NOTICE

SPECIAL
COMPTON CITY COUNCIL
AGENDA
Tuesday, July 30, 2013
5:00 PM

HEARING(S)

5:15P.M. - PUBLIC HEARING TO CONSIDER A SUBSTANTIAL AMENDMENT TO CITY OF COMPTON'S HUD MANDATED ANNUAL ACTION PLAN FOR FISCAL YEAR 2012-2013 (Item #4)

OPENING

ROLL CALL

INTRODUCTION OF SPECIAL GUESTS

PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS

CONSENT AGENDA

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

APPROVAL OF MINUTES

REPORTS OF OFFICERS AND COMMISSIONS

END CONSENT AGENDA

REGULAR AGENDA

REPORTS OF OFFICERS, BOARDS, COMMISSIONS AND COMMITTEES

CITY MANAGER'S REPORT

1. ESTABLISHMENT OF THE CITY OF COMPTON SPONSORED BLUE LINE FARMERS MARKET

   ACTION: CITY COUNCIL AUTHORIZES CITY MANAGER TO NEGOTIATE AND EXECUTE AGREEMENTS, UPON THE ADVICE OF THE CITY ATTORNEY, RELATED TO THE ESTABLISHMENT OF THE CITY OF COMPTON SPONSORED BLUE LINE FARMERS MARKET AND TO RETURN TO CITY COUNCIL ON SEPTEMBER 3, 2013 FOR RATIFICATION

2. ORAL REPORT - Anita Estell of Polsinelli Shugart, Federal Legislative Update

CITY ATTORNEY'S REPORTS

CLOSED SESSION

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

UNFINISHED BUSINESS

NEW BUSINESS

4. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING A SUBSTANTIAL AMENDMENT TO THE CITY OF COMPTON'S HUD MANDATED ANNUAL ACTION PLANS FOR FISCAL YEAR'S 2011-2012, 2012-2013 and 2013-2014

5. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON REQUESTING THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) TO NOT REDUCE THE CITY OF COMPTON SPHERE OF INFLUENCE AND DIRECTING STAFF TO PREPARE AN ANNEXATION PLAN FOR THE FISCALLY RESPONSIBLE ANNEXATION OF THE UNINCORPORATED TERRITORIES KNOWN AS “COUNTY ISLANDS” WITHIN THE CITY OF COMPTON AND THE OUTLYING UNINCORPORATED TERRITORIES

6. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ADMINISTER A SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAM (SYETP) FOR FISCAL YEAR 2013

7. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON DECLARING A REVENUE SHORTFALL AND WORKFORCE REDUCTION FOR FISCAL YEAR 2013-2014

8. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING THE EMPLOYMENT AGREEMENT OF GLENN HAROLD DUFFEY, CITY MANAGER

9. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON CONSENTING TO THE ASSIGNMENT OF THE AMENDED AND RESTATED AGREEMENT FOR INTEGRATED SOLID WASTE MANAGEMENT SERVICES FROM PACIFIC COAST WASTE AND RECYCLING, LLC TO CONSOLIDATED DISPOSAL SERVICE, LLC

APPROVAL OF WARRANTS

COUNCIL COMMENTS

ADJOURNMENT

NEXT REGULAR MEETING: Tuesday, September 03, 2013 @ 6:00 PM.

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

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

#1.

July 30, 2013

TO: **HONORABLE MAYOR AND COUNCIL MEMBERS**

FROM: **CITY MANAGER**

SUBJECT: **ESTABLISHMENT OF THE CITY OF COMPTON SPONSORED BLUE LINE FARMER'S MARKET**

SUMMARY

The City Council will receive an update on the details of the establishment of a City of Compton sponsored 'Blue Line Farmer's Market'.

BACKGROUND

The 'Blue Line Market Farmers' Market' will be a weekly certified farmer's market sponsored by the City of Compton. The market will be managed by the City with administrative support from the non-profit organization Green Hope USA, a component of MI Hope Inc., a non-profit charity. The proposed market schedule is every Wednesday from 3pm-7pm beginning September 4, 2013 in front of the MLK Transit Center.

The City previously sponsored a Farmer's Market on Alameda Street during the late 1990's. Unfortunately the market was dissolved due to management issues and inconsistent patron attendance. However, in recent years community interest has blossomed and demonstrated demand for expanded access to healthy food options, local business connectivity and entertainment for visitors and residents of the City of Compton.

STATEMENT OF THE ISSUE

As a part of the 2013/14 budget development process, the City Council identified access to healthy foods as one its key priorities. Given this, staff has been in collaboration with Los Angeles County, MTA and other community agencies to develop a weekly farmer's market located at the Martin Luther King Transit Center. The MTA Blue Line train has an average daily ridership of over 85,000 boarding per day, which would make the Blue Line Farmer's Market a regional draw and point of interest.

The implementation strategy for the Market is broken into two phases to maximize the potential growth of the vendors interested in staying connected with the Blue Line Market on an annual basis. Phase 1 of the Blue Line Market will consist of up to 25 vendors, including food trucks. These vendors will include Certified Products (i.e. fresh fruits, nuts, vegetables, shell eggs, honey, flower, fungus, etc), Non-Certified Products (processed products such as juices, jams and jellies, oils, etc), and Artesian Products

#1.

(i.e. crafts, paintings, soaps, etc). Phase 2 will include additional 15 vendors of the same, while Phase 3 will include the final 15 vendors totaling 55 available spaces.

RECOMMENDATION

Direct the City Manager to continue to move forward with the implementation of the Blue Line Farmer's Market by negotiating agreements with various vendors and return to the Council on September 3, 2013 for Council ratification.

ALTERNATIVE

No alternative is being recommended at this time.

FISCAL IMPACT

The Blue Line Farmer's Market will be self sustaining and administered to ensure full cost recovery. All expenditures associated with the operation and management of the Market will be offset with Market revenues. Staff projects approximately $25,000 to $40,000 in Market revenue for the Fiscal Year 2013-2014 (assuming a 65-75% vendor occupancy rate).

G. HAROLD DUFFEY
CITY MANAGER

#4.

July 30, 2013

TO: **HONORABLE MAYOR AND COUNCILMEMBERS**

FROM: **G. HAROLD DUFFEY, CITY MANAGER**

SUBJECT: **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING A SUBSTANTIAL AMENDMENT TO THE CITY OF COMPTON'S HUD MANDATED ANNUAL ACTION PLANS FOR FISCAL YEAR'S 2011-2012, 2012-2013 and 2013-2014**

BACKGROUND

The purpose of the proposed substantial amendment to the HUD-Mandated Annual Action Plans for FY 2011-2012, FY 2012-2013, and FY 2013-2014 is to allocate funds from prior fiscal years into this fiscal year and authorize the expenditure of those funds for specific eligible programs and projects under the HOME program.

The proposed amendment will allocate prior year HOME funds to the following City programs:

A.) Deferred Equity Loan and Fix-It Grant programs
B.) Community Housing Development Organization (CHDO) program

STATEMENT OF THE ISSUE

In compliance with the City's approved Citizen Participation Plan, the Consolidated Plan implementing regulation 24 CFR 91.105, and the amended review period as per the HOME Investment Partnership (HOME) regulations, a public hearing is necessary to solicit comments from the public on the manner in which the City proposes to utilize the HOME funds.

In accordance with the Code of Federal Regulations (CFR Section 570.441) and the City of Compton Five-Year Consolidated Plan, the City must give citizens timely notice of local meetings and reasonable and timely access to local meetings, information, and records relating to the City's proposed and actual use of HOME funds.

As such, staff has initiated a thirty (30) day public review and comment period and has noticed the public hearing for the proposed substantial amendment of the FY 2011-2012, FY 2012-2013, and FY 2013-2014 Annual Action Plans in a local newspaper of circulation. All comments received at the public hearing and through the duration of the comment period will be incorporated into the substantial amendment prior to final submission to HUD.

ANALYSIS

The purpose of the proposed substantial amendment to the HUD-Mandated FY 2011-2012, FY 2012-2013, and FY 2013-2014 Annual Action Plans is to amend the budget for the Deferred Equity Loan

#4.

Program (D.E.L.); Fix-It Grant program, and Community Housing Development Organization (CHDO) program to include unallocated program income and funds from prior years.

The purpose of the public hearing is to allow citizens an opportunity to comment on the proposed amendments to the City of Compton's Annual Action Plans. The Action Plans outline the City of Compton's planned uses of its HOME Investment Partnership (HOME) program funds.

The City proposes to allocate HOME program income funds received from loan payoffs and unallocated funds FY 2009 through FY 2012 to the FY 2013-2014 Deferred Equity Loan, Fix-It Grant and CHDO Programs. In addition, the City is making a technical amendment to the FY 2011-12 and FY 2012-13 Annual Action Plans to specify which Community Housing Development Organizations (CHDO's) will receive funding allocations as prior year Action Plans did not name the specific organizations receiving funds as now required under the new HUD guidelines.

These proposed Housing Activities/Projects are considered as High Priority Needs in Compton, and are consistent with the priorities identified in the City of Compton's FY 2010-15 Consolidated Plan. Listed below are the proposed actions:

HOME Funds Proposed Amendments

The City proposes to allocate $1,215,784 (rounded) of HOME program income funds received from loan payoffs in FY 2011-12 and FY 2012-13 to the FY 2013-2014 Community Housing and Development Organization (CHDO) Program and Deferred Equity Loan/Fix-It Grant Programs as follows:

a. Allocation of HOME Program Income Funds from FY 2012-2013 for the Community Housing and Development Organization (CHDO) Program

The City proposes to allocate HOME program income funds in the amount of $342,000 received from a prior fiscal year (2008) voided check receipted in FY 2012-13 to the City's approved and certified CHDO The WIN Project to implement an acquisition, rehabilitation, resale or rental of single family or multi-family unit building in the City.

b. Allocation of HOME Program Income and Unallocated Funds from FY 2011-2012 to the Fix-It Grant Program and Deferred Equity Loan Program

The City proposes to allocate HOME program income funds in the amount of $365,984.22 received from loan payoffs in FY 2011-12 to the Deferred Equity Loan Program. Approximately 15 owner-occupied housing units will be rehabilitated with this funding.

The City proposed to allocate HOME program income funds in the amount of $120,596.38 from CHDO proceeds and loan payoffs in FY 2012-13 to the Fix-It Grant program. Approximately 12 owner-occupied housing units will be rehabilitated with this funding.

The City proposes to identify specific Community Housing Development Organization (CHDO) Programs from the City's FY 2011-12 and FY 2012-2013 Annual Action Plans that are to receive funding. These funds were identified in the Action Plan; however staff has now identified the two organizations as identified below under sections "c" and "d":

c. Allocation of HOME CHDO Reserve Funds from FY 2011-12 and FY 2012-13 to Cross Roads Housing

The City proposes to stipulate an allocation of HOME CHDO Reserve Funds from FY 2011-12 in the amount of $114,943.95; HOME CHDO Reserve Funds from FY 2012-13 in the amount of $71,738.10; and $182,606.17 of Program Income received from the HOME CHDO program during FY 2012-2013 for the implementation of Acquisition/Rehabilitation/Resale program in the City's Annual Action Plan for FY 2013-2014. The total amount of funds allocated to Crossroads Housing is therefore $369,288.22 and the intended outcome will be the acquisition and development of two (2) affordable (homeownership) housing units. Crossroads to Housing was designated a CDHO in May 2011 per Resolution 1,856.

d. Allocation and commitment of HOME CHDO Reserve Funds to the WIN Project

The City proposes to stipulate that the FY 2011-2012 Annual Action Plan to incorporate and specify The WIN Project as the designated CHDO project for that fiscal year and confirm the allocation/commitment of CHDO Reserve Funds from prior years to the WIN Project in the amount of $331,127.06 to implement an acquisition/rehabilitation/resale program in FY 2011-2012. The intended outcome will be the creation of two (2) affordable (homeownership) housing units. The WIN Project was designated a CDHO in May 2011 and allocated the above referenced funds per Resolution 1,859.

e. Allocation and commitment of unexpended Prior Year HOME CHDO Reserve Funds

The City proposes to stipulate an allocation of unexpended prior year HOME CHDO Reserve Funds in the amount of $25,313.00 and $3,445.00 from open home activities 46 and 48 respectively to the Crossroads to Housing CHDO should it be determined that these funds were not in fact already expended during staff review of the close out of these activities.

RECOMMENDATION

Staff respectfully recommends that the Council conduct the public hearing and approve the proposed Substantial Amendment to the City of Compton's FY 2011-12, 2012-13 and 2013-2014 Annual Action Plans for the HOME Program.

The 30-day public review and comment period on this Substantial Amendment will began on Wednesday, July 25, 2013 and end Monday, August 26, 2013, with public hearing to be held on Tuesday, July 30, 2013.

DR. KOFI SEFA-BOAKYE
DIRECTOR

APPROVED FOR FORWARDING:

G. HAROLD DUFFEY
CITY MANAGER

#4.

RESOLUTION NO. _________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING A SUBSTANTIAL AMENDMENT TO THE CITY OF COMPTON'S HUD MANDATED ANNUAL ACTION PLANS FOR FISCAL YEAR'S 2011-2012, 2012-2013AND 2013-2014

WHEREAS, the City of Compton is proposing a substantial amendment to the HUD-Mandated FY 2011-2014 Annual Action Plans to allocate funds to the Deferred Equity Loan Program (D.E.L.), Fix-It Grant program and Community Housing Development Organizations (CHDO) Program in the amount of $1,215,754 (rounded) HOME program income and unallocated funds received in Fiscal Years 2009-2012; and

WHEREAS, in compliance with the City's approved Citizen Participation Plan and the Consolidated Plan implementing regulation 24 CFR 91.105, and the Substantial Amendment review period as per the HOME Investment Partnership (HOME) regulations, a public hearing is necessary to solicit comment from the public on the manner in which the City proposes to utilize the HOME funds; and

WHEREAS, the City proposes to allocate HOME program income funds received from loan payoffs and unallocated funds FY 2009 through FY 2012 to the FY 2013-2014 Deferred Equity Loan, Fix-It Grant and CHDO Programs. In addition, the City is making a technical amendment to the FY 2011-12 and FY 2012-13 Annual Action Plans to specify which Community Housing Development Organizations (CHDO's) will receive funding allocations as prior year Action Plans did not name the specific organizations receiving funds as now required under the new HUD guidelines; and

WHEREAS, staff has initiated a thirty (30) day public review and comment period and has noticed the public hearing for the proposed substantial amendment of the FY 2011-2012, FY 2012-2013, and FY 2013-2014 Annual Action Plans in a local newspaper of circulation. All comments received at the public hearing and through the duration of the comment period will be incorporated into the substantial amendment prior to final submission to HUD; and

WHEREAS, the proposed Substantial amendment will address certain Housing Activities/Projects are considered as High Priority Needs in Compton, and are consistent with the priorities identified in the City of Compton's FY 2010-15 Consolidated Plan. Listed below are the proposed actions:

HOME Funds Proposed Amendments

The City proposes to allocate $1,215,754 (rounded) of HOME program income funds received from loan payoffs in FY 2011-12 and FY 2012-13 to the FY 2013-2014 Community Housing and Development Organization (CHDO) Program and Deferred Equity Loan/Fix-It Grant Programs as follows:

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#4.

were identified in the Action Plan; however staff has now identified the two organizations as identified below under sections "c" and "d":

c. Allocation of HOME CHDO Reserve Funds from FY 2011-12 and FY 2012-13 to Cross Roads Housing

The City proposes to stipulate an allocation of HOME CHDO Reserve Funds from FY 2011-12 in the amount of $114,943.95; HOME CHDO Reserve Funds from FY 2012-13 in the amount of $71,738.10; and $182,606.17 of Program Income received from the HOME CHDO program during FY 2012-2013 for the implementation of Acquisition/Rehabilitation/Resale program in the City's Annual Action Plan for FY 2013-2014. The total amount of funds allocated to Crossroads Housing is therefore $369,288.22 and the intended outcome will be the acquisition and development of two (2) affordable (homeownership) housing units. Crossroads to Housing was designated a CDHO in May 2011 per Resolution 1,856.

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WHEREAS, the proposed substantial amendment will allocate HOME funds within the following accounts:

2805-91-0000-4289 = $729,173
2805-91-0000-4291 = $486,581

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

Section 1. That the above Recitals ("Whereas") are incorporated as though fully set forth herein.

Section 2. That the City Council approves the proposed Substantial Amendment to the HUD-Mandated FY 2011-2014 Annual Action Plans by adopting this Resolution.

Section 3. That a certified copy of this Resolution be filed in the offices of the City Manager, City Attorney, City Controller, Successor Agency, and City Clerk.

Section 4. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

ADOPTED this ____ day of ______________, 2013.

____
MAYOR OF THE CITY OF COMPTON

ATTEST:

____
CITY CLERK OF THE CITY OF COMPTON

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

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor, and attested by the City Clerk at the regular meeting thereof held on the _____ day of __________, 2013.

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

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

____
CITY CLERK OF THE CITY OF COMPTON

#4.

RESOLUTION SIGN-OFF FORM

DEPARTMENT:	**Community Redevelopement**
RESOLUTION TITLE:	**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING A SUBSTANTIAL AMENDMENT TO THE CITY OF COMPTON'S HUD MANDATED ANNUAL ACTION PLANS FOR FISCAL YEAR'S 2011-2012, 2012-2013 and 2013-2014**

Kofi Sefa-Boakye	**7/25/2013 3:24:38 PM**
DEPARTMENT MANAGER'S SIGNATURE	DATE

REVIEW / APPROVAL

Ruth Rugley	**7/25/2013 7:19:18 PM**
CITY ATTORNEY	DATE
Stephen Ajobiewe	**7/25/2013 5:38:15 PM**
CITY CONTROLLER	DATE
G. Harold Duffey	**7/25/2013 4:43:55 PM**
CITY MANAGER	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.

#5.

July 30, 2013

TO: **MAYOR AND COUNCIL MEMBERS**

FROM: **ROBERT DELGADILLO, INTERIM DIRECTOR**
PLANNING AND ECONOMIC DEVELOMENT DEPARTMENT

SUBJECT: **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON REQUESTING THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) TO NOT REDUCE THE CITY OF COMPTON SPHERE OF INFLUENCE AND DIRECTING STAFF TO PREPARE AN ANNEXATION PLAN FOR THE FISCALLY RESPONSIBLE ANNEXATION OF THE UNINCORPORATED TERRITORIES KNOWN AS "COUNTY ISLANDS" WITHIN THE CITY OF COMPTON AND THE OUTLYING UNINCORPORATED TERRITORIES**

SUMMARY

On July 3, 2013 the City received notice from the Local Agency Formation Commission (LAFCO) that LAFCO would conduct a hearing on August 14, 2013 to consider the recommendations of a Municipal Service Report (MSR) prepared by LAFCO staff. The MSR recommends that LAFCO significantly reduce the City of Compton's Sphere of Influence (SOI) by removing the ability of Compton to annex the unincorporated Rancho Dominguez area to the south and significantly reduce by 88% the joint sphere of influence area to the northwest of the City near Rosecrans and Central Ave. The proposed LAFCO recommendations, if adopted will reduce the Compton SOI acreage from 5,257 to 491.

In accordance with Government Code Section 56076, a city's Sphere of Influence (SOI) is "a plan for the probable physical boundaries and service area of a local government agency". In short, a SOI represent the unincorporated area adjacent to a city that will be annexed at some future date. Spheres of Influence are established solely by LAFCO and can be enlarged or reduced at its own discretion. LAFCO is empowered to adopt, amend or update a SOI with or without an application.

The draft MSR cites several reasons why the LAFCO staff is recommending reducing Compton's SOI. The principal reasons cited center around Compton's fiscal health, the ability to provide quality municipal services and the failure to conduct any annexations of the east Compton unincorporated territories "islands" and surrounding unincorporated territories. There are seven designated annexation areas within and surrounding Compton that currently make up the Compton SOI.

Staff is bringing this issue before the City Council to adopt a resolution to:

1. Inform LAFCO to not reduce Compton's Sphere of Influence Area.
2. Inform LAFCO of the City's intention to begin annexation of the east and west Compton county islands.
3. Direct staff to prepare an annexation plan to bring the county islands into the City.

Attached Exhibit A is a map of the current Compton SOI areas under consideration by LAFCO.
Attached Exhibit B is a map of the proposed new reduced Compton SOI by LAFCO.

BACKGROUND INFORMATION

Under the Cortese Knox – Hertzberg Local Government Reorganizational Act of 2000 Local Agency Formation Commissions have the power to unilaterally increase or decrease the Sphere of Influence boundaries of a city.

State law mandates that LAFCO prepare a MSR, which is a comprehensive analysis of the municipal services including an evaluation of existing and future service conditions, provided in a particular region, city, or special district. Pursuant to State law, LAFCOs must review and update SOI's every five years as necessary.

In preparing a MSR, LAFCO must make seven determinations:

1. Growth and population projections for the affected areas.
2. The location and characteristics of any disadvantaged unincorporated communities (DUC) within or contiguous to a city or district's SOI
3. Financial ability of the agency to provide services.
4. Status of and opportunities for shared facilities.
5. Accountability for community service needs, including government structure and operational efficiencies, and
6. Any matter related to effective or efficient service delivery.

In the draft MSR, LAFCO was particularly concerned about the disadvantaged unincorporated communities (DUC). Pursuant to the State's passage of Senate Bill 244, as of January 1, 2012, LAFCOs are required to make determinations regarding Disadvantaged Unincorporated Communities (DUCs). The law defines a DUC as a community with an annual median household income that is less than 80 (eighty percent) of the statewide annual median household income. The law requires that LAFCOs consider "the location and characteristics of any disadvantaged communities within or contiguous to the sphere of influence" when preparing an MSR".

The four unincorporated communities in or adjacent to the City of Compton have been partially or completely designated as Disadvantaged Unincorporated Communities by LAFCO. LAFCO also made the following determinations for Compton relative to the DUC's:

- Many of the DUCs in Compton's SOI are located in "Joint" SOIs with the cities of Carson, Long Beach, and Los Angeles. In some instances, these other cities have filed applications to annex these areas or expressed an interest in doing so. In this regard, were these areas to be removed from Compton's SOI they are more likely to be annexed by the other cities.
- Given the City's large SOI, its failure to initiate any efforts to annex surrounding territory within its Sol - including many areas that qualify as DUCs - consideration should be given to significantly reducing Compton's existing SOI. Because many of the areas within Compton's 501 are Joint SOIs with other cities, removal from Compton's SOI does not impair cities from annexing these areas. To some extent, eliminating or reducing the Joint SOIs may make it more likely that a single city annex these areas, as conflicts over "competing" SOIs are thereby avoided. In this regard, removal of these areas from Compton's SOI is in no way inconsistent with the intent of State law relative to DUCs.

The Draft LAFCO MSR summarized all of its findings and determinations relative to the City of Compton as follows:

1. The City has displayed a lack of interest in pursuing annexations.
2. The City has unstable financial stability at present and the near future.
3. The City has financial auditor difficulties.
4. The City has a questionable ability to provide basic municipal services to its residents.
5. The City has insufficient parkland based on population.
6. The City needs to improve its response to requests for financial information.

Based on the above determinations, LAFCO staff made the following recommendations to the Local Agency Formation Commission for the City of Compton Sphere of Influence (SOI).

#5.

1. **Retain Areas 2, 3, 4, and 5, along the eastern perimeter of the city, within the City of Compton's Sphere of Influence.** These areas are largely "island" communities, surrounded entirely or on multiple sides by the City of Compton. These relatively small islands, logically, are candidates for annexation by Compton. Although Area 3 abuts the City of Long Beach, it is otherwise surrounded by the City of Compton on three sides. Although Area 5 abuts the City of Paramount, it is largely separated from Paramount by the Long Beach (I-710) Freeway. To the extent that these unincorporated areas are annexed by a city in the future, Compton is the most logical city.

2. **Retain a small portion of Area 1 within the City of Compton's Sphere of Influence.** This neighborhood - generally surrounded by Rosecrans Avenue on the south, North Central Avenue on the west, 139th Street on the north, and Gonzales Park on the east - is entirely surrounded by the City of Compton. This area should remain within the City of Compton's SOI.

3. **Remove the majority of Area 1 (the remaining area not mentioned in "2,' above) from the City of Compton's Sphere of Influence.** Area 1 is a Joint SOI with the City of Los Angeles. It would appear that Los Angeles is in a better position to annex this area, given the City's relatively large size and financial position.

4. **Remove Area 6 from the City of Compton Sphere of Influence.** This area is also within the SOIs for the City of Carson and the City of Los Angeles. The area is surrounded by Compton to the east, Carson to the south, and Los Angeles to the west, and there are no natural or man-made features that preclude annexation from either Carson or Los Angeles.

5. **Remove Area 7 (Rancho Dominguez) from the City of Compton Sphere of Influence.** This area is also within the SOIs for the City of Carson and the City of Long Beach. On January 1, 2007, the City of Long Beach filed an application to annex the eastern portion of the territory (Annexation No. 2007-04). On December 27, 2012, the City of Carson filed an application to annex the entire territory (Annexation No. 2011-25). Although it is only a preliminary assessment, staff's initial review suggests that either Carson or Long Beach could provide services to this territory. Further, it is anticipated that the Commission will consider one or both of these applications within the next 6 to 12 months.

The City has meet with LAFCO staff and discussed tonight's meeting and requested that LAFCO at its August 14, 2013 meeting delay any permanent reduction or modification of Compton's SOI for five years to allow Compton to begin the annexation process of the county islands and portions of the surrounding unincorporated territories. This will allow time for the City to release a Request for Proposal (RFP) to contract with a consultant to prepare a Municipal Service Report, Financial Analysis Report and to file applications with LAFCO to process the annexations.

By doing these steps, the City can demonstrate to LAFCO the City's seriousness in following through to pursue the annexation of the east and west Compton county islands. However, concurrent with the annexation of non-residential properties within the county islands, the City will also pursue the annexation of portions of annexation areas 1 and or 6. As LAFCO is aware, residential properties typically require more municipal services then they pay for in revenues resulting in a deficit to the annexing City, necessitating a compensating balance of commercial/industrial land uses.

For the City of Compton, these fiscally compensating non-residential land uses are found within annexation areas 1, 6 and 7 or northwest and south Compton respectively. Therefore in order for the City to conduct a fiscally balanced annexation of the residential county islands with revenue producing commercial/industrial land uses, the City needs to preserve its SOI in unincorporated territories 1, 6, and 7.

STATEMENT OF THE ISSUE

If the proposed reduction of the SOI by LAFCO is approved by LAFCO, the City of Compton will lose 4,766 acres of unincorporated territory representing a significant potential source of future revenue from the existing industrial and commercial businesses within annexation areas 1, 6 and 7.

ALTERNATIVES

There are two alternatives available:

1. Adopt the attached resolution opposing the LAFCO proposed reduction in the sphere of influence area and declaring the intention of the City Council to initiate an annexation program.

#5.

2. Do not adopt the attached resolution and do not oppose the pending reduction in the sphere of influence area and accept the unincorporated territories "county islands" currently located within the City as the only future growth areas of the City.

FINANCIAL IMPACT

Approval or denial of the attached resolution opposing the LAFCO reduction in the sphere of influence area will have no immediate fiscal impact to the City's General Fund. However, approval of the attached resolution will preserve future opportunities for growth and opportunities to increase revenues through the future annexation of developed industrial and commercial properties.

RECOMMENDATIONS

Staff recommends that the City Council adopt the attached resolution formally opposing the proposed LAFCO reduction in the sphere of influence area and direct staff to initiate an annexation program bringing the unincorporated territories known as "county islands" into the City.

ROBERT DELGADILLO, INTERIM DIRECTOR
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

APPROVED FOR FORWARDING:

G. HAROLD DUFFEY
CITY MANAGER

#5.

RESOLUTION NO. _____________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON REQUESTING THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) TO NOT REDUCE THE CITY OF COMPTON SPHERE OF INFLUENCE AND DIRECTING STAFF TO PREPARE AN ANNEXATION PLAN FOR THE FISCALLY RESPONSIBLE ANNEXATION OF THE UNINCORPORATED TERRITORIES KNOWN AS "COUNTY ISLANDS" WITHIN THE CITY OF COMPTON AND THE OUTLYING UNINCORPORATED TERRITORIES

WHEREAS, the City of Compton has become aware of the pending significant reduction in the City's sphere of influence area by the Local Agency Formation Commission; and

WHEREAS, the City Council intends to proceed with the annexation of unincorporated county territories within and surrounding the City of Compton and opposes any reduction in the sphere of influence area; and

WHEREAS, the City of Compton has determined that the proposed pending reduction in sphere of influence area is an impediment to the development of a orderly annexation program and to **NOT** be in the best interests of the City; and

WHEREAS, the City of Compton is aware that a significant time period has elapsed since the last annexation, however the City is making annexation of the surrounding unincorporated territories a priority and wants to remain a party to the joint sphere of influence territories shared by the cities of Los Angeles, Long Beach and Carson; and

WHEREAS, the City of Compton is well-served by regional service providers, such as the Los Angeles Sheriff's Department, the Sanitation Districts of Los Angeles County, and the County of Los Angeles Sewer Maintenance District and these agencies provide adequate service to City residents and business-owners, and could provide adequate service to any annexed territories; and

WHEREAS, Compton is an older, stable, and largely built-out city, with more than half of the City devoted to existing residential uses and is therefore in the best interest of the City to seek a more fiscally balanced land use pattern through the incorporation of non-residential land uses; and

WHEREAS, the City Council of the City of Compton held a noticed public meeting on July 30 to consider and act on this matter.

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

Section 1. That the City of Compton strongly opposes any reduction in the City of Compton Sphere of Influence Area. Furthermore, the City Council hereby requests that Los Angeles County Local Agency Formation Commission ("LAFCO") delay any pending decision on any proposed reduction to allow the City to initiate the annexation of the unincorporated territories known as "county islands" and portions of SOI areas 1, 6 and 7.

#5.

Section 2. That City staff is directed to prepare an annexation plan for incorporation into the City of the unincorporated territories known as "county islands" and the surrounding unincorporated territories.

Section 3. That the City Clerk of the City of Compton shall certify adoption of this Resolution and is hereby directed to cause a copy of this Resolution to be forwarded to the Los Angeles County Local Agency Formation Commission.

Section 4. That a certified copy of this Resolution shall be filed in the offices of the City Clerk, city Manager, City Attorney and Planning and Economic Development Department.

ADOPTED this ____ day of ________________, 2013.

____
MAYOR OF THE CITY OF COMPTON

ATTEST:

____
CITY CLERK OF THE CITY OF COMPTON

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

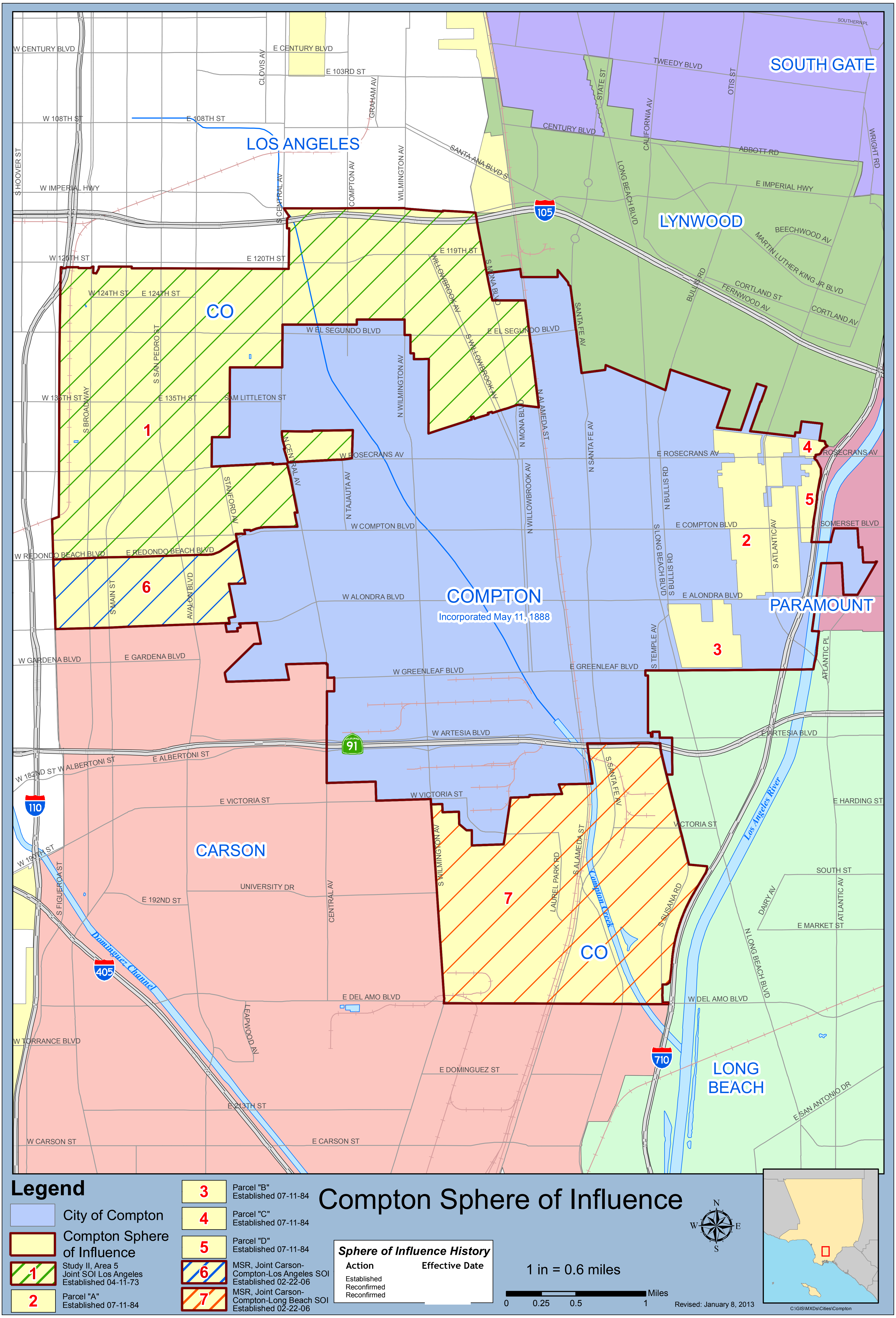
I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council of the City of Compton, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on this _____ day of _________________, 2013.

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

#5.



Compton Sphere of Influence
Legend
City of Compton
Compton Sphere of Influence
1 Study II, Area 5 Joint SOI Los Angeles Established 04-11-73
2 Parcel "A" Established 07-11-84
3 Parcel "B" Established 07-11-84
4 Parcel "C" Established 07-11-84
5 Parcel "D" Established 07-11-84
6 MSR, Joint Carson-Compton-Los Angeles SOI Established 02-22-06
7 MSR, Joint Carson-Compton-Long Beach SOI Established 02-22-06
Sphere of Influence History
Action
Effective Date
Established
Reconfirmed
Reconfirmed
1 in = 0.6 miles
0 0.25 0.5 1 Miles
Revised: January 8, 2013
C:\GIS\MXDs\Cities\Compton
COMPTON
Incorporated May 11, 1888
LOS ANGELES
SOUTH GATE
LYNWOOD
PARAMOUNT
CARSON
LONG BEACH
CO
Los Angeles River
Dominguez Channel
Compton Creek
W CENTURY BLVD
E CENTURY BLVD
E 103RD ST
W 108TH ST
E 108TH ST
W IMPERIAL HWY
E IMPERIAL HWY
W 120TH ST
E 120TH ST
E 119TH ST
W 124TH ST
E 124TH ST
W EL SEGUNDO BLVD
E EL SEGUNDO BLVD
W 135TH ST
E 135TH ST
W ROSECRANS AV
E ROSECRANS AV
W COMPTON BLVD
E COMPTON BLVD
W REDONDO BEACH BLVD
E REDONDO BEACH BLVD
W ALONDRA BLVD
E ALONDRA BLVD
W GARDENA BLVD
E GARDENA BLVD
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W ARTESIA BLVD
E ARTESIA BLVD
W ALBERTONI ST
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E VICTORIA ST
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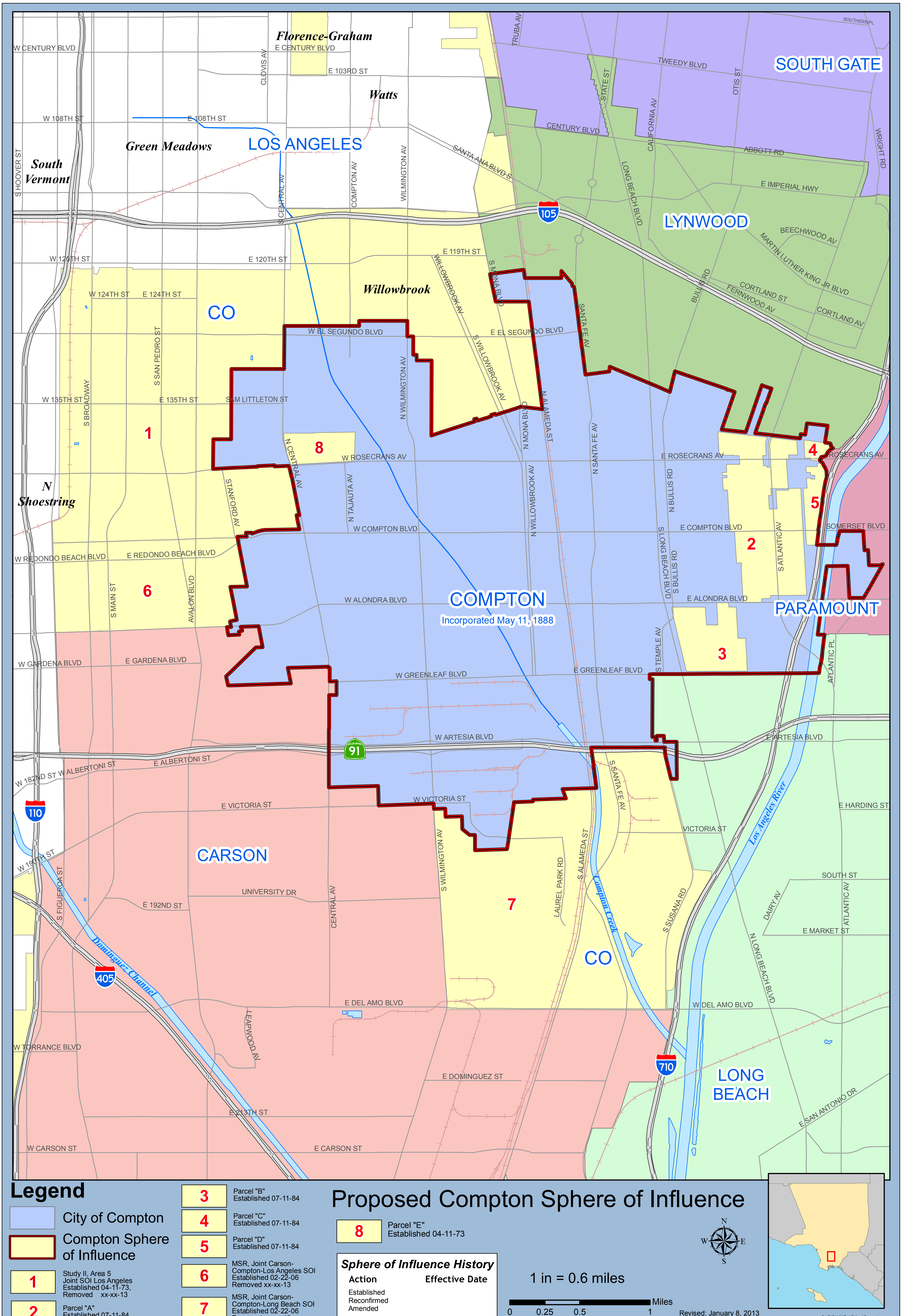
UNIVERSITY DR
E 192ND ST
E DEL AMO BLVD
W DEL AMO BLVD
W TORRANCE BLVD
E DOMINGUEZ ST
E 213TH ST
W CARSON ST
E CARSON ST
TWEEDY BLVD
ABBOTT RD
CENTURY BLVD
BEECHWOOD AV
MARTIN LUTHER KING JR BLVD
CORTLAND ST
FERNWOOD AV
CORTLAND AV
SOMERSET BLVD
E HARDING ST
SOUTH ST
E MARKET ST
E SAN ANTONIO DR
SANTA ANA BLVD S
S HOOVER ST
CLOVIS AV
GRAHAM AV
COMPTON AV
WILMINGTON AV
S CENTRAL AV
S BROADWAY
S SAN PEDRO ST
S MAIN ST
AVALON BLVD
STANFORD AV
N CENTRAL AV
N TAJAUTA AV
N WILMINGTON AV
N WILLOWBROOK AV
N MONA BLVD
N ALAMEDA ST
N SANTA FE AV
N BULLIS RD
S BULLIS RD
LONG BEACH BLVD
S TEMPLE AV
S ATLANTIC AV
ATLANTIC PL
STATE ST
OTIS ST
CALIFORNIA AV
WRIGHT RD
SANTA FE AV
BULLIS RD
S SANTA FE AV
S ALAMEDA ST
LAUREL PARK RD
S SUSANA RD
S WILMINGTON AV
CENTRAL AV
LEAPWOOD AV
S FIGUEROA ST
DAIRY AV
ATLANTIC AV
N LONG BEACH BLVD
W 182ND ST
W 190TH ST
105
110
91
405
710

#5.


Proposed Compton Sphere of Influence
Legend
City of Compton
Compton Sphere of Influence
1 Study II, Area 5 Joint SOI Los Angeles Established 04-11-73, Removed xx-xx-13
2 Parcel "A" Established 07-11-84
3 Parcel "B" Established 07-11-84
4 Parcel "C" Established 07-11-84
5 Parcel "D" Established 07-11-84
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7 MSR, Joint Carson-Compton-Long Beach SOI Established 02-22-06 Removed xx-xx-13
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Sphere of Influence History
Action Effective Date
Established
Reconfirmed
Amended
1 in = 0.6 miles
0 0.25 0.5 1 Miles
Revised: January 8, 2013
C:\GIS\MXDs\Cities\Compton
COMPTON
Incorporated May 11, 1888
LOS ANGELES
SOUTH GATE
LYNWOOD
PARAMOUNT
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LONG BEACH
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Willowbrook
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Los Angeles River
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Dominguez Channel
105
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W CENTURY BLVD
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W 120TH ST
E 120TH ST
E 119TH ST
W 124TH ST
E 124TH ST
W 135TH ST
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SAM LITTLETON ST
W EL SEGUNDO BLVD
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W ROSECRANS AV
E ROSECRANS AV
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W ALONDRA BLVD
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E 192ND ST
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W TORRANCE BLVD
E DOMINGUEZ ST
E 213TH ST
W CARSON ST
E CARSON ST
E SAN ANTONIO DR
E HARDING ST
SOUTH ST
E MARKET ST
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TWEEDY BLVD
CENTURY BLVD
ABBOTT RD
E IMPERIAL HWY
BEECHWOOD AV
MARTIN LUTHER KING JR BLVD
CORTLAND ST
FERNWOOD AV
CORTLAND AV
SANTA ANA BLVD S
SOUTHERN PL
S HOOVER ST
S BROADWAY
S SAN PEDRO ST
S MAIN ST
AVALON BLVD
STANFORD AV
CLOVIS AV
S CENTRAL AV
N CENTRAL AV
CENTRAL AV
COMPTON AV
WILMINGTON AV
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N TAJAUTA AV
TRUBA AV
STATE ST
CALIFORNIA AV
LONG BEACH BLVD
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BULLIS RD
N BULLIS RD
S BULLIS RD
S TEMPLE AV
S ATLANTIC AV
ATLANTIC PL
ATLANTIC AV
S FIGUEROA ST
LEAPWOOD AV
LAUREL PARK RD
S SUSANA RD
DAIRY AV

#5.

RESOLUTION SIGN-OFF FORM

DEPARTMENT:	**Planning**
RESOLUTION TITLE:	**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON REQUESTING THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) TO NOT REDUCE THE CITY OF COMPTON'S SPHERE OF INFLUENCE AND DIRECTING STAFF TO PREPARE AN ANNEXATION PLAN FOR THE FISCALLY RESPONSIBLE ANNEXATION OF THE UNINCORPORATED TERRITORIES KNOW AS "COUNTY ISLANDS" WITHIN THE CITY OF COMPTON AND THE OUTLYING UNINCORPORATED TERRITORIES**

Robert Delgadillo	**7/25/2013 4:09:36 PM**
DEPARTMENT MANAGER'S SIGNATURE	DATE

REVIEW / APPROVAL

Ruth Rugley	**7/25/2013 5:55:51 PM**
CITY ATTORNEY	DATE
Stephen Ajobiewe	**7/25/2013 5:37:00 PM**
CITY CONTROLLER	DATE
G. Harold Duffey	**7/25/2013 4:43:29 PM**
CITY MANAGER	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.

#6.

July 30, 2013

TO: **MAYOR AND CITY COUNCIL MEMBERS**

FROM: **CITY MANAGER**

SUBJECT: **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ADMINISTER A SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAM (SYETP) FOR FISCAL YEAR 2013**

SUMMARY

This resolution authorizes the City Manager to administer a Summer Youth Employment and Training Program (SYETP) for Fiscal Year 2013. The City will hire 100 Compton Youth to assist with city-wide community clean-up in the areas of graffiti removal, alley cleanup, street trash removal, park maintenance and Compton Creek. Staff will recruit utilizing the 500+ interested applicants collected by the CareerLink Department. The City of Compton Summer Youth Program will eliminate the stringent eligibility requirements required by the Los Angeles County sponsored programs. In addition, the City Summer Youth Program will offer services to youth from various economic households inclusive of working parents.

BACKGROUND

The City of Compton has administered the Summer Youth Employment Program over the past three Congressional job training legislations. The City of Compton received pass through funding by the Los Angeles County Board of Supervisors with each legislation. The first of these programs was the Comprehensive Employment and Training Act (CETA) in the 1960's. The program offered summer jobs to low income high school students at public agencies or private not for profit organizations. The intent was to impart a marketable skill that would allow participants to move to an unsubsidized job.

In 1982, the United States Department of Labor enacted the Job Training Partnership Program (JTPA) and the City of Compton was awarded funds on "a fair share allocation" based on community demographics.

In 1998, the Workforce Investment Act (WIA) was signed into law under President Bill Clinton's second term. The City of Compton again received funding to provide employment and training services for the Compton community. This legislation was an attempt to induce business to participate in the local delivery of Workforce Development Services. The principal vehicle for this is Workforce Investment Boards (WIBS), which are to be chaired by private sector members of the local community. A majority of Board members are also required to represent business interests. WIA funds are used to fund workforce education and career pathways programs.

#6.

ISSUE

In anticipation of summer youth funding through Los Angeles County, in March 2013, the CareerLink Department began collecting contact information from youth interested in summer employment. The department collected approximately 572 names.

For the past several years, Los Angeles County has awarded approximately 16 agencies to provide summer youth services. Of the 16 agencies, 6 were located in Supervisorial District 2.

May 2013, Los Angeles County, for the first time, procured the summer youth employment services through a competitive bid process. A Request for Solicitation for Qualifications was issued in May 2013. Agencies who met the minimum qualification were eligible to execute a Master Agreement with Los Angeles County. A Work Order was issued in late May 2013 and funding recommendations were announced late June 2013. Approximately $1.1 million was awarded through the Work Order. Of the $1.1 million, $460,000 was utilized exclusively for youth households receiving public assistance (CalWORKs). Projects sites locations are required in or adjacent to areas of highest need in the Supervisorial District in which Summer Youth services are being proposed.

Two (2) agencies in Supervisorial District 2 were awarded $92,000 each to serve 71 youth. The project sites awarded are located in Carson, CA and UCLA areas. Staff feels the distant the Youth must travel, to apply and ultimately work, is discouraging and places an additional burden on the Compton Youth.

ALTERNATIVES

Due to the untimely notice of denial funding and the high volume of Youth on the city streets with nothing to do, the City of Compton proposes to provide Summer Youth Employment and Training Services. There is no other alternative being recommended.

FISCAL IMPACT

The City will employ 100 at a rate of $8.00 an hour for a maximum of 120 hours between the period of August 1, 2013 – September 30, 2013. The financial impact of administering the City of Compton Summer Youth Employment Program is $151,000 and funds are available as follows:

Fund Name	Account	Balance/Budget
Community Dev. Block Grant	2800	$30,000
Prop C	1900	$4,081,706
Citywide Lighting	2502	$$4,279,446
Measure R	1580	$2,806,978
Bullis Road Rental	1001/3425	$81,900

RECOMMENDATION

City Council adopt the attached resolution authorizing the City Manager to administer a City of Compton Summer Youth Employment Program.

G. HAROLD DUFFEY
CITY MANAGER

#6.

RESOLUTION NO. ____________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ADMINISTER A SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAM (SYETP) FOR FISCALYEAR 2013

WHEREAS, the City Manager is authorized to administer a Summer Youth Employment Program for Fiscal Year 2013; and

WHEREAS, the City of Compton through its CareerLink Department, formally named the Department of Employment and Training Services, has conducted Summer Youth Employment Services funded by Los Angeles County since late the 1960's; and

WHEREAS, In anticipation of summer youth funding, the CareerLink Department collected approximately 572 names of youth interested in summer employment;

WHEREAS, provides youth with work experience opportunities to learn valuable work ethics and employment behaviors related to the world of work; and

WHEREAS, the City Manager request approval to administer a City of Compton Summer Youth Employment Program employing 100 Compton Youth at a rate of $8.00 per hour for a maximum of 160 hours each; and

WHEREAS, the City of Compton Summer Youth Program will be a citywide community cleanup effort in the areas of graffiti removal, alley cleanup, street trash removal, park maintenance and Compton Creek cleanup; and

WHEREAS, the City of Compton Summer Youth Program will run from August 5, 2013 – September 30, 2013; and

WHEREAS, there is a need to authorize the City Manager or his designee to administer a City of Compton Summer Youth Employment Training Program for Fiscal year 2013.

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

Section 1. That the City Manager or his designee is authorized to administer a City of Compton Summer Youth Employment and Training Program for Fiscal Year 2013-2014 for cost of $151,000.

Section 2. That the City of Compton Summer Youth Employment Program (SYETP) funds are available as follows:

#6.

Fund Name	Account	Balance/Budget
Community Dev. Block Grant	2800	$30,000
Prop C	1900	$4,081,706
Citywide Lighting	2502	$$4,279,446
Measure R	1580	$2,806,978
Bullis Road Rental	1001/3425	$81,900

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

Section 4. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

ADOPTED this ______________ day of __________________, 2013.

____
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 by the City Clerk at a regular meeting thereof held on the __________ day of ________________, 2013.

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

#6.

RESOLUTION SIGN-OFF FORM

DEPARTMENT:	**CareerLink**
RESOLUTION TITLE:	**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ADMINISTER A SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAM (SYETP) FOR FISCAL YEAR 2013**

Kimberly McKenzie	7/25/2013 8:52:15 AM
DEPARTMENT MANAGER'S SIGNATURE	DATE

REVIEW / APPROVAL

Craig Cornwell	7/26/2013 1:54:13 PM
CITY ATTORNEY	DATE
Stephen Ajobiewe	7/25/2013 8:47:53 PM
CITY CONTROLLER	DATE
G. Harold Duffey	7/25/2013 3:09:07 PM
CITY MANAGER	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.

July 30, 2013

TO: **HONORABLE MAYOR AND COUNCIL MEMBERS**

FROM: **G. HAROLD DUFFEY, CITY MANAGER**

SUBJECT: **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON DECLARING A REVENUE SHORTFALL AND WORKFORCE REDUCTION FOR FISCAL YEAR 2013-2014**

SUMMARY

This Resolution is declaring a Revenue Shortfall and Workforce Reduction for Fiscal Year 2013-2014.

BACKGROUND

The California Legislature passed Assembly Bill ABX1-26 dissolving all Redevelopment Agencies in the State of California and the requiring any city which had formed a Redevelopment Agency to serve as a Successor Agency for the purpose of winding down its redevelopment. In administering the wind down of funding for the Successor Agency to the Community Redevelopment Agency of the City of Compton, the State of California Department of Finance (DOF) set the maximum allowable Administrative Allocation Cost Cap in the Recognized Obligation Payment Schedule (ROPS) for the Compton Successor Agency at $450,000 per fiscal year.

The ROPS Administrative Allocation is the primary revenue source for staff labor, property maintenance, and consultant services costs. These expenditures in the Fiscal Year 2013-2014 Successor Agency budget exceeded the $450,000 DOF approved Administrative Allocation Cap. Therefore, the Successor Agency's six month budget for Fiscal Year 2013-2014 does not fully fund salary expenditures for the existing six (6) fulltime staff positions assigned to the Agency.

STATEMENT OF THE ISSUE

The wind down of State of California redevelopment funding has created the intended consequence of reducing revenues to Successor Agencies. In light of the revenue shortfall in Compton's Fiscal Year 2013-2014 Successor Agency budget, it is necessary to implement cuts in spending, including a workforce reduction.

In order to balance the proposed Fiscal Year 2013-2014 budget, the six (6) positions in the Successor Agency budget were only partially funded. The employees assigned to work in the Successor agency are City of Compton employees in the Classified service, and subject to the provisions of the Personnel Rules. Therefore, the resolution before the City Council authorizes the City Manager to declare a workforce reduction due to the projected revenue shortfall and in accordance with the Personnel Rule 8 and City Charter Section 1107.

FINANCIAL IMPACT

Without authority to declare a workforce reduction the City will not have the ability to fund its existing positions and manage this fiscal issue.

ALTERNATIVE

There is no alternative recommended.

RECOMMENDATIONS

It is recommended that the City Council adopt the attached Resolution declaring a Revenue Shortfall and Workforce Reduction for Fiscal Year 2013-2014.

G. HAROLD DUFFEY
CITY MANAGER

RESOLUTION NO. ________________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON DECLARING A REVENUE SHORTFALL AND WORKFORCE REDUCTION FOR FISCAL YEAR 2013-2014

WHEREAS, the California Legislature heretofore passed, and the Governor signed into law, Assembly Bill ABX1-26 dissolving all Redevelopment Agencies in the State of California and requiring any city which had formed a Redevelopment Agency to serve as a Successor Agency for the purpose of winding down its redevelopment; and

WHEREAS, in the administration of ABX1-26, the State of California Department of Finance has determined that the maximum allowable Administrative Allocation Cost Cap in the Recognized Obligation Payment Schedule (ROPS) for the Compton Successor Agency could not exceed $450,000.00 per fiscal year; and

WHEREAS, the State of California Department of Finance has determined that Administrative Allocation in the ROPS includes staff labor, property maintenance and consultant services costs; and

WHEREAS, the Successor Agency budget presented to the Board of Directors of the Successor Agency to the Redevelopment Agency of the City of Compton does not have significant Administrative Allocation revenues to fund the existing six full time (6) positions in the Successor Agency 2013-2014 fiscal year budget; and

WHEREAS, the Fiscal Year 2013-2014 Successor Agency Budget includes a revenue shortfall that will require drastic reductions to proposed spending plans with spending cuts focusing on reducing labor costs and increasing staff efficiencies, but since a significant portion of the Agency's administrative expenses are related to personnel costs it is impossible to make such a large reduction in spending without impacting the number of employees currently employed by the City; and

WHEREAS, the City does not have reserves or alternative funding sources available to balance the Successor Agency revenue shortfall for fiscal year 2013-2014.

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

Section 1. That it is the opinion of the City Council of the City of Compton that a reduction in staff is necessary to keep the City solvent and complete its final wind down of redevelopment activities, as required by Assembly Bill ABX1-26.

Section 2. That the City Manager is hereby authorized to declare a workforce reduction due to the projected Successor Agency revenue shortfall in accordance with the Personnel Rule 8 and City Charter Section 1107.

Section 3. That the City Manager is authorized to abolish positions and/or reduce the number of employees in a given class in the Classified Service.

Section 4. That a copy of this Resolution shall be filed in the offices of the City Clerk, City Attorney, City Manager and the City Controller.

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

#7.

ADOPTED this ________day of ____________________, 2013.

____
MAYOR OF CITY OF COMPTON

ATTEST:

____
CITY CLERK OF 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 on this _______ day of _____________________, 2013.

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

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

____
CITY CLERK OF THE CITY OF COMPTON

#7.

RESOLUTION SIGN-OFF FORM

DEPARTMENT: **City Management**

RESOLUTION TITLE: **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON DECLARING A REVENUE SHORTFALL AND WORKFORCE REDUCTION FOR FISCAL YEAR 2013-2014**

Terrance C. Davis	**7/25/2013 8:47:43 PM**
DEPARTMENT MANAGER'S SIGNATURE	DATE

REVIEW / APPROVAL

Craig Cornwell	**7/26/2013 1:55:05 PM**
CITY ATTORNEY	DATE
Stephen Ajobiewe	**7/25/2013 9:03:48 PM**
CITY CONTROLLER	DATE
G. Harold Duffey	**7/25/2013 9:00:17 PM**
CITY MANAGER	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.

#8.

July 30, 2013

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: KELLY MONTGOMERY, (INTERIM) DIRECTOR
HUMAN RESOURCES DEPARTMENT

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING THE EMPLOYMENT AGREEMENT OF GLENN HAROLD DUFFEY, CITY MANAGER

SUMMARY

Adoption of this Resolution will amend Sections 3.1 and 4.1 of the Employment Agreement between the City and the City Manager, Glenn Harold Duffey.

BACKGROUND

On July 17, 2012, the Compton City Council adopted Resolution No. 23,580, which approved a 35-month Employment Agreement with Glenn Harold Duffey to serve as City Manager of the City of Compton. One year later, the City Council met in Executive Session three consecutive weeks (July 9th, July 16th and July 23rd) for the purpose of reviewing and evaluating the performance of the City Manager during his first year.

STATEMENT OF ISSUE

In its review, the Council found the City Manager's performance to be acceptable, and indicated a desire to amend Sections 3.1 and 4.1 of the Employment Agreement.

Currently, Section 3.1 (Retirement) of the Employment Agreement provides that the City Manager shall be responsible for payment of his contributions to the Public Employees Retirement System ("PERS"). The City Council desires to amend this provision to reflect that the City shall be responsible for the payment of Mr. Duffey's contributions to the PERS, which is consistent with the City's policy for payment of the employee share of PERS for all other City employees.

Section 4.1 (Termination), Subsection 4.1.1(.2) of the Employment Agreement provides that if Mr. Duffey is terminated without cause after 12-months of employment, he's severance compensation is limited to the equivalent of 6-months salary. The City Council desires to delete this subsection (4.1.1.2) in its entirety and amend Subsection 4.1.1(.1) of the Employment Agreement to reflect that Mr. Duffey shall be entitled to receive the equivalent of 12-months salary as

#8.

severance compensation - which is consistent with the industry standard for City Manager agreements - if the Agreement is terminated without cause at any time prior to its expiration.

ALTERNATIVE

The alternative would be to reject the proposed amendments despite the positive performance evaluation and internal and external disparities.

FISCAL IMPACT

The estimated fiscal impact of this proposed action is twofold:

- A cost to the Retirement Fund of approximately $16,400 annually (Eight percent of base salary), but no impact to the General fund.
- A potential cost of $102,500 to the General Fund in the event the Council makes a determination to terminate the Manager without cause. However, if no such action is anticipated, there would be no fiscal impact. The Employment Agreement states clearly that the City has no obligation to pay severance costs in the event the Manager is terminated for cause or separates voluntarily.

RECOMMENDATION

Staff recommends that Council adopt the attached Resolution.

**KELLY MONTGOMERY, (INTERIM) DIRECTOR
HUMAN RESOURCES DEPARTMENT**

APPROVED FOR FORWARDING:

**G. HAROLD DUFFEY
CITY MANAGER**

#8.

RESOLUTION NO. ___________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING THE EMPLOYMENT AGREEMENT OF GLENN HAROLD DUFFEY, CITY MANAGER

WHEREAS, on July 17, 2012, the Compton City Council adopted Resolution No. 23,580, approving a 35-month Employment Agreement with Glenn Harold Duffey to serve as City Manager of the City of Compton; and

WHEREAS, one year later, the City Council met in Executive Session three consecutive weeks (July 9th, July 16th and July 23rd) for the purpose of reviewing and evaluating the performance of the City Manager during his first year; and

WHEREAS, in its review, the City Council found the City Manager's performance to be acceptable and has indicated an intent to show its satisfaction with the one year performance of the City Manager by amending certain provisions of the Employment Agreement; and

WHEREAS, the parties desire to amend the original Employment Agreement to authorize the City to pay the City Manager's share of the California Public Employees Retirement System contribution; and

WHEREAS, the parties further desire to amend the original employment Agreement to authorize payment of 12-months severance compensation should the City Manager be terminated from his employment without cause prior to expiration of the Employment Agreement.

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

Section 1. That Section 3.1 of the Employment Agreement, approved by Resolution No. 23,580 on July 17, 2013, shall be amended to provide that the City shall be solely responsible for the payment of the City Manager's full contribution (Employer/Employee Shares) to the Public Employee's Retirement System (PERS) in accordance with the 2.7% at 55-retirement plan.

Section 2. That Section 4.1.1 (Termination Without Cause) of the Employment Agreement, approved by Resolution No. 23,580 on July 17, 2013, shall be amended to provide that if terminated any time prior to the expiration of the Employment Agreement, the City Manager shall be entitled to receive severance compensation equal to twelve (12) months salary.

Section 3. That a certified copy of this Resolution shall be filed in the offices of the City Manager, City Clerk, City Controller, Human Resources, and City Attorney.

Section 4. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

ADOPTED this ____ day of _______________, 2013.

____
MAYOR OF THE CITY OF COMPTON

#8.

ATTEST:

____
CITY CLERK OF THE CITY OF COMPTON

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

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council of the City of Compton, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on the _____ day of _______________, 2013.

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

AYES: COUNCIL MEMBERS–
NOES: COUNCIL MEMBERS–
ABSTAIN: COUNCIL MEMBERS–
ABSENT: COUNCIL MEMBERS–

____
CITY CLERK OF THE CITY OF COMPTON

#8.

AMENDMENT TO EMPLOYMENT AGREEMENT
BETWEEN
CITY OF COMPTON
AND
GLENN HAROLD DUFFEY
[Position: City Manager]

This **AMENDMENT** is entered into by and between the City Council of the City of Compton (hereinafter "Council") on behalf of the City of Compton (hereinafter "City") and Glenn Harold Duffey (hereinafter "Duffey").

RECITALS

WHEREAS, on July 17, 2012, the City Council adopted Resolution No. 23,580, which approved a 35-month Employment Agreement between the city and Duffey for the position of City Manager of the City of Compton; and

WHEREAS, the Council has met in Executive Sessions three (3) consecutive weeks (i.e. July 9th, July 16th and July 23rd) for purposes of reviewing and evaluating the performance of Duffey during his first year of service; and

WHEREAS, the Council has found Duffey's performance to be acceptable and desire to amend the original Agreement to reflect its satisfaction with his performance; and

WHEREAS, by Resolution No. ______, adopted on July 30, 2013, the Council authorized an amendment to the Employment Agreement with Duffey to provide for the payment by the City of his employee share to the Public Employees Retirement System and for 12-months salary as severance compensation if he is terminated without cause.

NOW, THEREFORE, the parties do hereby mutually agree to amend the Employment Agreement as follows:

AMENDMENTS

1. The parties agree to amend, in its entirety, **Section 3.1 – Retirement** of the original Employment Agreement to read as follows:

"**3.1 Retirement.** During the term of this Employment Agreement, the City shall pay Duffey's full contribution (Employer/Employee Shares) to the California Public Employees Retirement System ("P.E.R.S.") in accordance with the 2.7% at 55-retirement plan."

2. The parties agree to amend, in its entirety, **Section 4.1.1(.1) – Termination Without Cause** of the original Employment Agreement to read as follows:

"4.1.1 Termination Without Cause. Subsection .1 If terminated prior to the expiration of this Employment Agreement, Duffey shall be entitled to receive severance compensation equal to twelve (12) month's salary, in addition to the full monetary value of any earned but unused vacation leave accumulated during the period of his service pursuant to this Employment Agreement. Duffey's entitlement to earned, but unused sick leave accumulated during the period of his service shall be governed by those provisions applicable to Chief Executive Management Employees in the City service.

3. The parties agree to amend **Section 4.1.1(.2) – Termination Without Cause** of the original Employment Agreement by deleting it in its entirety.

4. Except as provided for above, all other terms and conditions of the Employment Agreement between the City and Duffey and any attachments and amendments thereto shall remain in effect.

IN WITNESS WHEREOF, the City Council of the City of Compton has authorized this amendment to the Employment Agreement to be effective beginning __________, 2013.

________________________________ **Dated:** ________________
Glenn Harold Duffey

CITY OF COMPTON

Dated: ________________ ________________________________
Aja Brown, Mayor

Dated: ________________ ________________________________
Janna Zurita, Council Member
District 1

Dated: ________________ ________________________________
Isaac Galvan, Council Member
District 2

Dated: ________________ ________________________________
Yvonne Arceneaux, Council Member
District 3

Dated: ________________ ________________________________
Dr. Willie O. Jones, Council Member
District 4

Approved as to form:

By ________________________________ Dated: __________________
Craig J. Cornwell, City Attorney

ATTEST:

Dated: ________________ By ________________________________
Alita Godwin, City Clerk

#8.

RESOLUTION SIGN-OFF FORM

DEPARTMENT:	**City Management**
RESOLUTION TITLE:	**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING THE EMPLOYMENT AGREEMENT OF GLENN HAROLD DUFFEY, CITY MANAGER**

Terrance C. Davis	**7/25/2013 7:57:17 AM**
DEPARTMENT MANAGER'S SIGNATURE	DATE

REVIEW / APPROVAL

Ruth Rugley	**7/25/2013 5:33:44 PM**
CITY ATTORNEY	DATE
Stephen Ajobiewe	**7/25/2013 5:13:57 PM**
CITY CONTROLLER	DATE
Terrance C. Davis	**7/25/2013 7:58:36 AM**
CITY MANAGER	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.

July 30, 2013

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: CITY MANAGER

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON CONSENTING TO THE ASSIGNMENT OF THE AMENDED AND RESTATED AGREEMENT FOR INTEGRATED SOLID WASTE MANAGEMENT SERVICES FROM PACIFIC COAST WASTE & RECYCLING, LLC TO CONSOLIDATED DISPOSAL SERVICE, LLC

SUMMARY

The City Council will consider adopting a Resolution granting its consent to the assignment of the Franchise Agreement for Integrated Solid Waste Management from Pacific Coast Waste & Recycling, LLC to Consolidated Disposal Service, LLC.

BACKGROUND

The City and Pacific Coast Waste & Recycling, LLC ("Pacific Coast") entered into an Amended and Restated Agreement for Integrated Solid Waste Management Services dated on or about October 1, 2012 ("Franchise Agreement"). Pursuant to that Franchise Agreement, Pacific Coast was granted the exclusive right to provide Solid Waste and Recyclable Materials Handling Services at all Residential and Commercial Premises within the City.

In approximately May of this year, Pacific Coast informed the City Manager's office that it was in negotiations with Republic Services to convey the Franchise Agreement to Republic. By letter dated July 15, 2013, Pacific Coast, formally requested the City's approval of the assignment of the Franchise Agreement. In the materials submitted by Pacific Coast, the proposed assignee was identified as Consolidated Disposal Service, LLC, a wholly owned subsidiary of Republic Services, Inc.

In the letter of July 15, Pacific Coast asserted that the proposed assignment would yield "many benefits to the residents and business of Compton. Among those benefits are:

- The proposed assignee has agreed to accelerate the implementation of new, clean air, natural gas collection vehicles. The use of natural gas vehicles significantly decreases diesel fuel air emissions from daily waste collection activities, benefiting Compton residents.

#9.

- Per the terms of the franchise agreement, Pacific Coast Waste & Recycling will pay the city a transfer fee of $1,025,000 upon the City's assignment of the franchisee agreement to Republic Services.

- Republic Services is developing a Recycling Facility (MRF) in the City of Compton. In a separate agreement outside of the assignment of the franchisee agreement, Republic Services has agreed to pay annual per ton host fees from the MRF and the Transfer Station that will equate to approximately $1 Million per year of new revenue to the City. In addition, the development of the Recycling Facility (MRF) will create approximately 120 jobs available for Compton residents upon operation.

- Pacific Coast Waste & Recycling is a Union company, as is Republic Services. Both companies utilize the same Teamsters Local. Republic Services will hire Pacific Coast Waste & Recycling drivers, maintain their current Union seniority, and keep the drivers on their current service routes to maintain continuity and consistency of service to residents and businesses.

- Republic Services has agreed to maintain the Pacific Coast Waste & Recycling community partnership program that includes annual scholarships, and support of various community and charitable activities. In addition, Republic has agreed to engage Mel Howard and Steve Tucker as outside consultants to ensure the continuity of the current community relations program and act as liaisons.

- As the owner of Sunshine Canyon Landfill in Sun Valley, Republic Services is in a unique position to minimize future rate increases to resident [*sic*] and businesses as a result of landfill closures in Los Angeles County.

- Republic Services plans to relocate its division office from Santa Fe Springs to Compton, which will bring approximately 80 jobs that will have a positive impact on the local economy."

With the exception of payment of the required transfer fee (see Fiscal Impact section), these potential benefits are unverifiable at this time.

STATEMENT OF ISSUE

Section 12.5 of the Franchise Agreement forbids the transfer of the Franchise Agreement without the consent of the City. That Section also sets forth the procedure and required submittals for consideration by the City of such a request. What follows are the provisions setting forth the required submittals, with each paragraph followed by staff comments on the submittals.

> "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."

Pacific Coast has delivered the required $50,000 advance payment to the City. Staff does not anticipate a need for additional funds to pay for review of the assignment request.

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."

Pacific Coast has estimated the amount of the required transfer fee to be $1,025,000. City Finance Department staff have reviewed and confirmed the estimate.

c) "Company shall furnish City with audited financial statements for the proposed assignee's operations for the immediately preceding three (3) operating years."

Pacific Coast submitted annual reports and audited financial statements for Republic Services, Inc. for the years 2010, 2011, and 2012. The Ernst & Young LLP, a international accounting firm, has reviewed the audited statements, and verified that:

"In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Republic Services, Inc. at December 31, 2012 and 2011, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles." This audit report was signed February 15, 2013 and staff finds it acceptable.

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."

CDS did not provide a proforma financial statement and has requested that Republic Services financial information to be used to satisfy this section. Please see last paragraph of Statement of Issue, Page 5.

> 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."

Pacific Coast submitted documentation responsive to this request. The information responsive to this requested was for Consolidated Disposal Service, LLC, a wholly owned subsidiary of Republic Services, Inc. City staff have reviewed the information, and determined that Consolidated Disposal Service, LLC is a company in good standing.

> "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."

City staff is not aware of any events or circumstances that would constitute a default by Pacific Coast under the Franchise Agreement.

> "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."

These matters are addressed in the Consent to Assignment Agreement, attached to the Resolution as Attachment No. 1.

Based on its review of the materials submitted, as well as additional investigation by staff, City staff has determined that Consolidated is well qualified to fulfill the obligations of Pacific Coast under the Franchise Agreement. Consolidated has represented to the City that it is the largest holder of exclusive integrated waste management services contracts in Southern California, holding long-term exclusive solid waste collection contracts with 27 municipalities in Los Angeles County and 3 in Orange County. Staff has contacted 5 of those cities. In general, those cities report services provided by Consolidated are satisfactory or better.

Although Pacific Coast and Republic have requested that CDS be the assignee of the Franchise Agreement, the financial information that was submitted for review pertains to Republic Services, Inc. Please note that CDS did not provide pro forma information regarding its company for confidentiality reasons. However, Republic Services is an 8.1 billion dollar company in terms of 2012 gross revenues, with gross assets of $19.6 billion based on the audited 2012 consolidated financial statements. For this reason, the City Attorney has recommended that the City obtain a Guaranty from Republic, guaranteeing the performance by CDS of its obligations under the Franchise Agreement. If CDS fails to perform for any reason, the City can call on Republic to step in, including for payment obligations. Republic Services, Inc. has agreed to this requirement, and has already executed the Guaranty.

FISCAL IMPACT

Per the Franchise Agreement, Pacific Coast will pay to the City a transfer fee in the amount of $1,025,000, upon the assignment of the Franchise Agreement. Pacific Coast has already made the $50,000 payment for costs relating to the City's review of this transaction.

The $50,000 payment would be deposited in the following accounts:

Increase Revenue
1001-000-000-3980 ……………………………………. $50,000.00

Increase Expenditure
1001-042-000-4261…………………………………….. $50,000.00

Staff recommends that the $1,025,000 transfer fee be deposited in General Fund revenue account number 1001-000-000-3980.

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution granting its consent to the assignment of the Franchise Agreement for Integrated Solid Waste Management from Pacific Coast Waste & Recycling, LLC to Consolidated Disposal Service, LLC, and authorizing the City Manager to execute all documents necessary to effectuate this approval.

G. HAROLD DUFFEY
CITY MANAGER

Attachment: Proposed Resolution

#9.

RESOLUTION NO. ________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON CONSENTING TO THE ASSIGNMENT OF THE AMENDED AND RESTATED AGREEMENT FOR INTEGRATED SOLID WASTE MANAGEMENT SERVICES FROM PACIFIC COAST WASTE & RECYCLING, LLC TO CONSOLIDATED DISPOSAL SERVICE, LLC

WHEREAS, City and Pacific Coast Waste & Recycling, LLC ("Pacific Coast") entered into that certain Amended and Restated Agreement for Integrated Solid Waste Management Services dated on or about October 1, 2012 ("Agreement"); and

WHEREAS, pursuant to Section 12.5 of the Agreement, no assignment or other transfer of the Agreement is permitted without the prior consent of City; and

WHEREAS, Pacific Coast has requested that City consent to the assignment of the Agreement to Consolidated Disposal Service, LLC, a Delaware limited liability company ("CDS"); and

WHEREAS, CDS is a wholly owned subsidiary of Republic Services, Inc., a Delaware corporation ("Republic"); and

WHEREAS, pursuant to Section 12.5 of the Agreement, Pacific Coast provided certain documents to City, regarding the qualifications of the proposed transferee; and

WHEREAS, certain of the information provided by Pacific Coast pertained to CDS while other information, particularly the financial information, pertained to Republic; and

WHEREAS, City has reviewed the information submitted by Pacific Coast; and

WHEREAS, the City is willing to consent to the assignment of the Agreement to CDS only upon the condition that Republic execute a Guaranty (the "Guaranty") in a form acceptable to the City Attorney, guarantying the timely and full performance by CDS of its obligations, including the payment of moneys, pursuant to the Agreement; and

WHEREAS, Republic is willing to provide the Guaranty; and

NOW, THEREFORE, as an inducement to the City to approve the assignment, Guarantor agrees as follows:

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. That the $50,000.00 advance payment for the City's consideration of Pacific Coast Waste & Recycling LLC's assignment request shall be deposited as follows:

Increase Revenue

1001-000-000-3980 ……………………………………. $50,000.00

Increase Expenditure

1001-042-000-4261…………………………………….. $50,000.00

Section 2. That the transfer fee required by Section 12.5 of the Franchise Agreement, in the amount of $1,025,000.00 shall be deposited as follows:

General Fund: 1001-000-000-3980

Section 3. The City of Compton hereby consents to the assignment of the Amended and Restated Agreement for Integrated Solid Waste Management Services dated on or about October 1, 2012 ("Agreement") from Pacific Coast Waste & Recycling, LLC ("Pacific Coast") to Consolidated Disposal Service, LLC, a Delaware limited liability company ("CDS"), subject to the following conditions precedent:

a. CDS and Pacific Coast shall have executed and delivered to City an assignment agreement or other documentation reasonably acceptable to the City Attorney, documenting the assignment of the Franchise Agreement by Pacific Coast to CDS;

b. CDS shall have executed and delivered to City the Consent to Assignment Agreement, substantially in the form attached hereto as Attachment No. 1;

c. Republic Services, Inc., a Delaware corporation ("Republic") shall have executed and delivered to City the Guaranty, in form acceptable to the City Attorney; and

d. Pacific Coast shall have paid to City the transfer fee required by Section 12.5 of the Franchise Agreement, in the amount of $1,025,000.

Section 4. If the conditions set forth in Section 1 are not satisfied by the date that is twenty-one (21) days from the date this Resolution is adopted, the City Council's approval of the assignment to CDS shall expire, and be of no further force or effect. .

Section 5. The City Manager is directed to take all actions, and execute all documents, necessary to implement this action.

Section 6. This Resolution shall take effect immediately upon adoption.

APPROVED AND ADOPTED this 30th day of July, 2013.

____

Aja Brown, Mayor

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

#9.

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 30th day of July, 2013.

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

#9.

ATTACHMENT NO. 1

FORM OF ASSIGNMENT AGREEMENT

CONSENT TO ASSIGNMENT AGREEMENT

THIS CONSENT TO ASSIGNMENT AGREEMENT, dated for reference purposes July 31, 2013 ("Consent Agreement") is entered into by and between the City of Compton, a California municipal corporation ("City"), and Consolidated Disposal Service, LLC, a Delaware limited liability company ("CDS"), with reference to the following facts:

RECITALS

WHEREAS, City and Pacific Coast Waste and Recycling LLC, a California limited liability company ("Pacific Coast"), entered into that certain Amended and Restated Agreement for Integrated Solid Waste Management Services dated on or about October 1, 2012 ("Franchise Agreement"), which Franchise Agreement is incorporated herein by this reference; and

WHEREAS, pursuant to Section 12.5 of the Agreement, no assignment or other transfer of the Agreement is permitted without the prior consent of City; and

WHEREAS, Pacific Coast has requested that City approve the assignment of the Franchise Agreement to CDS; and

WHEREAS, CDS is a wholly owned subsidiary of Republic Services, Inc., a Delaware corporation ("Republic"); and

WHEREAS, pursuant to Section 12.5 of the Franchise Agreement, Pacific Coast provided certain documents to City, regarding the qualifications of the proposed transferee; and

WHEREAS, certain of the information provided by Pacific Coast pertained to CDS while other information, particularly the financial information, pertained to Republic; and

WHEREAS, City has reviewed the information submitted by Pacific Coast; and

WHEREAS, the City is willing to approve the assignment of the Franchise Agreement to CDS only upon the condition that Republic execute a Guaranty (the "Guaranty") in a form acceptable to the City Attorney, guarantying the timely and full performance by CDS of its obligations, including the payment of moneys, pursuant to the Franchise Agreement; and

WHEREAS, Republic has provided the Guaranty in a form acceptable to the City Attorney; and

NOW, **THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Recitals; Definitions. The foregoing recitals are true and correct, and incorporated into this Agreement by this reference. Capitalized terms used in this Consent Agreement and not otherwise defined in this Consent Agreement shall have the meaning assigned to them in the Franchise Agreement.

2. Consent to Assignment. On July 30, 2013, by adoption of Resolution No. ___________, the City Council of the City approved and consented to the assignment of the Franchise Agreement from Pacific Coast to CDS, subject to the following conditions precedent:

a. CDS and Pacific Coast shall have executed and delivered to City an assignment agreement or other documentation reasonably acceptable to the City Attorney, documenting the assignment of the Franchise Agreement by Pacific Coast to CDS;

b. CDS shall have executed and delivered to City this Consent Agreement;

c. Republic shall have executed and delivered to City the Guaranty, in form acceptable to the City Attorney; and

d. Pacific Coast shall have paid to City the transfer fee required by Section 12.5 of the Franchise Agreement, in the amount of $1,025,000.

3. Assumption. By executing this Consent Agreement, CDS represents and warrants to City that it accepts the assignment of the Franchise Agreement from Pacific Coast, and that it assumes all of the rights, interests, and obligations of the Company (as that term is defined in the Franchise Agreement) under the Franchise Agreement.

4. Compliance with Terms and Conditions of Franchise Agreement. City represents and warrants that as of the date of this Consent Agreement, City is not aware of any act or failure to act that would result in Pacific Coast (Company) not being in full compliance with the terms and conditions of the Franchise Agreement. Except as set forth in the next sentence, City represents that there are no payment obligations from Pacific Coast to City outstanding. [Currently being verified] The preceding sentence does not limit the potential liability of CDS for any claims or other payment obligations arising from Sections 9.1, 9.2, or 9.3 of the Franchise Agreement, regardless of whether such obligations relate to events or failures to act that occur before or after the transfer of the Franchise Agreement to CDS.

5. City Real Property. City acknowledges that CDS has informed it that CDS will not use or operate on the City Real Property. CDS hereby relinquishes all rights under the Franchise Agreement (including Section 2.2) to use and occupy the City Real Property.

6. Guaranty. City acknowledges that Republic has provided the Guaranty in a form acceptable to the City Attorney.

7. Payments to Company. City agrees that it shall remit payment to Pacific Coast for the Pacific Coast billing to City for July 2013 services. Thereafter, City shall remit payments to CDS for CDS's billing to City for August 2013 services, and all future CDS invoices submitted to City.

8. Notices. Pursuant to Section 12.12 of the Franchise Agreement, CDS hereby notifies City that the address for notices shall be:

Consolidated Disposal Service, LLC
Attn: Area President
12949 Telegraph Road
Santa Fe Springs, CA 90670

With a copy to:

Timothy Benter, Esq.
Vice President & Deputy General Counsel
Republic Services, Inc.
18500 North Allied Way
Phoenix, Arizona 85054

____.

IN WITNESS WHEREOF, the City and CDS have executed this Consent Agreement as of the day and year first above written.

("City")

CITY OF COMPTON,

By:____________________________
City Manager

("CDS")

CONSOLIDATED DISPOSAL SERVICE, LLC

By:____________________________
NAME

____
TITLE

By:____________________________
NAME

____
TITLE

APPROVED AS TO FORM:

____
City Attorney

ATTEST:

____
City Clerk

#9.

PARENT GUARANTY AGREEMENT

This Guaranty, made as of the date written below by Republic Services, Inc., a Delaware corporation ("Guarantor"), is to and for the benefit of the City of Compton ("City"), a municipal corporation of the State of California ("State"), relative to the City's approval of the assignment of the Amended and Restated Agreement for Integrated Solid Waste Management Services from Pacific Coast Waste & Recycling, LLC to Consolidated Disposal Service, LLC ("Contractor").

WITNESSETH

WHEREAS, City and Pacific Coast Waste & Recycling, LLC entered into that certain Amended and Restated Agreement for Integrated Solid Waste Management Services dated on or about October 1, 2012 ("Agreement"), which Agreement is incorporated in this Guaranty by reference; and

WHEREAS, Pacific Coast Waste & Recycling, LLC has requested that City approve the assignment of the Agreement to Contractor; and

WHEREAS, Contractor is a wholly owned subsidiary of Guarantor; and

WHEREAS, City has requested and Contractor has accepted that in connection with City's approval of an assignment of the Agreement to Contractor ("Assignment"), Contractor shall provide a parent company guaranty for the benefit of City; and

WHEREAS, it is in the interest of Guarantor that City approve the Assignment, and that Contractor accept the Assignment and enter into the Agreement with the City; and

WHEREAS, the City is willing to approve the Assignment only upon the condition that the Guarantor execute this Guaranty; and

WHEREAS, in the event Contractor fails to timely and fully perform its obligations, including the payment of moneys, pursuant to the Agreement, Guarantor is willing to Guaranty, Contractor's timely and full performance thereof; and

WHEREAS, it is a condition precedent to the City's obligations under the Agreement that the Guarantor provide and maintain this Guaranty.

NOW, THEREFORE, as an inducement to the City to approve the Assignment, Guarantor agrees as follows:

Capitalized terms used in this Guaranty and not otherwise defined in this Guaranty. shall have the meaning assigned to them in the Agreement.

(1) Guaranty of Contractor's Performance Under Agreement. Guarantor by this Guaranty directly, unconditionally, irrevocably, and absolutely guaranties the timely and full performance of Contractor's obligations under the Agreement in accordance with the terms and conditions contained therein or to cause that timely and full performance. Within thirty (30) Calendar Days of written request therefore by the City, Guarantor shall honor the Guaranty.

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Notwithstanding the unconditional nature of the Guarantor's payment obligations set forth in this Guaranty, the Guarantor may assert the defenses provided in the paragraph entitled Defenses under Section 8 of this Guaranty, against claims made under this Guaranty.

(2) Governing law; consent to jurisdiction; service of Process. This Guaranty is governed by the laws of the State of California. The Guarantor by this Guaranty agrees to the service of process in the State for any claim or controversy arising out of this Guaranty or relating to any breach. The Guarantor by this Guaranty agrees that the Superior Court of Los Angeles County, and to the extent permitted by law, the United States District Court for the Central District of California, shall have the exclusive jurisdiction of all suits, actions, and other proceedings involving itself and to which the City may be party for the adjudication of any claim or controversy arising out of this Guaranty or relating to any breach of this Guaranty, waives any objections that it might otherwise have to the venue of any Court for the trial of any suit, action, or proceeding, and consents to the service of process in any suit, action, or proceeding by prepaid registered mail, return receipt requested, to the address set forth in Section 20 hereof.

(3) Enforceability; no Assignment. This Guaranty is binding upon and enforceable against Guarantor, its successors, assignees, and lawful representatives. It is for the benefit of the City, its successors and assignees. The Guarantor may not Assign or delegate the performance of this Guaranty without the prior written consent of City, which consent City may grant or deny in its sole or absolute discretion.

For purposes of this Guaranty "Assign" and "Assignment" means:

(i) selling, exchanging or otherwise transferring effective control of management of the Guarantor (through sale, exchange or other transfer of outstanding stock or otherwise);

(ii) issuing new stock or selling, exchanging or otherwise transferring fifty percent (50%) or more of the then outstanding common stock of the Guarantor which results in a change of control of Guarantor;

(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 Guarantor;

(iv) any assignment by operation of law, including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment of an execution, being levied against Guarantor, appointment of a receiver taking possession of any of Guarantor's tangible or intangible property; and

(v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any transfer or change of Ownership or control of Guarantor.

For purposes of determining Ownership, the constructive Ownership provisions of Section 318(a) of the Internal Revenue Code of 1986, as in effect on the date here, shall apply.

(4) Guaranty absolute and unconditional. The undertakings of Guarantor set forth in this Guaranty are absolute and unconditional, and the City is entitled to enforce any or all of those undertakings against Guarantor without being first required to enforce any remedies or to seek to compel the Contractor to perform its obligations under the Agreement or to seek, or obtain recourse against any other Party or Parties, including but not limited to the Contractor or any assignee of the Contractor, who are, or may be, liable therefore, in whole or in part, irrespective of any cause or state of facts whatever. Without limiting the generality of the foregoing, the Guarantor expressly agrees that its obligations under this Guaranty shall not be affected, limited, modified or impaired by any state of facts or the happening from time to time of an event, other than the payment of monetary obligations by the Contractor to City under the Agreement in accordance with the terms of the Agreement, including, without limitation, any of the following, each of which is by this Guaranty expressly waived as a defense to its liability under this Guaranty, except to the extent those defenses would be available to the Contractor and release, discharge or otherwise offset Contractor's obligations under the Agreement:

(a) the invalidity, irregularity, illegality or unenforceability, of any defect in or objections to the Agreement;

(b) any modification or amendment or compromise of or waiver of compliance with or consent to variation from any of the provisions of the Agreement by the Contractor;

(c) any release of any collateral or lien thereof, including, without limitation, any performance bond;

(d) any defense based upon the election of any remedies against the Guarantor of the Contractor, or both, including without limitation, any consequential loss by the Guarantor of its right to recover any deficiency, by way of subrogation or otherwise, from the Contractor or any other Person or entity;

(e) the recovery of any judgment against the Contractor to enforce any collateral or performance bond;

(f) the City or its assignees taking or omitting to take any of the actions which it or any of its assignees is required to take under the Agreement; any failure, omission or delay on the part of the City or its assignees to enforce, assert or exercise any right, power or remedy conferred on it or its assignees by the Agreement, except to the extent that failure, omission or delay gives rise to an applicable statute of limitations defense by the Contractor with respect to a specific obligation;

(g) the default or failure of the Guarantor to fully perform any of its obligations set forth in this Guaranty;

(h) the bankruptcy, insolvency, or similar proceeding involving or pertaining to the Contractor or the City, or any order or decree of a court, trustee or receiver in any proceeding;

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(i) in addition to those circumstances described in item (h), any other circumstance which might otherwise constitute a legal or equitable discharge of a Guarantor or limit the recourse of the City to the Guarantor;

(j) the existence or absence of any action to enforce the Agreement;

(k) subject to the provisions of Section 11.3 of the Agreement relating to excuse from performance, any present or future law or order of any government or of any agency thereof, purporting to reduce, amend or otherwise affect the Agreement or to vary any terms of payment or performance under the Agreement;

provided that, notwithstanding the foregoing, Guarantor shall not be required to pay any monetary obligation of Contractor to City from which Contractor would be discharged, released or otherwise excused under the provisions of the Agreement.

(5) Waivers. Except as provided herein the Guarantor shall have no right to terminate this Guaranty or to be released, relieved, exonerated or discharged from its obligations under this Guaranty for any reason whatsoever, including, without limitation: (1) the insolvency, bankruptcy, reorganization or cessation of existence of Contractor; (2) the actual or purported rejection by a trustee in bankruptcy of the Agreement, or any limitation on any claim in bankruptcy resulting from the actual or purported termination of the Agreement; (3) any waiver with respect to any of the obligations of the Agreement guaranteed hereunder or the impairment or suspension of any of the City's rights or remedies against Contractor; or (4) any merger or consolidation of Contractor with any other corporation, or any sale, lease or transfer of any or all the assets of Contractor. Without limiting the generality of the foregoing, Guarantor hereby waives the rights and benefits under California Civil Code §2819.

The Guarantor hereby waives any and all benefits and defenses under California Civil Code §2846, 2849, and 2850 as may be amended from time to time, including without limitation, the right to require the City to (a) proceed against Contractor, (b) proceed against or exhaust any security or collateral the City may hold now or hereafter hold, or (c) pursue any other right or remedy for Guarantor's benefit, and agrees that City may proceed against Guarantor for the obligations guaranteed herein without taking any action against Contractor or any other guarantor or pledgor and without proceeding against or exhausting any security or collateral the City may hold now or hereafter hold. The City may unqualifiedly exercise in it sole discretion any or all rights and remedies available to it against Contractor or any other guarantor or pledgor without impairing the City's rights and remedies in enforcing this Guaranty.

The Guarantor hereby waives and agrees to waive at any future time at the request of the City to the extent now or then permitted by applicable law, any and all rights which the Guarantor may have or which at any time hereafter may be conferred upon it, by statute, regulation or otherwise, to avoid any of its obligations under, or to terminate, cancel, quit or surrender this Guaranty. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the liability of the Guarantor hereunder: (a) at any time or from time to time, without notice the Guarantor, performance or compliance herewith is waived; (b) any other of any provision of its Agreement indemnification with respect to Contractor's obligations under the Agreement or any security therefore is released or exchanged in whole or in part or otherwise dealt with; or (c) any assignment of the Agreement is effected which does not require the City's approval.

The Guarantor hereby expressly waives, diligence, presentment, demand for payment or performance, protest and all notices whatsoever, including, but not limited to, notices of non-payment or non-performance, notices of protest, notices of any breach or default, and notices of acceptance of this Guaranty. If all or any portion of the obligations guaranteed hereunder are paid or performed, Guarantor's obligations hereunder shall continue and remain in full force and effect if all or any part of such payment or performance is avoided or recovered directly or indirectly from the City as a preference, fraudulent transfer or otherwise, irrespective of (a) any notice of revocation given by Guarantor or Contractor prior to such avoidance or recovery, and (b) payment in full of any obligations then outstanding.

(6) Agreements between City and Contractor; Waivers by City. The Guarantor agrees that, without the necessity for any additional endorsement or Guaranty by or any reservation of rights against Guarantor and without any further assent by Guarantor, by mutual agreement between the City and Contractor, the City and Contractor may, from time to time:

(a) renew, modify, or compromise the liability of the Contractor for or upon any of the obligations by this Guaranty guarantied; or

(b) consent to any amendment or change of any terms of the Agreement; or

(c) accept, release, or surrender any security (including, without limitation, any performance bond), or

(d) grant any extensions or renewals of the obligations of the Contractor under the Agreement, and any other indulgence with respect thereto, and to effect any release, compromise or settlement with respect thereto,

all without releasing or discharging the liability of Guarantor under this Guaranty.

The Guarantor further agrees that the City or any of its assignees shall have and may exercise full power in its uncontrolled discretion, without in any way affecting the liability of the Guarantor under this Guaranty, to waive compliance with and any default of the Contractor under, the Agreement.

(7) Continuing Guaranty. This Guaranty is a continuing Guaranty and shall continue to be effective or be reinstated, as applicable, if at any time any payment of any of the obligations under this Guaranty is rescinded or is otherwise required to be returned upon reorganization, insolvency or bankruptcy of the Contractor or Guarantor or otherwise, all as though payment had not been made.

(8) Defenses. Notwithstanding any provision in this Guaranty to the contrary, the Guarantor may exercise or assert any and all legal or equitable rights, defenses, counter claims or affirmative defenses under the Agreement or Applicable Law which the Contractor could assert

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against any Party seeking to enforce the Agreement against the Contractor, and nothing in this Guaranty shall constitute a waiver thereof by the Guarantor.

(9) Payment of costs of enforcing Guaranty. In addition to the amount guaranteed under this Guaranty, Guarantor agrees to pay all costs, expenses and fees, including all reasonable attorney's fees, which may be incurred by the City in enforcing this Guaranty following an Event of Default on the part of the Guarantor under this Guaranty, whether the same is enforced by suit or otherwise, including any action to determine the respective rights and obligations of the parties hereunder.

(10) Enforcement. The terms of this Guaranty may be enforced as to any one (1) or more breaches either separately or cumulatively.

(11) Remedies cumulative. No remedy in this Guaranty conferred upon or reserved to the City under this Guaranty is intended to be exclusive of any other available remedy or remedies, but each and every remedy is cumulative and is in addition to every other remedy given under the Guaranty and the Agreement or in this Guaranty after existing at law or in equity or by statute.

(12) No Waivers. No delay on the part of the City in exercising any rights under this Guaranty or failure to exercise such rights shall operate as a waiver of such rights. No notice to or demand on Guarantor shall be a waiver of any obligation of Guarantor or right of the City to take other or further action without notice or demand. No waiver of any of the provisions of this Guaranty shall be effective unless it is in writing and signed by the City and by Guarantor, nor shall any waiver be effective except in the specific instance or matter for which it is given.

(13) Severability. The invalidity or unenforceability of any one (1) or more phrases, sentences or clauses in this Guaranty contained shall not affect the validity or enforceability of the remaining portions of this Guaranty, or any part thereof.

(14) Amendments. No amendment, change, modification or termination of this Guaranty is effective unless it is in writing and signed by the City and by Guarantor.

(15) Term. This Guaranty is not limited to any period of time, but shall continue in full force and effect until all of the terms and conditions of the Agreement have been fully performed or otherwise discharged and Guarantor shall remain fully responsible under this Guaranty without regard to the acceptance by the City of any performance bond or other collateral to assure the performance of Contractor's obligations under the Agreement. Guarantor shall not be released of its obligations hereunder so long as there is any claim by the City against Contractor arising out of the Agreement based on Contractor's failure to perform which has not been settled or discharged.

(16) No set-offs

By Guarantor. The obligation of Guarantor under this Guaranty shall not be affected by any set-off, counterclaim, recoupment, defense or other right that Guarantor may have against the City on account of any claim of the Guarantor against the City; provided that Guarantor reserves the right to bring independent claims or counter claims not arising from the Agreement against the

City so long as any claims shall not be used to set-off or deduct from any claims which the City may have against the Guarantor arising from this Guaranty.

By Contractor. The obligation of Guarantor under this Guaranty is subject to any set-off, counterclaim, recoupment, defense or other right that the Contractor may assert pursuant to the Agreement, if any, but the obligation of Guarantor under this Guaranty shall not be subject to any set-off, counterclaim, recoupment, defense or other right that the Contractor may assert independently of and outside the Agreement.

(17) Warranties and representations. The Guarantor warrants and represents that as of date of execution of this Guaranty:

(a) The Guarantor has the power, authority and legal right to enter into this Guaranty and to perform its obligations and undertakings under this Guaranty, and the execution, delivery and performance of this Guaranty by the Guarantor (i) have been duly authorized by all necessary corporate and shareholder action on the part of the Guarantor, (ii) have the requisite approval of all federal, State and local governing bodies having jurisdiction or authority with respect thereto, (iii) do not violate any judgment, order, law or regulation applicable to the Guarantor, (iv) do not conflict with or constitute a default under any agreement or instrument to which the Guarantor is a party or by which the Guarantor or its assets may be bound or affected, and (v) do not violate any provision of the Guarantor's articles or certificate of incorporation or by-laws;

(b) This Guaranty has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms; and

(c) There are no pending or, to the knowledge of the Guarantor, threatened actions or proceedings before any court or administrative agency which would have a material adverse effect on the financial condition of the Guarantor, or the ability of the Guarantor to perform its obligations or undertakings under this Guaranty.

(18) No merger; no conveyance of assets. Guarantor agrees that during the term of this Guaranty in accordance with Section (14) Guarantor shall not consolidate with or merge into any other corporation where the shareholders of the Guarantor yield control of the Guarantor, or a majority interest in the Guarantor, to the newly formed corporation, or convey, transfer or lease all or substantially all of its properties and assets to any Person, firm, joint venture, corporation and other entity, unless the City consents thereto in accordance with Section (3) above.

(19) Counterparts. This Guaranty may be executed in any number of counterparts, some of which may not bear the signatures of all Parties to this Guaranty. Each counterpart, when so executed and delivered, is deemed to be an original and all counterparts, taken together, shall constitute one and the same instrument; provided, however, that in pleading or proving this

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Guaranty, it shall not be necessary to produce more than one (1) copy (or sets of copies) bearing the signature of the Guarantor.

(20) Notices. All notices, instructions and other communications required or permitted to be given to or made upon any Party to this Guaranty shall be in writing, deposited in the U.S. mail, registered or certified, first class postage prepaid, addressed as follows:

To the City: City Manager
City of Compton
205S. Willowbrook Avenue
Compton, CA 90220

with a copy to the City Attorney at the same address.

To the Guarantor: Timothy Benter
Vice President and Deputy General Counsel
Republic Services, Inc.
18500 North Allied Way
Phoenix, AZ 85054

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 three days from the date it is deposited in the mail.

(21) Separate suits. Each and every payment default by Contractor under the Agreement shall give rise to a separate cause of action under this Guaranty, and separate suits may be brought under this Guaranty by the City or its assignees as each cause of action arises.

(22) Headings. The Section headings appearing in this Guaranty are for convenience only and shall not govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of this Guaranty.

(23) Entire Agreement. This Guaranty constitutes the entire agreement between the Parties to this Guaranty with respect to the transactions contemplated by this Guaranty. Nothing in this Guaranty is intended to confer on any Person other than the Guarantor, the City and their permitted successors and Assigns under this Guaranty any rights or remedies under or by reason of this Guaranty.

(24) Personal Liability. It is understood and agreed to by the City that nothing contained in this Guaranty shall create any obligation or right to look to any director, officer, employee or stockholder of the Guarantor (or any Affiliate thereof) for the satisfaction of any obligations under this Guaranty, and no judgment, order or execution with respect to or in connection with this Guaranty is taken against any director, officer, employee or stockholder.

(25) Events of Default. Each of the following shall constitute an Event of Default under this Guaranty:

(a) **Failure to fulfill payment of guaranty**. Guarantor fails to fulfill full and timely payment of any payment obligation under this Guaranty, and the failure continues for five (5) Calendar Days after notice provided in accordance with Section 20 of this Guaranty (hereunder defined as Notice) has been given to the Guarantor by the City;

(b) **Breach of Guaranty**. The Guarantor fails to observe and perform any covenant, condition or other obligation under this Guaranty, or engages in any acts prohibited under this Guaranty, other than any failures listed explicitly in this Section, and that failure continues for more than thirty (30) Calendar Days after Notice has been given the Guarantor by the City;

(c) **Failure to give Notice of proposed Assignment**. The Guarantor fails to give City notice in accordance with Section (19) within ten (10) Calendar Days of the first to occur of:

(i) Contractor or any Affiliate issuing a press release as to any proposed Assignment, (within the meaning of Section (3)), or consolidation, merger, conveyance, transfer or lease described in paragraph (e) of this Section (24) or;

(ii) the filing with the Securities and Exchange Commission of a Form 8-K or other filing with respect to a memorandum of intent or an agreement and plan thereof.

(paragraphs (i) and (ii) together defined as Change Notice);

(d) **Consolidation, merger; conveyance of assets**. The Guarantor consolidates, merges or conveys, transfers or leases assets in violation of Section (17) despite City action following Change Notice in preceding paragraph (c) withholding or denying City consent, and on or before fifteen (15) Calendar Days thereafter, does not provide City with a substitute Guarantor satisfactory to City;

(e) **Bankruptcy, insolvency, liquidation**. Guarantor files a voluntary claim for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or shall consent to the appointment of or taking of possession by a receiver, liquidator, assignee, trustee, custodian, administrator (or similar official) of Guarantor for any substantial part of Guarantor's operating assets or any substantial part of Guarantor's property, or shall make any general Assignment for the benefit of Guarantor's creditors, or shall fail generally to pay Guarantor's debts as they become due or shall take any action in furtherance of any of the foregoing.

A court having jurisdiction enters a decree or order for relief in respect of the Agreement, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect, or Guarantor consents to or

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fails to oppose any proceeding, or any court enters a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Guarantor or for any substantial part of the Guarantor's operating equipment or assets, or orders the winding up or liquidation of the affairs of the Guarantor;

(f) **Breach of representations or warranties**. Any representation or warranty of Guarantor is untrue as of the date thereof; Guarantor knowingly makes, causes to be made or condones the making of any false entry in its books, accounts, records, and reports under this Guaranty.

Upon any Event of Default the City may proceed first and directly against the Guarantor under Guaranty without proceeding against or exhausting any other remedies which it may have.

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IN WITNESS WHEREOF Guarantor has executed this instrument the day and year first below written.

REPUBLIC SERVICES, INC.

By:______________________________
Name: Tim M. Benter
Title: Vice President

The undersigned, being the duly elected and qualified Assistant [Secretary] of Guarantor, hereby certifies that Tim M. Benter is the duly elected and qualified Vice President of Guarantor and that the foregoing signature appearing above his or her name is his or her genuine signature.

REPUBLIC SERVICES, INC.

By:______________________________
Name: Eileen B. Schuler
Title: Assistant Secretary

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ACKNOWLEDGMENT

State of Arizona)
County of Maricopa)
)

On July 23, 2013 before me, ______________________
(insert name and title of the officer)

personally appeared Tim M. Benter, Vice President,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Arizona that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature______________________
Signature of Notary Public

(Seal) Notary Public State of Arizona
Maricopa County
Jessica Ann Beatty
My Commission Expires 05/25/2014

ACKNOWLEDGMENT

State of Arizona)
County of Maricopa)
)

On July 23, 2013 before me, ______________________
(insert name and title of the officer)

personally appeared Eileen B. Schuler, Assistant Secretary,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Arizona that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature______________________
Signature of Notary Public

(Seal) Notary Public State of Arizona
Maricopa County
Jessica Ann Beatty
My Commission Expires 05/25/2014