

# **NOTICE**

## **COMPTON CITY COUNCIL AGENDA Tuesday, July 01, 2014 3:30 PM**

### **WORKSHOP(S)**

**3:40 P.M. - ESTABLISHMENT OF A CITY POLICY GOVERNING  
DISTRIBUTION OF COMPLIMENTARY TICKETS AND PASSES (City Attorney)**

### **HEARING(S)**

### **OPENING**

### **MOMENT OF SILENCE**

### **ROLL CALL**

### **INTRODUCTION OF SPECIAL GUESTS**

### **COMMENDATORY RESOLUTIONS/PRESENTATIONS**

1. POWER POINT PRESENTATION - Update on Parks and Recreation Programs

### **PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS**

### **CONSENT AGENDA**

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

### **APPROVAL OF MINUTES**

2. May 20, 2014  
May 27, 2014  
June 17, 2014

### **REPORTS OF OFFICERS AND COMMISSIONS**

## **END CONSENT AGENDA**

### **REGULAR AGENDA**

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

3. APPOINTMENT(S) OF OFFICERS, COUNCIL MEMBERS, BOARDS/COMMISSIONS AND COMMITTEES

APPOINTMENT OF MAYOR PRO-TEM

#### **CITY MANAGER'S REPORT**

#### **CITY ATTORNEY'S REPORTS**

#### **UNFINISHED BUSINESS**

#### **NEW BUSINESS**

4. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH TGIS CATERING TO MANAGE CATERING SERVICES FOR THE COMPTON COMMUNITY CENTER
5. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT AND ISSUE A PURCHASE ORDER TO MELVINNA SHARP FOR TRANSCRIPTION AND PREPARATION OF MEETING MINUTES OF THE CITY'S LEGISLATIVE BODIES AND SPECIALIZED ELECTRONIC SERVICES FOR FISCAL YEAR 2014-2015
6. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH AND ISSUE A PURCHASE ORDER TO GENERAL PUMP COMPANY, INC. FOR THE REPAIR AND REHABILITATION OF GROUNDWATER WELL NO. 11
7. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON SUPPORTING THE PASSAGE OF CALIFORNIA SENATE BILL (SB) 935 TO INCREASE THE STATE'S MINIMUM WAGE STRUCTURE
8. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ADOPTING A POLICY REGARDING THE DISTRIBUTION OF COMPLIMENTARY TICKETS AND PASSES PURSUANT TO FAIR POLITICAL PRACTICES COMMISSION REGULATION 18944.1

9. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO AGREEMENTS AND ISSUE PURCHASE ORDERS TO AON RISK INSURANCE SERVICES WEST, INC. AND FIRST INSURANCE FUNDING CORP. TO RENEW THE CITY OF COMPTON'S INSURANCE POLICY PORTFOLIO
10. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON, ACTING IN THE CAPACITY OF HOUSING SUCCESSOR ACCEPTING THE TRANSFER OF HOUSING ASSETS FROM THE SUCCESSOR AGENCY PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176

### **APPROVAL OF WARRANTS**

### **COUNCIL COMMENTS**

### **ADJOURNMENT**

*NEXT REGULAR MEETING: Tuesday, July 08, 2014 @ 5:45 PM.*

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**MAY 20, 2014**

The City Council meeting was called to order at 3:40 p.m. in the Council Chambers of City Hall by Mayor Aja Brown. The Pledge of Allegiance and Moment of Silence ceremonies were also led by Mayor Aja Brown.

**ROLL CALL**

**Council Members Present:** Zurita, Galvan, Arceneaux, Jones, Brown  
**Council Members Absent:** None

**Other Officials Present:** C. Cornwell, V. McDaniel, G. H. Duffey

**COMMENDATORY RESOLUTIONS/PRESENTATIONS**

1. ORAL REPORT - GATEWAY CITIES COG - BENEFITS OF THE WEBSITE  
(Reagendad)
3. POWER POINT PRESENTATION - Update on Chamber of Commerce Compliance -  
Raunda Frank, RPK Consulting Group Inc. (Presentation made)

**Raunda Frank**, RPK Consulting Group, Inc., offered a PowerPoint presentation on the purposes of chamber of commerce non-profit organizations, formation procedures, compliance to IRS tax exemptions, the status of local chambers of commerce and charitable contributions.

**AUDIENCE COMMENTS ON THE POWERPOINT PRESENTATION**

**Lorraine Cervantes**, Compton resident and member of the Board of Directors for the Compton Chamber of Commerce, requested an explanation regarding the differences between 501(c)3 and 501(c)6.

Ms. Frank explained that both codes will get tax exemption status from paying federal and state taxes on revenues raised, however the difference occurs with regard to accepting contributions. Donors to 501(c)6 organizations cannot write-off their contributions whereas donors to 501(c)3 can.

**Robert Ray**, Compton resident, asked if it would be appropriate for the City to revoke the Latino Chamber of Commerce business license if they are not in compliance with state and federal organizations.

Ms. Frank replied that each entity has their own rules and that the remedy for not registering would be a penalty issued by the Attorney General's office.

**Barbara Calhoun**, Compton resident and former councilperson, asked Ms. Frank to verify whether or not the Compton Chamber of Commerce and Compton Business Chamber are the only legal entities in the City.

Ms. Frank replied that there are many different governing entities; therefore an organization may be in compliance with one entity and out of compliance with another.

Ms. Calhoun asked if chambers of commerce can accept funds. Ms. Frank cited that 501(c)3 organizations can receive funds as a chamber but their donors will not receive a tax deduction.

2. CERTIFICATE PRESENTATION - Student of the Month 2014 - Council Member Willie Jones (Presentation made)

**VOTE TO TAKE THE AGENDA OUT OF ORDER**

On motion by Zurita, seconded by Arceneaux, a motion to take the agenda out of order was approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**  
**NOES: Council Members - None**  
**ABSENT: Council Members - None**

**CITY ATTORNEY’S REPORTS**

**CLOSED SESSION**

- 5. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE  
Title: City Manager  
Pursuant to California Government Code Section 54957
- 6. PUBLIC EMPLOYEE APPOINTMENT  
Title: City Manager  
Pursuant to California Government Code Section 54957

On motion by Zurita, seconded by Arceneaux, closed sessions were approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**  
**NOES: Council Members - None**  
**ABSENT: Council Members - None**

**PUBLIC COMMENTS ON CLOSED SESSION ITEMS**

**Robert Ray**, Compton resident, recognized the City Manager’s efforts to improve the City's finances however he recommended a new City Manager due to a decline in City maintenance and operations.

**Jason Rogers**, Human Resources Director for Alloy Processing, cited City Manager Duffey as responsible for getting 70 Compton residents hired in the last 16 months.

**Michael Turner**, Compton resident, expressed conflicting emotions about the probable termination of the City Manager and promises made to improve the City’s streets.

**Lynn Boone**, Compton resident, petitioned the City Council to give the City Manager an opportunity to prepare and complete the 2014-2015 Fiscal Year budget first before allowing him to walk away.

**Joyce Kelly**, Compton resident, agreed with the other speakers and held that she could not imagine an entity considering firing the CEO of the organization before a budget workshop. She urged the City Council not to terminate the City Manager at this time because Isadore Hall III is not ready to take the seat, and because it leaves them vulnerable to the law.

**Cali Parker**, Compton resident, stated that she cannot believe the City Council is considering terminating the City Manager because he has done more for this City than any city manager in the last 15 to 20 years. She suggested the City Council take responsibility for their actions before making a decision.

**Darrell Alvarez**, Alloy Processing employee, thanked Mr. Duffey for all he has done for Alloy Processing and for letting them operate out of Careerlink.

**William Kemp**, Compton resident, commended Mr. Duffey on an admirable job considering the situation he came into. He further affirmed that Mayor Brown knows nothing about Compton and dislikes the City Manager because he enforces the City Charter on her.

**Barbara Calhoun**, Compton resident and former councilperson, stated that ultimately the City Council is responsible for doing what is right for the citizens of Compton.

**Lorraine Cervantes**, Compton resident, insisted that this is the wrong time to get rid of the City Manager because it corrupts the budget process and impedes proposed street improvements.

### **MEETING RECESSED TO CLOSED SESSION**

**The meeting was recessed to closed session at 4:40 p.m. and reconvened at 6:13 p.m.**

### **REPORT OUT OF CLOSED SESSION**

**City Attorney Craig Cornwell** reported out that the entire City Council met in closed session to consider Public Employee Discipline/Dismissal/Release and Public Employee Appointment Title: City Manager. No action was taken on either item pursuant to California Government Code Section 54957.

### **PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS**

**Robert Ray**, Compton resident, recommended the City revoke the Latino Chamber of Commerce business license because they are not in compliance and should not be in a City facility. In addition, he questioned whether or not the Compton Business Chamber of Commerce should remain in business because they are not registered with the Attorney General's Office and has been bringing in money since last year. He went on to ask if a policy exists that says the City will evaluate businesses a second time to verify operations.

**Gilda Buford**, Compton resident, recognized Councilperson Zurita, Deidre Duhart and Johnny Ford for their efforts to address the concerns of the Arbutus Hillford and Albertson Block Club.

**Lorraine Cervantes**, Compton resident, stated that she was present last night and was glad to see at least four council members in attendance. She indicated that the meeting was very informative but unfortunately too many people were not listening. She asked that citizens stop complaining and let City officials finish their jobs. She thanked the City Council for taking no action at this time and agreed with Mr. Ray that before any organization is granted a license as a chamber of commerce they should meet all requirements.

**Roland Coleman**, Compton Worksource Center, invited anyone looking for a career in transportation to participate in the Metro bus operator 7-week program held every Tuesday at 10 a.m. at 2909 East Pacific Commerce Drive. Benefits include: medical, dental, vision, and tuition assistance. He also announced the availability of 75 jobs for youths ages 14 to 21. For more information please call (310) 762-1101.

**William Kemp**, Compton resident, commended Mayor Brown for arranging the water bill meeting and the meeting held last night on the streets. He admitted to running for office and maintained that he would stay in Compton regardless of whether or not he has a seat on the City Council. He asserted that it is not prudent planning to fire someone 30 days before the budget especially when this person is responsible for reducing the amount of debt accumulated by the City. He recommended the City transform the Dollarhide Center building into a museum and that the community center embody Douglas Dollarhide's name.

**Lynn Boone**, Compton resident, mentioned attending the meeting last night wherein she indicated that there were no plans for the streets, the water bill or other issues that need to be addressed in the City of Compton. In addition, she contended statements during the meeting indicating that streets have not been addressed since 2002, and asserted that there are resolutions after resolutions approving street maintenance repair with Community Development Block grant funds from 2006 to 2009.

# #2.

**Marjorie Shipp**, Compton resident, thanked Councilperson Arceneaux for inviting her to participate in the 3-day Metropolitan Water District tour. She commented on the success of the townhall meeting held last night and went on to ask the Mayor and City Manager if the new community center would be named after Douglas Dollarhide.

**Marie Hollis**, Compton resident, requested the status of negotiations for the Compton Campfire site and agreed that the Dollarhide Neighborhood Center should become a landmark museum.

**Joyce Kelly**, Compton resident, requested the dates of the 2014-2015 Fiscal Year budget workshop. She went on to state that she was unsettled when she heard the Mayor had contacted Dr. Dre after hearing that he would be the first billionaire rapper. She stated that if the City had employees who knew how to research and acquire allocations there would be no financial problems or need to change the City's image.

**Mayor Brown** clarified that she has never requested funds from Dr. Dre and that her hope is that the youth will be proud that someone from their City was able to become a successful entrepreneur.

3:15 P.M. PUBLIC HEARING - CONSIDERATION OF ESTABLISHING REVISED FEES TO ADD TWO (2) NEW FEES FOR THE REVIEW AND PROCESSING OF DONATION BOXES

On motion by Zurita, seconded by Jones, the public hearing was rescheduled for Tuesday, May 27, 2014 at 5:55 P.M., by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Arceneaux**

## **CONSENT AGENDA**

## **END CONSENT AGENDA**

## **REGULAR AGENDA**

### **CITY MANAGER'S REPORT**

#### **4. A REPORT FROM THE CITY MANAGER ON THE SCHEDULE FOR THE PREPARATION AND ADOPTION OF THE FISCAL YEAR 2014-15 BUDGET**

**City Manager Duffey** offered the following schedule for the 2014-2015 Fiscal Year budget:

- Preliminary budget delivered to the City Council (June 3, 2014)
- Budget workshops (June 5<sup>th</sup>, 9<sup>th</sup>, and 12<sup>th</sup>, 2014)
- Community budget workshops in each council district (May 21<sup>st</sup> to May 31<sup>st</sup>)
- Council workshop for the following Non-General Fund departments - Public Works, Water, Lighting and Landscaping, Fleet fund, Grant division, Housing and Successor agency (June 5, 2014)
- Council workshop for the following General Fund departments - Parks and Recreation, Planning, City Clerk, City Treasurer, City Controller, Human Resources, General Services, City Attorney, Fire, Building and Safety, City Manager, Mayor and City Council (June 9-12, 2014)
- 2014-2015 Fiscal Year Budget Public Hearing (June 17, 2014)

On motion by Zurita, seconded by Galvan, to receive and file the City Manager's schedule to adopt the fiscal year 2014-2015 budget, by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Arceneaux**

## UNFINISHED BUSINESS

7. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING SECTION 1 OF ARTICLE 1 OF CHAPTER XXIII (APPENDIX) OF THE COMPTON MUNICIPAL CODE - WATER SERVICE RATES AND CHARGES (Second Reading)

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

**AYES: Council Members - Zurita, Galvan, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Arceneaux**

On motion by Zurita, seconded by Jones, **Ordinance # 2,250** entitled “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING CHAPTER SECTION 1 OF ARTICLE 1 OF CHAPTER XXIII (APPENDIX) OF THE COMPTON MUNICIPAL CODE - WATER SERVICE RATES AND CHARGES (Second Reading)” was adopted, by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Arceneaux**

## APPROVAL OF WARRANTS

8. Warrant #221290 - 4/30/14 - 1st PMF Bancorp - Emergency transportation and basic life Support - \$64,729.03 - Requested by: Fire Department

**Councilperson Zurita** asked when the City would begin to hire in-house staff for emergency transportation and basic life support services.

**City Manager Duffey** answered that the recruitment process has started, the City is slated to hire several individuals.

On motion by Zurita, seconded by Jones, warrant #221290 was approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Arceneaux**

## COUNCIL COMMENTS

**Councilperson Zurita** offered the following communications/announcements:

- Requested the status of the Gonzales Park pool opening.
- Recognized City Manager Duffey and staff for presenting the pavement index management system meeting last night.
- Commented on the success of the Marshall's and Anna's Linens grand opening.

# #2.

- Martin Luther King Jr. Outpatient Center Grand opening will be held May 28, 2014 from 9:30 a.m. to 11:30 a.m.
- 15th Anniversary for the Black AIDS Institute.
- Announced the Youth Athletic League Summer Kick-Off Extravaganza to be held Saturday, June 14, 2014 from 11 a.m. to 4 p.m. For more information please contact Sergeant Hayes at (310) 605-6500.
- Budget and Public Safety townhall meeting will be held Wednesday, May 21, 2014 at Gonzales Park at 6 p.m.
- Acknowledged her father Clarence Zurita's birthday.

**Councilperson Galvan offered the following communications/announcements:**

- Thanked everyone that participated in and attended the pavement index management system meeting last night.
- Announced that today is the first day the agenda was printed in English and Spanish.
- Men's Basketball League continues this Thursday from 6 p.m. to 8 p.m. at Wilson Park.
- Gonzales Park pool will be opening June 7, 2014.
- Asked when Leuders Park pool will be opening.
  - **City Manager Duffey** answered that Dr. Penn would submit an email with that information.

**Councilperson Jones offered the following communications/announcements:**

- Los Angeles Sheriffs' Department will be hosting a Community Camp-Out on the 600 Block of Sloan Avenue Wednesday, May 21, 2014 at 5 p.m.

**\*Councilperson Galvan exited the meeting at 7:05 p.m.**

- Budget townhall meeting will be held Thursday, May 29, 2014 at Kelly Park at 6 p.m.
- Encouraged residents to patronize the new Marshall's and Anna Linens stores located within the Compton Gateway Towne Center.
- Thanked City Manager Duffey and Public Works Director Glen Kau for presenting the pavement index management system study last night.

**Mayor Brown offered the following communications/announcements:**

- Community Policing Taskforce meeting will be held Thursday, May 22, 2014 at 10 a.m. in the Council Chambers.
- Community Center grand opening will be held Saturday, May 31, 2014.
- Compton Empowered 2014 Summer Leadership Experience will be held June 23, 2014 through August 1, 2014 at Compton Community College. For more information, contact Compton Unified School District staff.
- Prayer for Peace will be cancelled this month in commemoration of Memorial Day.
- Announced that there would be changes to the resident's water bills and further thanked Michael Turner for his due diligence and insistence on a townhall meeting.

- Acknowledged her husband Van Brown's birthday.

**ADJOURNMENT**

On motion by Zurita, seconded by Jones, the meeting was adjourned at 7:15 p.m., by the following vote on roll call:

**AYES: Council Members - Zurita, Jones, Brown**  
**NOES: Council Members - None**  
**ABSENT: Council Members - Galvan, Arceneaux**

\_\_\_\_\_  
**Clerk of the City of Compton**

\_\_\_\_\_  
**Mayor of the City of Compton**



**MAY 27, 2014**

The Compton City Council meeting was called to order at 6:52 p.m. in the Council Chambers of City Hall by Mayor Aja Brown.

**ROLL CALL**

**Council Members Present:** Zurita, Arceneaux, Jones, Brown

**Council Members Absent:** Galvan

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

**COMMENDATORY RESOLUTIONS/PRESENTATIONS**

1. ORAL PRESENTATION - Emergency Preparedness - Los Angeles County Pledge to Prepare - Leslie Luke Deputy Administrator, LA County OEM and Diana Rhoades, Team Leader, FEMA Corps 5 - Requested by Council Person Yvonne Arceneaux (Presentation made)

For more information, citizens are asked to go to [www.alertlacounty.gov](http://www.alertlacounty.gov) for a list of activities hosted by Los Angeles County for emergency preparedness.

2. CERTIFICATE PRESENTATION - "Compton SEED Program Graduate Students" Requested by Mayor Aja Brown (Reagendad)

**5:50 P.M. - PUBLIC HEARING - 2014 FIREWORKS STANDS APPROVAL  
(Item #6)**

On motion by Arceneaux, seconded by Jones, the public hearing was opened at 7:00 p.m., by the following vote on roll call:

**AYES:** Council Members - Zurita, Arceneaux, Jones, Brown

**NOES:** Council Members - None

**ABSENT:** Council Members - Galvan

**City Clerk Alita Godwin** presented the City Council with a list of applicant rankings and organizations selected through random drawing to operate a fireworks stand in the City of Compton in accordance to Compton Municipal Code Section 22-2.4; Sub-Section D: Compton High School Basketball Alumni, Cross Roads United Methodist Church, Curry Temple (2nd Year), Dominguez Samoan Congressional Church (2nd Year), Hopes and Dreams Foundation (2nd Year), Iglesias Espania (2nd Year), Light of the World Community Center (2nd Year), New Holy Trinity Baptist Church (2nd Year), Phi Beta Sigma Fraternity, Sandra's Soul Steppers (2nd Year), Sounders Drill & Drum Squad (2nd Year), and Victory Outreach (2nd Year).

**Note: Only three slots were available to operate a 2014 Fireworks Stand.**

**PUBLIC COMMENTS ON THE HEARING**

**Robert Ray**, Compton resident, spoke in opposition to fireworks stands in the City of Compton and asked that Sheriffs' officials aggressively go after persons using illegal fireworks.

**Benjamin Holifield**, Compton resident, petitioned the City Council to increase the number of fireworks stands in the City of Compton to 15. Furthermore, he proposed that the City Council confirm that there are at least 100,000 residents and add two more districts.

**Lorraine Cervantes**, Compton resident, stated that she is satisfied with the current municipal code for fireworks stands and confirmed that there are two Victory Outreach organizations, one Spanish ministry and one English ministry.

#2.

**Lynn Boone**, Compton resident, asserted that 4<sup>th</sup> of July celebrations bring the community together and asked that any changes in the ordinance be taken at another time.

**Joyce Kelly**, Compton resident, requested literature that illustrates the organizations randomly selected to operate a fireworks stand on behalf of the audience. She proposed that the City continue its tradition of allowing the use of fireworks and that it implement a plan to address illegal fireworks.

**Muhammad Martinez**, Compton resident, expressed a concern for children being severely injured when operating fireworks without parental consent.

**Michael Turner**, Compton resident, proposed that the City celebrate the opening of the Martin Luther King Jr. Transit Center with fireworks.

On motion by Zurita, seconded by Arceneaux, the public hearing was closed at 7:20 p.m., by the following vote on roll call:

**AYES: Council Members - Zurita, Arceneaux, Jones, Brown**  
**NOES: Council Members - None**  
**ABSENT: Council Members - Galvan**

**COUNCIL COMMENTS ON THE HEARING** - There were no Council Comments on the Public Hearing.

**CITY MANAGER’S REPORTS**

6. APPROVAL OF 2014 FIREWORKS STANDS APPLICATIONS

On motion by Zurita, seconded by Arceneaux, the recommended 2014 fireworks stand applications were approved, by the following vote on roll call:

**AYES: Council Members - Arceneaux, Jones, Brown**  
**NOES: Council Members - None**  
**ABSENT: Council Members - Galvan**  
**ABSTAIN: Council Members - Zurita**

**5:55 P.M. - PUBLIC HEARING - ESTABLISHING A SCHEDULE OF FEES FOR THE REGULATION OF UNATTENDED DONATION BOXES (Item #8)**

On motion by Arceneaux, seconded by Jones, the public hearing was opened at 7:22 p.m., by the following vote on roll call:

**AYES: Council Members - Zurita, Arceneaux, Jones, Brown**  
**NOES: Council Members - None**  
**ABSENT: Council Members - Galvan**

**Robert Delgadillo**, Interim Director of Community Development Department, presented a Power Point presentation on the proposed fee schedule for the regulation of unattended donation boxes. The proposed resolution rescinds Resolution No. 23,926 in favor of the proposed fees which includes all of the previously adopted fees plus a revised application fee and two new fees. A security deposit and disposal fee.

Initial Operator/Owner Application and Permit Fee for Unattended Donation Boxes - \$100

Annual Permit Renewal Fee for Unattended Donation Boxes - \$10

Removal Fee for Unattended Donation Boxes - \$300

Storage Fee for Unattended Donation Boxes - \$25

Security Deposit Fee for Donation Boxes - \$500

Disposal Fee for Donation Boxes - \$25

Staff recommends adoption of the revised fee schedule as presented.

**PUBLIC COMMENTS ON THE HEARING**

**Robert Ray**, Compton resident, asked the City Council if they considered designating specific areas for the donation boxes and whether or not the City can remove them from private property.

Mr. Delgadillo answered that no specific locations were targeted in the original ordinance and that the City has the authority to remove boxes on private property or within the public right-of-way.

**Benjamin Holifield**, Compton resident, inquired about the person or agency responsible for monitoring the maintenance of the donation boxes.

**Lorraine Cervantes**, Compton resident, agreed that donation boxes are representative of blighted conditions. She also questioned code enforcement’s ability to enforce the maintenance of the unattended boxes on the owners.

**Joyce Kelly**, Compton resident, asked the City Council if they know that only ten percent of the money collected for the clothing is donated to charity. She also asked if additional boxes will be brought into the City and where they will be located.

**David Irons**, Compton resident, asked that the size of the donation boxes can be decreased in an effort to keep the bike trail clean.

**Lynn Boone**, Compton resident, inquired about documentation that verifies the postage fees used to notify the owners of the new fee schedule. In addition, she suggested the application fee be increased to accommodate the substantial number of boxes positioned throughout the City.

**Latosha Cole**, Compton resident, spoke in opposition to unattended donation boxes in the City of Compton.

On motion by Zurita, seconded by Arceneaux, the public hearing was closed at 7:42 p.m., by the following vote on roll call:

**AYES: Council Members - Zurita, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Galvan**

**COUNCIL COMMENTS ON THE PUBLIC HEARING**

**Mayor Brown** made reference to previous discussions held in regards to the maintenance of the boxes and options to minimize their placement. She requested a revision to the code or ordinance that limits the placement of the boxes and the maximum number of companies that can come into the community; in addition to possibly pricing them out of the community.

**Councilperson Arceneaux** indicated that her fear is that there will be no limit to the number of boxes that can be placed throughout the City and agreed that the City should price them out of the community.

**City Attorney Cornwell** requested an opportunity to bring back a stringent policy to limit the number of boxes placed in the City.

**Councilperson Jones** voiced a concern for code enforcement's ability to implement all fees as presented in the new fee schedule.

# #2.

**City Manager Duffey** remarked that Public Works Department employees will collect the material from the boxes, note the amount of time spent there, and bill the company.

Mr. Delgadillo also noted that code enforcement and business licensing will collect on the deposit, send a letter back to the owner/operator indicating that a code enforcement action was conducted and request payment bringing the balance up to \$500.

## **PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS**

**Robert Ray**, Compton resident, maintained that he has never said anything racist about anyone or anything. He proposed that the City Council direct the City Manager to increase the General Services crew in an effort to better maintain City Hall, 400 Alameda, 600 Alameda, Dollarhide Neighborhood Center and the new Community Center. He also asked if there were enough employees in the Public Works Department to maintain the City's sidewalks.

**Deanna Pittman**, Compton High School student, encouraged the City Council to take action on a petition of 500 signatures to stop environmental racism in the City of Compton.

**City Attorney Cornwell** requested that the item be placed on the agenda as a receive and file item.

**Wil Scott**, Compton resident, asked the City Council to address the insects in the field near Clymar and Alondra Boulevard. He also asked that the City address the band and cheerleaders practicing at Tragniew Park. He further asked that the City Council reconsider the meeting times for the first and third Tuesdays to accommodate working citizens.

**Michael Turner**, Compton resident, requested twenty units of water for each apartment unit and asked that the water bill be lowered.

**Benjamin Holifield**, Compton resident, encouraged the City Council to utilize their resources to make Compton better with the current administration.

**David Irons**, Compton resident, encouraged the City Council to preserve its historical landmarks and make a concerted effort to remove graffiti.

**E. F. Muhammad Martinez**, Co-founder of KTNG860AM radio, alleged that Father Francisco is receiving 50% of the profits from photographers taking pictures in Our Lady of Victory Church and street vendors. He also alleged that Father Francisco introduced Councilperson Jones to the congregation as a partner to expand the parking lot in an effort to accumulate votes for his upcoming election.

**Mayor Brown** asked that citizens have more respect for the Parish community.

**Lorraine Cervantes**, Compton resident, disputed the comments made by Mr. Martinez and contended that he did not learn those racist attitudes from the new Black Panther Party. She insisted that the Martin Luther King Jr. monument was a political ploy and not a historical monument.

**Joyce Kelly**, Compton resident, challenged the City Council to work for the people and stop trying to close down every non-profit organization that worked under the previous administration. She further urged the citizens to vote for people that have contributed something to the community and have worked a job.

**Lynn Boone**, Compton resident, made reference to Item No. 7 and proposed that this development go to a project manager to ensure that it is completed. She also made mention of the language in Items 10 and 13 and held that both resolutions should include public hearings in their title. She asked that the Dollarhide Neighborhood Center remain open to make certain that senior citizens have some place to go. She further indicated that because the City Manager micro-manages every department nothing in the City is ever accomplished even with all of the new directors with high salaries.

## **CONSENT AGENDA**

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

**AYES: Council Members - Zurita, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Galvan**

**APPROVAL OF MINUTES** (There were no minutes to be approved)

### **CITY MANAGER**

3. **REQUEST TO SCHEDULE BUDGET WORKSHOPS AND PUBLIC HEARING**  
(Workshops scheduled for June 5, 2014 at 6 p.m., June 9, 2014 at 6 p.m. and June 12, 2014 at 6 p.m. and the public hearing is scheduled for June 17, 2014 at 3:35 p.m.)

There was discussion as to the necessity to read the date out loud.

**City Clerk Alita Godwin** read aloud the budget workshop and hearing dates and made clear that all public hearings should be placed under New Business so that all dates are announced for the general public.

**Mayor Brown** asked the City Manager to explain the budget workshop schedule.

**City Manager Duffey** explained that each workshop will address different issues relative to the general fund and department budget.

### **PUBLIC WORKS MUNICIPAL UTILITIES DEPARTMENT**

4. **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING THE PUBLIC WORKS MUNICIPAL UTILITIES 2013-2014 FISCAL YEAR BUDGET AUTHORIZING THE CITY MANAGER TO AMEND THE PROFESSIONAL SERVICE AGREEMENT AND ISSUE A PURCHASE ORDER TO ANDERSONPENNA PARTNERS, INC., TO PROVIDE ADDITIONAL CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR THE WILLIAMS ALLEY PROJECT (CIP# 09-09) (Resolution # 23,949)**

### **RISK MANAGEMENT**

5. **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO RENEW THE AGREEMENT WITH AON RISK INSURANCE SERVICES WEST, INC. FOR INSURANCE BROKERAGE SERVICES (Resolution # 23,950)**

## **END CONSENT AGENDA**

## **REGULAR AGENDA**

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

**UNFINISHED BUSINESS** - There was no Unfinished Business.

### **NEW BUSINESS**

7. **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ESTABLISH A PURCHASE ORDER WITH SECURITY LINES US FOR THE PURCHASE OF MOBILE CAMERAS**

# #2.

On motion by Zurita, seconded by Arceneaux, **Resolution # 23,951** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ESTABLISH A PURCHASE ORDER WITH SECURITY LINES US FOR THE PURCHASE OF MOBILE CAMERAS**" was approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Galvan**

8. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ESTABLISHING A SCHEDULE OF FEES FOR THE REGULATION OF UNATTENDED DONATION BOXES IN THE CITY PURSUANT TO SECTION 30-48 OF THE COMPTON MUNICIPAL CODE AND RESCINDING RESOLUTION NO. 23,926 (Reagendad)

9. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON INITIATING PROCEEDINGS FOR THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE COMPTON LIGHTING AND LANDSCAPE DISTRICT NO. 1 FOR FISCAL YEAR 2014/2015 AND ORDERING THE PREPARATION OF AN ENGINEER'S REPORT PURSUANT TO THE PROVISIONS OF PART 2 OF DIVISION 15 OF THE STREETS AND HIGHWAYS CODE

**Mayor Brown** requested a map be included in next year's lighting and landscape public hearing on behalf of the public.

On motion by Arceneaux, seconded by Jones, **Resolution # 23,952** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON INITIATING PROCEEDINGS FOR THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE COMPTON LIGHTING AND LANDSCAPE DISTRICT NO. 1 FOR FISCAL YEAR 2014/2015 AND ORDERING THE PREPARATION OF AN ENGINEER'S REPORT PURSUANT TO THE PROVISIONS OF PART 2 OF DIVISION 15 OF THE STREETS AND HIGHWAYS CODE**" was approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Galvan**

10. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING THE PRELIMINARY ENGINEERING REPORT OF WILL DAN FINANCIAL SERVICES FOR THE CITY OF COMPTON'S LIGHTING AND LANDSCAPE ASSESSMENT DISTRICT NO. 1 FOR FISCAL YEAR 2014/2015

On motion by Arceneaux, seconded by Jones, **Resolution # 23,953** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING THE PRELIMINARY ENGINEERING REPORT OF WILL DAN FINANCIAL SERVICES FOR THE CITY OF COMPTON'S LIGHTING AND LANDSCAPE ASSESSMENT DISTRICT NO. 1 FOR FISCAL YEAR 2014/2015**" was approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Galvan**

11. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS AND CHARGES WITHIN THE LIGHTING AND LANDSCAPE ASSESSMENT DISTRICT NO. 1 FOR FISCAL YEAR 2014/2015 AND APPOINTING A TIME AND PLACE FOR A PUBLIC HEARING TO BE HELD ON JUNE 17, 2014 @ 5:50 P.M.

On motion by Zurita, seconded by Arceneaux, **Resolution # 23,954** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS AND CHARGES WITHIN THE LIGHTING AND LANDSCAPE ASSESSMENT DISTRICT NO. 1 FOR FISCAL YEAR 2014/2015 AND APPOINTING A TIME AND PLACE FOR A PUBLIC HEARING TO BE HELD ON JUNE 17, 2014 @ 5:50 P.M.**" was approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Galvan**

12. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON INITIATING PROCEEDINGS FOR THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE COMPTON SEWER SERVICE CHARGES FOR FISCAL YEAR 2014/2015 AND ORDERING THE PREPARATION OF AN ENGINEER'S REPORT PURSUANT TO THE MUNICIPAL IMPROVEMENT ACT OF 1913, DIVISION 12 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE

On motion by Arceneaux, seconded by Jones, **Resolution # 23,955** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON INITIATING PROCEEDINGS FOR THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE COMPTON SEWER SERVICE CHARGES FOR FISCAL YEAR 2014/2015 AND ORDERING THE PREPARATION OF AN ENGINEER'S REPORT PURSUANT TO THE MUNICIPAL IMPROVEMENT ACT OF 1913, DIVISION 12 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE**" was approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Galvan**

13. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING THE PRELIMINARY ENGINEERING REPORT OF WILL DAN FINANCIAL SERVICES FOR THE CITY OF COMPTON'S SEWER SERVICE CHARGES FOR FISCAL YEAR 2014-2015

On motion by Arceneaux, seconded by Jones, **Resolution # 23,956** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING THE PRELIMINARY ENGINEERING REPORT OF WILL DAN FINANCIAL SERVICES FOR THE CITY OF COMPTON'S SEWER SERVICE CHARGES FOR FISCAL YEAR 2014-2015**" was approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Galvan**

14. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS AND CHARGES WITHIN THE SEWER SERVICE CHARGES FOR FISCAL YEAR 2014/2015 AND APPOINTING A TIME AND PLACE FOR A PUBLIC HEARING TO BE HELD ON JUNE 17, 2014 @ 5:50 P.M.

On motion by Zurita, seconded by Arceneaux, **Resolution # 23,957** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS AND CHARGES WITHIN THE SEWER SERVICE CHARGES FOR FISCAL YEAR 2014/2015 AND APPOINTING A TIME AND PLACE FOR A PUBLIC HEARING TO BE HELD ON JUNE 17, 2014 @ 5:50 P.M.**" was approved, by the following vote on roll call:

# #2.

**AYES: Council Members - Zurita, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Galvan**

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

## **COUNCIL COMMENTS**

**Councilperson Zurita offered the following communications/announcements:**

- Supervisor Mark Ridley-Thomas will be hosting a ribbon-cutting ceremony for the new Martin Luther King Jr. Outpatient Center Wednesday, May 28, 2014 at 9 30 a.m.
- PetSmart will be opening Saturday, May 31, 2014 at 9 a.m. in the Gateway Towne Center.
- Youth Athletic League (Y.A.L.) will be hosting their Summer Kick-Off Extravanga June 14, 2014 from 11 a.m. to 4 p.m. at 700 Alameda Street.
- First District Townhall meeting will be held Wednesday, June 18, 2014 at 6 p.m. at Gonzales Park.

**\*Councilperson Zurita exited the meeting at 9:06 p.m.**

**Councilperson Arceneaux offered the following communications/announcements:**

- Reported on the Metropolitan Water District (MWD) Water Tour.
- A workshop on the budget process will be held Wednesday, May 28, 2014 at Burrell McDonald Park from 6 p.m. to 7:30 p.m.
- Third District Townhall meeting will be held Thursday, June 12, 2014 at Burrell McDonald Park from 6 p.m. to 7 p.m.
- Asked the City Manager to comment on the band and drill team practicing at Tragniew Park.

City Manager Duffey reported meeting with the organization after which they indicated that they would stop drumming at 8 p.m.

- Asked the City to investigate the area where insects are emerging from the mulch on Alondra Boulevard.

## **Meeting adjournments:**

Sandy J. Canister, father of former City employee Yvetter Canister

Grady McLeod, uncle of City Clerk Alita Godwin

**Councilperson Jones offered the following communications/announcements:**

- Remembered the service men and women that served in the Armed Forces.
- Interactive Budget Workshop will be held Thursday, May 29, 2014 at Kelly Park at 6 p.m.
- Black N Gold Summer Ball will be held to honor all fathers Friday, June 27, 2014 from 10 a.m. to 2 p.m. at the new Community Center.

**Mayor Brown offered the following communications/announcements:**

- Recognized the veterans that sacrificed their lives to serve in the United States of America Armed Forces.
- Cordially invited the citizens to attend the grand opening celebration of the Community Center to be held Saturday, May 31, 2014.

**ADJOURNMENT**

On motion by Arceneaux, seconded by Jones, the meeting was adjourned at 9:19 p.m. in memory of **Sandy J. Canister** and **Grady McLeod**, by the following vote on roll call:

**AYES: Council Members - Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - Zurita, Galvan**

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**City Clerk of the City of Compton**

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**Mayor of the City of Compton**



**JUNE 17, 2014**

The City Council meeting was called to order at 3:50 p.m. in the Council Chambers of City Hall by Mayor Aja Brown. The Pledge of Allegiance and Moment of Silence ceremonies was also led by Mayor Aja Brown.

**ROLL CALL**

**Council Members Present:** **Zurita, Galvan, Arceneaux, Jones, Brown**

**Council Members Absent:** **None**

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

**COMMENDATORY RESOLUTIONS/PRESENTATIONS**

1. CERTIFICATE PRESENTATION - "Compton SEED Program Graduate Students" Mayor Aja Brown (Presentation made)
2. PRESENTATION - Business Recognition - Business of the Month - City Shopping Center Banquet Hall and Compton Fashion Center - Councilperson Isaac Galvan (Presentation made)

3:35 P.M. - PUBLIC HEARING - 2014-2015 FISCAL YEAR BUDGET HEARING (Item #14)

On motion by Zurita, seconded by Arceneaux, the public hearing was opened at 4:23 p.m., by the following vote on roll call:

**AYES:** **Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**

**NOES:** **Council Members - None**

**ABSENT:** **Council Members - None**

**\*Councilperson Galvan exited the meeting at 4:23 p.m.**

City Manager Duffey offered a Power Point presentation on the proposed 2014-2015 Fiscal Year budget. The City of Compton's General Fund budget is a balanced budget for 2014-15 with revenue of approximately \$52.8M and expenses of approximately \$52.6M, leaving a projected fund balance of approximately \$200,000. The revenue estimates include baseline revenue of approximately \$48.35M, which is garnered from traditional revenue, such as sales use and property taxes. Staff is confident in the baseline revenue, as it was derived from nine months worth of closely watched revenues from 2013-2014.

**Proposed Budget Fiscal Year 2014-2015**

Total Revenue \$178,953,708

Total Expenses \$176,472,521

General Fund Recurrent Revenue \$ 48,349,559

General Fund Revenue Enhancements \$ 2,094,000

Cost Allocation and Fund Balance \$ 2,357,400

Total General Fund Revenues \$ 52,800,959

Total General Fund Expenses \$ 52,573,054

Fund Balance (Reserve) \$ 227,905

**\*Councilperson Galvan entered the meeting at 4:30 p.m.**

# #2.

Staff anticipates additional revenue (Revenue Enhancements) of \$2.09M will be gained from implementation of new user fees, Development Impact Fees, and rent or liquidation of unoccupied property assets. The final source of revenue includes the General Fund capturing approximately \$1.85M in fees from non-General Fund departments through the City's Cost Allocation program. The 2014-15 budget was balanced without the use of any of the City's \$1.4M in fund balance from 2012-13. We are also anticipating adding an additional \$500,000 as fund balance from the 2013-14 budget.

The Preliminary Budget is derived from the 2013-14 budget with some additional liabilities as previously projected. The budget includes a significant increase in expenditures as the 2014-15 budget requires the first significant General Fund payment for the Lease Revenue Bond (\$1.2M), an Internal Borrowing Payment (\$1.3M), a reimbursement of \$266,400 from Lighting and Landscaping, and restoration of funding for full employee labor costs (no more furloughs).

Although the budget is balanced and does not pose a reduction in service from 2013-14 levels, it is not a budget that increases services or expands the existing pool of employees needed to provide the level of service warranted by the citizens of Compton. The only exception to that statement is the Fire Department. The 2014-15 budget actually proposes increasing the number of Fire personnel by five. The increase in Fire personnel is warranted to reduce the amount of overtime required for our fire fighters to maintain their excellent level of service.

**Kelly Montgomery**, Assistant City Manager, issued the following 2014-2015 Fiscal Year General Fund budget revisions:

- An increase in General Fund expenditures
- Restoration of council liaison cell phone allowances
- Changes to the actual budget presentation to reflect the budget by District
- \$200,000 for the City Attorney's insurance premium fund
- City Clerk's election fund will be linked to the General Fund
- Request for increased software maintenance by the City Treasurer's Office
- Reduction in contract services in the City Manager's Office
- Partial restoration of funding in the Human Resources department
- Reduced General Fund allocations in the Planning Department
- Six months of funding for Careerlink operations (\$186,000)
- Cell phone allowances for Fire Department personnel
- Corrections to duplications in Building and Safety budget
- Reallocated staff costs charged from the General Fund to the Vehicle Fund in the General Services Department
- No changes in Parks and Recreation.

## PUBLIC COMMENTS ON THE HEARING

**Robert Ray**, Compton resident, petitioned the City Council to increase the Fire Department's paramedics division by 3% with money taken from commission meetings.

**Lynn Boone**, Compton resident, expressed a concern for missing Urban Community Development Commission payments under the Mayor and City Council budget and an increase in their operations budget. She cited too many gaps within the Local Housing Authority budget and contended that the project manager's position is missing from the City Manager's budget.

**Joyce Kelly**, Compton resident, voiced a concern for the exclusion of line items in the budget presentation and that Public Finance Authority has increased from \$14,640 to \$16,990. She went on to question why the City Council is requesting an increase in salary when some employees have not been brought back.

**Benjamin Holifield**, Compton resident, asked the City if the \$30,000 allocation to the Compton Chamber of Commerce includes the \$1 a year lease. He also asked that all qualifying chambers receive a stipend from the City based upon the requirements set forth by the City.

**Michael Turner**, Compton resident, petitioned the City Council to thoroughly review the budget for understanding before voting to approve it.

On motion by Zurita, seconded by Arceneaux, the public hearing was closed at 4:50 p.m., by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - None**

## **COUNCIL COMMENTS ON THE PUBLIC HEARING**

**Mayor Brown** requested an additional week to review the budget as proposed in its entirety in light of the amendments made during the budget workshop last night.

Mayor Brown held that the summary sheet is a great guide and that she would not feel comfortable approving the budget with only this information. In addition, Mayor Brown mentioned the City Council's request last night to include a full year's funding for Careerlink operations.

**City Manager Duffey** replied that the goal was to come back to council with those items requested that could potentially change the balance of the budget.

Mayor Brown affirmed that as a body, this City Council has not added additional expenditures in terms of cost, they specifically want to ensure all departments are fully-funded for the entire fiscal year. Secondly, it is her recommendation that staff return with a budget that includes council's recommendation to fund Careerlink for a full year.

**Councilperson Zurita** articulated her support for a six month allocation to Careerlink in hopes that with the increase in grants department staff that Careerlink will obtain grant funding.

Mayor Brown stated that she recalls Councilperson Arceneaux and Councilperson Jones voicing their support to fund Careerlink for an entire year.

**Councilperson Arceneaux** agreed that she thought it was a consensus of the City Council to fund Careerlink for an entire year because the organization is an essential part of Compton's employment base and provider of youth programs.

**Councilperson Jones** agreed with Councilperson Arceneaux and Mayor Brown and asked the City Manager if there were any impacts to adding this allocation to the budget.

City Manager Duffey answered that based upon the numbers, the concern was to make the adjustments to the preliminary budget then come back to the council with the requested items and their impacts, and then motion to add them into the budget.

Councilperson Arceneaux cited an approximate \$650,000 reduction in the General Services budget since last night's presentation and asked the City Manager if this amount would return to the reserve account.

City Manager Duffey remarked that the increased costs in the City Attorney's budget for insurance premiums and Careerlink will absorb that amount.

Mayor Brown proposed a motion to fund Careerlink for an entire year.

Councilperson Zurita explained that she would be voting in opposition to a full year of Careerlink funding because she believes the department should remain a grant-funded entity; and to fund it for six months is enough for a budget that is fiscally strapped.

# #2.

On motion by Arceneaux, seconded by Jones, a request to approve a full year of funding for Careerlink operations was approved, by the following vote on roll call:

**AYES: Council Members - Galvan, Arceneaux, Jones, Brown**

**NOES: Council Members - Zurita**

**ABSENT: Council Members - None**

**Councilperson Galvan** articulated his support for Careerlink and the services they provide the community.

Mayor Brown made mention of a partnership letter of support she submitted to the Center for Economic Development on behalf of the City.

Discussions ensued regarding the legalities of elected officials applying for grants and/or entering into partnerships.

Councilperson Galvan requested copies of letters of support written and submitted by elected officials.

**\*Councilperson Galvan exited the meeting at 5:45 p.m.**

4:15 P.M. - PUBLIC HEARING - A JOINT PUBLIC HEARING ON THE PUBLIC HOUSING AGENCY (PHA) FIVE YEAR AND ANNUAL PLAN (Item #8)

On motion by Arceneaux, seconded by Jones, the joint public hearing was opened at 5:45 p.m., by the following vote on roll call:

**AYES: Council Members/Commissioners- Zurita, Arceneaux, Jones, Brown**

**NOES: Council Members/Commissioners - None**

**ABSENT: Council Members/Commissioners - Galvan**

**Delmonsha Green**, Director of the Compton Local Housing Authority (LHA), offered a Power Point presentation on the Public Housing Agency (PHA) Five Year and Annual Plan. The mission of Compton Housing Authority is to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination to low and extremely low income families.

Ms. Green reported the following LHA'S goals and objectives which includes the administration of an efficient high-performing agency through continuous improvements of the Housing Authority's support system and commitment to its employees and their development;

- Maintenance of program integrity by ensuring that all federal regulations are observed;
- Increase awareness of LHA programs in the local community.
- Maintain a high level of standards and professionalism in the day-to-day management of LHA programs;
- Provide decent, safe, and sanitary housing for low and very low-income families, while maintaining rent payments at an affordable level;
- Ensure that all units contracted under the Section 8 program meet Housing Quality Standards, uniform physical inspection, and municipal building codes and that the families pay fair and reasonable rent;
- Provide guidance in the administration of LHA's programs to ensure compliance with HUD requirements, including maintaining complete and well-organized records and facilitating HUD's monitoring and reviewing of the Housing Authority's operation and;
- Prevent and eliminate fraud and abuse in the Section 8 housing program by owners, tenants or tenant family and comply with the Violence Against Women Act.

**\*Councilperson/Commissioner Galvan entered the meeting at 5:48 p.m.**

There are 115 families currently on the waiting list and during the months of September and October vouchers will be issued to a limited number of those families.

#### **PUBLIC COMMENTS ON THE HEARING**

**Lorraine Cervantes**, Compton resident, asked Ms. Green to address how the LHA intends to comply with the Violence Against Women Act. Ms. Green remarked that LHA gives tenants victimized by violent acts a preference of where they would like to port.

**Joyce Kelly**, Compton resident, requested an explanation as to how the LHA notifies Compton residents about Section 8 vouchers. She also asked how the Authority prevents and eliminates fraud and abuse in Section 8 programs.

**Michael Turner**, Compton resident, requested the length of the waiting list. Ms. Green replied that the average waiting time on the list is 5 to 10 years; however the list is currently closed.

**Lynn Boone**, Compton resident, asked Ms. Green to verify whether or not the Executive Secretary received a letter from HUD indicating that they would accept this plan. Additionally, she cited inconsistencies within the report with regard to the population by race category and \$7.6M in resources.

Ms. Green invited Ms. Boone to discuss her concerns at the Local Housing Authority with a representative from HUD present.

On motion by Zurita, seconded by Arceneaux, the joint public hearing was closed at 5:59 p.m., by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - None**

#### **COUNCIL/COMMISSION COMMENTS ON THE JOINT PUBLIC HEARING**

**Councilperson/Commissioner Arceneaux** asked that Ms. Green clarify the policy on Violence Against Women.

Ms. Green replied that violent acts against women (tenant) will result in the other individual being asked to leave the premises, however in the event the tenant (woman) is the aggressor, she will be terminated from the program.

**Councilperson/Commissioner Zurita** requested the total amount of rental revenue generated by LHA for the City of Compton.

Ms. Green cited that over \$8M in rental revenue has been generated by the LHA.

5:50 P.M. - PUBLIC HEARING - DECLARING INTENT TO LEVY AND COLLECT ASSESSMENTS AND CHARGES WITHIN THE LIGHTING AND LANDSCAPE ASSESSMENT DISTRICT NUMBER ONE FOR FISCAL YEAR 2014/2015 (Item #10 and #12)

**Glen Kau**, Director of Public Works, stated that during the City Council meeting held May 27, 2014, the City Council adopted resolutions Initiating Proceedings, Preliminarily Accepting the

# #2.

Engineer's report Declaring its Intent to Levy and Collect Assessments and Charges, and appointing a time and place for hearing protests for the Lighting and Landscape District Charge for Fiscal Year 2014-2015. The time for the hearing of protests was set for today June 17, 2014, at 5:50 p.m. to be held in the City Council Chambers. The intent of the information contained within the engineer's report is to present the funding as explained in the budget as required to conduct the operational maintenance of landscape and lighting district No. 1 in the City.

## **PUBLIC COMMENTS ON THE HEARING**

**Lorraine Cervantes**, Compton resident, explained to the citizens that this is an annual ongoing assessment that has already been approved.

**Lynn Boone**, Compton resident, requested the date of the last assessment. Mr. Kau replied that he is unaware of an assessment in the past three years, and that he would be conducting an assessment with Willdan Engineering in the upcoming fiscal year.

Ms. Boone also stated that the City will not have enough money to impact lighting and landscaping because of the lack of funds received.

**Jose Mateo**, Willdan Engineering, explained that this landscape and lighting district does not have a annual inflator, which pre-dates Proposition 218 which comes into play when increasing assessments or modifying it to include an inflator.

5:50 P.M. - PUBLIC HEARING - DECLARING INTENT TO LEVY AND COLLECT ASSESSMENTS AND CHARGES WITHIN THE SEWER SERVICE CHARGES FOR FISCAL YEAR 2014/2015 (Item #9 and #11)

On motion by Arceneaux, seconded by Jones, the public hearing was opened at 6:11 p.m., by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - None**

**Glen Kau**, Director of Public Works, announced that during the City Council meeting held May 27, 2014, the City Council adopted resolutions Initiating Proceedings, Preliminarily Accepting the Engineer's Report, Declaring Its Intention to Levy and Collect Assessments and Charges, and Appointing a Time and Place for Hearing Protests for the Sewer Service Charge for Fiscal Year 2014-2015. The time for the hearing of protests is set for today June 17, 2014, at 5:50 p.m. to be held in the City Council Chambers.

## **STATEMENT OF THE ISSUE**

These funds are required to operate the sewer collection system in the City of Compton for Fiscal Year 2014/2015.

## **PUBLIC COMMENTS ON THE HEARING**

**Lynn Boone**, Compton resident, contended that if the City is not collecting enough revenues to address the sewers then it would be beneficial to make the citizens aware of the assessments so that they can decide whether or not they want to protest.

**Lorraine Cervantes**, Compton resident, explained that this is a routine assessment in which staff should be instructed to provide the history.

**Joyce Kelly**, Compton resident, agreed that this public hearing provides no information to the citizens as to what sewers are being addressed, when they are serviced, and what kind of service would be performed.

On motion by Arceneaux, seconded by Jones, the public hearing was closed at 6:18 p.m., by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - None**

**\*Councilperson Galvan exited the meeting at 6:18 p.m.**

## **COUNCIL COMMENTS ON THE HEARING**

**Mayor Brown** asked staff if they would like an opportunity to address public comments.

Mr. Kau explained the cost to operate and maintain the sewer systems, the applicability of the sewer bonds issued, and fee structure.

Mayor Brown agreed with Ms. Cervantes that a more detailed staff report should be issued during routine public hearings.

## **PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS**

**Robert Ray**, Compton resident, made reference to Item No. 4 on the agenda and asked why the City is funding only six months of Renaissance bus operations and also, does it include bus stop signs. He went on to cite a law that was passed prohibiting smoking within 25 feet of the door to a public building and asked that the ash trays at City Hall be removed. He further mentioned the success of the Public Safety Commission meeting that was held and informed the community that a lot of good things would be happening in the future.

**Benjamin Holifield**, Compton resident, inquired about the new community center becoming the Dollarhide center. He contended that because the senior citizen community is utilized to help elected officials they should fight to give the seniors the new community center. He also questioned what kind of elected official would not fight for Careerlink and the employment opportunities it provides the youth but then give the Compton Chamber of Commerce \$30,000 a year and only charge them \$1 a year.

**Emily Hart-Holifield**, Compton resident, announced that the Compton Business Chamber of Commerce will be accepting the responsibility of helping other non-profits enter the City. She announced that they received their determination letter two days ago and held that many members of the community have been fed bad information. She maintained that the Business Chamber has not received any monies from the City nor have they collected thousands of dollars. She urged the City to investigate who wrote checks to the Business Chamber and who received them.

**Lorraine Cervantes**, Compton resident, maintained that for 46 years she has been speaking before the City Council and whenever she speaks for a particular organization she clarifies it before hand. She asserted that she does not need an organization to be who she is, her record speaks for itself.

**Barbara Calhoun**, Compton resident and former councilperson, thanked the Mayor and City Council for making certain the Veteran's Stand-down is held in the City of Compton September 13-15th, 2014.

**Roberto Rodriguez**, invited the community to participate in the Compton Youthbuild Open House to be held Wednesday, June 18, 2014 at 477 East Compton Boulevard from 1 p.m. to 6 p.m.

**Mr. Brown**, member of the Youth Justice Coalition and Compton Youth Policy Council, requested an opportunity to present a resolution to the City Council proposing to allocate and redirect 10% of the Compton Sheriffs' Department budget to youth and community development.

**Mayor Brown** directed the City Manager to bring back a report next week on the amount of money allocated towards youth programs.

#2.

**Michael Turner**, Compton resident, thanked Councilperson Galvan for ensuring the tree was removed from in front of his home. He went on to ask his district councilperson to fix the sidewalk near the area where the tree was removed. He also proposed an investigation into the Water Department regarding a City employee’s alleged fraudulence.

**Joyce Kelly**, Compton resident, declared that the first at-risk youth program in the City of Compton was created by Isaac Ashbury of Teen Intervention Program (TIP). She went on to state that Item No. 5 on the agenda is contradictory and unacceptable for the City to build a building without adequate parking. She thanked Councilperson Galvan for addressing her concerns and commended him for learning and improving.

**Lynn Boone**, Compton resident, made reference to Item No. 13 on the agenda and the borrowing schedule listed. She inquired about the details of the \$41M deficit in internal borrowing and further urged City Manager Duffey to conduct more research on the approximate \$5M owed to Community Redevelopment Agency because of the parks the City purchased. She affirmed that there were issues regarding the monies paid for the parks and that monies were supposed to come out of general tax, license, and fee revenues. She also noted a pending court case regarding the 2013 April Election and investigations into fraudulent voting.

**CONSENT AGENDA**

**END CONSENT AGENDA**

**REGULAR AGENDA**

**CITY MANAGER'S REPORTS** - There were no City Manager's Reports.

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

**UNFINISHED BUSINESS** - There was no Unfinished Business.

**NEW BUSINESS**

- 3. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING A LEASE AGREEMENT BETWEEN THE CITY OF COMPTON AND COMPTON UNIFIED SCHOOL DISTRICT’S (CUSD) REGIONAL OCCUPATIONAL PROGRAM (ROP)/CAREER TECHNICAL EDUCATION (CTE) FOR FISCAL YEAR 2013-2014

On motion by Zurita, seconded by Arceneaux, **Resolution # 23,962** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING A LEASE AGREEMENT BETWEEN THE CITY OF COMPTON AND COMPTON UNIFIED SCHOOL DISTRICT'S (CUSD) REGIONAL OCCUPATIONAL PROGRAM (ROP) / CAREER TECHNICAL EDUCATION (CTE) FOR FISCAL YEAR 2013-2014**" was approved, by the following vote on roll call:

**AYES:** Council Members - Zurita, Galvan, Arceneaux, Jones, Brown  
**NOES:** Council Members - None  
**ABSENT:**Council Members - None

- 4. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO EXTEND THE CONTRACT WITH MV TRANSPORTATION INC. FOR SIX MONTHS TO PROVIDE OPERATION AND MAINTENANCE OF THE COMPTON RENAISSANCE TRANSIT SYSTEM

It was moved by Zurita, seconded by Arceneaux, to discuss this item.

**Councilperson Zurita** requested the City’s plan to address the Compton Renaissance Transit for the remaining six months.

**City Manager Duffey** remarked that the goal is to examine the existing contract and then go out

to bid to see if there is a competitive bid or otherwise stay with MV Transportation.

Councilperson Zurita proposed that the service eventually be brought in-house.

**Councilperson Arceneaux** requested the Renaissance bus route include the new community center.

**Councilperson Galvan** suggested the City sell advertising space on the Renaissance bus and asked the City Manager if he looked into his request for information regarding the City of Commerce bus route from Union Station to the Citadel and Casino.

City Manager Duffey remarked that he did not have any information to report at this time.

Councilperson Galvan also asked that the City Manager lower the Renaissance bus rates and enter into a partnership with Compton Unified School District to shuttle students to their field trip destinations.

Councilperson Zurita requested the department responsible for managing transportation, route, and funding.

City Manager Duffey remarked that Public Works manages transportation related services.

**Mayor Brown** stated that the background documentation indicates that the contract expired May 18, 2014; and asked if the approval of this item would allow the vendor to continue working and receive payment.

**Glen Kau**, Director of Public Works, replied affirmatively and noted that this item also requests payment for when the contract expired to current and into November 2014 while staff is reviewing the proposal.

Councilperson Zurita asked if this item is in the budget.

City Manager Duffey replied affirmatively.

Councilperson Zurita asked the City Manager why the contract ends in May when the fiscal year ends in June.

City Manager Duffey explained that an extension occurred.

Councilperson Galvan asked the City Manager if it is legal for the council to approve this item before the budget.

City Manager Duffey replied affirmatively noting that the total dollar amount of the contract is in the budget for this year and next year.

On motion by Zurita, seconded by Arceneaux, **Resolution # 23,963** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO EXTEND THE CONTRACT WITH MV TRANSPORTATION INC. FOR SIX MONTHS TO PROVIDE OPERATION AND MAINTENANCE OF THE COMPTON RENAISSANCE TRANSIT SYSTEM**" was approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - None**

5. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING SECTION 30-21.8(B) OF CHAPTER 30 (ZONING CODE) OF THE COMPTON MUNICIPAL CODE TO REVISE REGULATIONS FOR THE CONSTRUCTION OF RESIDENTIAL DRIVEWAYS ON LOTS WITH LESS THAN

#2.

FIFTY (50) FEET OF STREET FRONTAGE WIDTH (First Reading)

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

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**  
**NOES: Council Members - None**  
**ABSENT: Council Members - None**

**Councilperson Galvan** requested a more detailed explanation of this resolution.

**Robert Delgadillo**, Interim Director of Planning and Economic Department, explained that this ordinance allows increased flexibility for homeowners of narrow lots to have the ability to put a driveway on the lot.

On motion by Arceneaux, seconded by Jones, "**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING SECTION 30-21.8(B) OF CHAPTER 30 (ZONING CODE) OF THE COMPTON MUNICIPAL CODE TO REVISE REGULATIONS FOR THE CONSTRUCTION OF RESIDENTIAL DRIVEWAYS ON LOTS WITH LESS THAN FIFTY (50) FEET OF STREET FRONTAGE WIDTH (First Reading)**" was placed on first reading by title only, by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**  
**NOES: Council Members - None**  
**ABSENT: Council Members - None**

6. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING SECTION 31-1.11 OF CHAPTER 31 (RUNOFF POLLUTION CONTROL) OF THE COMPTON MUNICIPAL CODE - REQUIRING LOW IMPACT DEVELOPMENT CONTROLS AND ESTABLISHING A "GREEN STREET" POLICY IN COMPLIANCE WITH THE MUNICIPAL SEPARATE STORM SEWER SYSTEM PERMIT ("MS4") FOR LOS ANGELES COUNTY (First Reading)

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

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**  
**NOES: Council Members - None**  
**ABSENT: Council Members - None**

**Glen Kau**, Director of Public Works, presented a brief oral report concerning the City's National Pollutant Discharge Elimination System (NPDE) and efforts to reduce surface run-off.

**Mayor Brown** requested the presentation in writing in lieu of verbal presentations.

**Councilperson Arceneaux** asked if this system captures ground water from residential usage.

Mr. Kau remarked that it is not primarily used to address that issue but it captures ground water from residential properties.

On motion by Arceneaux, seconded by Jones, "**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING SECTION 31-1.11 OF CHAPTER 31 (RUNOFF POLLUTION CONTROL) OF THE COMPTON MUNICIPAL CODE - REQUIRING LOW IMPACT DEVELOPMENT CONTROLS AND ESTABLISHING A "GREEN STREET" POLICY IN COMPLIANCE WITH THE MUNICIPAL SEPARATE**

**STORM SEWER SYSTEM PERMIT ("MS4") FOR LOS ANGELES COUNTY (First Reading)"** was placed on first reading by title only, by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - None**

7. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH MOORE IACOFANO GOLTSMAN (MIG), INC. FOR LANDSCAPE ARCHITECTURAL DESIGN SERVICES FOR THE COMPTON PARK IMPROVEMENT PLAN

**Councilperson Arceneaux** requested the plan to address Olympic Park.

**Jim Pickel**, Principal of Moore Iacofano Goltsman (MIG), stated that they presented proposals to the City to complete site improvements at the location to include trash receptacles benches, picnic tables, new slope planting, upgrading the monument signage, newer landscape planting palate, and irrigation system modifications.

**Councilperson Zurita** asked Mr. Pickel if he has any design recommendations for the Martin Luther King Jr. and Cesar Chavez monument.

**Marvin Hunt**, Director of Parks and Recreation, answered that the scope of work for the monument includes landscape planning, drought tolerant planning, restoration of the plaque wall, irrigation system, and plants.

On motion by Arceneaux, seconded by Jones, **Resolution # 23,964** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH MOORE IACOFANO GOLTSMAN (MIG), INC. FOR LANDSCAPE ARCHITECTURAL DESIGN SERVICES FOR THE COMPTON PARK IMPROVEMENT PLAN**" was approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - None**

8. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING SUBMISSION OF THE PUBLIC HOUSING AUTHORITY (PHA) FIVE YEAR AND ANNUAL PLAN (2014-2019) AND RESCINDING RESOLUTION NO 23,924

On motion by Arceneaux, seconded by Jones, **Resolution # 23,965** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING SUBMISSION OF THE PUBLIC HOUSING AUTHORITY (PHA) FIVE YEAR AND ANNUAL PLAN (2014-2019) AND RESCINDING RESOLUTION NO 23,924**" was approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - None**

9. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING THE ENGINEER'S REPORT OF WILL DAN FINANCIAL SERVICES FOR THE CITY OF COMPTON'S LIGHTING AND LANDSCAPE ASSESSMENTS DISTRICT NO. 1 CHARGES FOR FISCAL YEAR 2014/2015

# #2.

On motion by Arceneaux, seconded by Jones, **Resolution #23,966** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING THE ENGINEER'S REPORT OF WILLDAN FINANCIAL SERVICES FOR THE CITY OF COMPTON'S LIGHTING AND LANDSCAPE ASSESSMENTS DISTRICT NO. 1 CHARGES FOR FISCAL YEAR 2014/2015**" was approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - None**

10. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING THE ENGINEER'S REPORT OF WILLDAN FINANCIAL SERVICES FOR THE CITY OF COMPTON'S SEWER SERVICE CHARGE FOR FISCAL YEAR 2014/2015

On motion by Arceneaux, seconded by Jones, **Resolution # 23,967** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING THE ENGINEER'S REPORT OF WILLDAN FINANCIAL SERVICES FOR THE CITY OF COMPTON'S SEWER SERVICE CHARGE FOR FISCAL YEAR 2014/2015**" was approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - None**

11. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE LIGHTING AND LANDSCAPE DISTRICT NO. 1 FOR FISCAL YEAR 2014/2015

It was moved by Arceneaux, seconded by Jones, to discuss this item.

**Councilperson Zurita** asked the City Manager to explain to the residents that this item does not just pertain to the First District in the City of Compton.

**City Manager Duffey** verified that District No. 1 is indicative of the entire City.

On motion by Arceneaux, seconded by Jones, **Resolution # 23,968** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE LIGHTING AND LANDSCAPE DISTRICT NO. 1 FOR FISCAL YEAR 2014/2015**" was approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - None**

12. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS OF SEWER SERVICE CHARGE FOR FISCAL YEAR 2014/2015

On motion by Zurita, seconded by Arceneaux, **Resolution #23,969** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS OF SEWER SERVICE CHARGE FOR FISCAL YEAR 2014/2015**" was approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - None**

13. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING THE REVISED REPAYMENT SCHEDULE OF THE GENERAL FUND INTERNAL BORROWING AND RESCINDING THE REPAYMENT SCHEDULE ADOPTED IN RESOLUTION 23,447

**Mayor Brown** asked the City Manager to verify within the \$41M the remittance of the \$5.328M owed to the Department of Finance for the acquisition of city parks, and also the \$4.1M for general liability insurance owed to the Department of Finance.

**City Manager Duffey** confirmed that the \$5.328M is included in the package but the \$4.1M is still an unresolved issue and is not included in this repayment plan.

On motion by Zurita, seconded by Arceneaux, **Resolution #23,970** entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING THE REVISED REPAYMENT SCHEDULE OF THE GENERAL FUND INTERNAL BORROWING AND RESCINDING THE REPAYMENT SCHEDULE ADOPTED IN RESOLUTION 23,447**" was approved, by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - None**

14. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ADOPTING THE BUDGET FOR FISCAL YEAR 2014-2015 (Reagendad)

**Councilperson Zurita** recommended a special meeting be held to consider the adoption of the budget for Fiscal Year 2014-2015.

**City Attorney Cornwell** proposed that this meeting be continued to a date specific to consider and approve the budget on Thursday.

**Mayor Brown** asked that the City Council consider the budget during the June 24, 2014 City Council meeting.

It was moved by Arceneaux, to consider the budget during the June 24, 2014 City Council meeting.

The motion died for a lack of a second.

On motion by Galvan, seconded by Jones, to adjourn the regularly scheduled City Council meeting to Thursday, June 19, 2014 at 3 p.m., by the following vote on roll call:

**AYES: Council Members - Zurita, Galvan, Arceneaux, Jones, Brown**

**NOES: Council Members - None**

**ABSENT: Council Members - None**

**Councilperson Arceneaux** asked the City Manager why the Successor Agency budget is not being addressed at this time.

**City Manager Duffey** explained that the Department of Finance provides the Successor Agency with an advent allocation for them to carry out their activities and recognized obligations; and the goal is to have their budget on the council agenda June 24, 2014.

Councilperson Arceneaux proposed that the Successor Agency and General Fund budgets be considered during the June 24, 2014 City Council meeting.

City Manager Duffey stated that he has some very serious concerns that he wants to make sure are resolved before he submits the Successor Agency budget.

Councilperson Arceneaux requested clarity.

# #2.

City Manager Duffey stated that he feels he needs to meet with staff to ensure the Successor Agency is not subsidized by General Fund dollars.

Mayor Brown agreed that both budgets should be held off and considered and approved on June 24, 2014.

Discussions ensued regarding the feasibility of approving the General Fund budget with amendments and later approving the Successor Agency budget.

**\*Councilperson Arceneaux exited the meeting at 8:16 p.m.**

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

## **COUNCIL COMMENTS**

**Councilperson Zurita offered the following communications/announcements:**

- Requested an item be brought back in two weeks regarding the naming of the community center.
- Requested, in writing, a goal date to perform a financial audit
- Concerned Citizens of Compton meeting will be held Saturday, June 21, 2014 at Saint Phillips Lutheran Church beginning at 5 p.m. Guest speaker is Mr. Gregory Aims from the brickyard project.
- Gonzales Park swimming pool is now open 7 days a week from 1 p.m. to 4 p.m.
- First District Townhall meeting and Sheriffs' Department Cook-out will be held Wednesday, June 18, 2014 at Gonzales Park at 6 p.m.
- Lori Gay, Neighborhood Housing Stabilization will be hosting a Meet Your Neighbors BBQ June 21, 2014 from 12:30 p.m. to 2:30 p.m. at 1051 West Rosecrans Avenue. For more information please call (213) 381-2862.

**Councilperson Galvan offered the following communications/announcements:**

- Requested a reward fund be created on behalf of Jose Padia.
- Directed the City Manager to ensure the camera crew is present to film Farmer's Market operations.
- Announced that he would be hosting a Diabetes Awareness and Prevention March in November 2014.

### **Meeting adjournments:**

Jose Padia, Compton business owner

**Councilperson Jones offered the following communications/announcements:**

- Black and Gold Ball will be held Friday, June 27, 2014
- Omega Psi Phi Fraternity will be hosting their Annual Charles Drew Blood Drive & Healthfair at the Kenneth Hahn Plaza Saturday, June 21, 2014 from 10 a.m. to 3 p.m.
- Keep Sheriffs' Deputy Irma Reyes in prayer.

**Mayor Brown offered the following communications/announcements:**

**\*Councilperson Galvan exited the meeting at 8:33 p.m.**

- Community Policing Taskforce meeting will be held Thursday, June 19, 2014 in the Blue Room at 10 a.m.
- NFL Quarterback Russell Wilson Passing Academy will be reserving slots exclusively for Compton residents males ages 8 to 17 should call (310) 605-5597 or go [www.thepassacademy.com](http://www.thepassacademy.com).
- Compton Dance Free Day will be held Saturday, June 21, 2014 from 12 p.m. to 5 p.m.at 826 East Compton Boulevard. All ages are welcome.
- Directed the City Manager to return with a report regarding the City's plan to maintain the weeds along the Alameda Corridor.

**ADJOURNMENT**

On motion by Zurita, seconded by Jones, the meeting was adjourned at 8:40 p.m. in memory of **Jose Padia, Clifford Harris** and **Mother Clegg**, by the following vote on roll call:

**AYES: Council Members - Zurita, Jones, Brown**  
**NOES: Council Members - None**  
**ABSENT: Council Members - Galvan, Arceneaux**

\_\_\_\_\_  
**Clerk of the City of Compton**

\_\_\_\_\_  
**Mayor of the City of Compton**



**July 1, 2014**

**TO: MAYOR AND CITY COUNCIL MEMBERS**

**FROM: ALITA GODWIN, CMC  
CITY CLERK**

**SUBJECT: APPOINTMENT OF MAYOR PRO TEM**

The Compton Municipal Code, Section 2-1.16 states that the Mayor Pro Tem seat shall rotate between each City Council member, beginning July 1.

Councilwoman Yvonne Arceneaux served as Mayor Pro Tem of the City Council for the 2013/2014 fiscal year. That term expired on June 30, 2014.

It is Staff's recommendation that the City Council appoint a new Mayor Pro Tem for fiscal year 2014/2015.

**ALITA L. GODWIN, CMC  
CITY CLERK**



July 1, 2014

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: GEORGE J. PENN, DIRECTOR  
PARKS AND RECREATION DEPARTMENT

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A FIVE (5) YEAR CONTRACT WITH TGIS CATERING SERVICES, INC. TO PROVIDE EXCLUSIVE CATERING AND CONCESSION SERVICES FOR THE COMPTON COMMUNITY CENTER.**

### **SUMMARY**

This resolution authorizes the City Manager to enter into a five (5) year contract with TGIS Catering Services, Inc. to manage and provide exclusive catering and concession services for the Compton Community Center.

### **BACKGROUND**

The Compton Community Center is a 30,000 sq. feet multipurpose facility that will facilitate recreation programs and activities for youth, adults and seniors. Along with offering recreation programs for the community, the center will also host an array of community gathering, business meetings, private rentals and special events. To facilitate these activities, the Community Center offers several small meeting rooms, two (2) outdoor terrace areas, and a 10,000 sq. feet banquet room with the capacity to host 350 participants seated and over 600 participants' auditorium style.

In January 2014, the City Manager directed staff to negotiate the process to recruit for a professional catering service to provide catering and concession services for the Compton Community Center. The contract will consist of a five (5) year term and will commence on July 1, 2014 and end on June 30, 2019. Staff released a Request For Proposal and began advertisement on the City's website, Compton Bulletin Newspaper, as well as personally contacting several local and non-local vendors.

### **STATEMENT OF ISSUE**

On April 3, 2014, the Request For Proposals to provide exclusive catering services at the Center was issued to the public. Staff also personally contacted over fifteen (15) prospective vendors to inform them of the catering opportunity. On April 12, 2014, the City Clerk received proposals from two catering firms: TGIS Catering and Choura Event Catering. The proposals were then evaluated by a team of City staff led by the Parks &

# #4.

**Staff Report – Resolution Authorizing 5-Year Catering/  
Concessions Contract – TGIS Catering Services, Inc.  
July 1, 2014, page 2**

Recreation Department Director. Evaluation summary highlights for both catering companies are as follows:

**TGIS Catering** – TGIS Catering has been in business for over twenty years. They operate a 10,000 square foot warehouse facility and kitchen in the City of Long Beach. They are the exclusive caterer at the Center at Sycamore Plaza in the City of Lakewood as well as the Betty Reckas Cultural Center, Palos Verdes Art Center, and the Museum of Latin American Art. TGIS employs a full staff of chefs, warehouse personnel, event managers, as well as the owners who are responsible for all marketing components. Some of the marketing components listed were an Open House Event for the Compton Community Center, internet marketing, TGIS website, mass email marketing, newsletters and magazines, word of mouth and a monthly Chef's Table used to promote the Center and its food to potential clients. During the site tour and tasting, staff was very impressed with the presentation and quality of their food, and ability to provide flexibility in their menu choices. TGIS impressed the evaluation team when they expressed a commitment to partner with local vendors as well as hiring local residents on their catering services team.

**Choura Event Catering** - Choura Event Catering is a full-service event and venue management company. They currently manage the Grand Ballroom in Long Beach, Carson Community Center, All Souls Mortuary and Boys & Girls Club of Long Beach. Choura has a 41 year track record of community involvement and draws a large range of clients from Los Angeles, South Bay, Long Beach, and Orange County. They believe the event marketplace is shifting and the trend of large banquet style events are drastically changing. So their marketing plan would consist of social media advertising, mailings, web-sites, e-newsletters, and promotional events. The site tour was conducted at the Grand Ballroom in Long Beach. The evaluation team was impressed with Choura's extensive experience and management in this field.

## **Timeline**

The following information identifies the timeline from the release of the RFP to the evaluation committee's recommendation to the City Manager.

| <b>Date</b>                                      | <b>Description</b>                             |
|--------------------------------------------------|------------------------------------------------|
| March 17, 2014                                   | Request For Proposal (RFP) released to public  |
| March 24, 2014                                   | Mandatory Pre-Proposal Meeting                 |
| March 28, 2014                                   | Vendor questions from pre-proposal meeting due |
| April 8, 2014                                    | Second Pre-Proposal meeting and site tour      |
| April 10 , 2014                                  | Request for proposals due                      |
| April 16, 2014                                   | Proposal interviews                            |
| April 21 <sup>st</sup> & 22 <sup>nd</sup> , 2014 | Site tours and tasting                         |

**Staff Report – Resolution Authorizing 5-Year Catering/  
Concessions Contract – TGIS Catering Services, Inc.  
July 1, 2014, page 3**

### **Evaluation Process**

An evaluation team of City staff was organized in order to facilitate the selection procedure for the two companies that submitted proposals. The evaluation process consisted of completing two separate phases: interview, and site tour and food tasting.

On Wednesday, April 16, 2014, the evaluation committee conducted interviews for both proposers. Choura Events and TGIS Catering were present and participated by answering a series of interview questions. Both proposers were asked the same questions and their answers were evaluated and graded by each evaluation team member.

The following week, the site tours and food tasting were conducted. On Monday, April 21, 2014, the site tour was conducted with TGIS Catering. Evaluation Committee members toured their warehouse in Long Beach, and had an opportunity to sample several food choices which included appetizers, entrées, and desserts.

On Tuesday, April 22, 2014, site tour and tasting was conducted with Choura Event Catering. The site tour was conducted at the Grand Ballroom in the City of Long Beach. The evaluation included touring their cooking facilities, storage areas and grand ballrooms. At the conclusion of the tour, staff had an opportunity to sample several food choices.

### **FISCAL IMPACT**

There will be no impact to the general fund. TGIS Catering will pay to the City by the 15<sup>th</sup> day of each month a sum of 20 percent (20%) for all food and beverage items sold at the Compton Community Center.

### **RECOMMENDATION**

Staff recommends to the City Council to accept the proposal and authorize the City Manager to enter into a five (5) year contract with TGIS Catering Services, Inc. to provide exclusive catering and concession services at the Compton Community Center.

**GEORGE PENN, DIRECTOR  
PARKS AND RECREATION DEPARTMENT**

**APPROVED FOR FORWARDING:**

**G. HAROLD DUFFEY  
CITY MANAGER**



**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON  
AUTHORIZING THE CITY MANAGER TO ENTER INTO A FIVE (5) YEAR  
CONTRACT WITH TGIS CATERING SERVICES, INC. TO PROVIDE  
EXCLUSIVE CATERING AND CONCESSION SERVICES FOR THE  
COMPTON COMMUNITY CENTER.**

**WHEREAS**, the Compton Community Center is a 30,000 sq. feet multipurpose facility that will facilitate recreation programs and activities for youth, adults and seniors; and

**WHEREAS**, the Center will also host an array of community gathering, business meetings, private rentals, and special events; and

**WHEREAS**, the Community Center offers several small meeting rooms, two outdoor terrace areas, and a 10,000 sq. feet banquet room; and

**WHEREAS**, on April 3, 2014, Request For Proposals (RFP) were released to the public for exclusive catering services at the Compton Community Center; and

**WHEREAS**, on April 12, 2014, the City Clerk received proposals from two catering firms: TGIS Catering and Choura Event Catering; and

**WHEREAS**, an evaluation team of City staff was organized in order to facilitate the selection procedure and determined that TGIS Catering to be the most qualified and experienced firm to manage the catering services at the Compton Community Center; and

**WHEREAS**, TGIS Catering Services, Inc. will pay to the City, by the 15<sup>th</sup> day of each month, a sum of 20 percent (20%) per for all food and beverage sold at the Compton Community Center; and

**WHEREAS**, the catering contract with TGIS Catering Services, Inc. will be for a term of five (5) years, commencing on July 1, 2014 and ending on June 30, 2019.

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

**SECTION 1.** That the proposal/bid submitted by TGIS Catering Services, Inc. is hereby accepted and all other proposals/bids are rejected.

**SECTION 2.** That the City Manager, with the approval of the City Attorney, is hereby authorized to enter into a five (5) year (i.e. July 1, 2014 through June 30, 2019), services agreement with TGIS Catering Services, Inc. to manage and provide exclusive catering and concession services for the Compton Community Center.

**SECTION 3.** That TGIS Catering Services, Inc. agrees to pay the City of Compton twenty percent (20%) each month for the term of the Agreement, of the gross for all food and beverage sold at and/or from the Compton Community Center

**SECTION 4.** That a certified copy of this Resolution shall be filed in the offices of the City Manager, City Attorney, Parks and Recreation and the City Clerk.

Resolution No. \_\_\_\_\_  
Page 2

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

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
**MAYOR OF THE CITY OF COMPTON**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK OF THE CITY OF COMPTON**

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

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor, and attested by the City Clerk at a regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2014.

That said Resolution was adopted by the following vote:

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

\_\_\_\_\_  
**CITY CLERK OF THE CITY OF COMPTON**

**CATERING AND CONCESSIONS SERVICES AGREEMENT  
BETWEEN  
TGIS CATERING SERVICES, INC.  
AND  
CITY OF COMPTON**

This **AGREEMENT** is entered by and between the **CITY OF COMPTON**, a municipal corporation of the State of California (hereinafter referred to as "**CITY**") located at 205 South Willowbrook Avenue, Compton, California 90220, and **TGIS CATERING SERVICES, INC.** (hereinafter referred to as "**CONCESSIONAIRE**"), 2950 North Airport Lane, Long Beach, California 90806.

**RECITALS:**

**WHEREAS**, the City is has determined that there is a need to employ the services of a qualified and experienced catering services provider to manage and provide long-term catering and concession services at the Compton Community Center; and

**WHEREAS**, Concessionaire (TGIS Catering Services, Inc.) warrants that it is specifically trained, experienced, competent, and has the resources to provide such services which will be required by this Agreement; and

**WHEREAS**, by Resolution No. \_\_\_\_\_, adopted on the \_\_\_\_ day of \_\_\_\_\_, 2014, the City Council gave approval to award a five (5) year contract to the Concessionaire to provide exclusive catering and concession services for the Compton Community Center; and

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

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

**AGREEMENT:**

**1. Effective Date, Term.** This Agreement shall be effective on July 1, 2014, unless the City requests a revised start date. The term of this Agreement shall be five (5) years, commencing on the 1<sup>st</sup> day of July 2014 and expiring on the 30<sup>th</sup> day of June 2019.

**2 Concession.** Except as otherwise provided herein, the City grants to Concessionaire the following:

A. The exclusive right and privilege to provide catering and concession services in the Compton Community Center, in those areas thereof designated as Concession Area on Attachment "A" (Diagram of Community Center), which is attached hereto and incorporated herein by reference.

(1) "Concession Services" as used in this Agreement are limited to private functions for profit consisting of weddings, wedding receptions, business meetings, conferences, educational and training uses, trade shows, exhibition of products, lunches, dinners, banquets, parties and such other private uses for profit as approved by the City in writing. "Private" as used herein means those uses by individual persons, businesses or organizations where the general public is excluded from attendance except where otherwise

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authorized by the City in writing. "Profit" as used herein means those concession services that are booked, provided or serviced by the Concessionaire for a profit as provided for and subject to the terms and provisions of this Agreement.

(2) "Catering Services" as used in this Agreement is defined and limited to the booking, providing, delivery, and servicing at sites other than the Compton Community Center of food, beverages, beer, wine and liquor subject to ABC approval along with furnishings and equipment, owned by the Concessionaire, where the foregoing are booked or prepared, and delivered from, or stored, or maintained, or originate from the Community Center.

B. Concessionaire shall have the exclusive use of Room 212 provided the same is used only as an office for the administration of the catering and concession services herein, which room shall be the only room at the Community Center used by Concessionaire for office purposes.

**3. The Compton Community Center.** Concessionaire acknowledges that the Compton Community Center is a public facility owned, maintained and operated by the City, for public use and purposes and that the facility was designed primarily as a multi-use governmental and recreational facility. Concessionaire further acknowledges that the City, in the design and development of the Compton Community Center, intended to establish thereon and intends to maintain thereon a facility open to public use for meetings, conferences, banquets, entertainment, music and cultural purposes, as well as educational and recreational uses and City business. Notwithstanding any exclusive catering and concession rights and privileges given to Concessionaire in the Compton Community Center, pursuant to the terms and provisions of this Agreement, said rights and privileges are subordinate to the public use of the Compton Community Center, including the concession areas designated on Attachment "A," except as hereinafter provided with this limitation, City agrees that Concessionaire has the exclusive right to the use of the Concession Area and facilities and that it will not enter into any contract, agreement, engagement, permit, license or authorization with anyone else to use the Concession Area for catering or concession services as heretofore defined.

## **4. Scope of Services Provided By Concessionaire.**

A. It is the City's clear and specific intent that the Concessionaire provide the full range of services contemplated in the Agreement. Concentration by the Concessionaire in one area of service, to the detriment or exclusion of another, will not be acceptable. In summary, the Concessionaire must be prepared to provide excellent products and services in keeping with the City's reputation and high level of service to the public. This concession has been granted to Concessionaire based upon Concessionaire's general reputation in the community for excellent service. All persons serving Concessionaire in connection with this Agreement shall be under the control and jurisdiction of the Concessionaire unless authorized otherwise by the City in writing.

B. Concessionaire shall supply and have ready for sale all products in sufficient quantity and shall maintain adequate personnel and equipment for the efficient service of its customers at all times, and shall operate at such hours of day and night as required.

C. Concessionaire shall employ its best judgment, efforts, and abilities in a manner calculated to produce the maximum practical volume of sales and transactions obtainable. The City acknowledges and fully understands the business and profit motive which is

the basis for the Concessionaire's operation. The City must nonetheless ensure that the levels of service, and the charges associated therewith, are adequate and reasonable and meet the requirements of the patrons, events and activities of the premises. The City reserves the general right to reasonably determine the levels of service to be provided.

D. Concessionaire shall work with the City to maintain a strong marketing program to promote and advertise the Compton Community Center and the catering services therein, in an effort to increase customers and sales. At least once every six (6) months, the City and Concessionaire shall meet to review the marketing program to discuss changes and improvements to the program, if needed. The City shall have the right to approve actual Concessionaire marketing items, costs and content prior to distribution.

E. Concessionaire shall provide all personnel, material and equipment necessary to carry out the terms and provisions of this Agreement that are not provided by City.

## **5. Scope of Services Provided by City.**

A. During the term of this Agreement, the City shall provide and maintain, for the use of the Concessionaire as well as its own use, all of the tables, carts, stacking chairs, dollies and hand trucks, as well as other equipment necessary to maintain, stack, store and make available the banquet stacking chairs now on the premises (an inventory of City equipment is listed in Attachment "B", which is attached hereto and incorporated herein by this reference). During the term of this Agreement, the City shall also provide for the following at the Compton Community Center: natural gas, water, electricity, refuse removal, custodial and building maintenance and pest control. The City also upgrades its computer systems in a timely manner and provides first-rate IT support on-site to the Concessionaire for all City owned computer systems as identified in Section 11G.

B. In addition to the foregoing property and services, the City shall have the exclusive right to provide any telecommunications, audio visual, visual display, lighting and P.A. equipment and services. City has available at the Compton Community Center certain equipment, both portable and fixed, whereby television communications, audio and visual projections and displays, lighting and sound effects may be provided in connection with catering or concession services. Concessionaire agrees that it will not provide or authorize any person to bring on the premises telecommunication, audio visual equipment, lighting equipment, TV equipment, slides or projectors or P.A. systems without the written consent of the City. Concessionaire agrees that if any customer desires to use or have the use of such equipment in connection with any event, the customer shall be referred to the City for the exercise by the City, at its option, of providing such equipment or service under its direction and with its personnel. Any charge the City shall impose for said service shall belong to the City and the Concessionaire shall not charge or receive any consideration for the same. Nothing herein contained shall be deemed to require the City to provide any of the aforementioned services or equipment in connection with any catering or concession services provided by the Concessionaire, it being acknowledged that the aforementioned equipment and trained City personnel to operate the same has been acquired and maintained for the general public use and benefit and that this public use and benefit is primary. The City further reserves the right in its sole discretion to elect at any time not to provide any or all of the aforementioned equipment or personnel in connection with any concession or catering agreement. If the City should elect not to provide in whole or in part any of the aforementioned equipment or services, the Concessionaire may not provide any of the aforementioned equipment or services or authorize anyone else to provide any of the

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aforementioned equipment or services except upon the written approval of the City which will not be unreasonably withheld.

**6. Quality of Products and Services.** In the course of discharging its responsibilities under the terms of this Agreement, Concessionaire shall, at all times, ensure maintenance of the highest standards of quality in both the products offered for sale and in the services provided.

A. Concessionaire shall offer for sale only foods and non-alcoholic and alcoholic beverages of such quality as judged reasonably acceptable by City. All products shall be appealing in appearance. City shall have the right, at all times when employees or representatives of Concessionaire are present, and whether the concession premises are in operation or not, to inspect products to be sold by Concessionaire, and approve or reject them if they do not meet the requirements of the contract. In the event the City should reject any product, it shall be immediately removed from the premises.

B. Concessionaire shall furnish prompt, courteous, efficient, inoffensive, and quality service to meet the reasonable demands of the City, and the public and patrons in the Community Center facilities. Concessionaire shall furnish all authorized and/or required services on a fair, equal and nondiscriminatory basis to all patrons. Concessionaire shall not discriminate against anyone because of race, religion, color, sex, age, and national origin or by reason of physical handicap.

C. Concessionaire shall control and be held responsible for the conduct, demeanor and appearance of its officers, agents, employees, and representatives, guests, contractors and others while doing business in, about or adjacent to the premises. Upon reasonable objection from City concerning the conduct, demeanor or appearance of these persons, Concessionaire shall immediately take all actions necessary to remove the cause of the objection.

D. Concessionaire shall conduct its business on the premises in an orderly, cooperative and proper manner so as not to annoy, disturb, disrupt, offend, or otherwise interfere with the ongoing operation of the premises and/or its tenants and patrons.

**7. Pricing of Products and Services.** The Compton Community Center will serve an extremely divergent range of patrons in a highly competitive market. The imposition of a non-competitive price structure for products and services would be detrimental to the Compton Community Center users, to its reputation, to the potential for future bookings, and ultimately, to the Concessionaire. Therefore, the pricing of the products and services provided by the Concessionaire is of considerable importance to the City.

A. Because of the importance of competitive pricing, Concessionaire agrees to price all food, beverages, goods and services at a rate comparable to the prices of said products and services at other competing banquet and meeting facilities in Los Angeles and Orange Counties. Concessionaire shall provide for the consideration and selection of patrons, a wide range of standard menu items and pricing. All such menus and price lists shall be submitted to the City in writing, for City's approval, which shall not be withheld unreasonably. City shall have ten (10) days to object to any prices proposed by Concessionaire, or said prices shall be deemed approved. In addition, said menus and price lists shall be printed by the Concessionaire at Concessionaire's own expense and made available to prospective patrons of the Compton

Community Center facility. City intends that the aforementioned standard menu items be considered as the minimum food and beverage items offered by the Concessionaire. It is not intended to be an all-inclusive listing. The Concessionaire is expected to explore the feasibility and appropriateness of offering additional items, during the term of the Agreement and to plan, promote and conduct special events and activities featuring entertainment and food and beverage service.

B. Concessionaire shall provide a discount of ten percent (10%) from its regular menu prices for food purchases by bona fide Compton nonprofit community groups. The Concessionaire will refer to the current listing of bona fide Compton community groups which will be provided and maintained by the City of Compton.

#### **8. Booking Policies and Use Priorities.**

A. When not in use for City sponsored events, Community Center facilities, as hereinafter described, are available to the Concessionaire for food and beverage bookings.

B. All scheduled catered uses, of any Concession Area shall be entered in records maintained by Concessionaire and retained in the possession of the Concessionaire during the term of this Agreement. Said records shall be available for City inspection at any time during Concessionaire's regular office hours.

C. As set forth previously, City has first right and priority to schedule and use any or all of the Concession Area except the Concession Office, Room 212.

#### **9. Management.**

A. The City Manager or his authorized representative shall represent the City in the administration of any City functions required hereunder and in the supervision of the performance of this Agreement by the Concessionaire. The term "City Manager," as used in this Agreement, shall include and mean his authorized representative. The City Council hereby authorizes the City Manager, and the Concessionaire does hereby acknowledge and agree to comply therewith, the power and authority to prepare in writing and to deliver in writing the Concessionaire Rules and Regulations pertaining to the use of The Compton Community Center not inconsistent with the terms and provisions of this Agreement. Any rule and regulation adopted by the City Manager may be amended or revoked by the City Council at any time and the City Council may from time to time adopt additional rules and regulations pertaining to the use and operation of the concession. No rule or regulation shall be enforceable which is inconsistent or contrary to the provisions of this Agreement, and no regulation shall be adopted or be enforceable unless the same relates to the use and operation of the concession and covers a matter not specifically covered under the Agreement. All such rules and regulations shall be reasonably necessary in order to protect the public health, safety and welfare. All such rules and regulations shall be in writing and delivered to the Concessionaire at least ten (10) days in advance of the effective date of said rule or regulation. The Concessionaire shall be bound by such rule and regulation, unless the Concessionaire within said ten (10) days appeals the matter to the City Council for consideration. The decision of the City Council shall be in conformity with the terms and provisions of this Section and shall be final.

B. Concessionaire shall maintain an office in the Community Center, at the place provided by the City, which shall be open to the public and staffed by at least one (1)

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employee with the general intention that the office be opened and staffed during the general operating hours (i.e. Mondays through Fridays, 8:00 a.m. to 8:00 p.m.) of the Community Center. The specific schedule may be modified from time to time in cooperation with City staff. In addition, a Concessionaire management staff designee shall be in the Compton Community Center or on the concession site during all times a catering or concession activity is in operation. Concessionaire shall be responsible for all functions assigned to the management staff herein. The management staff shall be fully acquainted with Concessionaire's operations and contract obligations and shall be authorized by the Concessionaire to act on its behalf and to fulfill all contractual and other obligations in the day-by-day operation of the concession.

**10. Cash Deposit.** Concessionaire shall maintain a deposit with the City of Compton's Treasurer's Department in the sum of Twenty-Five Thousand Dollars (\$25,000.00) as security for payments owed City pursuant to Section 13 of this Agreement and for the refund of any advance payment received by the Concessionaire from any customer or person for catering or concession services. Said deposit shall be made in two payments of Twelve Thousand, Two Hundred and Fifty Dollars (\$12,250) each, at the execution of this Agreement and on the effective date of this Agreement. Said deposit shall be maintained and be subject to the following:

A. Upon notice of the failure of Concessionaire to provide to any customer or person any food, facility or service as required by agreement between Concessionaire and said customer or person who has made a deposit for said service, the City shall advise Concessionaire in writing that it will, within five (5) days of delivery of said written notice to the Concessionaire, withdraw from said fund and pay to said customer or person the amount of money set forth in said notice not exceeding the total of said advance payment or deposit. Said notice in addition shall set forth the name and address of the customer or person entitled to said refund, the date that the payment will be made, and the reason for the refund. In refunding any money pursuant to this Section, the City shall exercise reasonable discretion. City agrees that it does not have the right to act on behalf of the Concessionaire to resolve disputes. If the Concessionaire has a dispute with a client, the Concessionaire will be allowed to resolve said disputes utilizing proper legal remedies as provided for in its contract with said customers.

B. The City agrees to deposit said funds in the City's Trust Fund as Concessionaire Customer Deposit Account. The City agrees to credit to this account the City's yield on its investment portfolio each calendar year quarter or such shorter period as the Parties may agree and to pay to Concessionaire within thirty (30) days after the end of each quarter or such shorter period the interest earned on said account. If this Concession Agreement should terminate prior to the end of any quarter; the interest shall be prorated to the date of termination.

C. Concessionaire shall provide monthly reports to the Director of Parks Recreation all advance deposits and payments received by it from any customer for which concession or catering services are due and owing. Said list shall contain the name and address of the customer or person to whom refund is to be made, a brief description of the services or facilities to be provided and the date the same are to be performed.

D. The City at its own expense shall have the right to audit Concessionaire's books and records upon twenty-four (24) hours notice during regular office hours to determine the status and amount of all advance payments or deposits received by the Concessionaire from any person or customer.

E. Concessionaire agrees to maintain said cash deposit with a balance of not less nor more than Twenty-Five Thousand Dollars (\$25,000.00) and to replenish said fund to so maintain said balance within fifteen (15) days of written notice from the City.

F. Within thirty (30) days after the termination of this Concession Agreement, Concessionaire shall receive from the City in a Cashier's Check the balance of said Twenty-Five Thousand Dollars (\$25,000.00) plus interest to the date of termination remaining after deduction there from any payment made by the City to any customer or person in accordance with the terms and provisions of this Agreement, and after deduction therefrom any amount expended by City to place the Concessionaire Area into the same condition as existed as of the commencement of the term of this Concessionaire's occupancy of the Concessionaire Area. On termination, the Concessionaire will provide satisfactory evidence to the City that all obligations of the Concessionaire to any person or customer from whom Concessionaire has received an advance payment or deposit have been performed or the amount of said payment or deposit has been refunded. In lieu of the foregoing, the Concessionaire may authorize the City to pay from said fund any amount Concessionaire owes to any customer or person for food facilities or services that have not been performed.

G. Said advance deposits with City shall not be used to compensate customers for the forfeiture of any deposits as a consequence of any expressed sales contract provision.

**11. Consideration.** The Concessionaire agrees, in consideration of the exclusive privilege herein granted, to pay to the City for services and products provided, purveyed or prepared at or from the premises, the following consideration, exclusive of sales tax, service charges, gratuities and other use taxes as may be imposed for the term of this Agreement:

A. Twenty percent (20%) of gross sales of alcoholic beverages.

B. Twenty percent (20%) of gross sales of food and non-alcoholic beverages.

C. Twenty percent (20%) of Concessionaire's share of gross sales of any vending machine. No vending machines shall be installed without the written permission of City.

D. Twenty percent (20%) of gross fees for any set up fee and all other products or services not covered in Section 11 A, B & C.

E. Fifteen percent (15%) of gross sales of any and all off-premises sales of food, non-alcoholic beverages and alcoholic beverages. "Off premises sales" shall include any off-premises service as well as the sales of liquor and food, generated and booked by the Community Center Concessionaire's office at the community facility and where said liquor and food is delivered by Concessionaire for consumption off of the premises.

F. Computer/Information Systems. Concessionaire acknowledges City has purchased and installed computers, printers and software for Concessionaire's use and interconnection with the City employees and officers. On the expiration or termination of this Agreement said equipment shall belong to the City. Furthermore, the Concessionaire shall use this technology to prepare all required and requested reports in a computerized format compatible with the City's software. The Concessionaire further agrees to pay City a monthly fee of Eighty-Five Dollars (\$85.00) per Concessionaire computer connected to the City's computer network. The Director of Parks & Recreation may adjust this fee annually to be effective on July

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1st of each year based on the City's actual prorata cost for the computer network. Concessionaire will be notified in writing of the adjusted fee. Said payment shall reimburse City for its expenses in maintaining its local area computer network. Concessionaire shall pay any charges arising from negligent use on a time and material basis.

**12. Room Set-Up.** In connection with all events booked by the Concessionaire pursuant to the terms of this Agreement, Concessionaire shall not be responsible to provide all necessary labor for arranging furnishings and "setting up" or "cleaning up" rooms in the Concession Area where there is no food or beverage service. Concessionaire is responsible to provide all necessary labor for arranging furnishings and "setting up" or "cleaning up" rooms in the Concessionaire Area where there is contracted food or beverage service. City reserves the right at any time to provide with its own forces, furniture arrangement or "room set-up" in connection with any City or City-sponsored use of the premises or in connection with any City-approved community, charitable or non-profit use of the premises. City acknowledges that the Concessionaire's staff will not be available on a complimentary basis to set up events that have no food or beverage associated with them.

**13. Calculation and Remittance of Concession Fees.**

A. The determination of gross sales shall be based on the particular item sold and/or service provided or, in certain cases, the method in which such items or services are sold. The City shall have final approval as to the appropriate gross sales category to be utilized in computing the consideration to be paid to it. On request, the City agrees to determine, in advance in writing, the appropriate gross sales category for the Concessionaire's computation of the consideration required to be paid to the City.

B. Concessionaire agrees to pay to City the aforementioned consideration upon sale or delivery and whether products were sold or services or premises provided on cash, credit or other basis.

C. In determining the consideration to be paid to the City, gross sales price of products, services or rental of space charged by the Concessionaire to its customer shall be used, excluding however therefrom all gratuities, service fees, state sales tax and other use taxes paid directly to Concessionaire's employees or to a public agency. In addition, there shall be excluded from the computation of said consideration charges by the Concessionaire to its customer, where the customer pays the entire amount for the purchase, rental, arrangement or other thing, secured by the Concessionaire on behalf of the customer, of items or services such as, but not limited to, tables, chairs, linen, glassware, silverware, flowers, ice carvings, decorations and/or entertainment.

D. The consideration payable by the Concessionaire to the City shall be paid on a monthly basis as the same accrues during the term of this Agreement. All payments shall be made not later than the **15<sup>th</sup> day of the month** following the accrual of said consideration and shall be paid directly to the City of Compton City Treasurer's Office, 205 South Willowbrook, Compton, California, 90221. In event the 15<sup>th</sup> falls on a non-business day for the City, such payment shall be due the next working day. Should Concessionaire fail to pay the amount due on or before the 15th day of the month following the month said amount accrued, Concessionaire agrees to pay, in addition, interest on the amount due at the rate of twelve percent (12%) per annum, or the maximum legal rate, whichever is less.

E. If the Concessionaire, during a 12-month period should be late more than three (3) working days in payment of the consideration required in Section 11, Concessionaire agrees to pay to City a late payment equivalent to one percent (1%) of the monthly consideration determined due.

F. Concessionaire further authorizes the City to deduct any unpaid monthly consideration payable by Concessionaire to the City under Section 11 from Concessionaire's cash deposit if said consideration is more than three working days past due.

G. Failure to make payments by no later than the 15<sup>th</sup> day of the month following the accrual of said consideration shall be considered a material breach of the contract.

**14. Reporting of Gross Sales and Rental Fees.** Concessionaire shall report monthly to the Director of Parks & Recreation Department, all gross sales and rental fees charged or collected by Concessionaire during the preceding month. Said report shall be filed with the Director of Parks & Recreation Department on or before the 15<sup>th</sup> day of the month following said sale or rental. In addition to any reasonable requirements imposed by the Director of Parks & Recreation, said report shall include:

A. A monthly summary report detailing gross sales and rental fees, in the form and fashion directed by the Director of Parks & Recreation Department. Concessionaire shall, in addition, categorize all sales and rentals by type of product or service, (i.e., food, alcoholic beverages, miscellaneous). Concessionaire shall provide City a copy of the final itemized invoices as submitted by Concessionaire to its customers.

**15. Off-site catering.** Concessionaire may only use property owned by it for off-site catering.

**16. Breach, Default and Termination of Agreement.** Notwithstanding any provision of this Agreement to the contrary, this Agreement may be sooner terminated as follows:

A. In the event of a material breach of this Agreement by either party, the other party may terminate this Agreement with no right of cure, ten (10) days following the giving of notice of such breach and intent to terminate by such other party.

B. In addition, the City may terminate this Agreement without cause on thirty (30) days' written notice and Concessionaire may terminate this Agreement without cause on sixty (60) days' written notice.

C. In the event of termination or expiration of this Agreement, Concessionaire shall pay to the City the appropriate consideration for all events and activities where Concessionaire provided services or products prior to the effective date of termination. In addition, Concessionaire shall refund to patrons any payments received for events which were scheduled following the date of termination or expiration.

**17. Additions, Alterations and Improvements.** Upon the termination of this Agreement, all changes, alterations, additions, repairs or improvements to or upon said premises by the Concessionaire shall become the property of the City. Any trade fixtures, equipment, and other items brought in or installed within said buildings by Concessionaire, at its sole expense,

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which do not actually become a part of the buildings, may be removed by the Concessionaire during the term hereof, provided said removal does not damage said premises; and provided further that Concessionaire remove said personal property either by or before the date of termination of this Agreement; and provided further that, if Concessionaire has removed any of the foregoing, Concessionaire ~~shall restore~~, in substantially the same condition, the interior and any fixtures of said premises which had been heretofore removed or altered for the installation of subsequent fixtures; and provided further that Concessionaire has faithfully performed the conditions and covenants of this Agreement.

### **18. Records and Books.**

A. Concessionaire shall keep true and complete records and accounts of all business and sales transacted on, at or from the premises for a period of three (3) years after expiration or termination of this Agreement. Concessionaire shall keep and preserve all sales slips, computer records, cash register tape readings, sales records, bank records, bank deposit slips and other evidence of gross sales and business transacted during the term of this Agreement.

B. Concessionaire agrees that as a part of said record keeping it shall provide, keep, maintain and use, at its own cost and expense, cash register or electronic equipment, which shall produce a continuous registering tape or permanent printed record for each, all and every sale and business transacted by the Concessionaire and shall maintain said records for a period of at least three (3) years after expiration or termination of this Agreement.

C. The Director of Parks & Recreation Department, or any other City officer or employee, as authorized by the City Manager, shall have the right, at any time and from time to time, to audit all of the records of account, bank statements, documents, records, returns, papers, files and cash register tapes of the Concessionaire relating to gross sales and business transacted at the premises; and, on request by City, as aforementioned, Concessionaire shall make all such materials available for examination at the office of the City or at Concessionaire's place of business. If the City should have an audit made for any portion of the term of this Agreement and the gross sales and business transacted shown by the Concessionaire's statement for such period should be found to be understated by more than five percent (5%), Concessionaire shall immediately pay to the City the cost of such audit as well as the additional consideration payable by Concessionaire to City; otherwise, the cost of such audit shall be paid by the City. City's right to have such an audit made with respect to any portion of the term of this agreement shall expire three (3) years after the termination or expiration of this Agreement. The right of audit and inspection hereunder shall include the right to audit or inspect sales tax returns.

**19. Use of Premises.** Concessionaire agrees that these premises shall be used by Concessionaire solely for THE PUBLIC PURPOSE OF MAINTAINING AND OPERATING FOOD AND BEVERAGE SERVICES approved in writing by the City.

A. Concessionaire agrees not to use or keep on the premises any article which the City or insurance companies may deem EXTRA HAZARDOUS, or which increases the rate of insurance.

B. City shall provide, and pay all charges for, electricity, gas, heat, air conditioning, sewer, and hot and cold domestic water services to the concession premises to the extent that such utilities are reasonably required during the duration of the contract, and are

available as of the effective date of the contract. Concessionaire shall, at its sole expense, obtain and pay for all necessary telephone equipment and services.

C. Concessionaire agrees to pay and discharge all LIENS AND OBLIGATIONS of any nature and kind whatsoever which shall attach to, or be imposed upon, said premises when created or incurred by said Concessionaire.

D. Concessionaire shall not do anything on the premises that will cause damage to the buildings, structures or improvements. Concessionaire shall not make changes, alterations, additions, repairs or improvements to or upon said premises without written permission of the City. Concessionaire shall not install or operate any machinery, apparatus or appliance that will in any manner damage the premises or cause a public nuisance.

E. Concessionaire shall comply with all laws concerning the premises, or the Concessionaire's use of the premises. Concessionaire shall not use the premises in any manner that will constitute a waste, nuisance, or unreasonable annoyance, including without limitation, the use of loudspeakers or sound, or light apparatus that can be seen or heard outside the premises to the reasonable annoyance of the owners or occupants of adjacent properties, or to the City.

F. The City shall have the right, at all reasonable times, to enter the premises for the purpose of determining compliance with this Agreement; for the purpose of inspecting or repairing said premises; for any other reasonable purpose in the protection of the property of the City; or in securing compliance with the provisions of this Agreement. Such entry may be made without the knowledge or consent of the Concessionaire and may be conducted in the exercise of reasonable discretion at times when said concession is not in operation provided City within twenty-four (24) hours, when at all possible, has filed with Concessionaire a written report of the same.

G. Concessionaire acknowledges that use of the premises shall at all times be in a manner commensurate with and appropriate with the public use of publicly owned property. Concessionaire shall not authorize, allow or tolerate any use of said premises for any unlawful or illegal purpose. In addition, Concessionaire agrees not to allow or authorize the use of said premises wherein any loud or offensive conduct, or use thereof, is or may be detrimental or annoying to the general public utilizing said facilities or adjoining premises or facilities. Concessionaire further agrees that it will immediately, upon demand of the City Manager or any law enforcement officer, close said facility and order all persons, other than City officers and employees or its employees, from said premises in the event of the occurrence of any event or activity deemed by the City Manager or any law enforcement officer, to be illegal, in violation of state law, in violation of any local ordinance, or which is being conducted in a loud, or obscene, boisterous, raucous or offensive manner so as to be offensive to the public or constitute a nuisance. Concessionaire further agrees to abide by any order or direction of the City Manager or any law enforcement officer, requesting, demanding, ordering or directing the termination of the use of said premises and the vacation thereof, forthwith, by all persons other than City officers and employees or Concessionaire and employees. Failure of Concessionaire to cooperate with City in the enforcement of this provision shall be a material breach of this Agreement.

**20. City Kitchen Equipment.** The City owns all Kitchen Equipment at the Community Center. The City shall replace or repair the City owned items which need to be replaced or repaired due to normal wear-and-tear. Concessionaire shall reimburse the City for

## #4.

the cost of repairing or replacing the City owned items which need to be replaced or repaired due to improper maintenance or misuse, within 30 days of invoicing by the City. Concessionaire shall exercise all reasonable care in its use of City-owned property or equipment, and shall notify the City promptly of any items which need to be replaced or repaired, whether or not due to normal wear-and-tear.

### **21. Signs.**

A. Concessionaire shall not erect, construct or place any signs or advertisements pertaining to its concession rights and operations in or on any portion of the premises without the express written permission of the City. Prior to the erection, construction or placing of any signs or advertising matter upon the concession premises, Concessionaire shall submit to the City, for its approval in writing, the drawings, sketches, design, dimensions, type and character of the sign or advertising matter. Any conditions, restrictions or limitations with respect to the use of these signs, stated by the City in its written approval, shall become conditions of the contract as if specifically set forth herein.

B. The City may from time to time modify or change its signs, its signing policy, or signs of identification. In that event the City agrees to consult with the Concessionaire on a timely basis so that Concessionaire can contribute to and discuss with the City any future signing, changes, or modification thereof.

### **22. Upkeep and Maintenance of Concession Premises and Equipment.**

A. The concession premises and all equipment and materials used by Concessionaire shall be maintained in a clean and sanitary condition, free from rubbish, refuse, food scraps, garbage, dust, dirt, offensive or unclean materials, roaches and other insects, rodents and vermin, in accordance with the best sanitary practices, and in full compliance with all applicable Los Angeles County Health Department regulations.

B. Concessionaire shall utilize only leak proof containers when transporting liquids in, about, or around the premises. Concessionaire shall immediately clean up and dry any surface onto which liquids have spilled and shall use their best efforts to prevent additional spillage. In addition, following any catered event, Concessionaire shall evaluate all floor surfaces and spot clean any areas as needed.

C. All food service materials, including, but not limited to, china, glassware, flatware, containers, and other such enclosures used to contain individual food or beverage portions, shall be clean and stored so as to be protected from dust, dirt, roaches and other insects, rodents, vermin, and from unsanitary handling and unclean materials.

D. Concessionaire shall, during and immediately following each event, remove from the concession premises all rubbish, refuse, food scraps, and garbage to a location specified by the City for refuse storage and pickup. City shall arrange and pay for the removal and disposal of such refuse from the specified storage area.

E. City shall provide, at its cost and expense, pest control service for the extermination of specified insects and other pests from the concession premises. Concessionaire shall provide and allow complete access to the premises as required by the schedule for extermination services.

F. Concessionaire shall not do, nor permit to be done, anything that may unreasonably interfere with the effectiveness of air-conditioning systems within the concession premises or elsewhere in the facilities. Concessionaire shall not obstruct, or cause to be obstructed, any portion of the sidewalks, loading docks, entries, passageways, vestibules, halls, elevators, or other ways of access to the premises for any purpose other than the immediate ingress, egress, loading or unloading to or from the premises.

G. Except as provided heretofore, City, at its own cost and in its discretion, shall maintain in good condition and repair the Compton Community Center, including the concession premises. The City shall maintain and repair the structural part of the premises consisting of the foundation bearing and exterior walls, glass and doors, flooring, sub-flooring, roof, electrical, plumbing and sewage systems including without limitation the Concession Area, the Non- Concession areas and other portions of the Compton Community Center as well as all personal property including tables, chairs, dollies and racks used by the Concessionaire. The City has the right to restrict Concessionaire's use of the facility when maintenance, repair or project work needs to be conducted. When at all possible, the City will provide adequate advanced notice of said maintenance and repair schedules. If appropriate, the City will adjust the concession section of this Agreement during the project.

H. Concessionaire agrees not to clean or wash down equipment anywhere on the balcony areas. In addition, the kitchen floor may not be cleaned using a hose or any other method where the water/liquid is not able to be contained.

I. Concessionaire agrees to not use any part of the balcony as a storage area or equipment except briefly and temporarily.

### **23. Concessionaire Employees.**

A. Concessionaire employees shall be admitted to the premises in accordance with rules and regulations established by the City Manager.

B. Concessionaire agrees to employ only responsible persons who are mentally competent and able to verbally communicate effectively to the general public. Concessionaire shall not, during the term of this Agreement, employ any child or labor in violation of the provisions of the laws of the state of California. In the event the City Manager should deem any person employed by the Concessionaire as being incompetent or guilty of conduct inimical to the general welfare of the public or unsuited for the proper maintenance of such premises, in serving and meeting the demands of the general public, Concessionaire shall immediately remove such person from the premises.

C. Employees of the Concessionaire shall, at all times, be neatly and cleanly uniformed. The City shall approve the style and colors of uniforms for employees.

D. Concessionaire shall train and closely supervise all employees so that they are aware of and continually practice high standards of cleanliness, courtesy and service. Concessionaire will provide an adequate number of personnel to the facility to properly serve and attend to the patrons.

## #4.

E. Concessionaire shall not in any employment practice discriminate against any person by reason of religion, race, color, sex, age or handicap.

F. All employees shall be promptly paid for services rendered in the time and manner required by law and payment shall be made by check or draft. If for any reason an employee should be compensated in cash, a receipt shall be obtained from the employee for such compensation.

G. As and where required by law or labor agreement, Concessionaire shall deduct from the salary or compensation paid to an employee withholding for taxes, health, or pension or other benefits and shall account to the City or employee upon reasonable demand as to the amounts so withheld.

H. Concessionaire where required by law shall provide Workers' Compensation Insurance covering each employee.

I. Concessionaire shall provide and regularly schedule employees to help its clients with their set-up and special needs upon their arrival on the site for and during concession services.

## **24. Permits and Licenses.**

A. Concessionaire and its employees shall, at their sole cost and expense, comply with the requirements of all City, County, State and Federal authorities now in force, or which may hereafter be in force, pertaining to the concession premises, or the operations conducted thereon, and shall faithfully observe, and secure observance with, in the use of the concession premises, all City ordinances and State and Federal statutes now in force, or which may hereafter be in force.

B. The licenses and permits to be secured and maintained in current standing by Concessionaire and/or Concessionaire's employees shall include, but not be limited to:

- (1) City of Compton business license;
  - (2) County of Los Angeles Health Department permit for a food and beverage operation;
  - (3) County of Los Angeles Health Department food handler permits;
  - (4) California State Alcoholic Beverage Control Board liquor license;
- and
- (5) California State Board of Equalization sellers permit.

## **25. Insurance Requirements.**

A. General Insurance Requirements. Without limiting the Concessionaire's indemnification of the City, Concessionaire shall obtain and maintain, at its cost and expense, for the duration of the Agreement and any and all amendments or extensions thereto, insurance against claims for injuries to persons or damage to property which may arise out of or in connection with performance of the services by Concessionaire or Concessionaire's agents, representatives, employees or subcontractors. The insurance will be obtained from an insurance carrier admitted and authorized to do business in the State of California. Such evidence shall specifically identify this Agreement and shall contain express conditions that the City is to be given written notice at least thirty (30) days in advance of any termination or implementation of a reduction of limits or material change of insurance coverage as specified herein. ***Failure on the part of the Concessionaire to procure or maintain insurance shall constitute a material breach upon which the City may immediately terminate or suspend this Agreement.*** City, at its sole option, may obtain damages from Concessionaire resulting from said breach. Alternatively, City may purchase such required insurance coverage, and without further notice to Concessionaire, City may deduct from sums held by City pursuant to Section 10, any premium costs advanced by the City for such

## #4.

insurance. All insurance required hereunder shall be primary with respect to any insurance maintained by the City.

(1) Evidence of Insurance: Prior to commencing services under this Agreement, certificate(s) or other evidence of coverage satisfactory to the City shall be delivered to the City Attorney and Risk Manager. Such certificates or other evidence shall:

- (a) Specifically identify this Agreement;
- (b) Clearly evidence all coverage required in this Agreement;
- (c) Contain express condition that City is to be given written notice by mail at least 30 days in advance of cancellation of all policies; and
- (d) Include copies of the additional insured endorsement to all policies (except Workers' Compensation), adding the City of Compton, its officials, officers, employees and volunteers as insured for all activities arising from this Agreement.

(2) Notification of Incidents, Claims or Suits: Concessionaire shall report to City, through the Director of the Parks and Recreation Department:

- (a) Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Concessionaire and/or City. Such report shall be made in writing to the within two (2) working days of the occurrence.
- (b) Any third party claim or lawsuit filed against Concessionaire arising from or related to services performed by Concessionaire under this Agreement.
- (c) Any loss, disappearance, destruction, misuse or theft of any kind whatsoever of City's property, monies or securities entrusted to Concessionaire under the terms of this Agreement.

(3) Compensation for City Costs: In the event that Concessionaire fails to comply with any indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to the City, Concessionaire shall pay full compensation for all costs incurred by City.

(4) Insurance Coverage Requirements for Subcontractors: Concessionaire shall ensure any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

- (a) Concessionaire providing evidence of insurance covering the activities of subcontractors; or

- (b) Concessionaire providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. City retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

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

- (1) Commercial General Liability written on ISO policy form ISO CG 00 01 or its equivalent with limits of not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate.
- (2) Automobile Liability Insurance written on ISO policy form CA 00 01 or its equivalent with limits of liability of not less than \$1,000,000 for each accident. Such insurance shall include coverage for all "owned," "hired," and "non-owned" vehicles, or coverage for "any auto."
- (3) Workers' Compensation and Employer's Liability Insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Concessionaire is responsible. Employers' Liability coverage shall have limits of not less than \$1,000,000 for each accident.
- (4) Crime Coverage: A comprehensive crime policy in an amount not less than \$100,000 per occurrence against loss of money, equipment and other property, as applicable to this Agreement, for employee dishonesty, computer fraud or burglary and robbery.
- (5) Property Coverage: in the event that Concessionaire rents, leases, is loaned any City-owned property, Concessionaire shall insure said property. Such insurance shall be endorsed naming City as Loss Payee and include:
  - (a) Real Property: All-risk coverage, excluding earthquake and flood for full replacement value of the property.
  - (b) Personal Property: Insurance covering the hazards of fire, theft, burglary, vandalism and malicious mischief for the actual cash value of property.

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

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

**27. Taxes.** Concessionaire shall pay and discharge before delinquency all taxes, if any, and assessments which may be levied during the term of this Agreement as a result of Concessionaire's operations hereunder.

Concessionaire acknowledges that the real property and improvements and other facilities of City are exempt from taxation. If, by reason of this Concession Agreement, a possessory interest subject to property tax is levied, Concessionaire acknowledges and does hereby agree to pay and assume the same when due and owing and hold the City free and harmless from liability thereon. In this regard, the following notice is given to Concessionaire:

## NOTICE

Pursuant to Section 107.6 of the California Revenue and Taxation Code, a possessory interest as defined in Revenue and Taxation Code 107 and 107.4 may be created by this Agreement, and may be subject to property taxation, in which event the private party to this Agreement in which a possessory interest is vested may be subject to the payment of property tax levied on such interest.

Nothing herein contained shall be construed as an acknowledgment by the parties that this Agreement creates a possessory interest.

**28. Time of the Essence.** Time is of the essence of each and all of the terms and provisions of this Agreement, and this Agreement shall inure, to the benefit of and be binding upon, the parties hereto and any successors of Concessionaire as fully and to the same extent, as though specifically mentioned in each instance, and all covenants, stipulations and agreements in this Agreement shall extend to and bind any assigns of Concessionaire.

**29. Independent Contractor.** It is expressly understood and agreed that Concessionaire is an independent contractor as distinguished from an employee or agent of the City in the performance of services hereunder. Concessionaire acknowledges the independent contractual relationship and releases the City from any liability or obligation to make deductions or withholding for the compensation of any officer, agent or employee thereof in respect to unemployment, income tax, disability, social security, health, pension or retirement benefits. It is

expressly understood no officer, agent or employee of Concessionaire shall have any City status or benefit, including health, retirement and worker's compensation benefits.

Concessionaire acknowledges its independent contractor status in performing all services under this Agreement and assumes the risk to itself, all agents, employees, subcontractors, their agents or employees, its licensees, permittees and guests of personal injury or death and all risk of property damage or loss of any property arising out of the performance of any services or the use of the premises during the term of this Agreement.

**30. Assignment Prohibited.** Concessionaire shall not mortgage, hypothecate or otherwise encumber or assign its right, privileges or obligations, pursuant to the provisions of this Agreement, nor shall Concessionaire sublet or sublease the concession premises in whole or in part without the written consent of the City. Any attempted assignment, mortgaging, hypothecation or encumbering of the rights, privileges or obligations or any subletting or subleasing of the whole or any part of the concession premises, or other violations of the provisions of this Section shall be null and void and shall confer no right, title or interest in or to this contract, or right of occupancy of the whole or any portion of the concession premises, upon any such assignee, mortgagee, encumbrancer, pledgee or other lien holder, sub-tenant, successor or purchaser. Consent by the City to one assignment, mortgage, hypothecation, encumbrance or sublease shall not be deemed to be consent to any subsequent assignment, mortgage, hypothecation, encumbrance or sublease.

**31. Nondiscrimination.** In connection with the execution of this Agreement, "Concessionaire shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, national origin, or because an otherwise qualified person is handicapped. Concessionaire shall take affirmative action to ensure that applicants are employed and that employees are treated during their employment without regard to their race, religion, color, sex, age, national origin, or handicap. Such action shall include but is not limited to employment, upgrading, demotion, or transfer; recruitment or recruitment advertisement; layoff or termination; rate of pay or other forms of compensation, and selection for training including apprenticeship." Concessionaire shall comply with the requirements of Title VI of the Civil Rights Act of 1974 (P.L. 88-352) and with all applicable regulations, statutes, laws promulgated pursuant thereto now existent or hereinafter enacted. Furthermore, Concessionaire shall comply with the provisions of Section 1735 of the California Labor Code.

Concessionaire shall also comply with the requirements of 29 U.S.C. 794 and 31 U.S.C. 6716 and the regulations promulgated thereunder, including Regulation 51.52 promulgated by the Office of Revenue Sharing of the United States Treasury. As used herein, handicapped individual means any individual who has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment and can reasonably be expected to benefit in terms of employability from vocational rehabilitation services provided pursuant to the Rehabilitation Act of 1973 (29 U.S.C. 701), as presently defined in section 706 thereof, or as hereinafter amended.

**32. Additional Conditions.**

A. Building Security. City provides for a building security system.

## #4.

Concessionaire will follow the City's policy and procedures related to the security of the building.

B. Facility Reservation Technology. The Concessionaire shall be required to use the provided facility scheduling system, a shared contact management database system and related computer hardware and network equipment for event booking.

C. Health Department Rating. Concessionaire agrees to achieve and maintain throughout the contract period a Los Angeles County Department of Health Services Restaurant Rating of "A" as determined by the County Health Officer. The City considers a Los Angeles County Department of Health Services letter grade score of less than "A" unsatisfactory. If a lower grade is received, Concessionaire agrees to immediately request a re-inspection at Concessionaire's expense and to undertake all practical measures within Concessionaire's control or remedy any issue that prevents an "A" grade. Failure to restore an "A" grade rating within a period of thirty (30) days shall constitute a "material" breach of this Agreement.

D. Quarterly Performance Evaluation. Concessionaire acknowledges that City shall have the right to conduct a quarterly performance evaluation of Concessionaire's compliance and performance under this Agreement. Concessionaire agrees to cooperate in the preparation of said report and to make available to the City its books and records and to supply other information reasonably needed by the City to prepare such report.

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

**To Concessionaire:**

**TGIS Catering Services, Inc.  
2950 North Airport Lane  
Long Beach, California 90806  
Attn: Sofia Riley, President  
(562) 492-9555  
www.tgiscatering.com**

**To City:**

**City of Compton  
205 South Willowbrook Avenue  
Compton, California 90220  
Attn: Director, Parks and Recreation  
Department  
(310) 605-6330  
(310) 605-1480 – fax.**

**With copy to:**

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

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

**34. Waiver.** The waiver by City of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition, or any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of concession fees hereunder by City shall not be deemed to be a waiver of any preceding breach by Concessionaire of any term, covenant, or condition of this contract, other than failure of Concessionaire to pay the concession fees so accepted, regardless of the City's knowledge of such preceding breach at the time of acceptance of such concession fees, nor shall any failure on the part of City to require or exact full and complete compliance with any of the covenants, conditions and Agreements of this contract be construed as in manner changing the terms hereof, nor shall the terms of this contract be changed or altered in any manner whatsoever other than by written Agreement of the City and Concessionaire.

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

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

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

**TGIS CATERING SERVICES, INC.**  
**CONCESSIONAIRE**

**Dated:** \_\_\_\_\_

**By** \_\_\_\_\_  
**Sofia Riley, President**

**#4.**

**CITY OF COMPTON**  
**Recommended for Approval:**

**Dated:** \_\_\_\_\_

**By** \_\_\_\_\_  
**George Penn, Director**  
**Parks and Recreation Department**

**Approved By:**

**Dated:** \_\_\_\_\_

**By** \_\_\_\_\_  
**G. Harold Duffey, City Manager**

**Approved as to form:**

**By** \_\_\_\_\_  
**Craig J. Cornwell, City Attorney**

**Dated:** \_\_\_\_\_

**ATTEST:**

**Dated:** \_\_\_\_\_

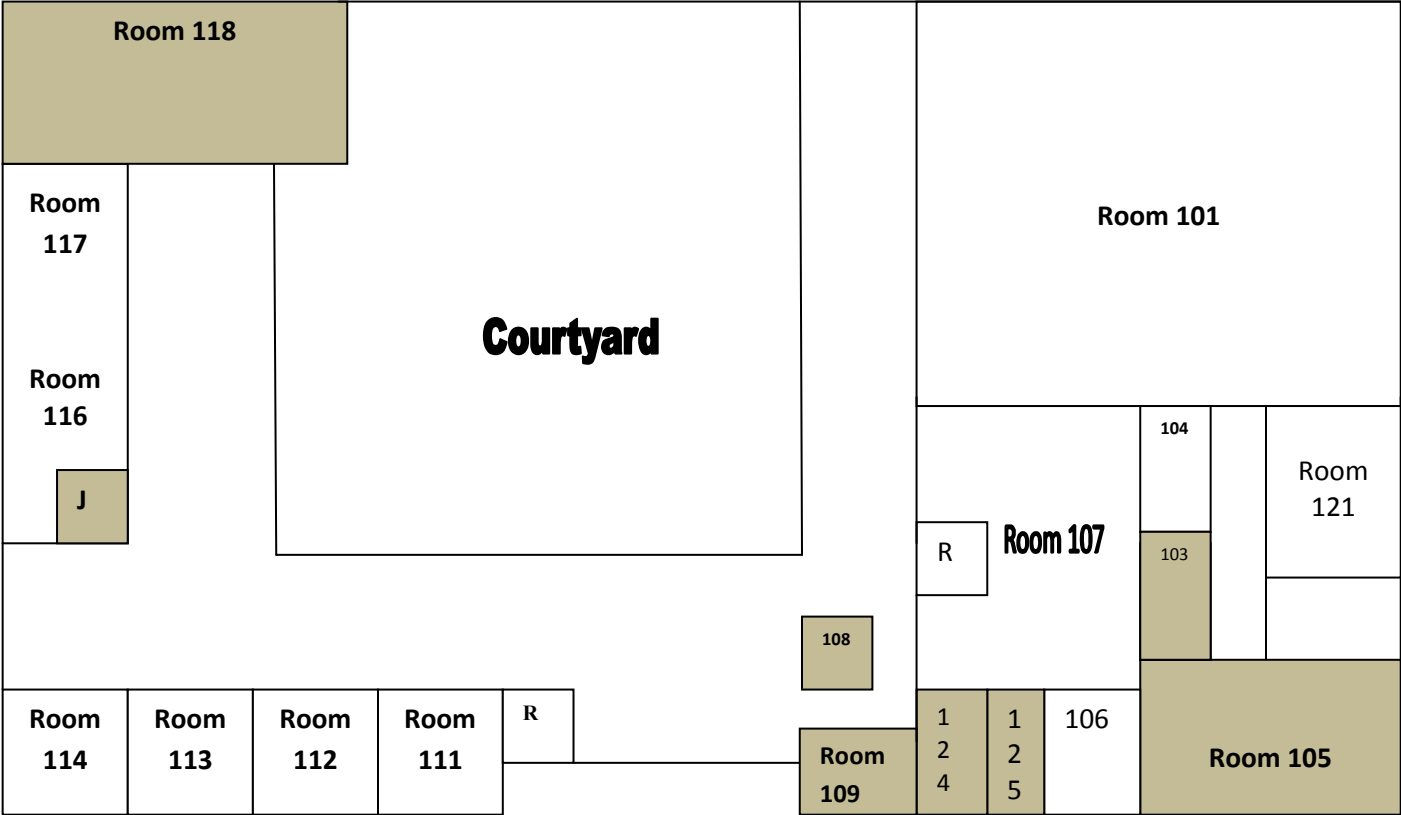
**By** \_\_\_\_\_  
**Alita Godwin, City Clerk**

## Main Kitchen – Food Service Equipment

| Item | Description                                 | Quantity |
|------|---------------------------------------------|----------|
| 1.   | Banquet Chairs                              | 700      |
| 2.   | 72” Round Banquet Tables                    | 27       |
| 3.   | Stainless Rolling Work Tables               | 4        |
| 4.   | Heavy Duty Garbage Disposal                 | 1        |
| 5.   | 2 Compartment Pot Sink                      | 1        |
| 6.   | True Swing Slide Door Freezer/ Refrigerator | 1        |
| 7.   | 36 Inch Imperial 4 Burner Gas Range         | 1        |
| 8.   | 6 foot Prep sink                            | 1        |
| 9.   | 6 foot 3-compartment sink                   | 1        |
| 10.  | Fisher Under-counter dishwasher             | 1        |



Attachment A

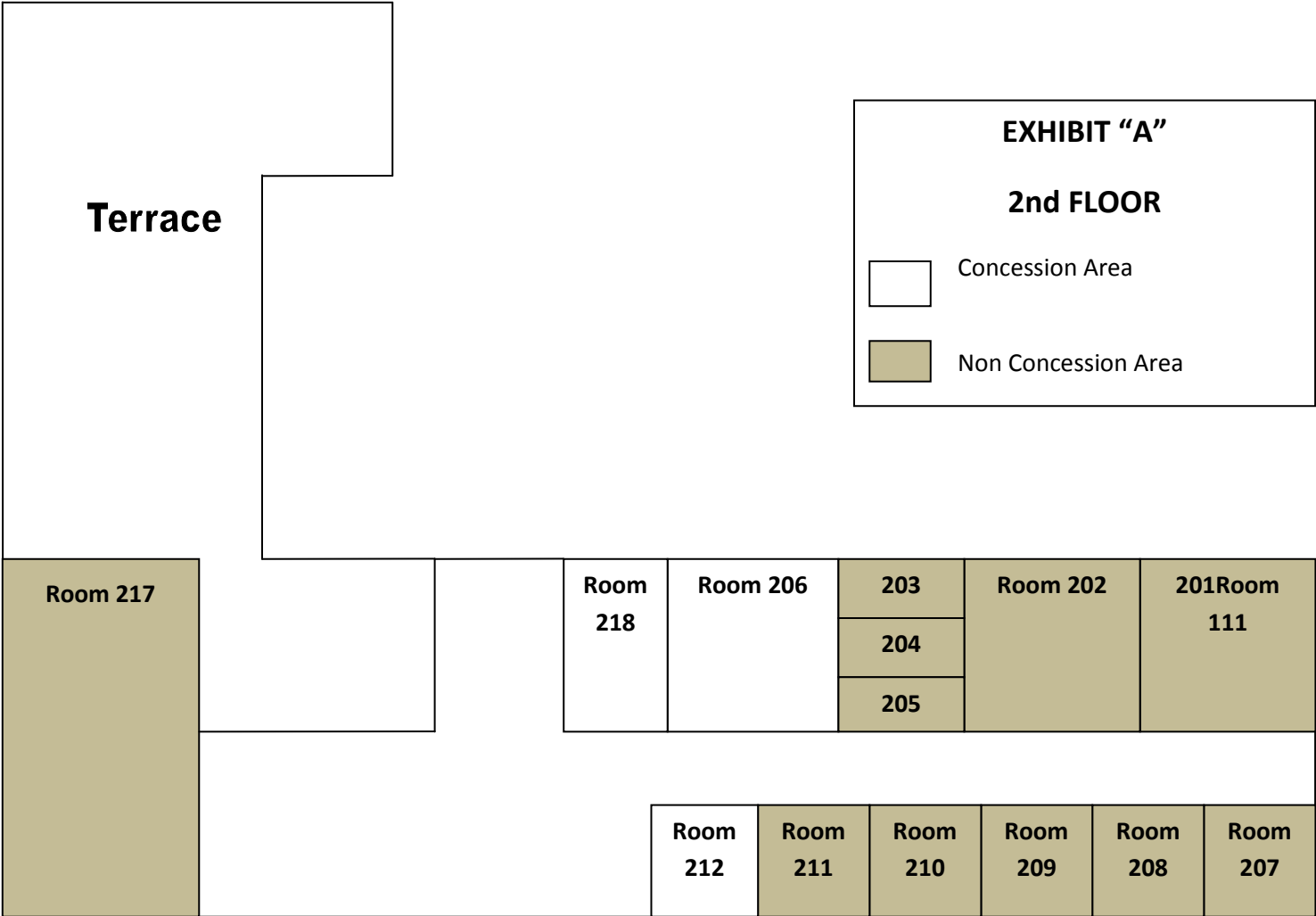


**EXHIBIT "A"**

**1<sup>st</sup> FLOOR**

Concession Area

Non Concession Area



RESOLUTION SIGN-OFF FORM

|                   |                                                                                                                                                                                               |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DEPARTMENT:       | Recreation                                                                                                                                                                                    |
| RESOLUTION TITLE: | A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH TGIS CATERING TO MANAGE CATERING SERVICES FOR THE COMPTON COMMUNITY CENTER |

|                                |
|--------------------------------|
| <u>George Penn</u>             |
| DEPARTMENT MANAGER’S SIGNATURE |

|                             |
|-----------------------------|
| <u>6/25/2014 7:03:53 PM</u> |
| DATE                        |

REVIEW / APPROVAL

|                       |
|-----------------------|
| <u>Craig Cornwell</u> |
| CITY ATTORNEY         |

|                             |
|-----------------------------|
| <u>6/26/2014 2:35:14 PM</u> |
| DATE                        |

|                         |
|-------------------------|
| <u>Stephen Ajobiewe</u> |
| CITY CONTROLLER         |

|                             |
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| <u>6/26/2014 9:21:36 AM</u> |
| DATE                        |

|                         |
|-------------------------|
| <u>G. Harold Duffey</u> |
| CITY MANAGER            |

|                             |
|-----------------------------|
| <u>6/25/2014 7:35:51 PM</u> |
| 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 1, 2014**

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: ALITA L. GODWIN, CMC  
CITY CLERK**

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
COMPTON AUTHORIZING THE CITY MANAGER TO ENTER  
INTO A CONTRACT AND ISSUE A PURCHASE ORDER TO  
MELVINNA SHARP FOR TRANSCRIPTION AND  
PREPARATION OF MEETING MINUTES OF THE CITY'S  
LEGISLATIVE BODIES AND SPECIALIZED ELECTRONIC  
SERVICES FOR FISCAL YEAR 2014-2015**

**SUMMARY**

The City Clerk requests that the City Council adopt a Resolution authorizing the City Manager to enter into a contract and issue a purchase order in the amount of \$35,000.00 to Melvinna Sharp for payment of services for transcription and preparation of meeting minutes of the City's legislative bodies and specialized electronic services for the Fiscal Year 2014-2015.

**BACKGROUND**

The City contracts with Melvinna Sharp to transcribe and prepare the meeting minutes for the Compton Housing Development Commission, the Public Finance Authority, the Gaming Commission, the Urban Community Development Commission, the Successor Agency to the Community Redevelopment Agency of the City of Compton, and the City Council ("legislative bodies"). Use of her services allows the minutes to be prepared and submitted to the various legislative bodies for review and filing in a timely manner.

Additionally, Ms. Sharp is responsible for providing a variety of technological services attendant to the agenda preparation process for the City's legislative bodies, such as:

1. Export the consent Agenda from SIRE to the Granicus Live Manager System.
2. Transcribes the spoken word from video files using sophisticated software (Granicus Live/Media Manager internet-based software).
3. Include accurate time stamps for agenda items (Public Comments on Agenda and Non-Agenda Items, Consent Agenda, etc.).
4. Perform application programming operations (enters specialized vocabulary into software) to assist in the rapid and accurate translation of spoken information into electronic and print materials; (roll call, motions, votes, resolution numbers, ordinance numbers, report out of closed session items, and adjournments).

Staff Report – Authorize Contract and Purchase Order  
Melvinna Sharp  
July 1, 2014, page 3

5. Records amendments to resolutions and ordinances, incidental motions, requests to withdraw or modify motions, special privileges, and disciplinary procedures.
6. Evaluates and maintains software to determine suitability.
7. Identifies and takes corrective action to resolve routine operational problems.
8. Publishes training streams as necessary.
9. Provide user accessibility to archived meetings via the internet.
10. Operates peripheral equipment such as printers, desktop computers, and copiers to provide hard copies of summary minutes.

Ms. Sharp is compensated at a flat rate of \$800.00 per week for each week that meetings of the legislative bodies are conducted as well as any special meetings called.

## **STATEMENT OF THE ISSUE**

The existing contract has expired. Thus, it is requested that the City Manager be authorized to enter into a contract and issue a purchase order in the amount of \$35,500.00 to pay for services rendered through June 30, 2015.

## **FISCAL IMPACT**

The funding is currently budgeted in the City Clerk's Fiscal Year 2014-2015 budget in Account number 1001-47-000-4262.

## **RECOMMENDATION**

It is recommended that the City Council adopt the attached Resolution.

**ALITA GODWIN, CMC**  
**CITY CLERK**

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT AND ISSUE A PURCHASE ORDER TO MELVINNA SHARP FOR TRANSCRIPTION AND PREPARATION OF MEETING MINUTES OF THE CITY’S LEGISLATIVE BODIES AND SPECIALIZED ELECTRONIC SERVICES FOR FISCAL YEAR 2014-2015

WHEREAS, the City has contracted with Melvinna Sharp (“Sharp”)to transcribe and prepare the meeting minutes for the Compton Housing Development Commission, the Public Finance Authority, the Gaming Commission, the Urban Community Development Commission, the Successor Agency to the Community Redevelopment Agency of the City of Compton, and the City Council (“legislative bodies”); and

WHEREAS, Sharp has additional duties which include but is not limited to performing application programming operations to assist in the rapid and accurate translation of spoken information into electronic and print materials; and

WHEREAS, Sharp is compensated at a flat rate of \$800.00 for each week that meetings of the legislative bodies are held; and

WHEREAS, staff is recommending that the City Manager be authorized to enter into a contract and issue a purchase order in the amount of \$35,500.00.

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

Section 1. That the City Manager is authorized to enter into a contract and issue a purchase order in the amount of \$35,500.00 to Melvinna Sharp for the preparation of transcription services for the City of Compton’s legislative bodies as well as any special meetings called.

Section 2. That the funds are available in the City Clerk’s Fiscal Year 2014-2015 budget in account number 1001-470-000-4262.

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

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

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
MAYOR OF THE CITY COMPTON

ATTEST:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF COMPTON

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

Resolution No. \_\_\_\_\_  
Page 2

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 \_\_\_\_\_, 2014.

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

**SERVICES AGREEMENT  
BETWEEN  
THE CITY OF COMPTON  
AND  
MELVINNA SHARP**

This **AGREEMENT** is entered and made by and between the **CITY OF COMPTON**, a municipal corporation of the State of California (hereinafter referred to as "**CITY**") located at 205 South Willowbrook Avenue, Compton, California 90220, and the **MELVINNA SHARP** (hereinafter referred to as "**CONTRACTOR**") located at 902 North Poinsettia Avenue, Compton, California 90220.

**RECITALS:**

**WHEREAS**, the City requires the services of a qualified and experienced professional to assist the City Clerk's Office by providing transcription services for the meeting minutes for the six (6) legislative bodies of the City of Compton; i.e. the Compton Housing Development Commission, the Compton Public Finance Authority, the Urban Community Development Commission, the Compton Gaming Commission, the Successor Agency to the Community Redevelopment Agency of the City of Compton and the Compton City Council; and

**WHEREAS**, Contractor represents that she is specifically trained, experienced, competent, and has the resources to provide such services which will be required by this Agreement; and

**WHEREAS**, by Resolution No. \_\_\_\_\_, adopted on the \_\_\_\_ day of July 2014, the City Council authorized the City Manager to enter into a contract with the Contractor (Melvinna Sharp) to provide the needed services; and

**WHEREAS**, Contractor is willing to render such professional services, as hereinafter defined, on the following terms and conditions.

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

**AGREEMENT:**

**1. Services to be rendered by Contractor.** It is the mutual understanding of the parties that the Contractor shall render services "**as-needed**" and requested by the Compton City Clerk. These services shall include, but are not limited to transcription and preparation of minutes from the Compton Housing Development Commission, the Compton Public Finance Authority, the Urban Community Development Commission, the Compton Gaming Commission, the Compton City Council and the Successor Agency meetings. Services further include responsibly for providing a variety of technological services attendant to the agenda preparation process, including:

1. Export the consent Agenda from SIRE to the Granicus Live Manager System.
2. Transcribe the spoken word from video files using sophisticated software (Granicus Live/Media Manager internet-based software).
3. Include accurate time stamps for agenda items (Public Comments on Agenda and Non-Agenda Items, Consent Agenda, etc.).
4. Perform application programming operations (enter specialized vocabulary into software) to assist in the rapid and accurate translation of spoken information into electronic and print materials; (roll call, motions, votes, resolution numbers, ordinance numbers, report out of closed session items, and adjournments).

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5. Record amendments to resolutions and ordinances, incidental motions, requests to withdraw or modify motions, special privileges, and disciplinary procedures.
6. Evaluate and maintain software to determine suitability.
7. Identify and take corrective action to resolve routine operational problems.
8. Publish training streams as necessary.
9. Provide user accessibility to archived meetings via the internet.
10. Operate peripheral equipment such as printers, desktop computers, and copiers to provide hard copies of summary minutes.

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

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

Acceptance by City of the work performed under this Agreement does not operate as a release of said Contractor from such professional responsibility for the services performed.

**2. Duration of Contract.** The term of this Agreement shall be for Fiscal Year 2014-2015 and expire June 30, 2015, unless this Agreement is terminated as provided herein.

**3. Compensation.** The method of payment for this Contract will be based on a fee-for-services basis, billable at an agreed rate of **Eight Hundred Dollars (\$800.00)** per date for transcription and preparation of meeting minutes for each and every City of Compton legislative body (i.e. the Compton Housing Development Commission, the Compton Public Finance Authority, the Urban Community Development Commission, the Compton Gaming Commission, the Compton City Council and the Successor Agency) meeting on that date. The compensation paid the Contractor includes compensation for all work, including travel, materials, supplies, vendor services, expenses and subcontracted work. No additional compensation will be paid to the Contractor, unless there is a change in the scope of the services or the scope of the project. In the instance of a change in the scope of services or scope of the project, adjustment to the compensation may be negotiated between the Contractor and the City. Adjustment in the compensation will not be effective until authorized and approved by contract amendment.

Progress payments may be made in arrears based on the percentage of work and deliverables completed by the Contractor. If Contractor fails to submit the required deliverable items according to schedule, unless the failure is through no fault of the Contractor or the schedule is altered/extended by the City, the City shall have the right to delay payment and/or terminate this Agreement in accordance with the provisions noted herein.

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

The Contractor is required to comply with all federal, state and local laws and ordinances applicable to the work.

The Contractor understand and agree that the maximum compensation authorized for the services to be performed pursuant to this Agreement is limited to a not-to-exceed sum of **Thirty Five Thousand Five Hundred Dollars (\$35,500.00).**

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

**4. Ownership of Materials.** Contractor agrees that all of its electronic and hardcopy reports, documents, disc, diskettes and other materials and work product created or assembled by it in the course of performing the services ("Work Product") hereunder are works for hire for the benefit of the City and as such is the sole property of the City. To the extent that such materials and work product do not constitute work for hire, in consideration of the payments and other covenants of the City, as set forth or called for herein, Contractor hereby sells, transfers, conveys and assigns any and all of its rights therein to the City. In the event this Agreement is terminated, all Work Product produced by Contractor or its agents, employees and subcontractors pursuant to this Agreement will be delivered to City pursuant to the termination clause of this Agreement.

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

**5. Independent Contractor Status.** Contractor, its officers, employees, subcontractors, subcontractors, agents and volunteers (collectively hereinafter the "Contractor"), will perform the services in Contractor's own way and pursuant to this Agreement as an independent contractor and in pursuit of Contractor's independent calling, and not as an employee of City. The persons used by Contractor to provide the services under this Agreement will not be considered employees of City for any purposes. Neither the City nor any of its officers, employees, agents or volunteers shall have any control over the conduct of the Contractor, except as expressly set forth in this Agreement. Contractor expressly warrants that while engaged in carrying out and complying with any terms and conditions of this Agreement

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that Contractor shall not at any time or in any manner, represent that Contractor is in any manner officers, employees, agents or volunteers of the City. Contractor shall obtain no rights to retirement, health care or any other benefit that accrue to City officials, officers, or employees. Contractor expressly waives any claim to such rights.

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

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

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

**7. Nondiscriminatory Employment Practices.** During the performance of this Agreement, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, sex, creed, color, religion, age, sexual orientation, marital status, national origin, political affiliation, handicap or belief in accordance with requirements of City, State or Federal laws and regulations. Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, sex, creed, color, religion, age, sexual orientation, marital status, national origin, political affiliation, handicap or belief in accordance with requirements of City, State or Federal laws and regulations. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees, applicants and subcontractors for employment, notices setting forth the provisions of this non-discrimination clause.

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

**8. Subcontracting.** Contractor's services are unique and personal. Except as may be agreed to by the City, Contractor will not subcontract any portion of the services without prior written approval of City Manager or his/her designee. If Contractor subcontracts any of the services, Contractor will be fully responsible to City for the acts, errors and omissions of Contractor's subcontractor and of the persons either directly or indirectly employed by the subcontractor, as Contractor is for the acts and omissions of persons directly employed by Contractor. Nothing contained in this Agreement will create any contractual relationship

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between any subcontractor of Contractor and City. Contractor will be responsible for payment of subcontractors. Contractor will bind every subcontractor and every subcontractor of a subcontractor by the terms of this Agreement applicable to Contractor's work unless specifically noted to the contrary in the subcontract and approved in writing by City.

**9. Other Contractors.** The City reserves the right to employ other Contractors in connection with the services.

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

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

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

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

**11.1 Commercial General Liability Insurance.** \$500,000.00 combined single-limit per occurrence for bodily injury, personal injury and property damage. If the submitted policies contain aggregate limits, general aggregate limits will apply separately to the work under this Agreement or the general aggregate will be twice the required per occurrence limit.

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

Endorsements. For Commercial General Liability Insurance and Automobile Liability Insurance, Contractor will ensure that the policies are endorsed to name the City of Compton and its respective elected and appointed officers, officials, employees, agents and volunteers as “**additional insureds**” with respect to liability arising out of the activities of the Contractor. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City. ***Prior to City's execution of this Agreement, Contractor will furnish certificates of insurance and endorsements to City.***

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

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

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

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

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

16. Termination. In the event of the Contractor's failure to prosecute, deliver, or perform the services, after giving written notice of default and two (2) days to correct the same, then, in addition to any other remedies, City may terminate this Agreement for nonperformance by notifying Contractor in writing. Contractor has five (5) business days to deliver any documents owned by City and all work in progress to City address contained in this Agreement.

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City will make a determination of fact based upon the work product delivered to City and of the percentage of work that Contractor has performed which is usable and of worth to City in having the Agreement completed. Based upon that finding City will determine the final payment of the Agreement. In the event City elects to terminate, City will have the right to immediate possession of all Work Product and work in progress prepared by Contractor, whether located at the project site, at Contractor's place of business, or at the offices of a subcontractor.

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

Either Party, upon tendering ten (10) calendar days written notice to the other Party, may terminate this Agreement for convenience. In this event and upon request of City, Contractor will assemble the work product without charge and put it in order for proper filing and closing and deliver it to City. Contractor will be paid for work performed to the termination date; however, the total will not exceed the lump sum fee payable under this Agreement. City will make the final determination as to the portions of tasks completed and the compensation to be made.

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

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

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

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

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

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

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

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

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

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

**To Contractor:**

**MELVINNA SHARP  
902 North Poinsettia Avenue  
Compton, California 90220  
Attn: Melvinna Sharp  
(562) 441-6645  
(888) 421-8798 fax.**

**To City:**

**CITY OF COMPTON  
205 South Willowbrook Avenue  
Compton, California 90220  
Attn: City Clerk  
(310) 605-5530  
(310) 639-4685 – fax.**

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**With copy to:**

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

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

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

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

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

**CONTRACTOR**

**Dated:** \_\_\_\_\_

**By** \_\_\_\_\_  
**Melvinna Sharp**

**CITY OF COMPTON  
Recommended for Approval:**

**Dated:** \_\_\_\_\_

**By** \_\_\_\_\_  
**Alita Godwin, City Clerk**

**Approved By:**

**Dated:** \_\_\_\_\_

**By** \_\_\_\_\_  
**G. Harold Duffey, City Manager**

**#5.**

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Approved as to form:

By \_\_\_\_\_  
Craig J. Cornwell, City Attorney

Dated: \_\_\_\_\_

ATTEST:

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Alita Godwin, City Clerk

RESOLUTION SIGN-OFF FORM

DEPARTMENT: City Clerk

RESOLUTION TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT AND ISSUE A PURCHASE ORDER TO MELVINNA SHARP FOR TRANSCRIPTION AND PREPARATION OF MEETING MINUTES OF THE CITY’S LEGISLATIVE BODIES AND SPECIALIZED ELECTRONIC SERVICES FOR FISCAL YEAR 2014-2015

Alita Godwin  
DEPARTMENT MANAGER’S SIGNATURE

6/17/2014 1:31:55 PM  
DATE

REVIEW / APPROVAL

Ruth Rugley  
CITY ATTORNEY

6/23/2014 7:19:09 PM  
DATE

Stephen Ajobiewe  
CITY CONTROLLER

6/19/2014 3:09:20 PM  
DATE

G. Harold Duffey  
CITY MANAGER

6/18/2014 7:57:51 PM  
DATE

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



July 1, 2014

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

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

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH AND ISSUE A PURCHASE ORDER TO GENERAL PUMP COMPANY, INC. FOR THE REPAIR AND REHABILITATION OF GROUNDWATER WELL NO. 11.**

### **SUMMARY**

This resolution authorizes the City Manager to enter into a repair and rehabilitation contract with and issue a purchase order to General Pump Company, Inc. in the amount of Ninety-three Thousand, Two-Hundred Seventeen Dollars and Forty Cents (\$93,217.40) for the purposes of supplying and installing a new well turbine pump, reconditioning of the motor, well cleaning, and post dynamic flow evaluation at Well No. 11.

### **BACKGROUND**

Groundwater Well No. 11, located at 841 West Greenleaf Boulevard, has been inoperable since December 2012 due to a high level of vibrations of the well pump and shaft which resulted in a significant decrease in water production. Well No. 11 has a water production capacity of about 1,100 gallons per minute (gpm) but that pumping capacity dramatically reduced to below 600 gpm in late 2012 and was in inactive status until the issue could be identified. In April 2014, the Water Utility Division requested that General Pump Company, Inc., the vendor that provides annual maintenance services to a number of the City's wells, pull the well pump and other equipment from the well and conduct a thorough inspection of the equipment. General Pump Company, Inc. has completed and provided its inspection report which includes its recommendations for rehabilitating the well itself and equipment.

### **STATEMENT OF THE ISSUE**

Demand for water has been steadily increasing over the past few months and is anticipated to increase through the summer months. However, the remaining groundwater wells do not have sufficient capacity to keep up with the demand and staff will likely have to rely on water from Metropolitan Water District at a significantly higher cost. The Water Utility Division is seeking authorization to move forward with the recommendations from General Pump Company, Inc. for the rehabilitation of Well No. 11 at a quoted cost of Ninety-three Thousand, Two-Hundred Seventeen Dollars and Forty Cents (\$93,217.40). No additional quotes were obtained because General Pump Company, Inc. has provided maintenance services for the well and is very familiar with its operations and the issues contributing to its inoperable status. Additionally, General Pump Company, Inc. has already removed the well pump and other equipment, conducted the inspection of the equipment and performed video logging of the entire length (depth) of the well

casing. Thus, General Pump Company, Inc. is in a position to immediately move forward with effectuating the necessary repairs and rehabilitation of the well, whereas any other vendor will require the additional time necessary to familiarize themselves with the issues involved before being in a position to move forward with the work to get this much needed well into production.

## **ALTERNATIVE**

The Water Utility Division could use imported water from MWD to offset water demands over the upcoming summer months in lieu of rehabilitating Well No. 11. However, the Water Utility Division has determined it will cost approximately \$390,000 to purchase imported water for the months of July through September. Comparatively, the combined cost for the rehabilitation of Well No.11 (\$93,217.40), plus the pumping costs (about \$140,000), totals to about \$233,220 and represents a \$140,000 savings for the City.

## **FISCAL IMPACT**

Adequate funds are available in the approved FY 2014-15 budget in Account No. 5003 880 000 4705.

## **RECOMMENDATION**

It is recommended that the City Council authorize the City Manager to enter into a contract with and execute a purchase order to General Pump Company, Inc. in the amount of \$93,217.40 (Ninety-three Thousand, Two-hundred Seventeen Dollars and Forty Cents), which includes installation of a new well turbine pump, reconditioning of the motor, well cleaning, and post dynamic flow evaluation for Well No. 11.

**CHAD BLAIS, DEPUTY DIRECTOR  
PUBLIC WORKS & MUNICIPAL UTILITIES DEPARTMENT  
WATER UTILITY DIVISION**

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

**APPROVED FOR FORWARDING:**

**G. HAROLD DUFFEY  
CITY MANAGER**

Attachment: General Pump Company quote dated May 30, 2014

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON  
AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT  
WITH AND ISSUE A PURCHASE ORDER TO GENERAL PUMP COMPANY,  
INC. FOR THE REPAIR AND REHABILITATION OF GROUNDWATER  
WELL NO. 11.**

**WHEREAS**, the Water Utility Division maintain over One-Hundred and Sixty-three (163) miles of water mainlines as well as Eight (8) groundwater wells; and

**WHEREAS**, the Water Utility Division is responsible for the regular maintenance and operation of this critical infrastructure system; and

**WHEREAS**, the Water Utility Division Well No. 11 has been inoperable since December 2012 and is in need of rehabilitation; and

**WHEREAS**, the Water Utility Division solicited a quote from General Pump Company, Inc., the vendor that has provided the annual maintenance on the City's groundwater wells; and

**WHEREAS**, the total cost for this expenditure will be Ninety-three Thousand, Two-hundred Seventeen Dollars and Forty Cents (\$93,217.40), which includes installation of a new well turbine pump, reconditioning of the motor, well cleaning and post dynamic flow evaluation; and

**WHEREAS**, funds are available in the Water Utility Division's 2014-15 Fiscal Year budget in Account No. 5003 880 000 4705.

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

**SECTION 1.** That the quote of General Pump Company, Inc., in the amount of Ninety-three Thousand, Two-Hundred Seventeen Dollars and Forty Cents (\$93,217.40) is hereby accepted.

**SECTION 2.** That the City Manager is hereby authorized to enter into a repair and rehabilitation contract with General Pump Company, Inc. for the installation of a new well turbine pump, reconditioning of the motor, well cleaning and post dynamic flow evaluation for Groundwater Well No. 11.

**SECTION 3.** That funds are available in the Water Utility Division's 2014-15 Fiscal Year budget in Account No. 5003 880 000 4705.

**SECTION 4.** That a purchase order is hereby authorized to issued to General Pump Company, Inc. in the amount of Ninety-three Thousand, Two-hundred Seventeen Dollars and Forty Cents (\$93,217.40).

**SECTION 5.** That a copy of this Resolution shall be filed in the offices of the City Manager, City Controller, City Attorney and Water Utility Division of the Public Works/Municipal Utilities Department.

Resolution No. \_\_\_\_\_  
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SECTION 6. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
MAYOR OF THE CITY OF COMPTON

ATTEST:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF COMPTON

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

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor and attested to by the City Clerk at a regular meeting thereof, held on the \_\_\_\_ day of \_\_\_\_\_, 2014.

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

**REHABILITATION SERVICES AGREEMENT  
BETWEEN  
CITY OF COMPTON  
AND  
GENERAL PUMP COMPANY, INC.**

This **AGREEMENT** is made by and between the **CITY OF COMPTON**, a municipal corporation of the State of California (hereinafter referred to as "**CITY**") located at 205 South Willowbrook Avenue, Compton, California 90220, and **GENERAL PUMP COMPANY, INC.** (hereinafter referred to as "**CONTRACTOR**") located at 159 North Acacia Street, San Dimas, California 91773. Authorization to enter into this Agreement is pursuant to Resolution No. \_\_\_\_\_, adopted by the City Council on \_\_\_\_\_, 2014.

**WITNESSETH:**

That the City and Contractor, for the consideration, terms and conditions herein described, mutually agree as follows:

**1. Services to be Performed by Contractor.** Contractor shall perform, in a professional manner, everything required to be performed, shall provide and furnish all the labor, materials, necessary tools, expendable equipment and all utility and transportation services for repairing and rehabilitating Water Well No. 11 by supplying and installing a new water lube well turbine pump, reconditioning of the motor, well cleaning and post dynamic flow evaluation, as more specifically discussed in Contractor's Report and Proposal, dated May 30, 2014.

Contractor agrees to perform all the said work and furnish all the said materials at its own cost and expense, as are necessary to complete in a good worker-like and substantial manner and to the satisfaction of the City.

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

Contractor agrees to be responsible for furnishing all said labor, materials, equipment, tools and services; furnishing and removing tools and equipment, and doing everything required by the Agreement; also, for all expenses arising from the suspension or discontinuance of work, except as are expressly stipulated or mutually agreed; and for completing the work in accordance with the requirements of this Agreement.

**2. Compensation.** The method of payment for this Contract shall be on unit price (as set forth in the incorporated Contractor's Proposal). The fees charged and total price paid the Contractor shall include compensation for all work and labor, including travel, materials, supplies, vendor services, expenses and subcontracted work. No additional compensation will be paid to the Contractor, unless there is a change in the scope of the work or the scope of the project. In the instance of a change in the scope of work or scope of the project, adjustment to the total compensation will be negotiated between the Contractor and the City. Adjustment in the total compensation payable for each project completed will not be effective until authorized by Contract Change Order approved by the City.

Progress payments may be made in arrears based on the percentage of work completed by the Contractor. If Contractor fails to complete the work according to schedule and as agreed, or as otherwise provided for within the terms of this Agreement, the City shall have the right to delay payment and/or terminate this Agreement in accordance with the provisions noted herein.

Rehabilitation Services Agreement – General Pump Company, Inc.  
Groundwater Well No. 11  
Water Utility Division/Resolution No. \_\_\_\_\_

Contractor shall be reimbursed within thirty (30) days, or as promptly as fiscal procedures may permit, upon receipt by the City of itemized invoice(s) for all services completed. Invoice(s) shall be submitted no later than 45 calendar days after the performance of work for which the Contractor is billing. Invoice(s) shall be delivered or mailed to the **Deputy Director** of the Public Works/Municipal Utilities Department, Water Utilities Division at the following address: **City of Compton, 205 South Willowbrook Avenue, Compton, California 90220.**

The Contractor is required to comply with all federal, state and local laws and ordinances applicable to the work.

For the work agreed to be performed pursuant to this Agreement, it is understood between the parties that the maximum compensation payable to the Contractor for all contracted services rendered during the term of this Agreement is limited to **Ninety Three Thousand Two Hundred Seventeen Dollars and Forty Cents (\$93,217.40).**

In the event of termination, the Contractor shall be entitled to non-disputed compensation for the reasonable value of services performed to the effective date of termination; provided, however, that the City may condition payment of such compensation upon the Contractor's delivery to the City of any and all City property, documents, reports, records and material associated with the performance of this Agreement.

**3. Commencement of Services.** The Contractor shall commence services to be performed pursuant to this Agreement upon receipt of Notification to Proceed from the City, and shall continue in a diligent and professional manner until the project is complete, unless this Agreement is terminated as provided herein. The parties anticipate that Contractor's services shall be completed by or before \_\_\_\_\_, 201\_\_.

Mark Hass, Project Manager of Contractor, shall be primarily responsible for representing Contractor in the performance of this Agreement.

**4. Indemnity.** Contractor shall indemnify and save harmless the City, its officials, officers, employees, agents and volunteers (collectively hereafter the "CITY") against any and all damages to property or injuries to or death of any person or persons, including property and employees or agents of the City and shall defend, indemnify and save the City from any and all liability or expense, including defense costs and legal fees, and claims, demands, suits, actions or proceedings of any kind or nature, including Worker's Compensation claims, of or by anyone whomsoever in any way resulting from or arising out of the negligent or intentional acts or omissions of the Contractor in the performance of this Contract, including operations of subcontractors and acts or omissions of employers or agents of the Contractor or its subcontractors.

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

**5. Insurance.** Without limiting the Contractor's indemnification of the City, Contractor's shall obtain and maintain, at its cost and expense, for the duration of the Agreement and any and all amendments, insurance against claims for injuries to persons or damage to property which may

Rehabilitation Services Agreement – General Pump Company, Inc.  
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arise out of or in connection with performance of the services by Contractor or Contractor's agents, representatives, employees or subcontractors. The insurance will be obtained from an insurance carrier admitted and authorized to do business in the State of California. Such evidence shall specifically identify this Agreement and shall contain express conditions that the City is to be given written notice at least thirty (30) days in advance of any termination or implementation of a reduction of limits or material change of insurance coverage as specified herein. ***Failure on the part of the Contractor to procure or maintain insurance shall constitute a material breach upon which the City may immediately terminate this Agreement.*** All insurance required hereunder shall be primary with respect to any insurance maintained by the City.

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

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

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

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

Endorsements. For Commercial General Liability Insurance and Automobile Liability Insurance, Contractor will ensure that the policies are endorsed to name the City of Compton and its respective elected and appointed officers, officials, employees, agents and volunteers as **“additional insureds”** with respect to liability arising out of the activities of the Consultant. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City. ***Prior to City's execution of this Agreement, Contractor will furnish certificates of insurance and endorsements to City.***

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

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

Contractor shall ensure any and all subcontractors performing services under this Agreement meets the insurance requirements of this Agreement.

**6. Nondiscriminatory Employment Practices.** During the performance of this Contract, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, sex, creed, color, religion, age, sexual orientation, marital status, national origin, political affiliation, handicap or belief in accordance with requirements of City, State or Federal laws and regulations. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, sex, creed, color, religion, age, sexual orientation, marital status, national origin, political affiliation, handicap or belief. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth provisions of this nondiscrimination clause.

In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract, this Contract may be canceled, terminated or suspended in whole or in part.

**7. Successor and Assigns.** City and the Contractor each binds themselves, their partners, successors, assigns and legal representatives to the other party hereto and to partners, successors, assigns and legal representatives of such other party in respect to all covenants, agreements and obligations contained in the Contract Documents. Neither party to the Agreement shall assign the Contract or sublet it in whole or part without the written consent of the other, nor shall the Contractor assign any monies due or to become due to it hereunder, without the previous written consent of the City. Any attempted assignment of this Contract without the written consent of both parties is void.

**8. Warranties.** The Contractor guarantees all equipment, materials, supplies and work furnished on the job against defective construction or workmanship for a period of one (1) year following completion of the project.

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

**9. Independent Contractor Status.** Contractor, its officers, employees, subcontractors, agents and volunteers (collectively hereinafter the "Contractor"), is a wholly independent Contractor and not an officer, employee, subcontractor or agent of the City. Neither the City nor any of its officers, employees, agents or volunteers shall have any control over the conduct of the Contractor,

Rehabilitation Services Agreement – General Pump Company, Inc.  
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except as expressly set forth in this Agreement. Contractor expressly warrants that while engaged in carrying out and complying with any terms and conditions of this Agreement that Contractor shall not at any time or in any manner, represent that Contractor is in any manner officers, employees, agents or volunteers of the City. Contractor shall obtain no rights to retirement, health care or any other benefit that accrue to City officials, officers, or employees. Contractor expressly waives any claim to such rights.

**10. Permits and Licenses.** Contractor, at its sole expense, shall obtain and maintain during the term of this Agreement, all appropriate business and professional permits, licenses and certificates that may be required in connection with the performance of services by Contractor.

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

**11. Termination.** Notwithstanding any other provisions of this Agreement, this Agreement may be terminated as follows:

11.1 If the Contractor becomes insolvent; that is, it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether or not it has committed an act of bankruptcy, and whether or not insolvent within the meaning of the federal Bankruptcy law, then, the City may, without prejudice to any other right or remedy and after giving the Contractor seven (7) days written notice, terminate this Agreement.

11.2 If the Contractor persistently or repeatedly refuses or fails, except in cases for which extensions of time are provided, to supply enough properly skilled workers, property or material, or if he fails to make prompt payment to subcontractors or for materials or labor, or he persistently disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, then, the City may, without prejudice to any other right or remedy and after giving the Contractor seven (7) days written notice, terminate this Agreement.

11.3 If the Contractor fails to perform or breaches any material obligation under this Agreement, then, the City may, without prejudice to any other right or remedy and after giving the Contractor seven (7) days written notice, terminate this Agreement.

If the City gives notice of termination, Contractor shall cease immediately all work in progress unless otherwise directed in writing by the City. Upon termination Contractor shall furnish to the City a final invoice for work performed.

**12. Force Majeure.** In the event that performance by either party is rendered impossible (permanently or temporarily) due to acts of war, acts of terrorism, fires, floods, epidemics, quarantine restrictions, or other natural occurrences, strikes, work slowdowns, lockouts (other than lockout by Contractor or any of Contractor's subcontractors), or other similar acts to those described above or other causes beyond the reasonable control of such party, and without fault or negligence, said event shall excuse performance by such party, or in the case of temporary impossibility, shall excuse performance only for a period commensurate with the period of impossibility. Notwithstanding the foregoing, City shall have the right to terminate this Contract upon any event that renders performance impossible. In such case, City shall be responsible for payment of all

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expenses incurred to the point at which this Contract is terminated.

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

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

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

**CONTRACTOR:**

**GENERAL PUMP COMPANY, INC.**  
159 North Acacia Street  
San Dimas, California 91773  
Attn: Bonnie Brunel, Project Management Assistant  
(909) 599-9606  
(909) 599-6238 - fax.

**CITY:**

**CITY OF COMPTON**  
205 South Willowbrook Avenue  
Compton, California 90220  
Attn: Deputy Director, Public Works/Municipal  
Utilities Department, Water Utility Division  
(310) 605-5555  
(310) 763-4567 - fax.

**NOTE:** A copy of any notice provided to the Deputy Director shall also be provided to: City Manager and Director of Public Works/Municipal Utilities Dept., 205 South Willowbrook Avenue, Compton, California 90220.

**16. Contractor's Books and Records.** Contractor shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to work, services, expenditures and disbursements charges to the City for the period and to the extent required by laws relating to audits of public agencies and their expenditures.

Contractor shall maintain all documents and records which demonstrate performance under this Agreement for the period and to the extent required by laws relating to audits of public agencies and their expenditures.

Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City or a designated representative. Copies of such documents shall be provided to

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the City, at its expenses, for inspection when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at Contractor's address indicated for receipt of notices in this Agreement.

**17. Examination and Audit.** This Contract shall be subject to examination and audit of the City, State Auditor of the State of California and/or any duly authorized representative of the federal government, at the request of the City, or as part of any audit of the City, for a period of three (3) years, or longer if required by law, after final payment under this Agreement.

**18. Extent of Agreement and Exhibits Incorporated.** This Agreement and any attachments hereto, constitute the entire understanding and agreement of the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to all and any part of the subject matter hereof. Neither party has been induced to make or enter into this Agreement by reason of promise, agreement, representation, statement or warranty other than as herein contained. Nothing in this Agreement shall create any contractual relations between any subconsultant or subcontractor and the City.

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

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

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

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

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

# #6.

Rehabilitation Services Agreement – General Pump Company, Inc.  
Groundwater Well No. 11  
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**IN WITNESS WHEREOF, CONTRACTOR** has executed this Agreement and the **CITY**, by its City Manager, who is authorized to do so, has executed this Agreement.

**GENERAL PUMP COMPANY, INC.**  
**CONTRACTOR**

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Michael Bodart, Director Engineering

**CITY OF COMPTON**  
Recommended for Approval:

By \_\_\_\_\_  
Glen W. C. Kau, Director  
Public Works/Municipal Utilities Department

Dated: \_\_\_\_\_

Approved by:

Dated: \_\_\_\_\_

By \_\_\_\_\_  
G. Harold Duffey, City Manager

Approved as to form:

By \_\_\_\_\_  
Craig J. Cornwell, City Attorney

Dated: \_\_\_\_\_

**ATTEST:**

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Alita Godwin, City Clerk



159 N. ACACIA STREET \* SAN DIMAS, CA 91773  
PHONE: (909) 599-9606 \* FAX: (909) 599-6238

CAMARILLO, CA 93010 \* PHONE: (805) 482-1215  
www.genpump.com

**WELL & PUMP SERVICE SINCE 1952**

Lic. #496765

*Serving Southern California and Central Coast*

May 30, 2014

*Via Email*

City of Compton  
205 South Willowbrook Avenue  
Compton, California 90220  
Attn: Chad Blais, Deputy Director of Public Works

***Subject: Well 11***

General Pump Company recently pulled the above referenced pump and video logged the well. Southern California Edison Hydraulic Testing Division performed an efficiency test on the pump. Listed below is a summary of our finding along with our recommendations and associated costs.

**Engineering Inspection**

- Per field card, the suction pipe is in the bottom of the well.
- Pump bowl is worn out, impellers are broken, and the bowl bearing housings are washed out.
- Bowl Shaft is worn in bowl bearing journals.
- Pump wear is predominately worse in the middle of the pump bowl.
- Column pipe appears to be in fair condition; oily residue can be seen on 50 ft of pipe.
- High pressure steam clean column for proper evaluation.
- Tube and shaft visually appears to be in fair to good condition.
- Tube and shaft assemblies to be disassembled for proper evaluation.
- Discharge head is in good condition.
- The top tube was cut during removal. Head shaft shows wear in oil receiver bearing journal.
- The 200 Hp motor megs 100 Meg Ohms @ 500 volts.

**Recommendations**

It is recommended by the State and County Health to operate water lube well pumps in lieu of oil lube. Oil lube pumps produce a small amount of used turbine oil into the system, which collects on the water surface and is blended with your reservoir water. The City currently utilizes water lube well pumps in its existing wells with the exception of Well 11. General Pump recommends that this well pump be converted to a water lube deep well turbine pump.

#6.



Mr. Chad Blais  
City of Compton  
May 30, 2014  
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**Cost**

**Shop Labor**

|                                                                                   |               |
|-----------------------------------------------------------------------------------|---------------|
| • Disassemble pump bowls and inspect                                              | 8 Hrs         |
| • Inspect and receive new materials, quality assurance                            | 8 Hrs         |
| • Weld SS cone strainer to suction pipe, handling                                 | 3 Hrs         |
| • Pressure wash new column pipe "buck on" and tighten pipe couplings, handling    | 4 Hrs         |
| • Steam clean new column, clean threads and couplings                             | 8 Hrs         |
| • Polish and balance shaft line shafts, remove and replace line shaft couplings.  | 10 Hrs        |
| • Stab out new shafts into column, prepare for installation.                      | 6 Hrs         |
| • Remove top column from head, remove top column flange                           | 2 Hrs         |
| • Clean top column and flange                                                     | 2 Hrs         |
| • Clean taped holes and register fits, install top column flange with new bolting | 6 Hrs         |
| • Set up, machine, thread & key head shaft, polish and balance                    | 8 Hrs         |
| • Rebuild head with stuffing box                                                  | 7 Hrs         |
| • Assemble City prelube line to head                                              | 4 Hrs         |
| • Mount water level gage and fittings                                             | 2 Hrs         |
| • Inspect and paint discharge head after sandblast                                | 3 Hrs         |
| • Drill discharge head for PVC sounding tube                                      | 4 Hrs         |
| • Transport head to sandblast                                                     | 3 Hrs         |
| • Unload, disposal, handling, load out customer's materials                       | <u>12 Hrs</u> |

100 Hrs. @ \$80/Hr.      \$8,000.00

**Materials**

|                                                                                                                                 |           |
|---------------------------------------------------------------------------------------------------------------------------------|-----------|
| • Suction pipe                                                                                                                  | \$ 610.00 |
| • 316SS cone strainer 7 ga. wire, weld on type                                                                                  | 475.00    |
| • Pump Bowl with stainless steel trim, heavy duty upgrade with 17-4 shaft and 201 stainless steel impeller and marine bearings. | 18,960.00 |
| • Bowl shaft coupling 416SS                                                                                                     | 90.00     |
| • Black widow centering spider                                                                                                  | 288.00    |
| • Packing box assembly                                                                                                          | 644.00    |
| • Head shaft 416 stainless steel                                                                                                | 1,022.00  |
| • Bronze adjusting nut, gib key & lock screw                                                                                    | 299.00    |
| • Prelube assembly                                                                                                              | 844.00    |
| • Electric motor turbine oil                                                                                                    | 30.00     |



**Materials (Continued)**

|                                                                                                                    |                 |             |
|--------------------------------------------------------------------------------------------------------------------|-----------------|-------------|
| • Column pipe assembly with 201 stainless steel retainers, upper vesconite bushings and 416 stainless steel shafts | \$44,608.00     |             |
| • ¼" stainless steel pvc jacketed Dekron air line                                                                  | 1,175.00        |             |
| • SS bandit, clamps and pads                                                                                       | 130.00          |             |
| • Electrical connection kit "Large"                                                                                | 250.00          |             |
| • 10" 150# Nut, bolt and gasket kit                                                                                | 125.00          |             |
| • Miscellaneous assembly lube, solvents, paint, permatex sealant, GR5 bolting                                      | 200.00          |             |
| • PVC camera/sounding tube, 1.25" with stainless steel banding                                                     | 1,550.00        |             |
| • Estimated factory inbound freight                                                                                | 560.00          |             |
| • Sales tax @ 9.00%                                                                                                | <u>6,467.40</u> | \$78,327.40 |

**Outside Services**

|                            |              |
|----------------------------|--------------|
| • Sandblast discharge head | \$ 440.00    |
| • Motor recondition        | Not Included |

**Well Cleaning**

|                        |             |             |
|------------------------|-------------|-------------|
| • Wire Brush Well      | <b>Est.</b> | \$ 5,000.00 |
| • Swab Light Chemicals | <b>Est.</b> | \$ 7,500.00 |

**Dynamic Evaluation**

Because this pump was severely damaged, it was difficult to determine the exact cause. We know that sand was a major contributor; therefore, after the pump is installed, we want to run a dynamic video log to inspect the well when it is running. With the use of the camera, we hope to see where the sand is entering the well to see if we can reduce the sand by adjusting the flow. If we do not see any flow, we will ask the City to monitor the sand and not recommend any modifications to the well or the pump.

The cost to perform a dynamic video is ..... \$ 1,950.00

**Total Labor and Materials** **\$93,217.40**

***SCE Efficiency***

The efficiency test showed the pump to be extremely inefficient. SCE measured the wire to water efficiency to be 37.5%. We expect the new pump to operate at an efficiency of about 72%.

**#6.**



Mr. Chad Blais  
City of Compton  
May 30, 2014  
Page -4-

***Power Savings***

Based on 1100 gpm flow, 400 feet of total dynamic head, 4000 Hrs/Yr operation, and \$.12 per kwh SCE cost of power, the City would save **\$254,237** in the first five (5) years of operation. Currently the pump was only able to produce 647 gpm. The new pump will produce about 453 more gallons per minute. Based on 4000 hours of operation per year you would have 108,720,000 additional gallons to your system.

Should you have any questions or need additional information regarding the above summary and associated costs, please do not hesitate to contact us.

Thank you.

Sincerely,

**GENERAL PUMP COMPANY, INC.**

*Michael Bodart*

Michael Bodart  
Director of Engineering

RESOLUTION SIGN-OFF FORM

DEPARTMENT: Water Department

RESOLUTION TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH AND ISSUE A PURCHASE ORDER TO GENERAL PUMP COMPANY, INC. FOR THE REPAIR AND REHABILITATION OF GROUNDWATER WELL NO. 11

Glen Kau  
DEPARTMENT MANAGER’S SIGNATURE

6/19/2014 5:52:26 AM  
DATE

REVIEW / APPROVAL

Ruth Rugley  
CITY ATTORNEY

6/24/2014 11:17:53 AM  
DATE

Stephen Ajobiewe  
CITY CONTROLLER

6/19/2014 3:17:39 PM  
DATE

Johnny Ford  
CITY MANAGER

6/19/2014 11:58:49 AM  
DATE

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



July 1, 2014

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: CITY ATTORNEY

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON SUPPORTING THE PASSAGE OF CALIFORNIA SENATE BILL (SB) 935 TO INCREASE THE STATE'S MINIMUM WAGE STRUCTURE.**

### **SUMMARY**

At the request of Mayor A. Brown, the City Council will consider adopting a Resolution supporting the passage of California Senate Bill (SB) 935 to increase the State's minimum wage structure.

### **BACKGROUND**

With some exceptions<sup>1</sup>, almost all employees in California must be paid the minimum wage as required by state law. Most employers in California, however, are subject to both the federal and state minimum wage laws. The effect of this dual coverage is that when there are conflicting requirements in the laws, the employer must follow the stricter standard; that is, the one that is most beneficial to the employee. Under recently passed legislation, California's minimum wage will increase from \$8.00 per hour to \$9.00 per hour, effective July 1, 2014, and will increase again on January 1, 2016 to \$10.00 per hour. Currently, the federal minimum wage is \$7.25 per hour. Thus, since California's current law requires a higher minimum wage rate than does the federal law, all employers in California who are subject to both laws must pay the state minimum wage rate unless their employees are exempt under California law.

On February 3, 2014, California Senator Mark Leno (D-San Francisco) introduced Senate Bill (SB) 935 to help lift Californians out of poverty by further raising the state's minimum wage. Leno said the bill would benefit approximately 7.9 million Californians, whose minimum wage paychecks mean they live in poverty and depend on social welfare programs. Certain cities in California have their own minimum wages such as San Jose (\$10.15 per hour) and San Francisco (\$10.74 per hour). Leno believes that

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<sup>1</sup> There are some employees who are exempt from the state minimum wage law such as outside salesperson, individuals who are the parent, spouse, or child of the employer, apprentices subject to the State Division of Apprenticeship Standards. There are also exceptions for employees who are mentally or physically disabled, or both, and for non-profit organizations such as sheltered workshops or rehabilitation facilities that employ disabled workers.

# #7.

Staff Report Re Resolution Supporting the  
Passage of California Senate Bill 935 to  
Increase the State's Minimum Wage Structure  
July 1, 2014

another boost is needed to stimulate the economy and combat poverty and the decline of California's middle class.

## **STATEMENT OF ISSUE**

On May 29, 2014, Senate Bill (SB) 935 was approved<sup>2</sup> by the Senate that, if also approved by the Assembly, would replace existing legislation and increase California's minimum wage structure again with a more aggressive plan. Under the proposed (new) legislation, the minimum wage will increase for all industries to \$11.00 (per hour) effective January 1, 2015, to \$12.00 effective January 1, 2016, and to \$13.00 effective January 1, 2017. The bill also provides for the automatic adjustment of the minimum wage annually, starting January 1, 2018, to maintain employee purchase power diminished by the rate of inflation during the previous year.

The new bill comes only months after Governor Jerry Brown (D) signed<sup>3</sup> a bill (AB 10) to increase the minimum wage to \$9.00 effective July 1, 2014, and then to \$10.00 effective January 1, 2016. The bill now heads to the State Assembly where its chances for passage are uncertain. If the Assembly approves the measure, it would then go to Governor Brown for his signature.

According to the Economic Policy Institute<sup>4</sup> (EPI), which analyzed the relationship between higher state minimum wages and changes in economic conditions, the effects of an increased minimum wage would restore the minimum wage to an inflation-adjusted value equivalent to the minimum wage in 1968, increase consumer demand and thus, create more jobs and stimulate economic growth. Based on research by EPI, the U.S. economy has vastly expanded over the past forty-five (45) years and productivity (i.e. the ability to produce goods and services for the same amount of work) has more than doubled, yet the minimum wage has been left to stagnate and decline. Research over the past two decades has shown modest increases in the minimum wage have little to no negative impact on jobs. In fact, EPI takes the position that, under current labor market conditions where moderate consumer demand is a major factor holding businesses back from expanding their payrolls, raising the minimum wage can provide a catalyst for new hiring. Such an increase would indirectly raise the wages of approximately 27.8 million workers, who would receive about \$35 billion in additional wages over the phase-in period.

Additionally, the Census Bureau reports that nearly a quarter of California's thirty-eight (38) million residents, or twenty-four percent (24%), live in poverty. An employee working full-time earning \$8.00 an hour brings home just \$15,360 annually before taxes.

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<sup>2</sup> The proposal, SB 935, passed the Senate 21 to 12.

<sup>3</sup> Governor Jerry Brown approved and signed into law AB 10 on September 25, 2013.

<sup>4</sup> The Economic Policy Institute (EPI) is a non-profit, non-partisan think tank created in 1986 to include the needs of low and middle income workers in economic policy discussions. EPI believes every working person deserves a good job with fair pay, affordable health care, and retirement security. To achieve this goal, EPI conducts research and analysis on the economic status of working America.

Staff Report Re Resolution Supporting the  
Passage of California Senate Bill 935 to  
Increase the State's Minimum Wage Structure  
July 1, 2014

The federal poverty level for a family of four with a single-wage earner is \$23,850. President Barack Obama signed an executive order in February 2014 increasing the minimum wage for employees of federal contractors to \$10.10 per hour effective January 1, 2015. Although Governor Brown took a necessary first step of signing legislation in 2013 that brings the state's lowest wage up to \$9.00 per hour (effective July 1, 2014) and \$10.00 per hour in 2016, this action failed to include the critical step of requiring automatic increases in the minimum wage to protect future earnings against inflation.

The City of Compton supports the passage of SB 935 in order to help stabilize the millions of Californians being paid minimum wage out of poverty and to spur economic growth. This Resolution will increase support for the passage of SB 935 by the Legislature to modify the State's minimum wage structure in order to adjust for cost-of-living increases and stimulate the economy.

### **FISCAL IMPACT**

There is no fiscal impact to the City of Compton for adopting the attached Resolution.

### **RECOMMENDATION**

Staff recommends that the City Council adopt the attached Resolution supporting the passage of California Senate Bill (SB) 935 to increase the State's minimum wage structure.

**CRAIG J. CORNWELL**  
**CITY ATTORNEY**

### **APPROVED FOR FORWARDING:**

**G. HAROLD DUFFEY**  
**CITY MANAGER**

CJC:MGIII:mgIII



**RESOLUTION NO. \_\_\_\_\_****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON SUPPORTING THE PASSAGE OF CALIFORNIA SENATE BILL (SB) 935 TO INCREASE THE STATE'S MINIMUM WAGE STRUCTURE**

**WHEREAS**, any official position of the City of Compton with respect to legislation, rules, regulations, or policies, proposed to or pending before a local, state or federal government body or agency, must have first been adopted in the form of a Resolution by the City Council; and

**WHEREAS**, existing California law requires that effective July 1, 2014, the minimum wage for all industries will increase to \$9.00 per hour; and

**WHEREAS**, existing California law further requires that by January 1, 2016, the minimum wage will be raised to \$10 per hour; and

**WHEREAS**, on February 3, 2014, California Senator Mark Leno introduced Senate Bill (SB) 935 to help lift Californian out of poverty by further raising the state's minimum wage; and

**WHEREAS**, SB 935 would further increase the minimum wage to \$11 per hour January 1, 2015, to \$12 per hour by January 1, 2016 and to \$13 per hour by January 1, 2017; and

**WHEREAS**, SB 935 would further provide for the automatic adjustment of the minimum wage annually, starting January 1, 2018, to maintain employee purchase power diminished by the rate of inflation during the previous year; and

**WHEREAS**, according to the Economic Policy Institute (EPI), the effects of an increased minimum wage would restore the minimum wage to an inflation-adjusted value equivalent to the minimum wage in 1968, increase consumer demand and thus, create more jobs and stimulate economic growth; and

**WHEREAS**, research has shown that the U.S. economy has vastly expanded over the past forty-five (45) years and productivity has more than doubled, yet the minimum wage has been left to stagnate and decline; and

**WHEREAS**, research over the past two decades has further shown that modest increases in the minimum wage have little to no negative impact on jobs and can provide a catalyst for new hiring; and

**WHEREAS**, the Census Bureau reports that nearly a quarter of California's thirty-eight (38) million residents, or twenty-four percent (24%), live in poverty; and

**WHEREAS**, although Governor Jerry Brown's passage of legislation in 2013 to increase the state's lowest wage up to \$9.00 effective July 1, 2014 and to \$10.00 effective January 1, 2016, such legislation did not include the critical step of requiring automatic increases in the minimum wage to protect future earnings against inflation; and

**WHEREAS**, this Resolution will increase support for the passage of SB 935 by the Legislature to modify the State's minimum wage structure in order to adjust for cost-of-living increases and stimulate the economy.

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

**Section 1.** That the City of Compton hereby supports the passage of Senate Bill (SB) 935 in order to help stabilize the millions of Californian being paid minimum wage out of poverty and to spur economic growth.

**Section 2.** That the City Council encourages its businesses and citizens to communicate their support of the passage of SB 935 to the State's Legislature and Governor.

**Section 3.** That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

**Section 4.** That a certified copy of this Resolution shall be filed in the offices of the City Clerk and City Manager.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
**MAYOR OF THE CITY OF COMPTON**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK OF THE CITY OF COMPTON**

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

I, Alita Godwin, City Clerk of the City of Compton hereby certify that the foregoing Resolution was adopted by the City Council of the City of Compton, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on this \_\_\_\_ day of \_\_\_\_\_, 2014.

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

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

\_\_\_\_\_  
**CITY CLERK OF THE CITY OF COMPTON**

RESOLUTION SIGN-OFF FORM

DEPARTMENT: City Attorney

RESOLUTION TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON SUPPORTING THE PASSAGE OF CALIFORNIA SENATE BILL (SB) 935 TO INCREASE THE STATE'S MINIMUM WAGE STRUCTURE

Ruth Rugley  
DEPARTMENT MANAGER’S SIGNATURE

6/25/2014 8:42:13 PM  
DATE

REVIEW / APPROVAL

Craig Cornwell  
CITY ATTORNEY

6/26/2014 2:44:40 PM  
DATE

Stephen Ajobiewe  
CITY CONTROLLER

6/26/2014 12:11:00 PM  
DATE

G. Harold Duffey  
CITY MANAGER

6/26/2014 11:57:32 PM  
DATE

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



July 8, 2014

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: CITY ATTORNEY

**RE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ADOPTING A POLICY REGARDING THE DISTRIBUTION OF COMPLIMENTARY TICKETS AND PASSES PURSUANT TO FAIR POLITICAL PRACTICES COMMISSION REGULATION 18944.1.**

**SUMMARY:**

Regulation 18944.1, adopted by the Fair Political Practices Commission ("FPPC"), regulates complimentary tickets and passes distributed to City officials and employees by their local agency. The regulation requires the City Council to adopt a written policy governing the distribution of complimentary tickets and passes to a city official stating, among other matters, the specific governmental or public purpose to be accomplished by the distribution of tickets and passes in order that they be exempted from the usual gift rules.

Adoption of the attached resolution by the City Council will establish a policy for the City of Compton regarding the distribution of complimentary tickets and passes pursuant to the Fair Political Practices Commission Regulation 18944.1.

**BACKGROUND:**

From time to time, a city official; defined as any officer, agent and employee of the agency that is obligated to file an annual FPPC Form 700; may receive tickets or passes to events through his or her agency. These tickets or passes may have been given to the agency, received as a result of an agreement to use public property, because the local agency controls the event, or the agency purchased the tickets at fair market value. Generally, the tickets will be treated as gifts, subject to the usual gift rules unless the city official pays for the tickets by reimbursing the agency for its fair market value.

However, if the agency adopts a written policy governing ticket distribution that is in compliance with the regulations of the FPPC, providing the ticket or pass is not considered a gift to the city official. It should be noted that these exceptions for agency-provided tickets and passes is applicable only for admission to a facility, event, show or performance for an entertainment, amusement, recreational or similar purpose and does not include other benefits provided at the event, such as food and beverages.

If a city official, who is otherwise subject to the gift limit and reporting requirements, receives tickets pursuant to the agency's policy, the tickets or passes are not subject to the gift limit and reporting requirements if the agency decides who should receive the ticket or pass consistent with its adopted policy, and if the tickets were received from an outside source and that outside source plays no role in deciding who should receive the ticket or pass. Alternatively, the official receiving the ticket or pass can treat its value as income under tax laws.

## **STATEMENT OF THE ISSUE:**

FPPC Regulation 18944.1 describes the circumstances in which the distribution of tickets and/or passes to a city official does not result in a gift to the city official who accepts the ticket or pass; to wit: the written agency distribution policy contains, at a minimum, all of the following (a) provision setting forth the public purposes of the agency for which the tickets/passes may be distributed; (b) provision requiring that the distribution accomplishes a stated public purpose of the agency; and (c) provision prohibiting transfer of any ticket/pass received by an official except to members of the official's immediate family or no more than one guest. However, if the City of Compton wishes to take advantage of the exception to the gift rules, the FPPC requires that the legislative body of the local agency to adopt a written policy governing the distribution of complimentary tickets or passes which shall also be in conformance with the FPPC regulations.

Staff has prepared a proposed "Policy Regarding the Distribution of Complimentary Tickets and Passes Pursuant to Fair Political Practices Commission Regulation 18944.1" for consideration and adoption by the City Council.

## **FISCAL IMPACT:**

There is no anticipated fiscal impact.

## **RECOMMENDATION:**

It is the recommendation of this office that the attached Resolution and Policy be adopted.

**CRAIG J. CORNWELL**  
**CITY ATTORNEY**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON  
ADOPTING A POLICY REGARDING THE DISTRIBUTION OF  
COMPLIMENTARY TICKETS AND PASSES PURSUANT TO FAIR  
POLITICAL PRACTICES COMMISSION REGULATION 18944.1.**

**WHEREAS**, the California Fair Political Practices Commission, pursuant to Regulation 18944.1, regulates complimentary tickets and passes distributed to government officials by their agency; and

**WHEREAS**, Regulation 18944.1 describes the circumstances in which the distribution of tickets or passes to a City Official does not result in a gift to the city official who accepts such ticket or pass; and

**WHEREAS**, if a local agency wishes to take advantage of the exception to the gift rules identified under Fair Political Practices Commission (“FPPC”) Regulation 18944.1, the FPPC requires the legislative body of the local agency to adopt a written policy governing the distribution of complimentary tickets or passes; and

**WHEREAS**, the City Council of the City of Compton would like to adopt such a policy and take advantage of the exemptions provided by FPPC Regulation 18944.1; and

**WHEREAS**, the purpose of the attached Complimentary Ticket Policy is to establish a fair and equitable process for the distribution of complimentary tickets and passes received by the City to a facility, event, show or performance for entertainment, amusement, recreational or similar purposes and the reporting of the distribution of complimentary tickets in compliance with the requirements of FPPC Regulation 18944.1.

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

**Section 1.** The City Council does hereby adopt a policy regarding the distribution of complimentary tickets and passes pursuant to the Fair Political Practices Commission Regulation 18944.1, which is attached hereto and incorporated herein as “Attachment A.”

**Section 2.** That a certified copy of this Resolution shall be filed in the offices of the City Clerk and every City department and agency.

**Section 3.** That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
**MAYOR OF THE CITY OF COMPTON**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK OF THE CITY OF COMPTON**

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

I, Alita Godwin, City Clerk of the City of Compton hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor and attested to by the City Clerk at a regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2014.

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

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

\_\_\_\_\_  
**CITY CLERK OF THE CITY OF COMPTON**

## ATTACHMENT "A"

**CITY OF COMPTON'S POLICY REGARDING THE DISTRIBUTION  
OF COMPLIMENTARY TICKETS AND PASSES PURSUANT TO  
FAIR POLITICAL PRACTICES COMMISSION  
REGULATION 18944.1**

**Section 1. Purpose of Policy.**

The purpose of this policy is to establish a fair and equitable process for the distribution of complimentary tickets or passes to the City in compliance with the requirements of Section 18944.1 of the Fair Political Practices Commission Regulations. This Policy is subject to all applicable Fair Political Practices Commission Regulations and the Political Reform Act, as now exist or may hereafter be added or amended. (These regulations can be found at Title 2 of the California Code of Regulations and will be referred to as "FPPC Regulations").

**Section 2. Definitions.**

Unless otherwise expressly provided herein, words and terms used in this Policy shall have the same meaning as that ascribed to such words and terms in the California Political Reform Act of 1974 (Government Code Sections 8100, et seq., as may from time to time be amended) and the Fair Political Practices Commission ("FPPC") Regulations (Title 2, division 6 of the California Code of Regulations, Sections 18110 et seq., as the same may from time to time be amended).

A. "City" or "City of Compton" shall mean the City of Compton, and any other affiliated agency created or activated by the Compton City Council, and any departments, boards and commissions thereof.

B. "City Official" shall mean every officer, agent and employee of the City who is obligated to file an Annual Statement of Economic Interests (FPPC Form 700) under state law or the City's Current Conflict of Interest Code.

C. "City Venue" shall mean and refer to any facility owned, controlled or operated by the City.

D. "FPPC" shall mean and refer to the California Fair Political Practices Commission.

E. "Immediate Family" shall mean spouse and dependent children of the City Official. The term spouse includes registered domestic partners recognized by state law and dependent children shall mean a child, including adoptive child or stepchild, of a City Official who is under 18 years old and who the City Official is entitled to claim as a dependent on his or her federal tax return.

F. "Policy" shall mean and refer to this Policy Regarding the Distribution of Complimentary Tickets and Passes Pursuant FPPC Regulation 18944.1.

G. "Ticket" shall mean and refer to a "ticket or pass" as that term is defined in FPPC Regulation 18944.1, as amended from time to time, but which currently defines a "ticket or pass" as admission to a facility, event, show or performance for an entertainment, amusement, recreational or similar purpose ("event") provided by the City, or at the behest of, a City Official of the City. If other benefits, such as food, beverage or other items are provided to the City Official at the event and such benefits are not included as part of the admission to the event, those benefits are not covered by this Policy.

### **Section 3. Application of Policy.**

A. This Policy shall be applicable to every officer, agent and employee of the City who is obligated to file an Annual Statement of Economic Interests (Form 700) under state law or the City's current Conflict of Interest Code.

B. This Policy governs the distribution of complimentary Tickets received by the City that are either:

1. Gratuitously provided to the City by an outside source;
2. Acquired by the City by purchase for fair market value;
3. Acquired by the City as consideration pursuant to the terms of a contract for the use of a City venue or because the City controls the event; or
4. Acquired and distributed by the City in any other manner consistent with this Policy.

C. This Policy does not apply to:

1. Any other item of value provided to the City or any City Official, regardless of whether received gratuitously or for which consideration is provided.
2. Tickets provided by sources other than the City.
3. Tickets received by a City Official from the City where both the City Official and the City treat and report the value of the Ticket as income consistent with applicable state and federal income tax laws and the Ticket is reported as income pursuant to the provisions of this Policy.

D. Tickets distributed by the City for which the City receives reimbursement from the City Official shall not be subject to the disclosure provisions set forth herein.

**Section 4. Official Duties; Ceremonial Roles.**

A Ticket provided to a City Official and one (1) guest of the official for his or her admission to a facility, event, show or performance for an entertainment, amusement, recreational or similar purpose at which the official performs a ceremonial role on behalf of the City is not a gift as long as the City complies with the posting and disclosure requirements as provided in this Policy.

**Section 5. General Provisions.**

A. No Right to Tickets: The use of complimentary Tickets is a privilege extended by the City and not the right of any person to which the privilege may from time to time be extended.

B. Limitation on Transfer of Tickets: Tickets distributed to a City Official pursuant to this Policy shall not be transferred to any other person, except to members of such City Official's Immediate Family solely for their attendance at the event. If a City Official transfers a Ticket he or she has received from the City to another person (except as otherwise provided for herein), as opposed to returning the Ticket to the City for redistribution, then the value of the Ticket or Tickets he or she transfers shall constitute a gift to him or her and shall be reportable as provided by the regulations of the FPPC.

C. Prohibition Against Sale of or Receiving Reimbursement for Tickets: No person who receives a Ticket pursuant to this Policy shall sell or receive reimbursement for the value of such Ticket.

**Section 6. Ticket Administrator.**

A. The City Council delegates the authority to the City Manager or his/her designee to be the Ticket Administrator for purposes of implementing the provisions of this Policy.

B. The Ticket Administrator shall have the authority, in his or her sole discretion, to establish procedures for the distribution of Tickets in accordance with this Policy. Such authority includes the power to distribute such a Ticket to the City Manager provided that doing so is otherwise consistent with this Policy. All requests for Tickets that fall within the scope of this Policy shall be made in accordance with the procedures established by the Ticket Administrator.

C. The Ticket Administrator shall determine the face value of Tickets distributed by the City for purposes of Sections 7.A and 7.B of this Policy.

D. The Ticket Administrator, in his or her sole discretion, may revoke or suspend the Ticket privileges of any person who violates any provision of this Policy or the procedures established by the Ticket Administrator for the distribution of Tickets.

## #8.

E. For the purpose of implementing this Policy, and completing and posting the FPPC Form 802, the Ticket Administrator shall be the "Agency Head".

### **Section 7. Conditions Under Which Tickets May be Distributed.**

Subject to the provisions of this Policy, the Ticket Administrator may distribute complimentary Tickets to City Officials under any one of the following conditions:

A. Reimbursement by Official. The City Official reimburses the City for the face value of the Ticket(s).

B. Income for the Official. The City Official treats the Ticket(s) as income consistent with applicable federal and state income tax laws and the Ticket(s) are reported as income pursuant to the provisions of this Policy.

C. Governmental and/or Public Purposes. The distribution of the Ticket(s) to, or at the behest of, the City Official accomplishes or furthers one or more of the following governmental and/or public purposes:

1. Facilitating the performance of a ceremonial role or function by the City Official on behalf of the City at an event, for which the City Official may receive enough Tickets for the City Official and each member of his or her Immediate Family.

2. Facilitating the attendance of a City Official at an event where the job duties of the City Official require his or her attendance at the event, for which the City Official may receive enough Tickets for each member of the City Official's Immediate Family.

3. Promotion of intergovernmental relations and/or cooperation and coordination of resources with other governmental agencies, including, but not limited to attendance at an event with or by elected or appointed public officials from other jurisdictions, their staff members and their guests.

4. Promotion or fostering of economic or business development purposes on behalf of the City.

5. Promotion of City resources and/or facilities available to City residents.

6. Promotion of City-run, sponsored or supported community events, activities or programs.

7. Promotion of special events under any City contract or agreement, including but not limited to sport and athletic events.

8. Promoting, supporting and/or showing appreciation for programs or services rendered by charitable and non-profit organizations benefiting City residents.

9. Promotion of City tourism on a local, state, national or worldwide scale.

10. Business retention or attraction on a local, state, national or worldwide scale.

11. Promotion of City recognition, visibility, and/or profile on a local, state, national or worldwide scale.

12. Encouraging City resident and business support for and attendance at local events.

13. Encouraging participants in City-sponsored programs to attend local events.

14. Encouraging or rewarding significant academic, athletic or public service achievement by City students, residents, businesses or employees.

15. Recognizing or rewarding meritorious service by a City employee.

16. Encouraging, rewarding or supporting employee performance, morale and retention.

17. Attracting and retaining highly qualified employees in the City service.

18. Attracting or rewarding volunteer public service.

19. As an incident to the above public purposes, allowing for the Immediate Family of the City Official to accompany the City Official to events to accomplish any of the purposes listed in this Policy.

#### **Section 8. Tickets Distributed at the Behest of a City Official.**

A. Only the following City Officials shall have authority to behest Tickets: City Council Members and the City Manager.

B. Tickets shall be distributed at the behest of a City Official only for one or more public purposes set forth in Section 7.C above.

C. If Tickets are distributed at the behest of a City Official, such City Official shall not use one of the Tickets so distributed to attend the event.

## **Section 9. Other Benefits.**

A. The distribution of Tickets pursuant to this Policy shall not constitute a “gift” to the City Official receiving the Ticket; however, other benefits, such as food or beverage or other gifts provided to the City Official that are not part of the admission provided by the complimentary Ticket, will need to be accounted for as gifts.

B. If the City receives complimentary Tickets that are earmarked for particular City Officials, then the Tickets are considered gifts to that particular City Official. If these Tickets are not returned unused to the provider within thirty (30) days of receipt, then the City Official must comply with the applicable FPPC gift limit regulations and reporting regulations.

## **Section 10. Posting and Disclosure Requirements.**

A. This Policy shall be posted on the City's website.

B. The distribution of Tickets pursuant to this Policy shall be documented by the preparation and certification of Fair Political Practices Commission Form 802. Within thirty (30) calendar days of the distribution of a Ticket, the Ticket Administrator shall prepare and certify a Form 802 and shall forward it to the FPPC for posting on the FPPC website. The disclosure form shall include the following information:

1. Name of person receiving the Ticket or Pass. If the recipient of the Ticket or Pass is an outside organization, the City may post the name, address, description of the organization and number of Tickets provided to the organization in lieu of posting the names of each recipient;
2. A description of the event;
3. The date of the event;
4. The face value of the Ticket or Pass. If the Ticket or Pass does not have a face value stated, the Ticket Administrator will determine the value based on the reasonable cost for attendance at such event;
5. The number of Tickets or Passes provided to each person;
6. If the Ticket or Pass is behested, the name of the City Official who behested the Ticket; and
7. A description of the public purpose under which the distribution was made or, alternatively, that the Ticket or Pass was distributed as income to the City Official

C. The City shall maintain the completed Form 802 as a public record, subject to inspection and copying as set forth in Government Code Section 81008(a).

D. Tickets distributed by the City for which the City receives reimbursement from the City Official shall not be subject to the disclosure provisions set forth herein.



RESOLUTION SIGN-OFF FORM

DEPARTMENT: City Attorney

RESOLUTION TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ADOPTING A POLICY REGARDING THE DISTRIBUTION OF COMPLIMENTARY TICKETS AND PASSES PURSUANT TO FAIR POLITICAL PRACTICES COMMISSION REGULATION 18944.1

Ruth Rugley  
DEPARTMENT MANAGER’S SIGNATURE

6/3/2014 4:28:41 PM  
DATE

REVIEW / APPROVAL

Ruth Rugley  
CITY ATTORNEY

6/25/2014 4:49:15 PM  
DATE

Stephen Ajobiewe  
CITY CONTROLLER

6/4/2014 9:37:14 AM  
DATE

Kelly Montgomery  
CITY MANAGER

6/3/2014 6:08:26 PM  
DATE

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



**July 1, 2014**

**TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS**

**FROM: CITY ATTORNEY**

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO AGREEMENTS AND ISSUE PURCHASE ORDERS TO AON RISK INSURANCE SERVICES WEST, INC. AND FIRST INSURANCE FUNDING CORP. TO RENEW THE CITY OF COMPTON'S INSURANCE POLICY PORTFOLIO**

**SUMMARY:**

The City Council will consider adopting a Resolution authorizing the City Manager to issue a purchase order to renew the purchase of Crime, Directors and Officers/Employment Practices, Property, Special General Liability Blue Line Farmers Market, Excess General Liability, General Liability Special Events Policy and AD&D, Difference In Conditions, Excess Workers' Compensation, Athletics General Liability and Group Accident, Commercial Auto Physical Damage, Dial-A-Ride Business Auto and Excess, ("Insurance Portfolio") through the City's insurance broker, AON Risk Services and add a Tenants, Users Liability Insurance Program.

**BACKGROUND:**

The City of Compton is currently insured for the policies listed above, through 06-30-2014 and for the General Liability Special Events Policy and AD&D through 12-05-2014. The Crime policy insures the City against crimes of theft or fraud that could be perpetrated by employees, while Directors and Officers/Employment Liability insurance protects management and elected officials against judgments and in the defense of lawsuits that may be filed for claims such as discrimination. Firefighter Employment Liability claims are excluded from the Directors and Officers/Employment Liability policy, at this time.

The City of Compton has maintained Excess General Liability insurance to offset payment of any liability claim filed against the City in excess of the City's self-insured retention level of \$1,000,000.00. Property insurance has been necessary to insure coverage to the City's property against damages that can occur such as fire or business interruption and Difference in Conditions insurance covers damage to the City's property in the event of earthquake or flood. Excess Workers' Compensation Insurance covers the

## #9.

City in the event a workers' compensation claim exceeds the City's self-insured retention level of \$1,000,000.00 while Athletics Liability and Accident covers parks and recreation events. However, over-night camping events, pyrotechnics (fireworks), and events that include animal rides and skateboarding competitions are excluded from this policy. Entertainment events that would include celebrities are also not covered, but any of these excluded events could be covered under a separate special events policy, should management desire.

The City's Dial-A-Ride vehicles are insured through the Business Auto and Excess policy. There is no coverage for busses that travel over 100 miles from the City Hall parking lot. Commercial Auto Physical Damage insurance covers all scheduled vehicles in the City's fleet and the Dial-A-Ride busses have been added under this coverage. The Blue Line Farmers Market General Liability Special Events Policy has been added to the City's insurance portfolio. Communicable diseases such as hepatitis, HIV, etc., are excluded from this policy, therefore, it is important that food truck vendors as well as vendors who prepare perishable items at the Farmers Market, maintain liability insurance.

### **STATEMENT OF ISSUE:**

One factor involved in the rise or fall of insurance premiums is experience, similar to one's personal auto insurance premium. The more accidents you incur, the higher your auto insurance premium. This same principal applies to commercial insurance. Negative factors affecting the City's insurance portfolio over the last few years include; layoffs, decreased training, level of management oversight, accountability, decreased finances and increase in personnel changes. Positive factors affecting the City's insurance portfolio include; more efficient claims reporting, effective risk analysis and coverage choices specifically for the City, positive claims experience in Dial-A-Ride Auto, DIC, Excess GL, and reduced claims experience in Crime over the last few years.

Insurance prices have increased for municipalities overall for next fiscal year. Workers' Compensation Excess, Property, Crime and General Liability insurance in some municipalities have increased as much as (20%) twenty percent. However, due to creative restructuring and advocating for the City of Compton's insurance portfolio by Aon and staff, staff has been able to ensure a **flat renewal**, meaning there was **no** increase in the City's total portfolio for 2014-2015.

In regard to future premiums, increased management oversight and training for staff, assists the City in controlling premium costs.

**FINANCIAL IMPACT:**

The total premium for the insurance portfolio is an amount not-to-exceed **\$1,565,000.00**.

Staff has been able to arrange an installment payment plan from First Insurance Funding Corp., for fiscal year 2014-15. This quarterly plan would require a down payment of **\$537,233.78**, and 3 installments of **\$342,583.21**. Finance charges total **\$30,029.76**. There is also the option of paying the entire premium **in full** to avoid finance charges. If the insurance policies are funded, any late payment would cause a **lapse in all of the policies**. Funds have been identified for the renewal of these insurance policies in the 2014-2015 Fiscal Year Budget of the City Attorney's Office as follows:

Account No. 6400 420000 4268 - \$1,214,742.00

Account No. 6300 420000 4268 - \$ 265,000.00

Account No. 2000 420000 4268 - \$ 121,000.00

**RECOMMENDATION:**

It is recommended that the City Council adopt the attached Resolution authorizing the City Manager to authorize a purchase order to First Insurance Funding Corp. and AON Risk Insurance Services West, Inc. to renew and/or add the purchase of Crime, Directors and Officers/Employment Practices, Property, Excess General Liability, Blue Line Farmers Market General Liability, Property, Difference In Conditions, Excess Workers' Compensation, Athletics General Liability and Group Accident, General Liability Special Events Policy and AD&D, Tenants, Users Liability Insurance Program, Business Dial-A-Ride Auto and Excess and Commercial Auto Physical Damage insurance.

**MONICA TURNER**  
**RISK MANAGER**

**CRAIG CORNWELL**  
**CITY ATTORNEY**

**G. HAROLD DUFFEY**  
**CITY MANAGER**

Attachment: Proposed Resolution, Finance Proposals



**RESOLUTION NO. \_\_\_\_\_****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON  
AUTHORIZING THE CITY MANAGER TO ENTER INTO AGREEMENTS AND  
ISSUE PURCHASE ORDERS TO AON RISK INSURANCE SERVICES WEST,  
INC. AND FIRST INSURANCE FUNDING CORP. TO RENEW THE CITY OF  
COMPTON'S INSURANCE POLICY PORTFOLIO**

**WHEREAS**, the City of Compton has used the insurance brokering and loss control services of AON Risk Insurance Services West, Inc. ("AON") since 2009; and

**WHEREAS**, through the assistance of AON the City has been able to coordinate all renewals periods for insurance policies to once a year, assist with loss control and mediated insurance concerns between the City and its insurance carriers; and

**WHEREAS**, these services have resulted in significant savings to the City of Compton; and

**WHEREAS**, the staff is requesting insurance renewals for Crime, Directors and Officers/Employment Practices, Property, Blue Line Farmers Market Special General Liability, Excess General Liability, Difference In Conditions, Excess Workers' Compensation, Athletics General Liability and Group Accident, Commercial Auto Physical Damage, Dial-A-Ride Business Auto and Excess insurance through AON for the fiscal year 07-01-2014 to 06-30-2015, add a Tenant Users Liability Insurance Program, and a 12-05-14 renewal for the General Liability Special Events and AD&D policy (hereinafter referred to as "Insurance Portfolio"); and

**WHEREAS**, increased management awareness, accountability, oversight and training will further assist the City in controlling future premium costs for the City, and;

**WHEREAS**, AON has provided the flexibility to pay the premium in quarterly payments, including a down payment of \$537,233.78 and 3 installments of \$342,583.21; and

**WHEREAS**, the quarterly payment plan allows for advance payment(s) to eliminate or reduce finance charges.

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

**SECTION 1.** That the City Manager is authorized to enter into Supplemental Fee Agreement with AON Risk Insurance Services West, Inc. to renew the City of Compton's Insurance Portfolio.

**SECTION 2.** That the City Manager is authorized to execute a Commercial Premium Finance Agreement and issue a purchase order to FIRST Insurance Funding Corp. in an amount not-to-exceed \$1,535,000.00 for the City of Compton's Insurance Policy Portfolio.

**SECTION 3.** That the City Manager is authorized to issue a purchase order to AON Risk Insurance Services West, Inc. for the General Liability Special Events Policy in an amount not-to-exceed \$30,000.00.

**SECTION 4.** That the funds for these services shall come from FY Budget 2014 -2015 account fund numbers 6400 042 000 4268 - \$1,214,742 and 6300 042 000 4268 - \$265,000.00 and 2000-420-000-4268 - \$121,000.00.

**SECTION 5.** That a certified copy of this resolution will be filed in the offices of the City Manager, City Attorney, City Clerk and Controller.

**SECTION 6.** That the Mayor shall sign and the City Clerk shall attest to this resolution.

**ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2014

\_\_\_\_\_  
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 \_\_\_\_\_, 2014.

That said resolution was adopted by the following vote:

AYES: COUNCIL MEMBERS—  
NOES: COUNCIL MEMBERS—  
ABSENT: COUNCIL MEMBERS—  
ABSTAINS: COUNCIL MEMBERS—

\_\_\_\_\_  
CITY CLERK OF THE CITY OF COMPTON





LENDER:

**FIRST INSURANCE<sup>®</sup>**  
— OF CALIFORNIA — FUNDING**COMMERCIAL  
PREMIUM FINANCE AGREEMENT**

450 Skokie Blvd, Suite 1000

Northbrook, IL 60062  
P:(800)837-3707 F:(800)837-3709  
www.firstinsurancefunding.com

A WINTRUST COMPANY

Quote#: 000002687211

|                                                                                                                                                           |  |                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>INSURED/BORROWER</b> Customer ID: n/a<br>(Name and address as shown on Policy)<br>City of Compton<br><br>205 S Willowbrook Ave<br><br>Compton CA 90220 |  | <b>AGENT or BROKER</b> 07867-0001<br>(Name and Business Address)<br><br>AON RISK INSURANCE SERVICES WEST INC.<br><br>707 WILSHIRE BOULEVARD<br>SUITE 2600<br>LOS ANGELES CA 90017 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**LOAN DISCLOSURE**

| Total Premiums, Taxes and Fees | Cash Down Payment | Unpaid Premium Balance | Documentary Stamp Tax<br>(only applicable in Florida) | Amount Financed<br>(amount of credit provided on your behalf) | FINANCE CHARGE<br>(dollar amount the credit will cost you) | Total of Payments<br>(amount paid after making all scheduled payments) | ANNUAL PERCENTAGE RATE<br>(cost of credit as a yearly rate) |
|--------------------------------|-------------------|------------------------|-------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------|
| 1,534,953.65                   | 537,233.78        | 997,719.87             | 0.00                                                  | 997,719.87                                                    | 30,029.76                                                  | 1,027,749.63                                                           | 5.990                                                       |

**YOUR PAYMENT SCHEDULE WILL BE:**Mail Payments to: **FIRST Insurance Funding Corp., PO Box 66468, Chicago, IL 60666-0468**

| Number of Payments | Amount of Each Payment | First Installment Due | Beginning |
|--------------------|------------------------|-----------------------|-----------|
| 3                  | 342,583.21             | Installment Due Dates | Quarterly |

**SECURITY INTEREST.** The named insured (herein referred to as "Insured") grants LENDER a security interest in the financed policies and any additional premiums required under the financed policies, including (but only to the extent permitted by applicable law) all return premiums, dividend payments (not applicable in KY), and loss payments which reduce unearned premium, subject to any mortgagee or loss payee interest. If any circumstances exist in which all premiums related to any financed policy could become fully earned in the event of loss, LENDER shall be named a loss-payee with respect to such policy.

**FINANCE CHARGE.** The finance charge begins accruing on the earliest effective date of the policies listed in the Schedule of Policies. The finance charge may include a nonrefundable service charge equal to the maximum amount permitted by law (\$10 in AK, DE, NY & PA; \$25 in NV; \$12 in NJ; \$15 in NC, RI & VA; \$16 in MA; \$20 in FL). The finance charge is computed using a 365-day calendar year.

**LATE PAYMENT.** A late charge will be assessed on any installment at least 5 days in default (7 days in VA or such later date as required by applicable law. 10 days in MA & TX). This late charge will equal 5% of the delinquent installment or the maximum late charge permitted by applicable law, whichever is less (greater of \$10 or 5% in FL; greater of \$25 or 1.5% in NJ; \$5 maximum in DE, MT and ND; \$100 maximum in MD; 5% in VA).

**PREPAYMENT.** The Insured is entitled to a refund of part or all of the unearned finance charge if the loan is prepaid in full prior to the last installment due date. The refund shall be computed according to applicable law subject to any nonrefundable service charge. In VA the refund shall be calculated using the short rate method. In CA the rebate is in compliance with *Cal Fin Code § 18629*.

**SCHEDULE OF POLICIES**

| Policy Number                      | Full Name of Insurance Company and Name of General Agent or Company Office to Which Premium is Paid | Coverage                    | Policy Term | Effective Date                               | Premiums, Taxes and Fees       |
|------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------|-------------|----------------------------------------------|--------------------------------|
| CCP006837900                       | 02743-001 - American Zurich Insurance Co                                                            | CRME<br>[ME%: 0.000 CX: 10] | 12          | 07-01-2014<br>FIN TXS/FEEES<br>ERN TXS/FEEES | 11,985.00<br>0.00<br>300.00    |
| TBD                                | 03510-001 - Illinois Union Insurance Co                                                             | D&O<br>[ME%: 0.000 CX: 10]  | 12          | 07-01-2014<br>FIN TXS/FEEES<br>ERN TXS/FEEES | 289,528.00<br>9,264.90<br>0.00 |
| (Policies continued on next page.) |                                                                                                     |                             |             | TOTAL                                        | 1,534,953.65                   |

Q#:000002687211 CONT TYPE:STD PRN:061214 CFG:InternalSPRT:Pin-0.5F CRD:0 BP:Bill P/F:4,988.60 F/D: 000 SUB:FINCODEFAULT DOWN

**INSURED'S AGREEMENT:**

1. In consideration of the premium payment being advanced by LENDER to the insurance companies listed in the Schedule of Policies, their representative or the Agent or Broker listed above, the Insured promises to pay, to the order of LENDER, the Total of Payments subject to all of the provisions set forth in this Agreement.

2. **POWER OF ATTORNEY.** INSURED IRREVOCABLY APPOINTS LENDER AS ITS "ATTORNEY-IN-FACT" with full power of substitution and full authority, in the event of default under this Agreement, to (i) cancel the financed policies in accordance with the provisions contained herein, (ii) receive all sums assigned to LENDER, and (iii) execute and deliver on behalf of the Insured all documents, forms and notices relating to the insurance policies listed on the Schedule of Policies in furtherance of this Agreement (clauses (ii) and (iii) are not applicable in Florida). Insured agrees that this right to cancel will terminate only after all of Insured's indebtedness under this Agreement is paid in full.

3. **SIGNATURE & ACKNOWLEDGEMENT.** Insured has signed and received a copy of this Agreement. If the Insured is not an individual, the undersigned is authorized to sign this Agreement on behalf of the Insured. All named Insured(s), jointly and severally if more than one, agree to all provisions set forth in this Agreement. Insured acknowledges and understands that entry into this financing arrangement is not required as a condition for obtaining insurance coverage.

**NOTICE TO INSURED:** (1) Do not sign this Agreement before you read both pages of it, or if it contains any blank space. (2) You are entitled to a completely filled-in copy of this Agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to receive a partial refund of the finance charge. (4) Keep your copy of this Agreement to protect your legal rights.

Signature of Insured or Authorized Agent

Date

Signature of Agent

Date

The undersigned hereby warrants and agrees to the Agent or Broker  
Representations and Warranties set forth herein.

FIF0214Q

## SCHEDULE OF POLICIES

Insured: City of Compton  
Quote#: 000002687211

| Policy Number   | Full Name of Insurance Company and Name of General Agent or Company Office to Which Premium is Paid | Coverage                           | Policy Term | Effective Date                             | Premiums, Taxes and Fees           |
|-----------------|-----------------------------------------------------------------------------------------------------|------------------------------------|-------------|--------------------------------------------|------------------------------------|
| 10000005058     | 00695-001 - Star Insurance Company<br>000375 - Swett & Crawford                                     | GL<br>[ME%: 25.000 CX: 10]         | 12          | 07-01-2014<br>FIN TXS/FEES<br>ERN TXS/FEES | 318,239.00<br>0.00<br>14,698.41    |
| SZ685           | 00103-001 - Affiliated FM Insurance Co                                                              | PROP<br>[ME%: 0.000 CX: 10]        | 12          | 07-01-2014<br>FIN TXS/FEES<br>ERN TXS/FEES | 120,642.00<br>0.00<br>3,300.00     |
| CPN10004038900  | 13033-001 - ENDURANCE AMERICAN SPECIALTY<br>000861 - Brown & Riding                                 | DIC<br>[ME%: 25.000 CX: 10]        | 12          | 07-01-2014<br>FIN TXS/FEES<br>ERN TXS/FEES | 125,211.00<br>4,006.75<br>6,410.55 |
| MAX4XP0064376   | 03677-001 - ALTERRA EXCESS & SURPLUS INSURANCE<br>000861 - Brown & Riding                           | DIC<br>[ME%: 25.000 CX: 10]        | 12          | 07-01-2014<br>FIN TXS/FEES<br>ERN TXS/FEES | 59,500.00<br>1,904.00<br>3,570.00  |
| DCX261563       | 03283-001 - Colony Insurance Company<br>000861 - Brown & Riding                                     | DIC<br>[ME%: 25.000 CX: 10]        | 12          | 07-01-2014<br>FIN TXS/FEES<br>ERN TXS/FEES | 48,500.00<br>1,552.00<br>3,887.50  |
| LLO01182        | 85202-001 - Lloyds of London<br>000861 - Brown & Riding                                             | DIC<br>[ME%: 25.000 CX: 10]        | 12          | 07-01-2014<br>FIN TXS/FEES<br>ERN TXS/FEES | 48,500.00<br>1,552.00<br>3,452.50  |
| WC2013EPP000096 | 04676-001 - New York Marine And Gen Ins Co<br>002799 - MIDLANDS MANAGEMENT CORPORATION              | WC<br>[ME%: 0.000 CX: 10]<br>[AU ] | 12          | 07-01-2014<br>FIN TXS/FEES<br>ERN TXS/FEES | 263,720.00<br>0.00<br>300.00       |
| 6420313003      | 02363-001 - New Hampshire Insurance Co                                                              | GL<br>[ME%: 0.000 CX: 10]          | 12          | 07-01-2014<br>FIN TXS/FEES<br>ERN TXS/FEES | 7,985.00<br>0.00<br>300.00         |
| srg0009128709   | 02351-001 - National Union Fire Ins Co PA                                                           | LIAB<br>[ME%: 0.000 CX: 10]        | 12          | 07-01-2014<br>FIN TXS/FEES<br>ERN TXS/FEES | 15,504.00<br>0.00<br>300.00        |
| WAS0000386      | 03292-311 - Scottsdale Insurance Co<br>000375 - Swett & Crawford                                    | AUTO<br>[ME%: 0.000 CX: 10]        | 12          | 07-01-2014<br>FIN TXS/FEES<br>ERN TXS/FEES | 81,222.00<br>2,599.10<br>4,500.00  |
| XLS0088989      | 03292-311 - Scottsdale Insurance Co<br>000375 - Swett & Crawford                                    | AUTO<br>[ME%: 0.000 CX: 10]        | 12          | 07-01-2014<br>FIN TXS/FEES<br>ERN TXS/FEES | 29,237.00<br>935.58<br>1,700.00    |
| SRPGA1010413    | 02136-100 - US FIRE INS CO<br>000375 - Swett & Crawford                                             | GL<br>[ME%: 0.000 CX: 10]          | 12          | 07-01-2014<br>FIN TXS/FEES<br>ERN TXS/FEES | 19,492.00<br>0.00<br>2,359.36      |
| IH3916318503    | 02225-001 - Hanover Insurance Company                                                               | EQPT<br>[ME%: 0.000 CX: 10]        | 12          | 07-01-2014<br>FIN TXS/FEES<br>ERN TXS/FEES | 28,496.00<br>0.00<br>300.00        |

ADDITIONAL PROVISIONS OF PREMIUM FINANCE AGREEMENT

Insured: City of Compton  
Quote#: 000002687211

#9.

4. **EFFECTIVE DATE.** This Agreement will not become effective until it is accepted in writing by LENDER.
5. **DEFAULT/CANCELLATION.** Insured is in default under this Agreement if (a) a payment is not received by LENDER when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against Insured, or (c) Insured fails to comply with any of the terms of this Agreement; provided, however, when required by applicable law, Insured may be deemed in default only under clause (a) above. Clauses (b) and (c) are not applicable in FL, MD, NV, NC or VA. At any time after default, LENDER can demand and has the right to receive immediate payment of the total unpaid amount due under this Agreement even if LENDER has not received any refund of unearned premium. If the Insured is in default, LENDER has no further obligation under this Agreement to pay premiums on the Insured's behalf, and LENDER may pursue any of the remedies provided in this Agreement or by applicable law. If a default by the Insured results in cancellation of any insurance policy listed in the Schedule of Policies, the Insured agrees to pay a cancellation charge where allowed by applicable law (not permitted in AK, FL, KS, KY, NV, NY, NC, PA, SC, TX or VA). If cancellation occurs, where permitted by law, the Insured agrees to pay LENDER interest on the balance due at the contract rate or at the maximum lawful rate, whichever is less, until the balance is paid in full or until such other date as provided by applicable law.
6. **RETURNED CHECK CHARGE.** If an Insured's check is dishonored for any reason and if permitted by law, the Insured will pay LENDER a returned check charge equal to the maximum fee permitted by law (not permitted in KY; \$15 in FL & NV; \$20 in VA; maximum of \$25 in MD).
7. **REINSTATEMENT.** Once a Notice of Cancellation has been sent to any insurance company, LENDER has no duty to rescind it or to ask that the policy be reinstated, even if LENDER later receives a payment from Insured. In the event LENDER requests reinstatement, such request does not guarantee that coverage will be reinstated by the insurance company. Payments that LENDER receives after sending a Notice of Cancellation may be applied to Insured's account without changing any of LENDER's rights under this Agreement.
8. **LENDER'S RIGHTS AFTER THE POLICIES ARE CANCELLED.** After any financed policy is cancelled, whether by LENDER, the Insured, or the insurance companies listed in the Schedule of Policies, LENDER has the right to receive all unearned premiums and other funds assigned to LENDER as security herein and to apply them to Insured's unpaid balance under this Agreement or any other agreement between the Insured and LENDER (in VA, only to policies financed under this Agreement). Receipt of unearned premiums does not constitute payment of installments to LENDER, in full or in part. If the amount received is more than the amount owed by Insured, any excess amount will be refunded to Insured; the minimum refund is \$1.00 (no minimum in VA). If the amount received is less than the amount owed by Insured, Insured will be responsible for the deficiency. Insured agrees that insurance companies may rely exclusively on LENDER's representations about the financed policies.
9. **ASSIGNMENT.** Insured may not assign any policy without LENDER's written consent. However, LENDER's consent is not needed to add mortgagees or other persons as loss payees to financed policies. LENDER may transfer its rights under this Agreement to anyone without the consent of Insured.
10. **AGENT OR BROKER.** Insured agrees that the insurance Agent or Broker issuing the policies or through whom the policies were issued is not the agent of LENDER, except for any action taken on behalf of LENDER with the express authority of LENDER, and LENDER is not bound by anything the Agent or Broker represents to the Insured, orally or in writing, that is not contained in this Agreement. The agent or broker may receive from LENDER \$ 4,988.60 for aiding in the administration of the premium finance agreement relating to the premiums financed in this agreement (Not applicable in VA).
11. **COLLECTION COSTS.** Insured agrees to pay reasonable attorney fees, court costs, and other collection costs to LENDER to the extent permitted by law if this Agreement is referred to an attorney or collection agent who is not a salaried employee of LENDER to collect money that Insured owes (not permitted in KY or MD).
12. **LIABILITY.** Insured understands and agrees that LENDER is not liable to Insured or any person or entity upon the exercise of LENDER's right of cancellation, except in the event of willful or intentional misconduct by LENDER. This provision is not permitted in KY.
13. **GOVERNING LAW.** This Agreement is governed by and interpreted under the laws of the state where the Insured resides, except for conflict of laws principles thereof. If any court finds any part of this Agreement to be invalid, such finding shall not affect the remaining provisions of this Agreement.
14. **WARRANTY OF ACCURACY.** The Insured represents and warrants that to the best of its knowledge (i) the insurance policies listed in the Schedule of Policies are in full force and effect and that the Insured has not and will not assign any interest in the policies except for the interest of mortgagees and loss payees, (ii) that unless disclosed on Page 1, none of the policies listed in the Schedule of Policies are for personal, family or household purposes, (iii) the Cash Down Payment and any past due payments have been paid in full to the agent in cash or other immediately available funds, (iv) all information provided herein or in connection with this Agreement is true, correct, complete and not misleading, (v) no proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against Insured, (vi) the Insured has no indebtedness to the insurers issuing the listed policies and none of those insurers have asserted any claims for payment against the Insured, and (vii) there is no term or provision in any listed policies that would require LENDER to notify or obtain consent from any other party to effect cancellation of such policies.
15. **ADDITIONAL PREMIUMS.** Funds paid by LENDER shall be applied to the premium amounts listed in this Agreement and Insured shall be responsible for any additional premiums or other sums. Insured, or Agent/Broker, may request that LENDER finance additional policies and/or additional premium during the term of this Agreement, and if LENDER agrees, this Agreement shall be deemed amended accordingly. Should LENDER assign an account number to further extensions of credit, then a) this Agreement and loan documents identified by the assigned account number(s) shall be deemed to comprise a single and indivisible loan transaction, b) Insured shall irrevocably appoint LENDER as its attorney in fact in connection with additional amount financed, c) default under any component of the transaction shall constitute a default under the entire transaction, and d) unearned premium relating to any component of the transaction may be collected and applied to the entire loan transaction balance.
16. **AUDIT AND REPORTING FORM POLICIES.** If any financed policies are auditable, reporting form policies or subject to retrospective rating, the Insured agrees to fully comply with all audits and pay to the insurance company the earned premium computed in accordance with the policy provisions which is in excess of the amount of premium advanced by LENDER and retained by the insurance company.
17. **CORRECTIONS.** LENDER may insert the names of the insurance companies and policy numbers, if this information is not known at the time Insured signs this Agreement. LENDER is authorized to correct patent errors or omissions in this Agreement (not applicable in KY or VA).

AGENT OR BROKER REPRESENTATIONS AND WARRANTIES

The Agent or Broker executing this Agreement represents, warrants, and agrees:

- (1) The Insured has received a copy of this Agreement and has authorized this transaction, the Insured's signature is genuine and the cash down payment has been received from the Insured, (2) the listed policies are in full force and effect, and the information contained in the Schedule of Policies including the premium amount is correct, except for assigned risk policies where the actual premium amount may be unknown at this time, (3) the Agent or Broker is either the insurer's authorized policy issuing agent or the broker placing the coverage directly with the insurer, except where the name of the Issuing Agent or General Agent is listed in the Schedule of Policies, (4) no direct company bill, audit, or reporting form policies, or policies subject to retrospective rating or to minimum earned premium, are included, except as previously disclosed in writing to LENDER, and the deposit of provisional premiums is not less than anticipated premiums to be earned for the full term of the policies, (5) the policies can be cancelled by the Insured or LENDER (or its successors and assigns) with proper notice, and the unearned premiums will be computed on the standard short rate or pro rata table except as previously disclosed in writing to LENDER, (6) to the best of the undersigned's knowledge and belief, there are no bankruptcy, receivership, or insolvency proceedings affecting the Insured, (7) to hold LENDER, its successors and assigns harmless against any loss or expense (including attorney fees) resulting from violations of these Representations and Warranties or from errors, omissions, or inaccuracies of Agent or Broker in preparing this Agreement, (8) to pay all reasonable attorney fees, courts costs, and other collection costs incurred by LENDER in recovering amounts due from the Agent or Broker in connection with any breach of these Agent or Broker Representations and Warranties, (9) to indemnify LENDER for any and all losses LENDER incurs as a result of any error committed by the Agent or Broker in completing or failing to complete any portion of this Agreement, and (10) to hold in trust for LENDER any payments made or credited to the insured through or to the undersigned directly or indirectly, actually or constructively by the insurance companies or LENDER and to pay the monies as well as the unearned commissions to LENDER upon demand to satisfy the outstanding indebtedness of the Insured.

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FIF0214Q





## **Renewal Proposal for Policy Period**

**July 1, 2014 - 2015**

*Presented to City of Compton*

*June 11, 2014*

Beth Cardall Leehy, Broker/Sr. Account Specialist  
Aon Risk Insurance Services West, Inc.  
707 Wilshire Blvd., Suite 2500  
Los Angeles CA 90017  
CA Corporate License Number 0363334

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This insurance document is furnished to you as a matter of information for your convenience. It only summarizes the listed proposed policy(ies) and is not intended to reflect all the terms and conditions or exclusions of such proposed policy(ies). Moreover, the information contained in this document reflects proposed coverage as of the effective date(s) of the proposed policy(ies) and does not include subsequent changes. This document is not an insurance policy and does not amend, alter or extend the coverage afforded by the listed proposed policy(ies). The insurance afforded by the listed proposed policy(ies) is subject to all the terms, exclusions and conditions of such policy(ies).

The services and placements outlined in this proposal will be provided in accordance with the terms of the notices and policies set forth in our Compensation Agreement or Engagement Letter.

## I. Executive Summary

- *As we have discussed over the last several months, the commercial insurance marketplace is experiencing a contraction, causing premium to rise generally across all lines of coverage. This contraction, combined with several losses, is driving premium increases in property and especially on the executive liability lines. Workers' compensation premium continues to be volatile, with some clients seeing premium increases in the 25% to 50% range year over year. While the DIC market seems to be fairly stable, we believe next year will see DIC premium increases in the 10% to 15% range.*
- *Overall, the total program premium is up about 7% from last year. The majority of this increase is due to the crime, directors & officers and excess workers' compensation policies.*
- Details:
  - *Executive Lines: Because ACE quoted a large increase in premium from the expiring AIG D&O policy last year, we requested a flat renewal this year. We also requested a flat renewal from Fidelity & Deposit on the Crime policy for the same reason.*
  - *Difference in Conditions: As for the last few policy terms, carrier participation sharing the \$25M in primary and excess limits still remains the most cost effective structure for the City's earthquake and Flood exposures. Our approved wholesaler, Brown & Riding, was again able to successfully market, coordinate and secure the renewal program with a small **decrease** in premium from expiring, even with the 2% increase in values.*
  - *Auto Physical Damage: The incumbent, The Hanover Group, quoted the program with expiring rate formation, terms and conditions. However, because of the addition of the Fire Department mobile equipment, premium is up from \$9,300 to \$28,025.*
  - *Excess Workers' Compensation: New York Marine and General Ins. Co., the incumbent, continues to offer the best premium. Although there is a 5% increase in rate from \$1.0225 to \$1.0736, the payroll reported is down, resulting in a reduction in the deposit premium.*
  - *Public Entities Liability: The market is continuing to harden, evidenced generally in higher premiums and retentions. However, CV Starr quoted the excess program with a decrease in premium (based upon lower budget figures). This is a flat premium, not subject to audit.*
  - *Special General Liability and Automobile Coverages: The special events and transportation products were marketed to our specialty carriers with renewal premiums quoted up slightly compared to expiring along with unchanged terms and conditions. The Dial-A-Ride program premium with Scottsdale came in below the annualized expiring premium, primarily due to the reduction in fleet vehicles from 8 to 6 busses and moving the physical damage coverage to the CAPP program.*
- Please refer to the disclosure regarding Aon's contractual agreements and ownership interest in insurers and intermediaries (available at [www.aon.com/market\\_relationships](http://www.aon.com/market_relationships)).

## Insured's Acknowledgment and Instruction to Bind

We hereby acknowledge receipt and review of the information presented in the Renewal Proposal ("Proposal") dated 06/11/2014 for crime, D&O/EPL, GL, Property, DIC, Xs WC, Sports GL & AD&D, Dial-A-Ride Auto liability, Auto PD, Blue Line Farmers' Market GL, Dollarhide GL & AD&D and provided in the attached Quote Disclosure Report (QDR) dated 06/11/2014. We hereby instruct Aon Risk Services to bind the insurance program(s) selected by us and understand that our instruction to bind constitutes an acceptance of the terms and conditions and payments described in this Renewal Proposal. We also acknowledge that, in further consideration of the services provided by ARS in connection with the quoted coverage(s) that we have selected from the QDR, we agree to pay ARS supplemental fee(s) as set forth in the Supplemental Fee Agreement ("Agreement") included in this Proposal.

We consent to the procedure whereby Aon will place or renew additional general liability, accident, auto policies and/or, surety bonds we are likely to need in the twelve months following this program inception with the insurers we have selected. We understand that Aon will advise us of any variances in premium rates, coverages, terms or conditions applicable to specific projects and/or locations for our approval prior to binding them.

Date: \_\_\_\_\_

On behalf of City of Compton



## II. Details of Coverage / Policy Term / Premium

### Crime

| Description           | 11-12 Expired AIG                                                                    |             | 12-13 Expiring AIG                                                                   |             | 13-14 Expiring Zurich/F&D                                                                          |             | 14-15 Proposed Zurich/F&D                                                                          |             |
|-----------------------|--------------------------------------------------------------------------------------|-------------|--------------------------------------------------------------------------------------|-------------|----------------------------------------------------------------------------------------------------|-------------|----------------------------------------------------------------------------------------------------|-------------|
| Premium               | Actual                                                                               | \$18,919    | Premium                                                                              | \$21,266    | Premium                                                                                            | \$11,767    | Premium                                                                                            | \$11,985    |
|                       | Policy Admin Fee                                                                     | 300         | Policy Admin Fee                                                                     | 300         | Policy Admin Fee                                                                                   | 300         | Policy Admin Fee                                                                                   | 300         |
|                       | Total                                                                                | \$19,219    | Total                                                                                | \$21,566    | Total                                                                                              | \$12,067    | Total                                                                                              | \$12,285    |
| Security              | National Union Fire Ins Co of Pittsburgh, Pa. (Chartis Insurance Co.) A.M. Best A XV |             | National Union Fire Ins Co of Pittsburgh, Pa. (Chartis Insurance Co.) A.M. Best A XV |             | Fidelity and Deposit Company of Maryland Inc. (Zurich Financial Services NA Group) A.M. Best A+ XV |             | Fidelity and Deposit Company of Maryland Inc. (Zurich Financial Services NA Group) A.M. Best A+ XV |             |
| Limits and Deductible | Emp Theft                                                                            | \$1,000,000 | Emp Theft                                                                            | \$1,000,000 | Emp Theft/Loss                                                                                     | \$1,000,000 | Emp Theft/Loss                                                                                     | \$1,000,000 |
|                       | Forgery/Alteration                                                                   | \$1,000,000 | Forgery/Alteration                                                                   | \$1,000,000 | Forgery/Alteration                                                                                 | \$1,000,000 | Forgery/Alteration                                                                                 | \$1,000,000 |
|                       | Theft Inside                                                                         | \$1,000,000 | Theft Inside                                                                         | \$1,000,000 | Theft Inside                                                                                       | \$1,000,000 | Theft Inside                                                                                       | \$1,000,000 |
|                       | Robbery/Theft                                                                        | \$1,000,000 | Robbery/Theft                                                                        | \$1,000,000 | Robbery/Theft                                                                                      | \$1,000,000 | Robbery/Theft                                                                                      | \$1,000,000 |
|                       | Theft Outside                                                                        | \$1,000,000 | Theft Outside                                                                        | \$1,000,000 | Theft Outside                                                                                      | \$1,000,000 | Theft Outside                                                                                      | \$1,000,000 |
|                       | Computer Fraud                                                                       | \$1,000,000 | Computer Fraud                                                                       | \$1,000,000 | Computer Fraud                                                                                     | \$1,000,000 | Computer Fraud                                                                                     | \$1,000,000 |
|                       | Trans Fraud                                                                          | \$1,000,000 | Trans Fraud                                                                          | \$1,000,000 | Trans Fraud                                                                                        | \$1,000,000 | Trans Fraud                                                                                        | \$1,000,000 |
|                       | Counterfeit                                                                          | \$1,000,000 | Counterfeit                                                                          | \$1,000,000 | Counterfeit                                                                                        | \$1,000,000 | Counterfeit                                                                                        | \$1,000,000 |
|                       | Deductible                                                                           | \$10,000    | Deductible                                                                           | \$10,000    | Deductible                                                                                         | \$50,000    | Deductible                                                                                         | \$50,000    |

## Directors & Officers and Employment Practices Liability

| Description           | 2011-12 Expired AIG                                                                                                                                                                                                                                                                                                                              | 2012-13 Expiring AIG                                                                                                                                                                                                                                                                                                                             | 2013-14 Proposed ACE/Illinois Union                                                                                                                                                                                                                                                                      | 14-15 Proposed ACE/Illinois Union                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pure Premium          | Premium \$35,051<br>Policy Admin Fee 300<br>Total \$35,351                                                                                                                                                                                                                                                                                       | Premium \$55,627<br>Policy Admin Fee 300<br>Total \$55,927                                                                                                                                                                                                                                                                                       | Premium \$295,000<br>CA Taxes/Fees 9,440<br>Total \$304,440                                                                                                                                                                                                                                              | Premium \$289,528<br>CA Taxes/Fees 9,265<br>Total \$298,792                                                                                                                                                                                                                                                                                                                           |
| Security              | National Union Fire Ins Co of Pittsburgh, Pa. (Chartis Insurance Co)<br>A.M. Best A XV                                                                                                                                                                                                                                                           | National Union Fire Ins Co of Pittsburgh, Pa. (Chartis Insurance Co)<br>A.M. Best A XV                                                                                                                                                                                                                                                           | Illinois Union Is. Co. (ACE INA Group) A.M. Best A++ XV                                                                                                                                                                                                                                                  | Illinois Union Is. Co. (ACE INA Group) A.M. Best A++ XV                                                                                                                                                                                                                                                                                                                               |
| Limits and Deductible | Limit of Liability \$1,000,000<br>SIR \$75,000                                                                                                                                                                                                                                                                                                   | Limit of Liability \$1,000,000<br>SIR \$250,000                                                                                                                                                                                                                                                                                                  | Limit of Liability \$1,000,000<br>IA.1 SIR \$250,000<br>IA.2 SIR 500,000<br>IB SIR 500,000<br>IC SIR 500,000<br><br>A. Public Official Liability<br>B Public Entity Reimbursement & Public Entity Liability<br>C Employment Practices Liability                                                          | Limit of Liability \$1,000,000<br>IA.1 SIR 250,000<br>IA.2 SIR <b>250,000</b><br>IB SIR 500,000<br>IC SIR 500,000<br><br>B. Public Official Liability<br>B Public Entity Reimbursement & Public Entity Liability<br>C Employment Practices Liability                                                                                                                                  |
| Terms & Conditions    | <ul style="list-style-type: none"> <li>Outside Entity Endorsement</li> <li>California Punitive Damages Law Endorsement</li> <li>No Liability Provision Deleted</li> <li>Notice of Claim (Reporting by Email)</li> <li>Not-For-Profit Protector Amendatory Endorsement</li> <li>Severability of the Application Amendatory Endorsement</li> </ul> | <ul style="list-style-type: none"> <li>Outside Entity Endorsement</li> <li>California Punitive Damages Law Endorsement</li> <li>No Liability Provision Deleted</li> <li>Notice of Claim (Reporting by Email)</li> <li>Not-For-Profit Protector Amendatory Endorsement</li> <li>Severability of the Application Amendatory Endorsement</li> </ul> | <ul style="list-style-type: none"> <li>Notice of Claim (Reporting by Email)</li> <li>Extended Reporting Period 12 months for 100% of annual premium</li> <li>\$25,000 Crisis Management Fund included</li> <li>Service of Suit Endst.</li> <li>Cap on Losses from Certified Acts of Terrorism</li> </ul> | <ul style="list-style-type: none"> <li>Notice of Claim (Reporting by Email)</li> <li>Extended Reporting Period 12 months for 100% of annual premium</li> <li>\$25,000 Crisis Management Fund included</li> <li>Service of Suit Endst.</li> <li>Cap on Losses from Certified Acts of Terrorism</li> <li>Access to EPL Risk Management Services</li> <li><b>FACTA Endst.</b></li> </ul> |



| Description    | 2011-12 Expired AIG                                                                                                                                                                                                                                                              | 2012-13 Expiring AIG                                                                                                                                                                                                                                                             | 2013-14 Proposed ACE/Illinois Union                                                                                                                                                                                                                                                                                                                                                                                                              | 14-15 Proposed ACE/Illinois Union                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Exclusions     | <ul style="list-style-type: none"> <li>• Exclusion (J) Amended (FLSA)</li> <li>• Nuclear Energy Liability Exclusion Endorsement (Broad Form)</li> <li>• Captive Insurance Company Exclusion</li> <li>• Commissions Exclusion</li> <li>• Organization Patent Exclusion</li> </ul> | <ul style="list-style-type: none"> <li>• Exclusion (J) Amended (FLSA)</li> <li>• Nuclear Energy Liability Exclusion Endorsement (Broad Form)</li> <li>• Captive Insurance Company Exclusion</li> <li>• Commissions Exclusion</li> <li>• Organization Patent Exclusion</li> </ul> | <ul style="list-style-type: none"> <li>• Prior Act Exclusion: July 1, 2013</li> <li>• Excludes EPL claims from Fire Department</li> <li>• Trade or Economic Sanctions</li> <li>• Bonds</li> <li>• Bankruptcy</li> <li>• Specific Claims Exclusion: <ul style="list-style-type: none"> <li>○ Layoffs</li> <li>○ Voting Rights</li> <li>○ Bradford</li> <li>○ Porter</li> <li>○ Anderson</li> <li>○ Garcia</li> <li>○ Glass</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Prior Act Exclusion: July 1, 2013</li> <li>• Excludes EPL claims from Fire Department</li> <li>• Trade or Economic Sanctions</li> <li>• Bonds</li> <li>• Bankruptcy</li> <li>• Specific Claims Exclusion: <ul style="list-style-type: none"> <li>○ Layoffs</li> <li>○ Voting Rights</li> <li>○ Bradford</li> <li>○ Porter</li> <li>○ Anderson</li> <li>○ Garcia</li> <li>○ Glass</li> </ul> </li> <li>• <b>False Claims Acts</b></li> <li>• <b>Conditional Exclusion of Terrorism</b></li> <li>• <b>TRIPRA Sunset Notice Conditional Exclusion</b></li> </ul> |
| Subjectivities | <ul style="list-style-type: none"> <li>• N/A</li> </ul>                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>• N/A</li> </ul>                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>• N/A</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>• Receipt of FYE 2012 <b>Audited</b> financials <b>prior to binding</b></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

## Special Excess General Liability for Public Entities

| Description                                    | 2011-12 Expired AIG                                                                                                                                                                                                                                                       | 2012-13 Expiring Starr                                                                                                                                                                                      | 2013-14 Proposed Starr                                                                                                                                                                                      | 14-15 Proposed Starr                                                                                                                                                                                        |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Premium                                        | Primary: \$10M<br>Actual \$311,781<br>Policy Admin Fee 300<br>Aon Service Fee 14,030<br>Total \$326,111<br>Excess: \$5M xs \$10M<br>Actual \$60,641<br>Surplus Lines Tax 1,810<br>Stamping Fee 151<br>Aon Service Fee 2,715<br>Total \$65,317<br>Combined Total \$391,428 | Actual (\$15M) \$306,500<br>Policy Admin Fee 300<br>Aon Service Fee 11,647<br>Total 318,447                                                                                                                 | Premium (\$15M) \$305,899<br>Policy Admin Fee 300<br>Aon Service Fee 13,765<br>Total \$319,964                                                                                                              | Premium (\$15M) \$318,239<br>Policy Admin Fee 300<br>Aon Service Fee 14,398<br>Total \$332,937                                                                                                              |
| Security                                       | The Insurance Company of the State of Pennsylvania (Chartis Insurance Company) AM Best A XV                                                                                                                                                                               | Starr Indemnity & Liability Co. (Starr International Group) AM Best A XIV                                                                                                                                   | Starr Indemnity & Liability Co. (Starr International Group) AM Best A XIV                                                                                                                                   | Starr Indemnity & Liability Co. (Starr International Group) AM Best A XIV                                                                                                                                   |
| Limits and Deductible                          | Prod/Compltd Ops \$15,000,000<br>E&O Liability Agg, 15,000,000<br>Emp Ben E&O Agg 15,000,000<br>Emp Ben E&O/occ 15,000,000<br>SIR/occ 750,000                                                                                                                             | Prod/Com Ops Agg \$15,000,000<br>E&O Liability Agg, 15,000,000<br>EPL/occ 15,000,000<br>EPL/Agg 15,000,000<br>Emp Ben E&O/Agg 15,000,000<br>Emp Ben E&O/ occ 15,000,000<br>SIR 750,000                      | Prod/Com Ops Agg \$15,000,000<br>E&O Liability Agg, 15,000,000<br>EPL/occ 15,000,000<br>EPL/Agg 15,000,000<br>Emp Ben E&O/Agg 15,000,000<br>Emp Ben E&O/ occ 15,000,000<br>SIR 750,000                      | Prod/Com Ops Agg \$15,000,000<br>E&O Liability Agg, 15,000,000<br>EPL/occ 15,000,000<br>EPL/Agg 15,000,000<br>Emp Ben E&O/Agg 15,000,000<br>Emp Ben E&O/ occ 15,000,000<br>SIR 750,000                      |
| Terms & Conditions include but not limited to: | <ul style="list-style-type: none"> <li>Special Excess Liab Policy for Public Entities Dec</li> <li>Economic or Trade Sanctions Cond Endt</li> <li>Act of Terrorism Retained Limit Endorsement</li> </ul>                                                                  | <ul style="list-style-type: none"> <li>Special Excess Liab Policy for Public Entities Dec</li> <li>Economic or Trade Sanctions Cond Endt</li> <li>California Cancellation/Nonrenewal Endorsement</li> </ul> | <ul style="list-style-type: none"> <li>Special Excess Liab Policy for Public Entities Dec</li> <li>Economic or Trade Sanctions Cond Endt</li> <li>California Cancellation/Nonrenewal Endorsement</li> </ul> | <ul style="list-style-type: none"> <li>Special Excess Liab Policy for Public Entities Dec</li> <li>Economic or Trade Sanctions Cond Endt</li> <li>California Cancellation/Nonrenewal Endorsement</li> </ul> |
| Exclusions include but not limited to:         | <ul style="list-style-type: none"> <li>No Fault, UM/UIM Motorist</li> <li>Time Element Exclusion</li> </ul>                                                                                                                                                               | <ul style="list-style-type: none"> <li>No Fault, UM/UIM Motorist</li> <li>Time Element Exclusion</li> </ul>                                                                                                 | <ul style="list-style-type: none"> <li>No Fault, UM/UIM Motorist</li> <li>Time Element Exclusion</li> </ul>                                                                                                 | <ul style="list-style-type: none"> <li>No Fault, UM/UIM Motorist</li> <li>Time Element Exclusion</li> </ul>                                                                                                 |



## Property

| Description                                    | 2011-12 Expired Affiliated FM                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2012-13 Expired Affiliated FM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2013-14 Expiring Affiliated FM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 14-15 Proposed Affiliated FM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pure Premium                                   | Actual \$87,831<br>Engineering Fee 3,000<br>Policy Admin Fee 300<br>Total \$91,081                                                                                                                                                                                                                                                                                                                                                                                                                | Actual \$96,381<br>Engineering Fee 3,000<br>Policy Admin Fee 300<br>Total \$99,681                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Premium \$110,000<br>Engineering Fee 3,000<br>Policy Admin Fee 300<br>Total \$113,300                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Premium \$120,642<br>Engineering Fee 3,000<br>Policy Admin Fee 300<br>Total \$123,942<br>% Change 8.59%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Security                                       | Affiliated FM Insurance Company (FM Global) A.M. Best A+ XV                                                                                                                                                                                                                                                                                                                                                                                                                                       | Affiliated FM Insurance Company (FM Global) A.M. Best A+ XV                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Affiliated FM Insurance Company (FM Global) A.M. Best A+ XV                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Affiliated FM Insurance Company (FM Global) A.M. Best A+ XV                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| TIV                                            | \$124,066,769<br>% Change (2009) 28%                                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$132,495,558<br>% Change 7%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$150,021,448<br>% Change 13%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$164,535,266<br>% Change 9.8%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Limits and Deductible                          | Limit of Liability \$100,000,000<br>Deductible \$10,000                                                                                                                                                                                                                                                                                                                                                                                                                                           | Limit of Liability \$131,000,000<br>Deductible \$10,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Limit of Liability \$150,000,000<br>Deductible \$10,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Limit of Liability \$164,000,000<br>Deductible \$10,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Terms & Conditions include but not limited to: | <ul style="list-style-type: none"> <li>• Declarations</li> <li>• All Risk Property Coverage</li> <li>• Business Interruption Endorsement Gross Earnings/Rents/Extra Expense</li> <li>• Green Coverage Endorsement</li> <li>• California Amendatory Endorsement</li> <li>• Supplemental United States Certified Acts of Terrorism Endorsement</li> <li>• Application of Policy to Date and Time Recognition</li> <li>• Boiler &amp; Machinery and EQSL are included to the Policy Limit</li> </ul> | <ul style="list-style-type: none"> <li>• California Standard Form Fire Insurance Policy</li> <li>• Declarations</li> <li>• All Risk Property Coverage</li> <li>• Business Interruption Endorsement Gross Earnings/Rents/Extra Expense</li> <li>• Green Coverage Endorsement</li> <li>• Includes Golf Greens</li> <li>• California Amendatory Endorsement</li> <li>• Supplemental United States Certified Acts of Terrorism Endorsement</li> <li>• Application of Policy to Date and Time Recognition</li> <li>• Earthquake Sprinkler Leakage (EQSL) is included to the Policy Limit</li> </ul> | <ul style="list-style-type: none"> <li>• California Standard Form Fire Insurance Policy</li> <li>• Declarations</li> <li>• All Risk Property Coverage</li> <li>• Business Interruption Endorsement Gross Earnings/Rents/Extra Expense</li> <li>• Green Coverage Endorsement</li> <li>• Includes Golf Greens</li> <li>• California Amendatory Endorsement</li> <li>• Supplemental United States Certified Acts of Terrorism Endorsement</li> <li>• Application of Policy to Date and Time Recognition</li> <li>• Earthquake Sprinkler Leakage (EQSL) is included to the Policy Limit</li> </ul> | <ul style="list-style-type: none"> <li>• California Standard Form Fire Insurance Policy</li> <li>• Declarations</li> <li>• All Risk Property Coverage</li> <li>• Business Interruption Endorsement Gross Earnings/Rents/Extra Expense</li> <li>• Green Coverage Endorsement</li> <li>• Includes Golf Greens</li> <li>• California Amendatory Endorsement</li> <li>• Supplemental United States Certified Acts of Terrorism Endorsement</li> <li>• Application of Policy to Date and Time Recognition</li> <li>• Earthquake Sprinkler Leakage (EQSL) is included to the Policy Limit</li> </ul> |

## Difference In Conditions

### Security

| Description            | 2011-12 Expired                                                                                                                                                                                                                                                                                                                                                                  | 2012-13 Expired                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2013-14 Expiring                                                                                                                                                                                                                                                                                                                                                                                                                                      | 14-15 Proposed                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Structure and Security | <ul style="list-style-type: none"> <li>\$10MM Primary: Endurance American Specialty Insurance Company (Endurance Specialty Group); A.M. Best A XV</li> <li>\$5MM part of \$10MM xs \$10MM: Essex Insurance Company (Markel Corp. Group); A.M. Best A XIII</li> <li>\$5MM part of \$10MM xs \$10MM and \$5MM xs \$20MM: Underwriters at Lloyd's, London; A.M Best A XV</li> </ul> | <ul style="list-style-type: none"> <li>\$5MM Primary: Endurance American Specialty Insurance Company (Endurance Specialty Group); A.M. Best A XV</li> <li>\$5MM xs \$5MM: Alterra Excess &amp; Surplus Ins. Co. (Alterra Capital US Group), A. M. Best A XIV</li> <li>\$8MM part of \$15MM xs \$10MM: Axis Surplus Ins, Co. (Axis Ins. Group); A.M Best A XV</li> <li>\$7MM part of \$15MM xs \$10MM: Underwriters at Lloyd's, London; A.M Best A XV</li> </ul> | <ul style="list-style-type: none"> <li>\$5MM Primary: Endurance American Specialty Insurance Company (Endurance Specialty Group); A.M. Best A XV</li> <li>\$5MM xs \$5MM: Alterra Excess &amp; Surplus Ins. Co. (Alterra Capital US Group), A. M. Best A XIV</li> <li>\$7.5MM part of \$15MM xs \$15MM: Colony Insurance Company; A.M Best A XII</li> <li>\$7.5MM part of \$15MM xs \$15MM: Underwriters at Lloyd's, London; A.M Best A XV</li> </ul> | <ul style="list-style-type: none"> <li>\$5MM Primary: Endurance American Specialty Insurance Company (Endurance Specialty Group); A.M. Best A XV</li> <li>\$5MM xs \$5MM: Alterra Excess &amp; Surplus Ins. Co. (Alterra Capital US Group), A. M. Best A XIV</li> <li>\$7.5MM part of \$15MM xs \$15MM: Colony Insurance Company; A.M Best A XII</li> <li>\$7.5MM part of \$15MM xs \$15MM: Underwriters at Lloyd's, London; A.M Best A XV</li> </ul> |
| Total Insured Values   | TIV \$131,571,499                                                                                                                                                                                                                                                                                                                                                                | TIV \$138,021,449                                                                                                                                                                                                                                                                                                                                                                                                                                               | TIV \$150,021,449                                                                                                                                                                                                                                                                                                                                                                                                                                     | TIV \$164,535,266                                                                                                                                                                                                                                                                                                                                                                                                                                     |

### Premium

| Description  | 2011-12 Expired                                                                                                                    | 2012-13 Expired                                                                                                   | 2013-14 Expiring                                                                                                 | 14-15 Proposed                                                                                                                                               |
|--------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total \$25MM | Actual \$230,000<br>Company Fees 450<br>CA Taxes & Fees 7,489<br>Broker Fee 6,125<br>Aon Service Fee 4,325<br>Total Cost \$248,389 | Actual \$253,000<br>Inspection Fee 450<br>CA Taxes & Fees 8,237<br>Aon Service Fee 14,008<br>Total Cost \$275,695 | Premium \$274,989<br>Company Fees 700<br>CA Taxes & Fees 8,822<br>Aon Service Fee 16,342<br>Total Cost \$300,853 | Premium \$287,711<br>Company Fees 700<br>CA Taxes & Fees 9,015<br>Aon Service Fee 16,621<br>Total Cost \$308,047<br>Premium % Change +2%<br>TIV % Change 10% |
| Primary      | Premium (\$10M) \$117,000<br>Company Fee 150<br>CA Taxes & Fees 3,807<br>Broker Fee 2,925                                          | Premium (\$5M) \$105,000<br>Company Fee 150<br>CA Taxes & Fees 3,417<br>Aon Service Fee 5,250                     | Premium (\$5M) \$114,121<br>Company Fee 150<br>CA Taxes & Fees 3,657<br>Aon Service Fee 5,706                    | Premium (\$5M) \$125,211<br>Company Fee 150<br>CA Taxes & Fees 4,007<br>Aon Service Fee 6,261                                                                |



|               |                   |              |                 |              |                 |              |                 |              |
|---------------|-------------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
|               | Aon Service Fee   | <u>2,925</u> | Total           | \$113,817    | Total           | \$123,634    | Total           | \$135,629    |
|               | Total             | \$126,807    |                 |              |                 |              |                 |              |
| First Excess  | Premium (10 x 10) | \$88,000     | Premium (5 x 5) | \$57,500     | Premium (5 x 5) | \$62,500     | Premium (5 x 5) | \$59,500     |
|               | CA Taxes & Fees   | 2,860        | CA Taxes & Fees | 1,869        | CA Taxes & Fees | 2,000        | CA Taxes & Fees | 1,904        |
|               | Broker Fee        | 2,200        | Aon Service Fee | <u>2,875</u> | Aon Service Fee | <u>3,750</u> | Aon Service Fee | <u>3,570</u> |
|               | Aon Service Fee   | <u>1,100</u> | Total           | \$62,244     | Total           | \$68,250     | Total           | \$64,974     |
|               | Total             | \$94,160     |                 |              |                 |              |                 |              |
| Second Excess | Premium (5M)      | \$25,000     | Premium (15M)   | \$90,500     | Premium (15M)   | \$98,368     | Premium (15M)   | \$97,000     |
|               | Company Fee       | 300          | Company Fee     | 300          | Company Fee     | 550          | Company Fee     | 550          |
|               | CA Taxes & Fees   | 822          | CA Taxes & Fees | 2,951        | CA Taxes & Fees | 3,165        | CA Taxes & Fees | 3,104        |
|               | Broker Fee        | 1,000        | Aon Service Fee | <u>5,883</u> | Aon Service Fee | <u>6,886</u> | Aon Service Fee | <u>6,790</u> |
|               | Aon Service Fee   | <u>300</u>   | Total           | \$99,634     | Total           | \$108,969    | Total           | \$107,444    |
|               | Total             | \$27,422     |                 |              |                 |              |                 |              |

## Terms and Conditions

| Description                                    | 2011 - 2012 Expired                                                                                                        | 2012 – 2013 Expired                                                                                                                                                                   | 2013 – 2014 Expiring                                                                                                                                                                  | 2014 – 2015 Proposed                                                                                                                                                                  |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Terms & Conditions include but not limited to: | <ul style="list-style-type: none"> <li>Actual Loss Sustained – Time Element</li> <li>25% Minimum Earned Premium</li> </ul> | <ul style="list-style-type: none"> <li>Actual Loss Sustained – Time Element</li> <li>25% Minimum Earned Premium</li> <li>Includes Golf courses and other land improvements</li> </ul> | <ul style="list-style-type: none"> <li>Actual Loss Sustained – Time Element</li> <li>25% Minimum Earned Premium</li> <li>Includes Golf courses and other land improvements</li> </ul> | <ul style="list-style-type: none"> <li>Actual Loss Sustained – Time Element</li> <li>25% Minimum Earned Premium</li> <li>Includes Golf courses and other land improvements</li> </ul> |

## Excess Workers' Compensation and Employer's Liability

| Description                                    | 11-12 ACE Expired                                                                                               | 12-13 NYMAGIC Expired                                                                                                                                                                                                                                                                                                                                         | 13-14 NYMAGIC Expiring                                                                                                                                                                                                                                                                                                                                        | 14-15 NYMAGIC Proposed                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Premium                                        | Premium \$249,723<br>Policy Admin Fee 300<br>Total \$250,023                                                    | Premium \$290,193<br>Policy Admin Fee 300<br>Total \$290,493<br>Min Earned Prem \$261,173                                                                                                                                                                                                                                                                     | Premium \$262,791<br>Policy Admin Fee 300<br>Total \$263,091<br>Min Earned Prem \$236,512                                                                                                                                                                                                                                                                     | Premium \$263,720<br>Policy Admin Fee 300<br>Total \$264,020<br>Min Earned Prem \$237,348                                                                                                                                                                                                                                                                     |
| Security                                       | ACE American Ins. Co. (ACE INA Group)<br>A. M. Best A+ XV                                                       | New York Marine General Insurance Company;<br>A.M. Best Rated A IX                                                                                                                                                                                                                                                                                            | New York Marine General Insurance Company;<br>A.M. Best Rated A IX                                                                                                                                                                                                                                                                                            | New York Marine General Insurance Company;<br>A.M. Best Rated A IX                                                                                                                                                                                                                                                                                            |
| Limits and Deductible                          | Work Comp \$10,000,000<br>EL incl Stop Gap 1,000,000<br>EL @ Acc 1,000,000<br>EL @ Emp/Disease 1,000,000        | Workers' Comp \$10,000,000<br>EL @ Acc 1,000,000<br>EL @ Emp/Disease 1,000,000                                                                                                                                                                                                                                                                                | Workers' Comp \$10,000,000<br>EL @ Acc 1,000,000<br>EL @ Emp/Disease 1,000,000                                                                                                                                                                                                                                                                                | Workers' Comp \$10,000,000<br>EL @ Acc 1,000,000<br>EL @ Emp/Disease 1,000,000                                                                                                                                                                                                                                                                                |
| Retention                                      | Each Accident 1,000,000<br>Ea Emp for disease 1,000,000                                                         | Each accident 1,000,000<br>Ea Emp for disease 1,000,000                                                                                                                                                                                                                                                                                                       | Each accident 1,000,000<br>Ea Emp for disease 1,000,000<br>Presumptive Losses 1,500,000                                                                                                                                                                                                                                                                       | Each accident 1,000,000<br>Ea Emp for disease 1,000,000<br>Presumptive Losses 1,500,000                                                                                                                                                                                                                                                                       |
| Exposure and Rating                            | Audited Payroll \$24,403,711<br>Rate/\$100 Payroll \$1.0233                                                     | Audited Payroll \$22,161,157<br>Rate/\$100 Payroll \$1.0225                                                                                                                                                                                                                                                                                                   | Est Payroll \$24,403,711<br>Rate/\$100 Payroll \$1.0736                                                                                                                                                                                                                                                                                                       | Est Payroll \$23,264,217<br>Payroll % Change -5%<br>Rate/\$100 Payroll \$1.1273<br>Rate % Change 5%                                                                                                                                                                                                                                                           |
| Terms & Conditions include but not limited to: | <ul style="list-style-type: none"> <li>TPA: Self-Administered</li> <li>Claims Audit may be required.</li> </ul> | <ul style="list-style-type: none"> <li>TPA: Self-Administered</li> <li>Claims Audit may be required.</li> <li>Any occurrence, claim, suit or proceeding for which the <i>estimated amount of loss</i>, including legal fees and expenses, equal's 50% or more of the retention set forth in Declarations or \$100,000, whichever amount is lesser.</li> </ul> | <ul style="list-style-type: none"> <li>TPA: Self-Administered</li> <li>Claims Audit may be required.</li> <li>Any occurrence, claim, suit or proceeding for which the <i>estimated amount of loss</i>, including legal fees and expenses, equal's 50% or more of the retention set forth in Declarations or \$100,000, whichever amount is lesser.</li> </ul> | <ul style="list-style-type: none"> <li>TPA: Self-Administered</li> <li>Claims Audit may be required.</li> <li>Any occurrence, claim, suit or proceeding for which the <i>estimated amount of loss</i>, including legal fees and expenses, equal's 50% or more of the retention set forth in Declarations or \$100,000, whichever amount is lesser.</li> </ul> |
| Subjectivities                                 | <ul style="list-style-type: none"> <li>N/A.</li> </ul>                                                          | <ul style="list-style-type: none"> <li>N/A</li> </ul>                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li></li> </ul>                                                                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>Require Full implementation of safety/loss control program and acceptable self claims administration protocols approved by</li> </ul>                                                                                                                                                                                  |



| Description | 11-12 ACE Expired | 12-13 NYMAGIC Expired | 13-14 NYMAGIC Expiring | 14-15 NYMAGIC Proposed                                                                                                                                                                                                                                                                                              |
|-------------|-------------------|-----------------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             |                   |                       |                        | <p>NYMAGIC throughout the policy period</p> <ul style="list-style-type: none"><li>• Explanation for adverse development for 12/1/2010 fatality loss.</li><li>• Confirm no temporary student workers currently being used.</li><li>• Receipt of the 14-15 financial budget and FYE 2012 audited financials</li></ul> |

## Sports Athletic Participant General Liability

| Description                                    | 2011-12 Expired AIG                                                                                                                                                                                                 | 2012-13 Expired AIG                                                                                                                                                                                                 | 2013-14 Expiring AIG                                                                                                                                                                                                | 14-15 Proposed AIG                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Premium                                        | Premium \$5,584<br>CA Taxes & Fees 182<br>Total \$5,766                                                                                                                                                             | Premium \$5,276<br>Policy Admin Fee 300<br>Total \$5,576                                                                                                                                                            | Premium \$6,382<br>Policy Admin. Fee 300<br>Total \$6,682                                                                                                                                                           | Premium \$7,985<br>Policy Admin. Fee 300<br>Total \$8,285                                                                                                                                                                                                                                                                                 |
| Security                                       | Lexington Insurance Company (American International Group) A. M. Best A XV                                                                                                                                          | New Hampshire Ins. Co.(American International Group) A. M. Best A XV                                                                                                                                                | New Hampshire Ins. Co. (American International Group) A. M. Best A XV                                                                                                                                               | New Hampshire Ins. Co. (American International Group) A. M. Best A XV                                                                                                                                                                                                                                                                     |
| Limits and Deductible                          | Per Occ \$1,000,000<br>General Agg 3,000,000<br>Pers and Adv Inj 1,000,000<br>Prod/Comp Ops Agg 1,000,000<br>Fire Damage 100,000<br>Sexual Abuse/occ 100,000<br>Sexual Abuse Agg 300,000                            | Per Occ \$1,000,000<br>General Agg 3,000,000<br>Pers and Adv Inj 1,000,000<br>Prod/Comp Ops Agg 1,000,000<br>Fire Damage 100,000<br>Sexual Abuse/occ 100,000<br>Sexual Abuse Agg 300,000                            | Per Occ \$1,000,000<br>General Agg 3,000,000<br>Pers and Adv Inj 1,000,000<br>Prod/Comp Ops Agg 1,000,000<br>Fire Damage 100,000<br>Sexual Abuse/occ 100,000<br>Sexual Abuse Agg 300,000                            | Per Occ \$1,000,000<br>General Agg 3,000,000<br>Pers and Adv Inj 1,000,000<br>Prod/Comp Ops Agg 1,000,000<br>Fire Damage 300,000<br>Sexual Abuse/occ 100,000<br>Sexual Abuse Agg 300,000                                                                                                                                                  |
| Terms & Conditions include but not limited to: | <ul style="list-style-type: none"> <li>Additional Insured - Promoters</li> <li>Attendance limitation – 10,000 participants</li> <li>Release and Waiver Requirement</li> <li>25% minimum earned premium</li> </ul>   | <ul style="list-style-type: none"> <li>Additional Insured - Promoters</li> <li>Attendance limitation – 10,000 participants</li> <li>Release and Waiver Requirement</li> <li>25% minimum earned premium</li> </ul>   | <ul style="list-style-type: none"> <li>Additional Insured - Promoters</li> <li>Attendance limitation – 10,000 participants</li> <li>Release and Waiver Requirement</li> <li>25% minimum earned premium</li> </ul>   | <ul style="list-style-type: none"> <li>Additional Insured - Promoters</li> <li>Attendance limitation – 10,000 participants</li> <li>Release and Waiver Requirement</li> <li>25% minimum earned premium</li> <li>Must maintain A&amp;H Medical Coverage with minimum limit of \$25,000, Participant Waivers and Code of Conduct</li> </ul> |
| Exclusions include but not limited to:         | <ul style="list-style-type: none"> <li>Specified Activities – see quote for list</li> <li>Medical Payments – Coverage C</li> <li>Abuse &amp; Molestation</li> <li>War Liability</li> <li>Sports/Leisure/</li> </ul> | <ul style="list-style-type: none"> <li>Specified Activities – see quote for list</li> <li>Medical Payments – Coverage C</li> <li>Abuse &amp; Molestation</li> <li>War Liability</li> <li>Sports/Leisure/</li> </ul> | <ul style="list-style-type: none"> <li>Specified Activities – see quote for list</li> <li>Medical Payments – Coverage C</li> <li>Abuse &amp; Molestation</li> <li>War Liability</li> <li>Sports/Leisure/</li> </ul> | <ul style="list-style-type: none"> <li>Specified Activities – see quote for list (including skate boarding)</li> <li>Medical Payments – Coverage C</li> <li>Abuse &amp; Molestation</li> <li>War Liability</li> </ul>                                                                                                                     |



|                |                                                                                                                                               |                                                                                                                                               |                                                                                                                                                                        |                                                                                                                                                                                                                                                 |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | Entertainment Activities and Devices <ul style="list-style-type: none"> <li>Assault and/or Battery</li> <li>Fireworks/Pyrotechnics</li> </ul> | Entertainment Activities and Devices <ul style="list-style-type: none"> <li>Assault and/or Battery</li> <li>Fireworks/Pyrotechnics</li> </ul> | Entertainment Activities and Devices <ul style="list-style-type: none"> <li>Assault and/or Battery</li> <li>Fireworks/Pyrotechnics</li> </ul>                          | <ul style="list-style-type: none"> <li>Sports/Leisure/Entertainment Activities and Devices</li> <li>Assault and/or Battery</li> <li>Fireworks/Pyrotechnics</li> </ul>                                                                           |
| Subjectivities | <ul style="list-style-type: none"> <li>N/A</li> </ul>                                                                                         | <ul style="list-style-type: none"> <li>N/A</li> </ul>                                                                                         | <ul style="list-style-type: none"> <li>Copy of Insured's Code of Conduct Rules</li> <li>Copy of Standard Participants' Waiver</li> <li>No Known Loss letter</li> </ul> | <ul style="list-style-type: none"> <li>Copy of Insured's Code of Conduct Rules</li> <li>Copy of Standard Participants' Waiver</li> <li>Chartis Sports GL App</li> <li>No known loss letter</li> <li>Signature on Aon Advisory letter</li> </ul> |

## Sports Athletic Participants Accidental Death and Dismemberment

| Description                            | 11-12 Expired AIG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 12-13 Expiring AIG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 13-14 Proposed AIG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 14-15 Proposed ACE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Premium                                | Actual \$13,164<br>Policy Admin Fee 300<br>Total \$13,464                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Premium \$14,064<br>Policy Admin Fee 300<br>Total \$14,364                                                                                                                                                                                                                                                                                                                                                                                                                                                | Premium \$18,240<br>Policy Admin Fee 300<br>Total \$18,540                                                                                                                                                                                                                                                                                                                                                                                                                                                | Premium \$15,504<br>Policy Admin Fee 300<br>Total \$15,804                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Security                               | National Union Fire Ins Co of Pittsburgh, Pa. (American International Group) A. M. Best A XV                                                                                                                                                                                                                                                                                                                                                                                                              | National Union Fire Ins Co of Pittsburgh, Pa. (American International Group) A. M. Best A XV                                                                                                                                                                                                                                                                                                                                                                                                              | New Hampshire Ins. Co. (American International Group) A. M. Best A XV                                                                                                                                                                                                                                                                                                                                                                                                                                     | New Hampshire Ins. Co. (American International Group) A. M. Best A XV                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Limits and Deductible                  | AD & D Benefit Max \$5,000<br>Excess Medical Max 25,000<br>52 weeks max, subject to a \$250 Corridor Deductible,<br>Accident Agg \$500,000                                                                                                                                                                                                                                                                                                                                                                | AD & D Benefit Max \$5,000<br>Excess Medical Max 25,000<br>52 weeks max, subject to a \$250 Corridor Deductible<br>Accident Agg \$500,000                                                                                                                                                                                                                                                                                                                                                                 | AD & D Benefit Max \$5,000<br>Excess Medical Max 25,000<br>52 weeks max, subject to a \$250 Corridor Deductible<br>Accident Agg \$500,000                                                                                                                                                                                                                                                                                                                                                                 | AD & D Benefit Max 5,000<br>Xs Medical Max 25,000<br>365 days max, subject to a \$250 Corridor Deductible<br>Accident Agg \$500,000                                                                                                                                                                                                                                                                                                                                                                       |
| Exclusions include but not limited to: | <ul style="list-style-type: none"> <li>• Suicide or other intentionally self-inflicted injuries</li> <li>• Insured's commission of or attempt to commit a felony</li> <li>• Infections</li> <li>• War</li> <li>• Full-time active duty in armed forces</li> <li>• Travel or flight</li> <li>• Under the influence</li> <li>• Stroke, cardiovascular event, myocardial infarction, coronary thrombosis, aneurysm, etc.</li> <li>• Workers' compensation</li> <li>• Motor vehicle speed contests</li> </ul> | <ul style="list-style-type: none"> <li>• Suicide or other intentionally self-inflicted injuries</li> <li>• Insured's commission of or attempt to commit a felony</li> <li>• Infections</li> <li>• War</li> <li>• Full-time active duty in armed forces</li> <li>• Travel or flight</li> <li>• Under the influence</li> <li>• Stroke, cardiovascular event, myocardial infarction, coronary thrombosis, aneurysm, etc.</li> <li>• Workers' compensation</li> <li>• Motor vehicle speed contests</li> </ul> | <ul style="list-style-type: none"> <li>• Suicide or other intentionally self-inflicted injuries</li> <li>• Insured's commission of or attempt to commit a felony</li> <li>• Infections</li> <li>• War</li> <li>• Full-time active duty in armed forces</li> <li>• Travel or flight</li> <li>• Under the influence</li> <li>• Stroke, cardiovascular event, myocardial infarction, coronary thrombosis, aneurysm, etc.</li> <li>• Workers' compensation</li> <li>• Motor vehicle speed contests</li> </ul> | <ul style="list-style-type: none"> <li>• Suicide or other intentionally self-inflicted injuries</li> <li>• Insured's commission of or attempt to commit a felony</li> <li>• Infections</li> <li>• War</li> <li>• Full-time active duty in armed forces</li> <li>• Travel or flight</li> <li>• Under the influence</li> <li>• Stroke, cardiovascular event, myocardial infarction, coronary thrombosis, aneurysm, etc.</li> <li>• Workers' compensation</li> <li>• Motor vehicle speed contests</li> </ul> |



## Dial A Ride Auto and Excess Auto Liability

| Description                                          | 11-12 Expired Scottsdale                                                                                                                                                                                                                                           | 12-13 Expiring Scottsdale                                                                                                                                                                                                                                          | 13-14 Expiring Scottsdale<br>(annualized – 8 veh)                                                                                                                                                                                                                  | 14-15 Proposed<br>Scottsdale (6 veh)                                                                                                                                                                                                                               |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Premium                                              | Primary Liability<br>Premium \$61,141<br>CATaxes/Fees 1,987<br>Broker Fee 3,600<br>Total - Primary \$66,728<br>Excess Liability<br>Premium \$16,795<br>CA Taxes/Fees 546<br>Broker Fee 1,000<br>Total - Excess \$18,341<br>Combined Total \$85,069                 | Primary Liability<br>Premium \$61,885.00<br>CA Taxes/Fees 2,012<br>Broker Fee 3,700<br>Total - Primary \$67,596<br>Excess Liability<br>Premium \$16,779<br>CA Taxes/Fees 545<br>Broker Fee 1,000<br>Total - Excess \$18,324<br>Combined Total \$85,921             | Primary Liability<br>Premium \$121,701<br>CA Taxes/Fees 3,894<br>Broker Fee 7,302<br>Total - Primary \$132,897<br>Excess Liability<br>Premium \$19,999<br>CA Taxes/Fees 640<br>Broker Fee 1,200<br>Total - Excess \$21,839<br>Combined Total \$154,736             | Primary Liability<br>Premium \$81,222<br>CA Taxes/Fees 2,599<br>Broker Fee 4,500<br>Total - Primary \$88,321<br>Excess Liability<br>Premium \$29,237<br>CA Taxes/Fees 936<br>Broker Fee 1,700<br>Total - Excess \$31,873<br>Combined Total \$120,194               |
| Security                                             | Scottsdale Ins. Co.<br>(Nationwide Group) A. M.<br>Best A+ XV                                                                                                                                                                                                      | Scottsdale Ins. Co.<br>(Nationwide Group) A. M.<br>Best A+ XV                                                                                                                                                                                                      | Scottsdale Ins. Co.<br>(Nationwide Group) A. M.<br>Best A+ XV                                                                                                                                                                                                      | Scottsdale Ins. Co.<br>(Nationwide Group) A. M.<br>Best A+ XV                                                                                                                                                                                                      |
| Limits and Deductibles                               | Primary<br>Liability/occ \$1,000,000<br>Liability deductible 2,500<br>Medical 1,000<br>Comp & Coll Ded 1,000<br>Excess<br>Each occ \$10,000,000<br>Annual agg 10,000,000                                                                                           | Primary<br>Liability/occ \$1,000,000<br>Liability deductible 2,500<br>Medical 1,000<br>Comp & Coll Ded 1,000<br>Excess<br>Each occ \$10,000,000<br>Annual agg 10,000,000                                                                                           | Primary<br>Liability/occ \$1,000,000<br>Liability deductible 2,500<br>Medical 1,000<br>Comp & Coll Ded 1,000<br>Excess<br>Each occ \$10,000,000<br>Annual agg 10,000,000                                                                                           | Primary<br>Liability/occ \$1,000,000<br>Liability deductible 2,500<br>Medical 1,000<br>Excess<br>Each occ \$10,000,000<br>Annual agg 10,000,000                                                                                                                    |
| Terms and conditions include but are not limited to: | <ul style="list-style-type: none"> <li>• 25% minimum earned premium</li> <li>• Scheduled public transportation vehicles only</li> <li>• Mileage limitation – 100 miles from the City of Compton</li> <li>• Designated Insured – State of California DOT</li> </ul> | <ul style="list-style-type: none"> <li>• 25% minimum earned premium</li> <li>• Scheduled public transportation vehicles only</li> <li>• Mileage limitation – 100 miles from the City of Compton</li> <li>• Designated Insured – State of California DOT</li> </ul> | <ul style="list-style-type: none"> <li>• 25% minimum earned premium</li> <li>• Scheduled public transportation vehicles only</li> <li>• Mileage limitation – 100 miles from the City of Compton</li> <li>• Designated Insured – State of California DOT</li> </ul> | <ul style="list-style-type: none"> <li>• 25% minimum earned premium</li> <li>• Scheduled public transportation vehicles only</li> <li>• Mileage limitation – 100 miles from the City of Compton</li> <li>• Designated Insured – State of California DOT</li> </ul> |

|                                        |                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                               |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                        | <ul style="list-style-type: none"> <li>Additional Insured – Lessor: Creative Bus Sales</li> </ul>                                                                                                                                 | <ul style="list-style-type: none"> <li>Additional Insured – Lessor: Creative Bus Sales</li> </ul>                                                                                                                                 | <ul style="list-style-type: none"> <li>Additional Insured – Lessor: Creative Bus Sales</li> </ul>                                                                                                                                 | <ul style="list-style-type: none"> <li>Additional Insured – Lessor: Creative Bus Sales</li> </ul>                                                                                                                                                                                             |
| Exclusions include but not limited to: | <b>Primary:</b> <ul style="list-style-type: none"> <li>Punitive Damages</li> <li>Sexual and/or Physical Abuse</li> </ul> <b>Excess:</b> <ul style="list-style-type: none"> <li>All of the above and:</li> <li>Asbestos</li> </ul> | <b>Primary:</b> <ul style="list-style-type: none"> <li>Punitive Damages</li> <li>Sexual and/or Physical Abuse</li> </ul> <b>Excess:</b> <ul style="list-style-type: none"> <li>All of the above and:</li> <li>Asbestos</li> </ul> | <b>Primary:</b> <ul style="list-style-type: none"> <li>Punitive Damages</li> <li>Sexual and/or Physical Abuse</li> </ul> <b>Excess:</b> <ul style="list-style-type: none"> <li>All of the above and:</li> <li>Asbestos</li> </ul> | <b>Primary:</b> <ul style="list-style-type: none"> <li>Punitive Damages</li> <li>Sexual and/or Physical Abuse</li> <li><b>Physical Damage (covered under CAPP policy)</b></li> </ul> <b>Excess:</b> <ul style="list-style-type: none"> <li>All of the above and:</li> <li>Asbestos</li> </ul> |
| Subjectivities:                        | N/A                                                                                                                                                                                                                               | N/A                                                                                                                                                                                                                               | N/A                                                                                                                                                                                                                               | <ol style="list-style-type: none"> <li>Completed Auto and Excess applications</li> <li>Confirm VIN for 2002 Ford (may be a 2001)</li> </ol>                                                                                                                                                   |



## Blue Line Farmers' Market General Liability

| Description                                    | 13-14 Annual Premium                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 14 15 Annual Premium                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Premium                                        | Premium \$19,702<br>Broker Fee 500<br>Policy Admin Fee 300<br>Total \$20,502                                                                                                                                                                                                                                                                                                                                                                                                                    | Premium \$19,492<br>Broker Fee 500<br>Policy Admin Fee 300<br>Aon Service Fee 1,559<br>Total \$21,851                                                                                                                                                                                                                                                                                                                                                                                           |
| Security                                       | United States Fire Insurance Company (Fairfax Financial (USA) Group) A. M. Best A XII                                                                                                                                                                                                                                                                                                                                                                                                           | United States Fire Insurance Company (Fairfax Financial (USA) Group) A. M. Best A XII                                                                                                                                                                                                                                                                                                                                                                                                           |
| Limits and Deductible                          | General Agg \$1,000,000<br>Prod/Comp Ops Agg 1,000,000<br>Pers and Adv Inj 1,000,000<br>Per Occ 1,000,000<br>Fire Damage 300,000<br>Medical Exp/person 5,000<br>Hired/Nonowned Auto Liab 500,000                                                                                                                                                                                                                                                                                                | General Agg \$1,000,000<br>Prod/Comp Ops Agg 1,000,000<br>Pers and Adv Inj 1,000,000<br>Per Occ 1,000,000<br>Fire Damage 300,000<br>Medical Exp/person 5,000<br>Hired/Nonowned Auto Liab 500,000                                                                                                                                                                                                                                                                                                |
| Terms & Conditions include but not limited to: | <ul style="list-style-type: none"> <li>• Occurrence-Form policy</li> <li>• Coverage issued through Sports &amp; Recreation Providers Assn Purchasing Group</li> </ul>                                                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>• Occurrence-Form policy</li> <li>• Coverage issued through Sports &amp; Recreation Providers Assn Purchasing Group</li> <li>• \$6,240.62 credit for unearned portion of current policy</li> </ul>                                                                                                                                                                                                                                                       |
| Exclusions include but not limited to:         | <ul style="list-style-type: none"> <li>• Claims by Athletic Participants</li> <li>• War</li> <li>• Terrorism</li> <li>• Expected or Intended Injury</li> <li>• Sexual Abuse/Molestation</li> <li>• Asbestos</li> <li>• Nuclear Energy</li> <li>• Total Pollution, Fungi or Bacteria</li> <li>• Aircraft or Watercraft</li> <li>• Pyrotechnics</li> <li>• Employment Related Practices</li> <li>• Communicable Disease (Hepatitis, TSE, HIV, HTLV, or AIDS)</li> <li>• Lead Liability</li> </ul> | <ul style="list-style-type: none"> <li>• Claims by Athletic Participants</li> <li>• War</li> <li>• Terrorism</li> <li>• Expected or Intended Injury</li> <li>• Sexual Abuse/Molestation</li> <li>• Asbestos</li> <li>• Nuclear Energy</li> <li>• Total Pollution, Fungi or Bacteria</li> <li>• Aircraft or Watercraft</li> <li>• Pyrotechnics</li> <li>• Employment Related Practices</li> <li>• Communicable Disease (Hepatitis, TSE, HIV, HTLV, or AIDS)</li> <li>• Lead Liability</li> </ul> |

**Options: General Aggregate and Products/Completed Operations Limit can be increased from \$1 million to \$2 million for additional premium of \$955; to \$3 million for additional premium of \$1,959; or to \$4 million for additional premium of \$3,013**

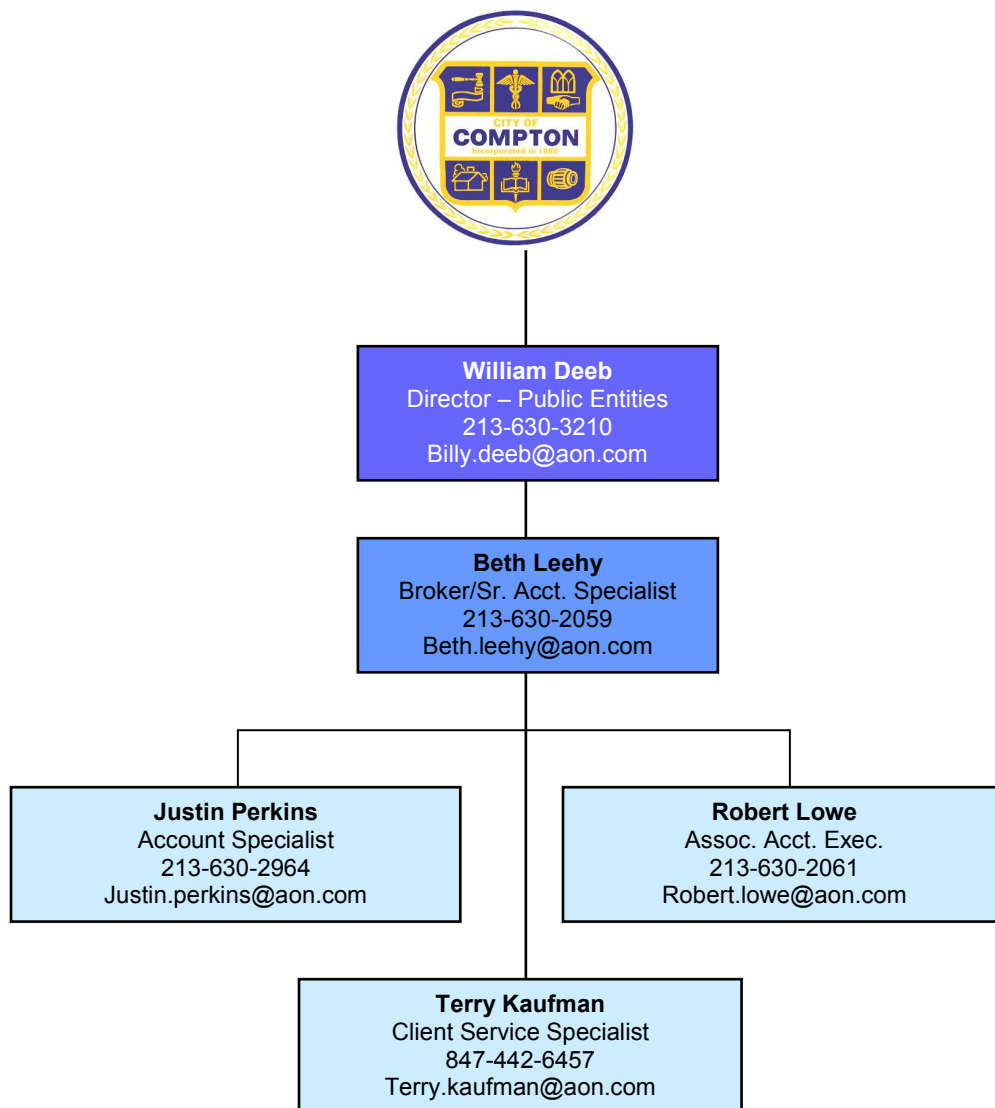
## Commercial Auto Physical Damage Program (CAPP)

| Auto Physical Damage (CAPP) | 10-11 Expired Travelers                                                                                          | 12-13 Expired Hanover                                                                                                                                                                                                                                                                  | 13-14 Expiring Hanover                                                                                                                                                                                                                                                                 | 14-15 Proposed Hanover                                                                                                                                                                                                                                                                                                                       |
|-----------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Security                    | Travelers Property Casualty Co. of America (Travelers Insurance Companies) A. M. Best rated A+ XV                | Hanover Ins. Co. (Hanover Insurance Group) A. M. Best rated A+ XV                                                                                                                                                                                                                      | Hanover Ins. Co. (Hanover Insurance Group) A. M. Best rated A+ XV                                                                                                                                                                                                                      | Hanover Ins. Co. (Hanover Insurance Group) A. M. Best rated A+ XV                                                                                                                                                                                                                                                                            |
| Premium                     | Annualized Premium \$9,517<br>Policy Fee 300<br>Total \$9,817                                                    | Annualized Premium \$7,734<br>Policy Fee 300<br>Total \$8,034<br>Audit waived (\$0 premium)                                                                                                                                                                                            | Premium \$9,300<br>Policy Fee 300<br>Total \$9,600<br><b>Audit expected for \$8,987 for increase in values (FD equip)</b>                                                                                                                                                              | Premium \$28,496<br>Policy Fee 300<br>Total \$28,796                                                                                                                                                                                                                                                                                         |
| Audit basis                 | Inception values + expiration/renewal values ÷ 2 x rate                                                          | Reporting annually at 50% of Rate Pro Rata for owned equipment plus flat rate for leased and rented equipment                                                                                                                                                                          | Reporting annually at 50% of Rate Pro Rata for owned equipment plus flat rate for leased and rented equipment                                                                                                                                                                          | Reporting annually at 50% of Rate Pro Rata for owned equipment plus flat rate for leased and rented equipment                                                                                                                                                                                                                                |
| Total Insurable Values      | At inception \$2,633,509                                                                                         | At inception \$3,299,326                                                                                                                                                                                                                                                               | At inception \$3,229,326<br>At expiration 9,470,434                                                                                                                                                                                                                                    | At inception \$9,894,413                                                                                                                                                                                                                                                                                                                     |
| Rate                        | Rate per \$100 \$0.350                                                                                           | Rate per \$100 \$0.288                                                                                                                                                                                                                                                                 | Rate per \$100 \$0.288                                                                                                                                                                                                                                                                 | Rate per \$100 \$0.288                                                                                                                                                                                                                                                                                                                       |
| Limits                      | Limit of Liability \$5,000,000                                                                                   | Limit per piece \$1,000,000<br>Policy Limit 5,000,000                                                                                                                                                                                                                                  | Limit per piece \$1,000,000<br>Policy Limit 5,000,000                                                                                                                                                                                                                                  | Limit per piece \$1,000,000<br>Policy Limit 5,000,000                                                                                                                                                                                                                                                                                        |
| Deductibles                 | Per Occurrence \$5,000                                                                                           | Per Occurrence \$5,000                                                                                                                                                                                                                                                                 | Per Occurrence \$5,000                                                                                                                                                                                                                                                                 | Per Occurrence \$5,000                                                                                                                                                                                                                                                                                                                       |
| Valuation                   | <ul style="list-style-type: none"> <li>Functional Replacement Cost without deduction for depreciation</li> </ul> | <ul style="list-style-type: none"> <li>Replacement cost up to 125% of scheduled value for equipment valued at replacement cost at time of loss</li> <li>Functional Replacement Cost up to 125% of scheduled value for equipment not valued at replacement cost in schedule.</li> </ul> | <ul style="list-style-type: none"> <li>Replacement cost up to 125% of scheduled value for equipment valued at replacement cost at time of loss</li> <li>Functional Replacement Cost up to 125% of scheduled value for equipment not valued at replacement cost in schedule.</li> </ul> | <ul style="list-style-type: none"> <li>Replacement cost up to 125% of scheduled value for equipment valued at replacement cost at time of loss</li> <li>Functional Replacement Cost up to 125% of scheduled value for equipment not valued at replacement cost in schedule.</li> <li>Auditable at expiration based on 50% of rate</li> </ul> |

### III. Detail of Payment Terms

Your insurance premium can be paid as invoiced and premium is due upon receipt. Alternatively, the premium can be financed and paid in installments. Quotes for monthly and quarterly installments will be presented separately.

### IV. Aon Service Team



## V. Services

- Contract review and consulting provided as part of regular services provided by Aon.
- Loss Control visits as agreed and scheduled by various insurance companies with Aon assistance as requested.
- Placement of additional lines of coverage as needed, i.e., Contractors/Builders' Risk, TULIP, Political Officials bonds, etc.

## Appendix

- QDR
- Copies of insurer quotes including commission
- Supplemental Fee Agreement



QDR

## Copies of Carrier Quotations

## Supplemental Fee Agreement

City of Compton (hereinafter “You” or “Client”) has appointed Aon Risk Insurance Services West, Inc. (“ARS”) as Your Broker of Record for certain casualty, property and other insurance policies and programs (“Insurance Programs”) including those outlined in the Proposal dated June 11, 2014. This Fee Agreement (“Agreement”) confirms our mutual understanding regarding the insurance placements and financial and risk management services (“Services”) to be provided by ARS to You in connection with the Insurance Programs. The Services hereunder will be provided in accordance with the terms of this Agreement and with the notices and policies set forth in ARS Disclosures and Commitments to Our Clients, (see also [www.aon.com/risk-services/default.jsp](http://www.aon.com/risk-services/default.jsp)) the content of which is hereby acknowledged by City of Compton.

The Services shall commence as of July 1, 2014 and shall end on July 1, 2015 (the “Service Period”).

In consideration of the Services to be provided by ARS to You, You agree ARS will be entitled to retain commissions paid to ARS by insurers out of the premiums, as quoted, disclosed to and agreed by You, for the Insurance Programs. In addition, You agree, to the extent permitted by applicable law, to pay ARS supplemental compensation(s) in the amount of \$32,578.32 for the Service Period (“Supplemental Fee”). The retained commissions and the Supplemental Fee shall, together, comprise ARS’s compensation under this Agreement and shall include expenses for ARS travel and entertainment related to the Insurance Programs and Services. To the extent permitted by law, the commission and supplemental fee(s) shall be deemed fully earned at the time of coverage placement.

To the extent that any portion of Aon's compensation, as reflected on its invoices, by operation of law, agreement or otherwise, becomes adjusted or credited to you, it is your responsibility to disclose the actual net cost to you of the brokerage and insurance costs you have incurred to third party(ies) having an interest in such amounts.

You acknowledge and agree that the work products provided hereunder by Us are not to be distributed to, used or relied upon by third parties without the written consent of both Us and You, except such materials may be provided without such written consent to Your legal, accounting and non-insurance financial advisors.

In the event that Client's operations change substantially by merger, acquisition, expansion or other material change in scope and nature of exposures, losses and/or Insurance Program, You shall inform ARS, or if there is a substantial midterm change to programs or limits, You and ARS will negotiate in good faith to revise the Agreement as appropriate.

Client hereby consents to the use of Client's logo, pictures, and other publicly available information about Client, for the purpose of marketing Client's Insurance Programs or for use in a list of Aon clients.

This Agreement may not be changed or modified nor any provision waived without the prior written consent of the parties. Any such change or modification must be set forth with the written consent of both parties.

If any provision of this Agreement is held to be in violation of any applicable law, statute, regulation, or judicial or administrative order, such provision shall be deemed to be amended to conform to such applicable law, statute, regulation or judicial or administrative order, to the maximum extent permitted by law, and where not so permitted by law, such offending provision shall be deemed to be of no force and effect.

RESOLUTION SIGN-OFF FORM

DEPARTMENT: City Attorney

RESOLUTION TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO AGREEMENTS AND ISSUE PURCHASE ORDERS TO AON RISK INSURANCE SERVICES WEST, INC. AND FIRST INSURANCE FUNDING CORP. TO RENEW THE CITY OF COMPTON'S INSURANCE POLICY PORTFOLIO

Craig Cornwell  
DEPARTMENT MANAGER’S SIGNATURE

6/26/2014 4:21:39 PM  
DATE

REVIEW / APPROVAL

Craig Cornwell  
CITY ATTORNEY

6/26/2014 6:28:12 PM  
DATE

Stephen Ajobiewe  
CITY CONTROLLER

6/26/2014 5:20:59 PM  
DATE

Kelly Montgomery  
CITY MANAGER

6/26/2014 5:06:03 PM  
DATE

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



July 1, 2014

**TO: MAYOR AND COUNCILMEMBERS**

**FROM: CITY MANAGER**

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON, ACTING IN THE CAPACITY OF THE HOUSING SUCCESSOR ACCEPTING THE TRANSFER OF HOUSING ASSETS FROM THE SUCCESSOR AGENCY PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176**

### **SUMMARY**

Requesting the City Council, acting in its capacity as Housing Successor to adopt a Resolution accepting the transfer of housing assets from the Successor Agency of the Community Redevelopment Agency of the City of Compton.

### **BACKGROUND**

Upon the dissolution of the Compton Community Redevelopment Agency on February 1, 2012, the Successor Agency to the Community Redevelopment Agency (the "Successor Agency") was constituted. Pursuant to Health and Safety Code Section 34176(a), the City Council of the City of Compton adopted Resolution No. 23,498, electing for the City to retain the housing assets and functions previously performed by the former Community Redevelopment Agency. Health and Safety Code Section 34176(e) defines "housing asset" as any loan or grant receivables, funded from the former Agency's Low and Moderate Income Housing Fund (the "LMIH Fund") to provide down payment assistance to qualified homebuyers and homeowners within the jurisdictional boundaries of the Agency.

### **STATEMENT OF ISSUE**

On August 1, 2012, the City of Compton, acting in its capacity as the Housing Successor, submitted a Compton Oversight Board-approved Housing Transfer Form (attached) to the California Department of Finance (the "DOF"). On April 9, 2014, DOF issued its determination letter approving transfer of the certain housing assets (vacant parcels and loan receivables) to the Housing Successor. The DOF determination letter also granted the Housing Successor all rights, powers, duties, and obligations associated with the housing activities of the former Agency related to the transferred housing assets.

### **A. TRANSFER OF REAL PROPERTY**

Based on the DOF Letter of Determination regarding the Housing Asset Transfer List, the following vacant parcels were approved as housing assets to be transferred to the City, acting as the Housing Successor for housing development purposes:

# #10.

| Description             | Type            | APN          | Source of Funds |
|-------------------------|-----------------|--------------|-----------------|
| 16208-16216 S. Atlantic | Vacant Land     | 7301-002-016 | Bond Proceeds   |
| 16208 S. Atlantic Ave   | Vacant Land     | 7301-002-017 | Bond Proceeds   |
| 16216 S. Atlantic       | Vacant Land     | 7301-002-014 | Bond Proceeds   |
| 1436 W. Compton         | Vacant Land     | 6142-006-009 | Bond Proceeds   |
| 950 W. Alondra Ave      | Vacant Land     | 6141-013-007 | Bond Proceeds   |
| 1950 N. Central Ave     | Vacant Land     | 6145-003-026 | Bond Proceeds   |
| 930 W. Compton Blvd     | Vacant Land     | 6179-001-002 | Bond Proceeds   |
| 1716 E. Rosecrans       | Vacant Land     | 6184-002-902 | Bond Proceeds   |
| 409 N. Alameda          | Vacant Building | 6166-010-032 | Bond Proceeds   |

## **ANALYSIS**

The Successor Agency purchased the above vacant land parcels with 2010 tax allocation bond proceeds Series “A” Housing funds for development of moderate income residential projects. The proceeds from the sale of the housing asset parcels will be retained by Housing Successor to expand homeownership opportunities in the community. Additionally, a portion of the Successor Agency’s 2010 tax allocation bond proceeds have been set aside to provide down payment assistance to the homebuyers of the completed homes. These funds have been identified in the Successor Agency’s Due Diligence Review (DDR) Report – Housing Funds as “Restricted funds” meaning the funds will stay within the jurisdictional boundaries of the City. To ensure continuous affordability of the homes, the Successor Agency will place affordability restrictions on these developments.

## **B. TRANSFER OF LOAN/GRANT RECEIVABLES**

The DOF approved the transfer of loan/grant receivables balances totaling \$23,777,034.00 (\$2,300,000+\$21,477,034) identified in the LMIHF of Due Diligence Review (DDR) from the Successor Agency to the City, acting in its capacity as the Housing Successor.

## **ANALYSIS**

The outstanding loan receivables totaling \$23,777,034.00 consists of : 1.) \$21,477,034 representing loans provided to eligible program participants under the former Community Redevelopment Agency’s First Time Homebuyer program; 2.) \$2,300,000 representing development loan to the Alameda Court project in connection with production of the 28 townhomes.

Health and Safety Code Section 34176(e) defines “housing asset” as any loan or grant receivables, funded from the Low and Moderate Income Housing Fund (the “LMIH Fund”) to provide down payment assistance to qualified homebuyers and homeowners within the jurisdictional boundaries of the Agency. The DOF approval for transference of loan/grant receivables balances totaling \$23,777,034.00

to the Housing Successor provides opportunity to recapture loan receivables in the form of program income to carry out affordable housing programs.

### **FINANCIAL IMPACT**

There is no negative fiscal impact to the City's General Fund with the approval of this resolution. The Successor Agency has already allocated funds under the 2010 Tax Allocation Bond – Series A housing proceeds to facilitate implementation of First Time Homebuyer assistance program for the identified developments. These funds are available in the Account No. 3070-91-0000-4266. The current balance in this account is \$6,100,000 dollars. These bond funds will be available for use once the Successor Agency receives a Finding of Completion from the DOF.

In fact the DOF approval for the City to retain the housing assets of the former Agency provides several economic benefits to the community as follows:

1. The City will receive increased property tax revenue, because the property currently does not participate in the property tax roll as public land. Once the development is completed, the project will infuse millions of dollars of new private investment into the City of Compton.
2. The City of Compton, acting as the Housing Successor, would receive land sales proceeds that would have otherwise gone to the County.
3. The DOF approval for transference of loan/grant receivables balances totaling \$23,777,034.00 to the City as Housing Successor provides opportunity to recapture loan receivables in the form of program income to carry out affordable housing programs. Health and Safety Code Section 34176(d) states that "...any funds generated from housing assets...shall be maintained in a separate Low and Moderate Income Housing Asset Fund...Funds in this account shall be used in accordance with applicable housing related provisions of the Community Redevelopment Law."

### **RECOMMENDATION**

That the Council adopt attached Resolution accepting the transfer of Housing Assets from the Successor Agency to the City of Compton, acting in its capacity as Housing Successor.

**DR. KOFI SEFA-BOAKYE, REDEVELOPMENT MANAGER  
SUCCESSOR AGENCY**

**APPROVED FOR FORWARDING:**

**G. HAROLD DUFFEY  
CITY MANAGER**



**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON, ACTING IN THE CAPACITY OF THE HOUSING SUCCESSOR ACCEPTING THE TRANSFER OF HOUSING ASSETS FROM THE SUCCESSOR AGENCY PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.**

**WHEREAS** pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court’s decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4<sup>th</sup> 231(2011), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Community Redevelopment Agency of the City of Compton (the “Agency”) transferred to the control of the Successor Agency of the former Community Redevelopment Agency (the “Successor Agency”) by operation of law; and

**WHEREAS**, pursuant to Health and Safety Code Section 34176(a), the City Council of the City of Compton (the “City”) adopted Resolution No. 23498, electing for the City to retain the housing assets, as allowed by law, and functions previously performed by the former Community Redevelopment Agency; and

**WHEREAS**, Health and Safety Code Section 34177(g) directs the Successor Agency to effectuate transfer of housing functions and assets to the appropriate entity designated pursuant to Health and Safety Code Section 34176, being the Housing Successor, and Health and Safety Code Section 34181(c) provides that the oversight board of the Successor Agency (the “Oversight Board”) shall direct the Successor Agency to transfer housing assets pursuant to Health and Safety Code Section 34176; and

**WHEREAS**, Health and Safety Code Section 34176(a) (2) directs the entity assuming the housing functions of the former redevelopment agency to submit to the State Department of Finance (the “DOF”) a list (the “Housing Assets List”) of all housing assets, including any assets transferred between February 1, 2012 and the date on which the Housing Assets List is created; and

**WHEREAS**, on August 1, 2012, the City of Compton, acting in its capacity as the Housing Successor Agency, submitted the Housing Transfer Form to the California Department of Finance; and

**WHEREAS**, on April 9, 2014, DOF issued its determination letter approving transfer of the certain housing assets comprising of assessor parcel numbers 7301-002-016; 7301-002-017; 7301-002-014; 6142-006-009; 6141-013-007; 6145-003-026; 6179-001-002; 6184-002-902; 6166-010-032 and loan receivables with balances totaling \$23,777,034.00 contained in DOF’s Housing Asset Transfer. The DOF determination letter also granted the Housing Successor all rights, powers, duties, and obligations associated with the housing activities of the former Agency related to the transferred housing assets.

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

**Section 1.** That the above recitals are true and correct and are a substantive part of this Resolution.

**Section 2.** That the City Council of the City of Compton, acting in its capacity as Housing Successor hereby accepts certain housing assets comprising of Assessor Parcel Nos. 7301-002-016; 7301-002-017; 7301-002-014; 6142-006-009; 6141-013-007; 6145-003-026; 6179-001-002; 6184-002-902; 6166-010-032 and loan receivables with balances totaling \$23,777,034.00 contained in State Department of Finance’s Housing Asset Transfer Form, which is attached hereto and incorporated herein subject to the Oversight Board and Department of Finance approval.

**Section 3.** That pursuant to the California Health and Safety Code, the City of Compton, acting in its capacity as the Housing Successor assumes all rights, powers, duties, and obligations associated with the housing activities of the former Agency related to the transferred housing assets.

**Section 4.** That the officers and staff of the City are hereby authorized and directed, jointly and severally, to execute and record such documents and instruments and to do any and all other things which they may deem necessary or advisable to effectuate this Resolution.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
**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 \_\_\_\_\_, 2014.

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**



REVISED

April 9, 2014

Mr. G. Harold Duffey, Executive Director  
City of Compton  
205 South Willowbrook  
Compton, CA 90220

Dear Mr. Duffey:

Subject: Housing Assets Transfer Form

This letter supersedes the California Department of Finance's (Finance) Housing Asset Transfer Form (Form) letter dated August 31, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Compton as Housing Successor Agency (Agency) submitted a Form to Finance on August 1, 2012, for the period February 1, 2012 through August 1, 2012. Finance issued its determination related to those transferred asset on August 31, 2012.

HSC section 34176 (e) defines a housing asset. Based on a review of additional information and documentation provided to Finance, Finance has completed its review of those specific items as further discussed below:

- Exhibit A, Items 1 through 5 – Real Property. The Agency provided documents to support the assets meet the definition of HSC section 34176 (e). However, Finance notes that the Agency submitted Oversight Board Action 2013-018 on May 24, 2013 for the sale and disposition of these properties to Compton Senior Apartments, L.P. (META Housing). Finance's letter dated August 23, 2013, approved the sale and disposition; therefore, we determined the disposition of these assets has already been addressed through a separate process and are no longer available for transfer to the Agency.
- Exhibit A, Item 6 – Real Property. Finance continues to deny the transfer of this item as it does not meet the definition of a housing asset per HSC section 34176 (e). Pursuant to former redevelopment agency resolution 1,808, the property will be developed for a mixed use project and is slated to use 2010 tax allocation housing bond proceeds totaling \$1.3 million; however, the property was not purchased using the housing bond proceeds. In fact, City of Compton (City) resolution 20,020 provided by the Agency indicates that the property was donated to the Agency and it does not have any low to moderate income housing covenants or restrictions; the only restriction on the property is that it not be used as a restaurant or other eating establishment. Therefore, we continue to deny this item is as a housing asset eligible for transfer pursuant to HSC section 34176 (e).

Finance notes that to the extent the successor agency of the former redevelopment agency would like to retain this property for housing purposes, HSC section 34191.5 (c)

(2) states that one of the property disposition options available to the successor agency is the retention of property for future development purposes pursuant to an approved Long Range Property Management Plan.

- Exhibit A, Item 7 through 12 – Vacant Land Parcels. Finance no longer denies the transfer of these parcels. The Agency provided documentation supporting these parcels were purchased with 2010 tax allocation housing bond proceeds for mixed use projects; therefore, restrictions are in place for use of these assets for low to moderate income housing purposes.
- Exhibit A, Item 13 and 14 – Real Property. Finance continues to deny the transfer of these properties. Documentation provided do not support these items are restricted for low to moderate income housing purposes; therefore, these items cannot be approved for transfer as housing assets per HSC section 34176 (e).
- Exhibit A, Item 15 – Real Property. Finance no longer denies the transfer of this item. Documentation provided by the Agency shows this property was purchased using funds from the Low and Moderate Income Housing Fund (LMIHF) and therefore, its use is restricted for low to moderate income housing purposes.
- Exhibit A, Item 16 – Real Property. Finance continues to deny the transfer of these properties. Documentation provided by the Agency indicates these properties were purchased in 2010 using tax allocation bond proceeds. In addition, the Agency provided the Purchase and Sale Agreement for these properties; however, nothing in the agreement indicates these properties are restricted for low and moderate income housing purposes.
- Exhibit C, Items 1 through 5 - Low and Moderate Income Housing Encumbrance. Finance continues to deny the transfer of these items. Documentation provided by the Agency supports this encumbrance is for the acquisition of the properties identified as Items 7 through 12 on Exhibit A. Because these properties have already been acquired and subsequently transferred to the developer through an approved Oversight Board action, the encumbrances for the purchase of the properties and the associated transfer of the encumbrances on the Form are no longer necessary.
- Exhibit D, Item 1 – Loan receivable with a balance of \$2,300,000. Finance no longer denies the transfer of this item. The Agency provided documentation supporting this loan was funded with funds from the LMIHF for affordable housing purposes.
- Exhibit D, Item 2 – Loan receivables with balances totaling \$21,477,034. Finance no longer denies the transfer of this item. This amount represents loan balances as of February 1, 2012. Our review indicates that these balances were also included in the LMIHF Due Diligence Review (DDR) as of June 30, 2012 with balance of \$21,145,976. The LMIHF DDR was reviewed and approved by the Oversight Board and Finance. Therefore, this asset is a housing asset per HSC section 34176 (e) and eligible for transfer.
- Exhibit D, Item 3 – Loan receivable with a balance of \$1,470,441. Finance continues to deny the transfer of this item. The Agency confirmed these loans were made from

federal funding sources, not redevelopment funds. As the loans were not funded with funds from the LMIHF, this item is not a housing asset pursuant to HSC section 34176 (e) and is not eligible for transfer.

- Exhibit D, Item 4 – Loan from the City of Compton (City) totaling \$3 million. Finance continues to deny the transfer of this item. Discussions with Agency staff indicate this is a loan from the City to the former redevelopment agency (RDA) for the purchase of the properties identified as items 7 through 12 on Exhibit A. Exhibit D is for loans and grants receivable made by the former RDA from the LMIHF, not for loans payable. However, Finance notes that this item may be placed on a Recognized Obligations Payment Schedule for payment after the successor agency receives a finding of completion pursuant to HSC section 34191.4.
- Exhibit D, Item 5 – Loan receivables with balances totaling \$956,944. Finance continues to deny the transfer of this item. For this loan, the Agency submitted general ledger entries showing expenditures from the LMIHF for supplies, and payroll and benefit expenditures; however, documentation provided does not demonstrate a valid loan made from the LMIHF.

This is Finance's final determination related to the assets reported on your Form. Except for items disallowed as noted above, Finance is not objecting to the remaining items listed on your Form. Assets transferred deemed not to be a housing asset shall be returned to the successor agency.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Assistant Program Budget Manager

cc: Dr. Kofi Sefa-Boakye, Director, City of Compton  
Mr. Michael Antwine, Deputy Redevelopment Director, City of Compton  
Ms. Kristina Burns, Manager, Community Redevelopment Administration Section,  
Property Tax Division, Los Angeles County Department of Auditor-Controller  
California State Controller's Office



**DEPARTMENT OF FINANCE  
HOUSING ASSETS LIST  
ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484  
(Health and Safety Code Section 34176)**

Former Redevelopment Agency: Successor Agency to the City of Compton Community Redevelopment Agency

Successor Agency to the Former Redevelopment Agency: Successor Agency to the City of Compton Community Redevelopment Agency

Entity Assuming the Housing Functions of the former Redevelopment Agency: City of Compton Successor Housing Agency

Entity Assuming the Housing Functions Contact Name: Dr. Kofi Sefa-Boakye Title Director Phone 310-605-5511 E-Mail Address [kboakye@comptoncity.org](mailto:kboakye@comptoncity.org)

Entity Assuming the Housing Functions Contact Name: Michael Antwine Title Deputy Director Phone 310-605-5511 E-Mail Address [mantwine@comptoncity.org](mailto:mantwine@comptoncity.org)

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list.  
The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

|                                      |                                     |
|--------------------------------------|-------------------------------------|
| Exhibit A - Real Property            | <input checked="" type="checkbox"/> |
| Exhibit B- Personal Property         | <input type="checkbox"/>            |
| Exhibit C - Low-Mod Encumbrances     | <input checked="" type="checkbox"/> |
| Exhibit D - Loans/Grants Receivables | <input checked="" type="checkbox"/> |
| Exhibit E - Rents/Operations         | <input type="checkbox"/>            |
| Exhibit F- Rents                     | <input type="checkbox"/>            |
| Exhibit G - Deferrals                | <input type="checkbox"/>            |

Prepared By: **Dr. Kofi Sefa-Boakye, Director**

Date Prepared: **31-Jul-12**

City of Compton  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

| Item # | Type of Asset a/ | Legal Title and Description    | Carrying Value of Asset | Total square footage | Square footage reserved for low-mod housing |  | Is the property encumbered by a low-mod housing covenant? | Source of low-mod housing covenant b/ | Date of transfer to Housing Successor Agency | Construction or acquisition cost funded with Low-Mod Housing Fund monies | Construction or acquisition costs funded with other RDA funds | Construction or acquisition costs funded with non-RDA funds | Date of construction or acquisition by the former RDA | real property (option to purchase, easement, etc.) |
|--------|------------------|--------------------------------|-------------------------|----------------------|---------------------------------------------|--|-----------------------------------------------------------|---------------------------------------|----------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------|
| 1      | Vacant Land      | 302 N. Tamarind Ave.           | \$3,000,000             | 7,000                | 7,000                                       |  | Yes                                                       | Low-Mod                               | 10-May-12                                    | Acquisition                                                              |                                                               |                                                             | 1-Oct-08                                              | Purchase                                           |
| 2      | Vacant Land      | 212 E. Arbutus Ave.            | "                       | 41,937               | 41,937                                      |  | Yes                                                       | Low-Mod                               | 5/10/2012                                    | Acquisition                                                              |                                                               |                                                             | 1-Oct-08                                              | Purchase                                           |
| 3      | Vacant Land      | 201 N. Tamarind Ave.           | \$98,225                | 7,500                | 7,500                                       |  | Yes                                                       | Low-Mod                               | 5/10/2012                                    | Acquisition                                                              |                                                               |                                                             | 1-Oct-08                                              | Purchase                                           |
| 4      | Vacant Land      | 209 N. Tamarind Ave.           | same                    | 7,500                | 7,500                                       |  | Yes                                                       | Low-Mod                               | 5/10/2012                                    | Acquisition                                                              |                                                               |                                                             | 1-Oct-08                                              | Purchase                                           |
| 5      | Vacant Land      | Tamarind/Elm                   | "                       | 2,500                | 2,500                                       |  | Yes                                                       | Low-Mod                               | 5/10/2012                                    | Acquisition                                                              |                                                               |                                                             | 1-Oct-08                                              | Purchase                                           |
| 6      | Vacant Land      | 1117 S. Long Beach Blvd.       |                         | 56,509               | 56,509                                      |  | Yes                                                       |                                       | 5/10/2012                                    | Acquisition                                                              |                                                               |                                                             |                                                       | Purchase                                           |
| 7      | Vacant Land      | 16208 - 16216 S. Atlantic Ave. | \$1,750,000             | 50,000               | 50,000                                      |  | Yes                                                       | Bond Funds                            | 5/10/2012                                    | Acquisition                                                              |                                                               |                                                             | Nov-10                                                | Purchase                                           |
| 8      | Vacant Land      | 1436 W. Compton                | \$1,451,000             |                      |                                             |  | Yes                                                       | Bond Funds                            | 5/10/2012                                    | Acquisition                                                              |                                                               |                                                             | May-10                                                | Purchase                                           |
| 9      | Vacant Land      | 950 W. Alondra Blvd.           | \$1,970,000             | 1.81 acres           | 1.81 acres                                  |  | Yes                                                       | Bond Funds                            | 5/10/2012                                    | Acquisition                                                              |                                                               |                                                             | Mar-11                                                | Purchase                                           |
| 10     | Vacant Land      | 1950 N. Central Ave.           | \$2,160,000             | 3.03 acres           | 3.03 acres                                  |  | Yes                                                       | Bond Funds                            | 5/10/2012                                    | Acquisition                                                              |                                                               |                                                             | Mar-11                                                | Purchase                                           |
| 11     | Vacant Land      | 930 W. Compton Blvd.           | \$2,100,000             | 0.49 acres           | 0.49 acres                                  |  | Yes                                                       | Bond Funds                            | 5/10/2012                                    | Acquisition                                                              |                                                               |                                                             | Jun-11                                                | Purchase                                           |
| 12     | Vacant Land      | 1716 E. Rosecrans              | \$500,000               | 11,000               | 11,000                                      |  | Yes                                                       | Bond Funds                            | 5/10/2012                                    | Acquisition                                                              |                                                               |                                                             | Apr-11                                                | Purchase                                           |
| 13     | Vacant Land      | 217 E. Indigo St.              |                         | 7,750                | 7,750                                       |  | Yes                                                       |                                       | 5/10/2012                                    | Acquisition                                                              |                                                               |                                                             |                                                       | Purchase                                           |
| 14     | Vacant Land      | 106 E. Cedar St.               |                         | 7,497                | 7,497                                       |  | Yes                                                       |                                       | 5/10/2012                                    | Acquisition                                                              |                                                               |                                                             |                                                       | Purchase                                           |
| 15     | Vacant Building  | 409 N. Alameda St.             | \$800,000               | 3,986                | 3,986                                       |  | Yes                                                       | Bond Funds                            | 5/10/2012                                    | Acquisition                                                              |                                                               |                                                             | Jul-11                                                | Purchase                                           |
| 16     | Vacant Building  | 413-415 N. Alameda St.         | \$550,000               | 11,030               | 11,030                                      |  | Yes                                                       | Bond Funds                            | 5/10/2012                                    | Acquisition                                                              |                                                               |                                                             | Jul-11                                                | Purchase                                           |
| 17     |                  |                                |                         |                      |                                             |  |                                                           |                                       |                                              |                                                                          |                                                               |                                                             |                                                       |                                                    |
| 18     |                  |                                |                         |                      |                                             |  |                                                           |                                       |                                              |                                                                          |                                                               |                                                             |                                                       |                                                    |
| 19     |                  |                                |                         |                      |                                             |  |                                                           |                                       |                                              |                                                                          |                                                               |                                                             |                                                       |                                                    |
| 20     |                  |                                |                         |                      |                                             |  |                                                           |                                       |                                              |                                                                          |                                                               |                                                             |                                                       |                                                    |

a/ Asset types may include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

City or County of xxxx  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

| Item # | Type of Asset a/ | Description | Carrying Value of Asset | Date of transfer to Housing Successor Agency | Acquisition cost funded with Low-Mod Housing Fund monies | Acquisition costs funded with other RDA funds | Acquisition costs funded with non-RDA funds | Date of acquisition by the former RDA |
|--------|------------------|-------------|-------------------------|----------------------------------------------|----------------------------------------------------------|-----------------------------------------------|---------------------------------------------|---------------------------------------|
| 1      |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 2      |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 3      |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 4      |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 5      |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 6      |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 7      |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 8      |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 9      |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 10     |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 11     |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 12     |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 13     |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 14     |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 15     |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 16     |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 17     |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 18     |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 19     |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |
| 20     |                  |             |                         |                                              |                                                          |                                               |                                             |                                       |

a/ Asset types any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, that were acquired for low and moderate income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds.

City of Compton  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

| Item # | Type of housing built or acquired with enforceably obligated funds a/ | Date contract for Enforceable Obligation was executed |  | Contractual counterparty | Total amount currently owed for the Enforceable Obligation | Is the property encumbered by a low-mod housing covenant? | Source of low-mod housing covenant b/ | Current owner of the property | Construction or acquisition cost funded with Low-Mod Housing Fund monies | Construction or acquisition costs funded with other RDA funds | Construction or acquisition costs funded with non-RDA funds | Date of construction or acquisition of the property |
|--------|-----------------------------------------------------------------------|-------------------------------------------------------|--|--------------------------|------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------|-------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------|
| 1      | Multi-family Housing 302 N. Tamarind Ave.                             | 1-Oct-08                                              |  | City of Compton          | 3,000,000                                                  | Yes                                                       | Low Moderate                          | Successor Agency              | \$3,000,000                                                              |                                                               |                                                             |                                                     |
| 2      | Multi-family Housing 212 E. Arbutus Ave.                              | 1-Oct-08                                              |  | City of Compton          | 3,000,000                                                  | Yes                                                       | Low Moderate                          | Successor Agency              | \$3,000,000                                                              |                                                               |                                                             |                                                     |
| 3      | Multi-Family Housing 201 N. Tamarind Ave.                             | 1-Oct-08                                              |  | City of Compton          | 3,000,000                                                  | Yes                                                       | Low Moderate                          | Successor Agency              | \$3,000,000                                                              |                                                               |                                                             |                                                     |
| 4      | Multi-Family Housing 209 N. Tamarind Ave.                             | 1-Oct-08                                              |  | City of Compton          | 3,000,000                                                  | Yes                                                       | Low Moderate                          | Successor Agency              | \$3,000,000                                                              |                                                               |                                                             |                                                     |
| 5      | Multi-Family Housing Tamarind/Elm                                     | 1-Oct-08                                              |  | City of Compton          | 3,000,000                                                  | Yes                                                       | Low Moderate                          | Successor Agency              | \$3,000,000                                                              |                                                               |                                                             |                                                     |
| 6      |                                                                       |                                                       |  |                          |                                                            |                                                           |                                       |                               |                                                                          |                                                               |                                                             |                                                     |
| 7      |                                                                       |                                                       |  |                          |                                                            |                                                           |                                       |                               |                                                                          |                                                               |                                                             |                                                     |
| 8      |                                                                       |                                                       |  |                          |                                                            |                                                           |                                       |                               |                                                                          |                                                               |                                                             |                                                     |
| 9      |                                                                       |                                                       |  |                          |                                                            |                                                           |                                       |                               |                                                                          |                                                               |                                                             |                                                     |
| 10     |                                                                       |                                                       |  |                          |                                                            |                                                           |                                       |                               |                                                                          |                                                               |                                                             |                                                     |
| 11     |                                                                       |                                                       |  |                          |                                                            |                                                           |                                       |                               |                                                                          |                                                               |                                                             |                                                     |
| 12     |                                                                       |                                                       |  |                          |                                                            |                                                           |                                       |                               |                                                                          |                                                               |                                                             |                                                     |
| 13     |                                                                       |                                                       |  |                          |                                                            |                                                           |                                       |                               |                                                                          |                                                               |                                                             |                                                     |
| 14     |                                                                       |                                                       |  |                          |                                                            |                                                           |                                       |                               |                                                                          |                                                               |                                                             |                                                     |
| 15     |                                                                       |                                                       |  |                          |                                                            |                                                           |                                       |                               |                                                                          |                                                               |                                                             |                                                     |
| 16     |                                                                       |                                                       |  |                          |                                                            |                                                           |                                       |                               |                                                                          |                                                               |                                                             |                                                     |
| 17     |                                                                       |                                                       |  |                          |                                                            |                                                           |                                       |                               |                                                                          |                                                               |                                                             |                                                     |
| 18     |                                                                       |                                                       |  |                          |                                                            |                                                           |                                       |                               |                                                                          |                                                               |                                                             |                                                     |
| 19     |                                                                       |                                                       |  |                          |                                                            |                                                           |                                       |                               |                                                                          |                                                               |                                                             |                                                     |
| 20     |                                                                       |                                                       |  |                          |                                                            |                                                           |                                       |                               |                                                                          |                                                               |                                                             |                                                     |

a/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

City of Compton  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

| Item # | Was the Low-Mod Housing Fund amount issued for a loan or a grant? | Amount of the loan or grant | Date the loan or grant was issued | Person or entity to whom the loan or grant was issued | Purpose for which the funds were loaned or granted | Are there contractual requirements specifying the purposes for which the funds may be used? | Repayment date, if the funds are for a loan | Interest rate of loan | Current outstanding loan balance |
|--------|-------------------------------------------------------------------|-----------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------|----------------------------------|
| 1      | Yes                                                               | \$2,300,000                 |                                   | Alameda Court                                         | Affordable                                         | Yes                                                                                         | 2015                                        |                       | \$2,300,000                      |
| 2      | Yes                                                               | \$21,477,034                | 1999 - Current                    | Various Homeowners                                    | Downpayment Assistance                             | Yes                                                                                         | Various                                     | 0%                    | \$21,477,034                     |
| 3      | Yes                                                               | \$1,470,441                 | 1999 - Current                    | Various Homeowners                                    | Health&Safety                                      | Yes                                                                                         | Various                                     |                       | \$1,470,441                      |
| 4      | Yes                                                               | \$3,000,000                 | 2010                              | City of Compton                                       | Affordable Senior Housing                          | Yes                                                                                         | Various                                     | 0%                    | \$3,000,000                      |
| 5      | Yes                                                               | \$956,944                   | 1999-Current                      | Various Homeowners                                    | Health&Safety                                      | Yes                                                                                         | Various                                     | 3%-%5                 | \$956,944                        |
| 6      |                                                                   |                             |                                   |                                                       |                                                    |                                                                                             |                                             |                       |                                  |
| 7      |                                                                   |                             |                                   |                                                       |                                                    |                                                                                             |                                             |                       |                                  |
| 8      |                                                                   |                             |                                   |                                                       |                                                    |                                                                                             |                                             |                       |                                  |
| 9      |                                                                   |                             |                                   |                                                       |                                                    |                                                                                             |                                             |                       |                                  |
| 10     |                                                                   |                             |                                   |                                                       |                                                    |                                                                                             |                                             |                       |                                  |
| 11     |                                                                   |                             |                                   |                                                       |                                                    |                                                                                             |                                             |                       |                                  |
| 12     |                                                                   |                             |                                   |                                                       |                                                    |                                                                                             |                                             |                       |                                  |
| 13     |                                                                   |                             |                                   |                                                       |                                                    |                                                                                             |                                             |                       |                                  |
| 14     |                                                                   |                             |                                   |                                                       |                                                    |                                                                                             |                                             |                       |                                  |
| 15     |                                                                   |                             |                                   |                                                       |                                                    |                                                                                             |                                             |                       |                                  |
| 16     |                                                                   |                             |                                   |                                                       |                                                    |                                                                                             |                                             |                       |                                  |
| 17     |                                                                   |                             |                                   |                                                       |                                                    |                                                                                             |                                             |                       |                                  |
| 18     |                                                                   |                             |                                   |                                                       |                                                    |                                                                                             |                                             |                       |                                  |
| 19     |                                                                   |                             |                                   |                                                       |                                                    |                                                                                             |                                             |                       |                                  |
| 20     |                                                                   |                             |                                   |                                                       |                                                    |                                                                                             |                                             |                       |                                  |

City or County of xxxx  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

| Item # | Type of payment a/ | Type of property with which they payments are associated b/ | Property owner   | Entity that collects the payments | Entity to which the collected payments are ultimately remitted | Purpose for which the payments are used | Is the property encumbered by a low-mod housing covenant? | Source of low-mod housing covenant c/ | Item # from Exhibit A the rent/operation is associated with (if applicable) |
|--------|--------------------|-------------------------------------------------------------|------------------|-----------------------------------|----------------------------------------------------------------|-----------------------------------------|-----------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------------------|
| 1      |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 2      |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 3      |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 4      |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 5      |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 6      |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 7      |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 8      |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 9      |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 10     |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 11     |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 12     |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 13     |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 14     |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 15     |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 16     |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 17     |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 18     |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 19     |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |
| 20     |                    |                                                             | Successor Agency |                                   |                                                                |                                         |                                                           |                                       |                                                                             |

a/ May include revenues from rents, operation of properties, residual receipt payments from developers, conditional grant repayments, costs savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

City or County of xxxx  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

| Item # | Type of payment a/ | Type of property with which the payments are associated b/ | Property owner | Entity that collects the payments | Entity to which the collected payments are ultimately remitted | Purpose for which the payments are used | Is the property encumbered by a low-mod housing covenant? | Source of low-mod housing covenant c/ | Item # from Exhibit A the rent is associated with (if applicable) |
|--------|--------------------|------------------------------------------------------------|----------------|-----------------------------------|----------------------------------------------------------------|-----------------------------------------|-----------------------------------------------------------|---------------------------------------|-------------------------------------------------------------------|
| 1      |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 2      |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 3      |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 4      |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 5      |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 6      |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 7      |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 8      |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 9      |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 10     |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 11     |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 12     |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 13     |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 14     |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 15     |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 16     |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 17     |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 18     |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 19     |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |
| 20     |                    |                                                            |                |                                   |                                                                |                                         |                                                           |                                       |                                                                   |

a/ May include rents or home loan payments.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

City or County of xxxxx  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

| Item # | Purpose for which funds were deferred |  | Fiscal year in which funds were deferred |  | Amount deferred |  | Interest rate at which funds were to be repaid |  | Current amount owed |  | Date upon which funds were to be repaid |
|--------|---------------------------------------|--|------------------------------------------|--|-----------------|--|------------------------------------------------|--|---------------------|--|-----------------------------------------|
| 1      |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 2      |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 3      |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 4      |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 5      |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 6      |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 7      |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 8      |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 9      |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 10     |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 11     |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 12     |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 13     |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 14     |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 15     |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 16     |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 17     |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 18     |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 19     |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |
| 20     |                                       |  |                                          |  |                 |  |                                                |  |                     |  |                                         |

RESOLUTION SIGN-OFF FORM

DEPARTMENT: CITY MANAGER

RESOLUTION TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON, ACTING IN THE CAPACITY OF HOUSING SUCCESSOR ACCEPTING THE TRANSFER OF HOUSING ASSETS FROM THE SUCCESSOR AGENCY PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176

Kofi Sefa-Boakye  
DEPARTMENT MANAGER’S SIGNATURE

5/29/2014 3:37:37 PM  
DATE

REVIEW / APPROVAL

Ruth Rugley  
CITY ATTORNEY

6/3/2014 9:24:34 AM  
DATE

Stephen Ajobiewe  
CITY CONTROLLER

5/29/2014 4:33:55 PM  
DATE

G. Harold Duffey  
CITY MANAGER

5/29/2014 4:21:34 PM  
DATE

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

