement

4.6.6.1 Minimization of Spills. Company shall use due care to prevent Solid Waste, Recyclable Materials or fluids from leaking, being spilled and/or scattered during the Collection or transportation process. If any Solid Waste, Recyclable Materials or fluids leak or spill during

Collection, Company shall promptly clean up all such materials. Each Collection Vehicle shall carry a broom, shovel, absorbent, and containment materials at all times for this purpose.

Company shall not transfer loads from one vehicle to another on any public street, unless it is necessary to do so because of mechanical failure, or accidental damage to a vehicle, without prior written approval by City.

4.6.6.2 Clean Up. During the Collection or transportation process, Company shall clean up all litter spilled during Collection or otherwise caused by Company. Company shall leave a “red tag” notice for Customer if litter not caused by Company is found in Container enclosure or around Containers. Company shall directly contact Customer regarding instances of repeated spillage not caused by Company and will report such instances to City. City will attempt to rectify such situations with the Waste Generator if Company has already attempted to do so without success.

In the event of a spill of materials (vehicle fluids, Green Waste leachate, etc.), Company shall provide a cleanup of the spill to the satisfaction of City and other governing agencies. Cleanup methods may include pressure washing (Company must capture and reclaim water) or other similar clean-up methods.

4.6.6.3 Covering of Loads. Company shall properly cover all open debris boxes during transport to the Disposal Site.

4.6.7 Personnel

4.6.7.1 Qualified Personnel. Company shall furnish such qualified drivers, mechanical, supervisory, clerical, management and other personnel as may be necessary to provide the services required by this Agreement in a satisfactory, safe, economical and efficient manner. All drivers shall be trained and qualified in the operation of vehicles they operate and must possess a valid license, of the appropriate class, issued by the California Department of Motor Vehicles. The Company shall be responsible for ensuring that its employees comply with all Applicable Laws and regulations and meet all federal, state and local requirements related to their employment and position.

4.6.7.2 Hazardous Waste Employee Training. Company shall establish and vigorously enforce an educational program which will train Company's employees in the identification of Hazardous Waste. Company's employees shall not knowingly place such Hazardous Waste in the Collection Vehicles, nor knowingly dispose of such Hazardous Wastes at the processing Facility or Disposal Site.

4.6.7.3 Customer Courtesy. Company shall train its employees in Customer courtesy, shall prohibit the use of loud or profane language, and shall instruct Collection crews to perform the work quietly. Company shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. If any employee is found to be discourteous or not to be performing services in the manner required by this Agreement, Company shall take all necessary corrective measures including, but not limited to, transfer, discipline or termination. If City has notified Company of a complaint related to discourteous or improper behavior, Company will consider reassigning the employee to duties not entailing

contact with the public while Company is pursuing its investigation and corrective action process.

4.6.7.4 Unauthorized Material Removal. Company shall dismiss or discipline employees who remove documents or any other material from Containers, other than specifically for the purposes of Disposal and Diversion as described in this Agreement.

4.6.7.5 Training. Company shall provide suitable operations, health and safety training for all of its employees who use or operate equipment or who are otherwise directly involved in Collection or other related operations.

4.6.7.6 Representations. Company's employees, officers, and agents shall at no time be allowed to identify themselves or in any way represent themselves as being employees of the City.

4.6.8 Identification Required

Company shall provide its employees, companies and subcontractors with identification for all individuals who may make personal contact with residents or businesses in the Service Area, including drivers. City may require Company to notify Customers yearly of the form of its identification. Company shall provide a list of current employees, companies, and subcontractors to City upon request.

4.6.9 Fees and Gratuities

Company shall not, nor shall it permit any agent, employee, or subcontractors employed by it to request, solicit, demand, either directly or indirectly, any compensation or gratuity for services authorized to be performed under this Agreement except as described in this Agreement, in accordance with Exhibit 3 as updated and approved by City throughout the Term.

4.6.10 Non-Discrimination

Company shall not discriminate in the provision of service or the employment of Persons engaged in performance of this Agreement on account of race, color, religion, sex, age, physical handicap or medical condition in violation of any applicable federal, state, or local law.

4.6.11 Coordination With Street Sweeping Services

Company shall make reasonable efforts to coordinate route schedules with City's street sweeping schedule. Company shall provide all routes and route schedules to the City and work with City to resolve conflicts with street sweeping schedules.

4.6.12 Report of Accumulation of Solid Waste and Recyclable Materials; Unauthorized Dumping

Company shall direct its drivers to note (1) the addresses of any Premises at which they observe that Solid Waste and/or Recyclable Materials are accumulating and are not being delivered for Collection; and (2) the address, or other location description, at which Solid Waste and/or

Recyclable Materials have been dumped in an apparently unauthorized manner. Company shall deliver the address or description to City within one (1) Working Day of such observation.

4.7 Transportation of Solid Waste and Recyclable Materials

Company shall transport all Refuse Collected to a City-approved Facility (e.g., Transfer Station, MRF, Transformation Facility, Green Waste Processing Facility, or Disposal Site). Company agrees to make all reasonable efforts to separate Recyclable Materials from Refuse for Diversion from landfill Disposal.

Company shall maintain accurate records of the quantities of Solid Waste and Recyclable Materials transported to all Facilities utilized and will cooperate with City in any audits or investigations of such quantities.

Company shall cooperate with the operator of any Disposal Site or Facility that Company is using with regard to operations therein.

4.8 Disposal of Refuse

The Company shall dispose of Refuse Collected that is not required to be processed at the Disposal Site. Company has designated BFI/Allied as the Disposal Site as of the effective date of this Agreement. Company may change a disposal site when necessitated by operational demands, however, any disposal site must meet California state requirements. Company must also inform City of a site change within 48 hours.

4.9 Status of Disposal Site

Any Disposal Site utilized by Company, shall have been issued all permits from federal, state, regional, county and City agencies necessary for it to operate as a Class III Sanitary Landfill and is in full regulatory compliance with all such permits.

4.10 Other Processing Facilities

4.10.1 Designated Recycling Facility

Company has designated Smurfit Stone as the Recycling Facility as of the effective date of this Agreement (“Designated Recycling Facility”). Company shall deliver all Recyclables collected in the City to the Designated Recycling Facility. Company shall undertake reasonable business efforts designed to ensure that Recyclable Materials are used in a manner that is classified as Diversion. Company may change a recycling facility when necessitated by operational demands, however, any disposal site must meet California state requirements. Company shall inform City of a site change within 48 hours.

4.10.2 Designated Green Waste Processing Facility

Company has designated BFI/Allied as the Green Waste Processing Facility as of the effective date of this Agreement (“Designated Green Waste Processing Facility”). Company shall deliver all Green Waste collected in the City to the Designated Green Waste Processing Facility.

Company shall undertake reasonable business efforts designed to ensure that Green Waste is processed and used in a manner that is classified as Diversion. Company may change a green waste processing facility when necessitated by operational demands, however, any disposal site must meet California state requirements. Company shall inform City of a site change within 48 hours.

4.10.3 Other Designated Processing Facilities

Upon notification to the City, Company may utilize a permitted facility within Los Angeles County for the processing of Solid Waste, Green Waste, and Recyclables collected within the Service Area. Company is responsible for ensuring that each Facility it uses is properly permitted Facility Replacement Due to Non-Compliance of With Applicable Law.

Company shall undertake reasonable business efforts designed to ensure that the Disposal Site, Designated Recycling Facility, Designated Green Waste Processing Facility, and all other designated Facilities are properly permitted and in compliance with Applicable Law at all times during the Term.

4.11 Route Audit

Once at the end of the first year and every other year thereafter, unless requested annually by City, Company shall conduct an audit of its Collection routes in the Service Area. City may use information from the audit to develop a request for proposals for a new service provider. City may instruct Company when to conduct the audit in order for the results to be available for use in preparation of a request for proposals or for other City uses. City may also instruct Company to conduct an audit at a time that would produce the most accurate Customer service information for a new service provider to use in establishing service with Customers. City will establish the deadlines by which the Company will provide City with (A) routing and account information, and (B) the route audit summary report.

The route audit, at minimum, shall consist of an independent physical observation by person(s) other than the route driver of each Customer in the Service Area. This person(s) is to be approved in advance by City. The routing and account information shall include, as a minimum, the following information for each account:

For Residential Customers:

- Route Number;
- Truck Number;
- Number of Residential Customers;
- Number of Extra Carts by type of waste stream (Refuse, Recycling, Green Waste);

For Commercial Customers:

- Route Number;
- Truck Number;
- Account Name;
- Account Number;
- Account Service Address;
- Service Level per City Billing System (Quantity, Size, Frequency);
- Service Level per Routing System;
- Observed Containers (Quantity and Size).
- Container condition;
- Proper signage; and,
- Graffiti.

Within thirty (30) days after the completion of the route audit, Company shall submit to City a report summarizing the results of the audit. The route audit summary report shall include:

- Identification of the routes;
- Route map;
- Truck numbers;
- Number of accounts, by route and in total (Residential and Commercial);
- Confirmation that all routes are dedicated exclusively to Service Area Customers;
- Number and types of exceptions observed;
- Total monthly service charge (Residential and Commercial), pre-audit;
- Total monthly service charge (Residential and Commercial), post-audit (subsequent to corrections of identified exceptions); and,

The route audit summary report shall include a description of the procedures followed to complete the route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations. Additionally, the report shall include a description of the pre-audit training of the route auditors, particularly if temporary personnel are used.

The route audit summary report shall also include a description of the changes and Company's plans to resolve the exceptions. The results of the audit, and supporting back-up data, shall be available for review by City or its representative. If review indicates that five percent (5%) or more are inaccurate, Company shall pay City for the cost of conducting a second route audit by City or a third party selected by City. City to implement all approved changes within thirty (30) days of approval by City and Company.

4.12 Routing Plan Approval

Company's routing plan is subject to City approval and will limit cross-City traffic, traffic on major streets during rush hour, and avoid streets by schools at times when children are going to and coming from school.

4.13 Service Exceptions; Hazardous Waste Notifications

4.13.1 Residential Contamination – Red Tag Program. Company will establish a red tag program to minimize contamination in Residential Recycling Carts and residential Greenwaste Carts. Red tag program shall consist of a physical inspection of Residential Carts in areas selected by Company. If contamination is observed, a notice will be attached to the Residential Cart containing the contamination and Company will provide service. Company shall not be required to provide service to Residential Recycling Carts and Residential Greenwaste Carts that receive two (2) or more red tag violation notices within a ninety (90) day period. Residents that receive three (3) or more red tag contamination notices within a ninety (90) day period will be charged a \$25.00 penalty. City shall add penalty to customer's water bill on the next billing cycle.

4.13.2 Hazardous Waste Inspection and Reporting. Company reserves the right to inspect Solid Waste and Recyclable Materials put out for Collection and to reject Solid Waste and Recyclable Materials observed to be contaminated with Hazardous Waste and the right not to Collect Hazardous Waste put out with Solid Waste and/or Recyclable Materials. Company shall notify all agencies with jurisdiction, if appropriate, including the California Department of Toxic Substances Control, Local Emergency Response Providers, and the National Response Center of reportable quantities of Hazardous Waste, found or observed in Solid Waste and Recyclable Materials anywhere within the Service Area. In addition to other required notifications, if Company observes any substances which it or its employees reasonably believe or suspect to contain Hazardous Wastes unlawfully disposed of or released on any City property, including storm drains, streets or other public rights of way, Company will immediately notify City Manager or City Manager's designee. Company shall implement and maintain a training program that will assist its employees in identifying and properly disposing of any Hazardous Waste that may come into their possession.

4.13.3 Hazardous Waste Diversion Records. Company shall maintain records showing the types and quantities, if any, of Hazardous Waste found in Solid Waste and Recyclable Materials and which was inadvertently Collected from service recipients within the Service Area, but diverted from landfilling.

ARTICLE 5: OTHER SERVICES

5.1 Customer Billing

5.1.1 Billing

1. Billing and Payment.

~~Billing by City, Service Recipients Served and~~Customers Billed by City's Water Utility. To accommodate Company and in the interest of economy, but not as the imposition of a governmental "fee" or "charge" in the sense of ~~Proposition 218, Articles 13C and 13D of the California Constitution~~, City shall bill each ~~residential, commercial, and industrial solid waste service recipient who receives service pursuant to this Agreement~~Customer, provided that the service address is served and billed by the City's water utility. Company shall pay City for this billing service at the rate specified in Section 3.1.2. City's billing services shall not give rise to any inference of a joint venture or partnership with Company. City's billings may be made monthly, bimonthly, or quarterly, in advance.

Not less often than once per calendar year, City shall provide to Company a list of all addresses served by the City's water utility. Company shall return the list to City, noting all addresses eligible for ~~Residential, Commercial or Industrial~~ Solid Waste ~~service~~and Recyclable Materials Handling Services, and the appropriate rate.

Bills to ~~residential service recipients~~Residential Customers shall be for all classifications of services and will show the aggregate amount, unless otherwise specified by City. Bills to ~~commercial or industrial service recipients~~Commercial Customers shall be for all businesses operating within the City.

2. Billing for ~~Service Recipients~~Customers not served and billed by City's water utility. City shall bill all ~~service recipients~~Customers not served and billed separately by City's water utility on the city tax roll. City shall include in its bills to all such ~~service recipients~~Customers any applicable fees imposed by action of the City Council. The City will reconcile the residential billing that was billed on the City's tax roll against funds received from the Los Angeles County Tax Assessor within 30 days of the close of the Fiscal Year. Any reconciliation that results in the City owing additional funds to Company will be submitted within 45 days of reconciliation, any variance which results in Company owing the City will be deducted from the next payment due Company. City's bills to Residential ~~Solid Waste service recipients~~Customers shall be itemized; showing charges for each classification of services but shall not designate that portion of a ~~service recipient~~Customer's bill attributable to any City franchise, license or other fee as a separate item on ~~service recipients~~Customers' bills.

3. Payment to Company. Subject to the pledge contained in Section 5.1(a) of the Trust Indenture relating to the Bonds, City shall remit to Company the Adjusted Monthly Payment within thirty-five (35) days from the date the Company submits its billing for monthly services to the City's Water Department (the "Due Date"). Any Adjusted Monthly Payment that is not paid to Company by the Due Date is past due ("Past Due").

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“Monthly Payment” shall mean all monthly Gross Revenues collected by City’s Water Department for residential, commercial, and industrial solid waste services, and are received by the City or Company within 35 days from the date the City’s Water Department receives from the Company a billing for monthly services, plus any late payments received from Customers for prior Billings that were not yet included in a Monthly Payment, plus the monthly average of the annual billing for residential service that is Residential Solid Waste and Recyclable Materials Handling Services that are billed on the city tax roll.

“Adjusted Monthly Payment” shall mean the Monthly Payment less City’s Franchise Fees (Section 3.1.1), Administrative Fees (Section 3.1.2), and License Fees (Section 3.1.3), within thirty-five (35) days of billing cycle of the 25th of the month by Company.

In the event City’s Billings are made bimonthly, or quarterly, the term “bimonthly” or “quarterly,” as appropriate, shall be substituted for the term “monthly” in this Section 5.1.1(3), including the defined terms.

City will make a good faith effort to make its City Yard (ICMS) account current. City will reconcile its account(s) on a quarterly basis and City will remit to Company any outstanding balance owed.

Notwithstanding the foregoing, effective January 1, 2013 Company shall bill each Commercial and Industrial solid waste service recipient who receives service pursuant to this Agreement. Company’s billing services shall not give rise to any inference of a joint venture or partnership with City. Company’s billings may be made monthly, bimonthly, or quarterly, in advance according to the Company’s billing cycle.

Not less often than once per calendar year, City shall provide to Company a list of all Commercial and Industrial addresses served by the City’s water utility. Company shall return the list to City, noting all addresses eligible for Commercial or Industrial Solid Waste service, and the appropriate rate.

Bills to Commercial or Industrial service recipients shall be for all businesses operating within the City.

Account Delinquency. Company will provide Commercial and Industrial accounts a notice of delinquency in the event of non-payment after twenty-one (21) days from the date of billing. If payment is not received within thirty (30) days from the billing date, the Company may terminate collection service until payment in full has been received, including any accrued interest, payment of a reactivation fee in the amount sixty- five dollars (\$65.00), and reimbursement of any NSF bank charges or other costs of collection. Company may charge a late fee of \$15.00 per delinquent billing per account. Company shall submit a list of delinquent accounts with balances ninety days (90) and greater to the City monthly. City may suspend water service to the Commercial and Industrial account until payment in full is made to Company.

Company shall remit City’s franchise fee of 10% within thirty (30) days of receipt from Commercial and Industrial accounts.

Notwithstanding the foregoing, City shall receive final payment of Commercial and Industrial Franchise Fees within sixty (60) days of customer billing by Company.

~~Notwithstanding the foregoing, Company's final payment for services will be submitted within sixty (60) days of billing by Company.~~

5.1.2 Review of Accounts

Company shall review each Customer's account after the first year and every two years thereafter and submit to City a written report of its review of all Customer accounts along with the results of the route audit described in Section 4.11. The purpose of the Customer account review is to confirm that the amount which City is Billing each Customer is correct. Results of this account review should be submitted as part of the route audit summary report described in Section 4.11.

Should City determine that a Customer, or Customers, has been undercharged, Company may request City to back-Bill for no more than ninety (90) days, with any remaining undercharges absorbed by Company. Amounts overcharged to Customers shall be refunded within thirty (30) days of discovery. Customers will receive a service credit for any overcharges in excess of ninety (90) days in lieu of a refund.

Company shall maintain copies of Customer service levels with amounts due as well as records of receipts from City for these Billings, each in chronological order, as required by Section 8.2.1 for inspection by City upon request. Company may, at its option, maintain those records in computer form, on microfiche, or in any other manner, provided that the records can be preserved and retrieved for inspection and verification in a timely manner, and are sufficient to verify the accuracy of fees owed to City.

5.1.3 Non-Payment; Collections; Suspension of Service

City has the option to turn over delinquent accounts to Company for collection. City may instruct Company to discontinue service Commercial customers for non-payment and may require Company to remove the Container from the site, or to continue service. Company shall not take action regarding collections or service termination without prior approval from City. The City may place a delinquent Bill on the county property tax rolls.

5.2 Customer Service

5.2.1 Local Office

Company shall maintain a local office within the City's boundaries. The local office shall be open ("Office Hours"), at a minimum, from 8:00 A.M. to 5:00 P.M., Monday through Friday, exclusive of holidays. A responsible and qualified bilingual (English and Spanish speaking) representative of Company shall be available during Office Hours for personal communication with the public at the local office.

5.2.2 Telephone and Customer Service Requirements

The telephone number that Company shall include in publications for billing related issues is (310) 605-5524, the City's service line. The City will handle such calls and refer service calls to Company as necessary. The number that Company will place on all Containers is (310) 900-0238. Company and City will coordinate arranging for this number to roll to Company's phone system. Company shall be available to take live service calls at this telephone number between 8:00 A.M. and 5:00 P.M. on Monday through Friday, and between 8:00 A.M. and 12:00 P.M. on Saturday have established pager on phone service. ("Telephone Service Hours"). Bi-lingual (English and Spanish speaking) personnel will be available during Telephone Service Hours to assist Customers.

Company's telephone system shall be adequate to handle the volume of calls typically experienced on the busiest days. If City receives more than five (5) complaints in any thirty (30) day period that Customers are unable to contact Company by phone, City may require Company to increase capacity. Company shall have either a representative, a message machine, or an answering service available outside of Telephone Service Hours. Calls received outside of Telephone Service Hours shall be responded to on the next Working Day.

The Company shall provide the City with an emergency phone number where the Company can be reached outside of the required Office Hours. A live person, not voice-mail, shall be available at that number at all times, twenty-four hours per day.

5.2.3 Complaint Documentation

All service complaints shall be received by City and directed to Company. Company shall keep daily logs of complaints forwarded to it for a minimum of twenty-four (24) months.

Company shall log all complaints received, including the date and time the complaint was received, the name, address and telephone number of the caller/complainant, a description of the complaint, the name of the employee recording the complaint and the action taken by Company to respond to and remedy the complaint. Log shall also include each instance that Solid Waste and/or Recyclable Materials are not Collected and the form of notification used to inform the participants of the reasons of non-Collection and the end result or means of resolution of the incident.

All written Customer complaints and inquiries shall be date-stamped when received. All complaints, both oral and written, shall be initially responded to within one (1) Working Day of receipt. Company shall use best efforts to resolve complaints within two (2) Working Days. Company shall log action taken by Company to respond to and remedy the complaint.

All Customer service records and logs kept by Company shall be available to City upon request. City shall, at any time during regular Office Hours, have access to Company's Customer service department for purposes that may include monitoring the quality of Customer service or researching Customer complaints.

5.2.4 Resolution of Customer Complaints

Should Company and Customers not be able to resolve a complaint, not be able to establish a mutually acceptable fee to be charged for services not included on the Rate Schedule, or otherwise disagree, the matter shall be determined by City, and City's decision shall be final.

5.2.5 Service Liaison

Company shall designate in writing a field supervisor as "Service Liaison" who shall be responsible for working with City and/or City's designated representative(s) to resolve Customer service related complaints. City shall have the right to approve the Company's choice for a liaison. City shall be notified in advance of any change in Service Liaison.

5.3 Education and Public Awareness

5.3.1 General

Company acknowledges and agrees that education and public awareness are critical, key and essential elements of any efforts to achieve the requirements of the Act. Accordingly, Company agrees to take direction from City to exploit opportunities to expand public and Customer knowledge concerning needs and methods to reduce, reuse and Recycle Solid Waste and to cooperate fully with City in this regard.

Company shall maintain its own program of providing information relevant to needs and methods to reduce, reuse and Recycle Solid Waste, including materials for inclusion with the Bills mailed by the City to Customers. All public education materials shall be approved in advance by City and, unless otherwise noted, shall be printed in English and Spanish.

5.3.2 Company Representative

Company shall retain on its staff an individual who shall, as part of his or her job function, routinely visit civic groups, school assemblies, homeowners' associations, Multi-Family complexes and businesses, to promote and explain the Recycling and other programs Company offers, and participate in demonstrations and civic events.

5.3.3 Community Events

At the direction of City, Company shall participate in and promote Recycling and other Diversion techniques at community events and local activities. Such participation would normally include providing, without cost, Collection and educational and publicity information promoting the goals of City's Solid Waste and Recyclable Materials program.

5.4 Waste Generation/Characterization Studies

Company acknowledges that City must perform Solid Waste and Recyclable Materials generation and Disposal characterization studies periodically to comply with the requirements of the Act. Company agrees to participate and cooperate with City and its agents and to accomplish studies and data collection and prepare reports, as needed and directed by City, to determine

weights and volumes of Solid Waste and Recyclable Materials Collected and characterize Solid Waste and Recyclable Materials generated, disposed, transformed, diverted or otherwise handled/processed, by Customer type (Single Family Dwelling, Multi-Family Dwelling, Commercial), to satisfy the requirements of the Act. Company will at its sole expense conduct such a waste generation and characterization study upon request of City, but not more than once every two years.

5.5 Corporate social responsibility

As a part of its commitment to corporate social responsibility within the City of Compton, Company shall support and/or implement the following programs for the benefit of Compton residents:

Annual Scholarship to Compton residents: Company shall implement an annual scholarship program specifically for graduating seniors of Compton High Schools. On an annual basis throughout the duration of this Agreement, Company shall award three (3) - one thousand dollar (\$1,000) scholarships based upon criteria approved by Company. Scholarship award shall be entitled the "Pacific Coast Waste & Recycling Academic Achievement Awards"

Driver Training: Throughout the duration of this Agreement, Company shall implement a Class B driver training program specifically for Compton residents. On a semi-annual basis, Company shall provide for the training of three (3) Compton residents to attend a local truck driving school. Company shall bear responsibly for tuition expense only. City Manager and Company shall mutually approve selection criteria.

Tomorrows Aeronautical Museum:

Throughout the duration of this Agreement, Company shall provide a monthly endowment of three thousand two hundred dollars (\$3,200) to Tomorrows Aeronautical Museum located at 961 West Alondra Blvd in the City of Compton. The monthly endowment shall be paid directly to Tomorrows Aeronautical Museum. Company's monthly endowment shall be contingent upon (1) Tomorrows Aeronautical Museum maintaining its program within the City of Compton and (2) Tomorrows Aeronautical Museum applying all of the Company's endowment to monthly facility rent for the Tomorrows Aeronautical Museum. It is up to the Company to determine the length of the relationship.

ARTICLE 6: COMPANY COMPENSATION AND RATES

6.1 General

The maximum rates set forth in Exhibit 3 and Exhibit 5 shall be the maximum amount Company may charge Customers as full, entire and complete Company Compensation due pursuant to this Agreement for all labor, equipment, materials and supplies, taxes, insurance, bonds, letters of credit, overhead, Disposal, transfer, profit and all other things necessary to perform all the services required by this Agreement in the manner and at the times prescribed. Company shall impose no other charges for services provided to Customers unless approved in advance in writing by the City Manager.

Company shall not charge for Collection at City Facilities, except for ICMS.

The rates contemplated by this Agreement are calculated (1) to provide Company with the means to fund diversion efforts, (2) to pay certain other costs and expenses that are of a contingent and uncertain nature, along with a commercially reasonable profit and (3) assume, to a limited degree, a certain amount of revenue from the recovery of recyclable materials. The parties recognize further that recycling markets have declined dramatically over the past several months, at the same time that the Department of Conservation has drastically cut the amount of redemption payments available to recyclers under the California Beverage Container and Litter Reduction Act ("bottle bill"). Accordingly, the parties understand and agree that while Company will remain obligated to identify and pursue opportunities to market the recyclable materials it recovers, Company is not in a position to influence or dictate either the global economy or the availability or adequacy of markets for recyclable materials, including beverage containers, and that a future decline in revenue from the sale of recyclable materials may justify an extraordinary circumstances rate adjustment.

6.2 Schedule of Future Adjustments

Beginning May 1, 2013 and each May 1st during the term of the Agreement, Company may request an annual adjustment to the residential and commercial rates, and Industrial rates. The Company shall submit its request in writing to the City Manager in person or via certified mail. City Manager shall review rate adjustment data submitted by Company and City Manager shall approve the rate adjustment if the information submitted is determined to be accurate. All rate increase data shall be submitted to City Manager by June 1ST. Rate adjustments shall be effective July 1st of each year. Residential and commercial rates shall be adjusted according to the methodology as described in Section 6.3 with the effective date of the 1st rate adjustment being July 1, ~~2013~~2013.

6.3 Method of Adjustments

6.3.1 General

Pursuant to Section 6.2, the Company may request an adjustment to the maximum rates according to the method described below subject to review and approval of the City. All future adjustments are to be effective July 1. The rate adjustment calculations shall be separately

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performed for Single Family Dwelling Cart (“Single Family”) rates, Commercial Bin and Multi-Family Dwelling Cart and Bin (“Commercial and MFD”) rates, and Roll-off Box rates.

6.3.2 Cost Components and Rate Adjustment Indices

The approved rates consist of the following cost component categories, followed by the initial weightings of each component by waste stream. Each cost component may be adjusted by the change in the corresponding index below. See Sections 6.3.3 and 6.3.4 for detailed rate adjustment procedures.

<u>Cost Category</u>	<u>Weighting</u>		<u>Rate Adjustment Factor</u>
	Single Family	Commercial and MFD	
Labor	26%	26%	Average hourly compensation for a “Residential/Commercial Driver” under the Articles of Agreement between Pacific Coast Waste & Recycling and Teamsters Union Local # 396. Hourly compensation is defined as the sum total of (1) hourly residential driver rate, (2) hourly medical insurance rate (monthly medical insurance rate divided by 173 hours), & (3) hourly retirement contribution rate.
Fuel	8%	8%	Producer Price Index, #2 Diesel Fuel WPU057303
Disposal	45%	45%	Average listed per ton disposal rate of the following County of Los Angeles Sanitation District Facilities: Puente Hills landfill, Puente Hills MRF, Dart MRF, SERFF, Commerce, South Gate, and BFI/Allied.
Insurance	5%	5%	Producer Price Index, PCU524----524---, Insurance carriers and related activities
All Other	16%	16%	Consumer Price Index, Los Angeles/Long Beach all items (CUURA421SAO)
Total	100%	100%	

6.3.3 Single Family and Commercial and MFD Rate Adjustment

Single Family and Commercial and MFD rates will be adjusted using the same methodology, but will be calculated separately due to the differences in the weighing of cost components for each Customer type. All Single Family rates, as listed in Exhibit 3, shall be adjusted based upon Single Family service cost components. Both the Commercial and MFD rates and the special services rates shall be adjusted based upon Commercial and MFD service cost components.

Step One – Calculate the percentage increase or decrease in each index listed in Section 6.3.2. The increase or decrease in the indices will be for the twelve (12) month period ending April 30th prior to the Rate Year anniversary date.

Step Two – The first rate adjustment cost components as a percentage of total costs are provided in Section 6.3.2 above, with subsequent components calculated in Step Four of the rate adjustment. For Step Two of each subsequent rate adjustment, use the cost components recalculated in Step Four during the previous rate adjustment.

Multiply the percentage changes for each rate adjustment component by that component's weighting and add these resulting percentages together to get the total weighted change to the rates.

Step Three – Multiply the total weighted percent change from Step Two by the existing Customer rates to calculate the increase or decrease to the maximum rates. Add the rate increase or decrease to the existing rates to derive the newly adjusted rates. **Step Four** – Recalculate weightings for the following year based upon these changes.

6.3.4 Roll-off Box Rate Adjustment Method

Per Ton Rates:

The Tonnage Charge and the Overweight Tonnage Charge are billed on a per ton basis and will be adjusted by the increase or decrease in average disposal rate of the following County of Los Angeles Sanitation District Facilities: Puente Hills landfill, Puente Hills MRF, Dart MRF, SERFF, Commerce, and South Gate for the twelve (12) month period ending April 30th prior to the Rate Year anniversary date.

Pull Rates:

All pull rates, including the Low Boy and Green Waste Roll-off Box service rates which include processing costs, will be adjusted using the rate adjustment factors and steps below:

<u>Cost Category</u>	<u>Weighting</u>	<u>Rate Adjustment Factor</u>
Labor	36%	Average hourly compensation for a "Rolloff Driver" under the Articles of Agreement between Pacific Coast Waste & Recycling and Teamsters Union Local # 396. Hourly compensation is defined as the sum total of (1) hourly residential driver rate, (2) hourly medical insurance rate (monthly medical insurance rate divided by 173 hours), & (3) hourly retirement contribution rate.
Fuel	8%	Producer Price Index, #2 Diesel Fuel (WPU057303)
Insurance	5%	Producer Price Index, PCU524—524--, Insurance carriers and

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		related activities
Disposal	46%	Average listed per ton disposal rate of the following County of Los Angeles Sanitation District Facilities: Puente Hills landfill, Puente Hills MRF, Dart MRF, SERFF, Commerce, South Gate and BFI/Allied.
All Other	5%	Consumer Price Index Los Angeles/Long Beach, (CUURA421SA0)
Total	100%	

Step One – Calculate the percentage increase or decrease in each index listed in Section 6.3.2 (excluding the Disposal index). The increase or decrease in the indices will be for the twelve (12) month period ending April 30th prior to the Rate Year anniversary date.

Step Two – Multiply the maximum allowed percentage changes for each rate adjustment component by that component's weighting and add the percentages together to get the total weighted change to the rates.

Step Three – Multiply the total weighted percent change in rates by the existing Customer rates to calculate the rate increase or decrease to the existing rates to derive the newly adjusted rates.

Step Four – Recalculate weightings for the following year based upon these changes.

6.4 Extraordinary Adjustments

Company may request in writing an adjustment to maximum rates at reasonable times other than that allowed under Section 6.2 in the event of extraordinary changes in the cost of providing service under this Agreement, but in no event more than once per rate year (July 1- June 30). Such changes shall NOT include changes in tipping fees for Refuse Disposal (beyond the change permitted in Section 6.3), or Recyclable Material or Green Waste processing costs, changes in the market value of Recyclables from the values assumed by Company in the negotiation of this Agreement, inaccurate estimates by the Company of its proposed cost of operations, unionization of Company's work force, change in wage rates or employee benefits, or the inability of the Company to dispose of any or all Solid Waste at a selected landfill, including due to closure of the Disposal Site. The only exception that would permit an extraordinary adjustment based upon changes to the Refuse Disposal gate rate would be an increase in a direct per ton surcharge assessed at the Disposal Site by federal, state or local regulatory agencies after the Effective Date. Extraordinary rate adjustments shall only be effective after approval by the City Council and will not be applied retroactively.

For each request for an adjustment to the maximum rates that Company may charge Customers brought pursuant to this section, Company shall prepare a schedule documenting the extraordinary costs. Such request shall be prepared in a form acceptable to City with support for assumptions made by Company in preparing the estimate. City shall review the Company's request and make the final determination as to whether an adjustment to the maximum rates has

been substantiated. An extraordinary rate adjustment shall only be effective after approval by the City Council following a public hearing.

6.5 AB939 Recycling Surcharge

Company shall provide recycling services to commercial and industrial customers to assist the City with AB939 diversion goals. Company shall submit monthly recycling reports to the City as required by the City's SRRE and/or as directed by the City. Company shall maintain a "Recycling Coordinator" during the term of this Agreement whose function will be to continually educate businesses and residents on the City's recycling programs. Commercial and industrial recycling service shall include, but is not limited to a combination of any or all of the following programs:

- Commercial recycling bin service
- Commercial recycling cart service
- Utilization of waste to energy facilities
- Educational newsletters
- Commercial recycling workshops
- Compton recycling website
- Sorting of roll-offs with high recycling content

The City and the company shall develop related fees/charges to meet AB939 within 90 days after signing the agreement. These fees/charges will then be approved by the City Council for final approval after having the necessary public hearings.

6.6 Supporting Information

Any request for an adjustment to the maximum rates made pursuant to Section 6.4 shall be accompanied by a copy of Company's financial statements prepared by a Certified Public Accountant, which shall have been prepared in compliance with Rule 58 of the "Rules and Regulations of the State Board of Accountancy," as established by the California Code of Regulations, Title 16, Chapter I. Such Certified Public Accountant shall be entirely independent of the Company and shall have no financial interest whatsoever in the business of Company. City may specify the form and detail of the financial statements.

**ARTICLE 7:
REVIEW OF SERVICES AND PERFORMANCE**

7.1 Performance Review Hearing

In or about July of each year during the Term, City may hold a public hearing to review Company's Solid Waste and Recyclable Materials Collection efforts, source reduction, processing and other Diversion services and overall performance under this Agreement (the "Solid Waste Services and Performance Review Hearing"). The purpose of the Solid Waste Services and Performance Review Hearing is to provide for a discussion and review of technological, economic, and regulatory changes in Collection, source reduction, Recycling, processing and Disposal to achieve a continuing, advanced Solid Waste and Recyclable Materials Collection, source reduction and Recycling and Disposal system; and to ensure services are being provided by Company with adequate quality, effectiveness and economy, and in full compliance with the terms of this Agreement

City shall notify Company of its intent to hold a Solid Waste Services and Performance Review Hearing at least sixty (60) days in advance thereof. Thirty (30) days after receiving notice from City of a Solid Waste Services and Performance Review Hearing, Company shall submit a report to City which may contain such information as it wishes to have considered, and shall contain the following:

Current Diversion rates and a report on Company's outreach activities for the past year.

Recommended changes and/or new services to improve City's ability to meet the goals of the Act and to contain costs and minimize impacts on rates. A specific plan for the Act compliance shall be included.

Any specific plans for provision for new or changed services by Company.

Reports on Customer complaints.

The reports required by this Agreement regarding Customer complaints shall be used as one basis for review of Company's performance, and Company may submit other relevant performance information and reports for consideration at the Solid Waste Services and Performance Review Hearing. In addition to the above, City may request Company to submit any other specific information relating to its performance for consideration at the Solid Waste Services and Performance Review Hearing, and any Customer may submit comments or complaints during or before the Hearing, either orally or in writing. Company shall be present at and participate in the Solid Waste Services and Performance Review Hearing.

As a result of its findings following any Solid Waste Services and Performance Review Hearing, City may require Company to provide expanded or new services within a reasonable time and City may direct or take corrective actions for any performance inadequacies (although nothing contained in this provision should be construed as requiring City to hold a Solid Waste Services and Performance Review Hearing in order to enforce any rights or remedies it has pursuant to the terms hereof.)

7.2 Performance Satisfaction Survey

If requested by the City, after the first year and every other year thereafter, Company will create and conduct a survey in preparation for any Solid Waste Services and Performance Review Hearing held pursuant to Section 7.1. City shall notify Company of its desire for such a survey at least 90 days in advance of the Solid Waste Services and Performance Review Hearing. The purpose of the survey is to determine Customer satisfaction with current Collection services and Customer service provided by Company. The Survey will be distributed to a minimum of ten percent (10%) of the Residential Customers and ten percent (10%) of the Commercial Customers, selected at random. City may instruct Company to send out separate Single Family Dwelling and Multiple-Family Dwelling/Commercial surveys. Company shall obtain City's approval of each survey's content, format, and mailing list prior to its distribution. City may require that Company have Customer responses to the survey returned directly to City. The survey results shall be made available to the City thirty (30) days prior to the Solid Waste Services and Performance Review Hearing.

ARTICLE 8: RECORDS, REPORTS AND INFORMATION REQUIREMENTS

8.1 General

Company shall maintain such accounting, statistical and other records related to its performance under this Agreement as shall be necessary to develop the financial statements and other reports required by this Agreement. Also, Company agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with Applicable Laws and regulations and to meet the reporting and Solid Waste and Recyclable Materials program management needs of City.

Company shall maintain all records necessary to allow the City to determine Company's compliance with the terms of this Agreement and compliance with the performance standards presented in this Agreement. The records shall be maintained in a manner that allows for easy verification of Company's performance.

8.2 Records

8.2.1 General

Company shall maintain records required to conduct its operations, to support requests it may make to City, and to respond to requests from City in the conduct of City business. Adequate record security shall be maintained to preserve records from events that can be reasonably anticipated such as a fire, theft and earthquake. Electronically maintained data/records shall be protected, backed up and stored at a separate site from the original data. All records shall be maintained for a minimum of five (5) years after the expiration of this Agreement, unless a shorter retention period is specifically provided in this Agreement (e.g., Section 5.2.3 "Complaint Documentation"). After minimum retention periods are met, Company shall notify City 90 days before destroying records.

Company agrees that the records of any and all companies conducting operations addressed in this Agreement shall be provided or made available to City and its official representatives during normal business hours. City may review or utilize any of the records described in this section for any purpose whatsoever. Such records include, but are not limited to, financial (but limited to revenue or billing information only), Solid Waste and Recyclable Materials, CERCLA and Disposal records.

8.2.2 Financial Records

Company shall maintain financial records relating to its operations pursuant to this Agreement separate and segregated from such records relating to its other operations.

Company shall maintain at least the following records:

- Reviewed financial statements for Company or, if a guarantee was provided, for the parent company guarantor as a whole;

- Financial statements of revenue and billing for on-site review for this Agreement segregated from the other operations of Company (including without limitation those operations of Company in the Service Area and surrounding jurisdictions which are not covered by this Agreement), including a description of segregation methodology; and,
- Complete descriptions of related party transactions (corporate and/or regional management fees, inter-company profits from transfer, processing or Disposal operations).

8.2.3 Solid Waste and Recyclable Materials Records

Company shall maintain and make available to the City upon request the following records relating to its operations pursuant to this Agreement:

- a) Customer services and Billing/Service Area payment records;
- b) Records of tons Collected, processed, diverted and disposed by waste stream (Refuse, Recycling, Green Waste), by Customer type (Residential Cart, Residential Bin, Commercial Bin, etc.) and the Facilities (Transfer Station, MRF, Transformation Facility or landfill) where such material was taken;
- c) Quantity of Recyclable Materials recovered by material type, as well as quantity of material diverted from landfills in compliance with the Act;
- d) Results for Bulky Item pickup, special annual cleanup event, and City sponsored events, including tons disposed and diverted;
- e) Routes;
- f) Facilities, equipment and personnel used;
- g) Facilities and equipment operations, maintenance and repair;
- h) Number and type of Refuse, Recycling and Green Waste Company-owned Containers in service;
- i) Complaints; and,
- j) Missed pickups.

8.2.4 CERCLA Defense Records

City views the ability to defend against actions arising under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and related litigation as a matter of great importance. For this reason, City regards the ability to prove where Solid Waste Collected in the Service Area was taken for Disposal, as well as where it was not taken, to be matters of concern. Company shall maintain data retention and preservation systems which can establish where Solid

Waste Collected in the Service Area was landfilled (and therefore establish where it was not landfilled) for not less than five (5) years following the termination of this Agreement, and agrees to notify City's Risk Administrator and City Attorney before destroying such records thereafter. At any time, including after the expiration of the Term hereof, Company shall provide copies of such records to City. The requirements of this section shall survive the expiration of the Term.

8.2.5 Disposal Records

Company shall maintain, and make available to the City upon request, records of Disposal of all Solid Waste and Recyclable Materials Collected in the Service Area for the period of this Agreement and all extensions to this Agreement or successor Agreements. In the event Company discontinues providing Solid Waste and Recyclable Materials Handling Services to Service Area, Company shall provide all records of Disposal or processing of all Solid Waste and Recyclable Materials Collected in the Service Area to City within thirty (30) days of discontinuing service. Records shall be in chronological and organized form and readily and easily interpreted.

8.2.6 Other Programs' Records

Records for other programs shall be tailored to specific needs. In general, they shall include:

Plans, tasks, and milestones; and,

Accomplishments in terms such as dates, activities conducted, quantities of products used, produced or distributed, and numbers of participants and responses.

8.2.7 Biennial Audit and Costs

City may conduct an audit of Company after the first year, and once every other year thereafter. The scope of the audit, and auditing party, will be determined by the City, and the scope may include, but is not limited to, compliance with this Agreement, Customer service levels and Billing, fee payments, Gross Receipts, tonnage, verification of weightings of cost components used in the rate adjustment formula described in Section 6.3, and verification of the applicable Diversion rate.

Should an audit conducted or authorized by the City disclose that more than five percent (5%) of the Customers were inaccurately billed based on the auditor's sampling, for the period under review, City may recover its reasonable audit costs.

8.2.8 Payments and Refunds

Should an audit disclose that amounts payable by Customers were underpaid, City shall Bill Customers for any underpayment. Should an audit disclose that Customers were overcharged for the period under review, Company will refund or credit to Company's Customers, any overcharges within thirty (30) days following the date of the audit. Underpayments over 90 days will be absorbed by Company and overpayments over 90 days will receive a service credit.

8.3 Reports

8.3.1 Report Formats and Schedule

Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

- a) Determine and set rates and evaluate the financial efficacy of operations;
- b) Evaluate past and expected progress towards achieving the Act goals and objectives;
- c) Determine needs for adjustment to programs; and,
- d) Evaluate Customer service and complaints.

Company may propose report formats that are responsive to the objectives and audiences for each report. The format of each report shall be approved by City. In addition to submitting all reports on paper, Company agrees to submit all reports in an electronic format approved by City, compatible with City's software/computers at no additional charge.

Monthly reports shall be submitted within thirty (30) calendar days after the end of the report month. Quarterly reports shall be submitted within thirty (30) calendar days after the end of the calendar quarter. Annual reports for which a date is not otherwise specified in this Agreement shall be submitted before January 31 following the reporting year. If requested, Company's complaint summary, described in Section 8.3.3 (a) below, shall be sent to the City Manager within five (5) days of request.

All reports shall be submitted to:

City Manager (or designated representative)
City of Compton
205 S. Willowbrook Avenue
Compton, CA 90220

8.3.2 Monthly Reports

The information listed below shall be the minimum reported for the preceding month:

- a) Solid Waste and Recyclable Materials Collected by Company for each month, sorted by type of Solid Waste Collected and diverted (Refuse, Construction and Demolition Waste, Green Waste) or Recyclable Materials in tons (including contamination and Diversion rates for each waste stream and Customer type), and identifying by tonnage and type the Facilities where the Solid Waste or Recyclable Materials were processed or disposed.

- b) Warning notices issued for contaminated Recyclable Materials and Green Waste Containers.
- c) Narrative summary of problems encountered (including scavenging) and actions taken with recommendations for City, as appropriate.
- d) Materials Sales. Sales statement showing: kinds of material, quantity sold (in tons), and materials rejected for sale.

8.3.3 Quarterly Reports

Quarterly Report should contain at a minimum the information required in the monthly report and include the following:

- a) Complaint summary for the quarter summarized by nature of complaints.
- b) Description of Company outreach activities and copies of promotional and public education materials sent during the quarter.
- c) Other information or reports that City may reasonably request or require.

8.3.4 Annual Report

The Annual Report is to be essentially in the form and content of the monthly and quarterly reports, but shall also include:

- a) A complete inventory of Collection Vehicles used to provide all services (including make, year, type, fuel used, use, California license number and whether or not it is used as a spare), and a complete inventory of Containers by size and waste stream type Container is used for.
- b) Documentation of compliance with all applicable air pollution control laws for each Collection Vehicle.
- c) A summary of the number of Containers by size (number of gallons, number of yards) and type of service (Refuse, Recyclable Materials, Green Waste).
- d) General information about the Company and its most recent annual report.
- e) Copy of Hazardous Waste Diversion records showing types and quantities, if any, of Hazardous Waste that was inadvertently Collected, but diverted from landfilling.
- f) Number of routes and route hours per day by type of service as of December 31.
- g) Operations plan outlining the Collection routes, intervals of Collection and Collection times for all materials Collected under this Agreement.
- h) Documentation supporting that calendar year's Diversion rate.

- i) Other information or reports that City may reasonably request or require.

8.3.5 Financial Report

The City may, at City's option, request and be provided with Company's financial reports/statements for the most recently completed fiscal year in connection with any audit, extraordinary rate adjustment request, or verification of other information required under this Agreement. (Cost only for on-site review)

Financial statements shall include a supplemental combining schedule showing Company's results of operations, including the specific revenues and expenses in connection with the operations provided for in this Agreement, separated from others included in such financial statements. The financial statements and footnotes shall be prepared in accordance with generally accepted accounting principles (GAAP) and audited, in accordance with generally accepted auditing standards (GAAS) by a certified public accountant (CPA) licensed (in good standing) to practice public accounting in the State of California as determined by the State of California Department of Consumer Affairs Board of Accountancy. The cost for preparation of the financial statements and audit shall be borne by Company as a direct cost of service. In addition, Company shall provide to City the supplemental schedule on a compiled basis.

8.4 Reporting Adverse Information

Company shall provide City two copies (one to the City Manager, one to the City Attorney) of all reports, pleadings, applications, notifications, Notices of Violation, communications or other material relating in any way to Company's performance of services pursuant to this Agreement, submitted by Company to, or received by Company from, the United States, California Environmental Protection Agency, the California Integrated Waste Management Board, the Securities and Exchange Commission or any other federal, state or local agency, including any federal or state court. Copies shall be submitted to City within thirty (30) days of receipt by Company, or sooner if reasonably apparent that to do so is materially relevant, and any responses by Company shall be submitted to City simultaneously with Company's filing or submission of such matters with these agencies. Company's routine correspondence to these agencies need not be routinely submitted to City, but shall be made available to City promptly upon City's written request.

8.5 Right to Inspect Records

City shall have the right to inspect or review the specific documents or records required pursuant to this Agreement, or any other similar records or reports of Company or its Affiliates that City shall reasonably deem necessary to evaluate annual reports, compensation applications provided for in this Agreement and Company's performance provided for in this Agreement. Company shall make all records and documents to be reviewed and inspected by City as a part of any audit or other record review conducted by City, available for City's review, inspection and copying within twenty-four (24) hours of receiving written notice from City requesting the same.

8.6 Failure to Report

The refusal or failure of Company to file any required reports, or to provide required information to City within five (5) days of demand to do so by the City, or the inclusion of any materially false or misleading statement or representation by Company in such report shall be deemed a material breach of this Agreement as described in Section 11.1 and shall subject Company to all remedies which are available to the City under this Agreement or otherwise.

**ARTICLE 9:
INDEMNIFICATION, INSURANCE, BOND AND LETTER OF CREDIT**

9.1 Indemnification

Company hereby agrees to and shall indemnify and hold harmless City, its public officials, officers, employees, consultants, agents, volunteers and independent contractors serving in the role of City officials (collectively, "Indemnitees") from and against any and all loss, liability, penalty, damage, costs and fees (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals as well as all Court or other dispute resolution costs, and costs of exhibits, reports and other similar defense expenses), forfeiture, claim, demand, action, proceeding or suit in law or equity of any and every kind and description (including, but not limited to, injury to and death of any Person and damage to property, or for contribution or indemnity claimed by third parties) arising or resulting from and in any way connected with (1) the negligence, willful misconduct or intentional acts or omissions of Company, its officers, employees, agents, representatives, contractors and/or subcontractors in performing services under this Agreement; (2) the failure of Company, its officers, employees, agents, representatives, contractors and/or subcontractors to comply in all respects with the provisions of this Agreement, Applicable Laws (including, without limitation, the Environmental Laws), ordinances and regulations, and/or applicable permits and licenses; (3) the acts of Company, its officers, employees, agents, representatives, contractors and/or subcontractors in performing services under this Agreement for which strict liability is imposed by law (including, without limitation, the Environmental Laws). Company further agrees to and shall, upon demand of City, at Company's sole cost and expense, defend (with attorneys acceptable to City) the Indemnitees against any claims, actions, suits in law or equity or other proceedings, whether judicial, quasi-judicial or administrative in nature, arising or resulting from any of the aforementioned events, and to reimburse City for any and all costs and expenses City incurs in providing any such defense, either before, during or after the time Company elects to provide such defense, including any and all costs incurred in overseeing any defense to be provided herein by Company.

THE PROVISIONS OF THIS SECTION SHALL NOT TERMINATE OR EXPIRE, SHALL BE GIVEN THE BROADEST POSSIBLE INTERPRETATION AND SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

9.2 Hazardous Substances Indemnification

Without regard to any insurance coverage or requirements, and without limiting the above general indemnification obligation in any way, Company specifically agrees to and shall, to the maximum extent permitted by law, defend (with counsel acceptable to City), reimburse, indemnify, and hold harmless the Indemnitees from and against any and all claims, actions, liabilities, damages, demands, judgments, losses, costs, liens, expenses, suits, actions, attorneys' fees, consultant fees, penalties and any and all other losses, damages, fees and expenses of whatever kind or nature ("Claims") (including but not limited to response costs, investigative costs, assessment costs, monitoring costs, treatment costs, cleanup costs, removal costs, remediation costs, and similar costs, damages and expenses) that arise out of or are alleged to

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arise out of or in any way relate to any action, inaction or omission of Company from and after the Effective Date that:

1. results in any demand, claim, notice, order, or lawsuit, asserting that any Indemnatee is liable, responsible or in any way obligated to investigate, assess, monitor, study, test, treat, remove, remediate, or otherwise cleanup, any Hazardous Contaminant (as defined herein); or
2. relates to material Collected, transported, recycled, processed, treated or disposed of by Company.

Company's obligations pursuant to this section shall apply, without limitation, to:

1. any Claims brought pursuant to or based on the provisions of any Environmental Law;
2. any Claims based on or arising out of or alleged to be arising out of the ownership, use, lease, sale, design, construction, maintenance or operation of Company of any Facility;
3. any Claims based on or arising out of or alleged to be arising out of the marketing, sale, distribution, storage, transportation, Disposal, processing or use of any materials recovered by Company;
4. any Claims based on or arising out of or alleged to be arising out of any breach of any express or implied warranty, representation or covenant arising out of or in connection with this Agreement.

C. The foregoing indemnity and defense obligations shall apply irrespective of the negligence or willful misconduct of Company or any Affiliate of Company. However, Company assumes no liability whatsoever for acts or omissions of City that precede the Effective Date of this Agreement.

D. For purposes of this section, the term "Hazardous Contaminant" shall mean any Hazardous Substance, any Hazardous Waste, any crude oil or refined or unrefined petroleum product or any fraction or derivative thereof; and any asbestos or asbestos-containing material.

THE PROVISIONS OF THIS SECTION SHALL NOT TERMINATE OR EXPIRE, SHALL BE GIVEN THE BROADEST POSSIBLE INTERPRETATION AND SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

9.3 Indemnification For Failure to Meet Diversion Requirements; Guarantee

To the extent authorized by law, Company agrees to indemnify and hold harmless City from and against all fines and/or penalties imposed by the California Integrated Waste Management Board in the event the waste diversion or disposal reduction goals or any other requirements of the Act are not met by City.

Company warrants and represents that it is familiar with City's waste characterization study as set forth in City's Source Recovery and Recycling Element (SRRE), and that it has the ability to and will provide sufficient programs and services to ensure City will meet or exceed the requirements (including, without limitation, amounts of Solid Waste to be diverted, time frames for Diversion, and any other requirements) set forth in the Act.

C. Subject to the provisions of section 40059.1 of the California Public Resource Code, Company agrees to protect and defend Indemnitees with counsel selected by Company and approved by City, to pay all costs and fees (including, without limitation, fees and charges of engineers, architects, attorneys and other professionals, and costs of exhibits, reports and other similar defense expenses) and to indemnify and hold Indemnitees harmless from and against all fines or penalties imposed by the California Integrated Waste Management Board if the Diversion goals specified in California Public Resources Code Section 41780 as of the date hereof and hereafter throughout are not met by the City with respect to the Solid Waste and Recyclable Materials Collected by Company and if the lack in meeting such goals are attributable to the failure of the Company to implement and operate the Recycling or Diversion programs or undertake the related activities required by this Agreement.

9.4 Insurance

Company shall procure and maintain during the entire Term the following types of insurance, and shall maintain the following minimum levels of coverage, which shall apply to any claims which may arise from or in connection with Company's performance hereunder or the actions or inactions of any of Company's officers, agents, representatives, employees, contractors or subcontractors in connection with Company's performance. The insurance requirements hereunder in no way limit Company's various defense and indemnification obligations, or any other obligations as set forth herein.

9.4.1 Minimum Scope of Insurance. Coverage shall be at least as broad as:

The most recent editions of Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 00 01).

The most recent editions of Insurance Services Office form number CA 00 01 covering Automobile Liability, code 1 "any auto" and endorsement CA 00 25.

Hazardous Waste and Environmental Impairment Liability: Three Million Dollars (\$3,000,000) limit aggregate.

Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.

9.4.2 Minimum Limits of Insurance. Company shall maintain in force for the Term limits no less than:

1. Comprehensive General Liability: Ten Million Dollars (\$10,000,000) limit aggregate and Five Million Dollars (\$5,000,000) limit per occurrence for bodily injury, personal injury and property damage.

2. Automobile Liability: Five Million Dollars (\$5,000,000) limit aggregate and Five Million Dollars (\$5,000,000) limit per accident for bodily injury and property damage.

3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.

9.4.3 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention's as respects City, its officials, employees and agents; or Company shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

9.4.4 Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages
 - a) City, its elective and appointive boards, commissions, officials, employees, agents, and volunteers are to be named as additional insureds as respects: liability arising out of activities performed by or on behalf of Company; products and completed operations of Company; Premises owned, leased or used by Company; or vehicles owned, leased, hired or borrowed by Company. The coverage shall contain no special limitations on the scope of protection afforded to City, its elective and appointive boards, commissions, officials, employees, agents or volunteers..
 - b) Company's insurance coverage shall be primary insurance as respects City, its elective and appointive boards, commissions, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by City, its officials, elective and appointive boards, commissions, employees, agents or volunteers shall be excess of Company's insurance and shall not contribute with it.
 - c) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its officials, elective and appointive boards, commissions, employees, agents or volunteers.
 - d) Coverage shall state that Company's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
2. Workers' Compensation and Employers Liability Coverage - The insurer shall agree to waive all rights of subrogation against City, its officials, elective and appointive boards, commissions, employees, agents and, volunteers for losses arising from work performed by Company for City.

3. All Coverages - Each insurance policy required by this ~~clause~~section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to City.

9.4.5 Acceptability of Insurers. The insurance policies required by this section shall be issued by an insurance company or companies authorized to do business in the State of California and with a rating in the most recent edition of Best's Insurance Reports of size category VII or larger and a rating classification of A or better.

9.4.6 Verification of Coverage. Company shall furnish City with certificates of insurance and with original endorsements affecting coverage required hereunder. The certificates and endorsements for each insurance policy are to be signed by a Person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on forms provided by or acceptable to City and are to be received and approved by City before work commences. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

9.4.7 Contractors and Subcontractors. Company shall include all contractors and subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each contractor and subcontractor. All coverages for contractors and subcontractors shall be subject to all of the requirements stated herein.

9.4.8 Required Endorsements

1. The Workers' Compensation policy shall contain an endorsement in substantially the following form:

"Thirty (30) days prior written notice by certified mail, return receipt requested, shall be given to City in the event of cancellation, reduction in coverage, or non-renewal of this policy. Such notice shall be sent to:

City Manager
City of Compton
205 S. Willowbrook Avenue
Compton, CA 90220"

2. The Public Liability policy shall contain endorsements in substantially the following form:

- a) "Thirty (30) days prior written notice shall be given to City in the event of cancellation, reduction in coverage, or non-renewal of this policy. Such notice shall be sent to:

City Manager
City of Compton
205 S. Willowbrook Avenue
Compton, CA 90220"

- b) "City, its public officials, officers, employees, consultants, agents, volunteers and independent contractors serving in the role of City officials are additional insureds on this policy."
- c) "This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by City, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only."
- d) "Inclusion of City as an insured shall not affect City's rights as respects any claim, demand, suit or judgment brought or recovered against Company. This policy shall protect Company and City in the same manner as though a separate policy had been issued to each, but this shall not operate to increase Company's liability as set forth in the policy beyond the amount shown or to which Company would have been liable if only one party had been named as an insured."

9.4.9 Delivery of Proof of Coverage. Simultaneously with the execution of this Agreement, Company shall furnish City certificates of each policy of insurance required hereunder, in form and substance satisfactory to City. Such certificates shall show the type and amount of coverage, effective dates and dates of expiration of policies and shall have all required endorsements. If City requests, copies of each policy, together with all endorsements, shall also be promptly delivered to City.

Renewal certificates will be furnished periodically to City to demonstrate maintenance of the required coverage throughout the Term.

9.4.10 Other Insurance Requirements

1. In the event any services are delegated to another company or subcontractor, Company shall require and cause such Company or subcontractor to provide statutory workers' compensation insurance and employer's liability insurance for all of the Company or subcontractor's employees engaged in the work in accordance with this Section 9.4. The liability insurance required by this Section 9.4 shall cover all Company or subcontractors or the Company or subcontractor must furnish evidence of insurance provided by it meeting all of the requirements of this Section 9.4.
2. Company shall comply with all requirements of the insurers issuing policies. The carrying of insurance shall not relieve Company from any obligation under this Agreement. If any claim exceeding the amount of any deductibles or self-insured reserves is made by any third Person against Company or any Company or subcontractor on account of any occurrence related to this Agreement, Company shall promptly report the facts in writing to the insurance carrier and to City.
3. If Company fails to procure and maintain any insurance required by this Agreement, City may take out and maintain, at Company's expense, such

insurance as it may deem proper and deduct the cost thereof from any moneys due Company.

9.5 Faithful Performance Bond

Concurrently with execution of this Agreement, Company shall deliver to City a performance bond in the sum of the amount of Two Hundred Fifty Thousand Dollars (\$250,000), similar in form to that attached hereto as Exhibit 4, which secures the faithful performance of this Agreement, including, without limitation, payment of any penalty and the funding of any work to cure a breach of this Agreement, unless such requirement is waived by the City Manager. The performance bond shall be executed by a surety company licensed to do business in the State of California, having an A: VII or better rating, and approved by the City; and included on the list of surety companies approved by the Treasurer of the United States. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his or her power of attorney. The bond shall be unconditional and remain in force during the entire Term, and during the continuation period after the Term as provided in Section 9.9.

9.6 Forfeiture of Performance Bond

In the event Company shall for any reason become unable to, or fail in any way to, perform as required by this Agreement, City may declare a portion or all of the performance bond forfeited to the City. Upon partial or full forfeiture of the performance bond, Company shall restore the performance bond to its face amount within thirty (30) days of the City's declaration. Failure to restore the performance bond to its full amount within thirty (30) days shall be a material breach of this Agreement.

9.7 Performance Security Beyond Service Term

Some Agreement requirements extend beyond the Term and other requirements, such as Diversion rates per Sections 4.3.6 and 4.3.7, will not be substantiated until after the final service date. Therefore, the Company shall not terminate the performance bond, and will renew them to ensure continuous availability to the City, until the earlier of (1) receiving a written release from the City, or (2) the expiration of twelve (12) months after the Term. Any performance bond will automatically expire at the end of 12 months after the end of the Term. Permission from the City to discontinue holding these performance securities does not relieve Company of payments to the City that may be due, or may become due.

**ARTICLE 10:
CITY'S RIGHT TO PERFORM SERVICE**

10.1 General

In the event that Company, for any reason whatsoever, fails, refuses or is unable to Collect, Recycle, process, transport or dispose of any or all Solid Waste or Recyclable Materials as required by this Agreement, at the time and in the manner provided in this Agreement, for a period of more than forty-eight (48) hours, and if, as a result thereof, Solid Waste should accumulate in the Service Area to such an extent, in such a manner, or for such a time that such accumulation creates an imminent and substantial threat to the public health, safety or welfare, then City shall have the right, but not the obligation, (1) to perform, or cause to be performed, such services itself with its own or other personnel without liability to Company; and/or (2) to take possession of any or all of Company's land, equipment and other property used or useful in the Collection and transportation of Solid Waste and Recyclable Materials, and to use such property to Collect and transport any Solid Waste and Recyclable Materials generated within the Service Area which Company would otherwise be obligated to Collect, transport and properly dispose of or process pursuant to this Agreement.

Notice of City's determination to effect its rights under this Section may be given orally by telephone to Company at its principal office and shall be effective immediately. Written confirmation of such oral notification shall be sent to Company within twenty-four (24) hours of the oral notification.

Company further agrees that in such event:

It will take direction from City to effect the transfer of possession of equipment and property to City for City's use, or for use by any Person or entity designated by the City.

It will, if City so requests, keep in good repair and condition all of such equipment and property, provide all motor vehicles with fuel, oil and other service, and provide such other service as may be necessary to maintain this property in operational condition.

City may immediately engage all or any personnel necessary or useful for the Collection and transportation of Solid Waste and Recyclable Materials, including, if City so desires, employees previously or then employed by Company. Company further agrees, if City so requests, to furnish City the services of any or all management or office Personnel employed by Company whose services are necessary or useful for Solid Waste and Recyclable Materials Collection, transportation, processing and Disposal operations and for the Billing and Collection of fees for these services.

City agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

If the interruption or discontinuance in service is caused by any of the reasons listed in Section 11.3, City shall pay to Company the reasonable rental value of the equipment and facilities, possession of which is taken by City, for the period of City's possession, if any, which extends

beyond the period of time for which Company has rendered Bills in advance of service, for the class of service involved.

10.2 Billing and Compensation to City During City's Possession

During such time that City is providing Solid Waste and Recyclable Materials Handling Services, as above provided, City shall Bill and Collect payment from all users of the above-mentioned services as described in Section 5.1, retaining all amounts collected. Company further agrees that, in such event, it shall reimburse City for any and all costs and expenses incurred by City beyond that billed and received by City in taking over possession of the above-mentioned equipment and property for Solid Waste and Recyclable Materials service in such manner and to an extent as would otherwise be required of Company under the terms of this Agreement. Such reimbursement shall be made from time to time after submission by City to Company of each statement listing such costs and expenses, but in no event later than five (5) Business Days from and after each such submission.

10.3 City's Right to Relinquish Possession

It is further mutually agreed that City may at any time at its discretion relinquish possession of any or all of the above-mentioned property to Company and thereupon demand that Company resume the Solid Waste and Recyclable Materials Handling Services as provided in this Agreement, whereupon Company shall be bound to resume the same.

10.4 City's Possession Not A Taking

The Parties agree that City's exercise of its rights under this Article (1) does not constitute a taking of private property for which compensation must be paid.

10.5 Duration of City's Possession

City's right pursuant to this Article to retain temporary possession of Company's facilities and equipment, and to render Collection services, shall terminate when City determines that such services can be resumed by Company, or when City no longer reasonably requires such property or equipment or ninety (90) days from taking possession, whichever occurs first. In any case, City has no obligation to maintain possession of Company's property or equipment and/or continue its use for any period of time and may at any time, in its sole discretion, relinquish possession to Company.

ARTICLE 11: DEFAULT, REMEDIES AND LIQUIDATED DAMAGES

11.1 Events of Default

Each of the following shall constitute an event of default:

- A. **Fraud or Deceit or Misrepresentation.** If the Company engages in, or attempts to practice, any fraud or deceit upon City or makes a misrepresentation regarding material information to City.
- B. **Insolvency or Bankruptcy.** If Company becomes insolvent, unable, or unwilling to pay its debts, files a bankruptcy petition or takes steps to liquidate its assets and this results in a suspension of service creating an imminent and substantial threat to public health and safety.
- C. **Failure to Maintain Coverage.** If Company fails to provide or maintain in full force and effect the Workers' Compensation, liability, or indemnification coverage required by this Agreement; or if Company fails to provide or maintain in full force and effect the faithful performance bond and faithful performance required by Sections 9.5 and 9.6 of this Agreement.
- D. **Violations of Regulation.** If Company violates any orders or filings of any regulatory body having jurisdiction over Company relative to this Agreement, provided that Company may contest any such orders or filings by appropriate proceedings conducted in good faith, in which case no breach of the Franchise and this Agreement shall be deemed to have occurred until a final decision adverse to the Company is entered.
- E. **Failure to Perform.** If Company ceases to provide all or a portion of the Collection, processing or Recycling services, or any other Solid Waste and Recyclable Materials Handling Services as required under this Agreement for a period of two (2) consecutive days or more, for any reason within the control of Company, including labor disputes.
- F. **Failure to Pay.** If Company fails to make any payments required under this Agreement and/or refuses to provide City, within ten (10) days of the demand, with required information, reports, and/or records in a timely manner as provided for in this Agreement.
- G. **Failure to Cooperate with Audits.** Failure to complete, perform or cooperate with any audit as described by this Agreement.
- H. **Failure to Submit Reports or Documentation.** Failure to complete or to provide required reports or documents to City as required by this Agreement.

I. Acts or Omissions.

Any act or omission by Company relative to the services provided under this Agreement which violates the material terms, conditions, or requirements of this Agreement, the Act, or any Applicable Law. Any failure to correct or remedy any such violation within the time set in the written notice of the violation or, if Company cannot reasonably correct or remedy the breach within the time set forth in such notice, if Company should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.

J. False or Misleading Statements. Any representation or disclosure made to City by Company in connection with or as an inducement to entering into this Agreement, or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time such representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.

K. Attachment. The seizure of, attachment of, or levy on, the operating equipment of Company, including, without limits, its equipment, maintenance or office facilities, or any part thereof.

L. Suspension or Termination of Service. Any termination or suspension of the transaction of business by Company, including, without limitation, due to labor unrest including strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action lasting more than five (5) consecutive days.

M. Failure to Provide Assurance of Performance. If Company fails to provide reasonable assurances of performance as required under Section 11.5.

Company shall have three (3) business days from the time it is given notification by City to cure any default arising under subsections C, E, F, G, H, I, K, L, M. Company acknowledges that it is not entitled to receive notice of default, or to cure such default, with respect to those matters listed in subsections A, B, D, J above.

11.2 Right to Terminate Upon Default

If Company commits a breach of any item listed in 11.1 , (and, if permitted to cure, does not cure), City shall be entitled to unilaterally terminate this Agreement or impose other such sanctions (which may include financial sanctions, temporary suspensions or any other conditions it deems appropriate short of termination) as it shall deem proper. Should City decide to terminate this Agreement upon a default by Company, City shall have the right to do so upon giving ten (10) days notice to Company, and shall not be required to take any further action (such as holding any hearing, bringing any suit or taking any other action.)

City's rights to terminate this Agreement and to exercise its rights under Article 10 are not exclusive, and City's termination of this Agreement shall not constitute an election of remedies. Instead, such remedies shall be in addition to any and all other legal and equitable rights and remedies which City may have.

By virtue of the nature of this Agreement, the urgency of timely continuous and high- quality service, the time required to effect alternative service, and the rights granted by City to Company, the remedy of damages for a breach hereof by Company is inadequate and City shall be entitled to seek injunctive relief and/or specific performance of any breach of this Agreement.

11.3 Excuse from Performance

The Parties shall be excused from performing their respective obligations hereunder in the event they are prevented from so performing by reason of floods, earthquakes, other natural disasters, war, civil insurrection, riots, acts of any government (including judicial action), and other similar catastrophic events which are beyond the control of and not the fault of the party claiming excuse from performance hereunder. The party claiming excuse from performance shall, within two (2) days after such party has notice of such cause, give the other party notice of the facts constituting such cause and asserting its claim to excuse under this section.

The interruption or discontinuance of Company's services caused by one (1) or more of the events excused shall not constitute a default by Company under this Agreement. Notwithstanding the foregoing, however, if Company is excused from performing its obligations hereunder for any of the causes listed in this section for a period of seven (7) days or more, City shall nevertheless have the right, in its sole discretion, to (i) take possession of Company's land, equipment and other property and engage Company's personnel pursuant to Article 10, (ii) terminate this Agreement by giving ten (10) days' notice, or (iii) take possession of Company's land, equipment and other property and engage Company's personnel pursuant to Article 10 for a period of time and then terminate this Agreement by giving ten (10) days' notice. City's rights to terminate this Agreement and to exercise its rights under Article 10 are not exclusive, and City's termination of this Agreement shall not constitute an election of remedies. Instead, such remedies shall be in addition to any and all other legal and equitable rights and remedies which City may have.

11.4 Notice, Hearing and Appeal of City Breach

Administrative Hearing. Should Company contend that City is in breach of any aspect of this Agreement, it shall give notice to the City Manager requesting an administrative hearing on the allegation. A hearing officer shall be appointed by the City Manager, and the hearing shall occur as soon as reasonably possible, or on such date as mutually agreed by the City Manager. The hearing officer shall make an advisory ruling on Company's allegations, and suggest a remedy if a breach by City is determined to exist. The hearing officer's ruling and recommendations shall become final and binding if the Parties so agree in writing within thirty (30) days of the date notice of the decision is given to both Parties. Otherwise, the hearing officer's ruling shall have no further force or effect.

Other Remedies; Claims. Company shall be entitled to all available remedies in law or equity for City's breach of this Agreement; provided, however, Company shall not file or otherwise commence any action against City, in law or equity, in any court, until after an administrative hearing as set forth above has been completed, and the above noted 30 day period to accept the hearing officer's decision has passed, or either City or Company has given timely written notice to the other that it will not accept the hearing officers decision.

Actions for Damages. As a prerequisite to the filing and maintenance of any action for damages by Company against City arising out of this Agreement, Company shall present a claim to City, as required by Government Code section 910 et seq, within thirty (30) days of the date of the occurrence giving rise to the claim for damages.

11.5 Assurance of Performance

City may, at its option and in addition to all other remedies it may have, demand from Company reasonable assurances of timely and proper performance of this Agreement, in such form and substance as City may require. If Company fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by City, such failure or refusal shall be an event of default.

**ARTICLE 12:
OTHER AGREEMENTS OF THE PARTIES**

12.1 Relationship of Parties

The Parties intend that Company shall perform the services required by this Agreement as an independent contractor engaged by City and not as an officer, agent, or employee of City nor as a partner of or joint venture with City. No employee or agent of Company shall be or shall be deemed to be an employee or agent of City. Except as expressly provided herein, Company shall have the exclusive control over the manner and means of conducting the Solid Waste and Recyclable Materials Handling Services performed under this Agreement, and all Persons performing such services. Company shall be solely responsible for the acts and omissions of its officers, employees, Affiliates, contractors, subcontractors and agents. Neither Company nor its officers, employees, Affiliates, contractors, subcontractors and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to City employees by virtue of their employment with City, and Company waives any claim it may have or acquire to such benefits.

12.2 Compliance with Law

In providing the services required under this Agreement, Company shall at all times, comply with all Applicable Laws, including but not limited to the payment of prevailing wages, if applicable.

12.3 Governing Law

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

12.4 Jurisdiction

Except for those matters where Federal Courts have exclusive jurisdiction, any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits.

With respect to venue, the Parties agree that this Agreement is made in and will be performed in Los Angeles County, South Central Judicial District.

12.5 Assignment

Except as may be provided for in Article 10 (City's Right to Perform Service), Company shall not assign its rights, nor delegate, subcontract or otherwise transfer its obligations under this Agreement (collectively referred to as an "assignment") to any other Person without the prior written consent of City. Any such assignment made without the consent of City shall be void and the attempted assignment shall constitute a material breach of this Agreement.

For purposes of this section the term "assignment" shall be given the broadest possible interpretation, and shall include, but not be limited to (i) a sale, exchange or other transfer of

substantially all of Company's assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange or other transfer of outstanding common stock of Company to a third party provided such sale, exchange or transfer may result in a change of control of Company; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which results in a change of ownership or control of Company; (iv) any assignment by operation of law, including those resulting from mergers or acquisitions by or of Company of any of its Affiliates, insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Company's property, or transfer occurring in the event of a probate proceeding; and (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of ownership, or change of control of Company.

Company acknowledges that this Agreement involves rendering a vital service to City's residents and businesses, and that City has selected Company to perform the services specified herein based on (1) Company's experience, skill and reputation for conducting its Solid Waste and Recyclable Materials Handling Services in a safe, effective and responsible fashion, at all times in keeping with applicable Environmental Laws, regulations and best Solid Waste and Recyclable Materials management practices, and (2) Company's financial resources to maintain the required equipment and to support its indemnity obligations to City under this Agreement. City has relied on each of these factors, among others, in choosing Company to perform the services to be rendered by Company under this Agreement.

If Company requests City's consideration of and consent to an assignment, City may deny or approve such request in its sole and absolute discretion. Any request for an assignment shall be made in a manner to be prescribed by the City Manager, and no request by Company for consent to an assignment need be considered by City unless and until Company has met (or with respect to matters that would only occur upon completion of the assignment if approved, made reasonable assurances that it will meet) the following requirements:

- a) Company shall undertake to pay City its reasonable expenses for attorney's fees and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment. An advance payment of fifty thousand dollars (\$50,000) towards expenses shall be paid to City prior to City consideration of any assignment request and Company shall be responsible to pay all costs incurred by City in considering a request for assignment, including those in excess of this deposit amount, regardless of whether City consents to the assignment.
- b) Company shall pay the City a transfer fee equal to one percent (1%) of the Gross Receipts it, or its assignee, will receive during the remaining Term, as estimated by City.
- c) Company shall furnish City with audited financial statements for the proposed assignee's operations for the immediately preceding three (3) operating years.

- d) A proforma financial statement (income statement and balance sheet) for the proposed assignee with the projected results of operations assuming that the assignment is completed. Such proforma financial statement shall reflect any debt to be incurred by the assignee as part of the acquisition of Company's operations.
- e) Company shall furnish City with satisfactory proof: (i) that the proposed assignee has at least ten (10) years of Solid Waste and Recyclable Materials management experience on a scale equal to or exceeding the scale of operations conducted by Company under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not suffered any significant citations or other censure from any federal, state or local agency having jurisdiction over its Solid Waste and Recyclable Materials management operations due to any significant failure to comply with state, federal or local Environmental Laws and that the assignee has provided City with a complete list of any such citations and censures; (iii) that the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (iv) that the proposed assignee conducts its Solid Waste and Recyclable Materials Handling Services in accordance with sound Solid Waste and Recyclable Materials management practices in full compliance with all federal, state and local laws regulating the Collection and Disposal of Solid Waste and Recyclable Materials including Hazardous Substances and Hazardous Waste; and, (v) of any other information required by City to ensure the proposed assignee can fulfill the terms of this Agreement in a timely, safe and effective manner.

Under no circumstances shall City be obliged to consider any proposed assignment by City if Company is in default at any time during the period of consideration. Should City consent to any assignment request, such assignment shall not take effect until all conditions relating to City's approval have been met. In the event of any permitted assignment, the assignee shall fully assume all the liabilities of the Company.

12.6 Contracting or Subcontracting

Company shall not engage any contractors or subcontractors for Collection, transfer, processing, Recycling or Disposal of Solid Waste or Recyclable Materials without the prior consent of City.

12.7 Binding on Assigns

The provisions of this Agreement shall inure to the benefit to and be binding on the permitted assigns (if any) of the Parties.

12.8 Cooperation in Preparation for Termination or Expiration of Contract

Prior to, and at, the end of the Term or in the event this Agreement is terminated for cause prior to the end of the Term, Company shall cooperate fully with City and any subsequent Solid Waste enterprise it designates to assure a smooth transition of Solid Waste and Recyclable Materials Handling Services. Company's cooperation shall include, but not be limited to, providing route lists, Billing information and other operating records needed to service all Premises covered by this Agreement. The failure to cooperate with City following termination shall be conclusively

presumed to be grounds for specific performance of this covenant and/or other equitable relief necessary to enforce this covenant.

Company shall provide a new service provider with all keys, security codes and remote controls used to access garages and Bin enclosures. Company shall be responsible for coordinating transfer immediately after Company's final pickups, so as not to disrupt service. Company shall provide City with detailed route sheets containing service names and addresses, Billing names and addresses, monthly rate and service levels (number and size of Containers and pickup days) at least 90 days prior to the transition date, and provide an updated list two weeks before the transition and a final list of changes the day before the transition. Company shall provide means of access to the new service provider at least one full Business Day prior to the first day of Collection by another party, and always within sufficient time so as not to impede in any way the new service provider from easily servicing all Containers.

12.9 Parties in Interest

Nothing in this Agreement, whether express or implied, is intended to confer any rights on any Persons other than the Parties to it and their representatives, successors and permitted assigns.

12.10 Waiver

The waiver by either party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision. The subsequent acceptance by either Party of any moneys which become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by the other Party of any provision of this Agreement.

12.11 Company's Investigation

Company has made an independent investigation (satisfactory to Company) of the conditions and circumstances surrounding this Agreement and the work to be performed by it.

12.12 Notice

All notices, demands, requests, proposals, approvals, consents and other communications which this Agreement requires, authorizes or contemplates shall be in writing and shall either be personally delivered to a representative of the Parties at the address below or be deposited in the United States mail, first class postage prepaid, addressed as follows:

If to City:

City Manager
City of Compton
205 S. Willowbrook Avenue
Compton, CA 90220

If to Company:

Mel Howard
President & Chief Executive Officer
Pacific Coast Waste & Recycling, LLC
1105 S. Alameda Avenue
Compton, CA 90220

The address to which communications may be delivered may be changed from time to time by a written notice given in accordance with this section.

Notice shall be deemed given on the day it is personally delivered or, if mailed, three days from the date it is deposited in the mail.

12.13 City Free to Negotiate with Third Parties

City may investigate all options for the Collection, transporting, Recycling, processing and Disposal of Solid Waste and Recyclable Materials for periods during which this Agreement has expired or been terminated. Without limiting the generality of the foregoing, City may solicit proposals from Company and from third parties for the provision of Solid Waste and Recyclable Materials Handling Services which are the subject of this Agreement, including without limitation Collection services, Disposal services, Recycling services, Green Waste services and processing, and any combination thereof, and may negotiate and execute agreements for such services which will take effect upon the expiration or earlier termination of this Agreement pursuant to Section 11.1 or otherwise.

12.14 Privacy

Company shall strictly observe and protect the rights of privacy of Customers. Information identifying individual Customers or the composition or contents of a Customer's waste stream shall not be revealed to any Person, governmental unit, private agency, or company, unless upon the authority of a court of law, by statute, or upon valid authorization of the Customer. This provision shall not be construed to preclude Company from preparing, participating in, or assisting in the preparation of waste characterization studies or waste stream analyses which may be required by the Act. This provision shall not apply to reports or records provided to City pursuant to this Agreement.

12.15 Public Records; Exempt Information

Company is obligated to permit City inspection of its records which are applicable to this Agreement on demand and to provide copies to City where requested. All documents that are provided to the City will be subject to disclosure if requested by a member of the public pursuant to the Public Records Act (Government Code Section 6250 et seq.). There are a very limited number of narrow exemptions to this disclosure requirement. If Company believes the copies it provides to City are exempt from disclosure under the Public Records Act, Company must mark the portions considered as such and state the specific provisions of the Public Records Act that provides the exemption as well as the factual basis for claiming the exemption. City, if it concurs with Company's conclusion, will endeavor to maintain the confidentiality of documents so

marked but will not guarantee to do so. If the City chooses to withhold records from disclosure at the Company's request, and an action is brought against the City to force disclosure, the Company shall pay all attorney fees and litigation costs associated with defending that action, including without limitation, the City's and the prevailing plaintiff's attorney fees and litigation costs.

**ARTICLE 13:
MISCELLANEOUS PROVISIONS**

13.1 Entire Agreement

This Agreement contains the entire integrated agreement and understanding concerning the subject matter herein and supersedes and replaces any prior negotiations, promises, proposals, and agreements between the Parties, whether written or oral. The Parties acknowledge this document has been executed with the consent and upon the advice of counsel. Each of the Parties acknowledges that no Party or agent or attorney of any other party has made any promise, representation, or warranty, express or implied, not contained in this Agreement, to induce the other Party to execute this instrument.

13.2 Section Headings

The article headings and section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

13.3 References to Laws and Other Agreements

All references in this Agreement to laws shall be understood to include such laws as they may be subsequently amended or recodified, unless otherwise specifically provided.

13.4 Interpretation

This Agreement, including the Exhibits attached hereto, shall be interpreted and construed reasonably and neither for nor against either Party, regardless of the degree to which either Party participated in its drafting.

Where used in this Agreement, "shall" is mandatory and "may" is permissive.

13.5 Agreement

This Agreement may not be modified or amended in any respect except by a writing signed by the Parties.

13.6 Severability

If any non-material provision of this Agreement is for any reason deemed to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement which shall be enforced as if such invalid or unenforceable provision had not been contained herein.

13.7 Exhibits

Each of Exhibits identified as Exhibit "1" through "6" is attached hereto and incorporated herein and made a part hereof by this reference.

13.8 Attorneys' Fees

If either Party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to recover its reasonable attorney's fees and costs. Attorneys' fees shall include attorney's fees on any appeal, and in addition a Party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

#6.

IN WITNESS WHEREOF, City and Company have executed this Agreement as of the day and year first above written.

("City")

CITY OF COMPTON,

("Company")

PACIFIC COAST WASTE &
RECYCLING, LLC

By: _____
City Manager

By: _____
NAME

TITLE

By: _____
NAME

TITLE

APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk

EXHIBIT 1
ANNUAL DEBT SERVICE PAYMENT

<u>Year</u>	<u>Principal Payment</u>
2012	\$ 85,000
2013	\$ 90,000
2014	\$ 95,000
2015	\$100,000
2016	\$105,000
2017	\$110,000
2018	\$115,000
2019	\$120,000
2020	\$125,000

EXHIBIT 2
CITY OWNED VEHICLES AND BINS

CITY OWNED VEHICLES

TRUCK #	<u>TRUCK TYPE</u>	VIN #	PLATE	<u>PURCHASE PRICE</u>
#70 01 VOLVO WXR	Residential Sideloader	4V2EC6HE11N308005	1072243	\$37,000
#71 01 VOLVO WXR	Residential Sideloader	4V2EC6HE31N308006	1072244	\$37,000
#72 00 VOLVO WXR	Residential Sideloader	4V2EC2HE2YN254698	1064441	\$37,000
#73 01 VOLVO WXR	Residential Sideloader	4V2EC6HE51N308007	1064444	\$37,000
#74 01 VOLVO WXR	Residential Sideloader	4V2EC6HEX1N308004	1072241	\$37,000
#75 01 VOLVO WXR	Residential Sideloader	4V2EC6HE71N308008	1064442	\$37,000
#76 01 VOLVO WXR	Residential Sideloader	4V2EC6HE81N308003	1072242	\$37,000
#77 01 VOLVO WXR	Residential Sideloader	4V2EC6HE71N310969	1085765	\$37,000
#78 97 VOLVO WXR	Residential Sideloader	4V5ECFPE0VR717857	1094914	\$28,000
#79 97 VOLVO WXR	Residential Sideloader	4V5ECFPE4VR717862	1094915	\$28,000
#80 99 VOLVO WXR	Commercial Frontloader	4VMDCMHE4XN775144	1064443	\$28,000
#81 99 VOLVO WXR	Commercial Frontloader	4VMDCMHE5XN781325	1064440	\$28,000
#82 99VOLVO WXR	Commercial Frontloader	4VMDCMHE0XN775139	1085766	\$28,000
#83 99 VOLVO WXR	Commercial Frontloader	4VMDCMHE7XN781326	1085767	\$28,000
#84 99 VOLVO WXR	Rolloff	4VMDCMHE8XN781089	1072277	\$25,000
#85 99 VOLVO WXR	Rolloff	4VMDCMHE5XN792311	1072283	\$25,000
#88 99 VOLVO WXR	Rolloff	4VMDCMHE7XN792312	1072276	\$25,000
#63 00 GMC 6500	Lift Gate	1GDJ6H1C3YJ526974	1085928	\$7,000
#67 00 GMC 3500	Mechanic service vehicle	1GBCG34R6YF464570	1086026	\$7,000
#S1 01 S 10	Chevy S-10	1GCCS145418155933	1086102	\$1,000
#S2 01 S 10	Chevy S-10	1GCCS14551K131465	1086028	\$1,000
#S3 01 S 10	Chevy S-10	1GCCS14581K131959	1086027	\$1,000

CITY OWNED BINS

<u>CONTAINER SIZE</u>	<u>QUANTITY</u>	<u>PURCHASE PRICE/EACH</u>	<u>TOTAL</u>
<u>6 cubic yard</u>	<u>169</u>	<u>\$135.00</u>	<u>\$22,815.00</u>
<u>4 cubic yard</u>	<u>197</u>	<u>\$115.00</u>	<u>\$22,655.00</u>
<u>3 cubic yard</u>	<u>898</u>	<u>\$95.00</u>	<u>\$85,310.00</u>
<u>2 cubic yard</u>	<u>426</u>	<u>\$75.00</u>	<u>\$31,950.00</u>
		<u>Total</u>	<u>\$162,730.00</u>

**EXHIBIT 3
INITIAL MAXIMUM RATES***

NEW WASTE RATES EFFECTIVE JULY 1, 2012

RESIDENTIAL CHARGES		
101	Temporary Party Rental	\$21.77
102	Temp 4 Yard bin	\$150.81
103	Temporary Roll-Off	\$523.00
104	Lowboy	\$523.00
105		
106		
107		
108		
109		
110		
111		
112		
113		
114		
115	Greenwaste 20 yard mini - 3 ton limit	\$217.60
116	Greenwaste 40 yard mini - 6 ton limit	\$377.18
117	Additional 64 Gal. Recycling	\$7.24
118	Additional 64 Gal. Greenwaste	\$8.72
119	Additional 95 Gal. Trash	\$14.50
120	Go Back Fee	\$8.72
121	Extra Pick Up	\$10.87
122	4 YD Temp Extra Pick Up	\$46.41

2 CUBIC YARD - RESIDENTIAL		
207	2 cyd. 1 X per week - without wheels	\$109.14
208	2 cyd. 1 X per week - with wheels	\$123.20
209	2 cyd. 2 X per week - without wheels	\$166.39
210	2 cyd. 2 X per week - with wheels	\$180.43
211	2 cyd. 3 X per week - without wheels	\$210.52
212	2 cyd. 3 X per week - with wheels	\$224.56
213	2 cyd. 4 X per week - without wheels	\$265.10
214	2 cyd. 4 X per week - with wheels	\$279.12
215	2 cyd. 5 X per week - without wheels	\$306.70
216	2 cyd. 5 X per week - with wheels	\$320.73
217	2 cyd. 6 X per week - without wheels	\$363.89
218	2 cyd. 6 X per week - with wheels	\$377.64

3 CUBIC YARD - RESIDENTIAL		
219	3 cyd. 1 X per week - without wheels	\$135.16
220	3 cyd. 1 X per week - with wheels	\$149.17

221	3 cyd. 2 X per week - without wheels	\$202.76
222	3 cyd. 2 X per week - with wheels	\$216.79
223	3 cyd. 3 X per week - without wheels	\$265.13
224	3 cyd. 3 X per week - with wheels	\$279.16
225	3 cyd. 4 X per week - without wheels	\$322.29
226	3 cyd. 4 X per week - with wheels	\$336.33
227	3 cyd. 5 X per week - without wheels	\$374.26
228	3 cyd. 5 X per week - with wheels	\$388.30
229	3 cyd. 6 X per week - without wheels	\$439.25
230	3 cyd. 6 X per week - with wheels	\$453.29

4 CUBIC YARD - RESIDENTIAL		
231	4 cyd. 1 X per week - without wheels	\$166.33
232	4 cyd. 1 X per week - with wheels	\$184.74
233	4 cyd. 2 X per week - without wheels	\$239.13
234	4 cyd. 2 X per week - with wheels	\$257.55
235	4 cyd. 3 X per week - without wheels	\$314.50
236	4 cyd. 3 X per week - with wheels	\$332.92
237	4 cyd. 4 X per week - without wheels	\$376.91
238	4 cyd. 4 X per week - with wheels	\$395.33
239	4 cyd. 5 X per week - without wheels	\$439.25
240	4 cyd. 5 X per week - with wheels	\$457.67
241	4 cyd. 6 X per week - without wheels	\$517.23
242	4 cyd. 6 X per week - with wheels	\$535.66

10 Residential Rate \$19.33

5 CUBIC YARD - RESIDENTIAL		
243	5 cyd. 1 X per week - without wheels	\$194.98
244	5 cyd. 1 X per week - with wheels	\$213.37
245	5 cyd. 2 X per week - without wheels	\$280.70
246	5 cyd. 2 X per week - with wheels	\$299.12
247	5 cyd. 3 X per week - without wheels	\$358.70
248	5 cyd. 3 X per week - with wheels	\$377.10
249	5 cyd. 4 X per week - without wheels	\$436.66
250	5 cyd. 4 X per week - with wheels	\$456.09
251	5 cyd. 5 X per week - without wheels	\$509.46
252	5 cyd. 5 X per week - with wheels	\$527.89
253	5 cyd. 6 X per week - without wheels	\$595.19
254	5 cyd. 6 X per week - with wheels	\$613.63

6 CUBIC YARD - RESIDENTIAL		
255	6 cyd. 1 X per week - without wheels	\$226.13
256	6 cyd. 1 X per week - with wheels	\$244.55
257	6 cyd. 2 X per week - without wheels	\$319.71
258	6 cyd. 2 X per week - with wheels	\$341.58
259	6 cyd. 3 X per week - without wheels	\$408.06

#6.

260	6 cyd. 3 X per week - with wheels	\$426.47
261	6 cyd. 4 X per week - without wheels	\$491.25
262	6 cyd. 4 X per week - with wheels	\$509.67
263	6 cyd. 5 X per week - without wheels	\$571.83
264	6 cyd. 5 X per week - with wheels	\$590.25
265	6 cyd. 6 X per week - without wheels	\$675.83
266	6 cyd. 6 X per week - with wheels	\$694.24

EXHIBIT 4
COMPANY'S FAITHFUL PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

That _____, a California _____, as PRINCIPAL, and _____, a Corporation organized and doing business by virtue of the laws of the State of California, and duly licensed for the purpose of making, guaranteeing, or becoming sole surety upon bonds or undertakings required or authorized by the laws of the State of California, as SURETY, are held and firmly bound to City, hereinafter called OBLIGEE, in the penal sum of two hundred fifty thousand dollars (\$250,000) lawful money of the United States, for the payment of which, well and truly to be made, we and each of us hereby bind ourselves, and our and each of our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the above bounden PRINCIPAL has entered into a contract, entitled "AGREEMENT FOR INTEGRATED SOLID WASTE MANAGEMENT SERVICES" with City, to do and perform the following work, to wit: Collect, Process and dispose of Solid Waste and Recyclable Materials generated within the Service Area of the City of Compton, in accordance with the contract.

NOW, THEREFORE, if the above bounden PRINCIPAL shall well and truly perform, or cause to be performed each and all of the requirements and obligations of the AGREEMENT FOR INTEGRATED SOLID WASTE MANAGEMENT SERVICES contract to be performed by said PRINCIPAL, as in the contract set forth, then this BOND shall be null and void; otherwise it will remain in full force and effect.

And the SURETY, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any wise affect its obligations on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the work or to the specifications.

In the event suit is brought by OBLIGEE to enforce the provisions of this bond, the SURETY will pay to OBLIGEE a reasonable attorney's fee, plus costs of suit, in an amount to be fixed by the court.

~~EXHIBIT 5~~

~~STREET MAINTENANCE RATE SCHEDULE~~

<u>Service</u>	<u>Rate</u>
Rolloff Box	\$168.00 per load + disposal charge
Street Sweeping	\$ 225.00 per load + disposal charge
Compactor	\$ 209.00 per load + disposal charge

IN WITNESS WHEREOF, PRINCIPAL and SURETY have caused these presents to be duly signed and sealed this _____DAY OF _____, 200_.

a California Corporation

SURETY

By:_____

By:_____

Title: _____

Title: _____

By:_____

Title: _____

(PRINCIPAL)

(ATTORNEY IN FACT)

(SEAL)

(SEAL)

#6.

EXHIBIT 5
STREET MAINTENANCE RATE SCHEDULE

<u>Service</u>	<u>Rate</u>
<u>Rolloff Box</u>	<u>\$168.00 per load + disposal charge</u>
<u>Street Sweeping</u>	<u>\$ 225.00 per load + disposal charge</u>
<u>Compactor</u>	<u>\$ 209.00 per load + disposal charge</u>

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