

AGENDA OF A REGULAR MEETING - NATIONAL CITY CITY COUNCIL/
COMMUNITY DEVELOPMENT COMMISSION – HOUSING AUTHORITY OF
THE CITY OF NATIONAL CITY



COUNCIL CHAMBERS
CIVIC CENTER
1243 NATIONAL CITY BOULEVARD
NATIONAL CITY, CALIFORNIA
TUESDAY, SEPTEMBER 17, 2019 – 6:00 PM

ALEJANDRA SOTELO-SOLIS
Mayor

RON MORRISON
Vice Mayor

JERRY CANO
Councilmember

GONZALO QUINTERO
Councilmember

MONA RIOS
Councilmember

*1243 National City Blvd.
National City, CA 91950
619-336-4240*

*Meeting agendas and
minutes available on web*

WWW.NATIONALCITYCA.GOV

ORDER OF BUSINESS: Public sessions of all Regular Meetings of the City Council / Community Development Commission - Housing Authority (hereafter referred to as Elected Body) begin at 6:00 p.m. on the first and third Tuesday of each month. Public Hearings begin at 6:00 p.m. unless otherwise noted. Closed Meetings begin in Open Session at 5:00 p.m. or such other time as noted, and after announcing closed session items, convenes into a Closed Meeting. If a workshop is scheduled, the subject and time of the workshop will appear on the agenda. The Mayor and Council members also sit as the Chairperson and Members of the Board of the Community Development Commission (CDC).

REPORTS: All open session agenda items and reports as well as all documents and writings distributed to the Elected Body less than 72 hours prior to the meeting, are available for review at the entry to the Council Chambers. Regular Meetings of the Elected Body are webcast and archived on the City's website **www.nationalcityca.gov**.

PUBLIC COMMENTS: Prior to the Business portion of the agenda, the Elected Body will receive public comments regarding any matters within the jurisdiction of the City and/or the Community Development Commission. Members of the public may also address any item on the agenda at the time the item is considered by the Elected Body. Persons who wish to address the Elected Body are requested to fill out a "Request to Speak" form available at the entrance to the City Council Chambers, and turn in the completed form to the City Clerk. The Mayor or Chairperson will separately call for testimony of those persons who have turned in a "Request to Speak" form. If you wish to speak, please step to the podium at the appropriate time and state your name and address (optional) for the record. The time limit established for public testimony is three minutes per speaker unless a different time limit is announced. Speakers are encouraged to be brief. The Mayor or Chairperson may limit the length of comments due to the number of persons wishing to speak or if comments become repetitious or unrelated.

WRITTEN AGENDA: With limited exceptions, the Elected Body may take action only upon items appearing on the written agenda. Items not appearing on the agenda must be brought back on a subsequent agenda unless they are of a demonstrated emergency or urgent nature, and the need to take action on such items arose after the agenda was posted.

CONSENT CALENDAR: Consent calendar items involve matters which are of a routine or noncontroversial nature. All consent items are

adopted by approval of a single motion by the City Council. Prior to such approval, any item may be removed from the consent portion of the agenda and separately considered upon request of a Councilmember, a staff member, or a member of the public.

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk's Office at (619) 336-4228 to request a disability-related modification or accommodation. Notification 24-hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Spanish audio interpretation is provided during Elected Body Meetings. Audio headphones are available in the lobby at the beginning of the meeting.

Audio interpretación en español se proporciona durante sesiones del Consejo Municipal. Los audífonos están disponibles en el pasillo al principio de la junta.

Spanish to English interpretation services are available to members of the public who wish to speak to the City Council during the meeting. "Request to Speak" forms requesting interpretation must be filed within the first two hours of the meeting.

Español a los servicios de interpretación Inglés de audio está disponibles para los miembros del público que desean hablar con el Ayuntamiento durante del Consejo Municipal. "Solicitud para hablar de" formas solicitud de interpretación deben ser presentadas dentro de las dos primeras horas del Consejo Municipal.

COUNCIL REQUESTS THAT ALL CELL PHONES AND PAGERS BE TURNED OFF DURING CITY COUNCIL MEETINGS.

OPEN TO THE PUBLIC

A. CITY COUNCIL

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE TO THE FLAG

PUBLIC COMMENTS (THREE-MINUTE TIME LIMIT)

PROCLAMATIONS AND CERTIFICATES

1. [Lifetime Recognition of Council Member Jess Van Deventer](#)
2. [232nd Anniversary of the United States Constitution](#)
3. [Metropolitan Transit System \(MTS\) Free Ride Day](#)
4. [Sweetwater Authority Recognition](#)

AWARDS AND RECOGNITIONS

5. [Employee of the Quarter 2019 - Angie Elizondo, Housing Specialist. \(Housing\)](#)

PRESENTATIONS

6. [An update on the selection process for issuing a Request for Proposals that pledges funding to support the operation of Paradise Creek Educational Park Community Garden - Jorge Riquelme, Senior Vice President, Community HousingWorks. \(Housing\)](#)
7. [An update on the Library's Literacy Services Program. \(Mikki Vidamo, Literacy Coordinator, National City Public Library\)](#)
8. [EXOS Executive Summary for Las Palmas Pool operations during Fiscal Year 2019. \(Community Services\)](#)

INTERVIEWS / APPOINTMENTS

9. [Interviews and Appointments: Boards and Commissions Attendance. \(City Clerk\)](#)

REGIONAL BOARDS AND COMMITTEE REPORTS (FIVE-MINUTE TIME LIMIT)

CONSENT CALENDAR

10. [Motion of the City Council of the City of National City approving the waiving of the reading of the text of the Ordinances or Resolutions that are having a Public Hearing considered at this meeting and providing that such Ordinances or Resolutions shall be introduced and/or adopted after a reading of the title only. \(City Clerk\)](#)
11. [Resolution of the City Council of the City of National City authorizing the installation of a blue curb disabled persons parking space with sign in front of the residence located at 1011 "R" Avenue \(TSC No. 2019-08\). \(Engineering/Public Works\)](#)
12. [Resolution of the City Council of the City of National City: 1\) approving the acceptance of the California Library Literacy Services \(CLLS\) Grant in the amount of \\$18,000 to fund the National City Public Library's Literacy Services Program for FY2020; and 2\) authorizing the establishment of a Library Grant Fund appropriation in the amount of \\$18,000 and corresponding revenue budget. \(Library\)](#)
13. [Resolution of the City Council of the City of National City Authorizing the Mayor to Execute an Agreement between the City of National City and Claims Management Associates, Inc., for liability risk management, claims adjusting, and investigation services for the term of April 1, 2019 through March 31, 2021 in a not to exceed amount of \\$160,000 and authorizing the City Manager to extend the contract for three one-year terms. \(City Attorney\)](#)
14. [Temporary Use Permit - St. Mary's Annual Fall Festival hosted by St. Mary's Catholic Church on Sunday, October 6, 2019 at the parish grounds located between E. 8th Street and "E" Avenue from 7 a.m. to 7 p.m. with no waiver of fees. \(Neighborhood Services\)](#)
15. [Warrant Register #6 for the period of 7/31/19 through 8/6/19 in the amount of \\$1,948,779.46. \(Finance\)](#)
16. [Warrant Register #7 for the period of 8/7/19 through 8/13/19 in the amount of \\$6,497,061.92. \(Finance\)](#)

PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS

NON CONSENT RESOLUTIONS

17. [Resolution of the City Council of the City of National City: 1\) awarding a contract to Blue Pacific Engineering & Construction in the amount of \\$957,028.89 for the Sweetwater River Bikeway Connections/30th Street Bicycle Facilities Improvements Project, CIP No. 18-14; 2\) authorizing a 15% contingency in the amount of \\$143,554.33 for any unforeseen](#)

changes; 3) authorizing the Mayor to execute the contract; and 4) authorizing the establishment of an Engineering Grants Fund appropriation of \$889,000 and corresponding revenue budget. (Engineering/Public Works)

18. Resolution of the City Council of the City of National City approving an amendment to City Council Policy #201, "Maintenance of Reserves," to establish an irrevocable Other Post-Employment Benefits (OPEB) trust reserve. (Finance and City Attorney)
19. Resolution of the City Council of the City of National City 1) approving the First Amendment to the Agreement with Phase II Systems dba Public Agency Retirement Services with a mutual indemnity and hold harmless provision for other post-employment benefits trust administration services for the period September 18, 2019 through December 31, 2020, 2) approving the amended adoption agreement for the Public Agencies Post-Employment Benefits Trust Agreement, and 3) authorizing the City Manager to execute the documents. (Finance and City Attorney)

NEW BUSINESS

20. Update from HdI cannabis management services consultant and staff, City Council discussion and direction from City Council to staff regarding potential commercial cannabis activity. (City Manager)

B. COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY

CONSENT RESOLUTIONS - HOUSING AUTHORITY

PUBLIC HEARINGS: RESOLUTIONS - HOUSING AUTHORITY

NON CONSENT RESOLUTIONS - HOUSING AUTHORITY

NEW BUSINESS - HOUSING AUTHORITY

C. REPORTS

STAFF REPORTS

MAYOR AND CITY COUNCIL

CLOSED SESSION REPORT

ADJOURNMENT

Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Tuesday - October 1, 2019 - 6:00 p.m. - Council Chambers - National City, California

The following page(s) contain the backup material for Agenda Item: [Lifetime Recognition of Council Member Jess Van Deventer](#)
Please scroll down to view the backup material.

Item # ____
09/17/19

**LIFETIME RECOGNITION OF COUNCIL MEMBER
JESS VAN DEVENTER**

Proclamation Forthcoming

The following page(s) contain the backup material for Agenda Item: [232nd Anniversary of the United States Constitution](#)
Please scroll down to view the backup material.

Item # ____
09/17/19

232ND ANNIVERSARY OF THE UNITED STATES CONSTITUTION

Proclamation Forthcoming

The following page(s) contain the backup material for Agenda Item: [Metropolitan Transit System \(MTS\) Free Ride Day](#)
Please scroll down to view the backup material.

Item # ____
09/17/19

METROPOLITAN TRANSIT SYSTEM (MTS) FREE RIDE DAY

Proclamation Forthcoming

The following page(s) contain the backup material for Agenda Item: [Sweetwater Authority Recognition](#)
Please scroll down to view the backup material.


Item # ____
09/17/19

SWEETWATER AUTHORITY RECOGNITION

The following page(s) contain the backup material for Agenda Item: [Employee of the Quarter 2019 - Angie Elizondo, Housing Specialist. \(Housing\)](#)
Please scroll down to view the backup material.



CITY OF NATIONAL CITY
M E M O R A N D U M

DATE: September 3, 2019
TO: Brad Raulston, City Manager
FROM: Robert J. Meteau, Jr., Human Resources Director 
SUBJECT: EMPLOYEE OF THE QUARTER PROGRAM

The Employee Recognition Program communicates the City's appreciation for outstanding performance. In doing so, it recognizes employees who maintain high standards of personal conduct and make significant contributions to the workplace and community.

The employee to be recognized for the 3rd Quarter of calendar year 2019 is:

Angie Elizondo – Housing Specialist

By copy of this memo, the employee is invited to attend the Council meeting on Tuesday, September 17th, 2019 to be recognized for her achievement and service.

Attachment

cc: Angie Elizondo
Marta Rios – Housing Programs Manager
Carlos Aguirre – Director of Housing
Mayor's Confidential Assistant
Human Resources – Office File

RECEIVED

AUG 07 2019

CITY OF NATIONAL CITY
HUMAN RESOURCES DEPARTMENT



Performance Recognition Award
Nomination Form

I nominate _____ Angie Elizondo, Housing Specialist _____

for the Performance Recognition Award for the following reasons:

Please state reason why your nominee should receive an award, (i.e., examples of service beyond requirements of position, exemplary service to the public, outstanding job performance, etc). Do not to exceed 150 total words. Please be as specific as possible when giving your examples.

Angie Elizondo, Housing Specialist with Section 8 Housing since 1992. She's a great asset to our Housing Agency team. We recognize her for her professional and efficient services to the National City Housing . Ms. Elizondo is able to carry a caseload management of 250+ participants annually, meeting all HUD deadlines. She's always able to manage difficult situations with clients by utilizing her patience and compassion which results in participants' acceptance & understanding of the Program requirements. She regularly goes out of her way to accommodate client's needs and to resolve difficult housing related issues. She's a team player who is loved by everyone. It's been a pleasure working with her side by side throughout all these years.

FORWARD COMPLETED NOMINATION TO:

National City Performance Recognition Program
Human Resources Department

Nominated by: _____ Marta Ries _____

Signature: Marta Ries

Date: 8-6-19

The following page(s) contain the backup material for Agenda Item: [An update on the selection process for issuing a Request for Proposals that pledges funding to support the operation of Paradise Creek Educational Park Community Garden - Jorge Riquelme, Senior Vice President, Community HousingWorks. \(Housing\)](#)
Please scroll down to view the backup material.

Item # __
09/17/19

**An update on the selection process for issuing a Request for
Proposals that pledges funding to support the operation of
Paradise Creek Educational Park Community Garden**

**Jorge Riquelme
Senior Vice President
Community HousingWorks**

The following page(s) contain the backup material for Agenda Item: [An update on the Library's Literacy Services Program. \(Mikki Vidamo, Literacy Coordinator, National City Public Library\)](#)

Please scroll down to view the backup material.

Item # __
09/17/19

An update on the library's literacy services program

Mikki Vidamo
Literacy Coordinator
National City Public Library

The following page(s) contain the backup material for Agenda Item: [EXOS Executive Summary for Las Palmas Pool operations during Fiscal Year 2019. \(Community Services\)](#)

Please scroll down to view the backup material.

Item # ____
9/17/19

**EXOS executive summary for Las Palmas Pool operations during
fiscal year 2019. (Community Services)**

The following page(s) contain the backup material for Agenda Item: [Interviews and Appointments: Boards and Commissions Attendance. \(City Clerk\)](#)
Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: September 17, 2019

AGENDA ITEM NO. |

ITEM TITLE:

Interviews and Appointments: Boards & Commissions Attendance. (City Clerk)

PREPARED BY: Michael R. Dalla

DEPARTMENT: City Clerk

PHONE: 619-336-4226

APPROVED BY: 

EXPLANATION:

At the August 6, 2019 City Council meeting, a request was made that the City Council be provided attendance records for Boards and Commissions. The requested records have been compiled and are attached.

FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO. |

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

N/A

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Boards and Commissions Attendance Records |

BOARDS AND COMMISSIONS ATTENDANCE Civil Service Commission

2018

CIVIL SERVICE	JAN	MAR	MAY	SEP	TOTAL ABSENCES
Rafael Courtney	✓	A	✓	✓	1
Leslie Coyote	✓	✓	✓	✓	0
David Garcia	✓	✓	✓	A	1
William Sendt (End 10/2018)	✓	A	✓	✓	1
Fred Puhn	✓	✓	✓	✓	0
Paul Wapnowski (Start 11/2018)					

QUORUM	Y	Y	Y	Y
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2019

CIVIL SERVICE	JAN	MAR	MAY	TOTAL ABSENCES
Rafael Courtney		✓	✓	0
Leslie Coyote		✓	✓	0
David Garcia		A	✓	1
Fred Puhn		✓	✓	0
Paul Wapnowski		✓	✓	0

QUORUM		Y	Y
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LEGEND
✓ - Present
A - Absent
Shaded - No Meeting / Ended Appt. / or Not Applicable

BOARDS AND COMMISSIONS ATTENDANCE
Community and Police Relations Commission (CPRC)

2018

CPRC	FEB	MAY	AUG	NOV	TOTAL ABSENCES
Zach Gomez (Start 7/2018)			✓	✓	0
Victor Barajas		✓	✓	✓	0
Gilbert Garcia		✓	✓	✓	0
Michael Lesley (Start 10/2018)				✓	0
Diana Plazola		✓	✓	✓	0
Victor Gonzalez		A	✓	A	2

QUORUM	N	N	Y	Y
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2019

CPRC	FEB	MAY	AUG	TOTAL ABSENCES
Zach Gomez	✓	✓	✓	0
Victor Barajas	✓	A	✓	1
Gilbert Garcia (End 4/2019)	✓			0
Michael Lesley	✓	✓	✓	0
Diana Plazola	✓	✓	✓	0
Victor Gonzalez (End 3/2019)	A			1
Candy Morales (Start 11/2018)	✓	✓	✓	0
Marianne Delatorre (Start 5/2019)			✓	0
Daniel Orth (Start 5/2019)			✓	0

QUORUM	Y	Y	Y
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LEGEND
✓ - Present
A - Absent
Shaded - No Meeting / Ended Appt. / or Not Applicable

BOARDS AND COMMISSIONS
Library Board of Trustees

2019

LIBRARY BOARD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL ABSENCES
Deborah Hernandez	✓	✓	✓	✓	✓	✓	✓	✓	0
Raymond Juarez	✓	✓	✓	✓	✓	✓	✓	✓	0
Margaret Godshalk	✓	✓	✓	✓	✓	✓	✓	✓	0
Sherry Gogue (Start 01/2019)	A	✓	A	✓	✓	✓	✓	A	3
Bradley Bang (Start 05/2019)					A	✓	✓	✓	1
Cheryl Colmenero (Alternate - Start 05/2019)					A	✓	A	A	3
QUORUM	Y	Y	Y	Y	Y	Y	Y	Y	

LEGEND
✓ - Present
A - Absent
Shaded - No Meeting / Ended Appt. / or Not Applicable

BOARDS AND COMMISSIONS ATTENDANCE
Parks, Recreation, and Senior Citizens Advisory Board (PRSCAB)

2019

PRSCAB	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL ABSENCES
Roy Cesena		A		✓	✓	A	✓		2
Yvonne Cordoba		✓		✓	A	A	A		3
Zachary Gomez		✓		✓	✓	✓	✓		0
Nora McMains		✓		✓	✓	✓	✓		0
Chris Butcher		✓		✓	A	✓	✓		1
Luz Molina-Lopez		✓		✓	A	✓	✓		1
Florфина Arce		✓		✓	✓	✓	✓		0
QUORUM	N	Y	N	Y	Y	Y	Y		

LEGEND
✓ - Present
A - Absent
Shaded - No Meeting / Ended
Appt. / or Not Applicable

BOARDS AND COMMISSIONS ATTENDANCE

Planning Commission

2019

PLANNING COMISSION	JAN	FEB	MAR	MAR	MAY	JUN	JUN	JUL	AUG	TOTAL ABSENCES
Gonzalo Quintero (End 02/2019)	✓	✓						✓		0
George Baca	✓	✓	A	A	✓	✓	✓	✓	✓	2
William Sendt	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Ditas Yamane	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
David Garcia	✓	A	A	✓	✓	✓	✓	A	✓	3
Dolores Flores	✓	✓	✓	✓	A	✓	✓	✓	✓	1
Maria Dela Paz	A	✓	✓	A	✓	✓	✓	✓	✓	2
Luis Natividad (Start 05/2019)					✓	✓	✓	✓	✓	0

QUORUM	Y	Y	Y	Y	Y	Y	Y	Y	Y
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LEGEND
✓ - Present
A - Absent
Shaded - No Meeting / Ended Appt. / or Not Applicable

BOARDS AND COMMISSIONS ATTENDANCE

Public Art Committee

2018

PUBLIC ART	JAN	APR	JUL	OCT	TOTAL ABSENCES
Manuel Cavada		✓	✓	✓	0
Crystal Mercado		A	A	A	3
Nadia Nunez		✓	✓	✓	0
Micaela Polanco (End 08/2018)		A	A	A	3
William Virchis		✓	✓	✓	0
QUORUM	N	Y	Y	Y	

2019

PUBLIC ART	JAN	APR	JUL	TOTAL ABSENCES
Manuel Cavada	✓	✓		0
Meliha Montenegro (05/2019)				0
Nadia Nunez	✓	✓		0
Gloria Pangelinan	✓	A		1
William Virchis	A	✓		1
Charles Reilly (Alternate - Start 05/2019)				0
QUORUM	Y	Y	N	

LEGEND
✓ - Present
A - Absent
Shaded - No Meeting / Ended Appt. / or Not Applicable

BOARDS AND COMMISSIONS ATTENDANCE
Traffic Safety Committee

2018

TRAFFIC SAFETY	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL ABSENCES
Coyote Moon		✓	✓	✓	✓	A	✓	✓	✓	✓	✓	1
Christopher Coyote		✓	✓	✓	A	✓	✓	✓	✓	✓	A	2
Ryan Whipple		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Richard Delgado (End 9/2018)		✓	✓	✓	✓	✓	A	A				2
Richard Sherman (Start 10/2018)									✓	✓	✓	0
QUORUM		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	

2019

TRAFFIC SAFETY	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL ABSENCES
Coyote Moon	✓	✓		✓			✓	0
Christopher Coyote	✓	✓		✓			✓	0
Ryan Whipple	✓	✓		✓			✓	0
Richard Sherman	✓	✓		✓			✓	0
Javier Alvarado	A	A		A			A	4
QUORUM	Y	Y		Y			Y	

LEGEND
✓ - Present
A - Absent
Shaded - No Meeting / Ended
Appt. / or Not Applicable

BOARDS AND COMMISSIONS ATTENDANCE Veterans and Military Families Advisory Committee

2019

VETERANS & MILITARY	FEB	MAR	APR	MAY	JUL	TOTAL ABSENCES
Jesse Aguilar-Perez	✓		✓		A	1
Victor Barajas	✓		✓		A	1
Talisin Burton	✓		✓		A	1
Shirley Ferrill	✓		✓		✓	0
Darnisha Hunter	A		A		✓	2
Mona Minton	✓		✓		✓	0
Stepheni Norton	A		A		✓	2
Luz Ramirez	✓		✓		A	1
James Slade	✓		✓		✓	0
Meg Storer	A		A		A	3
Christina Griffin-Jones (Start 05/2019)					✓	0
QUORUM	Y	N	Y	N	Y	

LEGEND
✓ - Present
A - Absent
Shaded - No Meeting / Ended Appt. / or Not Applicable

The following page(s) contain the backup material for Agenda Item: [Motion of the City Council of the City of National City approving the waiving of the reading of the text of the Ordinances or Resolutions that are having a Public Hearing considered at this meeting and providing that such Ordinances or Resolutions shall be introduced and/or adopted after a reading of the title only. \(City Clerk\)](#)

Please scroll down to view the backup material.

Item # ____
09/17/19

MOTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE WAIVING OF THE READING OF THE TEXT OF THE ORDINANCES OR RESOLUTIONS THAT ARE HAVING A PUBLIC HEARING CONSIDERED AT THIS MEETING AND PROVIDING THAT SUCH ORDINANCES OR RESOLUTIONS SHALL BE INTRODUCED AND/OR ADOPTED AFTER A READING OF THE TITLE ONLY.

(City Clerk)

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City authorizing the installation of a blue curb disabled persons parking space with sign in front of the residence located at 1011 "R" Avenue \(TSC No. 2019-08\). \(Engineering/Public Works\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: September 17, 2019

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the City Council of the City of National City authorizing the installation of a blue curb disabled persons parking space with sign in front of the residence located at 1011 "R" Avenue (TSC No. 2019-08).

PREPARED BY: Carla Hutchinson, Assistant Engineer - Civil

DEPARTMENT: Engineering/Public Works

PHONE: 619-336-4388

APPROVED BY: 

EXPLANATION:

See attached.

FINANCIAL STATEMENT:

APPROVED: _____ Finance

ACCOUNT NO.

APPROVED: _____ MIS

|N/A|

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt Resolution authorizing installation of a blue curb disabled persons parking space with sign in front of the residence located at 1011 R Avenue.

BOARD / COMMISSION RECOMMENDATION:

At their meeting on August 21, 2019, the Traffic Safety Committee approved staff's recommendation to install a blue curb disabled persons parking space with sign in front of the residence located at 1011 R Avenue.

ATTACHMENTS:

1. Explanation
2. Staff Report to the Traffic Safety Committee on August 21, 2019 (TSC No. 2019-08)
3. Resolution

EXPLANATION

Mrs. Madeline Heinrich, resident of 1011 "R" Avenue, has requested a blue curb disabled persons parking space in front of her residence. The resident possesses a valid disabled persons placard from the California Department of Motor Vehicles. Mrs. Heinrich's daughter, Mrs. Regena Heinrich, stated that it is difficult for her to find parking in front of her property due to the high demand of parking in the area and that a disabled persons parking space in front of her house would provide easier access to the house for her mother.

Staff visited the site and observed that Mrs. Heinrich's residence has a driveway and garage. With her permission and supervision, staff measured the driveway and the garage. The driveway is 30 feet long by 14 feet wide with a slope of approximately 4%. The Americans with Disabilities Act (ADA) requires that the slope be 2% or less to accommodate a vehicle with a disabled driver or passenger.

The garage is 18 feet long by 8 feet wide with a negligible slope. The minimum dimension for a garage or driveway to accommodate a vehicle with a disabled driver or passenger is 20 feet long by 12 feet wide.

The City Council has adopted a policy which is used to evaluate requests for disabled persons parking spaces. The City Council Disabled Persons Parking Policy requirements for "Special Hardship" cases are as follows:

1. Applicant (or guardian) must be in possession of valid license plates or placard for "disabled persons" or "disabled veterans". This condition is met.
2. The proposed disabled parking space must be in front (or side if on a corner lot) of the applicant's (or guardian's) place of residence. This condition is met.
3. The residence must not have useable off-street parking available or an off-street space available that may be converted into disabled parking. This condition is met, since the slope of the applicant's driveway is greater than 2%, which does not meet ADA standards, and the garage does not meet the minimum dimensions to park a disabled driver's vehicle.

This item was presented to the Traffic Safety Committee on August 21, 2019. No one was in attendance to speak in support of the blue curb disabled persons parking space. Staff presented the results of the site evaluation and after discussion, the Traffic Safety Committee voted to approve staff's recommendation to install a blue curb disabled persons parking space with sign, since all three conditions of the City Council Disabled Persons Parking Policy for "Special Hardship" cases are met.

The applicant was informed that handicap parking spaces do not constitute "personal reserved parking" and that any person with valid "disabled persons" license plates or placards may park in handicap spaces.

If approved by City Council, all work will be performed by City Public Works

Location Map with Recommended Enhancements (TSC Item: 2019-08)



**NATIONAL CITY TRAFFIC SAFETY COMMITTEE
AGENDA REPORT FOR AUGUST 21, 2019**

ITEM NO. 2019-08

ITEM TITLE: REQUEST FOR INSTALLATION OF A BLUE CURB DISABLED PERSONS PARKING SPACE WITH SIGNAGE IN FRONT OF THE RESIDENCE AT 1011 R AVENUE

PREPARED BY: Carla Hutchinson, Assistant Engineer – Civil Engineering & Public Works Department

DISCUSSION:

Mrs. Madeline Heinrich, resident of 1011 R Avenue, has requested a blue curb disabled persons parking space in front of her residence. The resident possesses a valid disabled persons placard from the California Department of Motor Vehicles. Mrs. Heinrich's daughter, Mrs. Regena Heinrich stated that it is difficult for her to find parking in front of her property due to the high demand of parking in the area and that a disabled persons parking space in front of her house would provide easier access to the house for her mother.

Staff visited the site and observed that Mrs. Heinrich's residence has a driveway and garage. With her permission and supervision, staff measured the driveway and the garage. The driveway is 30 feet long by 14 feet wide with a slope of approximately 4%. In order to accommodate a vehicle with a disabled driver or passenger, the slope must be 2% or less. The garage is 18 feet long by 8 feet wide with a negligible slope. The minimum dimension for a garage or driveway to accommodate a vehicle with a disabled driver or passenger is 20 feet long by 12 feet wide. These two conditions are not met since the dimension of the garage and slope of driveway do not meet the minimum parking requirements for disabled persons.

The City Council has adopted a policy which is used to evaluate requests for disabled persons parking spaces. The City Council Disabled Persons Parking Policy requirements for "Special Hardship" cases are as follows:

1. Applicant (or guardian) must be in possession of valid license plates or placard for "disabled persons" or "disabled veterans". *This condition is met.*
2. The proposed disabled parking space must be in front (or side if on a corner lot) of the applicant's (or guardian's) place of residence. *This condition is met.*
3. The residence must not have useable off-street parking available or an off-street space available that may be converted into disabled parking. *This condition is met.*

It shall be noted that disabled persons parking spaces do not constitute "personal reserved parking" and that any person with valid "disabled persons" license plates or placards may park in handicap spaces.

STAFF RECOMMENDATION:

Since all three conditions of the City Council Disabled Persons Parking Policy for “Special Hardship” cases are met, staff recommends the installation of a blue curb disabled persons parking space with signage in front of the residence at 1011 R Avenue.

EXHIBITS:

1. Public Request Form
2. Public Notice
3. Location Map
4. Photos
5. City Council Disabled Persons Parking Policy

2019-08

REQUEST FOR BLUE CURB DISABLED PERSONS PARKING SPACE

NAME OF DISABLED PERSON: Madeline Heinrich

NAME OF REPRESENTATIVE FOR DISABLED PERSON (if different from above): _____

ADDRESS: 1011 R Ave

EMAIL: _____

PHONE NUMBER: _____

Please answer the following questions, which will assist Engineering staff, the Traffic Safety Committee, and your City Council in determining if you are qualified to have a blue curb disabled persons parking space placed in front of your residence. Please be informed that all blue curb parking spaces are considered public parking. Therefore, any registered vehicle in possession of a disabled persons placard or license plate is legally allowed to park in the blue curb space for up to 72 continuous hours.

1) Do you possess a valid disabled person's placard issued by the California Department of Motor Vehicles (DMV)? YES NO
If YES, please include a copy of the placard, which contains your name, address, placard number, and expiration date.

2) Does your residence have a garage? YES NO
If YES, is the garage large enough to park a vehicle (minimum of 20' x 12')? YES NO

3) Does your residence have a driveway? YES NO
If YES, a) Is the driveway large enough to park a vehicle (minimum of 20' x 12')? YES NO
b) Is the driveway level? YES NO
c) Is the driveway sloped/inclined? YES NO

4) Please write any additional comments here (optional).

DEPARTMENT OF MOTOR VEHICLES

PLACARD NUMBER:

**DISABLED PERSON
PLACARD IDENTIFICATION
CARD/RECEIPT**

EXPIRES: 06/30/2021

DATE ISSUED:

This identification card or facsimile copy is to be carried by the placard owner. Present it to any peace officer upon demand. Immediately notify DMV by mail of any change of address. When parking, hang the placard from the rear view mirror, remove it from the mirror when driving.

**When your placard is properly displayed,
you may park in or on:**

- * Disabled person parking spaces (blue zones)
- * Street metered zones without paying.
- * Green zones without restrictions to time limits.
- * Streets where preferential parking privileges are given to residents and merchants.

You may not park in or on:

- * Red, Yellow, White or Tow Away Zones.
- * Crosshatch marked spaces next to disabled person parking spaces.

It is considered misuse to:

- * Display a placard unless the disabled owner is being transported.
- * Display a placard which has been cancelled or revoked.
- * Loan your placard to anyone, including family members.

Misuse is a misdemeanor (section 4461VC) and can result in cancellation or revocation of the placard, loss of parking privileges, and/or fines.

TYPE:

TV:

CO:

DOB:

ISSUED TO

**HEINRICH MADELINE
1811 R AVE**

NATIONAL CITY CA 91950

Purchase of fuel

(Business & Professions Code 13660):

* State law requires service stations to refuel a disabled person's vehicle at self-service rates, except self-service facilities with only one cashier.



August 14, 2019

Resident/Property Owner

Subject: TRAFFIC SAFETY COMMITTEE (TSC) ITEM NO. 2019-08

**REQUEST FOR INSTALLATION OF A BLUE CURB DISABLED PERSONS
PARKING SPACE WITH SIGNAGE IN FRONT OF THE RESIDENCE LOCATED
AT 1011 R AVENUE**

Dear Sir/Madame:

The City of National City would like to invite you to our next public Traffic Safety Committee Meeting scheduled for **Wednesday, August 21, 2019, at 1:00 P.M.** in the 2nd Floor Large Conference Room of the Civic Center Building, 1243 National City Boulevard, to discuss the above-referenced item.

The City Hall is ADA compliance. Please note that there are two disabled persons parking spaces in front of City Hall on the east side of National City that provide direct access on the 2nd Floor of City Hall via a pedestrian bridge.

If you have any questions, comments, and/or concerns, please contact the Engineering Department at 619-336-4380 and reference Traffic Safety Committee Item Number 2019-08.

Sincerely,

Stephen Manganiello
City Engineer

SM:ch

Enclosure: Location Map

2019-08



Location of proposed blue curb disabled persons parking space in front of 1011 R Avenue (looking southeast)



Location of proposed blue curb disabled persons parking space in front of 1011 R Avenue (looking east)

DISABLED PERSONS PARKING POLICY

The purpose of a disabled persons parking zone is to provide designated parking spaces at major points of assembly for the exclusive use of physically disabled persons whose vehicle displays a distinguishing license plate as authorized by the California Department of Motor Vehicles.

The City Council may upon recommendation of the City Engineer, designate specially marked and posted on-street parking spaces for disabled persons pursuant to California Vehicle Code 21101, et seq. at the following facilities:

1. Government buildings serving the public such as administration buildings, public employment offices, public libraries, police stations, etc.
2. Hospitals and convalescent homes with more than 75-bed capacity.
3. Medical facilities and doctors' offices staffed by a maximum of five practitioners. Zones shall be located to serve a maximum number of facilities on one block.
4. Community service facilities such as senior citizens service centers, etc.
5. Accredited vocational training and educational facilities where no off-street parking is provided for disabled persons.
6. Employment offices for major enterprises employing more than 200 persons.
7. Public recreational facilities including municipal swimming pools, recreation halls, museums, etc.
8. Public theaters, auditoriums, meeting halls, arenas, stadiums with more than 300 seating capacity.
9. Other places of assembly such as schools and churches.
10. Commercial and/or office building(s) with an aggregate of more than 50,000 square feet of usable floor space. Zone shall be located to serve a maximum number of facilities on one block.
11. Hotels catering to daily guests, maintaining a ground floor lobby and a switchboard that is operated 24 hours per day.

12. A hotel or apartment house catering to weekly or monthly guests and containing more than 30 separate living units.

In addition, disabled persons parking spaces may be provided within all publicly owned, leased or controlled off-street parking facilities as specified in the General Requirements.

General Requirements

Each disabled persons parking space shall be indicated by blue paint and a sign (white on blue) showing the international symbol of accessibility (a profile view of a wheelchair with occupant).

Where installed under the above criteria the total number of disabled persons curb parking spaces will be limited to 3% of the total number of on-street parking spaces available in the area and shall be distributed uniformly within the area.

Disabled persons parking will not be installed at locations with a full-time parking prohibition. When a disabled persons parking zone is installed where a part-time parking prohibition is in effect, the disabled persons parking zone will have the same time restrictions as the part-time parking prohibition.

The cost of installing disabled persons parking will be assumed by the City on public streets and public off-street parking facilities.

In establishing on-street parking facilities for the disabled there shall be a reasonable determination made that the need is of an on-going nature. The intent is to prevent the proliferation of special parking stalls that may be installed for a short-term purpose but later are seldom used. Unjustified installation of such parking stalls unnecessarily increases the City's maintenance and operations costs, reduce available on-street parking for the general public, and detract from the overall effectiveness of the disabled persons parking program.

Special Hardship Cases

It is not the intention of the City to provide personal reserved parking on the public right-of-way, especially in residential areas. However, exceptions may be made, in special hardship cases, provided all of the following conditions exists:

- (1) Applicant (or guardian) must be in possession of valid license plates for "disabled persons" or "disabled veterans."
- (2) The proposed disabled parking space must be in front of the applicant's (or guardian's) place of residence.

- (3) Subject residence must not have useable off-street parking available or off-street space available that may be converted into disabled parking.

NOTE:It must be emphasized that such parking spaces do not constitute "personal reserved parking" and that any person with valid "disabled persons" license plates may park in the above stalls.

Jha:p

RESOLUTION NO. 2019 –

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
AUTHORIZING THE INSTALLATION OF A BLUE CURB DISABLED
PERSONS PARKING SPACE WITH SIGNAGE IN FRONT OF
THE RESIDENCE LOCATED AT 1011 “R” AVENUE**

WHEREAS, a resident of 1011 “R” Avenue possesses a valid Disabled Person Placard from the State of California Department of Motor Vehicles and has requested the installation of a blue curb disabled persons parking space in front of the residence to provide easier and safer access to the home because the demand for parking is high making it difficult to find on-street parking; and

WHEREAS, after conducting an inspection and review, staff has determined that all conditions have been met for the property to qualify for a blue curb disabled persons parking space in front of the home; and

WHEREAS, on August 21, 2019, the Traffic Safety Committee voted unanimously to approve the installation of a blue curb disabled persons parking space with signage in front of the residence at 1011 “R” Avenue.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby authorizes the installation of a blue curb disabled persons parking space with signage in front of the residence at 1011 “R” Avenue.

PASSED and ADOPTED this 17th day of September, 2019.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City: 1\) approving the acceptance of the California Library Literacy Services \(CLLS\) Grant in the amount of \\$18,000 to fund the National City Public Library's Literacy Services Program for FY2020; and 2\) authorizing the establishment of a Library Grant Fund appropriation in the amount of \\$18,000 and corresponding revenue budget. \(Library\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: September 17, 2019

AGENDA ITEM NO.:

ITEM TITLE:

Resolution of the City Council of the City of National City: 1) approving the acceptance of the California Library Literacy Services (CLLS) Grant in the amount of \$18,000 to fund the National City Public Library's Literacy Services Program for FY2020; and 2) authorizing the establishment of a Library Grant Fund appropriation in the amount of \$18,000 and corresponding revenue budget.

PREPARED BY: Minh Duong 

DEPARTMENT: Library

PHONE: 619-470-5882

APPROVED BY: 

EXPLANATION:

The CLLS grant is designed to support the Library's literacy services program to English-speaking adults who seek to improve their reading, writing, math, and computer skills. In determining the amount of funding to the libraries that provide literacy services to their communities, the California State Library uses a funding formula that consist of three parts:

1. A *baseline* amount \$18,000 to provide a minimum level of local literacy staffing and services;
2. A *per capita amount* per adult learner served in the previous year; and
3. A *match* on local funds earmarked for adult literacy services. This local match is fulfilled by a CDBG grant awarded to the Library by the City Council on May 7, 2019 in the amount of \$50,610 to defray the personnel costs of the Literacy Coordinator who oversees the operation of the literacy program.

The CLLS grant is awarded in two payments each year. This award of \$18,000 is the baseline amount for the program. The second payment, calculated by applying the other two parts of the formula (*per capita* and *match*) will be sent once the final report on the previous year is submitted and reviewed by the State Library.

FINANCIAL STATEMENT:

APPROVED:  **FINANCE**

ACCOUNT NO.

APPROVED: _____ **MIS**

320-31339-3463 (Literacy Services Grant) - \$18,000

320-431-0339* (Literacy Services Grant) - \$18,000

The City's required match will be met with CDBG funds awarded to the Library

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF RECOMMENDATION:

Adopt the resolution

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

1. Award Letter
2. Resolution



August 16, 2019

Minh Duong, City Librarian
National City Public Library
1401 National City Boulevard
National City, CA 91950-3314

minh.duong@nationalcitylibrary.org

Dear Ms. Duong:

We're happy to provide funds for the fiscal year that began July 1, 2019 to support your California Library Literacy Services program and the important work you, your staff and volunteers do in your community.

The recently signed state budget continues California Library Literacy Services funding at \$4.82 million and \$2.5 million for family literacy.

At this time, we're providing the \$18,000 baseline amount for your program. The remainder will be sent in the fall after a review of the Final Report you submit to us in September.

There are three parts to the library's [funding formula](#):

1. A *baseline* amount (\$18,000) for each approved literacy program to provide libraries with the funding needed to deliver a minimum level of local literacy staffing and services;
2. A *per capita* amount per adult learner served in the previous year; and
3. A *match* on local funds raised and expended for adult literacy services—reflecting a commitment to a continuing state/local partnership and providing an incentive for increased local support for adult literacy.
 - Your funds must be encumbered by June 30, 2020, and fully expended in accordance with your approved budget by December 31, 2020. Encumbered funds are those that have been deposited in the awardee's accounting system and for which a budget has been provided to and approved by the State Library.
 - Please refer to the new California Library Literacy Services allowable and unallowable costs document to guide your program expenditures and please get in touch with us if you have any questions.
 - We encourage you and your colleagues to participate in the library literacy training opportunities that will be made available by the State Library and regional networks.

The following specific issues or observations are being made about your application:

None

The payment process begins once we receive your signed Claim & Certification Forms (attached). Please direct any questions to Andrea Freeland @ 916.651.3191 and/or andrea.freeland@library.ca.gov.

NOTE: Both forms must be completed, signed with original signatures and mailed to Fiscal Office in order to be processed for payment.

Thank you for your willingness to do so much for so many people in need.

Respectfully yours,



Greg Lucas
California State Librarian

cc: Mikki Eris Vidamo, Literacy Coordinator (via email: mvidamo@nationalcityca.gov)

File

Enc.: Claim Form & Certification

PLEASE COMPLETE AND RETURN THIS PAGE

Claim Form

State of California
California Library Literacy and English Acquisition Services (CLLS)

California Education Code; Section 18880-18883
Budget Citation Chapter 23 - Budget Item 6120-213-0001

Fiscal Year: 2019-2020		
Reporting Structure: 61202000	COA: 5432000;	Approp. Ref: 213
Purchasing Authority Number: CSL-6120	Category: 84121600	Program #: 5312

FOR PAYMENT OF CALIFORNIA LIBRARY LITERACY SERVICES GRANT

Amount Claimed – First Installment - **\$ 18,000**

National City Public Library - 1401 National City Boulevard National City, CA 91950-3314

claims the indicated allowance for the purposes of carrying out the functions stated in its CLLS application and in Sections 18880-18883 of the California Education Code.

Warrant to be issued for payment to the library to be addressed to:

***National City Public Library - 1401 National City Boulevard National City, CA 91950-3314**

(Authorized agency to receive, disburse and account for CLLS funds)

I hereby certify under penalty of perjury: that the library named above shall use their allowance solely for the purposes indicated in their CLLS application and in Sections 18880-18883 of the California Education Code.

Official Representative or Fiscal Agent (Signature Required)

Title

MAIL ONE ORIGINAL SIGNATURE TO:
California State Library
Fiscal Office – CLLS
P. O. Box 942837
Sacramento, CA 94237-0001

State Library Local Assistance Office Use Only

STATE OF CALIFORNIA, State Library Fiscal Office

By _____
State Library Representative

Approval by State:

CLLS \$ _____

Date: _____

*The warrant address must match that on file in Fi\$Cal. If you need to change the authorized library name and/or address, please contact Colette Moody, CSL Fiscal Office. (Colette.Moody@library.ca.gov)

PLEASE COMPLETE AND RETURN THIS PAGE

CERTIFICATION

I hereby certify under penalty of perjury: that I am the duly authorized representative of the claimant herein; that the claim is in all respects true, correct and in accordance with law and the terms of the agreement; and that payment has not previously been received for the amount claimed herein.

The claims the indicated allowance for the purposes of carrying out the functions stated in its CLLS application and in Sections 18880-18883 of the California Education Code.

National City Public Library

SIGNED

DATE

Signature - Authorized representative

Typed/Printed Name and Title of Authorized Representative

Email address of authorized representative



MAIL ONE ORIGINAL SIGNATURE TO:
California State Library
Fiscal Office – CLLS
P. O. Box 942837
Sacramento, CA 94237-0001

RESOLUTION 2019 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE ACCEPTANCE OF THE CALIFORNIA LIBRARY LITERACY SERVICES (CLLS) GRANT IN THE AMOUNT OF \$18,000 TO FUND THE NATIONAL CITY PUBLIC LIBRARY'S LITERACY SERVICES PROGRAM FOR FY 2020 AND AUTHORIZING THE ESTABLISHMENT OF A LIBRARY GRANT FUND APPROPRIATION IN THE AMOUNT OF \$18,000 AND CORRESPONDING REVENUE BUDGET

WHEREAS, the California Library Literacy Services ("CLLS") Grant is designed to support the Library's literacy services program to English-speaking adults who seek to improve their reading, writing, and math skills; and

WHEREAS, to determine the amount of funding for libraries that provide literacy services to their communities, the California State Library uses a funding formula consisting of the following three parts:

1. A baseline amount of \$18,000 to provide a minimum level of local literacy staffing and services; and
2. A per capita amount per adult learner served in the previous year; and
3. A match of local funds earmarked for adult literacy services that is provided by a CDBG grant awarded to the Library by the City Council on May 7, 2019 in the amount of \$50,610 to defray the personnel costs of the Literacy Coordinator who oversees the operation of the literacy program.

WHEREAS, the CLLS grant is provided to the Library in two payments each year; the first payment of \$18,000 is the baseline amount, and the second payment is determined by applying the other two parts of the formula (per capita match) once the final report on the previous fiscal year is submitted to the State Library.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby accepts the grant funds in the amount of \$18,000 from the California Library Literacy Services to fund the National City Public Library's literacy services program for Fiscal Year 2020.

BE IT FURTHER RESOLVED that the City Council authorizes the establishment of an appropriation and corresponding revenue budget in the amount of \$18,000.

PASSED and ADOPTED this 17th day of September, 2019.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones, City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City Authorizing the Mayor to Execute an Agreement between the City of National City and Claims Management Associates, Inc., for liability risk management, claims adjusting, and investigation services for the term of April 1, 2019 through March 31, 2021 in a not to exceed amount of \\$160,000 and authorizing the City Manager to extend the contract for three one-year terms. \(City Attorney\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: September 17, 2019

AGENDA ITEM NO. |

ITEM TITLE: Resolution of the City Council of the City of National City authorizing the Mayor to Execute an Agreement between the City of National City and Claims Management Associates, Inc., for liability risk management, claims adjusting, and investigation services for the term of April 1, 2019 through March 31, 2021 in a not to exceed amount of \$160,000 and authorizing the City Manager to extend the contract for three one-year terms.

PREPARED BY: Angil Morris-Jones

DEPARTMENT: City Attorney

PHONE: Ext. 4222

APPROVED BY: 

EXPLANATION:

The City of National City has contracted with Claims Management Associates, Inc. ("CMA") to provide risk consulting services since 2010. CMA is the City's current provider of liability risk management, claims adjusting, and investigation services.

The CMA Agreement expired March of 2019.

The City desires to enter into a new two year Agreement with CMA for the term of April 1, 2019 through March 31, 2021. The City Manager is authorized to extend the contract by mutual agreement upon the same terms and conditions up to three one –year extensions.

FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO. |

APPROVED: _____ **MIS**

N/A

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt the resolution for an Agreement with Claims Management Associates and authorize the City Manager to extend the contract up to three one-year extensions.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

- 1) Agreement
- 2) Resolution

**AGREEMENT
BY AND BETWEEN
THE CITY OF NATIONAL CITY
AND
CLAIMS MANAGEMENT ASSOCIATES, INC.**

THIS AGREEMENT is entered into this 17th day of September 2019, by and between the CITY OF NATIONAL CITY, a municipal corporation (the "CITY"), and CLAIMS MANAGEMENT ASSOCIATES, Inc. (the "CONSULTANT") for the term of April 1, 2019 through March 31, 2021.

RECITALS

WHEREAS, the CITY desires to employ a CONSULTANT to provide Risk Management Liability Consulting to include liability claims management; and Liability Claims adjusting and investigating.

WHEREAS, the CITY has determined that the CONSULTANT is qualified by experience and ability to perform the services desired by the CITY, and the CONSULTANT is willing to perform such services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONSULTANT.** The CITY agrees to engage the CONSULTANT, and the CONSULTANT agrees to perform the services set forth here in accordance with all terms and conditions contained herein.

The CONSULTANT represents that all services shall be performed directly by the CONSULTANT or under direct supervision of the CONSULTANT.

2. **SCOPE OF SERVICES.** CONSULTANT will provide as needed consulting to the City of National City for Liability Risk Management, Claims Adjustment and Investigation and related functions.

The CONSULTANT may assist the CITY with additional projects as designated by the Administrative Services Director. The CONSULTANT will perform services as set forth in the attached Exhibits "A" and "B".

The CONSULTANT shall be responsible for all research and reviews related to the work and shall not rely on personnel of the CITY for such services, except as authorized in advance by the CITY. The CONSULTANT shall appear at meetings to keep staff and City Council advised of the progress as required.

The CITY may unilaterally, or upon request from the CONSULTANT, from time to time reduce or increase the Scope of Services to be performed by the CONSULTANT under this Agreement. Upon doing so, the CITY and the CONSULTANT agree to meet in good faith and confer for the purpose of negotiating a corresponding reduction or increase in the

compensation associated with said change in services, not to exceed a factor of 20% from the base amount.

3. **PROJECT COORDINATION AND SUPERVISION.** The City Attorney is hereby is designated as the Project Coordinator for the CITY and will monitor the progress and execution of this Agreement. The CONSULTANT shall assign a single Project Director to provide supervision and have overall responsibility for the progress and execution of this Agreement for the CONSULTANT. Edward Garbo is thereby is designated as the Project Director for the CONSULTANT.

4. **COMPENSATION AND PAYMENT.** The compensation for the CONSULTANT shall be based on monthly billings covering actual work performed. Billings shall include labor classifications, respective rates, hours worked and also materials, if any. The total cost for all work described in Exhibits "A" and "B" shall be based on the fee schedule in Exhibit "C" (the Base amount) not to exceed \$160,000 in the two year term of the agreement without prior written authorization from the City Attorney. Monthly invoices will be processed for payment and remitted within thirty (30) days from receipt of invoice, provided that work is accomplished consistent with Exhibits "A" and "B", as determined by the CITY.

The CONSULTANT shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred, and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by the CITY, and for furnishing of copies to the CITY, if requested.

5. **ACCEPTABILITY OF WORK.** The City shall decide any and all questions which may arise as to the quality or acceptability of the services performed and the manner of performance, the acceptable completion of this Agreement, and the amount of compensation due. In the event the CONSULTANT and the City cannot agree to the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONSULTANT in this Agreement, the City or the CONSULTANT shall give to the other written notice. Within ten (10) business days, the CONSULTANT and the City shall each prepare a report which supports their position and file the same with the other party. The City shall, with reasonable diligence, determine the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONSULTANT.

6. **EFFECTIVE DATE AND LENGTH OF AGREEMENT.** This agreement will become effective on April 1, 2019. The duration of this Agreement is for the period of April 1, 2019 through June 30, 2021. This Agreement may be extended by mutual agreement upon the same terms and conditions for an additional one (1) year term. The Parties may exercise up to three one-year extensions. Any extension of this Agreement must be approved in writing by the City Manager.

7. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** The Memoranda, Reports, Maps, Drawings, Plans, Specifications, and other documents prepared by the CONSULTANT for this Project, whether paper or electronic, shall become the property of the CITY for use with respect to this Project, and shall be turned over to the CITY upon completion of the Project, or any phase thereof, as contemplated by this Agreement.

Contemporaneously with the transfer of documents, the CONSULTANT hereby assigns to the CITY, and CONSULTANT thereby expressly waives and disclaims any copyright in, and the right to reproduce, all written material, drawings, plans, specifications, or other work prepared under this Agreement, except upon the CITY'S prior authorization regarding reproduction, which authorization shall not be unreasonably withheld. The CONSULTANT shall, upon request of the CITY, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

The CONSULTANT agrees that the CITY may use, reuse, alter, reproduce, modify, assign, transfer, or in any other way, medium, or method utilize the CONSULTANT'S written work product for the CITY'S purposes, and the CONSULTANT expressly waives and disclaims any residual rights granted to it by Civil Code Sections 980 through 989 relating to intellectual property and artistic works.

Any modification or reuse by the CITY of documents, drawings, or specifications prepared by the CONSULTANT shall relieve the CONSULTANT from liability under Section 14, but only with respect to the effect of the modification or reuse by the CITY, or for any liability to the CITY should the documents be used by the CITY for some project other than what was expressly agreed upon within the Scope of this project, unless otherwise mutually agreed.

8. **INDEPENDENT CONTRACTOR.** Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners, or joint venturers with one another. Neither the CONSULTANT nor the CONSULTANT'S employees are employees of the CITY, and are not entitled to any of the rights, benefits, or privileges of the CITY'S employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

This Agreement contemplates the personal services of the CONSULTANT and the CONSULTANT'S employees, and it is recognized by the parties that a substantial inducement to the CITY for entering into this Agreement was, and is, the professional reputation and competence of the CONSULTANT and its employees. Neither this Agreement nor any interest herein may be assigned by the CONSULTANT without the prior written consent of the CITY. Nothing herein contained is intended to prevent the CONSULTANT from employing or hiring as many employees, or SUBCONSULTANTS, as the CONSULTANT may deem necessary for the proper and efficient performance of this Agreement. All agreements by CONSULTANT with its SUBCONSULTANT(S) shall require the SUBCONSULTANT(S) to adhere to the applicable terms of this Agreement.

9. **CONTROL.** Neither the CITY nor its officers, agents, or employees shall have any control over the conduct of the CONSULTANT or any of the CONSULTANT'S employees, except as herein set forth, and the CONSULTANT or the CONSULTANT'S agents, servants, or employees are not in any manner agents, servants, or employees of the CITY, it being understood that the CONSULTANT its agents, servants, and employees are as to the CITY wholly independent CONSULTANT, and that the CONSULTANT'S obligations to the CITY are solely such as are prescribed by this Agreement.

10. **COMPLIANCE WITH APPLICABLE LAW.** The CONSULTANT, in the performance of the services to be provided herein, shall comply with all applicable state and federal statutes and regulations, and all applicable ordinances, rules, and regulations of the City of

National City, whether now in force or subsequently enacted. The CONSULTANT and each of its SUBCONSULTANT(S), shall obtain and maintain a current City of National City business license prior to and during performance of any work pursuant to this Agreement.

11. **LICENSES, PERMITS, ETC.** The CONSULTANT represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. The CONSULTANT represents and covenants that the CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the CONSULTANT to practice its profession.

12. **STANDARD OF CARE.**

A. The CONSULTANT, in performing any services under this Agreement, shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the CONSULTANT'S trade or profession currently practicing under similar conditions and in similar locations. The CONSULTANT shall take all special precautions necessary to protect the CONSULTANT'S employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.

B. Unless disclosed in writing prior to the date of this Agreement, the CONSULTANT warrants to the CITY that it is not now, nor has it for the five (5) years preceding, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the CONSULTANT'S professional performance or the furnishing of materials or services relating thereto.

C. The CONSULTANT is responsible for identifying any unique products, treatments, processes or materials whose availability is critical to the success of the project the CONSULTANT has been retained to perform, within the time requirements of the CITY, or, when no time is specified, then within a commercially reasonable time. Accordingly, unless the CONSULTANT has notified the CITY otherwise, the CONSULTANT warrants that all products, materials, processes or treatments identified in the project documents prepared for the CITY are reasonably commercially available. Any failure by the CONSULTANT to use due diligence under this sub-paragraph will render the CONSULTANT liable to the CITY for any increased costs that result from the CITY'S later inability to obtain the specified items or any reasonable substitute within a price range that allows for project completion in the time frame specified or, when not specified, then within a commercially reasonable time.

13. **NON-DISCRIMINATION PROVISIONS.** The CONSULTANT shall not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. The CONSULTANT will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the CITY setting forth the provisions of this non-discrimination clause.

14. **CONFIDENTIAL INFORMATION.** The CITY may from time to time communicate to the CONSULTANT certain confidential information to enable the CONSULTANT to effectively perform the services to be provided herein. The CONSULTANT shall treat all such information as confidential and shall not disclose any part thereof without the prior written consent of the CITY. The CONSULTANT shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services to be provided herein. The foregoing obligation of this Section 13, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information; (ii) is, through no fault of the CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is already in the possession of the CONSULTANT without any obligation of confidentiality; or (iv) has been or is hereafter rightfully disclosed to the CONSULTANT by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party.

The CONSULTANT shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this Agreement without the prior written consent of the CITY. In its performance hereunder, the CONSULTANT shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

CONSULTANT shall be liable to CITY for any damages caused by breach of this condition, pursuant to the provisions of Section 14.

15. **INDEMNIFICATION AND HOLD HARMLESS.** The CONSULTANT agrees to defend, indemnify and hold harmless the City of National City, its officers and employees, against and from any and all liability, loss, damages to property, injuries to, or death of any person or persons, and all claims, demands, suites, actions, proceedings, reasonable attorneys' fees, and defense costs, of any kind or nature, including workers' compensation claims, of or by anyone whomsoever, resulting from or arising out of the CONSULTANT'S performance or other obligations under this Agreement; provided, however, that this indemnification and hold harmless shall not include any claims or liability arising from the established sole negligence or willful misconduct of the City, its agents, officers, or employees. The indemnity, defense, and hold harmless obligations contained herein shall survive the termination of this Agreement for any alleged or actual omission, act, or negligence under this Agreement that occurred during the term of this Agreement.

16. **WORKERS' COMPENSATION.** The CONSULTANT shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Government Code and all amendments thereto; and all similar State or federal acts or laws applicable; and shall indemnify, and hold harmless the CITY and its officers, and employees from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description, including reasonable attorney's fees and defense costs presented, brought or recovered against the CITY or its officers, employees, or volunteers, for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the CONSULTANT under this Agreement.

17. **INSURANCE.** The CONSULTANT, at its sole cost and expense, shall purchase and maintain, and shall require its SUBCONSULTANT(S), when applicable, to purchase and maintain throughout the term of this Agreement, the following checked insurance policies:

A. If checked, **Professional Liability Insurance** (errors and omissions) with minimum limits of \$1,000,000 per occurrence.

B. **Automobile Insurance** covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include owned, non-owned, and hired vehicles ("any auto"). The policy shall name the CITY and its officers, agents and employees as additional insureds, and a separate additional insured endorsement shall be provided.

C. **Commercial General Liability Insurance**, with minimum limits of \$1,000,000 per occurrence and \$5,000,000 aggregate, covering all bodily injury and property damage arising out of its operations under this Agreement. The policy shall name the CITY and its officers, agents and employees as additional insureds, and a separate additional insured endorsement shall be provided.

D. **Workers' Compensation Insurance** in an amount sufficient to meet statutory requirements covering all of CONSULTANT'S employees and employers' liability insurance with limits of at least \$1,000,000 per accident. In addition, the policy shall be endorsed with a waiver of subrogation in favor of the City. Said endorsement shall be provided prior to commencement of work under this Agreement.

If CONSULTANT has no employees subject to the California Workers' Compensation and Labor laws, CONSULTANT shall execute a Declaration to that effect. Said Declaration shall be provided to CONSULTANT by CITY.

E. The aforesaid policies shall constitute primary insurance as to the CITY, its officers, employees, and volunteers, so that any other policies held by the CITY shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days prior written notice to the CITY of cancellation or material change.

F. If required insurance coverage is provided on a "claims made" rather than "occurrence" form, the CONSULTANT shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement. In addition, the "retro" date must be on or before the date of this Agreement.

G. Insurance shall be written with only California admitted companies that hold a current policy holder's alphabetic and financial size category rating of not less than A VIII according to the current Best's Key Rating Guide, or a company equal financial stability that is approved by the CITY'S Risk Manager. In the event coverage is provided by non-admitted "surplus lines" carriers, they must be included on the most recent California List of Eligible Surplus Lines Insurers (LESLI list) and otherwise meet rating requirements.

H. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the CITY'S Risk Manager. If the CONSULTANT does not keep all of such insurance policies in full force and effect at all times during the terms of this Agreement, the CITY may elect to treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.

I. All deductibles and self-insured retentions in excess of \$10,000 must be disclosed to and approved by the CITY.

18. **LEGAL FEES.** If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all costs and expenses of suit, including attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorney's fees incurred in the prosecution or defense of the action or suit shall not be considered in determining the amount of the judgment or award. Attorney's fees to the prevailing party if other than the CITY shall, in addition, be limited to the amount of attorney's fees incurred by the CITY in its prosecution or defense of the action, irrespective of the actual amount of attorney's fees incurred by the prevailing party.

19. **TERMINATION.**

A. This Agreement may be terminated with or without cause by the CITY or CONSULTANT. Termination without cause shall be effective only upon 60-day's written notice to the CONSULTANT or CITY. During said 60-day period the CONSULTANT shall perform all services in accordance with this Agreement.

B. This Agreement may also be terminated immediately by the CITY for cause in the event of a material breach of this Agreement, misrepresentation by the CONSULTANT in connection with the formation of this Agreement or the performance of services, or the failure to perform services as directed by the CITY.

C. Termination with or without cause shall be effected by delivery of written Notice of Termination to the CONSULTANT as provided for herein.

D. In the event of termination, all finished or unfinished Memoranda Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONSULTANT, whether paper or electronic, shall immediately become the property of and be delivered to the CITY, and the CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed on such documents and other materials up to the effective date of the Notice of Termination, not to exceed the amounts payable hereunder, and less any damages caused the CITY by the CONSULTANT'S breach, if any. Thereafter, ownership of said written material shall vest in the CITY all rights set forth in Section 6.

E. The CITY further reserves the right to immediately terminate this Agreement upon: (1) the filing of a petition in bankruptcy affecting the CONSULTANT; (2) a reorganization of the CONSULTANT for the benefit of creditors; or (3) a business reorganization, change in business name or change in business status of the CONSULTANT.

20. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or telegraphed or cabled; or delivered or sent by telex, telecopy, facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days (ten (10) days if the address is outside the State of California) after the date of deposit in a post office, mailbox, mail chute, or other like facility regularly maintained by the United States Postal Service, (iv) if given by telegraph or cable, when delivered to the telegraph company with charges prepaid, or (v) if given by telex, telecopy,

facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

To CITY: City Attorney
City of National City
1243 National City Boulevard
National City, CA 91950-4301

To CONSULTANT:
Edward Garbo, President
Claims Management Associates, Inc.
10755 Scripps Poway Parkway #501
San Diego, CA 92131

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent. Any notice, request, demand, direction or other communication sent by cable, telex, telecopy, facsimile or fax must be confirmed within forty-eight (48) hours by letter mailed or delivered as specified in this Section.

21. **CONFLICT OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS.** During the term of this Agreement, the CONSULTANT shall not perform services of any kind for any person or entity whose interests conflict in any way with those of the City of National City. The CONSULTANT also agrees not to specify any product, treatment, process or material for the project in which the CONSULTANT has a material financial interest, either direct or indirect, without first notifying the CITY of that fact. The CONSULTANT shall at all times comply with the terms of the Political Reform Act and the National City Conflict of Interest Code. The CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the CITY in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. The CONSULTANT represents that it has no knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the CITY.

If checked, the CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and the National City Conflict of Interest Code. Specifically, the CONSULTANT shall file a Statement of Economic Interests with the City Clerk of the City of National City in a timely manner on forms which the CONSULTANT shall obtain from the City Clerk.

The CONSULTANT shall be strictly liable to the CITY for all damages, costs or expenses the CITY may suffer by virtue of any violation of this Paragraph 22 by the CONSULTANT.

22. **PREVAILING WAGES.** State prevailing wage rates may apply to work performed under this Agreement. State prevailing wages rates apply to all public works contracts as set forth in California Labor Code, including but not limited to, Sections 1720, 1720.2, 1720.3, 1720.4, and 1771. Consultant is solely responsible to determine if State prevailing wage rates apply and, if applicable, pay such rates in accordance with all laws, ordinances, rules, and regulations.

23. **MISCELLANEOUS PROVISIONS.**

A. *Computation of Time Periods.* If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state, or legal holiday.

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

C. *Captions.* Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

D. *No Obligations to Third Parties.* Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.

E. *Exhibits and Schedules.* The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes.

F. *Amendment to this Agreement.* The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

G. *Waiver.* The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

H. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

I. *Audit.* If this Agreement exceeds ten-thousand dollars (\$10,000), the parties shall be subject to the examination and audit of the State Auditor for a period of three (3) years after final payment under the Agreement, per Government Code Section 8546.7.

J. *Entire Agreement.* This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

K. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

L. *Construction.* The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting

party shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

M. *Subcontractors or Subconsultants.* The CITY is engaging the services of the CONSULTANT identified in this Agreement. The CONSULTANT shall not subcontract any portion of the work, unless such subcontracting was part of the original proposal or is allowed by the CITY in writing. In the event any portion of the work under this Agreement is subcontracted, the subconsultant(s) shall be required to comply with and agree to, for the benefit of and in favor of the CITY, both the insurance provisions in Section 18 and the indemnification and hold harmless provision of Section 15 of this Agreement.

N. *Construction.* The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF NATIONAL CITY

**CLAIMS MANAGEMENT ASSOCIATES,
INC.**

By: _____
Alejandra Sotelo-Solis, Mayor

By: _____
Edward Garbo, President

APPROVED AS TO FORM:

Edward Garbo, Secretary

Angil P. Morris-Jones
City Attorney

SCOPE OF WORK – OVERVIEW AND APPROACH

LIABILITY CLAIMS HANDLING GUIDELINES

Adjustment and Investigation:

- Contact claimants or their attorneys within 24 hours of receipt of a claim and maintain appropriate contact with them until the claim is closed, unless otherwise directed by the City.
- Return telephone calls within 24 hours of message.
- Investigate claims where the initial review indicates that it is warranted. Further investigation may include on-site investigation, photographs, interviewing witnesses and taking signed or recorded statements from the involved parties, verification of damage or loss, taking measurements, obtaining maps/diagrams, obtaining medical releases, police reports, internal

SCOPE OF WORK – OVERVIEW AND APPROACH

LIABILITY RISK MANAGEMENT SERVICES

Protocols for Performance:

- Provide on-site professional Risk Management staff as requested by city. The initial plan is for staff to be present two partial days per week.
- Provide adjustment services for incoming liability and property claims. Very large multi-claimant losses may require additional outside adjusting assistance.
- Review of insurance documents for accuracy and compliance with city standards.
- Maintaining of Microniche liability loss run program on an ongoing basis.

Claims Management Associates, Inc.

Time and Expense Risk Management Consulting –Liability

Risk Management Consulting Services will be billed at \$100.00 per hour.

- ✓ Full Liability Risk Management consulting services as needed at clients facility.

Time and Expense Rate – General Adjusting

The all-inclusive hourly rate will be \$81.00* per hour and will include **ALL** of the following overhead expenses:

- ✓ Telephone costs
- ✓ Office Expenses
- ✓ Clerical work including word processing and stenography.
- ✓ Photocopies
- ✓ Mileage
- ✓ Photographs

***Costs such as non-ordinary investigative services (sub rosa), independent medical examinations, professional engineering services, laboratory tests, professional photography, statement transcriptions and special delivery charges etc. will be billed at cost with copy of vendor invoice attached to client statement. These services will require prior client approval.**

RESOLUTION NO. 2019 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF NATIONAL CITY AND CLAIMS MANAGEMENT ASSOCIATES, INC., FOR LIABILITY RISK MANAGEMENT, CLAIMS ADJUSTING, AND INVESTIGATION SERVICES FOR THE TERM OF APRIL 1, 2019 THROUGH MARCH 31, 2021 IN A NOT TO EXCEED AMOUNT OF \$160,000 AND AUTHORIZING THE CITY MANAGER TO EXTEND THE CONTRACT FOR THREE ONE-YEAR TERMS

WHEREAS, the City of National City desires to employ a consultant to provide risk management liability consulting that would include liability claims management, and liability claims adjusting, and investigating; and

WHEREAS, the City has determined that Claims Management Associates, Inc. ("CMA"), is qualified by experience and ability to perform the services desired by the City, and CMA is willing to perform such services for a two-year period for the not to exceed amount of \$160,000, and Authorizing the City Manager to extend the contract for three additional one-year terms.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorizes the Mayor to execute a two-year Agreement with Claims Management Associates, Inc., for risk management liability consulting that includes liability claims management, and liability claims adjusting, and investigation services for the term of April 1, 2019 through March 31, 2021 for the not to exceed amount of \$160,000, with authorization from the City Manager to extend the contract for three additional one-year terms. Said Agreement is on file in the office of the City Clerk.

PASSED and ADOPTED this 17th day of September, 2019.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

The following page(s) contain the backup material for Agenda Item: [Temporary Use Permit - St. Mary's Annual Fall Festival hosted by St. Mary's Catholic Church on Sunday, October 6, 2019 at the parish grounds located between E. 8th Street and "E" Avenue from 7 a.m. to 7 p.m. with no waiver of fees. \(Neighborhood Services\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: September 17, 2019

AGENDA ITEM NO. |

ITEM TITLE:

Temporary Use Permit – St. Mary’s Annual Fall Festival hosted by St. Mary’s Catholic Church on Sunday, October 6, 2019 at the parish grounds located between E. 8th Street and “E” Avenue from 7 a.m. to 7 p.m. with no waiver of fees.

PREPARED BY: Dionisia Trejo |

DEPARTMENT: Neighborhood Services Department

PHONE: (619) 336-4255 |

APPROVED BY: 

EXPLANATION:

This is a request from St. Mary’s Church to conduct the St. Mary’s Annual Fall Festival event on Sunday, October 6, 2019 at their parish east parking lot located between E. 8th Street and “E” Avenue. This event features approximately 20 assorted booths, including food booths, religious booths, a beer garden, sewing club arts & crafts, and game booths.

Applicant is requesting to close “E” Avenue between 7th street and 8th Street on October 6, 2019 from 6 a.m. to 8 p.m.

Note: This event was approved by Council in 2017 and 2018 with no waiver of fees.

FINANCIAL STATEMENT:

APPROVED: _____ Finance

ACCOUNT NO. |

APPROVED: _____ MIS

City fee of \$272.00 for processing the TUP through various City departments plus \$1,045.58 for Public Works, \$1,197.00 for the Fire Department Inspection fees and \$154.86 for Building.
Total fees: \$2,669.44 |

ENVIRONMENTAL REVIEW:

N/A |

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Approve the Application for a Temporary Use Permit subject to compliance with all conditions of approval with no waiver of fees or in accordance to City Council Policy 802. |

BOARD / COMMISSION RECOMMENDATION:

N/A |

ATTACHMENTS:

Application for a Temporary Use Permit with recommended conditions of approval.



City of National City ■ Neighborhood Services Department
1243 National City Boulevard ■ National City, CA 91950
(619) 336-4364 ■ fax (619) 336-4217
www.nationalcityca.gov

Special Event Application

Type of Event

- Fair/Festival
- Parade/March
- Walk or Run
- Concert/Performance
- TUP
- Sporting Event
- Other (specify) _____

Event Name & Location

Event Title St. Mary's Annual Fall Festival

Event Location (list all sites being requested) St. Mary Church parking lots

Event Times

Set-Up Starts
Date 04 Oct 2019 Time 9:00 AM Day of Week FRIDAY

Event Starts
Date 06 Oct 2019 Time 7:00 AM Day of Week SUNDAY

Event Ends
Date 06 Oct 2019 Time 7:00 PM Day of Week SUNDAY

Breakdown Ends
Date 07 Oct 2019 Time 12:00 PM Day of Week MONDAY



Applicant Information

Applicant (Your name) REV. NEMESIO SUNGCAD Sponsoring Organization St. Mary Catholic Church

Event Coordinator (if different from applicant) MARK JOHN VILLAS


Mailing Address 426 East 7th Street, National City, CA 91950

Day Phone 619-474-1501 After Hours Phone _____ Cell 619-732-6275 Fax 619-474-1502

Public Information Phone 619-474-1501 E-mail smnc.liturgy@gmail.com

Applicant agrees to investigate, defend, indemnify and hold harmless the City, its officers, employees and agents from and against any and all loss, damage, liability, claims, demands, detriments, costs, charges, expense (including attorney's fees) and causes of action of any character which the City, its officers, employees and agents may incur, sustain or be subjected to on account of loss or damage to property or the loss of use thereof and for bodily injury to or death of any persons (including but not limited to the employees, subcontractors, agents and invitees of each party hereto) arising out of or in any way connected to the occupancy, enjoyment and use of any City premises under this agreement to the extent permitted by law.

Applicant understands this TUP/special event may implicate fees for City services, which will have to be paid in the City's Finance Department 48 hours prior to the event set-up. The undersigned also understands and accepts the City's refund policy for application processing and facility use and that fees and charges are adjusted annually and are subject to change.

Signature of Applicant:  Date 8-5-19

Special Event Application (continued)

Please complete the following sections with as much detail as possible since fees and requirements are based on the information you provide us.

Fees/Proceeds/Reporting

Is your organization a "Tax Exempt, nonprofit" organization? Yes No

Are admission, entry, vendor or participant fees required? Yes No

If YES, please explain the purpose and provide amount (s):

\$ Estimated Gross Receipts including ticket, product and sponsorship sales from this event.

\$ Estimated Expenses for this event.

\$ What is the projected amount of revenue that the Nonprofit Organization will receive as a result of this event?

Description of Event

First time event Returning Event include site map with application

Note that this description may be published in our City Public Special Events Calendar:

St. Mary's Parish will host its Annual Fall Festival on October 6, 2019, featuring many booths of

various food, novelties, Fun Zone carnival games, and entertainment. Our main feature of the

event is the Grand Raffle, with a chance of winning the 1st Prize of \$2500.

Estimated Attendance

Anticipated # of Participants: 200 Anticipated # of Spectators: 1000-2000

Traffic Control, Security, First Aid and Accessibility

Requesting to close street(s) to vehicular traffic? Yes No

List any streets requiring closure as a result of the event (provide map): "E" Avenue

between 7th & 8th Street

Date and time of street closure: 6 Oct 2019 Date and time of street reopening: 6 Oct 2019
6:00 am 8:00 pm

Other (explain) _____

Requesting to post "no parking" notices? Yes No

Requested "No Parking" on city streets and/or parking lots (list streets/parking lots) (provide map):

same as above

Other (explain) _____

Security and Crowd Control

Depending on the number of participants, your event may require Police services.

Please describe your procedures for both Crowd Control and Internal Security: _____

Parking lots are secured with iron bar gates; booths are specially positioned to accommodate proper

fire department required spacing; perimeters will efficiently contain crowd control

Have you hired Professional Security to handle security arrangements for this event?

Yes No If YES, name and address of Security Organization _____

Security Director (Name): _____ Phone: _____

If using the services of a professional security firm and the event will occur on City property, please provide a copy of its insurance certificate, evidencing liability with limits of at least \$1 Million dollars per occurrence/\$2 Million dollars aggregate, as well as and additional insured endorsement naming the City of National City, its officers, employees, and agents as additional insureds. Evidence of insurance must be provided by the vendor or its insurer to the Neighborhood Services Department at the time of submission.

Is this a night event? Yes No If YES, please state how the event and surrounding area will be illuminated to ensure safety of the participants and spectators: _____

First Aid

Depending on the number of participants, your event may require specific First Aid services. First aid station to be staffed by event staff? Yes No First aid/CPR certified? Yes No

First aid station to be staffed by professional company. ▶ Company _____

If using the services of a professional medical organization/company and the event will occur on City property, please provide a copy of its insurance certificate, evidencing liability with limits of at least \$1 Million dollars per occurrence/\$2 Million dollars aggregate, as well as an additional insured endorsement naming the City of National City, its officers, employees, and agents as additional insureds. Evidence of insurance must be provided by the vendor or its insurer to the Neighborhood Services Department at the time of submission.

Accessibility

Please describe your Accessibility Plan for access at your event by individuals with disabilities:
Festival grounds are on leveled black-top; handicap parking is available; all entrances to the festival grounds are wheelchair accessible.

Elements of your Event

Setting up a stage? Yes No

Requesting City's PA system

Requesting City Stage; if yes, which size? Dimensions (13x28) Dimensions (20x28)

Applicant providing own stage ▶ 20' x 20' x 16' (Dimensions)

Setting up canopies or tents?

20 # of canopies size 10' x 10'

of tents size

No canopies/tents being set up

Setting up tables and chairs?

Furnished by Applicant or Contractor

50 _____ # of tables No tables being set up

300 _____ # of chairs No chairs being set up

(For City Use Only) Sponsored Events – Does not apply to co-sponsored events

_____ # of tables No tables being set up

_____ # of chairs No chairs being set up

Contractor Name _____

Contractor Contact Information _____
Address City/State Phone Number

Setting up other equipment?

Sporting Equipment (explain) _____

Other (explain) _____

Not setting up any equipment listed above at event

Having amplified sound and/or music? Yes No

PA System for announcements CD player or DJ music

Live Music ▶ Small 4-5 piece live band ▶ Large 6+ piece live band

Other (explain) _____

If using live music or a DJ. ▶ Contractor Name Church volunteers

▶ _____
Address City/State Phone Number

Using lighting equipment at your event? Yes No

Bringing in own lighting equipment

Using professional lighting company ▶ Company Name _____

Address

City/State

Phone Number

Using electrical power? Yes No

Using Kimball Park Bowl Lighting (from _____ to _____)

Using on-site electricity For sound and/or lighting

For food and/or refrigeration

Bringing in generator(s) For sound and/or lighting

For food and/or refrigeration

Vendor Information

PLEASE NOTE: You may be required to apply for a temporary health permit if food or beverages are sold or given away during your special event. Also see 'Permits and Compliance' on page 8 in the Special Event Guide. For additional information on obtaining a temporary health permit, please contact the County of San Diego Environmental Health at (619) 338-2363.

Having food and non-alcoholic beverages at your event? Yes No

Vendors preparing food on-site ▶ # _____ ▶ Business License # _____

If yes, please describe how food will be served and/or prepared: _____

If you intend to cook food in the event area please specify the method:

GAS ELECTRIC CHARCOAL OTHER (Specify): _____

Vendors bringing pre-packaged food ▶ # _____ ▶ Business License # _____

Vendors bringing bottled, non-alcoholic beverages (i.e., bottled water, can soda, etc.) ▶ # _____

Vendors selling food # _____ ▶ Business License #(s) _____

Vendors selling merchandise # _____ ▶ Business License #(s) _____

Food/beverages to be handled by organization; no outside vendors

Vendors selling services # _____ ▶ Business License #(s) _____

▶ Explain services _____

Vendors passing out information only (no business license needed) # _____

▶ Explain type(s) of information _____

No selling or informational vendors at event

Having children activities? Yes No

PLEASE NOTE: In the event inflatable jumps are provided at the event, The City of National City requires commercial liability insurance with limits of at least \$1 Million dollars per occurrence/\$2 Million dollars aggregate. In addition, the City of National City must be named as an Additional Insured pursuant to a separate endorsement, which shall be provided by the vendor or its insurer to the City's Risk Manager, along with the Certificate of Insurance, for approval prior to the event. The application should be filed out at least one week prior to the event. For questions or to obtain a copy of the "Facility Use Application", please contact the Engineering/Public Works Department at (619) 336-4580.

Inflatable bouncer house # ¹ _____ Rock climbing wall Height _____

Inflatable bouncer slide # _____ Arts & crafts (i.e., craft making, face painting, etc.)

Carnival Rides _____ Other _____ , games & prizes

Having fireworks or aerial display? Yes No

Vendor name and license # _____
Dimensions _____ Duration _____
Number of shells _____ Max. size _____

PLEASE NOTE: In the event fireworks or another aerial display is planned for your event, The City of National City requires commercial liability insurance with limits of at least \$2 Million dollars per occurrence/ \$4 Million dollars aggregate. In addition, the City of National City must be named as an Additional Insured pursuant to a separate endorsement, which shall be provided by the vendor or its insurer to the City's Risk Manager, along with the Certificate of Insurance, for approval prior to the event. Depending on the size and/or nature of the fireworks display, the City reserves the right to request higher liability limits. The vendor must also obtain a fireworks permit from the National City Fire Department and the cost is \$545.00.

Arranging for media coverage? Yes No

Yes; but media will not require special set-up

Yes, media will require special set-up. Describe _____

Event Signage

PLEASE NOTE: For City sponsored or co-sponsored events, banners publicizing the event may be placed on the existing poles on the 1800 block and 3100 block of National City Boulevard. The banners must be made to the City's specifications. Please refer to the City's Special Event Guidebook and Fee Schedule for additional information.

Are you planning to have signage at your event? Yes No

Yes, we will post signage # _____ Dimensions _____

Yes, having inflatable signage # _____ ▶ (complete Inflatable Signage Request form)

Yes, we will have banners # _____

What will signs/banners say? _____

How will signs/banners be anchored or mounted? _____

Location of banners/signage _____

Waste Management

PLEASE NOTE: One toilet for every 250 people is required, unless the applicant can show that there are sufficient facilities in the immediate area available to the public during the event.

Are you planning to provide portable restrooms at the event? Yes No

If yes, please identify the following:

▶ Total number of portable toilets: _____

▶ Total number of ADA accessible portable toilets: _____

Contracting with portable toilet vendor. ▶ _____
Company Phone

▶ Load-in Day & Time _____ ▶ Load-out Day & Time _____

Portable toilets to be serviced. ▶ Time _____

Set-up, Breakdown, Clean-up

Setting up the day before the event?

Yes, will set up the day before the event. ▶ # of set-up day(s) ² _____

No, set-up will occur on the event day

Requesting vehicle access onto the turf?

Yes, requesting access onto turf for set-up and breakdown (complete attached Vehicle Access Request form)

No, vehicles will load/unload from nearby street or parking lot.

NPDES-Litter Fence

- City to install litter fence
- Applicant to install litter fence
- N/A

Breaking down set-up the day after the event?

- Yes, breakdown will be the day after the event. ▶ # of breakdown day(s) _____
- No, breakdown will occur on the event day.

How are you handling clean-up?

- Using City crews
- Using volunteer clean-up crew during and after event.
- Using professional cleaning company during and after event.

Miscellaneous

Please list anything important about your event not already asked on this application:

We plan to have a beer garden in contained garden/patio space. Fun Zone games may be

located at additional parking lot also on church grounds.

↙ from 11am - 5pm

**Please make a copy of this application for your records.
We do not provide copies.**



Special Events

Pre-Event Storm Water Compliance Checklist

I. Special Event Information

Name of Special Event: <u>ST. MARY'S ANNUAL FALL FESTIVAL</u>	
Event Address: <u>426 East 7th St, NC, CA 91950</u>	Expected # of Attendees: <u>1000-2000</u>
Event Host/Coordinator: <u>Rev. Nemesio Sungcad / Mark Villas</u>	Phone Number: <u>619-474-1501</u>

II. Storm Water Best Management Practices (BMPs) Review

	YES	NO	N/A
Will enough trash cans provided for the event? Provide number of trash bins: <u>10-15</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Will enough recycling bins provided for the event? Provide number of recycle bins: <u>5</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Will all portable toilets have secondary containment trays? (exceptions for ADA compliant portable toilets)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Do all storm drains have screens to temporarily protect trash and debris from entering?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are spill cleanup kits readily available at designated spots?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

* A Post-Event Storm Water Compliance Checklist will be completed by City Staff.

City of National City

PUBLIC PROPERTY USE HOLD HARMLESS AND INDEMNIFICATION AGREEMENT

Persons requesting use of City property, facilities or personnel are required to provide a minimum of \$1,000,000 combined single limit insurance for bodily injury and property damage which includes the City, its officials, agents and employees named as additional insured and to sign the Hold Harmless Agreement. Certificate of insurance must be attached to this permit. The insurance company issuing the insurance policy must have a A.M. Best's Guide Rating of A:VII and that the insurance company is a California admitted company; if not, then the insurance policy to the issuance of the permit for the event. The Certificate Holder must reflect:

City of National City
Risk Management Department
1243 National City Boulevard
National City, CA 91950

Organization: ST. MARY CATHOLIC CHURCH
Person in Charge of Activity: REV. NEMESIO SUNGCAD / MARK JOHN VILLAS
Address: 426 E. 7th Street, National City, CA 91950
Telephone: 619-474-1501 Date(s) of Use: 06 October 2019

HOLD HARMLESS AGREEMENT

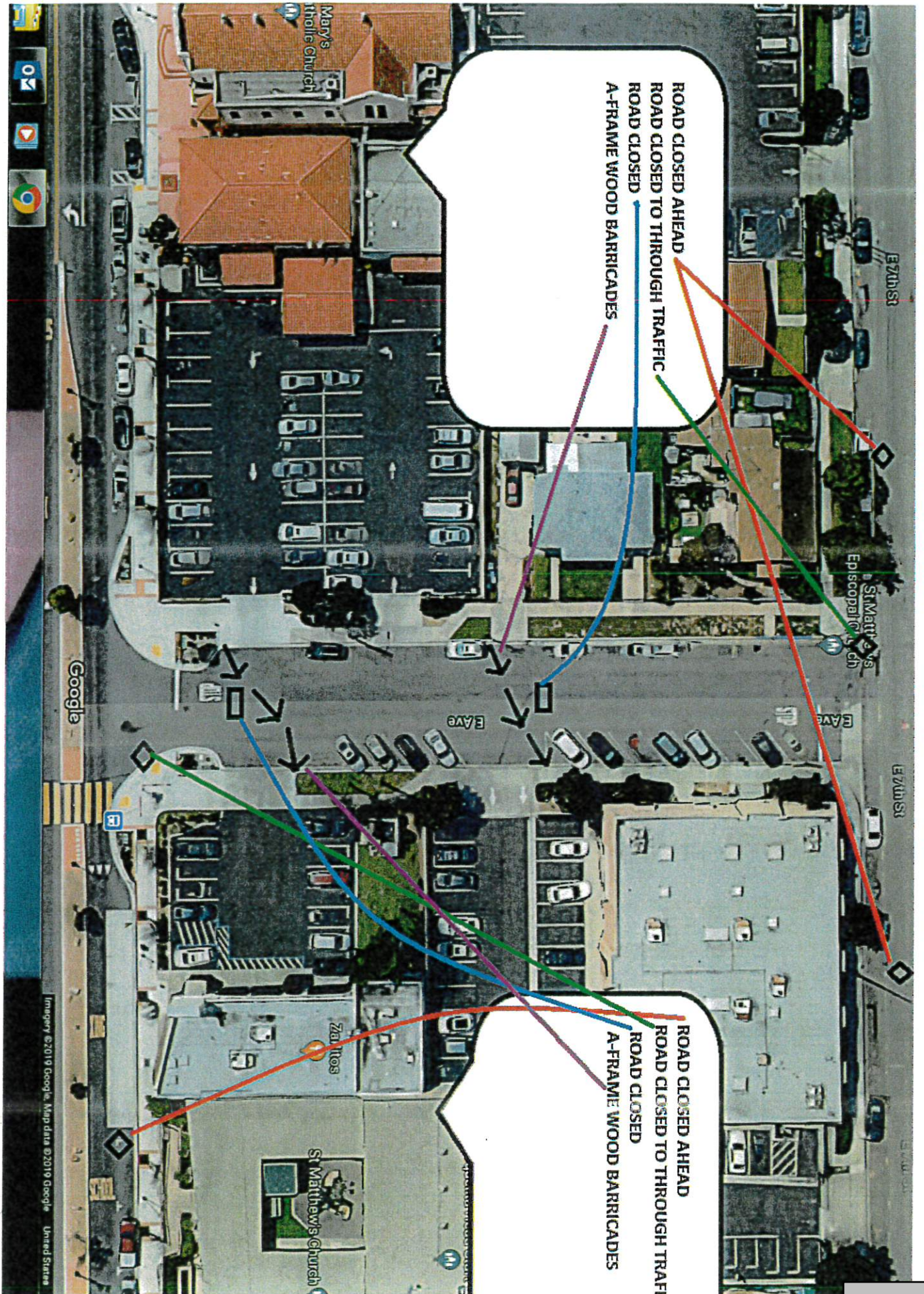
As a condition of the issuance of a temporary use permit to conduct its activities on public or private property, the undersigned hereby agree(s) to defend, indemnify and hold harmless the City of National City and the Parking Authority and its officers, employees and agents from and against any and all claims, demands, costs, losses, liability or, for any personal injury, death or property damage, or both, or any litigation and other liability, including attorney's fees and the costs of litigation, arising out of or related to the use of public property or the activity taken under the permit by the permittee or its agents, employees or contractors.

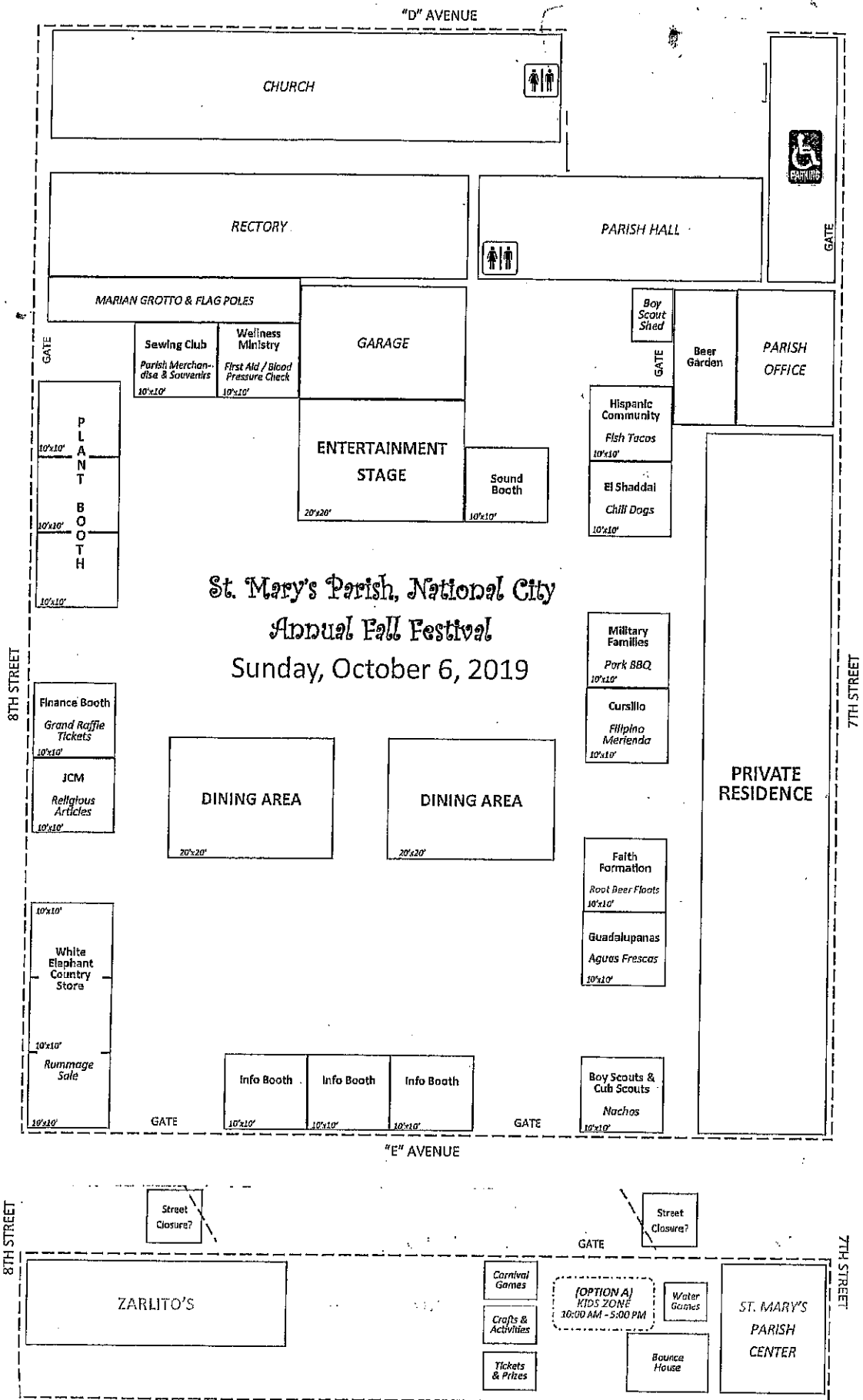
Signature of Applicant: 

Official Title: Fall Festival Chairperson Date: 8-5-19

For Office Use Only

Certificate of Insurance Approved _____ Date _____





**CITY OF NATIONAL CITY
 NEIGHBORHOOD SERVICES DEPARTMENT
 APPLICATION FOR A TEMPORARY USE PERMIT
 RECOMMENDATIONS AND CONDITIONS**

SPONSORING ORGANIZATION: **St. Mary Catholic Church**
 EVENT: **St. Mary's Annual Fall Festival**
 DATE OF EVENT: **October 6, 2019**

APPROVALS:

COMMUNITY SERVICES	YES [x]	NO []	SEE CONDITIONS []
RISK MANAGER	YES [x]	NO []	SEE CONDITIONS [x]
PUBLIC WORKS	YES [x]	NO []	SEE CONDITIONS [x]
FINANCE	YES [x]	NO []	SEE CONDITIONS [x]
FIRE	YES [x]	NO []	SEE CONDITIONS [x]
POLICE	YES [x]	NO []	SEE CONDITIONS [x]
CITY ATTORNEY	YES [x]	NO []	SEE CONDITIONS [x]
ENGINEERING	YES [x]	NO []	SEE CONDITIONS []
COMMUNITY DEVELOPMENT	YES [x]	NO []	SEE CONDITIONS [x]

CONDITIONS OF APPROVAL:

PUBLIC WORKS (619)366-4580

Streets Division

2 staff for 4hrs. O.T. @ \$113.20hr. = \$905.6
 1 truck for 4hrs. @ \$22.76hr. = \$91.04
 10 wood barricades @ \$1.04ea. = \$10.40
 6 "NO PARKING" signs w/barricades @ \$1.49ea. = \$8.94
 8 Traffic Control signs w/barricades @ \$3.70ea. = \$29.60
 Total Cost = \$1,045.58

Parks Division

No involvement

Facilities

No involvement

POLICE DEPARTMENT

Based on the estimated 200 participants and anticipated spectators of 1000-2000, the police department recommends that applicant hire a minimum of 3 licensed and bonded private security officers for this event.

1 security guard shall be assigned to "beer garden" while the other two will be assigned to the entire event area. The applicant shall have a 1 day ABC permit for the Beer Garden.

In the event the police department receives noise complaints from citizens regarding the live or amplified music, it will be required for the sound level to be lowered to an acceptable level.

ENGINEERING

No comments

CITY ATTORNEY

Approved on conditions that Risk Manager approves

COMMUNITY SERVICES

No involvement

FINANCE

All outside vendors (not part of the Church) that will be selling retail and/or food should have business license and Health Permit (if Food Vendor).

COMMUNITY DEVELOPMENT

Planning

1. All activities shall comply with the limitations contained in Table III of NCMC Title 12 (Noise).
2. All speakers shall face away from residential properties.

Building

1. A reminder that the plans need to be signed by the person preparing them.
2. Specify on plans that the path of travel, booths and all activities will be disabled accessible. This includes parking, curbs, walks, ramps, restrooms, children play areas, etc. 2016 CBC, Sections 11B-201.4, 206, 208, 213, 216, 221 & 240.2.
3. Please dimension 44" clear pathway will be maintained between dining shade structures and adjacent booths. Sec. 11B-403.5.1.4.
4. Please specify on the plans that adequate sanitary facilities (including portable ones) will be provided for this event.
5. Please provide typical booth anchorage details to ensure lateral stability, i.e., against wind loads.

Fee Plan/Site Review: \$154.86

Neighborhood Services

Neighborhood Notifications – Events are required to notify residents and/or businesses of the surrounding impacted areas by the event. The notice shall include the name of the event, name and phone number of the company/organization producing the event, the dates and times of the event (including set-up and breakdown) and a detailed description of how the residents and/or businesses may be affected, such as by street closures, "No Parking" signs being posted, music at the event, etc.

RISK MANAGER (619) 336-4370

Risk Management has reviewed the above captioned request to for the issuance of a Temporary Use Permit. It is recommended that as a condition of the issuance of the permit that the following documents must be provided:

- A valid copy of the Certificate of Liability Insurance.
- That the insurance policy must have a combined single limit of no less than \$1,000,000.00 (ONE MILLION DOLLARS) and \$2,000,000.00 (TWO MILLION DOLLARS) in aggregate that would cover the date and location of the event.
- The applicant must provide a separate additional insured endorsement wherein it notes as the additional insured as "The City of National City, its officials, agents, employees and volunteers".
- The applicant has provided a layout of the event wherein the Inflatable Bounce House will be on private property and as such there will be no need for insurance for it.
- That the insurance company issuing the insurance policy must have a A.M. Best's Guide Rating of A:VII and that the insurance company is a California admitted company; if not then insurance policy must be submitted to the Risk Management Department for review and approval prior to the issuance of the Temporary Use Permit.
- The Certificate Holder must reflect:
City of National City
c/o Risk Manager
1243 National City Boulevard
National City, CA. 91950-4301

It should be noted that the Indemnification and Hold Harmless Agreement were properly executed by the applicant at the time the Special Event Application was submitted.

FIRE (619) 336-4550

\$191.00 AFTER HOURS INSPECTION REQUIRED, \$300.00 TENT PERMIT
(COOKING BOOTHS), \$515.00 SINGLE DAY CARNIVAL PERMIT,
PLACES OF ASSEMBLY PERMIT \$191.00
TOTAL FEES \$1,197.00

**ALL TENTS AND CANOPEIS SHALL FOLLOW REQUIRED CLEARANCES
MANDATED BY THE NATIONAL CITY FIRE DEPARTMENT**

Stipulations required by the Fire Department for this event are as follows:

- 1) Access to the church to be maintained at all times, to both entrances and Fire Department connections for fire sprinkler systems, standpipes, etc.
- 2) Fire Hydrants shall not be blocked or obstructed

- 3) Fire Department access into and through the festival areas are to be maintained at all times. Fire apparatus access roads shall have an unobstructed width of not less than 20 feet and an unobstructed vertical clearance of not less than 14 feet.
- 4) Participants on foot are to move immediately to the sidewalk upon approach of emergency vehicle(s).
- 5) Vehicles in roadway are to move immediately to the right upon approach of emergency vehicle(s).
- 6) Street closures, it shall be the responsibility of St. Mary's Church to maintain access to all fire protection devices located as part of the road closure.
- 7) All cooking booths or areas to have one 2A:10BC fire extinguisher. If grease or oil is used in cooking a **40:BC or class "K" fire extinguisher** will be required. Concession stands utilized for cooking shall have a minimum of 10 feet of clearance on two sides. **All fire extinguishers to have a current State Fire Marshal Tag attached. Please see attached example**
- 8) Fire extinguishers to be mounted in a visible location between 3½' to 5' from the floor to the top of the extinguisher. Maximum travel distance from an extinguisher shall not be more than 75 feet travel distance.
- 9) If Charcoal is being used, provide metal cans with lids and label "HOT COALS ONLY" for used charcoal disposal.
- 10) A fire safety inspection is to be conducted by the Fire Department prior to operations of the event to include all cooking areas etc.
- 11) Required inspections taking place, after hours, holidays, and weekends will be assessed a minimum of one hundred and ninety one (\$191.00) dollars. **Fees are to be paid directly to the National City Fire Department Administration offices prior to event. If you have questions about fees please contact the National City Fire Department Administration offices.**
- 12) Any electrical power used is to be properly grounded and approved. Extension cords shall be used as "Temporary Wiring" only.
- 13) First Aid will be provided by organization.
- 14) Does the stage have a covered top? Please provide information and Flame Resistance Certification, permit:mat be required depending on size?
- 15) Smoking shall not be permitted in tents, canopies or membrane structures. Approved "No Smoking" signs shall be conspicuously posted.

- 16) If tents or canopies are used, tents having an area in excess of 200 square feet and or canopies in excess of 400 square feet or multiple tents and or canopies placed together equaling or greater than the above stated areas, are to be used, they shall be flame-retardant treated with an approved State Fire Marshal seal attached. A ten feet separation distance must be maintained between tents and canopies. A permit from the Fire Department must be obtained. **Cooking shall not be permitted under tents or canopies unless the tents or canopies meet "State Fire Marshal approval for cooking. If cooking is to be done, a ten feet separation shall be maintained from cooking appliance and canopies.** Certificate of State Fire Marshal flame resistancy shall be provided to the National City Fire Department if applicable. *If canopies maintain a ten feet separation distance from one another, no charge will be assessed*

Canopies:

0 – 400 sf -	\$0
401 – 500 sf -	\$353.00
501 – 600 sf -	\$394.00
601 – 700 sf -	\$515.00

Tents:

0 – 200 sf -	\$300.00
201 – (+) sf -	\$600.00

- 17) Every room or space (Fenced in location Beer Garden), shall have the occupant load of the space posted in a conspicuous place, near the main exit or exit access doorway from the room or space. Posted signs shall be of an approved legible permanent design and shall be maintained by the owner or authorized agent. The maximum occupant load of this space shall be based on room set-up and items placed inside tents or canopies. **The maximum occupancy load shall be posted by the Building or Fire Official based on room configuration.** At no time shall the owner or agent allow the posted occupant load to be exceeded. Contact the NC Building Dept. (contact NCFD for more info if needed)
- 18) Exits shall be clearly marked. Exit signs shall be installed at required exit doorways and where otherwise necessary to indicate clearly the direction of egress when the exit serves and occupant of 50 or more. Exits, aisles and passageways shall not be blocked or have their minimum clear width obstructed in any manner.
- 19) Exit signs shall be **GREEN** in color and shall be of an approved self-lumination type or shall be internally or externally illuminated by luminaries supplied in the following manner:
- Two separate circuits, one of which shall be separated from all other circuits, for occupant loads of 300 or less.

- 20) Provide a 2A:10BC fire extinguisher at stage if stage is being used. Extinguisher to be mounted in a visible location between 3½' to 5' from the floor to the top of the extinguisher. Maximum travel distance from an extinguisher shall not be more than 75 feet travel distance.
- 21) Internal combustion power sources shall be isolated from contact with the public by either physical guards, fencing or an enclosure. Internal combustion power shall be at least **20** feet away from the tent.
- 22) Internal combustion power sources that may be used shall be of adequate capacity to permit uninterrupted operation during normal operating hours.
- 23) All Jumpers, Bounce Houses, Inflatables, Stage coverings etc. shall have a Certificate of State Fire Marshal flame resistance shall be provided to the National City Fire Department before the event.
- 24) Vehicles shall be isolated from contact with the tents or canopies, Vehicles shall be at least **20** feet away from tents or canopies.
- 25) Every room or space that is an assembly occupancy shall have the occupant load of the tent or space posted in a conspicuous place, near the main exit or exit access doorway from the room or space. Posted signs shall be of an approved legible permanent design and shall be maintained by the owner or authorized agent. The maximum occupant load of this space shall be based on room set-up and items placed inside tents or canopies. **The maximum occupancy load shall posted by the Building Official based on room configuration.** At no time shall the owner or agent allow the posted occupant load to be exceeded.
- 26) Occupant Load signs will be provided for the Event Venue, Beer Garden Area's. Please contact the Building Dept. for more info.
- 27) An operational permit is required to conduct a single day Carnival or Fair \$515.00. Please contact the Fire Dept. for more info.
- 28) An operational permit is required to conduct a Place of Assembly \$191.00. Please contact the Fire Dept. for more info.

NOTE: Booth Canopies can be grouped in multiples of 2, 3, or 4 not to exceed 400 square feet. A separation of ten feet between multiples of 4 booths shall be required. Tarps or other material may not be used to cover tents and canopies so as to join each tent or canopy to one another. Your map is showing two (2) 20'x20' canopies separated, these must be a minimum of 10'.

Note: Fees can only be waived by City Council.

The following page(s) contain the backup material for Agenda Item: [Warrant Register #6 for the period of 7/31/19 through 8/6/19 in the amount of \\$1,948,779.46. \(Finance\)](#)
Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: September 17, 2019

AGENDA ITEM NO.:

ITEM TITLE:

Warrant Register #6 for the period of 7/31/19 through 8/6/19 in the amount of \$1,948,779.46. (Finance)

PREPARED BY: Karla Apalategui, Accounting Assistant

DEPARTMENT: Finance

PHONE: 619-336-4572

APPROVED BY: 

EXPLANATION:

Per Government Section Code 37208, attached are the warrants issued for the period 7/31/19 - 8/6/19. Consistent with Department of Finance's practice, listed below are all payments above \$50,000.

<u>Vendor</u>	<u>Check/Wire</u>	<u>Amount</u>	<u>Explanation</u>
Kaiser Foundation HP	343509	190,894.80	Group 104220-0002 July 2019
SDG&E	343537	60,176.31	Gas and Electric Utilities – PW
Select Electric Inc	343539	99,566.04	Citywide Traffic Signal
Public Emp Ret System	7312019	260,812.64	Service Period 7/2/19 – 7/15/19

FINANCIAL STATEMENT:

APPROVED:  **FINANCE**

ACCOUNT NO.

APPROVED: _____ **MIS**

Warrant total \$1,948,779.46.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF RECOMMENDATION:

Ratify warrants totaling \$1,948,779.46

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

Warrant Register # 6



WARRANT REGISTER # 6
8/6/2019

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
ACEDO, I	RETIREE HEALTH BENEFITS AUG 2019	343401	8/6/19	160.00
ANDERSON, E	RETIREE HEALTH BENEFITS AUG 2019	343402	8/6/19	110.00
BEARD, P	RETIREE HEALTH BENEFITS AUG 2019	343403	8/6/19	70.00
BECK, L	RETIREE HEALTH BENEFITS AUG 2019	343404	8/6/19	140.00
BISHOP, R	RETIREE HEALTH BENEFITS AUG 2019	343405	8/6/19	110.00
BOEGLER, C	RETIREE HEALTH BENEFITS AUG 2019	343406	8/6/19	260.00
BULL, P	RETIREE HEALTH BENEFITS AUG 2019	343407	8/6/19	580.00
CAMEON, C	RETIREE HEALTH BENEFITS AUG 2019	343408	8/6/19	400.00
CARRILLO, R	RETIREE HEALTH BENEFITS AUG 2019	343409	8/6/19	290.00
COLE, L	RETIREE HEALTH BENEFITS AUG 2019	343410	8/6/19	165.00
COLLINSON, C	RETIREE HEALTH BENEFITS AUG 2019	343411	8/6/19	420.00
CONDON, D	RETIREE HEALTH BENEFITS AUG 2019	343412	8/6/19	280.00
CORDERO, E	RETIREE HEALTH BENEFITS AUG 2019	343413	8/6/19	520.00
CORPUZ, T	RETIREE HEALTH BENEFITS AUG 2019	343414	8/6/19	140.00
DANESHFAR, Z	RETIREE HEALTH BENEFITS AUG 2019	343415	8/6/19	250.00
DEESE, L	RETIREE HEALTH BENEFITS AUG 2019	343416	8/6/19	660.00
DESROCHERS, P	RETIREE HEALTH BENEFITS AUG 2019	343417	8/6/19	110.00
DI CERCHIO, A	RETIREE HEALTH BENEFITS AUG 2019	343418	8/6/19	70.00
DIAZ, M	RETIREE HEALTH BENEFITS AUG 2019	343419	8/6/19	680.00
DILLARD, S	RETIREE HEALTH BENEFITS AUG 2019	343420	8/6/19	480.00
DREDGE, J	RETIREE HEALTH BENEFITS AUG 2019	343421	8/6/19	250.00
EISER III, G	RETIREE HEALTH BENEFITS AUG 2019	343422	8/6/19	250.00
ETZLER, J	RETIREE HEALTH BENEFITS AUG 2019	343423	8/6/19	460.00
FABINSKI, D	RETIREE HEALTH BENEFITS AUG 2019	343424	8/6/19	220.00
FERNANDEZ, R	RETIREE HEALTH BENEFITS AUG 2019	343425	8/6/19	270.00
FIFIELD, K	RETIREE HEALTH BENEFITS AUG 2019	343426	8/6/19	540.00
GAUT, A	RETIREE HEALTH BENEFITS AUG 2019	343427	8/6/19	700.00
GELSKEY, K	RETIREE HEALTH BENEFITS AUG 2019	343428	8/6/19	115.00
GIBBS JR, R	RETIREE HEALTH BENEFITS AUG 2019	343429	8/6/19	120.00
GONZALES, M	RETIREE HEALTH BENEFITS AUG 2019	343430	8/6/19	480.00
HANSON, E	RETIREE HEALTH BENEFITS AUG 2019	343431	8/6/19	135.00
HARLAN, M	RETIREE HEALTH BENEFITS AUG 2019	343432	8/6/19	500.00
HAUG, S	RETIREE HEALTH BENEFITS AUG 2019	343433	8/6/19	120.00
HERNANDEZ, M	RETIREE HEALTH BENEFITS AUG 2019	343434	8/6/19	600.00
HERNANDEZ, R	RETIREE HEALTH BENEFITS AUG 2019	343435	8/6/19	400.00
HODGES, B	RETIREE HEALTH BENEFITS AUG 2019	343436	8/6/19	200.00
IBARRA, J	RETIREE HEALTH BENEFITS AUG 2019	343437	8/6/19	780.00
JAMES, R	RETIREE HEALTH BENEFITS AUG 2019	343438	8/6/19	140.00
JUNIEL, R	RETIREE HEALTH BENEFITS AUG 2019	343439	8/6/19	50.00
KIMBLE, R	RETIREE HEALTH BENEFITS AUG 2019	343440	8/6/19	300.00
KLOS, F	RETIREE HEALTH BENEFITS AUG 2019	343441	8/6/19	480.00
LANDA, A	RETIREE HEALTH BENEFITS AUG 2019	343442	8/6/19	155.00
LEACH, D	RETIREE HEALTH BENEFITS AUG 2019	343443	8/6/19	600.00
LIMFUECO, M	RETIREE HEALTH BENEFITS AUG 2019	343444	8/6/19	160.00
MATIENZO, M	RETIREE HEALTH BENEFITS AUG 2019	343445	8/6/19	100.00
MC CABE, T	RETIREE HEALTH BENEFITS AUG 2019	343446	8/6/19	280.00
MCDANIEL, P	RETIREE HEALTH BENEFITS AUG 2019	343447	8/6/19	290.00



WARRANT REGISTER # 6
8/6/2019

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
MEDINA, R	RETIREE HEALTH BENEFITS AUG 2019	343448	8/6/19	105.00
MENDOZA, G	RETIREE HEALTH BENEFITS AUG 2019	343449	8/6/19	290.00
MINER, D	RETIREE HEALTH BENEFITS AUG 2019	343450	8/6/19	580.00
MORRISON, R	RETIREE HEALTH BENEFITS AUG 2019	343451	8/6/19	520.00
NOTEWARE, D	RETIREE HEALTH BENEFITS AUG 2019	343452	8/6/19	120.00
OLIVARES, G	RETIREE HEALTH BENEFITS AUG 2019	343453	8/6/19	280.00
OLIVERIA, H	RETIREE HEALTH BENEFITS AUG 2019	343454	8/6/19	360.00
PAUU JR, P	RETIREE HEALTH BENEFITS AUG 2019	343455	8/6/19	340.00
PEASE JR, D	RETIREE HEALTH BENEFITS AUG 2019	343456	8/6/19	140.00
PETERS, S	RETIREE HEALTH BENEFITS AUG 2019	343457	8/6/19	290.00
POST, R	RETIREE HEALTH BENEFITS AUG 2019	343458	8/6/19	280.00
RAY, S	RETIREE HEALTH BENEFITS AUG 2019	343459	8/6/19	190.00
ROARK, L	RETIREE HEALTH BENEFITS AUG 2019	343460	8/6/19	135.00
RODRIGUEZ, M	RETIREE HEALTH BENEFITS AUG 2019	343461	8/6/19	260.00
RUIZ, J	RETIREE HEALTH BENEFITS AUG 2019	343462	8/6/19	310.00
SANCHEZ, L	RETIREE HEALTH BENEFITS AUG 2019	343463	8/6/19	330.00
SERVATIUS, J	RETIREE HEALTH BENEFITS AUG 2019	343464	8/6/19	340.00
SHORT, C	RETIREE HEALTH BENEFITS AUG 2019	343465	8/6/19	300.00
SMITH, J	RETIREE HEALTH BENEFITS AUG 2019	343466	8/6/19	320.00
STEWART, W	RETIREE HEALTH BENEFITS AUG 2019	343467	8/6/19	200.00
STRASEN, W	RETIREE HEALTH BENEFITS AUG 2019	343468	8/6/19	135.00
TIPTON, B	RETIREE HEALTH BENEFITS AUG 2019	343469	8/6/19	250.00
VERRY, L	RETIREE HEALTH BENEFITS AUG 2019	343470	8/6/19	280.00
VILLAGOMEZ, J	RETIREE HEALTH BENEFITS AUG 2019	343471	8/6/19	480.00
WHITE, J	RETIREE HEALTH BENEFITS AUG 2019	343472	8/6/19	230.00
	RETIREE HEALTH BENEFIT SUBTOTAL			21,655.00
ADDICTION MEDICINE	D.O.T DRUG & ALCOHOL TESTING PROGRAM	343383	8/6/19	1,700.00
CITY ATTORNEYS ASSOCIATION	CAASD MEMBERSHIP / CITY ATTORNEY'S OFFCE	343384	8/6/19	1,200.00
ENTERPRISE FLEET MANAGEMENT	ENTERPRISE FLEET AND MAINTENANCE / JULY	343385	8/6/19	16,207.02
EXOS COMMUNITY SERVICES LLC	LAS PALMAS POOL MANAGEMENT FEES	343386	8/6/19	34,775.56
LONG, D	TRAINING AVD LDG NNALEA/LONG	343387	8/6/19	428.52
MARTINEZ, A	KIMBALL SENIOR CENTER STAFF TRIP	343388	8/6/19	37.00
METEAU JR, R	ICMA MEMBERSHIP RENEWAL 2019-2020	343389	8/6/19	200.00
MRI SOFTWARE LLC	HOUSING PRO SUBSCRIPTION RENEWAL	343390	8/6/19	12,102.60
MY LITTLE CARNIVAL	MOVIES IN THE PARK FACE PAINTING	343391	8/6/19	421.50
PROFORCE LAW ENFORCEMENT	TCI TAC PTT ASSEMBLY - POLICE	343392	8/6/19	3,955.39
SALINAS CEREZO	REPLACEMENT PAYROLL CHECK - ACCOUNT CLOSED	343393	8/6/19	1,218.93
SAN DIEGO GAS & ELECTRIC	ORDER SERVICE FOR 1060 N.C.B.	343394	8/6/19	257.00
STAPLES BUSINESS ADVANTAGE	MLK OFFICE SUPPLIES	343396	8/6/19	323.53
STARTECH COMPUTERS	MOP #61744/COMPUTER ACCESSORIES/MIS	343397	8/6/19	640.77
THE PUN GROUP LLP	AUDIT SERVICES YEAR ENDED JUN 30, 2019	343398	8/6/19	20,000.00
WALTERS, W	TRAINING TUIT REIM CRISIS NEG/ PD	343399	8/6/19	20.00
WILLY'S ELECTRONIC SUPPLY	MOP #45763/ELECTRONIC SUPPLIES/MIS	343400	8/6/19	161.69
ADMINSURE INC	AGREEMENT TO PROVIDE MONTHLY SERVICES	343473	8/6/19	15,027.91
AIRGAS USA LLC	MOP 45714 GENERAL SUPPLIES - PW	343474	8/6/19	217.72
ASSI SECURITY INC	COST TO ADD BIOMETRIC READERS TO DSX	343475	8/6/19	7,217.38



**WARRANT REGISTER # 6
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<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
AT&T	AT&T SBC ANNUAL PHONE SERVICE FOR FY20	343476	8/6/19	8,420.15
AT&T	AT&T SBC ANNUAL PHONE SERVICE FOR FY20	343477	8/6/19	2,286.60
AT&T	AT&T SBC ANNUAL PHONE SERVICE FOR FY20	343478	8/6/19	457.46
AZTEC FIRE & SAFETY	REIMBURSEMENT OF FEES	343479	8/6/19	449.00
BROWDER, M	TRAINING ADV LDG ACTIVE SHOOTER/BROWDER	343480	8/6/19	167.08
CALIFORNIA ELECTRIC SUPPLY	MOP 45698 ELECTRICAL SUPPLIES - PW	343481	8/6/19	346.19
CAPIO	2019/2020 CAPIO MEMBERSHIP DUES	343482	8/6/19	225.00
CHEN RYAN ASSOCIATES INC	SWEETWATER ROAD	343483	8/6/19	4,591.50
CLF WAREHOUSE INC	MOP 80331 AUTO SUPPLIES - PW	343484	8/6/19	59.38
COX COMMUNICATIONS	COX DATA VIDEO SERVICES FY20	343485	8/6/19	174.00
CULLIGAN OF SAN DIEGO	WATER SOFTENER FOR STEAMER & DISHWASHER	343486	8/6/19	5.50
DALEY & HEFT LLP	LIABILITY CLAIM COSTS JUNE 2019	343488	8/6/19	8,597.35
DALEY & HEFT LLP	LIABILITY CLAIM COST	343489	8/6/19	6,963.71
DALEY & HEFT LLP	LIABILITY CLAIM COSTS JUNE 2019	343490	8/6/19	3,960.36
DALEY & HEFT LLP	LIABILITY CLAIM COST	343491	8/6/19	1,789.50
DALEY & HEFT LLP	LIABILITY CLAIM COST	343492	8/6/19	817.00
DALEY & HEFT LLP	LIABILITY CLAIM COSTS JUNE 2019	343493	8/6/19	1,249.05
DALEY & HEFT LLP	LIABILITY CLAIM COST	343494	8/6/19	589.00
DALEY & HEFT LLP	LIABILITY CLAIM COST	343495	8/6/19	544.00
DE LAGE LANDEN	LEASE 20 SHARP COPIERS FOR FY20.	343496	8/6/19	2,939.63
DURAN, D	TRAINING REIMB DAR/DURAN	343497	8/6/19	228.97
ECOLAB	CONSUMABLES FOR NUTRITION	343498	8/6/19	25.98
ELECTRONIC SECURITY SPECIALIST	NARCOTIC SAFE / FIRE	343499	8/6/19	2,928.50
EMERGENCY ZONE LLC	THE ESSENTIAL COMPLETE KIT 4 PERSON(RED)	343500	8/6/19	499.96
FEDEX	FED EX CHARGES	343501	8/6/19	59.35
FERNANDO, V	TRAINING REIM POST SUPER/FERNANDO	343502	8/6/19	218.28
FUN EXPRESS LLC	CAMACHO RECREATION SUPPLIES	343503	8/6/19	82.56
GONZALES, T	MILEAGE REIMB - TRAINING JULY 17, 2019	343504	8/6/19	12.88
GOVERNMENT TRAINING AGENCY	SD EMPLOYMENT RELATIONS (ERC) FEES - FY2	343505	8/6/19	2,625.00
GRAINGER	MOP 65179 GENERAL SUPPLIES - PW	343506	8/6/19	3,755.14
GSMO	2019/2020 MEMBERSHIP DUES / PD	343507	8/6/19	185.00
HDL COREN & CONE	CONTRACT SVCS PROPERTY TAX JUL - SEP 2019	343508	8/6/19	2,893.04
KAISER FOUNDATION HEALTH PLANS	GROUP 104220-0002 JULY 2019	343509	8/6/19	190,894.80
KAISER FOUNDATION HEALTH PLANS	GROUP 104220-01, 06, 07 JULY 2019	343510	8/6/19	20,810.68
KAISER FOUNDATION HEALTH PLANS	GROUP 104220-03, 09 JULY 2019	343511	8/6/19	5,878.41
KAISER FOUNDATION HEALTH PLANS	GROUP 104220 - 104220 - JULY 2019	343512	8/6/19	1,632.72
KELLER, A	TRAINING REIMB DISP POST / KELLER	343513	8/6/19	349.68
KTUA	WATERFRONT TO HOMEFRONT	343514	8/6/19	38,762.50
LIEBERT CASSIDY WHITMORE	PERSONNEL MATTER	343515	8/6/19	835.36
LOPEZ, J	TRAINING INTER INTRV INTRRG/LOPEZ	343516	8/6/19	218.80
LUCAS, M	MEDIC FEE REIMBURSEMENT	343517	8/6/19	200.00
MASON'S SAW	MOP 45729 EQUIPMENT SUPPLIES AND REPAIR	343518	8/6/19	757.64
MCDUGAL LOVE ECKIS	LIABILITY CLAIM COST	343519	8/6/19	303.50
MELLADO DESIGNS	SHIRTS FOR COUNCILMEMBER RIOS	343520	8/6/19	210.98
METEAU JR, R	ADMINSURE LUNCH MEETING PARKING FEE	343521	8/6/19	16.00
MICHAEL BAKER INTERNATIONAL	LAS PALMAS PARK PROJECT	343522	8/6/19	1,720.00
NAPA AUTO PARTS	MOP 45735 AUTO SUPPLIES - PW	343523	8/6/19	126.97



**WARRANT REGISTER # 6
8/6/2019**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
NATIONAL CITY MOTORCYCLES	MOTORCYCLE REPAIRS / PD	343524	8/6/19	1,991.59
NATIONAL CITY TROPHY	MOP 66556 OFFICE SUPPLIES - PW	343525	8/6/19	102.23
NV5 INC	HARDING AVE AND W. 21ST STREET	343526	8/6/19	30,178.90
OFFICE SOLUTIONS BUSINESS	MOP 83778 OFFICE SUPPLIES - PW	343527	8/6/19	98.35
OPENGOV INC	OPENGOV ANNUAL RENEWAL 7/1/19 - 6/30/20	343528	8/6/19	10,925.00
O'REILLY AUTO PARTS	MOP 75877 AUTO SUPPLIES - PW	343529	8/6/19	17.14
PRO BUILD COMPANY	MOP 45707 GENERAL SUPPLIES - PW	343531	8/6/19	2,274.80
PRUDENTIAL OVERALL SUPPLY	MOP 45742 LAUNDRY SERVICES - PW	343532	8/6/19	128.79
ROADONE	MOP 75948 AUTO SUPPLIES - PW	343533	8/6/19	40.00
SAN DIEGO GAS & ELECTRIC	SDG&E	343534	8/6/19	1,415.68
SANCHEZ, D	TRAINING REIM P/E MANAGEMENT FOR LE/DIEGO	343535	8/6/19	247.81
SASI	MONTHLY TRUST ACCOUNT AUG 2019	343536	8/6/19	427.00
SDG&E	GAS AND ELECTRIC UTILITIES - PW	343537	8/6/19	60,176.31
SEAPORT MEAT COMPANY	FOOD FOR NUTRITION	343538	8/6/19	1,839.06
SELECT ELECTRIC INC	CITYWIDE TRAFFIC SIGNAL	343539	8/6/19	99,566.04
SHARP ELECTRONICS CORPORATION	MAINTENANCE 20 SHARP COPIERS FOR FY20	343540	8/6/19	1,802.92
SITONE LANDSCAPE SUPPLY LLC	MOP 69277 LANDSCAPE SUPPLIES - PW	343541	8/6/19	270.50
SMART SOURCE OF CALIFORNIA LLC	BUSINESS CARDS FOR ALFREDO YBARRA	343542	8/6/19	36.98
SOUTHWEST SIGNAL SERVICE	INTERSECTION MAINTENANCE	343543	8/6/19	48,800.57
STARTECH COMPUTERS	STARTECH MOP COMPUTER ACCESSORIES	343544	8/6/19	3,773.06
STILES, J	EDUCATION REIMBURSEMENT	343545	8/6/19	607.50
SWANK MOTION PICTURES INC	MOVIES IN THE PARK SPIDER MAN DVD	343546	8/6/19	435.00
SWEETWATER AUTHORITY	WATER SERVICES FOR PARK FY 2019	343547	8/6/19	19,881.47
SYSCO SAN DIEGO INC	FOOD FOR NUTRITION	343548	8/6/19	500.00
T MAN TRAFFIC SUPPLY	MOP 76666 TRAFFIC SUPPLIES - PW	343549	8/6/19	482.20
TALLAL INC	PRODUCTION SERVICES - EL TOYON PARK	343550	8/6/19	545.00
U S BANK	REIMBURSEMENT ENGINEERING	343551	8/6/19	2,951.42
US BANK	JULY CREDIT CARD STATEMENT	343552	8/6/19	428.39
VALLEY INDUSTRIAL SPECIALTIES	MOP 46453 BUILDING SUPPLIES - PW	343553	8/6/19	114.70
VERIZON WIRELESS	VERIZON CELLULAR SERVICES FOR FY20	343554	8/6/19	9,810.03
WETMORES	MOP 80333 AUTO SUPPLIES - PW	343555	8/6/19	563.11
WILLY'S ELECTRONIC SUPPLY	MOP 45763 ELECTRIC SUPPLIES - PW	343556	8/6/19	307.76
THE LINE PRINTING COMPANY INC	PRINTING SUPPLIES FOR THE MAYOR'S OFFICE	343557	8/6/19	3,477.85

A/P Total 762,848.84

WIRED PAYMENTS

EDD	UNEMPLOYMENT INS BENFT 04/01/19 THRU 06/30/19	618351	8/6/19	4,661.00
PUBLIC EMP RETIREMENT SYSTEM	SERVICE PERIOD 07/02/19 - 07/15/19	7312019	7/31/19	260,812.64

SECTION 8 HAPS

Start Date	End Date	
7/31/2019	8/6/2019	920,456.98

GRAND TOTAL

\$ 1,948,779.46

Certification

IN ACCORDANCE WITH SECTION 37202, 37208, 372059 OF THE GOVERNMENT CODE, WE HEREBY CERTIFY TO THE ACCURACY OF THE DEMANDS LISTED ABOVE AND TO THE AVAILABILITY OF FUNDS FOR THE PAYMENT THEREOF AND FURTHER THAT THE ABOVE CLAIMS AND DEMANDS HAVE BEEN AUDITED AS REQUIRED BY LAW.

Mark Roberts

MARK ROBERTS, DIRECTOR OF FINANCE

BRAD RAULSTON,
CITY MANAGER

FINANCE COMMITTEE

ALEJANDRA SOTELO-SOLIS, MAYOR-CHAIRWOMAN

RONALD J. MORRISON, VICE-MAYOR

JERRY CANO, COUNCILMEMBER

GONZALO QUINTERO, COUNCILMEMBER

MONA RIOS, COUNCILMEMBER

I HEREBY CERTIFY THAT THE FOREGOING CLAIMS AND DEMANDS WERE APPROVED AND THE CITY TREASURER IS AUTHORIZED TO ISSUE SAID WARRANTS IN PAYMENT THEREOF BY THE CITY COUNCIL ON THE 20TH OF SEPTEMBER 2019.

AYES _____

NAYS _____

ABSENT _____

The following page(s) contain the backup material for Agenda Item: [Warrant Register #7 for the period of 8/7/19 through 8/13/19 in the amount of \\$6,497,061.92. \(Finance\)](#)
Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: September 17, 2019

AGENDA ITEM NO.:

ITEM TITLE:

Warrant Register #7 for the period of 8/7/19 through 8/13/19 in the amount of \$6,497,061.92. (Finance)

PREPARED BY: Karla Apalategui, Accounting Assistant

PHONE: 619-336-4572

DEPARTMENT: Finance

APPROVED BY: 

EXPLANATION:

Per Government Section Code 37208, attached are the warrants issued for the period 8/7/19 - 8/13/19. Consistent with Department of Finance's practice, listed below are all payments above \$50,000.

<u>Vendor</u>	<u>Check/Wire</u>	<u>Amount</u>	<u>Explanation</u>
CSAC Excess Ins Authority	343587	102,066.00	Property Insurance
Kimley Horn	343610	101,354.80	EI Toyon Las Palmas PS&E
Motorola Solutions Inc	343615	51,768.00	MCC7500 Console for Dispatch
Project Professionals Corp	343622	66,255.81	Paradise Creek Park III
STC Traffic	343635	51,641.27	Pedestrian ADA Improv.
US Bank IT&C	196251	4,400,000.00	PARS – FY20 Pension Trust Contrb
Adminsure Inc	196254	63,882.56	W/C Account Replenishment Jul'19
Public Emp Ret System	8082019	274,939.05	Service Period 7/16/19 – 7/29/19

FINANCIAL STATEMENT:

ACCOUNT NO.

APPROVED:  **FINANCE**

APPROVED: _____ **MIS**

Warrant total \$6,497,061.92.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF RECOMMENDATION:

Ratify warrants totaling \$6,497,061.92

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

Warrant Register # 7



**WARRANT REGISTER # 7
8/13/2019**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
4 IMPRINT INC	6915-24HR, STEEL TUMBLER WITH COLOR	343558	8/12/19	3,275.57
ABLE PATROL & GUARD	SECURITY GUARD SERVICES JUNE 2019	343559	8/12/19	3,124.30
AMAZON	APPLE MACBOOK AIR 13", 1.8GHZ DUAL CORE	343560	8/12/19	1,122.39
BATES	MILEAGE REIMB FOR KELERA BATES - LIBRARY	343561	8/12/19	25.17
BRODART CO	BOOKS AS NEEDED FOR FY2019	343562	8/12/19	24.80
FRIENDS OF THE READ S D	FRIENDS OF READ LITERACY MEMBERSHIP FEE	343563	8/12/19	280.00
MIDWEST TAPE	AUDIO VISUAL MATERIALS FOR FY2019	343564	8/12/19	1,252.44
MUNOZ	MILEAGE REIMB FOR RUTH M - LIBRARY	343565	8/12/19	14.85
SMART & FINAL	MOP 45756 - SUPPLIES FOR LITERACY / LIBRARY	343566	8/12/19	229.29
STAPLES BUSINESS ADVANTAGE	MOP 45704 - OFFICE SUPPLIES / LIBRARY	343567	8/12/19	588.90
VIDAMO	MILEAGE REIMB FOR MIKKI VIDAMO - LIBRARY	343568	8/12/19	31.43
ICC INTERNATIONAL CODE COUNCIL	TRAINING COURSE - BUILDING CODE	343569	8/13/19	100.00
KD 12TH LLC	REFUND FOR CONSTRUCTION AND DEMO DEPOSIT	343570	8/13/19	3,405.60
THE STAR NEWS	PUBLIC NOTICING - STAR NEWS	343571	8/13/19	166.56
ALDEMCO	EQUIPMENT FOR NUTRITION	343572	8/13/19	2,109.94
ALTA LANGUAGE SERVICES INC	EMPLOYEE BILINGUAL TESTING	343573	8/13/19	132.00
ASSI SECURITY INC	CITY WIDE DOOR SECURITY SERVICES	343574	8/13/19	485.00
AT&T	AT&T SBC ANNUAL PHONE SERVICE FOR FY19	343575	8/13/19	1,375.64
AXON ENTERPRISE INC	TASER ASSURANCE PLAN DOC 2 / PD	343576	8/13/19	13,648.00
BARAHURA, D	TRAINING ADV LODGE CCUG/BARAHURA	343577	8/13/19	641.20
CALIFORNIA AIR RESOURCES BOARD	PORTABLE EQUIPMENT REGISTRATION	343578	8/13/19	490.00
CCUG	TRAINING TUITION CCUG SEMINAR/BARAHURA	343579	8/13/19	600.00
CEB	LEGAL PUBLICATION UPDATE/ CAO/ JULY 2019	343580	8/13/19	453.41
CHEN RYAN ASSOCIATES INC	SSARP PROJECT	343581	8/13/19	25,913.59
CITY OF NATIONAL CITY	PETTY CASH REPLENISHMENT / JUNE 2019	343582	8/13/19	512.91
CLF WAREHOUSE INC	MOP 80331 AUTO SUPPLIES - PW	343583	8/13/19	255.74
COMMERCIAL AQUATIC SERVICE INC	CHEMICALS - CHLORINE, ACID TABLETS	343584	8/13/19	2,566.09
CONCENTRA MEDICAL CENTERS	DOT EXAM	343585	8/13/19	44.50
COUNTY OF SAN DIEGO	NEXTGEN REGIONAL COMMUNICATIONS SYSTEM	343586	8/13/19	8,749.50
CSAC EXCESS INS AUTHORITY	PROPERTY INSURANCE	343587	8/13/19	102,066.00
DANIELS TIRE SERVICE	245/55R18, 103V EAG RS- VSBTL, TIRE	343588	8/13/19	1,666.28
DELGADO, E	CASA YOUTH SNACKS FOR FUN FRIDAY	343589	8/13/19	94.89
DELL MARKETING L P	DELL ULTRASHARP 27 4K / MIS	343590	8/13/19	6,169.89
DIMENSION DATA	TIME AND MATERIALS FOR SERVICE	343591	8/13/19	8,410.92
DISCOUNT SPECIALTY CHEMICALS	C-ROUGH TOUGH SCRUBS	343592	8/13/19	372.15
D-MAX ENGINEERING INC	T&A90396 724 CIVIC CENTER DRIVE	343593	8/13/19	3,547.50
DONG, D	REIMB FOR POLL ANNUAL PLAN JUL 30, 31, 2019	343594	8/13/19	120.00
ENTENMANN ROVIN CO	RESERVE INSPECTOR BADGES	343595	8/13/19	452.20
FACTORY MOTOR PARTS	MOP 82766 AUTO SUPPLIES - PW	343596	8/13/19	84.53
FATPIPE INC	FATPIPE SUPPORT RENEWAL GOLD SERVICE	343597	8/13/19	8,550.00
GAVARES, JOHN	CONSULTING & TRAINING JUL 30, 31, 2019	343598	8/13/19	10,363.00
GEOSYNTEC CONSULTANTS INC	835 BAY MARINA CLOSURE	343599	8/13/19	8,662.69
GOLDSTAR ASPHALT PRODUCTS	PAINT LINE STRIPER / NSD	343600	8/13/19	1,794.38
GOVCONNECTION INC	SONY 128GB SF-G SERIES UHS II SDXC	343601	8/13/19	2,017.99
GUITAR CENTER	ELECTRO VOICE EKK-12P	343602	8/13/19	3,164.30
GUTIERREZ JR, C	TRAINING REIM CRT / GUTIERREZ	343603	8/13/19	147.00
HOME DEPOT CREDIT SERVICES	GENERAL SUPPLIES NEEDED FOR BUILDING	343604	8/13/19	116.70



**WARRANT REGISTER # 7
8/13/2019**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
HUB CONSTRUCTION	ALUMINUM LEVEL, LAMINATED FLOAT,	343605	8/13/19	160.19
HUTCHINSON, C	CALTRANS TRNG MI REIMB JUL 25, 2019 - ENG	343606	8/13/19	10.96
IRON MOUNTAIN	RECORD MANAGEMENT AND STORAGE FOR FY20	343607	8/13/19	213.21
JANI-KING OF CALIFORNIA INC	PARTIAL MONTHLY CONTRACT BILLING FOR JUNE	343608	8/13/19	1,077.00
JJJ ENTERPRISES	SALES TAX	343609	8/13/19	30.63
KIMLEY HORN	EL TOYON LAS PALMAS PS&E	343610	8/13/19	101,354.80
LACAL EQUIPMENT INC	LS5710125, ELEVATOR BEARING	343611	8/13/19	355.81
LOPEZ, J	CALTRANS TRNG MI REIMB JUL 17, 2019 - ENG	343612	8/13/19	22.04
MEGLA MANUFACTURING INC	MATERIALS AND LABOR JUNE 03, 2019	343613	8/13/19	4,773.58
METRO AUTO PARTS DISTRIBUTOR	MOP 75943 AUTO SUPPLIES - PW	343614	8/13/19	922.25
MOTOROLA SOLUTIONS INC	MOTOROLA MCC7500 CONSOLE FOR DISPATCH	343615	8/13/19	51,768.00
MOTOROLA SOLUTIONS INC	NETRMS INTERFACE SUPPORT	343616	8/13/19	2,077.00
NATIONAL CITY ELECTRIC	CITYWIDE ON-SITE ELECTRICAL	343617	8/13/19	1,905.00
O'REILLY AUTO PARTS	MOP 75877 AUTO SUPPLIES - PW	343618	8/13/19	229.63
PRO BUILD COMPANY	MOP 45707 GENERAL SUPPLIES - PW	343619	8/13/19	2,511.62
PROCURE AMERICA INC	CONSULTANT CHARGES FOR COPIER COST	343620	8/13/19	8,482.90
PROFESSIONAL SEARCH GROUP LLC	PROFESSIONAL SERVICES / MAYOR'S OFFICE	343621	8/13/19	4,436.44
PROJECT PROFESSIONALS CORP	PARADISE CREEK PARK III	343622	8/13/19	66,255.81
PRUDENTIAL OVERALL SUPPLY	MOP 45742 LAUNDRY SERVICES - PW	343623	8/13/19	611.72
RANDALL LAMB ASSOCIATES INC	CIVIC CENTER EOC POWER UPGRADE	343624	8/13/19	21,640.00
S&S WORLDWIDE INC	SALES TAX	343625	8/13/19	19.86
SANDERS, J	REPLACE PAYROLL CHECK DATED 08/07/19	343626	8/13/19	65.00
SCST INC	CITYWIDE TRAFFIC SIGNAL	343627	8/13/19	7,630.25
SDG&E	SDG&E UTILITIES FOR FACILITIES FY 2019	343628	8/13/19	754.34
SHARP REES STEALY MED GROUP	DMV EXAMS	343629	8/13/19	440.00
SITEONE LANDSCAPE SUPPLY LLC	MOP 69277 LANDSCAPE SUPPLIES - PW	343630	8/13/19	468.48
SOUTHERN CALIF TRUCK STOP	MOP 45758 GENERAL AUTO SUPPLIES - PW	343631	8/13/19	447.50
SPARKLETTS	WATER FOR MAYOR/COUNCIL OFFICE FY19	343632	8/13/19	42.75
STAPLES BUSINESS ADVANTAGE	OFFICE SUPPLIES/CAO/JULY 2019	343633	8/13/19	350.54
STARTECH COMPUTERS	MOP 75877. ELECTRICAL SUPPLIES / MIS	343634	8/13/19	124.82
STC TRAFFIC	PEDESTRIAN ADA IMPROV.	343635	8/13/19	51,641.27
SWAGIT PRODUCTION LLC	VIDEO STREAMING SERVICES / APRIL 2019	343636	8/13/19	3,841.66
SWEETWATER AUTHORITY	WATER SERVICES FOR FACILITIES FY 2019	343637	8/13/19	19,893.66
THE BUMPER GUY INC	PARTS, PAINT; LT FENDER CLEAR COAT / PW	343638	8/13/19	698.33
THE LEW EDWARDS GROUP	PROFESSIONAL SERVICES THROUGH JUNE	343639	8/13/19	3,500.00
THE SHERWIN WILLIAMS CO	MOP 77816 PAINT SUPPLIES - PW	343640	8/13/19	209.10
TOPECO PRODUCTS	MOP 63849 GENERAL SUPPLIES - PW	343641	8/13/19	47.86
TURF STAR INC	WHEEL BEARING AND OTHER SUPPLIES / PW	343642	8/13/19	383.64
U S BANK	CREDIT CARD CHARGES, FIRE	343643	8/13/19	434.56
UNDERGROUND SERVICE ALERT	UNDERGROUND SERVICE ALERT FY 2020	343644	8/13/19	416.91
UNITED ROTARY BRUSH CORP	STREET SWEEPER REPAIRS AND MAINTENANCE	343645	8/13/19	305.22
VALLEY INDUSTRIAL SPECIALTIES	MOP 46453 BUILDING SUPPLIES - PW	343646	8/13/19	779.88
VULCAN MATERIALS COMPANY	3/4 CL 2 BASE / PW	343647	8/13/19	601.37
WESTFLEX INDUSTRIAL	MOP 63850 GENERAL SUPPLIES - PW	343648	8/13/19	37.24
WILLY'S ELECTRONIC SUPPLY	MOP 45763. ELECTRICAL SUPPLIES / MIS	343649	8/13/19	74.00
Z A P MANUFACTURING INC	REMOVE & RESHEET / PW	343650	8/13/19	2,440.53
IAPMO MEMBER SERVICES	IAPMO MEMBERSHIP - BUILDING / SAINZ	343651	8/13/19	300.00



**WARRANT REGISTER # 7
8/13/2019**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
THE ALTUM GROUP	AMORTIZATION NON CONF USES	343652	8/13/19	19,243.09
			A/P Total	613,449.69
 WIRED PAYMENTS				
U S BANK IT&C	PARS - FY20 PENSION TRUST CONTRIBUTION	196251	8/9/19	4,400,000.00
ADMINSURE INC	W/C ACCOUNT REPLENISHMENT JUL 2019	196254	8/9/19	63,882.56
ARCO BUSINESS SOLUTIONS	FUEL FOR CITY FLEET JULY 2019	196257	8/9/19	36,780.83
PUBLIC EMP RETIREMENT SYSTEM	SERVICE PERIOD 07/16/19 -07/29/19	8082019	8/8/19	274,939.05
 PAYROLL				
Pay period	Start Date	End Date	Check Date	
17	7/30/2019	8/12/2019	8/21/2009	1,108,009.79
			GRAND TOTAL	<u>\$6,497,061.92</u>

Certification

IN ACCORDANCE WITH SECTION 37202, 37208, 372059 OF THE GOVERNMENT CODE, WE HEREBY CERTIFY TO THE ACCURACY OF THE DEMANDS LISTED ABOVE AND TO THE AVAILABILITY OF FUNDS FOR THE PAYMENT THEREOF AND FURTHER THAT THE ABOVE CLAIMS AND DEMANDS HAVE BEEN AUDITED AS REQUIRED BY LAW.

Mark Roberts

MARK ROBERTS, DIRECTOR OF FINANCE

BRAD RAULSTON,
CITY MANAGER

FINANCE COMMITTEE

ALEJANDRA SOTELO-SOLIS, MAYOR-CHAIRWOMAN

RONALD J. MORRISON, VICE-MAYOR

JERRY CANO, COUNCILMEMBER

GONZALO QUINTERO, COUNCILMEMBER

MONA RIOS, COUNCILMEMBER

I HEREBY CERTIFY THAT THE FOREGOING CLAIMS AND DEMANDS WERE APPROVED AND THE CITY TREASURER IS AUTHORIZED TO ISSUE SAID WARRANTS IN PAYMENT THEREOF BY THE CITY COUNCIL ON THE 20TH OF SEPTEMBER 2019.

AYES _____

NAYS _____

ABSENT _____

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City: 1\) awarding a contract to Blue Pacific Engineering & Construction in the amount of \\$957,028.89 for the Sweetwater River Bikeway Connections/30th Street Bicycle Facilities Improvements Project, CIP No. 18-14; 2\) authorizing a 15% contingency in the amount of \\$143,554.33 for any unforeseen changes; 3\) authorizing the Mayor to execute the contract; and 4\) authorizing the establishment of an Engineering Grants Fund appropriation of \\$889,000 and corresponding revenue budget. \(Engineering/Public Works\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING

September 17, 2019

AGENDA ITEM

ITEM TITLE:

Resolution of the City Council of the City of National City, 1) awarding a contract to Blue Pacific Engineering & Construction in the amount of \$957,028.89 for the Sweetwater River Bikeway Connections/30th Street Bicycle Facilities Improvements Project, CIP No. 18-14; 2) authorizing a 15% contingency in the amount of \$143,554.33 for any unforeseen changes; 3) authorizing the Mayor to execute the contract; and 4) authorizing the establishment of an Engineering Grants Fund appropriation of \$889,000 and corresponding revenue budget.

PREPARED BY: Jose Lopez, P.E., Associate Engineer

PHONE: 619-336-4312

DEPARTMENT: Engineering and Public Works

APPROVED BY: _____

EXPLANATION:

See attached explanation.

FINANCIAL STATEMENT:

ACCOUNT NO.

Contract Award - \$957,028.89

Revenue Account No. 296-06574-3463 (ATP Grant - 30th Street Bicycle Corridor) - \$889,000

Expenditure Account: 296-409-500-598-6574 (ATP Grant - 30th Street Bicycle Corridor) - \$889,000

Expenditure Account (prior appropriations): 307-409-500-598-6558 (CIP - *TransNet* Traffic Signal Upgrades) - \$68,028.89

15% contingency

Expenditure Account (prior appropriations): 001-409-500-598-6573 (CIP - Transportation Improvements) - \$143,554.33

APPROVED: _____

FINANCE

APPROVED: _____

MIS

ENVIRONMENTAL

A CEQA Notice of Exemption for the project was executed and filed with the County Recorder's Office on April 18, 2017.

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF

Adopt Resolution awarding a contract to Blue Pacific Engineering & Construction in the amount of \$957,028.89 for the Sweetwater River Bikeway Connections/30th Street Bicycle Facilities Improvements Project, CIP No. 18-14 and authorizing the establishment of an Engineering Grants Fund appropriation of \$889,000 and corresponding revenue budget.

BOARD / COMMISSION

N/A

ATTACHMENTS

1. Explanation
2. Bid Opening Summary
3. Three Lowest Bidders Summary
4. Owner-Contractor Agreement
5. Resolution

Explanation

The project includes traffic calming and pedestrian and bicycle enhancements on 30th Street between "D" Avenue and N. 2nd Avenue, connecting existing pedestrian and bicycle facilities near Sweetwater High School to the regional Sweetwater River Bike Path off N. 2nd Avenue. Improvements include street resurfacing, ADA upgrades, approximately 1 mile of Class II bike lanes with signage, traffic signal modifications at Highland Avenue and E. 30th Street, concrete pads at bus stops, and gateway enhancements at both entrances to the Sweetwater River Bike Path (located at W. 33rd Street and N. 2nd Avenue, respectively).

On October 22, 2015, the California Department of Transportation (Caltrans) awarded the City of National City (City) a \$1,129,000 Active Transportation Program (ATP) grant for the Sweetwater River Bikeway Connections Project (Project). At their meeting on December 7, 2016, the California Transportation Commission (CTC) allocated \$25,000 for the Project Approval/Environmental Document (PAED) phase.

On February 21, 2017, per City Council Resolution No. 2017-19, City Council executed Program Supplement Agreement No. P036 with Caltrans for the Project to allow for reimbursement of eligible project expenditures through the State ATP.

At their meeting on June 29, 2017, the CTC allocated \$165,000 for the Preliminary Engineering (PS&E) phase, which includes preparation of construction plans, specifications and estimates.

On October 17, 2017, per City Council Resolution No. 2017-195, City Council authorized the establishment of an Engineering Grants Fund appropriation in the amount of \$165,000 and a corresponding revenue budget to allow staff to proceed with preliminary engineering for the Project, which will be reimbursed by the State ATP grant.

On August 13, 2019, the bid solicitation was posted on PlanetBids, a free public electronic bidding system for contractors. On August 15, 2019 and August 20, 2019, the bid solicitation was advertised in local newspapers.

On September 3, 2019, six (6) bids were received by the 11:00 a.m. deadline. Bid results were immediately available for viewing on PlanetBids. Blue Pacific Engineering & Construction was the apparent lowest bidder with a total bid amount of \$957,028.89. Upon review of all documents submitted, Blue Pacific Engineering & Construction's bid was deemed responsive, and they are the lowest responsible bidder qualified to perform the work as described in the project specifications.

Therefore, staff recommends awarding a contract to Blue Pacific Engineering & Construction in the not-to-exceed amount of \$957,028.89. Staff is requesting City Council authorization to establish an Engineering Grants Fund appropriation of \$889,000 and corresponding revenue budget to partially fund project construction. The remaining contract award will be funded through prior City Council Capital Improvement Program (CIP) *TransNet* appropriations in the amount of \$68,028.89 for Traffic Signal Upgrades.

Staff also recommends authorizing a 15% contingency in the amount of \$143,554.33 to address any unforeseen conditions that may arise. Staff estimates funding the contingency through prior City Council CIP General Fund appropriations for Transportation Improvements.

Attached are the bid opening summary sheet and a line item summary of the three lowest bidders for reference. Also attached is the Owner-Contractor Agreement.

Construction is estimated to be completed by Summer 2020. Updates will be provided on the City's CIP website at: nationalcityprojects.com.



Sharrow



Bike Lane

Sweetwater/30th Street Bike Way Improvements



September 2019



BID OPENING RESULTS

NAME: SWEETWATER RIVER BIKEWAY CONNECTIONS/30TH STREET FACILITY IMPROVMENTS
CIP NO: 18-14
DATE: Wednesday, September 4, 2019
TIME: 11:00 A.M.
ESTIMATE: \$820,000
PROJECT ENGINEER: Roberto Yano, P.E.

NO.	BIDDER'S NAME	BID AMOUNT	BID SECURITY - BOND
1.	Blue Pacific Engineering & Construction 7330 Opportunity Road, Suite J San Diego, CA 92111	\$957,028.89	Bond
2.	Portillo Concrete Inc. 3527 Citrus St Lemon Grove, CA 91945	\$957,806.00	Bond
3.	Tri Group Construction 9580 Black Mountain Rd. Ste. L San Diego, CA 92126	\$1,062,905.00	Bond
4.	SRM Contracting & Paving 7192 Mission Gorge Road San Diego, CA 92120	\$1,192,691.00	Bond
5.	Crest Equipment Inc 161 Scottford Dr El Cajon, CA 92021	\$1,197,074.90	Bond
6.	LB Civil Construction, Inc. 324 E. Valley Pkwy Escondido, CA 92025	\$1,203,908.00	Bond

Bid Results for Sweetwater River Bikeway Connections/30th Street Facility Improvements, CIP No. 18-14

Item No.	Item Description	Unit	Qty.	Blue Pacific Engineering		Portillo Concrete, Inc.		Tri-Group Construction	
				Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)
Base Bid - General									
1	Mobilization/Demobilization	LS	1	\$40,000.00	\$40,000.00	\$50,000.00	\$50,000.00	\$30,000.00	\$30,000.00
2	Surveying and Construction Staking	LS	1	\$25,000.00	\$25,000.00	\$20,000.00	\$20,000.00	\$30,000.00	\$30,000.00
3	Signing and Striping	LS	1	\$61,863.75	\$61,863.75	\$57,000.00	\$57,000.00	\$46,000.00	\$46,000.00
4	Traffic Control and Pedestrian Control	LS	1	\$35,000.00	\$35,000.00	\$30,000.00	\$30,000.00	\$60,000.00	\$60,000.00
5	Clearing and Grubbing	LS	1	\$30,000.00	\$30,000.00	\$40,000.00	\$40,000.00	\$100,000.00	\$100,000.00
6	Water Pollution Control	LS	1	\$30,000.00	\$30,000.00	\$4,000.00	\$4,000.00	\$30,000.00	\$30,000.00
7	Construct 4" PCC Sidewalk per SDRSD G-7, G-9, and G-10	SF	4,190	\$10.00	\$41,900.00	\$10.00	\$41,900.00	\$10.00	\$41,900.00
8	Construct Curb Ramp (All Types)	EA	5	\$4,000.00	\$20,000.00	\$4,000.00	\$20,000.00	\$4,000.00	\$20,000.00
9	Construct Driveway (All Types)	SF	700	\$14.00	\$9,800.00	\$15.00	\$10,500.00	\$10.00	\$7,000.00
10	Construct Cross Gutter per SDRSD G-12	LF	150	\$20.00	\$3,000.00	\$20.00	\$3,000.00	\$20.00	\$3,000.00
11	Construct 6" Curb and Gutter per SDRSD	LF	540	\$45.00	\$24,300.00	\$40.00	\$21,600.00	\$40.00	\$21,600.00
12	Construct Concrete Deck per Plans	SF	110	\$16.00	\$1,760.00	\$50.00	\$5,500.00	\$20.00	\$2,200.00
13	Construct Asphalt Concrete Pavement	TON	160	\$200.00	\$32,000.00	\$250.00	\$40,000.00	\$135.00	\$21,600.00
14	Construct Class II Aggregate Base	TON	300	\$80.00	\$24,000.00	\$30.00	\$9,000.00	\$33.00	\$9,900.00
15	Stress-Relieving Fabric	SF	3,259	\$1.00	\$3,259.00	\$1.00	\$3,259.00	\$2.00	\$6,518.00
16	Remove Asphalt Concrete Pavement (1.5" to 2" Mill)	SF	49,100	\$0.50	\$24,550.00	\$0.70	\$34,370.00	\$0.60	\$29,460.00

Bid Results for Sweetwater River Bikeway Connections/30th Street Facility Improvements, CIP No. 18-14

Item No.	Item Description	Unit	Qty.	Blue Pacific Engineering		Portillo Concrete, Inc.		Tri-Group Construction	
				Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)
29	Modify existing headwall	LS	1	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
30	Construct Concrete Ditch	LF	100	\$30.00	\$3,000.00	\$50.00	\$5,000.00	\$60.00	\$6,000.00
31	Construct modified curb outlet	EA	1	\$3,500.00	\$3,500.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
32	Unclassified Excavation	LS	1	\$40,000.00	\$40,000.00	\$30,000.00	\$30,000.00	\$55,000.00	\$55,000.00
33	Removal, disposal and replacement of Unsuitable Material	CY	400	\$60.00	\$24,000.00	\$50.00	\$20,000.00	\$200.00	\$80,000.00
34	Traffic Signal Modification	LS	1	\$50,000.00	\$50,000.00	\$55,000.00	\$55,000.00	\$50,000.00	\$50,000.00
35	Install Loop Detection	EA	8	\$850.00	\$6,800.00	\$550.00	\$4,400.00	\$500.00	\$4,000.00
36	Slurry Seal (Type II)	SY	28,998	\$3.43	\$99,463.14	\$3.15	\$91,343.70	\$3.50	\$101,493.00
37	Adjust Manhole to Grade	EA	2	\$1,000.00	\$2,000.00	\$500.15	\$1,000.30	\$1,000.00	\$2,000.00
Subtotal					\$912,528.89		\$873,306.00		\$994,945.00
Additive Bid									
38	Remove Existing Cross Gutter and Construct Cross Gutter per SDRSD G-12	SF	180	\$ 25.00	\$ 4,500.00	\$ 25.00	\$ 4,500.00	\$ 22.00	\$ 3,960.00
39	Construct 9" Reinforced PCC Bus Pad over 5" Class II Aggregate Base	EA	4	\$ 10,000.00	\$ 40,000.00	\$ 20,000.00	\$ 80,000.00	\$ 16,000.00	\$ 64,000.00
Subtotal Additive Bid					\$ 44,500.00		\$ 84,500.00		\$ 67,960.00
Grand Total					\$957,028.89		\$957,806.00		\$1,062,905.00

Bid Results for Sweetwater River Bikeway Connections/30th Street Facility Improvements, CIP No. 18-14

Item No.	Item Description	Unit	Qty.	Blue Pacific Engineering		Portillo Concrete, Inc.		Tri-Group Construction	
				Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)
17	Construct Asphalt Concrete Pavement (1.5" to 2" Overlay)	TON	418	\$140.00	\$58,520.00	\$250.00	\$104,500.00	\$111.00	\$46,398.00
18	Pavement Rehabilitation Dig-Out (Remove Asphalt Concrete Pavement, Base and Subgrade)	CY	360	\$100.00	\$36,000.00	\$110.00	\$39,600.00	\$130.00	\$46,800.00
19	Pavement Rehabilitation Dig-Out (Remove Concrete Subgrade)	CY	30	\$200.00	\$6,000.00	\$100.00	\$3,000.00	\$300.00	\$9,000.00
20	Pavement Rehabilitation Dig-Out - Construct Asphalt Concrete Pavement	TON	380	\$250.00	\$95,000.00	\$76.00	\$28,880.00	\$112.00	\$42,560.00
21	Pavement Rehabilitation Dig-Out - Construct Class II Aggregate Base	TON	290	\$80.00	\$23,200.00	\$66.00	\$19,140.00	\$61.00	\$17,690.00
22	Pavement Rehabilitation Dig-Out - Stress-Relieving Fabric	SF	5,413	\$1.00	\$5,413.00	\$1.00	\$5,413.00	\$2.00	\$10,826.00
23	Furnish and Install Chainlink Fence per SDRSD M-6	LF	60	\$80.00	\$4,800.00	\$70.00	\$4,200.00	\$60.00	\$3,600.00
24	Furnish and Install Pedestrian Barricade per COSD Standard SDG-140	LF	8	\$900.00	\$7,200.00	\$250.00	\$2,000.00	\$200.00	\$1,600.00
25	Furnish and Install Ameristar 4" x 36" Fixed Bollards per Plans, or approved equal	EA	4	\$800.00	\$3,200.00	\$300.00	\$1,200.00	\$2,500.00	\$10,000.00
26	Urban Design Improvements	LS	1	\$25,000.00	\$25,000.00	\$55,000.00	\$55,000.00	\$29,000.00	\$29,000.00
27	Install Oldcastle 24" round concrete flared end section or approved equal	EA	1	\$5,000.00	\$5,000.00	\$500.00	\$500.00	\$8,000.00	\$8,000.00
28	Install concrete encased 24" HDPE	LF	6	\$500.00	\$3,000.00	\$500.00	\$3,000.00	\$300.00	\$1,800.00

OWNER - CONTRACTOR AGREEMENT

SWEETWATER RIVER BIKEWAY CONNECTIONS/30TH STREET BICYCLE FACILITY IMPROVEMENTS,
CIP NO. 18-14

This Owner-Contractor Agreement ("Agreement") is made by and between the City of National City, 1243 National City Boulevard National City, California 91950 and **Blue Pacific Engineering and Construction** ("Contractor"), 7330 Opportunity Road, Suite J, San Diego, CA 92111 on the 17th day of September, 2019, for the construction of the above referenced Project.

In consideration of the mutual covenants and agreements set forth herein, the Owner and Contractor have mutually agreed as follows:

1. CONSTRUCTION

The Contractor agrees to do all the work and furnish all the labor, services, materials and equipment necessary to construct and complete the Project in a turn-key manner in accordance with this Agreement and all documents and plans referenced in Exhibit "A", (hereinafter "Contract Documents"), in compliance with all relevant Federal, State of California, County of San Diego and City of National City codes and regulations, and to the satisfaction of the Owner.

2. CONTRACT PRICE

Owner hereby agrees to pay and the Contractor agrees to accept as full compensation for constructing the project in accordance with these Contract Documents in an amount not to exceed the contract price as set forth in Exhibit "B" attached hereto and incorporated herein by reference. Payments to the Contractor shall be made in the manner described in the Special Provisions.

3. TIME FOR PERFORMANCE

Time is of the essence for this Agreement and the Contractor shall construct the project in every detail to a complete and turn-key fashion to the satisfaction of the Owner within the specified duration set forth in the Special Provisions.

4. NON-DISCRIMINATION

In the performance of this Agreement, the Contractor shall not refuse or fail to hire or employ any qualified person, or bar or discharge from employment any person, or discriminate against any person, with respect to such person's compensation, terms, conditions or privileges of employment because of such person's race, religious status, sex or age.

5. AUTHORIZED OWNER REPRESENTATIVES

On behalf of the Owner, the Project Manager designated at the pre-construction meeting shall be the Owner's authorized representative in the interpretation and enforcement of all Work performed in connection with this Agreement.

6. WORKERS' COMPENSATION INSURANCE

a) By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the Work of this Agreement.

b) The Contractor shall require each subcontractor to comply with the requirements of Section 3700 of the Labor Code. Before commencing any Work, the Contractor shall cause each subcontractor to execute the following certification:

"I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the Work of this Agreement."

7. ENTIRE AGREEMENT; CONFLICT

The Contract Documents comprise the entire agreement between the Owner and the Contractor with respect to the Work. In the event of conflict between the terms of this Agreement and the bid of the Contractor, then this Agreement shall control and nothing herein shall be considered as an acceptance of the terms of the bid conflicting herewith.

8. MAINTENANCE OF AGREEMENT DOCUMENTATION

Contractor shall maintain all books, documents, papers, employee time sheets, accounting records and other evidence pertaining to costs incurred and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by Owner and copies thereof shall be furnished to Owner if requested.

9. INDEPENDENT CONTRACTOR

At all times during the term of this Agreement, Contractor shall be an independent contractor and shall not be an employee, agent, partner or joint venturer of the Owner. Owner shall have the right to control Contractor insofar as the results of Contractor's services rendered pursuant to this Agreement; however, Owner shall not have the right to control the means by which Contractor accomplishes such services.

10. LICENSES AND PERMITS

Contractor represents and declares to Owner that it has all licenses, permits, qualifications and approvals of whatever nature which are legally required to practice its profession. Contractor represents and warrants to Owner that Contractor shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any licenses, permits, qualifications or approvals which are legally required for Contractor to practice its profession.

11. GOVERNING LAW, VENUE

This Agreement and the Contract Documents shall be construed under and in accordance with the laws of the State of California, and the appropriate venue for any action or proceeding arising from this Agreement and/or the Contract Documents shall be had in the Superior Court of San Diego, Central Branch.

12. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original.

13. FALSE CLAIMS

Contractor acknowledges that if a false claim is submitted to the Owner, it may be considered fraud and Contractor may be subject to criminal prosecution. Contractor acknowledges that the False Claims Act, California Government Code sections 12650, et seq., provides for civil penalties where a person knowingly submits a false claim to a public entity. These provisions include within their scope false claims made with deliberate ignorance of the false information or in reckless disregard of the truth or falsity of the information. In the event the Owner seeks to recover penalties pursuant to the False Claims Act, it is entitled to recover its litigation costs, including attorneys' fees. Contractor hereby acknowledges that the filing of a false claim may prevent the Contractor from an administrative debarment proceeding wherein Contractor may be prevented from further bidding on public contracts for a period of up to five (5) years.

I have read and understood all of the provisions of this Section 15, above:

(Initial)

(Initial)

14. AGREEMENT MODIFICATION

This Agreement and the Contract Documents may not be modified orally or in any manner other than by an amendment in writing and signed by the Owner and the Contractor.

IN WITNESS WHEREOF this Agreement is executed as of the date first written above.

Owner:

Contractor:

**BLUE PACIFIC ENGINEERING AND
CONSTRUCTION**

Alejandra Sotelo-Solis
Mayor, City of National City

(Owner/Officer signature)

APPROVED AS TO FORM:

Print name and title

By: _____
Angil P. Morris-Jones
City Attorney

(Second officer signature if a corporation)

Print name and title

Contractor's City Business License No.

State Contractor's License No. and Class

Business street address

City, State and Zip Code

EXHIBIT A

CONTRACT DOCUMENTS

Owner/Contractor Agreement

Bid Schedule

Addenda

Plans

Special Provisions (Specifications)

San Diego County Regional Standard Drawings

City of National City Standard Drawings

Standard Specifications for Public Works Construction and Regional Supplements (Greenbook)

State Standard Specifications

State Standard Plans

California Building, Mechanical, Plumbing and Electrical Codes

Permits issued by jurisdictional regulatory agencies

Electric, gas, and communications companies specifications and standards

Sweetwater Authority specifications and standards

Specifications, standards and requirements of MTS, BNSF, SANDAG, Port of San Diego and all other agencies that may be adjacent and/or affected by the project.

EXHIBIT B

CONTRACT PRICE

(NOTE - TO BE COMPLETED TO CONFORM WITH BID SCHEDULE ITEMS)

CORPORATE CERTIFICATE

I, _____ certify that I am the Secretary of the Corporation named as Contractor in the foregoing Contract; that _____, who signed said contract on behalf of the Contractor, was then _____ of said Corporation; that said contract was duly signed for and in behalf of said Corporation by authority of its governing body and is within the scope of its corporate powers.

I, _____ certify that I am the Secretary of the Corporation named as Contractor in the foregoing Contract; that _____, who signed said contract on behalf of the Contractor, was then _____ of said Corporation; that said contract was duly signed for and in behalf of said Corporation by authority of its governing body and is within the scope of its corporate powers.

Corporate Seal: _____

PARTNERSHIP CERTIFICATE

STATE OF _____)
) ss
COUNTY OF _____)

On this _____ day of _____, 20____, before me, the undersigned, a Notary Public in and for said County and State, personally appeared:

_____ (Notary Seal)

known to me to be _____ of the partners of the partnership that executed the within instrument, and acknowledged to me that such partnership executed the same.

Signature: _____

Name (Type or Print): _____
(Notary Public in and for said County and State)

My Commission expires: _____

PERFORMANCE BOND

WHEREAS, the City Council of the City of National City, by Resolution No. _____, passed the **17th day of September, 2019** has awarded to **BLUE PACIFIC ENGINEERING AND CONSTRUCTION**, hereinafter designated as the "Principal", the SWEETWATER RIVER BIKEWAY CONNECTIONS/30TH STREET BICYCLE FACILITY IMPROVEMENTS, CIP NO. 18-14.

WHEREAS, said Principal is required under the terms of said contract to furnish a bond for the faithful performance of said contract.

NOW, THEREFORE, we, the Principal and _____ as surety, are held and firmly bound unto the City Council of the City of National City hereinafter called the "Council", in the penal sum of **Nine Hundred Fifty Seven Thousand Twenty Eight and Eighty Nine Cents (\$957,028.89)** lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT if the above bounden Principal, his/her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the said contract any alteration thereof made as therein provides, on his or their part, to be kept and performed at the time and in the amount therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of National City, the City Council, their officers, agents, and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and virtue.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed herein or the specifications accompanying the same shall in any wise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or additions to the terms of the contract or to the work or to the specifications.

In the event suit is brought upon this bond by the City of National City and judgment is recovered, the surety shall pay all costs incurred by the Council in such suit, including a reasonable attorney's fee to be fixed by the Court.

IN WITNESS WHEREOF three identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the

Principal and Surety above named, on the _____ day of _____, 20____.

_____ (SEAL)	_____ (SEAL)
_____ (SEAL)	_____ (SEAL)
_____ (SEAL)	_____ (SEAL)

Surety

Principal

PERFORMANCE BOND

ATTORNEY-IN-FACT ACKNOWLEDGEMENT OF SURETY

STATE OF _____)
) ss
COUNTY OF _____)

On this _____ day of _____, 20____, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____ known to me to be the person whose name is subscribed to the within instrument as the attorney-in-fact of the _____, the corporation named as Surety in said instrument, and acknowledged to me that he subscribed the name of said corporation thereto as Surety, and his own name as attorney-in-fact.

NOTE: Signature of those executing for Surety must be properly acknowledged.	NOTE: The Attorney-in-fact must attach a certified copy of the Power of Attorney.
--	---

Signature: _____

Name (Type or Print): _____

Notary Public in and for said County and State

My Commission expires: _____

PAYMENT BOND

WHEREAS, the City Council of the City of National City, by Resolution No. _____, passed the 17th day of September, 2019 has awarded to BLUE PACIFIC ENGINEERING AND CONSTRUCTION, hereinafter designated as the "Principal", the SWEETWATER RIVER BIKEWAY CONNECTIONS/30TH STREET BICYCLE FACILITY IMPROVEMENTS, CIP NO. 18-14.

WHEREAS, said Principal is required by Chapter 5 (commencing at Section 3225) and Chapter 7 (commencing at Section 3247), Title 15, Part 4, Division 3 of the California Civil Code to furnish a bond in connection with said contract;

NOW, THEREFORE, we, the Principal and _____ as surety, are held and firmly bound unto the City Council of the City of National City, hereinafter called the "Council", in the penal sum of Nine Hundred Fifty Seven Thousand Twenty Eight and Eighty Nine Cents (\$957,028.89) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his/her or its subcontractors, heirs, executors, administrators, successors, or assigns, shall fail to pay any of the persons named in Section 3181 of the California Civil Code, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the Contractor and his subcontractors pursuant to Section 18806 of the Revenue and Taxation Code, with respect to such work and labor the Surety will pay for the same in an amount not exceeding the sum hereinafter specified, and also, in case suit is brought upon this bond, a reasonable attorney's fee, to be fixed by the Court.

This Bond shall inure to the benefit of any of the persons named in Section 3181 of the California Civil Code, so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement hereinabove described or pertaining or relating to the furnishing of labor, materials, or equipment therefore, not by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement hereinabove described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner of Public Entity and original contractor or on the part of any obliges named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 3110 or 3112 of the California Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned.

IN WITNESS WHEREOF three identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety above named, on the _____ day of _____, 20____.

_____(SEAL)

_____(SEAL)

_____(SEAL)

_____(SEAL)

_____(SEAL)

_____(SEAL)

Surety

Principal

ATTORNEY-IN-FACT ACKNOWLEDGEMENT OF SURETY

STATE OF _____)

) ss

COUNTY OF _____)

On this day _____ of _____, 20____, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____ known to me to be the person whose name is subscribed to the within instrument as the attorney-in-fact of the _____, the corporation named as Surety in said instrument, and acknowledged to me that he subscribed the name of said corporation thereto as Surety, and his own name as attorney-in-fact.

NOTE: Signature of those executing for Surety must be properly acknowledged.	NOTE: The Attorney-in-fact must attach a certified copy of the Power of Attorney.
--	---

Signature: _____

Name (Type or Print): _____
(Notary Public in and for said County and State)

My Commission expires: _____

ATTACH ALL BONDS

RESOLUTION NO. 2019 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, 1) AWARDING A CONTRACT TO BLUE PACIFIC ENGINEERING & CONSTRUCTION IN THE AMOUNT OF \$957,028.89 FOR THE SWEETWATER RIVER BIKEWAY CONNECTIONS/30TH STREET BICYCLE FACILITIES IMPROVEMENTS PROJECT, CIP NO. 18-14; 2) AUTHORIZING A 15% CONTINGENCY IN THE AMOUNT OF \$143,554.33 FOR ANY UNFORESEEN CHANGES; 3) AUTHORIZING THE MAYOR TO EXECUTE THE CONTRACT; AND 4) AUTHORIZING THE ESTABLISHMENT OF AN ENGINEERING GRANTS FUND APPROPRIATION OF \$889,000 AND CORRESPONDING REVENUE BUDGET

WHEREAS, on October 22, 2015, the California Department of Transportation (Caltrans) awarded the City of National City (City) a \$1,129,000 Active Transportation Program (ATP) grant for the Sweetwater River Bikeway Connections Project (Project) and at their meeting on December 7, 2016, the California Transportation Commission (CTC) allocated \$25,000 for the Project Approval/Environmental Document (PAED) phase; and

WHEREAS, on February 21, 2017, per City Council Resolution No. 2017-19, City Council executed Program Supplement Agreement No. P036 with Caltrans for the Project to allow for reimbursement of eligible project expenditures through the State ATP; and

WHEREAS, on June 29, 2017, the CTC allocated \$165,000 for the Preliminary Engineering (PS&E) phase, which included preparation of construction plans, specifications and estimates; and

WHEREAS, on October 17, 2017, per City Council Resolution No. 2017-195, City Council authorized the establishment of an Engineering Grants Fund appropriation in the amount of \$165,000 and a corresponding revenue budget to allow staff to proceed with preliminary engineering for the Project, which will be reimbursed by the State ATP grant; and

WHEREAS, the Sweetwater River Bikeway Connections/30th Street Bicycle Facilities Improvements Project includes traffic calming and pedestrian and bicycle enhancements on 30th Street between "D" Avenue and N. 2nd Avenue, connecting existing pedestrian and bicycle facilities near Sweetwater High School to the regional Sweetwater River Bike Path off N. 2nd Avenue.

WHEREAS, improvements will include street resurfacing, ADA upgrades, approximately 1 mile of Class II bike lanes with signage, traffic signal modifications at Highland Avenue and East 30th Street, concrete pads at bus stops, and gateway enhancements at both entrances to the Sweetwater River Bike Path located at W. 33rd Street and N. 2nd Avenue; and

WHEREAS, on August 13, 2019, the bid solicitation was posted on PlanetBids, a free public electronic bidding system for contractors and on August 15, 2019 and August 20, 2019, the bid solicitation was advertised in local newspapers; and

WHEREAS, on September 3, 2019, six (6) bids were received by the 11:00 a.m. deadline with Blue Pacific Engineering & Construction being the apparent lowest bidder with a total bid amount of \$957,028.89; and

WHEREAS, upon review of all documents submitted, Blue Pacific Engineering & Construction's bid was deemed responsive, and they are the lowest responsible bidder qualified to perform the work as described in the project specifications with an estimated completion date of Summer 2020; and

**Resolution 2019 –
Page Two**

WHEREAS, staff recommends awarding a contract to Blue Pacific Engineering & Construction in the not-to-exceed amount of \$957,028.89, authorization to establish an Engineering Grants Fund appropriation of \$889,000 and corresponding revenue budget to partially fund project construction with the remaining contract award being funded through prior City Council Capital Improvement Program (CIP) *TransNet* appropriations in the amount of \$68,028.89 for Traffic Signal Upgrades; and

WHEREAS, staff also recommends authorizing a 15% contingency in the amount of \$143,554.33 to address any unforeseen conditions that may arise.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby awards the contract for the Sweetwater River Bikeway Connections/30th Street Bicycle Facilities Improvements Project to the lowest, responsive, responsible bidder, to wit:

BLUE PACIFIC ENGINEERING & CONSTRUCTION

BE IT FURTHER RESOLVED by the City Council of the City of National City that the Mayor is hereby authorized to execute on behalf of the City a contract in the not-to-exceed amount of \$957,028.89 with Blue Pacific Engineering & Construction Sweetwater River Bikeway Connections/30th Street Bicycle Facilities Improvements Project. Said contract is on file in the Office of the City Clerk.

BE IT FURTHER RESOLVED that the City Council of the City of National City authorizes a 15% contingency in the amount of up to \$143,554.33 for any unforeseen changes.

BE IT FURTHER RESOLVED that the City Council of the City of National City authorizes the establishment of an Engineering Grants Fund appropriation of \$889,000 and corresponding revenue budget.

PASSED and ADOPTED this 17th day of September, 2019.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City approving an amendment to City Council Policy #201, "Maintenance of Reserves," to establish an irrevocable Other Post-Employment Benefits \(OPEB\) trust reserve. \(Finance and City Attorney\)](#)
Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: September 17, 2019

AGENDA ITEM NO.:

ITEM TITLE:

Resolution of the City Council of the City of National City approving an amendment to City Council Policy # 201, "Maintenance of Reserves," to establish an irrevocable Other Post-Employment Benefits (OPEB) trust reserve.

PREPARED BY: Mark Roberts, Director of Finance

DEPARTMENT: Finance

PHONE: 619-336-4330

APPROVED BY: Mark Roberts

EXPLANATION:

At the Special Meeting of the City Council on April 24, 2019, the City Council approved the assignment of \$3.1 million of General Fund fund balance to establish an other post-employment benefits (OPEB) trust. Establishment of this trust addresses Strategic Plan Objective 2, "Achieve Fiscal Sustainability" and, more specifically, Objective 2b, "Address long-term pension liability and other post-employment benefits (OPEB)." In addition, it will allow the assets set aside for these benefits to be invested using a strategy expected to yield higher returns than they are currently earning as surplus funds, due to investment limitations imposed upon surplus funds by California Government Code Section 53600 *et seq.* and City Council Policy #203, "Investments." Investment in a portfolio expected to yield higher returns will reduce the City's total net OPEB liability by allowing the discount rate applied to the OPEB assets to be increased.

With this item, staff recommends amendment of City Council Policy # 201, "Maintenance of Reserves," to add "Irrevocable Other Post-Employment Benefits Trust Reserve" to the City's reserves and establish a target level for the trust of an amount equal to the total net liability of the City's OPEB plans.

FINANCIAL STATEMENT:

APPROVED: Mark Roberts **FINANCE**

ACCOUNT NO.
NA

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF RECOMMENDATION:

Adopt the resolution, approving the amendment of City Council Policy # 201, "Maintenance of Reserves," to establish an irrevocable Other Post-Employment Benefits (OPEB) trust reserve.

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

1. Council Policy # 201, "Maintenance of Reserves"
2. Resolution

CITY COUNCIL POLICY

CITY OF NATIONAL CITY

TITLE: Maintenance of Reserve Funds	POLICY #201
ADOPTED: June 26, 1985	AMENDED: November 21, 2017

Purpose

The City will establish reserves to strengthen its ability to withstand unexpected financial emergencies such as those that may result from national disasters, revenue shortfalls, or unanticipated expenditures of a non-recurring nature and to accumulate funds for large-scale purchases.

Policy

The City Manager is charged with the responsibility of accumulating and maintaining the City's reserves at the following target levels:

- **GENERAL FUND CONTINGENCY RESERVE:** an amount equal to between twenty-five percent (25%) and fifty percent (50%) of a single year's budgeted General Fund operating expenditures. "Operating expenditures" shall be defined as all expenditures, except those of a capital nature, plus operating subsidies provided to the Library Fund, Parks Fund, Nutrition Fund, and Personnel Compensation Fund.
- **GENERAL FUND FACILITIES MAINTENANCE RESERVE:** an amount equal to between ten percent (10%) and fifteen percent (15%) of the total acquisition cost of the City's building assets. "Building assets" shall be defined as all permanent or nonpermanent structures constructed or installed to provide a workplace for City employees or house City assets and/or operations.
- **GAS TAXES FUND CONTINGENCY RESERVE:** an amount equal to a minimum of five percent (5%) of the estimated annual revenue of the Gas Taxes Fund.
- **SEWER SERVICE FUND OPERATIONS / CASH FLOW RESERVE:** an amount equal to between twenty-five percent (25%) and fifty percent (50%) of a single year's budgeted Sewer Service Fund operating expenditures.
- **SEWER SERVICE FUND METRO CASH FLOW RESERVE:** an amount equal to the City's estimated portion of the projected cash needs for capital costs of the San Diego Metropolitan Sewerage System's wastewater treatment program.

TITLE: Maintenance of Reserve Funds

POLICY #201

ADOPTED: June 26, 1985

AMENDED: November 21, 2017

- **SEWER SERVICE FUND CAPITAL REPLACEMENT RESERVE:** an amount equal to between ten percent (10%) and fifteen percent (15%) of a single year's budgeted Sewer Service Fund operating expenditures.
- **SEWER SERVICE FUND CAPITAL EXPANSION RESERVE:** an amount equal to between ten percent (10%) and fifteen percent (15%) of a single year's budgeted Sewer Service Fund operating expenditures.
- **SEWER SERVICE FUND EMERGENCY / NATURAL DISASTER RESERVE:** an amount equal to a minimum of fifteen percent (15%) of a single year's budgeted Sewer Service Fund operating expenditures.
- **LIABILITY INSURANCE RESERVE:** an amount sufficient to ensure liability insurance claim assets of the Liability Insurance Fund equal to the eighty percent (80%) Confidence Level of Adequacy applicable to estimated liability insurance claims, as established biennially by the City's actuary.
- **WORKERS' COMPENSATION RESERVE:** an amount sufficient to ensure Workers' Compensation claim assets of the Liability Insurance Fund equal to the eighty percent (80%) Confidence Level of Adequacy applicable to estimated Workers' Compensation claims, as established biennially by the City's actuary.
- **DEBT SERVICE RESERVES:** in each fund from which debt service is paid, an amount equal to the total required by applicable indenture(s) and/or other agreement(s), but in no case less than one year's debt service requirement of all long-term City obligations, excluding inter-fund loans.
- **IRREVOCABLE SUPPLEMENTAL PENSION TRUST RESERVE:** an amount equal to the total net pension liability of the City's pension plans. The balance of this reserve shall not be subject to the "Replenishment of Reserves" requirement.
- **VEHICLE REPLACEMENT RESERVE:** an amount equal to between the accumulated depreciation and estimated replacement value of the motor vehicle assets of the Vehicle Replacement Fund. For the purposes of this policy, "motor vehicle" shall be defined as a self-propelled, wheeled vehicle with propulsion provided by an engine or motor which must be operated by one or more persons to perform the function(s) for which it is designed.

The actual amount of each reserve shall be determined each year by the City Manager as part of the budgeting process and shall be annually reported to the City Council as part of or in conjunction with the Comprehensive Annual Financial Report (CAFR); however, nothing in this policy shall prevent determining or reporting on the level of any reserves at other times during the year.

TITLE: Maintenance of Reserve Funds

POLICY #201

ADOPTED: June 26, 1985

AMENDED: November 21, 2017

The above requirements may be suspended only upon approval of Council.

Replenishment of Reserves

If its balance falls below the minimum required level, the City shall strive to restore it to the minimum required balance by any feasible means, including, but not limited to, adopting a budgetary surplus; applying any cost savings, over-realized revenues, and/or surpluses realized within the applicable fund; or transferring a portion of the General Fund Contingency Reserve. Unless otherwise noted, the following guidelines will be used to restore a reserve fund:

- If a reserve is drawn down to 75-99% of its minimum required balance, it shall be restored to 100% over a 1 to 3 year period.
- If a reserve is drawn down to 50-74% of its minimum required balance, it shall be restored to 100% over a 3 to 5 year period.
- If a reserve is drawn down below 50% of its minimum required balance, it shall be restored to 100% over a 5 to 7 year period.

These guidelines may be suspended, in whole or part, if financial or economic circumstances prevent meeting any or all of the timelines.

Once established or increased, a reserve balance shall become committed fund balance, as defined by Governmental Accounting Standards Board Statement Number 54, within the applicable fund and, as such, shall require Council approval for all transfers and expenditures therefrom.

Related Policy References

None

Prior Policy Amendments

June 7, 2016
October 7, 2014
December 10, 2013
March 12, 2002

CITY COUNCIL POLICY

CITY OF NATIONAL CITY

TITLE: Maintenance of Reserve Funds	POLICY #201
ADOPTED: June 26, 1985 <u>September 17, 2019</u>	AMENDED: November 21, 2017

Purpose

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TITLE: Maintenance of Reserve Funds

POLICY #201

ADOPTED: June 26, 1985
2017September 17, 2019

AMENDED: ~~November~~ 21,

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- **IRREVOCABLE SUPPLEMENTAL PENSION TRUST RESERVE:** an amount equal to the total net pension liability of the City's pension plans. The balance of this reserve shall not be subject to the "Replenishment of Reserves" ~~requirement~~guidelines.
- **IRREVOCABLE OTHER POST-EMPLOYMENT BENEFITS TRUST RESERVE:** an amount equal to the total net other post-employment benefits (OPEB) liability of the City's OPEB plans. The balance of this reserve shall not be subject to the "Replenishment of Reserves" guidelines.
- **VEHICLE REPLACEMENT RESERVE:** an amount equal to between the accumulated depreciation and estimated replacement value of the motor vehicle assets of the Vehicle Replacement Fund. For the purposes of this policy, "motor vehicle" shall be defined as a self-propelled, wheeled vehicle with propulsion provided by an engine or motor which must be operated by one or more persons to perform the function(s) for which it is designed.

TITLE: Maintenance of Reserve Funds

POLICY #201

ADOPTED: June 26, 1985
2017September 17, 2019

AMENDED: ~~November~~ ~~21,~~

The actual amount of each reserve shall be determined each year by the City Manager as part of the budgeting process and shall be annually reported to the City Council as part of or in conjunction with the Comprehensive Annual Financial Report (CAFR); however, nothing in this policy shall prevent determining or reporting on the level of any reserves at other times during the year. The above requirements may be suspended only upon approval of Council.

Replenishment of Reserves

If its balance falls below the minimum required level, the City shall strive to restore it to the minimum required balance by any feasible means, including, but not limited to, adopting a budgetary surplus; applying any cost savings, over-realized revenues, and/or surpluses realized within the applicable fund; or transferring a portion of the General Fund Contingency Reserve. Unless otherwise noted, the following guidelines will be used to restore a reserve fund:

- If a reserve is drawn down to 75-99% of its minimum required balance, it shall be restored to 100% over a 1 to 3 year period.
- If a reserve is drawn down to 50-74% of its minimum required balance, it shall be restored to 100% over a 3 to 5 year period.
- If a reserve is drawn down below 50% of its minimum required balance, it shall be restored to 100% over a 5 to 7 year period.

These guidelines may be suspended, in whole or part, if financial or economic circumstances prevent meeting any or all of the timelines.

Once established or increased, a reserve balance shall become committed fund balance, as defined by Governmental Accounting Standards Board Statement Number 54, within the applicable fund and, as such, shall require Council approval for all transfers and expenditures therefrom.

Related Policy References

None

Prior Policy Amendments

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The City Manager is charged with the responsibility of accumulating and maintaining the City's reserves at the following target levels:

- **GENERAL FUND CONTINGENCY RESERVE:** an amount equal to between twenty-five percent (25%) and fifty percent (50%) of a single year's budgeted General Fund operating expenditures. "Operating expenditures" shall be defined as all expenditures, except those of a capital nature, plus operating subsidies provided to the Library Fund, Parks Fund, Nutrition Fund, and Personnel Compensation Fund.
- **GENERAL FUND FACILITIES MAINTENANCE RESERVE:** an amount equal to between ten percent (10%) and fifteen percent (15%) of the total acquisition cost of the City's building assets. "Building assets" shall be defined as all permanent or nonpermanent structures constructed or installed to provide a workplace for City employees or house City assets and/or operations.
- **GAS TAXES FUND CONTINGENCY RESERVE:** an amount equal to a minimum of five percent (5%) of the estimated annual revenue of the Gas Taxes Fund.
- **SEWER SERVICE FUND OPERATIONS / CASH FLOW RESERVE:** an amount equal to between twenty-five percent (25%) and fifty percent (50%) of a single year's budgeted Sewer Service Fund operating expenditures.
- **SEWER SERVICE FUND METRO CASH FLOW RESERVE:** an amount equal to the City's estimated portion of the projected cash needs for capital costs of the San Diego Metropolitan Sewerage System's wastewater treatment program.

ADOPTED: June 26, 1985**AMENDED: September 17, 2019**

- **SEWER SERVICE FUND CAPITAL REPLACEMENT RESERVE:** an amount equal to between ten percent (10%) and fifteen percent (15%) of a single year's budgeted Sewer Service Fund operating expenditures.
- **SEWER SERVICE FUND CAPITAL EXPANSION RESERVE:** an amount equal to between ten percent (10%) and fifteen percent (15%) of a single year's budgeted Sewer Service Fund operating expenditures.
- **SEWER SERVICE FUND EMERGENCY / NATURAL DISASTER RESERVE:** an amount equal to a minimum of fifteen percent (15%) of a single year's budgeted Sewer Service Fund operating expenditures.
- **LIABILITY INSURANCE RESERVE:** an amount sufficient to ensure liability insurance claim assets of the Liability Insurance Fund equal to the eighty percent (80%) Confidence Level of Adequacy applicable to estimated liability insurance claims, as established biennially by the City's actuary.
- **WORKERS' COMPENSATION RESERVE:** an amount sufficient to ensure Workers' Compensation claim assets of the Liability Insurance Fund equal to the eighty percent (80%) Confidence Level of Adequacy applicable to estimated Workers' Compensation claims, as established biennially by the City's actuary.
- **DEBT SERVICE RESERVES:** in each fund from which debt service is paid, an amount equal to the total required by applicable indenture(s) and/or other agreement(s), but in no case less than one year's debt service requirement of all long-term City obligations, excluding inter-fund loans.
- **IRREVOCABLE SUPPLEMENTAL PENSION TRUST RESERVE:** an amount equal to the total net pension liability of the City's pension plans. The balance of this reserve shall not be subject to the "Replenishment of Reserves" guidelines.
- **IRREVOCABLE OTHER POST-EMPLOYMENT BENEFITS TRUST RESERVE:** an amount equal to the total net other post-employment benefits (OPEB) liability of the City's OPEB plans. The balance of this reserve shall not be subject to the "Replenishment of Reserves" guidelines.
- **VEHICLE REPLACEMENT RESERVE:** an amount equal to between the accumulated depreciation and estimated replacement value of the motor vehicle assets of the Vehicle Replacement Fund. For the purposes of this policy, "motor vehicle" shall be defined as a self-propelled, wheeled vehicle with propulsion provided by an engine or motor which must be operated by one or more persons to perform the function(s) for which it is designed.

TITLE: Maintenance of Reserve Funds

POLICY #201

ADOPTED: June 26, 1985

AMENDED: September 17, 2019

The actual amount of each reserve shall be determined each year by the City Manager as part of the budgeting process and shall be annually reported to the City Council as part of or in conjunction with the Comprehensive Annual Financial Report (CAFR); however, nothing in this policy shall prevent determining or reporting on the level of any reserves at other times during the year.

The above requirements may be suspended only upon approval of Council.

Replenishment of Reserves

If its balance falls below the minimum required level, the City shall strive to restore it to the minimum required balance by any feasible means, including, but not limited to, adopting a budgetary surplus; applying any cost savings, over-realized revenues, and/or surpluses realized within the applicable fund; or transferring a portion of the General Fund Contingency Reserve. Unless otherwise noted, the following guidelines will be used to restore a reserve fund:

- If a reserve is drawn down to 75-99% of its minimum required balance, it shall be restored to 100% over a 1 to 3 year period.
- If a reserve is drawn down to 50-74% of its minimum required balance, it shall be restored to 100% over a 3 to 5 year period.
- If a reserve is drawn down below 50% of its minimum required balance, it shall be restored to 100% over a 5 to 7 year period.

These guidelines may be suspended, in whole or part, if financial or economic circumstances prevent meeting any or all of the timelines.

Once established or increased, a reserve balance shall become committed fund balance, as defined by Governmental Accounting Standards Board Statement Number 54, within the applicable fund and, as such, shall require Council approval for all transfers and expenditures therefrom.

Related Policy References

None

Prior Policy Amendments

November 21, 2017

June 7, 2016

October 7, 2014

December 10, 2013

March 12, 2002

RESOLUTION NO. 2019 –

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
APPROVING THE AMENDMENT OF CITY COUNCIL POLICY # 201,
“MAINTENANCE OF RESERVES,” TO ESTABLISH AN IRREVOCABLE OTHER
POST-EMPLOYMENT BENEFITS (OPEB) TRUST RESERVE**

BE IT RESOLVED by the City Council of the City of National City that National City Council Policy No. 201, entitled “Maintenance of Reserves,” as amended a copy of which is attached hereto marked as Attachment “A” and by this reference is incorporated herein as though set forth in full is hereby approved.

PASSED and ADOPTED this 17th day of September, 2019.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

CITY COUNCIL POLICY

CITY OF NATIONAL CITY

TITLE: Maintenance of Reserve Funds

POLICY #201

ADOPTED: June 26, 1985

AMENDED: September 17, 2019

Purpose

The City will establish reserves to strengthen its ability to withstand unexpected financial emergencies such as those that may result from national disasters, revenue shortfalls, or unanticipated expenditures of a non-recurring nature and to accumulate funds for large-scale purchases.

Policy

The City Manager is charged with the responsibility of accumulating and maintaining the City's reserves at the following target levels:

- **GENERAL FUND CONTINGENCY RESERVE:** an amount equal to between twenty-five percent (25%) and fifty percent (50%) of a single year's budgeted General Fund operating expenditures. "Operating expenditures" shall be defined as all expenditures, except those of a capital nature, plus operating subsidies provided to the Library Fund, Parks Fund, Nutrition Fund, and Personnel Compensation Fund.
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ATTACHMENT "A"

TITLE: Maintenance of Reserve Funds

POLICY #201

ADOPTED: June 26, 1985

AMENDED: September 17, 2019

- **SEWER SERVICE FUND CAPITAL REPLACEMENT RESERVE:** an amount equal to between ten percent (10%) and fifteen percent (15%) of a single year's budgeted Sewer Service Fund operating expenditures.
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ATTACHMENT "A"

TITLE: Maintenance of Reserve Funds

POLICY #201

ADOPTED: June 26, 1985

AMENDED: September 17, 2019

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- If a reserve is drawn down below 50% of its minimum required balance, it shall be restored to 100% over a 5 to 7 year period.

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Related Policy References

None

Prior Policy Amendments

November 21, 2017

June 7, 2016

October 7, 2014

December 10, 2013

March 12, 2002

ATTACHMENT "A"

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City 1\) approving the First Amendment to the Agreement with Phase II Systems dba Public Agency Retirement Services with a mutual indemnity and hold harmless provision for other post-employment benefits trust administration services for the period September 18, 2019 through December 31, 2020, 2\) approving the amended adoption agreement for the Public Agencies Post-Employment Benefits Trust Agreement, and 3\) authorizing the City Manager to execute the documents. \(Finance and City Attorney\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: September 17, 2019

AGENDA ITEM NO.:

ITEM TITLE:

Resolution of the City Council of the City of National City 1) approving the first amendment to the agreement with Phase II Systems dba Public Agency Retirement Services with a mutual indemnity and hold harmless provision for other post-employment benefits trust administration services for the period September 18, 2019 through December 31, 2020, 2) approving the amended adoption agreement for the Public Agencies Post-Employment Benefits Trust Agreement, and 3) authorizing the city manager to execute the documents.

PREPARED BY: Mark Roberts, Director of Finance

DEPARTMENT: Finance

PHONE: 619-336-4330

APPROVED BY: Mark Roberts

EXPLANATION:

At the Special Meeting of the City Council on April 24, 2019, the City Council approved the assignment of \$3.1 million of General Fund fund balance to establish an other post-employment benefits (OPEB) trust. With this item, staff recommends amendment of City Council Policy # 201, "Maintenance of Reserves," to add "Irrevocable Other Post-Employment Benefits Trust Reserve" to the City's reserves and establish a target level for the trust of an amount equal to the total net liability of the City's OPEB plans.

FINANCIAL STATEMENT:

APPROVED: Mark Roberts **FINANCE**

ACCOUNT NO.

APPROVED: _____ **MIS**

NA

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF RECOMMENDATION:

Adopt the resolution, 1) approving the first amendment to the agreement with Phase II Systems dba Public Agency Retirement Services with a mutual indemnity and hold harmless provision for other post-employment benefits trust administration services for the period September 18, 2019 through December 31, 2020, 2) approving the amended adoption agreement for the Public Agencies Post-Employment Benefits Trust Agreement, and 3) authorizing the city manager to execute the documents.

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

1. First Amendment to the Phase II Systems dba Public Agency Retirement Services Agreement
2. Adoption Agreement for the Post-Employment Section 115 Trust
3. Phase II Systems dba Public Agency Retirement Services Agreement
4. Public Agencies Post-Employment Post-Employment Health Care Plan Master Plan Document
5. Public Agencies Post-Employment Benefits Trust Agreement
6. Resolution

**FIRST AMENDMENT TO THE AGREEMENT
BETWEEN
THE CITY OF NATIONAL CITY
AND
PHASE II SYSTEMS
D.B.A. "PUBLIC AGENCY RETIREMENT SERVICES"**

This First Amendment to the Agreement is entered into this 17th day of September, 2019 between the City of National City, a municipal corporation (the "CITY"), and PHASE II SYSTEMS, a California corporation, d.b.a. "Public Agency Retirement Services" (the "CONSULTANT").

RECITALS

WHEREAS, the CITY and CONSULTANT entered into an agreement on December 20, 2017 (the "Agreement") wherein the CONSULTANT agreed to provide comprehensive trust administration services for the CITY'S irrevocable supplemental pension trust (the "Pension Trust"); and

WHEREAS, the parties desire to amend the Agreement to increase the scope of work to include comprehensive trust administration services for the CITY'S irrevocable other post-employment benefits trust (the "OPEB Trust"), as set forth in attached Exhibit "A."

NOW, THEREFORE, the parties hereto agree that the Agreement entered into on December 20, 2017 shall be amended as follows:

1. The Scope of Services, described in Section 3 of the Agreement, shall be increased to include comprehensive trust administration services for the "OPEB Trust," as set forth in attached Exhibit "A."
2. CONSULTANT shall be compensated for performance on the increased Scope of Services as set forth in attached Exhibit "B."
3. CONSULTANT shall perform those increased Scope of Services after receiving from CITY the requested Data Requirement Information set forth in attached Exhibit "C."
4. The parties further agree that, except for item 1 above, each and every term and provision of the Agreement dated December 20, 2017 shall remain in full force and effect.

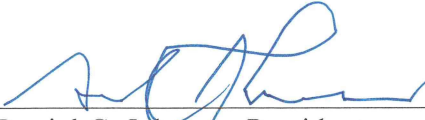
IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement on the date and year first above written.

[Signature Page to Follow]

CITY OF NATIONAL CITY


PHASE II SYSTEMS, A CALIFORNIA CORPORATION D.B.A. "PUBLIC AGENCY RETIREMENT SERVICES"

By: _____
Brad Raulston, City Manager

By: 
Daniel C. Johnson, President

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

By: 
Tod Hammeras, Chief Financial Officer

By: _____
Roberto M. Contreras
Deputy City Attorney

PUBLIC AGENCY RETIREMENT SERVICES

SCOPE OF SERVICES

The CONSULTANT will provide the following services for the City of National City's irrevocable supplemental pension trust plan ("Pension Trust Plan") and irrevocable other post-employment benefits trust plan ("OPEB Trust Plan"):

1. Plan Installation Services:

- A. Meeting with appropriate CITY personnel to discuss Pension Trust Plan and OPEB Trust Plan provisions, implementation timelines, the actuarial valuation process, funding strategies, benefit communication strategies, data reporting, and submission requirements for contributions, reimbursements, and distributions;
- B. Providing necessary analysis and advisory services to finalize the elements of Paragraph 1(A) of this Exhibit A;
- C. Providing all documents needed to create the Pension Trust Plan and OPEB Trust Plan for review and approval by the City Attorney. Resulting final Pension Trust Plan and OPEB Trust Plan documents must be approved by the CITY before the commencement of Plan Administration Services outlined in Paragraph 2 below.

2. Plan Administration Services:

- A. Monitoring the receipt of Pension Trust Plan and OPEB Trust Plan contributions made by the CITY to the trustee of the Pension Trust and the OPEB Trust ("Trustee"), based upon information received from the CITY and the Trustee;
- B. Performing periodic accounting of Pension Trust Plan and OPEB Trust Plan assets, reimbursements/distributions, and investment activities, based upon information received from the CITY and/or Trustee;
- C. Coordinating the processing of distribution payments pursuant to authorized direction by the CITY, and the provisions of the Pension Trust Plan and the OPEB Trust Plan, and, to the extent possible, based upon CITY-provided Data;
- D. Coordinating actions with the Trustee as directed by the Plan Administrator within the scope the Agreement;
- E. Preparing and submitting monthly reports of Pension Trust Plan and OPEB Trust Plan activities to the CITY, unless directed by the CITY otherwise;
- F. Conducting annual in-person client reviews to provide full administrative and investment reviews of the Pension Trust Plan and the OPEB Trust Plan and to ensure the CITY'S ongoing satisfaction with its participation in the Pension Trust Plan and the OPEB Trust Plan.
- G. Conducting in-person or over-the-phone meetings more frequently, if requested by the

CITY.

- H. Providing annual updates of the Pension Trust Plan and the OPEB Trust Plan to the City Council during one of its public meetings, if requested by the CITY.
 - I. Preparing and submitting annual reports of Pension Trust Plan and OPEB Trust Plan activities to the CITY;
 - J. Facilitating actuarial valuation updates and funding modifications for compliance with GASB 45/75 and other GASB Statements, as applicable, for OPEB obligations;
 - K. Coordinating periodic audits of the Pension Trust Plan and the OPEB Trust Plan, as requested by CITY;
 - L. Monitoring Pension Trust Plan, Pension Trust, OPEB Trust Plan, and OPEB Trust compliance with federal and state laws.
3. The CITY acknowledges that PARS is not licensed to provide, and does not offer tax, accounting, legal, investment, or actuarial advice.

PUBLIC AGENCY RETIREMENT SERVICES

RATES TO PERFORM POST-EMPLOYMENT BENEFITS TRUST ADMINISTRATION SERVICES

CONSULTANT will be compensated for performance of Services, as described in Exhibit “A” based upon the following schedule:

ANNUAL ASSET FEE

<u>For Total Plan Asset Balances from</u>	<u>Annual Rate</u>
\$0 to \$10,000,000	0.25%
\$10,000,001 to \$15,000,000	0.20%
\$15,000,001 to \$50,000,000	0.15%
\$50,000,001 and above	0.10%

Annual Rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula:

Annual Rate divided by 12 (months of the year) multiplied by the combined asset balances of the post-employment benefits trust plans at the end of the month.

TRUSTEE & INVESTMENT MANAGEMENT FEES

Trustee and investment management fees are not included in the annual asset fees stated above. Trustee and investment management services are provided under a separate agreement with US Bank, and trustee and investment management fees are paid to US Bank. These fees include investment policy development, asset allocation recommendations, asset management, and all custodial services and are based upon the following schedule:

<u>For Total Plan Asset Balances from</u>	<u>Annual Rate</u>
\$0 to \$5,000,000	0.35%
\$5,000,001 to \$10,000,000	0.25%
\$10,000,001 to \$15,000,000	0.20%
\$15,000,001 to \$50,000,000	0.15%
\$50,000,001 and above	0.10%

Annual Rates are prorated and paid monthly. Annual trustee and investment management fees shall be calculated by the following formula:

Annual Rate divided by 12 (months of the year) multiplied by the combined asset balances of the post-employment benefits trust plans at the end of the month.

Both the annual asset fees and trustee and investment management fees shall be deducted from post-employment benefits trust plans’ assets.

PUBLIC AGENCY RETIREMENT SERVICES

DATA REQUIREMENTS

CONSULTANT will provide all services required under the Agreement, and the increased Scope of Services described in Exhibit “A”, upon receiving the following information:

1. Executed legal documents:
 - A. certified resolutions
 - B. adoption agreements to the Plan
 - C. trustee investment forms
2. Contribution – completed Contribution Transmittal Form signed by the Plan Administrator (or authorized designee) which contains the following information:
 - A. agency name
 - B. contribution amounts
 - C. contribution dates
 - D. contribution method (check, ACH, wire)
3. Distribution – completed Transfer/Payment/Reimbursement Form signed by the Plan Administrator (or authorized designee) which contains the following information:
 - A. agency name
 - B. payment reimbursement/distribution amounts
 - C. applicable statement dates
 - D. copy of applicable premium, claim, statement, warrant, and/or administrative expense evidencing payments
 - E. signed certifications of reimbursements/distributions from the Plan Administrator (or authorized designee)
4. Other information pertinent to the CONSULTANT’S services as reasonably requested by the CONSULTANT and the CITY’S actuarial provider.

**AMENDED
ADOPTION AGREEMENT
for the
POST-EMPLOYMENT SECTION 115 TRUST**

A.1.1. Trust agreement with U.S. Bank National Association (the “Bank”) (the “Trust Agreement”):

Post-Employment Section 115 Trust. Public Agencies Post-Employment Benefits—Trust Agreement, effective November 5, 2014

A.1.2. OPEB Plan: Public Agencies Post-Employment Health Care Plan

The plan document for the OPEB Plan is the Public Agencies Post-Employment Health Care Plan—Master Plan Document, effective as of November 5, 2014 (the “Plan Document”).

A.1.3. Pension Plan: CalPERS Miscellaneous Plan

CalPERS Safety Plan

A.1.4. Pension Plan’s effective date: July 1, 1948

(Check if applicable) Additional Pension Plans (and their respective effective dates) are listed on an exhibit attached hereto.

A.2.1. Employer:

Name: City of National City

U.S. mail address: 1243 National City Boulevard, National City, CA 91950

Phone number: (619) 336-4240

EIN: 95-6000749

Fiscal year end: June 30

A.2.2. Plan Administrator

Position at Employer: City Manager

Incumbent: Brad Raulston

U.S. mail address: 1243 National City Boulevard, National City, CA 91950

Phone number: (619) 336-4240

Email address: braulston@nationalcityca.gov

A.3.1 **Adoption.** The Employer hereby:

(Section A.3.1 is hereby amended to add the Pension Plan.)

A.3.1.1. Adopts the Trust Agreement as part of the (*Check one or both of the following boxes.*):

OPEB Plan

Pension Plan

(each such plan separately, the “Plan”) and agrees to be bound by the Trust Agreement’s terms, effective as of the Employer’s signature date below and subject to the investment approach selected below.

A.3.1.2. *The following provisions apply if and only if the **OPEB Plan** box above is checked:* (i) Adopts the Plan Document and agrees to be bound by the Plan Document’s terms, effective as of the Employer’s signature date below and (ii) acknowledges that the determination of Eligible Employees and Eligible Beneficiaries is finally and conclusively made by the Employer according to the Employer’s applicable policies and collective bargaining agreements and without reference to the Trust Agreement.

A.3.1.3. Ratifies, affirms, and approves Employer’s appointment of Phase II Systems as Trust Administrator and represents and warrants that attached hereto is a fully-executed original of Employer’s Agreement for Administrative Services with Phase II Systems, d/b/a Public Agency Retirement Services (PARS).

A.3.1.4. Agrees that capitalized terms used herein but not defined herein shall have the same meaning attributed to them as in the Trust Agreement or Plan Document, as the case may be.

A.4.1. The Employer hereby represents and warrants that:

A.4.1.1. **Authorizing Law.** Employer has reviewed with its legal counsel and has determined that Employer is authorized to establish and maintain the Plan and to establish a financial-institution trust (separate and apart from the state) for the Plan, including the authority to adopt the Trust Agreement.

A.4.1.2. **Authorizing Resolution.** Attached hereto is a certified copy of a resolution of the Employer’s governing body authorizing the adoption of the Trust Agreement as part of the Plan and authorizing the appointment of the Plan Administrator designated by position of employment at the Employer to act on the Employer’s behalf in all matters relating to the trust.

A.4.1.3. **Tax Status.** The Plan is a “governmental plan” as defined in Section 414(d) of the Internal Revenue Code of 1986, as amended; is a “Section 401(a)(24) governmental plan” as defined in Revenue Ruling 2011-1; and is not subject to Federal income taxation. The Plan’s governing document expressly provides that it is irrevocably impossible for any part of the corpus or income of the Plan to be used for, or diverted to, purposes other than for the exclusive benefit of the Plan participants and their beneficiaries. The Pension Plan is a qualified plan under Code Section 401(a). (In addition, the Employer hereby acknowledges that the Plan is prohibited from assigning any part of its equity or interest in the trust.)

A.4.2. Investment Approach.

A.4.2.1. *The following provisions apply if and only if the **OPEB Plan** box above is checked: **OPEB Account.** OPEB Account assets are invested in the discretion of (check one and only one of the following boxes):*

Discretionary investment approach:

- The Bank, subject to **Exhibit A (Investment Strategy Selection and Disclosure Form)** hereto.

Directed investment approach:

- The Plan Administrator.
- The following registered investment adviser, bank (other than the Bank), or insurance company (a "Third-Party Manager"): _____ . The Employer hereby represents and warrants that attached hereto is an executed copy of the agreement with the above appointed Third Party Manager.

A.4.2.2. *The following provisions apply if and only if the **Pension Plan** box above is checked: **Pension Account.** Pension Account assets are invested in the discretion of (check one and only one of the following boxes):*

(Section A.4.2.2 is hereby amended to add the investment approach for the Pension Account.)

Discretionary investment approach:

- The Bank, subject to **Exhibit A (Investment Strategy Selection and Disclosure Form)** hereto.

Directed investment approach:

- The Plan Administrator.
- The following registered investment adviser, bank (other than the Bank), or insurance company (a "Third-Party Manager"): _____ . The Employer hereby represents and warrants that attached hereto is an executed copy of the agreement with the above appointed Third Party Manager.

A.4.3. It is intended that any references to GASB pronouncements and/or statements in the Public Agencies Post-Employment Health Care Plan and Trust Agreement shall incorporate any applicable successor pronouncements and/or statements.

This Amended Adoption Agreement is hereby adopted effective as of the Employer's signature date below.

CITY OF NATIONAL CITY

By: _____
Brad Raulston

Its: City Manager

Date: _____

Accepted by:

**PHASE II SYSTEMS, DBA PUBLIC AGENCY
RETIREMENT SERVICES (PARS)**

By: _____
Daniel Johnson

Its: President

Date: _____

U.S. BANK NATIONAL ASSOCIATION

By: _____
Susan M. Hughes

Its: Vice President and Relationship Manager

Date: _____

**AGREEMENT
BY AND BETWEEN
THE CITY OF NATIONAL CITY
AND
PHASE II SYSTEMS
D.B.A. "PUBLIC AGENCY RETIREMENT SERVICES"**

THIS AGREEMENT is entered into on this 20th day of December, 2017, by and between the CITY OF NATIONAL CITY, a municipal corporation (the "CITY"), and PHASE II SYSTEMS, a California corporation, d.b.a. "Public Agency Retirement Services" (the "CONSULTANT").

R E C I T A L S

WHEREAS, the CITY desires to employ a consultant to provide comprehensive trust administration services for the CITY'S irrevocable supplemental pension trust (the "Trust").

WHEREAS, the CITY has determined that the CONSULTANT is an administrator of irrevocable supplemental pension trusts and is qualified by experience and ability to perform the services desired by the CITY, and the CONSULTANT is willing to perform such services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONSULTANT.** The CITY agrees to engage the CONSULTANT to administer an irrevocable supplemental pension trust on behalf of the CITY, and to perform all other administration services related thereto as described in the attached Exhibits "A" and "C", and the CONSULTANT agrees to perform the services set forth here in accordance with all terms and conditions contained herein.

The CONSULTANT represents that all services shall be performed directly by the CONSULTANT or under direct supervision of the CONSULTANT.

2. **EFFECTIVE DATE AND LENGTH OF AGREEMENT.** This Agreement will become effective on December 20, 2017. The duration of this Agreement is for the period of December 20, 2017 through December 31, 2020. This Agreement may be extended by mutual agreement upon the same terms and conditions for up to two (2) additional one-year terms. Any extension of this Agreement must be approved in writing by the City Manager.

3. **SCOPE OF SERVICES.** The CONSULTANT will perform those pension trust administration services as set forth in the attached Exhibits "A" and "C."

Once supplied with the information needed to execute its duties under Exhibits "A" and "C," the CONSULTANT shall be responsible for all research and reviews related to the work. The CONSULTANT shall not rely on personnel of the CITY for any information not described in Exhibits "A" and "C."

The CITY may unilaterally, or upon request from the CONSULTANT, from time to time reduce or increase the Scope of Services to be performed by the CONSULTANT under

this Agreement. Upon doing so, the CITY and the CONSULTANT agree to meet in good faith and confer for the purpose of negotiating a corresponding reduction or increase in the compensation associated with said change in services.

4. **PROJECT COORDINATION AND SUPERVISION.** The Director of Finance hereby is designated as the Plan Administrator for the CITY and will monitor the progress and execution of this Agreement. The CONSULTANT shall assign a single Project Director to provide supervision and have overall responsibility for the progress and execution of this Agreement for the CONSULTANT. Mitch Barker thereby is designated as the Project Director for the CONSULTANT.

5. **COMPENSATION AND PAYMENT.** The compensation for the CONSULTANT shall be based upon the schedule and formula set forth in Exhibit “B.” Compensation due to the CONSULTANT shall be deducted from the Trust’s assets. The CONSULTANT shall submit a monthly statement to the CITY documenting the amount deducted from the Trust. The total cost for all work described in this Agreement shall not exceed those rates listed in Exhibit “B” without prior written authorization from the CITY.

The CONSULTANT shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred, and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by the CITY, and for furnishing of copies to the CITY, if requested.

6. **ACCEPTABILITY OF WORK.** The CITY shall decide any and all questions which may arise as to the quality or acceptability of the services performed and the manner of performance, the acceptable completion of this Agreement, and the amount of compensation due. In the event the CONSULTANT and the CITY cannot agree to the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONSULTANT in this Agreement, the CITY or the CONSULTANT shall give to the other written notice. Within ten (10) business days, the CONSULTANT and the CITY shall each prepare a report which supports their position and file the same with the other party. The CITY shall, with reasonable diligence, determine the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONSULTANT.

7. **INFORMATION FURNISHED TO CONSULTANT.** The CONSULTANT will provide those services required under this Agreement if the CITY provides the CONSULTANT all information described in Exhibit “C” (“DATA”). The CITY shall be responsible for the accuracy, content, and completeness of the DATA so the CONSULTANT may rely upon such information. CONSULTANT will inform CITY, in writing, how much time CONSULTANT reasonably needs to review the DATA before CONSULTANT may complete any of its services required under this Agreement. The CITY must provide the DATA to CONSULTANT within the reasonable timeframe identified by CONSULTANT.

8. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** The memoranda, reports, maps, drawings, plans, specifications, and other documents prepared by the CONSULTANT for this project, whether paper or electronic, shall become the property of the

CITY for use with respect to this project, and shall be turned over to the CITY upon completion of the project, or any phase thereof, as contemplated by this Agreement.

Contemporaneously with the transfer of documents, the CONSULTANT hereby assigns to the CITY, and the CONSULTANT thereby expressly waives and disclaims any copyright in, and the right to reproduce, all written material, drawings, plans, specifications, or other work prepared under this Agreement, except upon the CITY'S prior authorization regarding reproduction, which authorization shall not be unreasonably withheld. The CONSULTANT shall, upon request of the CITY, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

The CONSULTANT agrees that the CITY may use, reuse, alter, reproduce, modify, assign, transfer, or in any other way, medium, or method utilize the CONSULTANT'S written work product for the CITY'S purposes, and the CONSULTANT expressly waives and disclaims any residual rights granted to it by Civil Code Sections 980 through 989 relating to intellectual property and artistic works.

Any modification or reuse by the CITY of documents, drawings, or specifications prepared by the CONSULTANT shall relieve the CONSULTANT from liability under Section 15, but only with respect to the effect of the modification or reuse by the CITY, or for any liability to the CITY should the documents be used by the CITY for some project other than what was expressly agreed upon within the Scope of Services of this project, unless otherwise mutually agreed.

9. **INDEPENDENT CONTRACTOR.** Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners, or joint venturers with one another. Neither the CONSULTANT nor the CONSULTANT'S employees are employees of the CITY, and are not entitled to any of the rights, benefits, or privileges of the CITY'S employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

This Agreement contemplates the personal services of the CONSULTANT and the CONSULTANT'S employees, and it is recognized by the parties that a substantial inducement to the CITY for entering into this Agreement was, and is, the professional reputation and competence of the CONSULTANT and its employees. Neither this Agreement nor any interest herein may be assigned by the CONSULTANT without the prior written consent of the CITY. Nothing herein contained is intended to prevent the CONSULTANT from employing or hiring as many employees, or subconsultants, as the CONSULTANT may deem necessary for the proper and efficient performance of this Agreement. All agreements by the CONSULTANT with its subconsultant(s) shall require the subconsultant(s) to adhere to the applicable terms of this Agreement.

10. **CONTROL.** Neither the CITY, nor its officers, agents, or employees shall have any control over the conduct of the CONSULTANT or any of the CONSULTANT'S employees, except as set forth in this Agreement. The CONSULTANT, or the CONSULTANT'S agents, servants, or employees are not in any manner agents, servants, or employees of the CITY. The CONSULTANT and its agents, servants, and employees are wholly independent from the CITY, and the CONSULTANT'S obligations to the CITY are solely prescribed by this Agreement.

11. **COMPLIANCE WITH APPLICABLE LAW.** The CONSULTANT, in the performance of the services to be provided herein, shall comply with all applicable state and

federal statutes and regulations, and all applicable ordinances, rules, and regulations of the City of National City, whether now in force or subsequently enacted. The CONSULTANT and each of its subconsultant(s), shall obtain and maintain a current City of National City business license prior to and during performance of any work pursuant to this Agreement.

12. **LICENSES, PERMITS, ETC.** The CONSULTANT represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. The CONSULTANT represents and covenants that the CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the CONSULTANT to practice its profession.

13. **STANDARD OF CARE.**

A. The CONSULTANT, in performing any services under this Agreement, shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the CONSULTANT'S trade or profession currently practicing under similar conditions and in similar locations. The CONSULTANT shall take all special precautions necessary to protect the CONSULTANT'S employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.

B. Unless disclosed in writing prior to the date of this Agreement, the CONSULTANT warrants to the CITY that it is not now, nor has it for the five (5) years preceding, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the CONSULTANT'S professional performance or the furnishing of materials or services relating thereto.

C. The CONSULTANT is responsible for identifying any unique products, treatments, processes or materials whose availability is critical to the success of the project the CONSULTANT has been retained to perform, within the time requirements of the CITY, or, when no time is specified, then within a commercially reasonable time. Accordingly, unless the CONSULTANT has notified the CITY otherwise, the CONSULTANT warrants that all products, materials, processes or treatments identified in the project documents prepared for the CITY are reasonably commercially available. Any failure by the CONSULTANT to use due diligence under this sub-section will render the CONSULTANT liable to the CITY for any increased costs that result from the CITY'S later inability to obtain the specified items or any reasonable substitute within a price range that allows for project completion in the time frame specified or, when not specified, then within a commercially reasonable time.

14. **NON-DISCRIMINATION PROVISIONS.** The CONSULTANT shall not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. The CONSULTANT will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the CITY setting forth the provisions of this non-discrimination clause.

15. **CONFIDENTIAL INFORMATION.** The CITY may from time to time communicate to the CONSULTANT certain confidential information to enable the CONSULTANT to effectively perform the services to be provided herein. The CONSULTANT shall treat all such information as confidential and shall not disclose any part thereof without the prior written consent of the CITY. The CONSULTANT shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services to be provided herein. The foregoing obligation of this Section 15, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information; (ii) is, through no fault of the CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is already in the possession of the CONSULTANT without any obligation of confidentiality; or (iv) has been or is hereafter rightfully disclosed to the CONSULTANT by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party.

The CONSULTANT shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this Agreement without the prior written consent of the CITY. In its performance hereunder, the CONSULTANT shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

The CONSULTANT shall be liable to the CITY for any damages caused by breach of this condition, pursuant to the provisions of Section 16.

16. **INDEMNIFICATION AND HOLD HARMLESS.** The CONSULTANT and CITY agree to defend, indemnify and hold each other and their respective officers, officials, agents, employees, and volunteers harmless against and from any and all liability, loss, damages to property, injuries to, or death of any person or persons, and all claims, demands, suits, actions, proceedings, reasonable attorneys' fees, and defense costs, of any kind or nature, including workers' compensation claims, of or by anyone whomsoever (collectively "CLAIMS"), resulting from or arising out of the CONSULTANT'S or the CITY'S performance or other obligations under this Agreement. The CONSULTANT and CITY shall indemnify each other only in proportion and to the extent such CLAIMS are caused by, or result from, the negligent or intentional acts or omissions of the indemnifying party, their respective officers, officials, agents, employees, and volunteers. The CITY and the CONSULTANT will cooperate reasonably in the defense of any action, and the indemnifying party shall employ competent counsel, reasonably acceptable to the indemnified party.

The indemnity, defense, and hold harmless obligations contained herein shall survive the termination of this Agreement for any alleged or actual omission, act, error or negligence under this Agreement that occurred during the term of this Agreement.

17. **WORKERS' COMPENSATION.** The CONSULTANT shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Labor Code and all amendments thereto; and all similar State or federal acts or laws applicable; and shall indemnify, and hold harmless the CITY and its officers, employees, and volunteers from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description, including reasonable attorney's fees and defense costs presented, brought or recovered against the CITY or its officers, employees, or volunteers, for or on account of any

liability under any of said acts which may be incurred by reason of any work to be performed by the CONSULTANT under this Agreement.

18. **INSURANCE.** The CONSULTANT, at its sole cost and expense, shall purchase and maintain, and shall require its subconsultant(s), when applicable, to purchase and maintain throughout the term of this Agreement, the following insurance policies:

A. If checked, **Professional Liability Insurance** (errors and omissions) with minimum limits of \$1,000,000 per occurrence.

B. **Automobile Insurance** covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include owned, non-owned, and hired vehicles (“any auto”). The policy shall name the CITY and its officers, agents, employees, and volunteers as additional insureds, and a separate additional insured endorsement shall be provided.

C. **Commercial General Liability Insurance**, with minimum limits of either \$2,000,000 per occurrence and \$4,000,000 aggregate, or \$1,000,000 per occurrence and \$2,000,000 aggregate with a \$2,000,000 umbrella policy, covering all bodily injury and property damage arising out of its operations, work, or performance under this Agreement. The policy shall name the CITY and its officers, agents, employees, and volunteers as additional insureds, and a separate additional insured endorsement shall be provided. The general aggregate limit must apply solely to this “project” or “location”. The “project” or “location” should be noted with specificity on an endorsement that shall be incorporated into the policy.

D. **Workers’ Compensation Insurance** in an amount sufficient to meet statutory requirements covering all of the CONSULTANT’S employees and employers’ liability insurance with limits of at least \$1,000,000 per accident. In addition, the policy shall be endorsed with a waiver of subrogation in favor of the CITY. Said endorsement shall be provided prior to commencement of work under this Agreement.

If the CONSULTANT has no employees subject to the California Workers’ Compensation and Labor laws, the CONSULTANT shall execute a Declaration to that effect. Said Declaration shall be provided to the CONSULTANT by the CITY.

E. The aforesaid policies shall constitute primary insurance as to the CITY, its officers, officials, employees, and volunteers, so that any other policies held by the CITY shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days’ prior written notice to the CITY’s Risk Manager, at the address listed in subsection G below, of cancellation or material change. If any policy required by this Agreement is cancelled due to non-payment, CONSULTANT must provide 10 (ten) days’ notice accompanied by the reason for such cancellation.

F. If required insurance coverage is provided on a “claims made” rather than “occurrence” form, the CONSULTANT shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement. In addition, the “retro” date must be on or before the date of this Agreement.

G. The Certificate Holder for all policies of insurance required by this Section shall be:

City of National City
c/o Risk Manager
1243 National City Boulevard

National City, CA 91950-4397

H. Insurance shall be written with only insurers authorized to conduct business in California that hold a current policy holder's alphabetic and financial size category rating of not less than A:VII according to the current Best's Key Rating Guide, or a company of equal financial stability that is approved by the CITY'S Risk Manager. In the event coverage is provided by non-admitted "surplus lines" carriers, they must be included on the most recent California List of Eligible Surplus Lines Insurers (LESLI list) and otherwise meet rating requirements.

I. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the CITY'S Risk Manager. If the CONSULTANT does not keep all of such insurance policies in full force and effect at all times during the terms of this Agreement, the CITY may elect to treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.

J. All deductibles and self-insured retentions in excess of \$10,000 must be disclosed to and approved by the CITY.

K. If the CONSULTANT maintains broader coverage or higher limits (or both) than the minimum limits shown above, the CITY requires and shall be entitled to the broader coverage or higher limits (or both) maintained by the CONSULTANT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the CITY.

19. **LEGAL FEES.** If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all reasonable costs and expenses of suit, including reasonable attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorney's fees incurred in the prosecution or defense of the action or suit shall not be considered in determining the amount of the judgment or award. Attorney's fees to the prevailing party if other than the CITY shall, in addition, be limited to the amount of attorney's fees incurred by the CITY in its prosecution or defense of the action, irrespective of the actual amount of attorney's fees incurred by the prevailing party.

20. **TERMINATION.**

A. This Agreement may be terminated with or without cause by the CITY. Termination without cause shall be effective only upon 60-day's written notice to the CONSULTANT. During said 60-day period the CONSULTANT shall perform all services in accordance with this Agreement.

B. This Agreement may also be terminated immediately by the CITY for cause in the event of a material breach of this Agreement, misrepresentation by the CONSULTANT in connection with the formation of this Agreement or the performance of services, or the failure to perform services as directed by the CITY.

C. Termination with or without cause shall be effected by delivery of written Notice of Termination to the CONSULTANT as provided for herein.

D. In the event of termination, all finished or unfinished memoranda, reports, maps, drawings, plans, specifications, and other documents prepared by the CONSULTANT, whether paper or electronic, shall immediately become the property of and be delivered to the CITY, and the CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed on such documents and other materials up to the effective date of the Notice of Termination, not to exceed the amounts payable hereunder, and less any damages caused the CITY by the CONSULTANT'S breach, if any. Thereafter, ownership of said written material shall vest in the CITY all rights set forth in Section 8.

E. The CITY further reserves the right to immediately terminate this Agreement upon: (1) the filing of a petition in bankruptcy affecting the CONSULTANT; (2) a reorganization of the CONSULTANT for the benefit of creditors; or (3) a business reorganization, change in business name or change in business status of the CONSULTANT.

21. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or telegraphed or cabled; or delivered or sent by telex, telecopy, facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days (ten (10) days if the address is outside the State of California) after the date of deposit in a post office, mailbox, mail chute, or other like facility regularly maintained by the United States Postal Service, (iv) if given by telegraph or cable, when delivered to the telegraph company with charges prepaid, or (v) if given by telex, telecopy, facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

To CITY: Mark Roberts
 Director of Finance
 Department of Finance
 City of National City
 1243 National City Boulevard
 National City, CA 91950-4397

To CONSULTANT:
 Daniel Johnson
 President
 PARS
 4350 Von Karman Avenue, Suite 100
 Newport Beach, CA 92660

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice,

demand, request or communication sent. Any notice, request, demand, direction or other communication sent by cable, telex, telecopy, facsimile or fax must be confirmed within forty-eight (48) hours by letter mailed or delivered as specified in this Section.

22. **CONFLICT OF INTEREST AND POLITICAL REFORM ACT**

OBLIGATIONS. During the term of this Agreement, the CONSULTANT shall not perform services of any kind for any person or entity whose interests conflict in any way with those of the City of National City. The CONSULTANT also agrees not to specify any product, treatment, process or material for the project in which the CONSULTANT has a material financial interest, either direct or indirect, without first notifying the CITY of that fact. The CONSULTANT shall at all times comply with the terms of the Political Reform Act and the National City Conflict of Interest Code. The CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the CITY in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. The CONSULTANT represents that it has no knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the CITY.

If checked, the CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and the National City Conflict of Interest Code. Specifically, the CONSULTANT shall file a Statement of Economic Interests with the City Clerk of the City of National City in a timely manner on forms which the CONSULTANT shall obtain from the City Clerk.

The CONSULTANT shall be strictly liable to the CITY for all damages, costs or expenses the CITY may suffer by virtue of any violation of this Section 22 by the CONSULTANT.

23. **PREVAILING WAGES.** State prevailing wage rates may apply to work performed under this Agreement. State prevailing wages rates apply to all public works contracts as set forth in California Labor Code, including but not limited to, Sections 1720,1720.2, 1720.3, 1720.4, and 1771. The CONSULTANT is solely responsible to determine if State prevailing wage rates apply and, if applicable, pay such rates in accordance with all laws, ordinances, rules, and regulations.

24. **MISCELLANEOUS PROVISIONS.**

A. *Computation of Time Periods.* If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state, or legal holiday.

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

C. *Captions.* Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

D. *No Obligations to Third Parties.* Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.

E. *Exhibits and Schedules.* The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes. To the extent any exhibits, schedules, or provisions thereof conflict or are inconsistent with the terms and conditions contained in this Agreement, the terms and conditions of this Agreement shall control.

F. *Amendment to this Agreement.* The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

G. *Waiver.* The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

H. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

I. *Audit.* If this Agreement exceeds ten-thousand dollars (\$10,000), the parties shall be subject to the examination and audit of the State Auditor for a period of three (3) years after final payment under the Agreement, per Government Code Section 8546.7.

J. *Entire Agreement.* This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

K. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

L. *Subcontractors or Subconsultants.* The CITY is engaging the services of the CONSULTANT identified in this Agreement. The CONSULTANT shall not subcontract any portion of the work, unless such subcontracting was part of the original proposal or is allowed by the CITY in writing. In the event any portion of the work under this Agreement is subcontracted, the subconsultant(s) shall be required to comply with and agree to, for the benefit of and in favor of the CITY, both the insurance provisions in Section 18 and the indemnification and hold harmless provision of Section 16 of this Agreement.

M. *Construction.* The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF NATIONAL CITY

PHASE II SYSTEMS, A CALIFORNIA CORPORATION D.B.A. "PUBLIC AGENCY RETIREMENT SERVICES"

By: _____
Leslie Deese, City Manager

By: 
Daniel Johnson

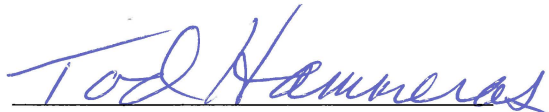
(Print)

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

President

By: _____
Roberto M. Contreras
Deputy City Attorney

By: 
Tod Hammeras

(Print)

Chief Financial Officer

PUBLIC AGENCY RETIREMENT SERVICES

SCOPE OF SERVICES

The CONSULTANT will provide the following services for the City of National City's irrevocable supplemental pension trust plan ("Plan"):

1. Plan Installation Services:

- A. Meeting with appropriate CITY personnel to discuss Plan provisions, implementation timelines, the actuarial valuation process, funding strategies, benefit communication strategies, data reporting, and submission requirements for contributions, reimbursements, and distributions;
- B. Providing necessary analysis and advisory services to finalize the elements of Paragraph 1(A) of this Exhibit A;
- C. Providing all documents needed to create the Plan for review and approval by the City Attorney. Resulting final Plan documents must be approved by the CITY before the commencement of Plan Administration Services outlined in Paragraph 2 below.

2. Plan Administration Services:

- A. Monitoring the receipt of Plan contributions made by the CITY to the trustee of the Trust ("Trustee"), based upon information received from the CITY and the Trustee;
- B. Performing periodic accounting of Plan assets, reimbursements/distributions, and investment activity, based upon information received from the CITY and/or Trustee;
- C. Coordinating the processing of distribution payments pursuant to authorized direction by the CITY, and the provisions of the Plan, and, to the extent possible, based upon CITY-provided Data;
- D. Coordinating actions with the Trustee as directed by the Plan Administrator within the scope the Agreement;
- E. Preparing and submitting a monthly report of Plan activity to the CITY, unless directed by the CITY otherwise;
- F. Conducting an annual in-person client review to provide a full administrative and investment review of the Plan and to ensure the CITY'S ongoing satisfaction with its participation in the Plan.
- G. Conducting in-person or over-the-phone meetings more frequently, if requested by the CITY.
- H. Providing updates of the Plan to the City Council during one of its public meetings, if requested by the CITY.
- I. Preparing and submitting an annual report of Plan activity to the CITY;

- J. Facilitating actuarial valuation updates and funding modifications for compliance with GASB 45/75, if prefunding OPEB obligations;
 - K. Coordinating periodic audits of the Plan;
 - L. Monitoring Plan and Trust compliance with federal and state laws.
3. The CITY acknowledges that PARS is not licensed to provide, and does not offer tax, accounting, legal, investment, or actuarial advice.

PUBLIC AGENCY RETIREMENT SERVICES

RATES TO PERFORM PENSION TRUST ADMINISTRATION SERVICES

CONSULTANT will be compensated for performance of Services, as described in Exhibit A based upon the following schedule:

ANNUAL ASSET FEE

<u>For Plan Asset Balances from</u>	<u>Annual Rate</u>
\$0 to \$10,000,000	0.25%
\$10,000,001 to \$15,000,000	0.20%
\$15,000,001 to \$50,000,000	0.15%
\$50,000,001 and above	0.10%

Annual Rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula:

Annual Rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month.

TRUSTEE & INVESTMENT MANAGEMENT FEES

Trustee and investment management fees are not included in the annual asset fees stated above. Trustee and investment management services are provided under a separate agreement with US Bank, and trustee and investment management fees are paid to US Bank. These fees include investment policy development, asset allocation recommendations, asset management, and all custodial services and are based upon the following schedule:

<u>For Plan Asset Balances from</u>	<u>Annual Rate</u>
\$0 to \$5,000,000	0.35%
\$5,000,001 to \$10,000,000	0.25%
\$10,000,001 to \$15,000,000	0.20%
\$15,000,001 to \$50,000,000	0.15%
\$50,000,001 and above	0.10%

Annual Rates are prorated and paid monthly. Annual trustee and investment management fees shall be calculated by the following formula:

Annual Rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month.

Both the annual asset fees and trustee and investment management fees shall be deducted from Plan assets.

PUBLIC AGENCY RETIREMENT SERVICES

DATA REQUIREMENTS

CONSULTANT will provide all services required under this Agreement upon receiving the following information:

1. Executed legal documents:
 - A. certified resolution
 - B. adoption agreement to the Plan
 - C. trustee investment forms
2. Contribution – completed Contribution Transmittal Form signed by the Plan Administrator (or authorized designee) which contains the following information:
 - A. agency name
 - B. contribution amount
 - C. contribution date
 - D. contribution method (check, ACH, wire)
3. Distribution – completed Transfer/Payment/Reimbursement Form signed by the Plan Administrator (or authorized designee) which contains the following information:
 - A. agency name
 - B. payment reimbursement/distribution amount
 - C. applicable statement date
 - D. copy of applicable premium, claim, statement, warrant, and/or administrative expense evidencing payment
 - E. signed certification of reimbursement/distribution from the Plan Administrator (or authorized designee)
4. Other information pertinent to the CONSULTANT’S services as reasonably requested by the CONSULTANT and the CITY’S actuarial provider.

**PUBLIC AGENCIES
POST-EMPLOYMENT HEALTH CARE PLAN
MASTER PLAN DOCUMENT**

(Effective as of November 5, 2014)

INTRODUCTION

The Employer specified in the Adoption Agreement has adopted this qualified governmental post-employment health care plan ("OPEB Plan") for the benefit of its Eligible Employees. The plan document for the OPEB Plan consists of this Master Plan Document plus the Adoption Agreement. Assets of the OPEB Plan are held under a trust (the "Trust") evidenced by a trust agreement (the "Trust Agreement"). Each Employer's separate portion of the Trust dedicated to funding the Employer's OPEB Obligation and defraying the reasonable expenses associated with the same is referred to as the Employer's "OPEB Account." Capitalized terms that are not defined herein shall have the meaning attributed to such terms in the Trust Agreement.

The Trust is established with the intention that it qualify as a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Code and any regulations issued thereunder and as a tax-exempt trust under the provisions of the relevant state's statutory provisions of each Employer. It is intended that contributions to the Employer's OPEB Account shall qualify as "plan assets" within the meaning of GASB Statement No. 45 (Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions). At any time prior to the satisfaction of all liabilities with respect to Eligible Employees under an Employer's OPEB Account, the OPEB Account assets shall not be used for, or diverted to, any purpose other than funding the Employer's OPEB Obligation and defraying the reasonable expenses associated with the same.

ARTICLE I

PLAN AND TRUST INFORMATION

1.1 Plan Name.

The name of the OPEB Plan adopted by the Employer is the Public Agencies Post-Employment Health Care Plan.

1.2 Effective Date.

The OPEB Plan is effective as of the date set forth in Section A.3.1.2 of the Adoption Agreement. If this OPEB Plan is a restatement of an existing plan, that date is also the effective date of the restatement.

1.3 Plan Year.

The plan year for the OPEB Plan shall be the consecutive twelve-month period beginning on January 1 and ending on December 31.

ARTICLE II

EMPLOYER INFORMATION

2.1 Employer.

The name and address of the Employer sponsoring this OPEB Plan (the "Employer") are as set forth in Section A.2.1 of the Adoption Agreement. The Adoption Agreement can only be used by a governmental agency that is a state, a political subdivision of a state, or an entity the income of which is excludible from gross income under Section 115 of the Code to establish a plan.

ARTICLE III

ELIGIBLE EMPLOYEES

3.1 Eligible Persons

Each employee of the Employer who is or becomes eligible for post-employment health care and welfare benefits as specified in such Employer's applicable policies and/or applicable collective bargaining agreements is an Eligible Employee under this OPEB Plan. In addition, any person who, due to his or her relationship with the Eligible Employee, is entitled to post-employment health care and welfare benefits as specified in the Employer's applicable policies and/or collective bargaining agreement, is an Eligible Beneficiary under this OPEB Plan.

3.2 Termination of Eligible Status

An Eligible Employee or Eligible Beneficiary shall cease to be an Eligible Employee or Eligible Beneficiary as specified in the Employer's applicable policies and/or applicable collective bargaining agreements.

ARTICLE IV

CONTRIBUTIONS

4.1 Amount of Member Agency Contributions

Eligible Employees and Eligible Beneficiaries are not permitted to make contributions to the Trust, provided however, that nothing herein shall be deemed to (i) prevent the Employer from imposing a charge (including, without limitation, a payroll deduction) for coverage under the OPEB Plan, or (ii) prevent the Employer from depositing the proceeds of any such charge to the Trust (provided that such deposit shall be considered an Employer contribution and shall not be segregated within Employer's OPEB Account from any other Employer contributions). Each Employer shall from time-to-time contribute to its OPEB Account an amount determined by such Employer in its sole discretion. Such amount may, but need not, equal such Employer's "annual required contribution" ("ARC") as determined in accordance with GASB 45.

4.2 Administrative Expenses

The Employer may make contributions to its OPEB Account sufficient to defray all or part of the expenses of administering the OPEB Plan or may pay such expenses directly.

4.3 Allocation of Administrative Expenses

If the Employer chooses not to directly pay the expenses of administering this OPEB Plan, such expenses shall be charged against the OPEB Account for such Employer.

4.4 Reversions

The Employer shall have the right to a return of contributions from this OPEB Plan only if the conditions for such return set forth in the Trust Agreement are satisfied.

ARTICLE V

DISTRIBUTION OF BENEFITS

5.1 Payment of Distribution

Distribution shall only be made to the insurers, third party administrators, service providers, or other entities providing benefits or services under the OPEB Plan, or to Eligible Employees and Eligible Beneficiaries for reimbursement of OPEB Plan premiums (or other payments for OPEB Plan benefits) paid by the Eligible Employee or Eligible Beneficiary, or to the Employer for the reimbursement of OPEB Plan benefits and expenses paid by the Employer. The Plan Administrator or its Delegatee shall provide instructions to the Trustee regarding how distributions and reimbursements are to be made.

ARTICLE VI

FUNDING AND INVESTMENT

6.1 Funding and Investment

The assets of the OPEB Plan shall be held in the OPEB Account of each Employer. In Section A.4.2.1 of the Adoption Agreement, each Employer shall elect between a discretionary or directed investment approach. If the Employer elects a discretionary investment approach, the Employer shall further elect between the various investment strategies offered in the investment strategy selection and disclosure form. If the Employer elects a directed investment approach, the Employer, in accordance with the Trust Agreement, shall have absolute discretion over the investment of the assets of its OPEB Account.

6.2 Type and Nature of Plan and Trust

Neither the faith and credit nor the taxing power of each Employer is pledged to the distribution of benefits hereunder. Except for contributions, earnings and other amounts held in the Trust, no amounts are pledged to the distribution of benefits hereunder. Distributions of benefits are neither general nor special obligations of the Employer, but are payable solely from contributions, as more fully described herein. No employee of any Employer or any other person may compel the exercise of the taxing power by the Employer. Distributions of benefits are not a debt of the Employer within the meaning of any constitutional or statutory limitation or restriction. Distributions are not a legal or equitable pledge, charge, lien or encumbrance, upon any of the Employer's property, or upon any of its income, receipts or revenues.

ARTICLE VII

ADMINISTRATION, AMENDMENT AND TERMINATION OF PLAN

7.1 Designation of Plan Administrator

In Section A.2.2 of the Adoption Agreement, the Employer shall provide the name of the Plan Administrator that has been duly authorized and designated by the governing body of the Employer to act on its behalf in all matters pertaining to the OPEB Plan and the Trust pursuant to Section 3.4 of the Trust Agreement. If no name is provided, the Employer is the Plan Administrator. In addition to a Plan Administrator the Employer may designate a Delegatee to perform those activities relating to the OPEB Plan as specified in the written appointment of such Delegatee certified to the Trust Administrator. Except where the context requires otherwise, the term "Employer" as used in this Article shall mean the Plan Administrator or Delegatee where responsibility for administration of the OPEB Plan has been given to such parties.

7.2 Rules and Regulations

The Employer has full discretionary authority to supervise and control the operation of this OPEB Plan in accordance with its terms and may make rules and regulations for the administration of this OPEB Plan that are not inconsistent with the terms and provisions hereof. The Employer shall determine any questions arising in connection with the interpretation, application or administration of the OPEB Plan (including any question of fact relating to age, employment, compensation or eligibility of Eligible Employees or Eligible Beneficiaries) and its decisions or actions in respect thereof shall be conclusive and binding upon all persons and parties.

The Employer shall have all powers necessary to accomplish its purposes, including, but not by way of limitation, the following:

- (a) To determine all questions relating to an Eligible Employee's or Eligible Beneficiary's eligibility;
- (b) To construe and interpret the terms and provisions of the OPEB Plan;
- (c) To compute, certify to, and direct the Trustee with regard to the amount and kind of benefits payable to health care providers;
- (d) To authorize all disbursements from its OPEB Account;
- (e) To maintain all records that may be necessary for the administration of the OPEB Plan other than those maintained by the Trustee; and
- (f) To appoint a Plan Administrator or, any other agent, and to delegate to them or to the Trustee such powers and duties in connection with the administration of the OPEB Plan as it may from time to time prescribe.

Expenses and fees incurred in connection with the administration of the OPEB Plan and the Trust shall be paid from the Trust assets to the fullest extent permitted by law, unless the Employer determines otherwise. The Employer may elect to make contributions to its OPEB Account sufficient to defray the expenses of administering the OPEB Plan or may pay such expenses directly.

7.3 Amendment and Termination

The Employer shall have the right to amend, modify or terminate the OPEB Plan at any time. If an Employer terminates the OPEB Plan, the Assets held in its OPEB Account shall be distributed by the Trustee as provided in Section 7.3 of the Trust Agreement.

ARTICLE VIII

MISCELLANEOUS

8.1 Nonalienation

An Eligible Employee or Eligible Beneficiary does not have any interest in the OPEB Plan or the Assets held in the Trust. Accordingly, the Trust shall not in any way be liable to attachment, garnishment, assignment or other process, or be seized, taken, appropriated or applied by any legal or equitable process, to pay any debt or liability of an Eligible Employee, Eligible Beneficiary or any other party.

8.2 Investment

All contributions, interest earned, and any assets of the OPEB Plan shall at all times be invested and managed in accordance with the Trust Agreement and the requirements of applicable law.

8.3 Parties to the Plan

Eligible Employees, Eligible Beneficiaries and unions of each Employer are not parties to this OPEB Plan. The OPEB Plan is only a funding source for such Employer's post-employment health care and welfare benefits and does not increase the rights of any Eligible Employee, Eligible Beneficiary or union.

8.4 Confidential Medical Information

Each Employer and its health care providers or other service providers shall not share confidential medical information regarding employees of the Employer with the OPEB Plan, the Trustee, or the Trust Administrator.

**PUBLIC AGENCIES
POST-EMPLOYMENT BENEFITS
TRUST AGREEMENT**

(Effective November 5, 2014)

ARTICLE I

DEFINITIONS

- 1.1 “**Adoption Agreement**” shall have the meaning given to such term in Section 2.3.
- 1.2 “**Agency Account**” shall have the meaning given to such term in Section 2.4.
- 1.3 “**Agreement for Administrative Services**” shall mean the agreement executed between the Employer and the Trust Administrator which authorizes the Trust Administrator to perform specific duties of administering the Agency Account of the Employer.
- 1.4 “**Assets**” shall have the meaning given to such term in Section 2.5.
- 1.5 “**Code**” shall mean the Internal Revenue Code of 1986 as amended from time to time.
- 1.6 “**Delegatee**” shall mean an individual or entity, appointed by the Plan Administrator or Employer to act in such matters as are specified in the appointment.
- 1.7 “**Effective Date**” shall mean the date first written above, the date the Trust was established, and with respect to each Employer, the Effective Date shall be the date on which the Employer executes the Adoption Agreement.
- 1.8 “**Eligible Beneficiary**” shall mean any person who, due to his or her relationship to an Eligible Employee, is entitled to post-employment benefits pursuant to the Employer’s Pension Plan or OPEB Plan, including but not limited to the Eligible Employee’s current or former spouse or domestic partner, child, dependent, or survivor.
- 1.9 “**Eligible Employee**” shall mean any employee of an Employer who is entitled to post-employment benefits pursuant to the Employer’s Pension Plan or OPEB Plan. Unless the context otherwise requires, the term “Eligible Employee” as used herein shall include any Eligible Beneficiaries.
- 1.10 “**Employer**” shall mean a public agency that executes the Adoption Agreement, thereby adopting the provisions of this Trust Agreement, provided that such agency is a state, a political subdivision of a state, or an entity the income of which is excludible from gross income under Section 115 of the Code.
- 1.11 “**GASB**” shall mean the Governmental Accounting Standards Board.
- 1.12 “**Omnibus Account**” shall mean an account, established for record keeping purposes only, to aggregate the balances of the Assets credited to the Agency Accounts. The Trust Administrator shall maintain and reconcile, at the Agency Account level (and subaccount level), the investments of the Agency Accounts

and will provide reports to the Plan Administrator with respect to such investments. The Trustee will maintain a record of the aggregate balance (principal and earnings) for all Agency Accounts. The Trust Administrator will in the ordinary course of business maintain a record of the name, address, taxpayer identification number, account number and amount of funds, including earnings, of each Employer. On periodic valuation dates (no less frequently than monthly) to be established by the Trust Administrator, the Trustee and Trust Administrator will reconcile the aggregate balance information maintained by the Trustee with the Agency Account level records maintained by the Trust Administrator pursuant to this Trust Agreement.

- 1.13 “**OPEB**” shall mean “other post-employment benefits,” such as medical, dental, vision, life insurance, long-term care and other similar benefits provided to retirees, other than pension benefits.
- 1.14 “**OPEB Obligation**” shall mean an Employer’s obligation to provide OPEB to its Eligible Employees in accordance with the Employer’s OPEB Plan.
- 1.15 “**OPEB Plan**” shall mean the Public Agencies Post-Employment Health Care Plan, as adopted by the Employer under the Adoption Agreement.
- 1.16 “**Pension Obligation**” shall mean an Employer’s obligation to contribute to the Pension Plan’s Qualified Trust and shall not, for example, mean an Employer’s Obligation to provide retirement benefits under the Pension Plan to the Employer’s Eligible Employees.
- 1.17 “**Pension Plan**” shall mean an Employer’s defined-benefit pension plan or plans, each of which is (i) qualified under Section 401(a) of the Code, (ii) sponsored by the Employer in order to provide retirement benefits to its Eligible Employees, and (iii) partly or wholly funded by the Employer’s contributions to a Qualified Trust.
- 1.18 “**Plan Administrator**” shall mean the individual designated by position of employment at the Employer to act on its behalf in all matters relating to the Employer's participation in the Trust.
- 1.19 “**Qualified Trust**” shall mean a trust which (i) is separate and apart from the Trust, (ii) constitutes a qualified trust under Code Section 401(a), and (iii) funds retirement benefits provided under an Employer’s Pension Plan to the Employer’s Eligible Employees.
- 1.20 “**Trust**” shall mean the Public Agencies Post-Employment Benefits trust arrangement.
- 1.21 “**Trust Administrator**” shall mean Public Agency Retirement Services or any successor trust administrator appointed by the Employers as provided herein. The Trust Administrator shall serve as trust administrator to the Trust established

pursuant to this Trust Agreement until such Trust Administrator resigns or is removed as provided in Article III.

- 1.22 **“Trust Agreement”** shall mean this Public Agencies Post-Employment Benefits trust document adopted by each Employer upon execution of an Adoption Agreement, as amended from time to time.
- 1.23 **“Trustee”** shall mean U.S. Bank National Association, or any successor trustee appointed by the Employers as provided herein. The Trustee shall serve as trustee of the Trust established pursuant to the provisions of this Trust Agreement until such Trustee resigns or is removed as provided in Article III.

ARTICLE II

THE TRUST

2.1 Multiple Employer Trust

The Trust is a multiple employer trust arrangement established to provide economies of scale and efficiency of administration to public agencies that adopt it to hold the assets used to fund the agency’s OPEB Obligation or Pension Obligation or both. The Trust is divided into Agency Accounts to hold the Assets of each Employer as described in Section 2.4.

2.2 Purpose

The Trust is established with the intention that it qualify as a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Code and any regulations issued thereunder and as a tax-exempt trust under the provisions of the relevant state’s statutory provisions of each Employer. This Trust Agreement shall be construed and the Trust shall be administered in a manner consistent with such intention. The fundamental purpose of the Trust is to fund the Employer’s OPEB Obligation or Pension Obligation or both. It is intended that adopting Employers retain an interest in the underlying securities held in the Trust on their behalf, rather than in the Trust itself.

The Employer hereby represents and warrants that the assets held hereunder (including the Assets) are not assets of any qualified plan under Code Section 401(a), regardless of the character of such assets once distributed. The Employer hereby acknowledges that the Trust does not constitute a qualified trust under Code Section 401(a).

2.3 Employers

Any public agency may, by action of its governing body in writing accepted by the Trustee, adopt the provisions of the Trust Agreement. Executing an adoption instrument for the Trust (**“Adoption Agreement”**), in the form attached hereto as Exhibit "A" (or such other form as may be approved by the Trustee), shall

constitute such adoption, unless the Trustee requires additional evidence of adoption. In order for such adoption to be effective, the public agency must also execute an Agreement for Administrative Services with Public Agency Retirement Services, the Trust Administrator, pursuant to Section 3.6 of this Trust Agreement. Such adopting Employer shall then become an Employer of the Trust.

Each such Employer shall, at a minimum, furnish the Trust Administrator with the following documents to support its adoption of the Trust:

- (a) a certified copy of the resolution(s) of the governing body of the Employer authorizing the adoption of the Trust Agreement and the appointment of the Plan Administrator for such Employer;
- (b) an original of the Adoption Agreement executed by the Plan Administrator or other duly authorized Employer employee;
- (c) an original of the Agreement for Administrative Services with Public Agency Retirement Services executed by the Plan Administrator or other duly authorized Employer employee and Public Agency Retirement Services;
- (d) an address notice; and
- (e) such other documents as the Trustee may reasonably request.
- (f) Any action taken by the Plan Administrator for an Employer shall be deemed to have been taken by such Employer. Any notice given to or delivered by the Plan Administrator for an Employer shall be deemed to have been given to or delivered by such Employer.

2.4 Agency Accounts

- (a) Upon an Employer's adopting the Trust Agreement, as provided in Section 2.3, a separate "**Agency Account**" shall be established under the Trust for that Employer, and all Assets of the Trust attributable to that Employer shall be held in that Employer's Agency Account.
- (b) An Employer's Agency Account comprises three subaccounts: a "**Pension Account**", an "**OPEB Account**", and a "**Suspense Account**". The Assets of the Trust that are held in the Employer's Pension Account will be available only to fund the Employer's Pension Obligation and defray the reasonable expenses associated with the same. The Assets of the Trust that are held in the Employer's OPEB Account will be available only to fund the Employer's OPEB Obligation and defray the reasonable expenses associated with the same.
- (c) The Assets of the Trust that are held in an Employer's Agency Account shall not be available to pay any obligations incurred by any other Employer as provided in Section 2.8.

(d) All contributions and transfers received by the Trust on behalf of the Employer will be held in the Employer's Agency Account and will be allocated to the subaccounts under the Agency Account as follows:

(1) If the Employer maintains a Pension Account or OPEB Account (and not both a Pension Account and an OPEB Account), all contributions and transfers received by the Trust on the Employer's behalf will be allocated to that subaccount.

(2) If the Employer maintains both a Pension Account and an OPEB Account, contributions and transfers received by the Trust on the Employer's behalf will be allocated to either the Pension Account or OPEB Account, as directed by the Plan Administrator. To the extent the Plan Administrator does not provide such direction, the Employer hereby directs the Trustee to allocate such contributions and transfers to the Suspense Account and to use the assets of the Suspense Account to purchase a position in the sweep vehicle identified on an **exhibit** hereto or, if none is identified, to hold such assets un-invested. The Plan Administrator may at any time direct the reallocation of cash from the Suspense Account to either the Pension Account or the OPEB Account.

(3) Once allocated to the Pension Account or the OPEB Account, amounts under the Trust may not subsequently be transferred to the other subaccount.

2.5 Assets of Agency Account

The assets held in an Agency Account shall consist of all contributions and transfers received by the Trust on behalf of the Employer, together with the income and earnings from such contributions and transfers, and any increments accruing to the Agency Account, net of any investment losses, benefits, expenses or other costs ("Assets"). All contributions or transfers shall be received by the Trustee in cash or in other property acceptable to the Trustee. The Trustee shall manage and administer the Assets held in Agency Accounts without distinction between principal and income. The Trustee and the Trust Administrator shall have no duty to compute any amount to be transferred or paid to the Agency Account by the Employer, and the Trustee and the Trust Administrator shall not be responsible for the collection of any contributions or transfers to the Agency Account.

2.6 Aggregate Balance for Investment and Administration

The balances of the Assets of more than one Agency Account may be aggregated by the Trustee in one or more Omnibus Accounts for investment and administrative purposes, to provide economies of scale and efficiency of administration to the Agency Accounts. The responsibility for Agency Account level accounting (including subaccount-level accounting within each Agency Account) within this Omnibus Account(s) shall be that of the Trust Administrator.

2.7 Trustee Accounting

The Trustee shall be responsible only for maintaining records and maintaining accounts for the aggregate assets of the Trust. The responsibility for accounting and subaccounting for each Agency Account, based upon the Omnibus Account(s), shall be that of the Trust Administrator.

2.8 No Diversion of Assets

The Assets in each Employer's Agency Account shall be held in trust for the exclusive purpose of funding the Employer's OPEB Obligation or Pension Obligation or both and defraying the reasonable expenses associated with the same. The Assets in each Agency Account shall not be used for or diverted to, any other purpose, including, but not limited to, the satisfaction of any other Employer's Pension Obligation or OPEB Obligation.

2.9 Type and Nature of Trust

Neither the full faith and credit nor the taxing power of each Employer is pledged to the distribution of amounts hereunder. Except for contributions and other amounts hereunder, no other amounts are pledged to the distribution of benefits hereunder. Distributions of benefits are neither general nor special obligations of any Employer, but are payable solely from the Assets held in such Employer's Agency Account, as more fully described herein. No employee of any Employer or beneficiary may compel the exercise of the taxing power by any Employer.

Distributions of Assets from any Agency Account are not debts of any Employer within the meaning of any constitutional or statutory limitation or restriction. Such distributions are not legal or equitable pledges, charges, liens or encumbrances, upon any of an Employer's property, or upon any of its income, receipts, or revenues, except amounts in the accounts which are, under the terms of each Plan and the Trust set aside for distributions. Neither the members of the governing body of any Employer nor its officers, employees, agents or volunteers are liable hereunder.

2.10 Loss of Tax-Exempt Status as to Any Employer

If any Employer participating in the Trust receives notice from the Internal Revenue Service that the Trust as to such Employer fails to satisfy the requirements of Section 115 of the Code, or if any Employer consents to the Internal Revenue Service's determination that the Trust fails to meet such requirements, Assets having a value equal to the funds then held in such Employer's Agency Account shall be segregated and placed in a separate trust by the Trustee for the exclusive benefit of such Employer's Eligible Employees within a reasonable time after the Trust Administrator notifies the Trustee of the Internal Revenue Service's determination. Each Employer participating in the Trust agrees to immediately notify the Trust Administrator upon receiving such

notice or giving such consent. The separate trust provided for in this Section 2.10 shall thereafter be considered as a separate trust containing all of the provisions of this Trust Agreement until terminated as provided in this Trust Agreement.

ARTICLE III

ADMINISTRATIVE MATTERS

3.1 Appointment of Trustee

The Employers may, with the approval of two-thirds (2/3) or more of the Employers then participating in the Trust, act to appoint a bank, trust company, retirement board, insurer, committee or such other entity as permitted by law, to serve as the trustee of this Trust. Such action must be in writing. Upon the written acceptance of such entity it shall become the Trustee of the Trust. If the Trustee is removed or resigns pursuant to Section 3.2, the Employers shall appoint a successor Trustee in accordance with the voting requirements set forth in this Section 3.1.

3.2 Resignation or Removal of Trustee

The Employers may act to remove the Trustee, provided that such action must satisfy the voting requirements set forth in Section 3.1 and notice of such action must be promptly delivered to the Trust Administrator, the Trustee and each Plan Administrator. The Trustee may also resign at any time by giving at least ninety (90) days prior written notice to the Trust Administrator and to the Plan Administrator of each Employer that has adopted the Trust Agreement and not terminated its participation in the Trust; provided, however, that the Trustee may resign immediately upon the earlier of the approval date or the effective date of any amendment of the Trust Agreement by the Employers that would change or modify the duties, powers or liabilities of the Trustee hereunder without the Trustee's consent. The Trustee shall, upon the appointment and acceptance of a successor trustee, transfer and deliver the Assets and all records relating to the Trust to the successor, after reserving such reasonable amount as it shall deem necessary to provide for its fees and expenses and any sums chargeable against the Trust for which it may be liable. The Trustee shall do all acts necessary to vest title of record in the successor trustee.

3.3 Withdrawal of Employer

An Employer may elect to withdraw from the Trust by giving at least thirty (30) days prior written notice to the Trustee and the Trust Administrator. If an Employer so elects to withdraw, Assets having a value equal to the funds held in such Employer's Agency Account shall be segregated by the Trustee and, as soon as practicable, shall be transferred to one or more trusts maintained by the Employer, provided that (i) for Assets transferred from the OPEB Account, any such trust shall satisfy the requirements of Section 115 of the Code, (ii) for Assets

transferred from the Pension Account, any such trust shall satisfy the requirements of either Section 115 or 401(a) of the Code, and (iii) all assets held by any such trust and previously held in the Employer's Pension Account or OPEB Account shall qualify as "plan assets" within the meaning of GASB Statement No. 68 (Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27) or GASB Statement No. 45 (Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions), respectively, in each case as reasonably determined by the Employer and certified in writing by the Employer to the Trust Administrator. The Employer shall appoint a trustee for such Employer's separate trust and, upon the trustee's acceptance of that appointment, the trustee will be vested with title to the transferred Assets.

3.4 The Plan Administrator

The governing body of each Employer shall have plenary authority for the administration and investment of such Employer's Agency Account pursuant to any applicable state laws and applicable federal laws and regulations. Each Employer shall by resolution designate a Plan Administrator. Unless otherwise specified in the instrument the Plan Administrator shall be deemed to have authority to act on behalf of the Employer in all matters pertaining to the Employer's participation in the Trust and in regard to the Agency Account of the Employer. Such appointment of a Plan Administrator shall be effective upon receipt and acknowledgment by the Trustee and the Trust Administrator and shall be effective until the Trustee and the Trust Administrator are furnished with a resolution of the Employer that the appointment has been modified or terminated.

3.5 Failure to Appoint Plan Administrator

If a Plan Administrator is not appointed, or such appointment lapses, the Employer shall be deemed to be the Plan Administrator. As used in this document the term "Plan Administrator" shall be deemed to mean "Employer" when a Plan Administrator has not been appointed for such Employer.

3.6 Delegatee

The Plan Administrator, acting on behalf of the Employer, may delegate certain authority, powers and duties to a Delegatee to act in those matters specified in the delegation. Any such delegation must be in a writing that names and identifies the Delegatee, states the effective date of the delegation, specifies the authority and duties delegated, is executed by the Plan Administrator, is acknowledged in writing by the Delegatee, and is certified as required in Section 3.7 to the Trust Administrator. Such delegation shall be effective until the Trustee and the Trust Administrator are directed in writing by the Plan Administrator that the delegation has been rescinded or modified.

3.7 Certification to Trustee

The governing body of each Employer, or other duly authorized official, shall certify in writing to the Trustee and the Trust Administrator the names and specimen signatures of the Plan Administrator and Delegatee, if any, and all others authorized to act on behalf of the Employer whose names and specimen signatures shall be kept accurate by the Employer acting through a duly authorized officer or governing body of the Employer. The Trustee and the Trust Administrator shall have no liability if they act upon the direction of a Plan Administrator or Delegatee that has been duly authorized, as provided in Section 3.6, if that Plan Administrator or Delegatee is no longer authorized to act, unless the Employer has informed the Trustee and the Trust Administrator of such change.

3.8 Directions to Trustee

All directions to the Trustee from the Plan Administrator or Delegatee must be in writing and must be signed by the Plan Administrator or Delegatee, as the case may be. For all purposes of this Trust Agreement, direction shall include any certification, notice, authorization, application or instruction of the Plan Administrator, Delegatee or Trustee appropriately communicated. The above notwithstanding, direction may be implied if the Plan Administrator or Delegatee has knowledge of the Trustee's intentions and fails to file written objection.

The Trustee shall have the power and duty to comply promptly with all proper directions of the Plan Administrator or Delegatee, appointed in accordance with the provisions of this Trust Agreement. In the case of any direction deemed by the Trustee to be unclear or ambiguous the Trustee may seek written instructions from the Plan Administrator, the Employer or the Delegatee on such matter and await their written instructions without incurring any liability. If at any time the Plan Administrator or the Delegatee should fail to give directions to the Trustee, the Trustee may act in the manner that in its discretion seems advisable under the circumstances for carrying out the purposes of the Trust and/or the applicable Agency Account which may include not taking any action. The Trustee may request directions or clarification of directions received and may delay acting until clarification is received. In the absence of timely direction or clarification, or if the Trustee considers any direction to be a violation of the Trust Agreement or any applicable law, the Trustee shall in its sole discretion take appropriate action, or refuse to act upon a direction.

3.9 Appointment of Trust Administrator

The Employers may, with the approval of two-thirds (2/3) or more of the Employers then participating in the Trust, act to appoint a bank, trust company, retirement board, insurer, committee or such other entity as permitted by law, to serve as Trust Administrator of the Trust. Such action must be in writing. Upon the written acceptance of such entity it shall become the Trust Administrator of

the Trust. If the Trust Administrator is removed or resigns pursuant to Section 3.13, the Employers shall appoint a successor Trust Administrator in accordance with the voting requirements set forth in this Section 3.9.

3.10 Trust Administrator

The Trust Administrator's duties involve the performance of the following services pursuant to the provisions of this Trust Agreement and the Agreement for Administrative Services:

- (a) Performing periodic accounting of each Agency Account (including subaccount-level accounting within each Agency Account) and reconciling such Agency Account balances with the Trust/Omnibus Account;
- (b) Directing the Trustee to make distributions from the appropriate subaccount under an Agency Account in accordance with Section 5.9.
- (c) Allocating contributions, earnings and expenses to each Agency Account and the underlying subaccounts;
- (d) Directing the Trustee to pay the fees of the Trust Administrator and to do such other acts as shall be appropriate to carry out the intent of the Trust;
- (e) Such other services as the Employer and the Trust Administrator may agree in the Agreement for Administrative Services pursuant to Section 2.3.

The Trust Administrator shall be entitled to rely on, and shall be under no duty to question, any direction and/or data received from the Plan Administrator, or other duly authorized entity, in order to perform its authorized duties under this Trust Agreement. The Trust Administrator shall not have any duty to compute contributions made to the Trust, determine or inquire whether contributions made to the Trust by the Plan Administrator or other duly authorized entity are adequate to meet an Employer's Pension Obligation or OPEB Obligation as may be determined under any applicable GASB pronouncement; or determine or inquire whether contributions made to the Trust are in compliance with the Employer's OPEB Plan or Pension Plan. The Trust Administrator shall not be liable for nonperformance of duties if such nonperformance is directly caused by erroneous, and/or late delivery of, directions or data from the Plan Administrator, or other duly authorized entity.

3.11 Additional Trust Administrator Services

The Plan Administrator may at any time retain the Trust Administrator as its agent to perform any act, keep any records or accounts and make any computations which are required of the Employer or the Plan Administrator by this Trust Agreement or by the Employer's policies and/or applicable collective bargaining agreements. The Trust Administrator shall be separately compensated

for such service and such services shall not be deemed to be contrary to the Trust Agreement.

3.12 Trust Administrator's Compensation

As may be agreed upon from time to time by the Employer and Trust Administrator, the Trust Administrator will be paid reasonable compensation for services rendered or reimbursed for expenses properly and actually incurred in the performance of duties with respect to such Employer's Agency Account and to the Trust.

3.13 Resignation or Removal of Trust Administrator

The Employers may act to remove the Trust Administrator, provided that such action must satisfy the voting requirements set forth in Section 3.9 and notice of such action must be promptly delivered to the Trust Administrator, the Trustee and each Plan Administrator. The Trust Administrator may also resign at any time by giving at least one hundred and twenty (120) days prior written notice to the Trustee and to the Plan Administrator of each Employer that has adopted the Trust Agreement and not terminated its participation in the Trust; provided, however, that the Trust Administrator may resign immediately upon the earlier of the approval date or the effective date of any amendment of the Trust Agreement by the Employers that would change or modify the duties, powers or liabilities of the Trust Administrator hereunder without the Trust Administrator's consent. The Trust Administrator shall, upon the appointment and acceptance of a successor trust administrator, transfer all records relating to the Trust to the successor.

ARTICLE IV

THE TRUSTEE

4.1 Powers and Duties of the Trustee

Except as otherwise provided in Article V and subject to Article VI, the Trustee shall have full power and authority with respect to property held in the Trust to do all such acts, take all proceedings, and exercise all such rights and privileges, whether specifically referred to or not in this document, as could be done, taken or exercised by the absolute owner, including, without limitation, the following:

(a) To invest and reinvest the Assets or any part hereof in any one or more kind, type, class, item or parcel of property, real, personal or mixed, tangible or intangible; or in any one or more kind, type, class, item or issue of investment or security; or in any one or more kind, type, class or item of obligation, secured or unsecured; or in any combination of them (including those issued by the Trustee of any of its affiliates, to the extent permitted by applicable law), and to retain the property for the period of time that the Trustee deems appropriate;

(b) To acquire and sell options to buy securities ("call" options) and to acquire and sell options to sell securities ("put" options);

(c) To buy, sell, assign, transfer, acquire, loan, lease (for any purpose, including mineral leases), exchange and in any other manner to acquire, manage, deal with and dispose of all or any part of the Trust property, for cash or credit and upon any reasonable terms and conditions;

(d) To make deposits, with any bank or savings and loan institution, including any such facility of the Trustee or an affiliate thereof provided that the deposit bears a reasonable rate of interest;

(e) To invest and reinvest the Assets, or any part thereof in any one or more collective investment trust funds, including common and group trust funds that consist exclusively of assets of exempt pension and profit sharing trusts and individual retirement accounts qualified and tax exempt under the Code, that are maintained by the Trustee or an affiliate thereof. The declaration of trust or plan of operations for any such common or collective fund is hereby incorporated herein and adopted into this Trust Agreement by this reference. The combining of money and other assets of the Trust with money and other assets of other non-qualified trusts in such fund or funds is specifically authorized. Notwithstanding anything to the contrary in this Trust Agreement, the Trustee shall have full investment responsibility over Assets of the Trust invested in such commingled funds. If the plan and trust for any reason lose their tax exempt status, and the Assets have been commingled with assets of other tax exempt trusts in Trustee's collective investment funds, the Trustee shall within 30 days of notice of such loss of tax exempt status, liquidate the Trust's units of the collective investment fund(s) and invest the proceeds in a money market fund pending investment or other instructions from the Plan Administrator. The Trustee shall not be liable for any loss or gain or taxes, if any, resulting from said liquidation;

(f) To place uninvested cash and cash awaiting distribution in one or more mutual funds and/or commingled investment funds maintained by or made available by the Trustee or any of its affiliates, and to receive compensation from the sponsor of such fund(s) for services rendered, separate and apart from any Trustee's fees hereunder. The Trustee or its affiliate may also be compensated for providing investment advisory services to any mutual fund or commingled investment funds;

(g) To borrow money for the purposes of the Trust from any source with or without giving security; to pay interest; to issue promissory notes and to secure the repayment thereof by pledging all or any part of the Assets;

(h) To take all of the following actions: to vote proxies of any stocks, bonds or other securities; to give general or special proxies or powers of attorney with or

without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities or other property held in the Trust;

(i) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(j) To raze or move existing buildings; to make ordinary or extraordinary repairs, alterations or additions in and to buildings; to construct buildings and other structures and to install fixtures and equipment therein;

(k) To pay or cause to be paid from the Trust any and all real or personal property taxes, income taxes or other taxes or assessments of any or all kinds levied or assessed upon or with respect to the Trust;

(l) To exercise all the further rights, powers, options and privileges granted, provided for, or vested in trustees generally under applicable federal or state laws, as amended from time to time, it being intended that, except as herein otherwise provided, the powers conferred upon the Trustee herein shall not be construed as being in limitation of any authority conferred by law, but shall be construed as consistent or in addition thereto.

4.2 Additional Trustee Powers

In addition to the other powers enumerated above, the Trustee in any and all events is authorized and empowered:

(a) To invest funds pending required directions in any type of interest-bearing account, including, without limitation, time certificates of deposit or interest-bearing accounts issued by the Trustee, or any mutual fund or short term investment fund (“**Fund**”), whether sponsored or advised by the Trustee or any affiliate thereof); the Trustee or its affiliates may be compensated for providing such investment advice and providing other service to such Fund, in addition to any Trustee’s fees received pursuant to this Trust Agreement;

(b) To cause all or any part of the Trust to be held in the name of the Trustee (which in such instance need not disclose its fiduciary capacity) or, as permitted by law, in the name of any nominee, and to acquire for the Trust any investment in bearer form, but the books and records of the Trust shall at all times show that all such investments are a part of the Trust and the Trustee shall hold evidences of title to all such investments;

- (c) To serve as custodian with respect to the Trust Assets;
- (d) To employ such custodians, agents and counsel as may be reasonably necessary in managing and protecting the Assets and to pay them reasonable compensation from the Trust; to employ any broker-dealer or other agent, including any broker-dealer or other agent affiliated with the Trustee, and pay to such broker-dealer or other agent, at the expense of the Trust, its standard commissions or compensation; to settle, compromise or abandon all claims and demands in favor of or against the Trust; and to charge any premium on bonds purchased at par value to the principal of the Trust without amortization from the Trust, regardless of any law relating thereto;
- (e) In addition to the powers listed herein, to do all other acts necessary or desirable for the proper administration of the Trust, as though the absolute owner thereof;
- (f) To prosecute, compromise and defend lawsuits, but without obligation to do so, all at the risk and expense of the Trust; and to tender its defense to the Employer in any legal proceeding where the interests of the Trustee and the Employer are not adverse;
- (g) To exercise and perform any and all of the other powers and duties specified in this Trust Agreement or the Plan;
- (h) To permit such inspections of documents at the principal office of the Trustee as are required by law, subpoena or demand by a United States agency;
- (i) To comply with all requirements imposed by applicable provisions of law;
- (j) To seek written instructions from the Plan Administrator or other fiduciary on any matter and await their written instructions without incurring any liability. If at any time the Plan Administrator or the fiduciary should fail to give directions to the Trustee, the Trustee may act in the manner that in its discretion seems advisable under the circumstances for carrying out the purposes of the Trust;
- (k) To compensate such executive, consultant, actuarial, accounting, investment, appraisal, administrative, clerical, secretarial, medical, custodial, depository and legal firms, personnel and other employees or assistants as are engaged by the Plan Administrator in connection with funding the Employer's OPEB Obligation or Pension Obligation or both and to pay from the Trust the necessary expenses of such firms, personnel and assistants, to the extent not paid by the Plan Administrator;

(l) To act upon proper written directions of the Plan Administrator or Delegatee, including directions given by photostatic transmissions using facsimile signature, and such other forms of directions as the parties shall agree;

(m) To pay from the Trust the expenses reasonably incurred in the administration of the Trust;

(n) To maintain insurance for such purposes, in such amounts and with such companies as the Plan Administrator shall elect, including insurance to cover liability or losses occurring by reason of the acts or omissions of fiduciaries but only if such insurance permits recourse by the insurer against the fiduciary in the case of a breach of a fiduciary obligation by such fiduciary.

ARTICLE V

INVESTMENTS

5.1 Discretionary Versus Directed Investment

For the Pension Account and the OPEB Account under the Agency Account, the Employer shall elect either a discretionary or directed investment approach. The Employer may elect the same or different investment approaches for those two subaccounts. The Employer hereby elects a directed approach for the Suspense Account. If the Employer elects a discretionary investment approach for a subaccount, the Employer shall further elect between the various investment strategies offered and the Trustee, in accordance with Article IV, shall have absolute discretion over the investment of the Assets held in such subaccount under the Employer's Agency Account. If the Employer elects a directed investment approach for a subaccount, the Trustee shall direct the investment of the Assets of such subaccount under the Employer's Agency Account in accordance with the direction provided by such Employer.

5.2 Trustee Fees

As may be agreed upon, in writing, between the Plan Administrator and Trustee, the Trustee will be paid reasonable compensation for services rendered or reimbursed for expenses properly and actually incurred in the performance of duties with respect to the applicable Agency Account or the Trust.

5.3 Contributions

Eligible Employees are not permitted to make contributions to the Trust. The Plan Administrator shall, on behalf of the Employer, make all contributions to the Trustee. Such contributions shall be in cash unless the Trustee agrees to accept a contribution that is not in cash. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of this Trust Agreement. The Trustee shall not have any duty to determine or inquire whether any contributions

to the Trust made to the Trustee by any Plan Administrator are in compliance with the Employer's Pension Plan or OPEB Plan; nor shall the Trustee have any duty or authority to compute any amount to be paid to the Trustee by any Plan Administrator; nor shall the Trustee be responsible for the collection or adequacy of the contributions to meet an Employer's Pension Obligation or OPEB Obligation. The contributions received by the Trustee from each Employer shall be held and administered pursuant to the terms hereof without distinction between income and principal.

5.4 Records

(a) The Trustee shall maintain accurate records and detailed accounts of all investments, receipts, disbursements and other transactions hereunder at the Trust level. Such records shall be available at all reasonable times for inspection by the Trust Administrator. The Trustee shall, at the direction of the Trust Administrator, submit such valuations, reports or other information as the Trust Administrator may reasonably require.

(b) The Assets of the Trust shall be valued at their fair market value on the date of valuation, as determined by the Trustee based upon such sources of information as it may deem reliable; provided, however, that the Plan Administrator shall instruct the Trustee as to valuation of assets which are not readily determinable on an established market. The Trustee may rely conclusively on such valuations provided by the Plan Administrator and shall be indemnified and held harmless by the Employer with respect to such reliance. If the Plan Administrator fails to provide such values, the Trustee may take whatever action it deems reasonable, including employment of attorneys, appraisers or other professionals, the expense of which will be an expense of administration of the Trust. Transactions in the account involving such hard to value assets may be postponed until appropriate valuations have been received and Trustee shall have no liability therefore.

5.5 Statements

(a) Periodically as specified, and within sixty days after December 31, or the end of the Trust's fiscal year if different, Trustee shall render to the Trust Administrator as directed, a written account showing in reasonable summary the investments, receipts, disbursements and other transactions engaged in by the Trustee during the preceding fiscal year or period with respect to the Trust. Such account shall set forth the assets and liabilities of the Trust valued as of the end of the accounting period.

(b) The Trust Administrator may approve such statements either by written notice or by failure to express objections to such statements by written notice delivered to the Trustee within 90 days from the date the statement is delivered to the Trust Administrator. Upon approval, the Trustee shall be released and discharged as to all matters and items set forth in such statement as if such

account had been settled and allowed by a decree from a court of competent jurisdiction.

5.6 Wire Transfers

The Trustee shall follow the Plan Administrator's, Delegate's, or Trust Administrator's wire transfer instructions in compliance with the written security procedures provided by the party providing the wire transfers. The Trustee shall perform a telephonic verification to the Plan Administrator, Trust Administrator, or Delegate, or such other security procedure as selected by the party providing wire transfer directions, prior to wiring funds or following facsimile directions as Trustee may require. The Plan Administrator assumes the risk of delay of transfer if Trustee is unable to reach the Plan Administrator, or in the event of delay as a result of attempts to comply with any other security procedure selected by the directing party.

5.7 Exclusive Benefit

The Assets of an Employer's Agency Account shall be held in trust for the exclusive purpose of funding the Employer's OPEB Obligation or Pension Obligation or both and defraying the reasonable expenses associated with the same and shall not be used for or diverted to any other purpose. No party shall have authority to use or divert the Assets of an Agency Account of an Employer for the satisfaction of any other Employer's Pension Obligation or OPEB Obligation or any other Employer's expenses.

5.8 Delegation of Duties

The Plan Administrator, Delegate, or Trust Administrator, may at any time retain the Trustee as its agent to perform any act, keep any records or accounts and make any computations that are required of the Plan Administrator, Delegate or Trust Administrator by this Trust Agreement or by the Plan. The Trustee may be compensated for such retention and such retention shall not be deemed to be contrary to this Trust Agreement.

5.9 Distributions

(a) The Trustee shall, from time to time, upon the written direction of the Plan Administrator or Delegate, make distributions from the Assets of the Trust under the OPEB Account to the insurers, third party administrators, service providers or other entities providing benefits or services under the OPEB Plan, or to Eligible Employees and Eligible Beneficiaries for reimbursement of OPEB Plan premiums (or other payments for OPEB Plan benefits) paid by the Eligible Employee or Eligible Beneficiary, or to the Employer for reimbursement of OPEB Plan benefits and expenses paid by the Employer, in such manner in such form(s), in such amounts and for such purposes as may be specified in such directions.

(b) In addition, the Trustee shall, from time to time, upon the written direction of the Plan Administrator or Delegatee, make distributions from the Assets of the Trust under the Pension Account directly to (i) the Qualified Trust as employer contributions, (ii) any insurers, third party administrators, service providers or other entities providing services in connection with determining the Employer's Pension Obligation, or (iii) the Employer as reimbursement for the Employer's payment of amounts described in this Section 5.9(b)(i) and (ii).

(c) In no event shall the Trustee have any responsibility respecting the application of distributions from the Assets of the Trust, or for determining or inquiring into whether such distributions are in accordance with the Employer's OPEB Plan, Pension Plan, policies, or applicable collective bargaining agreements.

ARTICLE VI

FIDUCIARY RESPONSIBILITIES

6.1 More Than One Fiduciary Capacity

Any one or more of the fiduciaries with respect to the Trust Agreement or the Trust may, to the extent required thereby or as directed by the Plan Administrator pursuant to this Trust Agreement, serve in more than one fiduciary capacity with respect to the Trust Agreement and the Trust.

6.2 Fiduciary Discharge of Duties

Except as otherwise provided by applicable law, each fiduciary shall discharge such fiduciary's duties with respect to the Trust Agreement and the Trust:

(a) solely in the interest of the Eligible Employees and for the exclusive purpose of funding the Employer's OPEB Obligation or Pension Obligation or both and defraying the reasonable expenses associated with the same; and

(b) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

6.3 Limitations on Fiduciary Responsibility

To the extent allowed by the laws of the state of each Employer:

No fiduciary shall be liable with respect to a breach of fiduciary duty by any other fiduciary if such breach was committed before such party became a fiduciary or after such party ceased to be a fiduciary.

No fiduciary shall be liable for a breach by another fiduciary except as provided by law.

No fiduciary shall be liable for carrying out a proper direction from another fiduciary, including refraining from taking an action in the absence of a proper direction from the other fiduciary possessing the authority and responsibility to make such a direction, which direction the fiduciary in good faith believes to be authorized and appropriate.

6.4 Indemnification of Trustee by Employer

The Trustee shall not be liable for, and Employer shall (to the extent allowed by the laws of the state of each Employer) indemnify, defend (as set out in Section 6.8 of this Trust Agreement), and hold the Trustee (including its officers, agents, employees and attorneys) and other Employers harmless from and against any claims, demands, loss, costs, expense or liability imposed on the indemnified party, including reasonable attorneys' fees and costs incurred by the indemnified party, arising as a result of Employer's active or passive negligent act or omission or willful misconduct in the execution or performance of its duties under this Trust Agreement.

6.5 Indemnification of Employer by Trustee

The Employer shall not be liable for, and Trustee shall (to the extent allowed by the laws of the state of each Employer) indemnify, defend (as set out in Section 6.8 of this Trust Agreement), and hold the Employer (including its officers, agents, employees and attorneys) and other Employers harmless from and against any claims, demands, loss, costs, expense or liability imposed on the indemnified party, including reasonable attorneys' fees and costs incurred by the indemnified party, arising as a result of Trustee's active or passive negligent act or omission or willful misconduct in the execution or performance of its duties under this Trust Agreement.

6.6 Indemnification of Trustee by Trust Administrator

The Trustee shall not be liable for, and Trust Administrator shall (to the extent allowed by the laws of the state of each Employer) indemnify and hold the Trustee (including its officers, agents, employees and attorneys) harmless from and against any claims, demands, loss, costs, expense or liability imposed on the indemnified party, including reasonable attorneys' fees and costs incurred by the indemnified party, arising as a result of Trust Administrator's active or passive negligent act or omission or willful misconduct in the execution or performance of its duties under this Trust Agreement.

6.7 Indemnification of Trust Administrator by Trustee

The Trust Administrator shall not be liable for, and Trustee shall (to the extent allowed by the laws of the state of each Employer) indemnify and hold the Trust

Administrator (including its officers, agents, employees and attorneys) harmless from and against any claims, demands, loss, costs, expense or liability imposed on the indemnified party, including reasonable attorneys' fees and costs incurred by the indemnified party, arising as a result of Trustee's active or passive negligent act or omission or willful misconduct in the execution or performance of its duties under this Trust Agreement.

6.8 Indemnification Procedures

Promptly after receipt by an indemnified party of notice or receipt of a claim or the commencement of any action for which indemnification may be sought, the indemnified party will notify the indemnifying party in writing of the receipt or commencement thereof. When the indemnifying party has agreed to provide a defense as set out above that party shall assume the defense of such action (including the employment of counsel, who shall be counsel reasonably satisfactory to such indemnitee) and the payment of expenses, insofar as such action shall relate to any alleged liability in respect of which indemnity may be sought against the indemnifying party. Any indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the indemnifying party unless (i) the employment of such counsel has been specifically authorized by the indemnifying party or (ii) the named parties to any such action (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interest between them. The indemnifying party shall not be liable to indemnify any person for any settlement of any such action effected without the indemnifying party's consent. The indemnification procedures of this Trust Agreement shall survive the termination of the Trust, any Employer's participation in the Trust and/or this Trust Agreement.

6.9 No Joint and Several Liability

This document is not intended to and does not create any joint powers agreement or any joint and several liability. No Employer shall be responsible for any contributions, costs or distributions of any other Employer.

ARTICLE VII

AMENDMENT, TERMINATION AND MERGER

7.1 No Contractual Obligation

An Employer's participation in the Trust does not create, and is not intended to create, any contractual obligation to Eligible Employees. Therefore, no Employer is contractually obligated to Eligible Employees solely due to its participation in

the Trust to continue providing benefits under its Pension Plan or OPEB Plan or to make contributions to the Trust.

7.2 Amendment of Trust

(a) The Trust Agreement may be amended only by the approval of two-thirds (2/3) or more of the Employers then participating in the Trust. Any such amendment by the Employers shall be set forth in an instrument in writing and shall be delivered to the Trustee, the Trust Administrator and all Plan Administrators not less than one hundred and eighty (180) days before the effective date of such amendment; provided, however, that any party may waive in writing such 180-day requirement with respect to any amendment (and such waiver shall not constitute a waiver with respect to any other amendment); and provided, further, that a waiver in writing of such 180-day requirement by two-thirds (2/3) or more of the Plan Administrators of the Employers participating in the Trust as of the date the amendment is adopted shall constitute a waiver of such 180-day requirement by all of the Employers then participating in the Trust. In addition, the Trust Administrator or the Trustee shall have the right to amend this Trust Agreement from time to time (without the requirement of a vote of Employers) solely for the purpose of keeping the Trust Agreement in compliance with the Code and applicable state law. Any such amendment by the Trust Administrator or the Trustee shall be set forth in an instrument in writing and shall be delivered to the Trustee, the Trust Administrator and all Plan Administrators promptly as each is made.

(b) Any amendment of the Trust Agreement may be current, retroactive or prospective, provided, however, that no amendment shall:

(1) Cause the Assets of any Agency Account to be used for or diverted to purposes other than for the exclusive purpose of funding the Employer's OPEB Obligation or Pension Obligation or both and defraying the reasonable expenses associated with the same.

(2) Permit the Assets of any Agency Account to be used for the benefit of any other Employer.

7.3 Termination of Employer's Obligation to Provide Pension Benefits or OPEB

A termination of the Employer's obligation to provide benefits under the Employer's Pension Plan or OPEB Plan for which the Employer's Agency Account was established shall not, in itself, effect a termination of the Agency Account. Upon a termination of the Employer's obligation to provide benefits under its Pension Plan or OPEB Plan, the Assets of the Employer's Pension Account or OPEB Account, as applicable, will be distributed by the Trustee when directed by the Plan Administrator in accordance with this Section 7.3. From and after the date of such termination and until final distribution of all Assets under the Employer's Agency Account, the Trustee shall continue to have all the powers

provided herein as are necessary or expedient for the orderly liquidation and distribution of such Assets, and the Agency Account shall continue until the Assets have been completely distributed. Any Assets remaining in the Pension Account or OPEB Account will be used first to satisfy any remaining Pension Obligation or OPEB Obligation, respectively, pursuant to the Employer's Pension Plan or OPEB Plan (to the extent that such distribution constitutes the exercise of an "essential governmental function" within the meaning of Section 115 of the Code) and to satisfy any of such Employer's obligations under this Trust Agreement. Any Assets remaining in the Employer's Pension Account or OPEB Account (as applicable) after giving effect to the preceding sentence will be paid to the Employer to the extent permitted by law and consistent with the requirements of Section 115 of the Code.

7.4 Fund Recovery Based on Mistake of Fact

Except as hereinafter provided or in accordance with Section 7.3, the Assets of the Trust shall never inure to the benefit of the Employer. The Assets shall be held for the exclusive purpose of funding the Employer's OPEB Obligation or Pension Obligation or both and defraying the reasonable expenses associated with the same. However, in the case of a contribution which is made by an Employer because of a mistake of fact, that portion of the contribution relating to the mistake of fact (exclusive of any earnings or losses attributable thereto) may be returned to the Employer, provided such return occurs within two (2) years after discovery by the Employer of the mistake. If any repayment is payable to the Employer, then, as a condition to such repayment, and only if requested by Trustee, the Employer shall execute, acknowledge and deliver to the Trustee its written undertaking, in a form satisfactory to the Trustee, to indemnify, defend and hold the Trustee harmless from all claims, actions, demands or liabilities arising in connection with such repayment.

7.5 Termination of Trust

(a) The Trust and this Trust Agreement may be terminated by the unanimous agreement of all Employers, which action must be in writing and delivered to the Trustee and Trust Administrator. Upon termination of the Trust under this Section 7.5(a), the Assets of each Employer's Pension Account or OPEB Account, as applicable, will be distributed by the Trustee when directed by the Plan Administrator in accordance with this Section 7.5(a). From and after the date of such termination and until final distribution of all Assets under each Employer's Agency Account, the Trustee shall continue to have all the powers provided herein as are necessary or expedient for the orderly liquidation and distribution of such Assets, and the Agency Account shall continue until the Assets have been completely distributed. Any Assets remaining in the Pension Account or OPEB Account will be used first to satisfy any remaining Pension Obligation or OPEB Obligation, respectively, pursuant to the Employer's Pension Plan and OPEB Plan (to the extent that such distribution constitutes the exercise of an "essential governmental function" within the meaning of Section 115 of the Code) and to

satisfy any of such Employer's obligations under this Trust Agreement. Any Assets remaining in the Employer's Pension Account or OPEB Account (as applicable) after giving effect to the preceding sentence will be paid to the Employer to the extent permitted by law and consistent with the requirements of Section 115 of the Code.

(b) Contributions to the Trust are conditioned on initial qualification of the Trust under Section 115 of the Code. If the Trust receives an adverse determination with respect to its initial qualification, then the Trust and this Trust Agreement will automatically terminate without any action by any Employer or other parties. After such termination, the Assets of each Employer's Pension Account or OPEB Account, as applicable, will be returned by the Trustee to the Employer as directed by the Plan Administrator in accordance with this Section 7.5(b) to the extent permitted by law and consistent with the requirements of Section 115 of the Code. This Section 7.5(b) will cease to apply upon the Trust's receipt of a favorable determination with respect to its initial qualification.

(c) The Trust and this Trust Agreement may be terminated only as described in this Section 7.5. In no case will the assets of the Trust be distributed on termination to an entity that is not a state, a political subdivision of a state or an entity the income of which is excluded from gross income under Section 115 of the Code.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

8.1 Nonalienation

Eligible Employees do not have an interest in the Trust. Accordingly, the Trust shall not in any way be liable to attachment, garnishment, assignment or other process, or be seized, taken, appropriated or applied by any legal or equitable process, to pay any debt or liability of an Eligible Employee or any other party. Trust Assets shall not be subject to the claims of any Employer or the claims of its creditors.

8.2 Saving Clause

In the event any provision of this Trust Agreement is held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of the Trust Agreement, but this instrument shall be construed and enforced as if said provision had never been included.

8.3 Applicable Law

This Trust Agreement and the Trust shall be construed, administered and governed under the Code and the law of the State of California. To the extent any

of the provisions of this Trust Agreement are inconsistent with the Code or applicable state law, the provisions of the Code or state law shall control. In the event, however, that any provision is susceptible to more than one interpretation, such interpretation shall be given thereto as is consistent with the Trust Agreement being a tax-exempt trust within the meaning of the Code.

8.4 Joinder of Parties

In any action or other judicial proceedings affecting this Trust Agreement, it shall be necessary to join as parties only the Trustee, the Plan Administrator or Delegatee. No participant or other persons having an interest in the Trust or any Agency Account shall be entitled to any notice or service of process unless otherwise required by law. Any judgment entered in such a proceeding or action shall be binding on all persons claiming under this Trust Agreement; provided, however, that nothing in this Trust Agreement shall be construed as to deprive a participant of such participant's right to seek adjudication of such participant's rights under applicable law.

8.5 Employment of Counsel

The Trustee may consult with legal counsel (who may be counsel for the Trustee, the Trust Administrator or any Employer) with respect to the interpretation of this Agreement or the Trustee's duties hereunder or with respect to any legal proceedings or any questions of law and shall be entitled to take action or not to take action in good faith reliance on the advice of such counsel and charge the Trust and, as applicable, one or more Agency Accounts.

8.6 Gender and Number

Words used in the masculine, feminine or neuter gender shall each be deemed to refer to the other whenever the context so requires; and words used in the singular or plural number shall each be deemed to refer to the other whenever the context so requires.

8.7 Headings

Headings used in this Trust Agreement are inserted for convenience of reference only and any conflict between such headings and the text shall be resolved in favor of the text.

8.8 Counterparts

This Trust Agreement may be executed in an original and any number of counterparts by the Plan Administrator (executing an Adoption Agreement), the Trust Administrator and the Trustee, each of which shall be deemed to be an original of the one and the same instrument.

IN WITNESS WHEREOF, the Plan Administrator (by executing the Adoption Agreement), the Trustee and the Trust Administrator have executed this Trust Agreement by their duly authorized agents on the Effective Date.

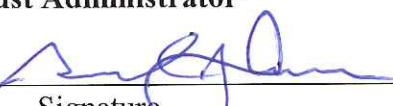
U.S. BANK NATIONAL ASSOCIATION

“Trustee”

By: 
Signature
Susan M. Hughes
Typed or printed name
Its: Vice President & Relationship Manager

**PUBLIC AGENCY
RETIREMENT SERVICES**

“Trust Administrator”

By: 
Signature
Daniel Johnson
Typed or printed name
Its: President

RESOLUTION NO. 2019 –

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY 1) APPROVING THE FIRST AMENDMENT TO THE AGREEMENT WITH PHASE II SYSTEMS DBA PUBLIC AGENCY RETIREMENT SERVICES WITH A MUTUAL INDEMNITY AND HOLD HARMLESS PROVISION FOR OTHER POST-EMPLOYMENT BENEFITS TRUST ADMINISTRATION SERVICES FOR THE PERIOD OF SEPTEMBER 18, 2019 THROUGH DECEMBER 31, 2020, 2) APPROVING THE AMENDED ADOPTION AGREEMENT FOR THE PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST AGREEMENT, AND 3) AUTHORIZING THE CITY MANAGER TO EXECUTE THE DOCUMENTS

WHEREAS, the City employed a consultant to provide comprehensive trust administration services for the City’s irrevocable supplemental pension trust (the “Trust”) for the period of December 20, 2017 through December 31, 2020; and

WHEREAS, the City determined that Phase II Systems dba Public Agency Retirement Services (PARS) is an administrator of irrevocable supplemental pension trusts and is qualified by experience and ability to perform the services desired by the City, and PARS is willing to perform such services; and

WHEREAS, the agreement contains a mutual indemnity and hold harmless provision with compensation deducted from the Trust’s assets.

WHEREAS, on December 19, 2017, per Resolution 2017-243, the City Council authorized the Mayor to Execute an agreement with a mutual indemnity and hold harmless provision with Phase II Systems dba Public Agency Retirement Services to provide pension trust administration; and

WHEREAS, at the Special Meeting of the City Council on April 24, 2019, the City Council approved the assignment of \$3.1 million of General Fund fund balance to establish an irrevocable post-employment benefits (OPEB) trust; and

WHEREAS, staff recommends amending City Council Policy # 201, “Maintenance of Reserves,” to add “Irrevocable Other Post-Employment Benefits Trust Reserve” to the City’s reserves and establish a target level for the trust of an amount equal to the total net liability of the City’s OPEB plans.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby approves the first amendment to the Agreement with Phase II Systems dba Public Agency Retirement Services with a mutual indemnity and hold harmless provision for other post-employment benefits trust administration services for the period of September 18, 2019 through December 31, 2020.

BE IT FURTHER RESOLVED that the City Council hereby approves the amended adoption Agreement for the Public Agencies Post-Employment Benefits Trust Agreement.

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**Resolution 2019 –
Page Two**

BE IT FURTHER RESOLVED that the City Council authorizes the City Manager to execute the documents.

PASSED and ADOPTED this 17th day of September, 2019

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

The following page(s) contain the backup material for Agenda Item: [Update from Hdl cannabis management services consultant and staff, City Council discussion and direction from City Council to staff regarding potential commercial cannabis activity. \(City Manager\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: September 17, 2019

AGENDA ITEM NO.

ITEM TITLE: City Council Cannabis Policy Direction

Update from Hdl cannabis management services consultant and staff, City Council discussion and direction from City Council to staff regarding potential commercial cannabis activity.

PREPARED BY:

Megan Gamwell, Economic Development Specialist

DEPARTMENT: City Manager's Office

PHONE: 619-336-4216

APPROVED BY: 

EXPLANATION:

Staff is returning to the City Council with Hdl to report and seek direction for consideration of permitting commercial cannabis activities in the City or to make any additional updates to the current ordinance which prohibits cannabis activity throughout the city. Staff is requesting direction needed in order to proceed with drafting a regulatory ordinance and amending the zoning ordinance, should council decide to do so. Staff will also seek guidance as to which mechanism would be most desirable in generating revenue for the City via the adoption of a cannabis tax measure or the implementation of development agreements. In addition, staff will be providing the City Council with some options in order to provide cannabis public outreach & education.

FINANCIAL STATEMENT:

ACCOUNT NO.

APPROVED: _____ **Finance**

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

n/a

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Staff is requesting guidance as to which mechanism would be most desirable in generating revenue for the City via the adoption of a cannabis tax measure or the implementation of development agreements; direction on drafting a regulatory ordinance and amending the zoning ordinance to allow for cannabis activity; direction for establishing land use regulations; establishing limits on business operations; and options in order to provide cannabis public outreach & education.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. City staff report

September 17, 2019

BACKGROUND REPORT

The City of National City currently prohibits the establishment or operation of any and all medical or adult-use cannabis businesses in the City. The Mayor and Council appropriated funds with the approval of the Fiscal Year 2020 Budget for Cannabis Management Services beginning with a study on the revenue projections and impact of cannabis businesses within the city.

To meet these objectives, City staff requested authorization to hire a firm with cannabis consulting expertise which specializes in working with local government agencies. As such at the June 18, 2019 meeting City Council unanimously approved an amendment to the Hinderliter, De Llamas and Associates (HdL Companies) current consulting contract to add Cannabis Management Services to the agreement which would include revenue projections, impact analysis, community outreach, development of a draft cannabis ordinance, a merit-based application review process and a cost recovery fee study.

Since that time HdL meet with City staff to develop an initial evaluation based on various scenarios of business types and number of cannabis operations in order to establish a preliminary impact analysis.

Staff is returning to the City Council with HdL to report on their initial finding and seek direction for consideration of permitting commercial cannabis activities in the City or to make any additional updates to the current ordinance which prohibits cannabis activity throughout the city.

Staff is requesting direction needed in order to proceed with drafting a regulatory ordinance and amending the zoning ordinance, should council decide to do so. Staff will also seek guidance as to which mechanism would be most desirable in generating revenue for the City via the adoption of a cannabis tax measure or the implementation of development agreements. In addition, staff will be providing the City Council some options in order to provide cannabis public outreach & education.

DISCUSSION

Based on the wide range of direction to address allowable business types and locations for cannabis businesses, staff has four primary areas of discussion it seeks at this time:

1. Cannabis Revenue Strategies
2. Land use regulations
3. Limit on Business Operations and Permitting Processes
4. Public Outreach and Workshops

Discussion Item #1- Cannabis Revenue Strategies

Staff is seeking guidance as to which mechanism would be most desirable in generating revenue for the City via the adoption of a cannabis tax measure or the implementation of development agreements. Staff will return to the City Council with potential fiscal benefits and impacts based upon City Council policy direction. The City Council may also consider placing a cannabis general tax measure on the November 2020 ballot if it chooses not to establish development agreements.

Another layer in understanding the potential fiscal benefits and impacts, it will be essential to identify the number of cannabis business types and the number of permits that will be permitted. Cannabis Business type include cultivation, microbusiness, manufacturing testing labs, delivery/non store front retailer, retail-medicinal/adult-use, distribution facilities and distribution transport only. In addition, another key component is the timeline in which the business operations can get up in running to provide revenue to the City. As part of this process we will evaluate if a tax measure or a development agreement is the best method of generating revenue for the City.

Discussion Item #2- Land Use Regulations

The City has broad authority to regulate local land use. In the context of cannabis regulations, two primary themes emerge for consideration as regulations are drafted. The first relates to the overall scope of the cannabis business types, meaning, does the City Council desire to permit cannabis businesses (either types or locations), or prohibit them in certain locations or all together for the purposes of meeting community expectations in terms of access, nuisance, or to address other community concerns or expectations? The second issue relates to the number of permits for each activity type and what process will be implemented in the issuance of permitting businesses to operate.

In order to conclude on the first issue: scope of cannabis business types and locations, staff intends to elaborate and have further dialogue about the various cannabis types and possible desired locations/limitations. Following are several areas of discussion and questions City staff wish to present.

Cultivation as a Business Type (either stand alone or as part of a Microbusiness) –

There are two principal findings on cannabis cultivation:

- i. *Impacts to microbusinesses:* A state cannabis microbusiness permit requires that a permittee be engaged in three cannabis business activities in one location. This often is seen when a vertical business operation establishes a business supply chain model. A ban on cultivation would limit the third business activity to include retail (dispensary); while the more common minimum components found in a micro business are indoor cultivation, manufacturing, and distribution.
- ii. *Impacts to potential tax revenues:* Microbusinesses that are permitted to include cultivation often generate a higher revenue base due to the ability to be vertically integrated. A ban on indoor cultivation could potentially create limitations on revenues for this type of operation.

In addition, recent information related to the expiration of current temporary licenses indicates that regulated cultivation in limited numbers might be a viable commodity under the right circumstances and the quality of the operations should this activity be permitted.

Business Location – Is it the desire of the City Council to restrict cannabis businesses to the industrial zones, or should it be permitted in other areas such as commercial or mixed-use zones. The primary discussion will relate to the following:

- i. Cannabis retailers prefer to be centered around “like for like” business types, meaning retail stores (dispensaries) in typical storefronts locations, in areas zoned for retail land uses, as opposed to broadening industrial zoning to accommodate cannabis retail businesses.
- ii. Distance buffers between cannabis businesses, and/or concern over cannabis businesses being located in any particular area of the City. State law creates a requirement that cannabis businesses be located 600 feet from certain land uses (youth centers and K-12 schools (public/private). City Council will be asked if there are areas of the City that should be “off-limits” for certain business types, or where increased buffers beyond 600-feet, for example would be desired, if at all.
- iii. Distinctions between volatile verses non-volatile manufacturing. In the cannabis industry there are various methods of manufacturing cannabis products, some of these methods involve more volatile inputs (such as chemicals/gasses) in the production/manufacturing process. Normally, such issues are addressed through building/fire code compliance. In some instances, the distinction between manufacturing types is evaluated in a zoning context, for example distinguishing between “heavy” industry or “light” industry and possibly separating such uses through different zoning districts. Because Prop 64 creates a distinction between volatile and non-volatile manufacturing types for the purposes of imposing State regulations, staff wanted to further discuss this distinction with City Council.

Discussion Item #3- Limit on Business Operations and Permitting Processes

Cannabis businesses have proven to be both an economic benefit and job creator in some cities but at the same time have caused concerns of creating higher rents for other business owners which have to compete with cannabis operators for leased space. As such limiting the number of cannabis businesses in certain zones or areas need to be taken into consideration should there be limited inventory of property available in order to ensure the sustainability of other essential business to the community.

Limitations on Number of Cannabis Businesses– During the presentation Staff will share with the City Council various models used in determining how many of any one kind of cannabis business may be considered based on its findings and/or whether

phasing in more later on is an option. In addition, staff will discuss the potential benefits and drawbacks of restricting the number of cannabis businesses.

Type of Permit to Address Business Locations – Cities vary in the method they use to address potential site-specific impacts associated with allowing cannabis businesses to operate. One method that is commonly used, to address similar sensitive land uses is the Conditional Use Permit. This permit type is required in the City for bars and nightclubs, and a variety of businesses where individual characteristics of operation may be better suited to one location over another in the same zone district given its local context.

Other cities have opted to use a development agreement (contract) in order to address site-specific considerations. The benefit of using a development agreement is that it would be able to generate additional revenue which might not otherwise be obtainable from a fee structure, which is limited to covering costs associated with providing services. Furthermore, a development agreement can include conditions on businesses operations much the same as a Conditional Use Permit but has the added ability to require public benefit payments. Other cities using Development Agreements as a revenue generating strategy include Port Hueneme and the City of West Sacramento. Staff will discuss the potential benefits and timeline of Development Agreements.

Discussion Item #4- Public Outreach and Workshops

In order to obtain feedback and input from the community should the City conduct public outreach and workshops prior to adopting any cannabis regulations.

Public outreach and workshops can be conducted in a variety of cost-effective methods.

1) Workshops can be conducted prior to scheduled City Council Meetings; 2) Special Study Sessions can be scheduled in which the public can be given more time to participate in the discussion without limited time due to other Council agenda items; 3) Community workshops could be developed independently from any City Council meeting by City staff and/or the Consultant.

FISCAL IMPACT

Staff will return to the City Council with potential fiscal benefits and impacts based upon City Council policy direction. The City Council may also consider placing a cannabis general tax measure on the November 2020 ballot if it chooses not establish development agreements.

RECOMMENDATION

Council's feedback will be used to further develop cannabis regulatory requirements for the Council's consideration.

Staff is requesting guidance as to which mechanism would be most desirable in generating revenue for the City via the adoption of a cannabis tax measure or the implementation of

development agreements; direction on drafting a regulatory ordinance and amending the zoning ordinance to allow for cannabis activity; direction for establishing land use regulations; establishing limits on business operations; and options in order to provide cannabis public outreach & education.

Prepared by: Megan Gamwell, Economic Development Specialist

Reviewed by: David McPherson, HdL Companies

Approved by: Brad Raulston, City Manager