



**AGENDA**  
**CITY COUNCIL/SUCCESSOR AGENCY/STANTON HOUSING AUTHORITY**  
**JOINT REGULAR MEETING**  
**STANTON CITY HALL, 7800 KATELLA AVENUE, STANTON, CA**  
**TUESDAY, APRIL 26, 2016 - 6:30 P.M.**

*As a courtesy to those in attendance, the City of Stanton respectfully requests that all cell phones, pagers and/or electronic devices be turned off or placed on silent mode while the meeting is in session. Thank you for your cooperation.*

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, CONTACT THE CITY CLERK AT (714) 379-9222. NOTIFICATION BY 9:00 A.M. ON MONDAY, APRIL 25, 2016 WILL ENABLE THE CITY TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING.

*Supporting, descriptive documentation for agenda items, including staff reports, is available for review in the City Clerk's Office and on the City web site at [www.ci.stanton.ca.us](http://www.ci.stanton.ca.us).*

1. **CLOSED SESSION**      **None.**
2. **CALL TO ORDER REGULAR CITY COUNCIL / SUCCESSOR AGENCY / STANTON HOUSING AUTHORITY MEETING**
3. **PLEDGE OF ALLEGIANCE**
4. **ROLL CALL**      Council/Agency/Authority Member Ethans  
Council/Agency/Authority Member Ramirez  
Council/Agency/Authority Member Shawver  
Mayor Pro Tem/Vice Chairman Warren  
Mayor/Chairman Donahue

5. **SPECIAL PRESENTATIONS AND AWARDS** **None.**

6. **CONSENT CALENDAR**

All items on the Consent Calendar may be acted on simultaneously, unless a Council/Board Member requests separate discussion and/or action.

**CONSENT CALENDAR**

6A. **MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED**

**RECOMMENDED ACTION:**

City Council/Agency Board/Authority Board waive reading of Ordinances and Resolutions.

6B. **APPROVAL OF WARRANTS**

City Council approve demand warrants dated April 6, 2016 and April 14, 2016, in the amount of \$378,533.98.

6C. **APPROVAL OF MINUTES**

City Council/Agency/Authority Board approve Minutes of Regular Joint Meeting – April 12, 2016.

6D. **MARCH 2016 INVESTMENT REPORT**

The Investment Report as of March 31, 2016 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

**RECOMMENDED ACTION:**

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of March 2016.

CC/SA/SHA AGENDA – Joint Regular Meeting – April 26, 2016 - Page 2

Any writings or documents provided to a majority of the City Council/Successor Agency/Stanton Housing Authority regarding any item on this agenda will be made available for public inspection at the Public Counter at City Hall located at 7800 Katella Avenue, Stanton CA, during normal business hours.

**6E. MARCH 2016 INVESTMENT REPORT (SUCCESSOR AGENCY)**

The Investment Report as of March 31, 2016 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

**RECOMMENDED ACTION:**

1. Agency Board find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of March 2016.

**END OF CONSENT CALENDAR**

**7. PUBLIC HEARINGS**

**7A. INITIAL REVIEW OF A DEVELOPMENT AGREEMENT APPLICATION BY USS CAL BUILDERS, INC.**

Conduct an initial review of a proposed application for a Development Agreement between the City and USS Cal Builders, Inc.

**RECOMMENDED ACTION:**

1. City Council conduct a public hearing; and
2. Declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
3. Authorize City staff to negotiate the terms of a Development Agreement with USS Cal Builders, Inc. for a development project at 12282 Beach Boulevard.

**8. UNFINISHED BUSINESS                      None.**

## **9. NEW BUSINESS**

### **9A. APPROVAL OF THE ATHLETIC FIELD USE AND ALLOCATION POLICY**

The City currently operates one multi-purpose sports field at the Norm Ross Sports Complex. After June 25, 2016, the City will operate an additional sports field at the newly constructed Stanton Central Park. This new sports field will have one softball field with three soccer field overlays. In order to give priority to resident based organizations and City sponsored events/leagues, and maintain order in the field distribution process, it is necessary to create guidelines that outline a fair and equitable policy when disseminating field usage.

#### **RECOMMENDED ACTION:**

1. City Council declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
2. City Council approve the proposed Athletic Field Use and Allocation Policy.

### **9B. AGREEMENT WITH HDL SOFTWARE LLC**

In order to allow business license applications and renewals online, to reduce staff time and to fully utilize the new Business License Specialist position, an agreement with HdL Software LLC to provide business license software and credit card processing services is being recommended.

#### **RECOMMENDED ACTION:**

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly; and
2. Authorize the City Manager to sign a three-year contract with HdL Software LLC with a not to exceed value of \$53,179 for business license software and credit card processing services.



**9C. PRESENTATION BY COASTLINE ADVERTISING CORPORATION REGARDING NEW BUS SHELTERS**

Coastline Advertising Corporation maintains the City's bus stops and shelters through a franchise agreement. Staff has identified that many of the bus shelters along Beach Boulevard are dilapidated and not lit at night and have asked for a plan to replace these shelters. A conceptual plan has been developed by staff and Coastline Advertising Corporation and is being presented for the Council's consideration. If approved, a formal amendment to the franchise agreement will be brought back to the City Council at a future meeting.

**RECOMMENDED ACTION:**

1. City Council declare that in accordance with the requirements of the CEQA, this project has been determined to be exempt under Section 15301(c); and
2. Direct staff how to proceed with a franchise agreement amendment to provide new bus shelters.

**9D. ANIMAL CARE SERVICES AGREEMENT**

The County of Orange has provided animal care services to the City of Stanton for over two decades, with no issues. When City Council was informed of the County of Orange's intention to build a new shelter in Tustin at a significant capital cost to the City, staff was asked to research alternative options for this service. Staff is presenting the City of Westminster as an additional option for animal care services. Staff recommends that City Council select from the vendor options and approve the corresponding agreement(s).

**RECOMMENDED ACTION:**

1. City Council declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(4) – The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.
2. Authorize the City Manager to execute the New Shelter Participation Agreement and a ten year Agreement for Provision of OC Animal Care Services with the County of Orange **OR** a three year agreement with the Animal Control and Shelter Services Agreement with the City of Westminster.

## **10. ORAL COMMUNICATIONS - PUBLIC**

At this time members of the public may address the City Council/Successor Agency/Stanton Housing Authority regarding any items within the subject matter jurisdiction of the City Council/Successor Agency/Stanton Housing Authority, provided that NO action may be taken on non-agenda items.

- Members of the public wishing to address the Council/Agency/Authority during Oral Communications-Public or on a particular item are requested to fill out a REQUEST TO SPEAK form and submit it to the City Clerk. Request to speak forms must be turned in prior to Oral Communications-Public.
- When the Mayor/Chairman calls you to the microphone, please state your Name, slowly and clearly, for the record. A speaker's comments shall be limited to a three (3) minute aggregate time period on Oral Communications and Agenda Items. Speakers are then to return to their seats and no further comments will be permitted.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak including Council/Agency/Authority and Staff need to be recognized by the Mayor/Chairman before speaking.

## **11. WRITTEN COMMUNICATIONS                      None.**

## **12. MAYOR/CHAIRMAN COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS**

### **12A. COMMITTEE REPORTS/ COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS**

At this time Council/Agency/Authority Members may report on items not specifically described on the agenda which are of interest to the community provided no discussion or action may be taken except to provide staff direction to report back or to place the item on a future agenda.

**12B. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE MEETING**

At this time Council/Agency/Authority Members may place an item on a future agenda.

**12C. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION**

At this time Council/Agency/Authority Members may place an item on a future study session agenda.

Currently Scheduled:

- None.

**13. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL**

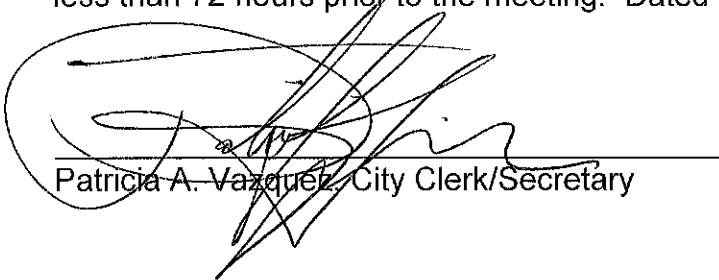
**14. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR**

**14A. ORANGE COUNTY SHERIFF'S DEPARTMENT**

At this time the Orange County Sheriff's Department will provide the City Council with an update on their current operations.

**15. ADJOURNMENT**

I hereby certify under penalty of perjury under the laws of the State of California, the foregoing agenda was posted at the Post Office, Stanton Community Services Center and City Hall, not less than 72 hours prior to the meeting. Dated this 21<sup>st</sup> day of April, 2016.



Patricia A. Vazquez, City Clerk/Secretary

CC/SA/SHA AGENDA – Joint Regular Meeting – April 26, 2016 - Page 7

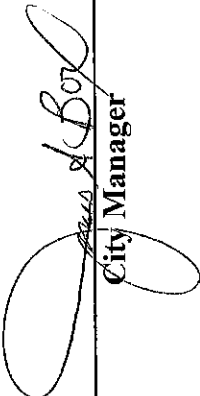
Any writings or documents provided to a majority of the City Council/Successor Agency/Stanton Housing Authority regarding any item on this agenda will be made available for public inspection at the Public Counter at City Hall located at 7800 Katella Avenue, Stanton CA, during normal business hours.

**CITY OF STANTON  
ACCOUNTS PAYABLE REGISTER**

April 6, 2016	\$252,883.90
April 14, 2016	\$125,650.08

\$378,533.98
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Demands listed on the attached registers conform to the City of Stanton Annual Budget as approved by the City Council.

  
\_\_\_\_\_  
City Manager

Demands listed on the attached registers are accurate and funds are available for payment thereof.

  
\_\_\_\_\_  
Administrative Services Director

# DRAFT

## MINUTES OF THE CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY OF THE CITY OF STANTON JOINT REGULAR MEETING APRIL 12, 2016

### 1. CALL TO ORDER / CLOSED SESSION

The City Council meeting was called to order at 6:00 p.m. by Mayor Donahue.

### 2. ROLL CALL

Present: Council Member Ethans, Council Member Ramirez, Council Member Shawver, Mayor Pro Tem Warren, and Mayor Donahue.

Absent: None.

Excused: None.

### 3. PUBLIC COMMENT ON CLOSED SESSION ITEMS None.

### 4. CLOSED SESSION

The members of the Stanton City Council of the City of Stanton proceeded to closed session at 6:02 p.m. for discussion regarding:

#### 4A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Pursuant to Government Code Section 54956.9(a))

City of Stanton vs. Green Tree Remedy et al, Orange County Superior Court Case Number: 30-2015-00813225-CU-JR-CJC

#### 4B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Pursuant to Government Code Section 54956.9(a))

City of Stanton vs. GZ Café, Orange County Superior Court Case Number: 30-2016-00836298-CU-JR-CJC

#### 4C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Pursuant to Government Code Section 54956.9(a))

Musa Madain vs. City of Stanton, Orange County Superior Court Case Number: 30-2012-00582698 (Consolidated with OCSC Case No. 30-2009-00119013)

## **DRAFT**

### **5. CALL TO ORDER / SUCCESSOR AGENCY / STANTON HOUSING AUTHORITY MEETING**

The meetings were called to order at 6:32 p.m. by Mayor/Chairman Donahue.

### **6. ROLL CALL**

Present: Agency/Authority Member Ethans, Agency/Authority Member Ramirez, Agency/Authority Member Shawver, Vice Chairperson Warren, and Chairman Donahue.

Absent: None.

Excused: None.

### **7. PLEDGE OF ALLEGIANCE**

Led by Lieutenant Sean Howell, Orange County Sheriff's Department.

The City Attorney reported that the Stanton City Council met in closed session from 6:02 to 6:30 p.m.

The City Attorney reported that there was no reportable action.

### **8. SPECIAL PRESENTATIONS AND AWARDS**

1. Presentation of Certificate of Recognition honoring Del Taco #10 as Business of the Month for the month of April 2016 in the City of Stanton.
2. Presentation of Certificate of Recognition honoring Young Leaders of Orange County (YLOC) as the Volunteer Organization of the Month for the month of April 2016 in the City of Stanton.

## **DRAFT**

### **9. CONSENT CALENDAR**

Council Member Shawver requested to pull item 9D from the Consent Calendar for separate discussion.

Motion/Second: Ramirez/Warren

Motion unanimously carried by the following vote:

Council Member Ethans abstained from Consent Calendar item 9C.

AYES: 5 (Donahue, Ethans, Ramirez, Shawver, and Warren)

NOES: None

ABSTAIN: None

ABSENT: None

The City Council/Agency Board/Authority Board approved the following Consent Calendar items:

### **CONSENT CALENDAR**

#### **9A. MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED**

The City Council/Agency Board/Authority Board waived reading of Ordinances and Resolutions.

#### **9B. APPROVAL OF WARRANTS**

1. The City Council approved demand warrants dated March 16, 2016 and March 24, 2016, in the amount of \$2,140,816.77; and
2. The City Council approved demand warrants dated March 31, 2016 in the amount of \$65,363.64.

#### **9C. APPROVAL OF MINUTES**

The City Council/Agency/Authority Board approved Minutes of Regular Joint Meeting – March 22, 2016.

## **DRAFT**

### **9E. RESOLUTION INITIATING PROCEEDINGS AND ORDERING THE ENGINEER TO PREPARE AND TO FILE A REPORT FOR THE STANTON LIGHTING AND LANDSCAPING DISTRICT NO. 1**

As part of the annual update to the Lighting and Landscaping District No. 1, certain procedural resolutions must be adopted by the City Council. The proposed resolution orders the Engineer's report for the 2016-2017 update.

1. The City Council finds that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Section 15378(b)(4); and
2. Adopted Resolution No. 2016-10 initiating proceedings and ordering the Engineer's report for the fiscal year 2016-2017 update.

### **9F. APPROVAL OF THE SENIOR MOBILITY PROGRAM AGENCY SERVICE PLAN WITH THE ORANGE COUNTY TRANSPORTATION AUTHORITY**

The current C-1-2865 Senior Mobility Program agreement with the Orange County Transportation Authority will expire on June 30, 2016 and prior to executing the next five year extension, the attached Agency Service Plan needs City Council approval.

This agreement provides the revenue to fund the in-house van transportation program for the Senior Nutrition Transportation Program participants.

1. The City Council declared that the project is exempt from the California Environmental Quality Act ("CEQA") under section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment the activity is not subject to CEQA; and
2. Approved the Agency Service Plan required by the Orange County Transportation Authority's (OCTA) Senior Mobility Program (SMP); and
3. Authorized the City Manager to sign the Agency Service Plan on the City's behalf.



## **DRAFT**

### **9G. APPROVAL OF A REVISED MATCH REQUIREMENT FOR KNOTT AVENUE SIGNAL SYNCHRONIZATION PROJECT**

The City of Buena Park led an effort to obtain a grant to synchronize the Knott Avenue corridor from Artesia Boulevard to Lincoln Avenue. The Cities of Anaheim, Garden Grove, and Stanton joined the City of Buena Park in submitting a joint grant application to OCTA to obtain funding for the project. The final costs have exceeded the original estimates and a revised match amount from the City needs to be approved.

1. The City Council declared that in accordance with the requirements of the California Environmental Quality Act ("CEQA") this project has been determined to be exempt under section 15301(c); and
2. Approved a revised match funding in the amount of \$22,000 and authorize the use of capital project funds budgeted in FY 15/16.

### **END OF CONSENT CALENDAR**

### **9D. BEACH BOULEVARD BEAUTIFICATION BUDGET ADJUSTMENT**

Appropriate additional funds to the Beach Boulevard Beautification Project to coincide with the construction contract and costs that were awarded to USS Cal Builders by the City Council on August 25, 2015.

Motion/Second: Shawver/Warren

Motion unanimously carried by the following vote:

AYES: 5 (Donahue, Ethans, Ramirez, Shawver, Warren)

NOES: None

ABSTAIN: None

ABSENT: None

1. The City Council declared that this project is exempt from the California Environmental Quality Act ("CEQA") under Section 15301(c) - existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities; and
2. Authorized Budget Adjustment #2016-12 to increase the appropriation to the Beach Boulevard Beautification Project 225-3530-710130, in the Light/Median Maintenance (1972 Act) Fund by \$360,000.

## **DRAFT**

### **10. PUBLIC HEARINGS**

#### **10A. PERMIT PARKING CONSIDERATION FOR CHANTICLEER ROAD, LOLA AVENUE, MACDUFF STREET, WASCO STREET AND YANA DRIVE**

The City has received a petition to establish a 24-hour permit parking area for Chanticleer Road, Lola Avenue, Macduff Street, Wasco Street and Yana Drive. The petition is submitted for City Council consideration.

The public hearing was opened.

Victor Barrios, Stanton, spoke in favor of the permit parking program.

No one else appearing to speak, the public hearing was closed.

Motion/Second: Shawver/Ethans

Motion unanimously carried by the following vote:

AYES: 5 (Donahue, Ethans, Ramirez, Shawver, Warren)

NOES: None

ABSTAIN: None

ABSENT: None

1. The City Council conducted a public hearing; and
2. Declared that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
3. Adopted Resolution No. 2016-09 establishing a 24-hour permit parking area for Chanticleer Road, Lola Avenue, Macduff Street, Wasco Street and Yana Drive.

## **DRAFT**

11. **UNFINISHED BUSINESS**          None.

12. **NEW BUSINESS**

12A. **APPROVAL OF AN AGREEMENT REGARDING EXPENDITURE OF EXCESS BOND PROCEEDS BETWEEN THE STANTON SUCCESSOR AGENCY AND THE HOUSING AUTHORITY**

Staff is recommending that the Successor Agency and Housing Authority approve an agreement to allow for the expenditure of former Stanton Redevelopment Agency bond funds for the development of affordable housing in the Tina/Pacific neighborhood.

Motion/Second:      Ethans/Ramirez

Motion unanimously carried by the following vote:

AYES: 5 (Donahue, Ethans, Ramirez, Shawver, Warren)

NOES: None

ABSTAIN: None

ABSENT: None

1. The Successor Agency and Housing Authority declared that this project is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15378 (b)(4); and
2. The Successor Agency adopted Resolution No. SA 2016-03 approving a Bond Expenditure Agreement between the Successor Agency and the Housing Authority; and
3. The Housing Authority adopted Resolution No. SHA 2016-01 approving a Bond Expenditure Agreement between the Successor Agency and the Housing Authority.

## **DRAFT**

### **12B. APPROVAL OF CONTRACT WITH BANK OF THE WEST FOR BANKING SERVICES**

The City recently issued an RFP for Banking Services. The highest rated responding bank is Bank of the West, the City's current banking services provider. The contract for consideration is for a term of five years with a five year mutual extension option.

Motion/Second: Warren/Ramirez

Motion unanimously carried by the following vote:

AYES: 5 (Donahue, Ethans, Ramirez, Shawver, Warren)

NOES: None

ABSTAIN: None

ABSENT: None

1. The City Council declared that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
2. Authorized the City Manager to sign a five-year agreement for consulting services with Bank of the West with a not to exceed amount of \$20,000 for banking services.

### **13. ORAL COMMUNICATIONS – PUBLIC**

Christina Heigl, Stanton, spoke regarding parking issues on Bever Street and requested the city's assistance in creating a parking solution in her neighborhood.

### **14. WRITTEN COMMUNICATIONS**                      None.

### **15. MAYOR/CHAIRMAN/COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS**

### **15A. COMMITTEE REPORTS/COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS**

Council Member Shawver requested that Julie S. Roman, Community Services Director report on the Easter Egg Hunt, Pancake Breakfast and Resource Fair.

- Julie S. Roman, Community Services Director reported on the Easter Egg Hunt, Pancake Breakfast and Resource Fair, which was held on Saturday, March 26, 2016.

## **DRAFT**

### **15B. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE COUNCIL MEETING**

Council Member Ramirez requested to agendize discussion regarding the possibility of adopting a "good governance program" for new businesses interested in entering into the City.

### **15C. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION**

Currently Scheduled:

- None.

### **16. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL**

None.

### **17. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR**

- Public Works Director/City Engineer Allan Rigg provided the City Council with an update regarding construction on Stanton Central Park.
- Public Works Director/City Engineer Allan Rigg provided the City Council with an update regarding the Beach Boulevard Beautification Project.

### **17A. ORANGE COUNTY FIRE AUTHORITY**

- Chief Dave Steffen provided the City Council with an update on their current operations.

### **18. ADJOURNMENT** Motion/Second: Donahue/ Motion carried at 7:28 p.m.

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MAYOR/CHAIRMAN

ATTEST:

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CITY CLERK/SECRETARY

# **CITY OF STANTON**

## **REPORT TO THE CITY COUNCIL**

**TO:** Honorable Mayor and City Council

**DATE:** April 26, 2016

**SUBJECT: MARCH 2016 INVESTMENT REPORT**

### **REPORT IN BRIEF:**

The Investment Report as of March 31, 2016 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

### **RECOMMENDED ACTION:**

That the City Council:

- 1) Find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment), and
- 2) Receive and file the Investment Report for the month of March 2016.

### **BACKGROUND:**

The attached reports summarize the City investments and deposit balances as of March 2016. A summary of the City's investments and deposits is included as Attachment A. The details of the City's investments are shown in Attachment B. The City's cash and investment balances by fund type are presented in Attachment C.

### **ANALYSIS:**

The City's investment in the State Treasurer's Local Agency Investment Fund (LAIF) continues to be available on demand. The effective yield on LAIF for the month of March 2016 was 0.506%. The City's other investments are shown on Attachment B and have a weighted investment yield of 1.29%. Including LAIF, the Stanton Central Park depository account and the City's deposit in the Bank of the West money market account, the weighted investment yield of the portfolio is 0.63%, which exceeds the benchmark LAIF return of 0.506%.

The weighted average maturity of the City's investments at March 31, 2016 is 886 days. Including LAIF, the Stanton Central Park depository account and a money market account, it is 245 days. LAIF's average maturity at March 31, 2016 was approximately 179 days.

The City was able to exceed the LAIF benchmark return, through Chandler Asset Management's diversification of the portfolio and pushing the weighted average maturity to more than quadruple the LAIF average maturity.

#### **FISCAL IMPACT:**

All deposits and investments have been made in accordance with the City's 2015-16 Investment Policy. The portfolio will allow the City to meet its expenditure requirements for the next six months. Staff remains confident that the investment portfolio is currently positioned to remain secure and sufficiently liquid.

Chandler Asset Management controls the City's \$9.4 million investment portfolio. City staff continues to have control over investments in LAIF and the Bank of the West Money Market Account.

#### **ENVIRONMENTAL IMPACT:**

None

#### **LEGAL REVIEW:**

None.

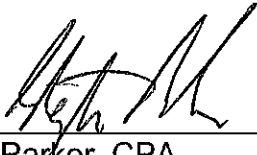
#### **PUBLIC NOTIFICATION:**

Through the agenda posting process.

#### **STRATEGIC PLAN OBJECTIVE ADDRESSED**

4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:



Stephen M. Parker, CPA  
Administrative Services Director/Treasurer

Approved:



James A. Box  
City Manager

**Attachments:**

- A. Investments and Deposits
- B. Investment Detail
- C. Cash and Investment Balances by Fund Type



**CITY OF STANTON, CA**  
**INVESTMENTS AND DEPOSITS**  
**March 31, 2016**

Investment Type	Issuer	Date of Maturity	Interest Rate	Par Value	Cost	% of Total	Market Value	Market Value Source
State Pool (LAIF) - City portion <sup>1</sup>	State of California	On Demand	0.51%	\$ 20,471,321	\$ 13,818,073	59.58%	\$ 13,806,838	LAIF
Investments <sup>2</sup>	Various	Various	Various	\$ 9,310,904	9,373,312	40.42%	9,388,439	US Bank
Subtotal - Investments					\$ 23,191,385	100.00%	\$ 23,195,277	
Demand Deposits/Main Checking - City portion	Bank of the West	On Demand	N/A	N/A	\$ (3,428,932)		\$ (3,428,932)	Bank of the West
Money Market Account	Bank of the West	On Demand	0.29%	\$ 7,960,710	7,960,710		7,960,710	Bank of the West
Imprest Accts & Petty Cash	Bank of the West	On Demand	N/A	N/A	65,996		65,996	Bank of the West
Stanton Park Depository Account	US Bank	On Demand	0.02%	\$ 2,733,152	2,733,152		2,733,152	
Subtotal - Deposits					\$ 7,330,926		\$ 7,330,926	

Total Cash Investments and Deposits <sup>3</sup>

245	0.63%
Weighted Average Maturity (days)	Weighted Average Yield

\$ 30,522,311

\$ 30,526,203

<sup>1</sup> Par Value amount represents entire LAIF balance, including City and Successor Agency portions<sup>2</sup> Cost amount includes \$25,395 adjustment made to City's books at 6/30/15 to adjust portfolio to market value, per GASB 31<sup>3</sup> Weighted average maturity and yield calculations include LAIF, Investments and Money Market Account**NOTES:**

The City's portfolio is in compliance with the City's 2015-16 Investment Policy.

The portfolio will allow the City to meet its expenditure requirements for the next six months.

**CITY OF STANTON  
INVESTMENTS  
March 2016**

Attachment B

Investment Type/ Broker	Institution	CUSIP Number	Purchase Yield	Coupon Rate	Purchase Price	Date Purchased	Date of Maturity	Next Call Date (NC=noncallable)	Per Value	Purchase Amount	Current Market Value	Percent of Portfolio	Maximum Percent
<b>State Treasurer's Pool</b>	Local Agency Investment Fund (LAIF)		0.51%				4/1/2016	NC	20,471,321	13,818,073	13,806,838	40.81%	100%
<b>Cash Equivalents</b>									6,402	6,402	6,402	0.02%	100%
<b>Negotiable Certificates of Deposit:</b>													
Chandler Asset Management	First American Government Obligation	31848VZ03											
Multi-Bank Securities	CD - CIT Bank	17284AVP0	1.85%	1.850%	100	08/10/11	08/10/16	NC	148,000	148,000	148,675		
Multi-Bank Securities	CD - EnerBank USA	29266NRX7	1.75%	1.750%	100	08/15/11	08/15/16	NC	248,000	248,000	249,081		
First Empire Securities	CD - Camden National Bk	133033DL1	1.75%	1.750%	100	08/17/11	08/17/16	NC	248,000	248,000	249,096		
First Empire Securities	CD - Discover Bank	254670Q54	1.75%	1.750%	100	08/17/11	08/17/16	NC	140,000	140,000	140,619		
Time Value Investments	CD - GE Capital Bank	36160YSC0	1.35%	1.350%	100	10/19/12	10/19/16	NC	248,000	248,000	249,012		
First Empire Securities	CD - Goldman Sachs Bank	38143ARY3	1.85%	1.850%	100	05/09/12	05/09/17	NC	97,000	97,000	98,103		
First Empire Securities	CD - Discover Bank	254671AT7	1.75%	1.750%	100	05/09/12	05/09/17	NC	100,000	100,000	101,138		
Multi-Bank Securities	CD - Sallie Mae Bank	795450PJ8	1.60%	1.600%	100	10/01/12	09/19/17	NC	100,000	100,000	101,106		
Multi-Bank Securities	CD - American Express	02587DL08	1.55%	1.550%	100	10/04/12	10/04/17	NC	248,000	248,000	250,530		
Time Value Investments	CD - HSBC	40431G3Q0	0.75%	Variable	100	10/28/12	10/28/17	NC	248,000	248,000	244,877		
First Empire Securities	CD - Everbank	29976DPY0	1.10%	1.100%	100	11/30/12	11/30/17	NC	248,000	248,000	250,688		
									2,073,000	2,073,000	2,082,725	6.12%	30%
<b>U.S. Government Agency Securities:</b>													
Chandler Asset Management	FHLB	3130AQJR2	1.65%	2.375%	103.088	11/23/15	12/13/19	NC	200,000	205,698	208,872		
Chandler Asset Management	FHLB	3133782M2	1.16%	1.500%	101.226	02/01/16	03/08/19	NC	185,000	186,930	188,064		
Chandler Asset Management	FHLB	3130A7CV5	1.46%	1.375%	99.769	02/17/16	02/18/21	NC	160,000	159,354	159,064		
Chandler Asset Management	FHLB	313382K69	1.53%	1.750%	101.716	03/23/16	03/12/21	NC	190,000	192,005	193,260		
Chandler Asset Management	FHLB	3137EADK2	1.57%	1.250%	98.94	06/18/15	08/01/19	NC	180,000	177,745	181,462		
Chandler Asset Management	FHLB	3137EADM8	1.25%	1.250%	99.15	08/31/15	10/02/19	NC	190,000	188,394	190,819		
Chandler Asset Management	FHLB	3135G0E33	1.15%	1.125%	99.92	06/04/15	07/20/18	NC	190,000	190,204	191,343		
Chandler Asset Management	FHLB	3135G0E58	1.20%	1.125%	100.42	09/30/2015	10/19/2018	NC	195,000	195,014	196,359		
Chandler Asset Management	FHLB	3135G0G72	1.17%	1.125%	99.39	10/30/2015	12/14/2018	NC	195,000	194,709	196,223		
Chandler Asset Management	FHLB	3135G0G75	1.27%	1.500%	100.90	2/24/2016	6/22/2020	NC	200,000	201,962	202,208		
Chandler Asset Management	FHLB	3130A3UQ5	1.49%	1.875%	102.18	2/1/2016	12/11/2020	NC	185,000	188,349	189,812		
Chandler Asset Management	FHLB	3135G0F73	1.50%	1.500%	100.36	1/20/2016	11/30/2020	NC	190,000	190,035	191,902		
Chandler Asset Management	FHLB	3135G0H55	1.50%	1.875%	102.11	1/20/2016	12/28/2020	NC	190,000	193,386	194,934		
									2,450,000	2,463,784	2,485,322	7.28%	100%
<b>US Treasury</b>													
Chandler Asset Management	US Treasury	912828VG2	0.45%	0.500%	100.10	06/13/14	06/15/16	NC	150,000	150,147	150,068		
Chandler Asset Management	US Treasury	912828A59	0.58%	0.625%	100.12	05/29/14	12/15/16	NC	165,000	165,200	165,084		
Chandler Asset Management	US Treasury	912828C73	0.71%	0.875%	100.47	05/29/14	04/15/17	NC	190,000	190,885	190,452		
Chandler Asset Management	US Treasury	912828VA5	1.28%	1.125%	99.86	02/01/16	04/30/20	NC	100,000	99,356	100,141		
Chandler Asset Management	US Treasury	912828N89	1.21%	1.375%	100.65	02/24/16	01/31/21	NC	200,000	201,555	201,438		
Chandler Asset Management	US Treasury	912828U0V	1.68%	1.125%	97.75	12/22/15	03/31/20	NC	200,000	195,907	200,352		
Chandler Asset Management	US Treasury	912828V09	1.76%	2.125%	101.61	12/22/15	08/31/20	NC	200,000	203,790	208,204		
Chandler Asset Management	US Treasury	912828W00	1.78%	2.125%	101.61	12/22/15	10/31/20	NC	200,000	200,282	204,914		
Chandler Asset Management	US Treasury	912828TH3	1.19%	0.875%	99.84	09/29/15	07/31/19	NC	190,000	187,789	189,548		
Chandler Asset Management	US Treasury	912828UB4	1.37%	1.000%	98.48	10/29/15	11/30/19	NC	110,000	108,402	109,953		
Chandler Asset Management	US Treasury	912828ST8	1.25%	1.250%	100.16	05/28/15	04/30/19	NC	160,000	160,007	161,718		
Chandler Asset Management	US Treasury	912828L65	1.38%	1.375%	100.84	03/23/16	09/30/20	NC	190,000	190,090	191,588		
Chandler Asset Management	US Treasury	912828SX9	1.33%	1.125%	99.52	05/27/15	05/31/19	NC	185,000	183,541	186,236		
									2,240,000	2,236,950	2,259,696	6.61%	100%

Investment Type/ Broker	Institution	CUSIP Number	Purchase Yield	Coupon Rate	Purchase Price	Date Purchased	Date of Maturity	Next Call Date (NC=noncallable)	Par Value	Purchase Amount	Current Market Value	Percent of Portfolio	Maximum Percent
Medium-Term Corporate Notes:													
Chandler Asset Management	Wal-Mart Stores Note	9311142DE0	0.53%	0.800%	100.16	01/15/14	04/11/16	NC	150,000	150,242	150,003		
Chandler Asset Management	Berkshire Hathaway Note	084684BX8	0.70%	0.950%	100.65	01/14/14	08/15/16	NC	150,000	150,972	150,153		
Chandler Asset Management	Coca Cola Company Note	191216AU4	0.69%	1.800%	102.87	01/14/14	09/01/16	NC	150,000	154,311	150,641		
Chandler Asset Management	Intel Corp Note	458140AH3	0.85%	1.950%	102.93	01/14/14	10/01/16	NC	150,000	154,388	151,041		
Chandler Asset Management	John Deere Capital Corp Note	24422ERL5	1.11%	2.00%	102.61	01/15/14	01/13/17	NC	150,000	153,909	151,305		
Chandler Asset Management	Occidental Petroleum Note	674599CB9	1.05%	1.750%	102.10	01/24/14	02/15/17	NC	150,000	153,147	150,302		
Chandler Asset Management	Wells Fargo Corp Note	94974BFD7	1.28%	2.100%	102.67	01/24/14	05/08/17	NC	150,000	154,005	151,710		
Chandler Asset Management	US Bancorp MTN	91159HHD5	1.16%	1.650%	101.58	02/03/14	05/15/17	4/15/2017	150,000	152,369	150,788		
Chandler Asset Management	Qualcomm Inc	747525AG8	1.45%	1.400%	99.87	05/28/15	05/18/18	NC	135,000	134,787	135,683		
Chandler Asset Management	Microsoft Corp	594918BF0	1.33%	1.300%	99.80	10/29/15	11/03/18	NC	55,000	54,945	55,535		
Chandler Asset Management	Apple Inc	037833BQ2	1.71%	1.010%	100.87	02/16/16	02/22/19	NC	115,000	114,980	116,718		
Chandler Asset Management	Exxon Mobil Corp	30231GAV4	2.18%	2.222%	101.77	02/29/16	03/01/21	NC	45,000	45,000	45,797		
Chandler Asset Management	Chase CHAT	161671GC2	0.59%	1.010%	100.239	09/04/15	10/15/18	NC	125,107	125,086	125,086		
Chandler Asset Management	JP Morgan Note	48126EAA5	1.63%	2.00%	101.28	01/24/14	06/15/17	NC	150,000	151,925	151,479		
Chandler Asset Management	Bank of New York	06406HCU1	1.85%	2.200%	100.56	02/01/16	05/15/19	NC	115,000	116,290	116,894		
									1,940,000	1,966,376	1,953,133	5.81%	30%
Asset-Backed Securities:													
Chandler Asset Management	Toyota Auto Receivables 2015A	89239WAC2	1.44%	1.12%	99.99	03/04/15	02/15/19	NC	85,000	84,987	85,053		
Chandler Asset Management	Toyota Auto Receivables	89231TAB6	0.93%	0.92%	99.99	08/26/15	02/15/18	NC	55,000	54,996	54,989		
Chandler Asset Management	Honda Auto Receivables	43813NAC0	1.05%	1.04%	100.01	05/13/15	02/21/19	NC	105,000	104,984	104,856		
Chandler Asset Management	Honda Auto Receivables	438ANAB1	1.02%	1.01%	99.88	02/16/16	06/18/18	NC	75,000	74,993	74,948		
Chandler Asset Management	Toyota Auto Receivables 2014A	89231MAC9	0.89%	0.67%	99.98	03/11/14	12/15/17	NC	48,462	48,453	48,398		
Chandler Asset Management	John Deere Owner Trust	47787VAC5	0.93%	0.92%	99.98	04/02/14	04/16/18	NC	74,832	74,820	74,799		
Chandler Asset Management	Honda Auto Receivables	43814HAC2	0.89%	0.86%	99.98	06/20/14	06/15/18	NC	73,209	73,192	73,157		
Chandler Asset Management	John Deere Owner Trust	47787TAD6	1.07%	96.98%	99.78	09/03/14	11/15/18	NC	85,000	84,981	84,963		
									601,502	601,405	601,162	1.78%	10%
Subtotal Investments													
Prior Year Adjustment GASB 31													
Investments Held With US Bank													
LAIF													
Total Investments													
Depository Acct			0.02%										100%
Money Market Acct			0.29%										100%
Clawback			0.63%										100%
Total Money Market, LAIF Depository Account and Investments													
									40,476,087	33,859,852	33,859,139	100.00%	

**CITY OF STANTON**  
**CASH AND INVESTMENT BALANCES BY FUND TYPE**  
**March 31, 2016**

<b>Fund Type</b>	<b>Cash and Investments</b>	<b>Totals</b>
<b>General Fund:</b>		
<b>Pooled</b>	<b>\$ (3,438,325)</b>	
<b>Other Accounts *</b>	<b>20,133,170</b>	<b>\$ 16,694,845</b>
<b>Special Revenue, Capital Projects and Enterprise Funds:</b>		
<b>Gas Tax</b>	<b>1,532,130</b>	
<b>Proposition 1B</b>	<b>-</b>	
<b>Measure M</b>	<b>988,959</b>	
<b>Fire Emergency Services</b>	<b>(111,402)</b>	
<b>Lighting &amp; Median Maint.</b>	<b>2,291,923</b>	
<b>Sewer Maintenance</b>	<b>3,020,839</b>	
<b>Other</b>	<b>4,496,272</b>	<b>12,218,721</b>
<b>Internal Service Funds</b>		<b>1,393,167</b>
<b>Trust Funds</b>		<b>215,578</b>
<b>Total Cash and Investment Balances</b>		<b>\$ 30,522,311</b>

\* Money Market, Imprest Accounts, Petty Cash and Investments

# **CITY OF STANTON**

## **REPORT TO THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY**

**TO:** Honorable Chair and Members of the Successor Agency

**DATE:** April 26, 2016

**SUBJECT: MARCH 2016 INVESTMENT REPORT**

### **REPORT IN BRIEF:**

The Investment Report as of March 31, 2016 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

### **RECOMMENDED ACTION:**

That the Successor Agency:

- 1) Find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment), and
- 2) Receive and file the Investment Report for the month of March 2016.

### **BACKGROUND:**

The attached reports summarize the Successor Agency investments and deposit balances as of March 2016. A summary of the Agency's investments and deposits is included as Attachment A. The Agency's cash balances by fund are presented in Attachment B.

### **ANALYSIS:**

The Agency's investment in the State Treasurer's Local Agency Investment Fund (LAIF) continues to be available on demand. The effective yield on LAIF for the month of March 2016 was 0.506%.

The Agency began making investments in reserve funds other than those held by bond trustees in October 2015 for the first time. The Agency's other investments are shown on Attachment A and have a weighted investment yield of 1.58%. Including LAIF and

the Agency's portion of the Bank of the West checking and money market accounts, the weighted investment yield of the portfolio is 1.24%, which is well above the benchmark LAIF return of 0.506%.

The weighted average maturity of the Agency's investments at March 31, 2016 is 1,253 days, or almost three and a half years, as there is no immediate need for funds held in the reserve account. Including LAIF, and the checking and money market accounts, the weighted average maturity is 524 days. LAIF's average maturity at March 31, 2016 is approximately 179 days.

**FISCAL IMPACT:**

All deposits and investments have been made in accordance with the City's 2015-16 Investment Policy.

The portfolio will allow the Agency to meet its expenditure requirements for the next six months.

**ENVIRONMENTAL IMPACT:**

None

**LEGAL REVIEW:**

None.

**PUBLIC NOTIFICATION:**

Through the agenda posting process.

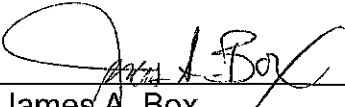
**STRATEGIC PLAN OBJECTIVE ADDRESSED:**

4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:

Approved by:

  
\_\_\_\_\_  
Stephen M. Parker, CPA  
Administrative Services Director/Treasurer

  
\_\_\_\_\_  
James A. Box  
Executive Director

**Attachments:**

- A. Investments and Deposits
- B. Cash Balances by Fund

**SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY  
INVESTMENTS AND DEPOSITS  
March 31, 2016**

Investment Type	Institution	Issuer/ Broker	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
State Treasurer's Pool - SA portion	Local Agency Investment Fund (LAIF)	State of California	On Demand	0.51%	\$ 6,653,249	\$ 6,653,249	\$ 6,655,066	LAIF
Imprest Account - SA portion	Bank of the West	Bank of the West	On Demand	N/A	(1,650,993)	(1,650,993)	(1,650,993)	Bank of the West
Clawback - Demand Deposits/Money Market Account	Bank of the West Money Market	Bank of the West	On Demand	0.29%	9,088,517	9,088,517	9,088,517	Bank of the West

Total Cash Investments and Deposits

\$ 14,090,773 \$ 14,092,590

Bond Funds Held by Trustees:

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
<b>2005 Tax Allocation Bonds - Series A (Taxable)</b>									
Principal:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$ 1.23	\$ 1.23	\$ 1.23	US Bank
Interest:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$ 2.92	\$ 2.92	\$ 2.92	US Bank
Special Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$ 1.11	1.11	1.11	US Bank
Reserve Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	202.59	202.59	202.59	US Bank
Redevelopment Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	-	-	-	US Bank

Total 2005 Tax Allocation Bonds - Series A (Taxable)

\$ 208 \$ 208

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
<b>2005 Tax Allocation Bonds - Series B (Tax-Exempt)</b>									
Principal									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$ 0.88	\$ 0.88	\$ 0.88	US Bank
Interest									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$ 1.39	\$ 1.39	\$ 1.39	US Bank
Special Fund									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$ 0.72	\$ 0.72	\$ 0.72	US Bank
Reserve Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	112.39	112.39	112.39	US Bank
Redevelopment Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	-	-	-	US Bank

Total 2005 Tax Allocation Bonds - Series B (Tax-Exempt)

\$ 115 \$ 115

115

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
<b>2010 Tax Allocation Bonds (Tax-Exempt)</b>									
Principal									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$3.84	\$3.84	\$3.84	US Bank
Interest									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$5.26	\$5.26	\$5.26	US Bank
Special Fund									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$3.97	\$3.97	\$3.97	US Bank
Reserve Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$6,519.13	\$6,519.13	\$6,519.13	US Bank
US Gov't Agency Security	Federal Home Loan Banks	Stern Agee	31380FB8	9/13/2019	1.38%	\$525,000.00	\$530,184.23	\$830,202.75	US Bank
US Gov't Agency Security	FNMA	Stern Agee	3135G0F73	11/30/2020	1.50%	\$530,000.00	\$532,368.90	\$535,305.30	US Bank
Negotiable Certificate of Deposit	Firstbank Puerto Rico	First Empire	33767ARS2	11/19/2018	1.50%	\$99,000.00	\$99,000.00	\$99,891.99	US Bank
Wells Fargo Bank Na	Wells Fargo Bank NA	MBS	9497482T3	11/19/2018	1.55%	\$249,000.00	\$249,000.00	\$251,241.00	US Bank
Goldman Sachs Bank USA	Goldman Sachs Bank USA	First Empire	38148J2Y6	11/26/2018	1.70%	\$150,000.00	\$150,000.00	\$151,330.50	US Bank
Redevelopment Fund:									
US Bank Money Market Fund	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$0.00	\$0.00	\$0.00	US Bank

Total 2010 Tax Allocation Bonds (Tax-Exempt)

\$1,567,085.33

\$1,874,503.74



Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
<b>2011 Tax Allocation Bonds - Series A (Taxable)</b>									
Principal:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$1.07	\$1.07	\$1.07	US Bank
Interest Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$4.63	\$4.63	\$4.63	US Bank
Reserve Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$11,569.80	\$11,569.80	\$11,569.80	US Bank
US Gov't Agency Security	Federal Home Loan Banks	Stern Agee	313380FB8	9/13/2019	1.38%	\$494,694.01	\$494,694.01	\$494,694.01	US Bank
US Gov't Agency Security	Private Export Funding Corp	Stern Agee	742651DV1	9/15/2020	2.30%	\$483,304.30	\$483,304.30	\$487,531.00	US Bank
Negotiable Certificate of Deposit	Ally Bank	Stern Agee	02006LUX9	10/22/2018	1.60%	\$246,000.00	\$246,782.00	\$248,597.76	US Bank
Negotiable Certificate of Deposit	Comenity Capital Bank	Stern Agee	20033ANK8	11/2/2018	1.40%	\$244,000.00	\$243,085.00	\$246,559.56	US Bank
Project Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$4,728,180.19	\$4,728,180.19	\$4,728,180.19	US Bank
DS Fund									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$1.96	\$1.96	\$1.96	US Bank

Total 2011 Tax Allocation Bonds - Series A (Taxable)

\$6,207,622.96

\$6,217,139.98

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
<b>2011 Tax Allocation Bonds - Series B (Taxable)</b>									
Principal:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$0.00	\$1.10	\$1.10	US Bank
Interest Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$5.17	\$5.17	\$5.17	US Bank
Special Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$2.56	\$2.56	\$2.56	US Bank
Bond Reserve Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$18,912.99	\$18,912.99	\$18,912.99	US Bank
US Gov't Agency Security	Federal Home Loan Banks	Stern Agee	313380FB8	9/13/2019	1.38%	\$459,358.30	\$459,358.30	\$459,509.06	US Bank
Negotiable Certificate of Deposit	Capital One Bank	Stern Agee	140420WJ5	10/9/2018	1.65%	\$218,000.00	\$219,120.00	\$220,326.06	US Bank
Negotiable Certificate of Deposit	Capital One NA	Stern Agee	14042RBJ9	10/29/2018	1.65%	\$213,000.00	\$212,811.00	\$215,232.24	US Bank
US Gov't Agency Security	Private Export Funding Corp	Stern Agee	742651DV1	9/15/2020	2.30%	\$430,000.00	\$442,171.70	\$446,039.00	US Bank
Redevelopment Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$1,582,782.19	\$1,582,782.19	\$1,582,782.19	US Bank

Total 2011 Tax Allocation Bonds - Series B (Taxable)

\$ 2,935,165

\$ 2,942,810

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
<b>2016 Series A and B</b>									
Interest Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$248.42	\$248.42	\$248.42	US Bank
Reserve Fund:									
Insurance Commitment	Build America Mutual	BAM	98INP3YD7	N/A	0.00%	\$1,656,074.91	\$1.00	\$1,656,074.91	US Bank
Cost of Issuance Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$81,661.58	\$81,661.58	\$81,661.58	US Bank
2005A Refunding Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$0.00	\$0.00	\$0.00	US Bank
2005B Refunding Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$0.00	\$0.00	\$0.00	US Bank

Total 2016 Series A and B

\$81,911.00 \$1,737,984.91

### Total Bond Fund Investments and Deposits (3)

\$ 10,792,108	\$ 12,772,762
---------------	---------------

Notes:

- (1) - There have been no exceptions to the Investment Policy.
- (2) - The Successor Agency is able to meet its expenditure requirements for the next six months.
- (3) - Restricted Bond Funds are held by the fiscal agent.

**SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY****POOLED CASH BALANCES BY FUND TYPE**

March 31, 2016

Fund	Cash Balance
710 Project 2000 Debt Service Fund	-
711 Redevelopment Debt Service Fund	-
712 Redevelopment Obligation Retirement Fund	5,071,047
720 Low and Moderate Income Housing Fund	-
721 Housing Successor Fund	-
730 Community Redevelopment Administration Fund	-
731 Successor Agency Admin Fund	(68,891)
740 Redevelopment Project Fund	-
741 Successor Agency Project Fund	100
741 Cash DDR Clawback	9,088,517

TOTAL CASH BALANCE

**\$ 14,090,773**

# **CITY OF STANTON**

## **REPORT TO THE CITY COUNCIL**

**TO:** Honorable Mayor and City Council

**DATE:** April 26, 2016

**SUBJECT: INITIAL REVIEW OF A DEVELOPMENT AGREEMENT APPLICATION  
BY USS CAL BUILDERS, INC.**

### **REPORT IN BRIEF:**

Conduct an initial review of a proposed application for a Development Agreement between the City and USS Cal Builders, Inc.

### **RECOMMENDED ACTION:**

1. City Council conduct a public hearing; and
2. Declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
3. Authorize City staff to negotiate the terms of a Development Agreement with USS Cal Builders, Inc. for a development project at 12282 Beach Boulevard.

### **BACKGROUND:**

USS Cal Builders, Inc. ("Applicant") submitted an application with the City for a development agreement relating to proposed development at the property located at 12282 Beach Blvd., at the corner of Beach Blvd. and Catherine Ave. ("Property").

### **ANALYSIS AND JUSTIFICATION:**

Section 20.510.040 of the Stanton Municipal Code provides that the City Council shall hold a public hearing to initially review an application for a Development Agreement. If, at the conclusion of the public hearing, the Council determines that it wishes to enter into a Development Agreement, the Council must also identify the general subject areas of the Development Agreement that City staff may negotiate.

USS Cal Builders, Inc. submitted a Development Agreement application to develop the Property. If the City Council decides to move forward with negotiations for a Development Agreement with the Applicant, the Council may authorize City staff to negotiate the general subject areas of the Agreement. General subject areas may include the Agreement's term, permitted uses of the Property, density or intensity of use, maximum height and size of proposed buildings, and public benefits to be provided by the Applicant.

**FISCAL IMPACT:**

The cost associated with negotiating and drafting a Development Agreement is included in the review fee to be paid by the Applicant in accordance with the City's adopted fee schedule.

**ENVIRONMENTAL IMPACT:**

This project has been determined not to be subject to CEQA under Section 15061(b)(3).

**PUBLIC NOTIFICATION:**

As a public hearing under the requirements of Government Code 65090 and 65091 and through the regular agenda posting process.

**STRATEGIC PLAN OBJECTIVE ADDRESSED:**

5 - Provide a high quality of life.

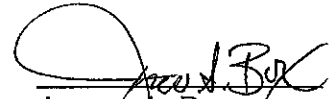
Prepared by:

  
Kelly Hart  
Community  
Development Director

Concurred by:

\_\_\_\_\_  
Matthew E. Richardson  
City Attorney

Approved by:

  
James A. Box  
City Manager

# **CITY OF STANTON**

## **REPORT TO CITY COUNCIL**

TO: Honorable Mayor and Members of the City Council

DATE: April 26, 2016

SUBJECT: **APPROVAL OF THE ATHLETIC FIELD USE AND ALLOCATION POLICY**

### **REPORT IN BRIEF:**

The City currently operates one multi-purpose sports field at the Norm Ross Sports Complex. After June 25, 2016, the City will operate an additional sports field at the newly constructed Stanton Central Park. This new sports field will have one softball field with three soccer field overlays. In order to give priority to resident based organizations and City sponsored events/leagues, and maintain order in the field distribution process, it is necessary to create guidelines that outline a fair and equitable policy when disseminating field usage.

### **RECOMMENDED ACTION:**

1. City Council declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
2. City Council approve the proposed Athletic Field Use and Allocation Policy.

### **BACKGROUND:**

When the construction of Stanton Central Park is complete, the City will have an additional sports field to schedule. With that understanding, a policy would need to be established that would shape a fair and equitable system of disseminating fields. Staff has been working to establish guidelines for the allocation and management of field usage and has created the attached Athletic Field Use and Allocation Policy for City Council's approval.

After evaluating allocation policies from eight orange county cities and taking into consideration our community needs, staff feels the proposed policy would work in

establishing a much needed process. Extensive research was done in creating a good foundation for field distribution and creating the allocation priority groups.

If approved, fields will be distributed to groups/organizations in the following order:

- A. City sponsored or co-sponsored organizations, activities and/or events.
- B. Organizations with written agreements with the City.
- C. Youth non-profit sports organizations in which at least 51% of their participants are residents.
- D. Adult non-profit sports organizations in which at least 51% of their participants are residents.
- E. Youth non-profit sports organizations in which less than 51% of their participants are residents.
- F. Resident one time usage.
- G. Any other group not listed above.

It is important to give priority to resident based organizations/groups and City sponsored events/leagues. The policy includes information the permit users will need in order to request field usage for more than a one-time use. The policy includes its purpose, policy, permit allocation, sport in season, drop-in use, liability insurance information, cancellation procedures, notice of non-use, inclement weather policy, maintenance of fields, subletting, alcohol policy, care of facilities, good neighborhood policy, fees and charges, refund policy, holidays and a code of ethics.

It is anticipated that once the new field is available for use, groups and organizations will want to utilize the fields and the recommended policy will ensure our resident groups receive priority. The main focus of the proposed policy is to give priority to resident groups and City programs, ensure the fields are distributed in a fair manner, accountability for keeping the facility in good condition and decrease the City's liability exposure.

Since this is a new process changes and/or additions may be needed as we move forward, staff will return to City Council in six to eight months to give an overview of the policy and make recommendations if changes or additions are recommended.

#### **ANALYSIS/JUSTIFICATION:**

In order to accommodate the anticipated high usage of Stanton Central Park, establishing a policy that distributes fields in a fair manner is needed to maintain order.

#### **FISCAL IMPACT:**

The establishment of a policy that acknowledges the use and distribution of city-wide fields provides the City with the ability to generate revenue and offer a first class facility to the community.

**ENVIRONMENTAL IMPACT:**

In accordance with the requirements of the CEQA, this project has been determined to be exempt under Section 15061(b) (3).

**LEGAL REVIEW:**

None.

**PUBLIC NOTIFICATION:**

Through the regular agenda process.

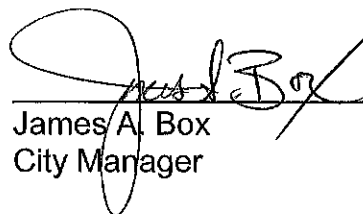
**STRATEGIC PLAN OBJECTIVE ADDRESSES:**

5 - Provide a High Quality of Life

Prepared by:

  
Julie Roman  
Community Services Director

Approved by:

  
James A. Box  
City Manager

**Attachments:**

Attachment A: Athletic Field Use and Allocation Policy





**City of Stanton**

**Athletic Field Use  
&  
Allocation Policy**

## Table of Contents

- A. Purpose/Policy**
- B. Permit Allocation/Drop In Use Permits/Liability Insurance/Notification/Cancellation**
- C. Inclement Weather/Maintenance/Subletting/Alcohol Policy**
- D. Fees and Charges Schedule/Refund Policy/Care of Facility/Good Neighbor Policy**
- E. Holidays**
- F. Code of Ethics**

**City of Stanton**  
**Community Services Department**  
7800 Katella Avenue  
Stanton, California 90960  
(714) 890-4270/ (714) 890-1443 FAX

## **A. Purpose and Policy**

### **Purpose**

To establish guidelines for the allocation and management of athletic fields permitted by the City of Stanton Community Services Department.

### **Policy**

City of Stanton Community Services Department will coordinate and allocate the use of its athletic fields for City and non-city organizations to hold league play, practice, tournaments, and other sport-related or non-sport related special events.

Athletic Fields are allocated and permitted in two, 6-month increments. Season #1 is January through July and Season #2 August through December. Season #1 will give priority to Football and Soccer and Season #2 will give priority to Baseball and Softball. The Community Services Department will monitor proper use of allocations and permits.

Priority will first be given to City Sponsored and Co-Sponsored Programs and Events and then allocation will be based on priority listed below. Submitting a permit or requesting field usage does not guarantee that every organization will receive the fields they request.

The City of Stanton Community Service Department reserves the right to increase/decrease the number of fields assigned to an organization based upon prior usage, the need to accommodate new organizations, demographics and the unavailability of fields due to maintenance.

### **Allocation Priority:**

- A. City sponsored or co-sponsored organizations, activities and/or events.
- B. Organizations with written agreements with the City.
- C. Youth non-profit sports organizations in which at least 51% of their participants are residents.
- D. Adult non-profit sports organizations in which at least 51% of their participants are residents.
- E. Youth non-profit sports organizations in which less than 51% of their participants are residents.
- F. Resident one time usage.
- G. Any other group not listed above.

\* To qualify as a Non-Profit user, the organization must be registered as a not-for-profit corporation with the State of California. Non-Profit Organizations are those organizations that have evidence of Federal 501c3 filing and state non-profit status. Organizations may be granted field use upon verification of Non-Profit status (defined above), proof of liability insurance and the submission of sports organizations required paperwork.

Organizations that do not meet all of these requirements will not receive a field allocation, but may be allowed to receive fields for use under hourly rates as a Group G, providing they meet requirements regarding liability insurance.

1

1

## **B. Permit Allocation/Drop In Use Permits/Liability Insurance/Notification/Cancellation**

### **Permit/Allocation Procedures**

- All organizations must submit a Field Allocation Request and at least one month prior to the allocation period.
- All allocation requests must have accurate start/end dates. Fields will be allocated for time frames that coincide with season play only.
- Game and practice schedules are required to be submitted no later than one week prior to the start of requested use.
- Payment in full is required one week prior to the start of requested use. Fees not paid will result in loss of field use.
- A permit will be issued to all authorized field users. The allocated organizations will receive a permit upon receipt of current season schedule for allocated field(s). Charges will be assessed by using the current Fees and Charges Schedule adopted by the Stanton City Council.

### **Sports Organizations**

Must submit the following prior to obtaining a valid field permit:

- Athletic Field Application and Agreement.
- Letter of Determination or Letter of Affirmation from the IRS that indicates a current non-profit 501(c) (3) status certificate .
- Proof of Organizations affiliation with a national or state sport governing body, if issued.
- Organizations Bylaws and Charter Information.
- A current list of Board members with current contact information .
- Groups C & D must provide proof of the groups 51% residency no later than 10 days after their registration process has concluded. Valid proof of individual participant's Stanton residency is required.
- Payment for usage.

### **Drop-In Rental Permits**

- Using the fields without a permit is not allowed.
- Fields will be available for drop-in use based on the availability and on a first-come, first served basis.
- Same day/evening permit requests must be made by noon of that day.
- Reservations must be requested a minimum of 24 hours prior to the desired date and time.
- Reservations for field use for an upcoming weekend (Friday evening, Saturday, and Sunday) must be made no later than Thursday by 2:00 P.M. of the same week.

**Liability Insurance**

Facility users shall secure and maintain, throughout the period of use contemplated under this agreement, general liability insurance with policy limits of \$1,000,000 per occurrence naming the City of Stanton as additional insured.

Facility User agrees to hold the City of Stanton harmless and free from any liability of any nature arising out of the use of assigned fields or facilities. This policy must be provided prior to receiving a permit for allocated fields.

**Notice of Non-Use of Field**

Any organization that has been allocated fields and does not intend to use them according to the permit, shall notify the Community Services Department so that the field(s) can be re-allocated to allow other organizations the opportunity to utilize the fields. Failure to comply with this non-use of a field procedure may also result in revocation of allocated field(s). Current refund policy applies to all non-used fields.

**Permit Cancellation**

The City of Stanton may cancel the use of fields for any of the following:

- Work/renovations involving any of the facilities.
- City of Stanton special events.
- When the health and safety of participants are threatened due to impending conditions, including but not limited to, heavy rains, severe heat warnings, pesticide spraying, and/or high winds.
- Non-adherence to Athletic Field Use and Allocation Policy or any City ordinance.

## **C. Inclement Weather/Maintenance/Subletting/Alcohol Policy**

### **Inclement Weather Field Closures**

The City of Stanton reserves the right to close any field due to inclement weather. In case of inclement weather, the scheduled field/facilities are not to be used. Be aware that if organizations use the field/facility during inclement weather, you and your organization will be held responsible for any and all damages that may occur as a result of such use including repair costs and lost revenue due to prolonged closure. It is the user group's responsibility to call the Community Services Department to verify field closures.

### **Field Maintenance/Renovation**

To help maintain the quality and playability of our fields, field closures may be scheduled throughout the year to allow for field maintenance and renovation. The City of Stanton does attempt to be flexible in accommodating user groups, however the health and safety of the user and the condition of the facility takes priority. This could affect any number of fields that are available during the allocation period and may require organizations to use alternate locations.

### **Subletting and Assignment of Athletic Fields**

At no time may an organization or individual sublease their assigned fields to other user groups. Organizations not using their fields must notify the Community Services Department to inform the department of any fields not being used. The subletting of any City fields by any user/organization will result in automatic **revocation of all permits**. The City of Stanton will not allocate fields to this organization in the future.

### **Alcohol Policy**

Consumption of alcoholic beverages is strictly prohibited. It is prohibited to consume alcoholic beverages on street, highway, road, alley, sidewalk, school grounds, playgrounds, fields, courts, and other facilities designed or used for athletic events or games, parking lots and parking structures that are open to the public, and parked vehicles in the public structures that are open to the roadways, parking lots, stalls, pens, arenas, and at youth events. No glass bottles allowed.

## **D. Fees and Charges Schedule/Refund Policy/Care of Facility/Good Neighbor Policy**

### **Fees and Chagres Schedule**

All users will be charged according to the current City of Stanton Fees and Charges Schedule.

### **Payments/Refund Policy**

All payment of fees must occur before use of the facility. All payments must be made in appropriate United States currency, money order, check or by credit card. Refunds will be made based on the Department's refund policy.

### **Care of Facility**

Reserved areas must be left clean and all trash must be put in appropriate trash receptacles. If areas are not left in acceptable condition, a cleaning/repair service charge will be assessed and billed to the responsible party.

### **Good Neighborhood Policy**

- Give priority to traffic safety and the reduction of parking issues such as parking in, or blocking neighbors' driveways, public alleys, and sidewalks, which are violations of the law.
- Educate organization participants and guests about neighborhood parking restrictions and encourage safe and responsible driving.
- Educate participants and guests to arrive quietly and to depart in the same manner to avoid disrupting the neighborhood.
- Foster and maintain good community relations and cooperation with neighborhood and authorities.
- Respect the rights of neighbors and follow existing laws and ordinances.
- Respect speed limits.
- Minimize the use of car horns in parking lots.



## **E. Holidays**

### **Holidays**

Athletic facilities are not available for reservations/permitting on:

**New Year's Day, Easter, 4th of July, Thanksgiving, Christmas Eve, Christmas Day, and New Year's Eve.**

## **F. Code of Ethics**

### **Code of Ethics**

The City's Code of Ethics provides guidelines for conduct to be adhered to by all participants using City or City assigned Athletic Facilities, including: coaches, officials and spectators. A Code of Ethics will be distributed to all Sports and Recreation Leagues and individual permit applicants when use permits are issued. It is the responsibility of the leagues and permit holders to provide a copy or convey the expectations of the Code of Ethics to all facility users, for example, enrolled players, coaches, parents and officials. Leagues are expected to maintain the order of players, coaches, parents and officials as stated in the Code of Ethics.

# **CITY OF STANTON**

## **REPORT TO THE CITY COUNCIL**

**TO:** Honorable Mayor and City Council

**DATE:** April 26, 2016

**SUBJECT: AGREEMENT WITH HDL SOFTWARE LLC**

### **REPORT IN BRIEF:**

In order to allow business license applications and renewals online, to reduce staff time and to fully utilize the new Business License Specialist position, an agreement with HdL Software LLC to provide business license software and credit card processing services is being recommended.

### **RECOMMENDED ACTION:**

That City Council

- 1) Find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.
- 2) Authorize the City Manager to sign a three-year contract with HdL Software LLC with a not to exceed value of \$53,179 for business license software and credit card processing services.

### **BACKGROUND:**

Since 2007 the City of Stanton has outsourced its business license enforcement to Municipal Auditing Services (MAS). MAS utilized internal software to assist in the collection of information from the Board of Equalization, Franchise Tax Board and other sources to ensure that businesses registered in the City of Stanton were paying their business license tax.

In 2007 the City implemented Springbrook Software as its General Ledger software. Incorporated in that software is a Business License module, which allows for the collection and tracking of information for businesses licensed with the City. The ability

to export information out of the Business License module is quite poor, with the only option being a text file that truncates information. In addition, the Business License module lacks other functionality that business license-specific software on the market regularly includes (such as the ability to import files from the Board of Equalization and Franchise Tax Board to identify businesses registered with the state that reside in the City of Stanton).

In the 2015 Strategic Plan, initiative #6.2 calls for modifying and enhancing the City website to include additional transparency and easier navigation. One of the goals of the Administrative Services department was to allow business license applications and renewals to be submitted online. As such, funding was put in the FY 2015-17 budget to attempt to get business licenses online in Stanton.

### **ANALYSIS/JUSTIFICATION:**

Staff contacted the three largest vendors in the state for quotes for business license software – HdL, Progressive Solutions and MuniServices. MuniServices' quote included processing the licenses, and was more than twice as expensive annually. With the City's recent issues of outsourcing business license functions, this option was quickly ruled out. Staff reviewed presentations, called references and completed site visits for the other two vendors – Progressive Solutions Inc. and HdL Software LLC.

Of the three proposals received, staff believes that HdL Software LLC is the best software for the City based on a superior user interface, simple online renewal process, ease of use and ability to offer more code compliance capabilities. In addition, the City already has a proven partnership with HdL for sales and property tax services.

HdL Software has expanded to over 140 agencies and nine states while maintaining a 99% retention rate. They have put significant investments in research and development to ensure that their software applications are constantly improving and keeping pace with breakthroughs in technology and design. Their software is developed, installed and implemented by people who have intimate knowledge about what cities do because they have done it themselves.

### **FISCAL IMPACT:**

HdL's implementation cost is not to exceed \$18,200, with an annual maintenance expense of \$7,500 beginning July 1, 2016, which increases by CPI with a cap of 5%. In addition, any business licenses renewed online would be processed through HdL's merchant services vendor at a rate of 2.9% + \$0.30 per transaction. The attached not to exceed contract assumes the maximum 5% CPI as well as 800 businesses applying and renewing \$110,000 worth of business licenses online in the first year, with 10% growth for the subsequent two years. Funding for this expense is found in the Information Technology Budget in account 101-1510-608145.

**ENVIRONMENTAL IMPACT:**

None.

**LEGAL REVIEW:**

The City Attorney has reviewed and approved the attached resolution and agreements.

**PUBLIC NOTIFICATION:**

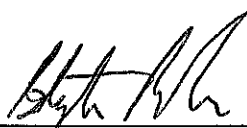
Through the agenda posting process.


**STRATEGIC PLAN OBJECTIVES ADDRESSED:**

- 4. Ensure Fiscal Stability and Efficiency in Government
- 6.2 Modify and Enhance the City's website to include additional transparency and easier navigation

Prepared by:

Approved by:

  
\_\_\_\_\_  
Stephen M. Parker, CPA  
Administrative Services Director

  
\_\_\_\_\_  
James A. Box  
City Manager

**Attachment:**

- A. HdL Software LLC Professional Standards Agreement

## **AGREEMENT FOR CONSULTANT SERVICES**

**THIS AGREEMENT**, is made and effective as of April 26, 2016 between the City of Stanton, a California Municipal Corporation ("City") and HdL Software LLC, ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**

This Agreement shall commence on April 26, 2016 and shall remain and continue in effect until tasks described herein are completed, but in no event later than October 1, 2019 unless sooner terminated pursuant to the provisions of this Agreement. Prior to the expiration of this agreement on October 1, 2019, the City may in its sole discretion extend this agreement for additional one-year periods upon terms acceptable to the City.

2. **SERVICES**

Consultant shall perform the tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibits A and B.

3. **PERFORMANCE**

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience, and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. **CITY MANAGEMENT**

City's Director of Administrative Services shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but not including the authority to enlarge the Scope of Service or change the compensation due to Consultant. City's City Manager shall be authorized to act on City's behalf and to execute all necessary documents that enlarge the Scope of Service or change Consultant's compensation, subject to Section 5 hereof.

5. **PAYMENT**

(a) The City agrees to pay Consultant annually the monthly, in accordance with the payment rates and terms and the schedule of payment as set forth herein, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed fifty three thousand, one hundred ninety

seven dollars (\$53,197) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement that are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Consultant at the time City's written authorization is given to Consultant for the performance of said services. The City Manager may approve additional work not to exceed ten percent (10%) of the amount of the Agreement, but in no event shall such sum exceed ten thousand dollars (\$10,000.00). Any additional work in excess of this amount shall be approved by the City Council.

(c) Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

6. **SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE**

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the consultant at least thirty days (30)) prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City pursuant to Section 3.

7. **DEFAULT OF CONSULTANT**

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises

out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the City Manager or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have thirty days (30) after service of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. **OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts there from as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. However, use of data by City for other than the project that is the subject of this agreement shall be at City's sole risk without legal liability or exposure to Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.



9. **INDEMNIFICATION**

(a) Indemnification for Professional Liability. Where the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City, and any and all of its officials, employees and agents (collectively "Indemnified Parties"), from and against any and all claims, charges, complaints, liabilities, obligations, promises, benefits, agreements, controversies, costs, losses, debts, expenses, damages, actions, causes of action, suits, rights, and demands of any nature whatsoever, including but not limited to the extent same are caused or contributed to in whole or in part which relate to or arise out of any negligent, intentional or willful act, omission, occurrence, condition, event, transaction, or thing which was done, occurred, or omitted to be done (collectively "Claims"), by Consultant, its officers, agents, employees or subcontractors (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement without regard to whether such Claims arise under the federal, state, or local constitutions, statutes, rules or regulations, or the common law. With respect to the design of public improvements, the Consultant shall not be liable for any injuries or property damage resulting from the reuse of the design at a location other than that specified in Exhibit A without the written consent of the Consultant.

(b) Indemnification for Other Than Professional Liability. In addition to indemnification related to the performance of professional services and to the full extent permitted by law, Consultant shall further indemnify, protect, defend and hold harmless the City and Indemnified Parties from and against any liability (including Claims) where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements which indemnify, protect, defend and hold harmless the City from liability, with provisions identical to those set forth here in this Section 9 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required, this failure shall be a material breach of this Agreement, and Consultant agrees to be fully responsible according to the terms of this entire Section 9. City has no obligation to ensure compliance with this Section by Consultant and failure to do so will in no way act as a waiver. This obligation to indemnify and defend City is binding on the successors, assigns or heirs of Consultant, and shall survive the termination of this Agreement or this section.

(d) Obligation to Defend. It shall be the sole responsibility and duty of Consultant to fully pay for and indemnify the City for the costs of defense, including but not limited to reasonable attorney's fees and costs, for all Claims against the City and the Indemnified Parties, whether covered or uncovered by Consultant's insurance, against the City and the Indemnified Parties which arise out of any type of omission or error, negligent or wrongful act, of Consultant, its officers, agents, employees, or subcontractors. City shall have the right to select defense counsel.

10. **INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit D attached to and part of this Agreement.

11. **INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to the City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. **LEGAL RESPONSIBILITIES**

The Consultant shall keep itself informed of State and Federal laws and regulations, which in any manner affect those employed by it or in any way, affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

13. **UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of the City of Stanton in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City of Stanton will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

14. **NO BENEFIT TO ARISE TO LOCAL EMPLOYEES**

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

15. **RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or sub consultants, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or sub consultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such

response does not imply or mean the right by City to control, direct, or rewrite said response.

16. **NOTICES**

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Stanton  
7800 Katella Ave  
Stanton, California 90680  
Attention: City Clerk

To Consultant: HdL Software LLC  
1340 Valley Vista Drive, Suite 200  
Diamond Bar, California 91765

17. **ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Because of the personal nature of the services to be rendered pursuant to this Agreement, only HdL Software LLC shall perform the services described in this Agreement.

18. **LICENSES**

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

19. **GOVERNING LAW**

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over the City of Stanton.

20. **ENTIRE AGREEMENT**

This Agreement contains the entire understanding that between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. **CONTENTS OF PROPOSAL**

Consultant is bound by the contents of the proposal submitted by the Consultant, Exhibits "A" and "B" hereto.

22. **AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed the day and year first above written.

**CITY OF STANTON**

**CONSULTANT**

By: \_\_\_\_\_  
James A. Box  
City Manager

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Typed Name)

Its: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Patricia A. Vazquez, City Clerk

Approved As To Form:

\_\_\_\_\_  
Matthew E. Richardson, City Attorney

## EXHIBIT A - SCOPE OF SERVICE

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### 1. Prime Software System

- 1.1. **City Management Support** - HdL will assist the City in evaluating current policies and procedures in order to enhance operational efficiency. This may include suggestions to redesign forms/reports, implement new processes, or adopt new strategies for improving communication with the business community and other City departments.
- 1.2. **Data Conversion** - HdL will convert the City's existing data. If City is migrating from HdL "Classic" Business License, City will provide a current backup of the existing Microsoft Access or Microsoft SQL Server HdL database. If City is converting from another vendor's software, the City agrees to provide its current data in ASCII delimited file format, SQL Server backup, or another format agreed upon between HdL and the City; along with a file layout detailing the content of the file. This data will be required a minimum of two times during the conversion process. The City understands that the second (and any subsequent) data set must be provided in the same format and layout as the first data set. Any inconsistencies between the first and second data sets will result in a delayed installation date and additional charges for conversion.

#### 1.3. Implementation

##### 1.3.1. HdL's responsibilities

- 1.3.1.1. **Project manager** - HdL will provide a project manager (PM) to guide the software implementation process. The primary responsibility for the HdL PM is to ensure successful and timely completion of each step of the software implementation schedule. The HdL PM will work closely with the City's designated project manager to define the software implementation schedule, identify City needs and configure the software accordingly, validate the data conversion, provide user training, and generally shepherd the City through the software implementation process.
- 1.3.1.2. **IT support** - HdL will provide a dedicated IT staff member to provide IT support during the software implementation process. This individual will provide the necessary instruction and assistance in order to install the software in the City's computing environment, and will provide any needed technical support.
- 1.3.1.3. **Training** - HdL will provide software training as defined in the agreed upon software implementation schedule. This generally consists of two separate training sessions. The size and participants of each training session will be determined by the HdL PM and the City's designated project manager.
- 1.3.1.4. **User manual** - HdL will provide access to a digital copy of the software user manual. The City may use the manual as needed for internal use by City staff. The user manual contains proprietary and confidential information, and as such is bound by the confidentiality portion of this agreement. The user manual may not in any circumstances be distributed to any 3<sup>rd</sup> party or any individual that is not a current City staff member responsible for using or maintaining the software.

##### 1.3.2. City's responsibilities

- 1.3.2.1. **Project manager** - The City will designate a staff member to serve as the City's project manager (PM). This individual must be intimately involved in the daily business processes which the software will automate, and be empowered to make, or quickly secure from management, decisions required for the implementation of the software. The primary responsibility for the City PM is to ensure that all City responsibilities during the software implementation are met according to the agreed upon software implementation schedule. The City PM will be instrumental in the successful implementation of the software; working closely with the HdL PM to verify data conversion, review and approve reports, establish business rules, and configure all aspects of the software.
- 1.3.2.2. **IT support** - The City will designate an IT staff member to work with HdL staff throughout the software implementation process. This individual must be knowledgeable about the City's computing environment and be authorized to manage the SQL Server database and install

and configure software on the network server and workstations. The primary responsibility of the City's IT designee is to provide data to HdL for conversion (if required), install the SQL Server database, and install the software in the City's computing environment.

- 1.3.3. **Schedule** – The default timeline for complete implementation (including "Go Live") of the software is approximately 60 days from the start of implementation. When the Agreement is signed by all parties, HdL will immediately work with the City to establish a specific implementation schedule.
- 1.4. **Payment Gateway** - For online payment functionality HdL's solutions include built in payment gateway services supporting both credit card and eCheck transactions. If a different payment gateway is required, there will be a \$5,000 development cost to establish the custom payment gateway integration.
- 1.5. **Maintenance and Support**
  - 1.5.1. **Customer Support** - HdL will provide customer support by telephone, email and the web during the term of this Agreement. In the United States, no charge support is available as follows: For customer support between the hours of 8:00 am and 5:00 pm Pacific time, Monday through Friday, email support@hdlcompanies.com or call the HdL offices at (909) 861-4335 and ask for software support. For technical support before 8:00 am or after 5:00 pm Pacific time, Monday through Friday (or anytime Saturday), email 911@hdlcompanies.com and an HdL staff member will be paged. Please only include your name, agency and contact # in emails to 911@hdlcompanies.com. You will be contacted as soon as possible.
  - 1.5.2. **Support Policy Regarding Reports** - HdL provides a number of reports with the installation of the software. These reports are developed using Crystal Reports and fall into one of two categories, standard or HdL custom developed. HdL provides support on both standard and HdL custom developed reports, provided that the reports have not been modified by the client or other third party. As part of support, HdL will make minor modifications to reports as needed by the City. This includes change of logo, phone #, address, signatures, and minor text edits. Other report edits and modifications requested by the City may not be covered under the Software Use Fee, and will be developed on a time and material basis at the current rate.
  - 1.5.3. **Software Upgrades** - Except to the extent that upgrades of the software include new modules or features not previously offered as part of the software as of the date hereof, City is entitled to upgrades of the software within the terms of this Agreement. Though rare, additional costs may apply depending on the extent of the upgrade. Potential additional costs include training, consulting, configuration, or other requested services.
  - 1.5.4. **Outside Connections to HdL Database** - HdL programs rely on the integrity of the database to operate properly. As such, it is critical that any outside connection to the database be implemented with HdL's full knowledge and participation. Only "read only" connections will be established to the HdL database. No modifications will be made to the HdL database, including database/table design and data content. Any repair work necessary due to violations of the above items will not be covered by the Software Use Fee, and as such will be billable to the client on a time and material basis. The City shall contact HdL for instructions if any added functionality is required, including reading additional data or writing to the HdL database.
- 1.6. **System Requirements** - The software and database will be installed on the City's network on hardware supplied by the City. Any specifications provided below indicate minimum requirements. It is the City's responsibility to ensure that any hardware used to host the software/database or run the client application meets the specifications dictated by the operating system and any software/services hosted by the hardware. For example, minimum operating system specifications will not be sufficient if the file server is also hosting the City's email system.
  - 1.6.1. **Application Server Specifications** - The application server will host the HdL Prime web service, which serves as the HdL Prime business layer. The HdL Prime web service uses the Microsoft Windows Server with IIS platform. The following versions are supported: MS Windows Server 2003 / 2003 R2, with IIS v6.0 or later, MS Windows Server 2008 / 2008 R2, with IIS v7.0 or later, MS Windows Server 2012 / 2012 R2, with IIS v8.0 or later. The application server should have at least 200 megabytes of space available.
  - 1.6.2. **Database Server Specifications** - The database server will host all application data. The database server should be dedicated to server related functions. Using a client's PC as the database server in



a multi-user environment is not supported. HdL Software systems use the Microsoft SQL Server database platform. The following versions are supported: MS SQL Server 2008 / 2008 Express, MS SQL Server 2008 R2 / 2008 R2 Express, MS SQL Server 2012 / 2012 Express, MS SQL Server 2014/ 2012 Express. Any server operating system supported by the selected version of SQL Server is supported as a database server; provided it meets the hardware specifications indicated by both the operating system and the version of SQL Server. The database server should have at least 15 gigabytes of space available to allow for the initial database and growth.

**1.6.3. Workstation Specifications** - The software will be run on the client workstation. HdL Prime is deployed to the workstation via a click once installer. The Crystal Reports and .NET 4.x runtimes will also need to be installed on the workstation. The following hardware recommendations are based on user feedback regarding performance levels: 4+GB Memory, 1280x1024 screen resolution, MS Windows XP Pro/Vista/7/8/10 operating system.

**1.6.4. Network Specifications** - The software communicates via web services, and is designed to operate efficiently over the network. High-speed local area network connections are always helpful, but Prime will also run without difficulty over slower WAN connections such as T1 or mobile broadband.

**1.6.5. Printer Specifications** - The software is designed to work with laser printers. A PCL compliant laser printer is recommended. Each make and model of printer has different drivers and therefore has slightly different results when printing. We design forms/reports using HP LaserJet printers.

## **2. Payment Processing Services**

**2.1. Payment Processing** - HdL shall provide its Services to support payments remitted to City. HdL shall transmit transactions for authorization and settlement through HdL's certified payment processor. Funds for transactions processed by HdL hereunder shall be submitted to City's designated bank account as follows: (i) no more than two (2) business banking days after all Transactions (other than electronic Check Transactions) that are successfully processed prior to 5:00 p.m. ET on each business banking day (e.g., a Transaction authorized at 2:00 p.m. ET on Monday will be submitted on Wednesday; a Transaction successfully processed at 8:00 p.m. ET on Monday will be submitted on Thursday); and (ii) no more than five (5) business banking days for all electronic Check Transactions that are successfully processed prior to 5:00 p.m. ET on each business banking day. HdL makes no representation or warranty as to when funds will be made available by Client's bank.

**2.2. Support** - HdL shall provide City with payment processing related customer service as needed. City shall timely report any problems encountered with the service. HdL shall promptly respond to each report problem based on its severity, the impact on City's operations and the effect on the service. HdL shall either resolve the problem or provide City with the information needed to enable the City to resolve it.

**2.3. Transaction Errors** - HdL's sole responsibility for any Transaction error or reversed Transaction is to determine whether the result indicates a problem with HdL's service and, if necessary, reprocess and resubmit the Transaction without additional charge. In the event that a Transaction is reversed or refunded to any Customer of City, for any reason, HdL may offset such amount against funds remitted to City, or invoice City for such amount, at HdL's discretion. City shall pay any such invoice within 30 days of receipt.

**2.4. Electronic Check Authorization** - If City elects to accept electronic Checks as a form of payment, the following subsections apply. For the purpose of this section, "checks" means checks drawn on accounts held in the U.S. ("Check(s)").

**2.4.1.** As part of the implementation plan, City shall select risk management controls governing Check acceptance and assumes sole responsibility for the choice of controls.

**2.4.2.** HdL shall provide confirmation on a submitted ABA number as part of the Service to assist Client with the decision whether to accept a Check and shall route accepted Checks.

**2.4.3.** City hereby authorizes HdL to debit the City's financial institution account in the amount of any returned item that is received by HdL.

### **2.5. City Responsibilities**

**2.5.1.** As a condition to its receipt of the Service, City shall execute and deliver any and all applications, agreements, certifications or other documents required by Networks or other third parties whose consent or approval is necessary for the processing of Transactions. "Network" is an entity or

association that operates, under a common service mark, a system which permits participants to authorize, route, and settle Transactions among themselves, including, for example, networks operated by VISA USA and Mastercard, Inc., NYCE Corporation, American Express, and Discover.

2.5.2. City represents, warrants, and agrees that it does and will comply with applicable Laws and regulations and Network rules, regulations or operating guidelines. City shall notify HdL in writing as soon as possible in the event a claim is either threatened or filed against City by any governmental organization having jurisdiction over City or a Customer related to the Service. City shall also notify HdL in writing as soon as possible in the event a claim is either threatened or filed against City relating to Transactions or the Services or a fine or other penalty is assessed or threatened relating to Transactions or the Services.

2.5.3. City represents, warrants and agrees that it is and will continue to be in full compliance with all applicable requirements of the Client Information Security Program of VISA, the Site Data Protection Program of MasterCard, and similar programs of other Networks, and any modifications to such programs that may occur from time to time. Upon the request of HdL, City shall provide HdL with documentation reasonably satisfactory to HdL verifying compliance with this Section.

2.5.4. City hereby grants HdL the full right, power and authority to request, receive and review any Data or records reflected in a Transaction report. City represents and warrants that it has the full right and authority to grant these rights.

## **2.6. Fees**

2.6.1. If a convenience fee will be charged, the City authorizes HdL to collect each convenience fee.

2.6.2. The fees set forth in Exhibit B Payment Schedule do not include expenses, late fees or charges, or taxes, all of which shall be the responsibility of City. In addition to the charges specified in Exhibit B Payment Schedule, City shall be responsible for (a) all interchange and network provider fees, (b) all dues, fees, fines and assessments established and owed by City to Visa and/or Mastercard, (c) for all costs and fees associated with changes to ATM protocol caused by City's conversion to the Services, and (d) any increase in postage charges, provided that any increase in charges resulting from (a) through (d) shall not exceed the actual increase incurred by HdL.

2.6.3. HdL reserves the right to review and adjust all City and convenience fee pricing on an annual basis in June. This adjustment may be consistent with the then most recent ECI adjustment or three percent (3%) whichever is greater. Items that will be considered in the review of fees may include, but are not limited to: regulatory changes, card association rate adjustments, card association category changes, bank/processor dues and assessments, average consumer payment amounts, and card type utilization.

2.6.4. City agrees to maintain a depository account with a financial institution reasonably acceptable to HdL for the payment of amounts payable hereunder, and hereby authorizes HdL to initiate debit entries to such account for the payment of amounts payable hereunder. City agrees to provide HdL with any and all information necessary for HdL to initiate such debit entries via the Automated Clearing House (ACH) system. For any amount that is not paid within thirty (30) days after its due date, City shall pay a late fee equal to the lesser of one and one-half percent (1 ½%) per month of the unpaid amount or the maximum interest rate allowed by Law.

## EXHIBIT B - COMPENSATION

### 1. Prime Software System

#### One Time Project Costs

Item	Price	Comments
Prime Business License - Software License Fee	\$18,000	5 Users
Prime Web Module	Included	
Finance System Integration	Included	
Implementation	Included	Project management, installation, configuration, report design, training, etc.
Data Conversion	Included	
Travel Expenses	\$200.00	At Cost
Training Costs – 1 day	Included	6 hour day for up to 6 people
<b>TOTAL</b>	<b>\$18,200</b>	Total one-time costs

#### Recurring Costs

Item	Price	Comments
Annual Software Use Fee	\$7,500	Beginning July 1, 2016

- 1.1. **Software License Fee** - The license fee includes the use of the software by the specified number of users, software user manual in digital format, and all standard forms and reports. Additional user licenses are available for \$2,500 license fee plus \$500 annual software use fee.
- 1.2. **Annual Software Use Fee** - The software use fee is billed annually, and provides for ongoing customer support and updates to the software. The software use fee shall be adjusted at the beginning of each calendar year by the change in the Consumer Price Index – West Urban (CPI-WU) as reported by the Bureau of Labor Statistics. Each CPI adjustment will not be less than two percent (2%) or greater than five percent (5%). The software use fee shall also be adjusted to include any amounts paid for any City licenses or permits which were required for this service.
- 1.3. **Implementation** - The implementation fee covers all efforts involved for installation and configuration of the software. This includes one session of pre-installation and process evaluation, one session of “go live” training, installation support, design and programming of standard forms and reports, and configuration of the software.
- 1.4. **Data Conversion** – Data will be converted from the City provided source files. Includes one (1) conversion when migrating from an HdL system, and two (2) conversions when migrating from another vendor’s system. Additional conversions can be performed, upon request, at a cost of \$2,500 per conversion. The source files must be provided in the same format for all conversions, otherwise custom programming costs will apply in order to accommodate the varying data formats.
- 1.5. **Travel Expenses** - Travel and lodging expenses are billed at cost and apply to all meetings; including process, pre-installation, installation, training, and support. HdL is dedicated to conserving public funds, and ensures any travel costs are indeed required and reasonable.

- 1.6. **Parcel Data** - HdL Prime includes comprehensive land management functionality. There are three ways to acquire the parcel data.
- 1.6.1. If the City is a client for HdL property tax services, the parcel data will be provided at no cost.
  - 1.6.2. If the City is not a client for HdL property tax services, the parcel data may be purchased from HdL.
  - 1.6.3. If the City wishes to use any other source of parcel data, HdL can work with the City to create a re-useable import utility. The development of this utility will be billed on a time and material basis. Once the source data has been reviewed, a statement of work will be provided including a cost estimate.
- 1.7. **Customizing Services** - The software is a table-driven system and has been developed to meet almost all of the needs of a City. However, should the need occur, HdL is available to provide custom enhancements to the software on a pre-determined time and material basis. No work shall be performed without prior written approval of the City.
- 1.8. **Payment Schedule** – Compensation for the contract amount shall be as follows:
- 1.8.1. One time project costs and the first year Software Use Fee. 60% shall be due and payable within 30 days of the effective date of the Agreement. 30% within 60 days of the effective date of the Agreement. 10% within 30 days of full system delivery or first production use of the system, whichever comes first.
  - 1.8.2. Travel Expenses. Travel and lodging expenses are billed at cost as they are incurred. Travel expenses shall be due and payable within 30 days of the billing date.
  - 1.8.3. Annual Software Use Fee. The software use fee will be invoiced each year on the anniversary of 60 days after the effective date of the Agreement, and shall be due and payable within 30 days of the invoice date. The software use fee billing cycle can be prorated as needed should the City desire an alternative billing cycle.

2. **Payment Processing Services** - HdL will provide City with eCheck, credit and debit card payment processing (merchant) services under an Agency Funded Interchange Pass-through pricing model. HdL reserves the right to not accept any payment type in situations where doing so may be in violation of the rules and regulations governing that payment type.

Service (Agency Funded Model)	Compensation
Credit and Debit Cards processing	2.9% + \$0.30 per transaction
ACH/eCheck processing	\$0.50 per transaction
Monthly Reporting and Statement Fee	Waived
Monthly Hosting and Maintenance	\$30.00 per month
ACH and eCheck Returns	\$10.00 per event
Chargebacks	\$25.00 per event

### 3. **Payment**

HdL will provide detailed invoices for all work completed. City will submit payment to HdL within 30 days of receiving the invoice.

**EXHIBIT C**  
**GENERAL TERMS AND CONDITIONS**

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**1. OWNERSHIP OF MATERIALS, CONFIDENTIALITY.**

- 1.1. Software License. If access to any HdL software systems are provided to City as part of this Agreement, HdL hereby provides a license to the City to use HdL's software while the associated service is in effect through this Agreement. The software shall only be used by the City. The City shall not sublet, duplicate, modify, decompile, reverse engineer, disassemble, or attempt to derive the source code of said software. The license granted hereunder shall not imply ownership by City of said software, rights of the City to sell said software, or rights to use said software for the benefits of others. This license is not transferable. City shall not create any derivative work or product based on or derived from the Software or documentation, or modify the Software or documentation without the prior written consent of HdL. In the event of a breach of this provision (And without limiting HdL's remedies), said modification, derivative work or product based on the Software or documentation is hereby deemed assigned to HdL. Upon termination, the software license shall expire, all copies of the software shall be removed from the City's computers and network and all digital copies deleted or otherwise destroyed.
- 1.2. Agency Data. HdL acknowledges that the data provided by the City ("Agency Data") during the course of this Agreement is the property of the City. City authorizes HdL to access, import, process and generate reports from the Agency Data with its various proprietary systems. No confidential or otherwise sensitive information will be released. If appropriate, at the termination of this Agreement the Agency Data will be made available to the City in a format acceptable to both the City and HdL.
- 1.3. Proprietary Information. As used herein, the term "proprietary information" means any information which relates to HdL's software systems, audit processes or related services, techniques, or general business processes. City shall hold in confidence and shall not disclose to any other party any HdL proprietary information in connection with this Agreement, or otherwise learned or obtained by the City in connection with this Agreement. The obligations imposed by this Paragraph shall survive any expiration or termination of this Agreement. The terms of this section shall not apply to any information that is public information.

2. **OPTIONAL SERVICES.** Optional services beyond the scope of this Agreement are available at HdL's hourly rates in effect at the time service is requested. HdL will provide City a Statement of Work specifying the scope, timeline, and cost for the requested service. Depending on the personnel assigned to perform the work, HdL's standard hourly rates range between \$75 and \$275 per hour.

3. **MISCELLANEOUS EXPENSES.** HdL will notify the City of any miscellaneous expenses and request authorization to proceed. HdL will not be reimbursed for any miscellaneous expenses unless authorized by the City. Miscellaneous expenses may include travel, lodging and meal expenses, and other expenses which are above and beyond the ordinary expenses associated with performance of this Agreement.

4. **PRICING ADJUSTMENTS.** All pricing listed in this Agreement will be honored during initial implementation of the services. Any additional/optional services needed after services are active will be provided using the pricing currently established at the time the service is requested.

5. **LICENSE, PERMITS, FEES AND ASSESSMENTS.** HdL shall, in its sole expense, obtain such licenses, permits and approvals (collectively the "Permits") as may be required by law for the performance of the services required by this Agreement. City shall assist HdL in obtaining such Permits, but does not guarantee or assure that such Permits will be granted or approved.

6. **TERMINATION.** This Agreement, or individual services provided by this Agreement, may be terminated as follows:

- 6.1. Software -- Software services may be terminated by either party upon written notice at least 30 days prior to the end of the established annual billing cycle. Software services are provided on an annual basis. No credit will be provided for any unused portion of the annual term. Upon termination, the software license shall expire and (a) City will immediately remove the software from computers, servers and network, and destroy or erase all copies of the software and any Proprietary Information and confirm destruction of same by signing and returning to HdL an "Affidavit of Destruction" acceptable to HdL, and (b) upon City's request, HdL will assist in extracting the City data in a format acceptable to both the City and HdL.
- 6.2. Services - City may discontinue a service by sending a letter of intent to HdL at least 30 days prior to desired last date of service.

## EXHIBIT D

### INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this Agreement and which is applicable to a given loss, will be available to City.

Consultant shall provide the following types and amounts of insurance:

1. **Commercial General Liability Insurance** using Insurance Services Office "Commercial General Liability" policy form CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$2,000,000 per occurrence.
2. **Business Auto Coverage** on ISO Business Auto Coverage form CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant's employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.
3. **Workers Compensation** on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.
4. **Professional Liability or Errors and Omissions Insurance** as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this Agreement.

Insurance procured pursuant to these requirements shall be written by insurers that are admitted carriers in the state of California and with an A.M. Bests rating of A or better and a minimum financial size VII.

**General conditions pertaining to provision of insurance coverage by Consultant.** Consultant and City agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds City, its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992. Consultant also agrees to require all contractors, and subcontractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all contractors and subcontractors to do likewise.
3. All insurance coverage and limits provided by Contractor and available or applicable to this Agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.
4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any contractor or subcontractor.
6. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.
7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any

insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City option.

8. Certificate(s) are to reflect that the insurer will provide 30 days notice to City of any cancellation of coverage. Consultant agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the certificate.
9. It is acknowledged by the parties of this Agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, non-contributing basis in relation to any other insurance or self insurance available to City.
10. Consultant agrees to ensure that subcontractors, and any other party involved with the project that is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to City for review.
11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any contractor, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this Agreement to self-insure its obligations to City. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At that time the City shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
12. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City will negotiate additional compensation proportional to the increased benefit to City.
13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.



14. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirement in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.
15. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this Agreement. This obligation applies whether or not the Agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.
17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this Agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
19. These insurance requirements are intended to be separate and distinct from any other provision in this Agreement and are intended by the parties here to be interpreted as such.
20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

22. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this Agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

# **CITY OF STANTON**

## **REPORT TO CITY COUNCIL**

**TO:** Honorable Mayor and Members of the City Council

**DATE:** April 26, 2016

**SUBJECT: PRESENTATION BY COASTLINE ADVERTISING CORPORATION  
REGARDING NEW BUS SHELTERS**

### **REPORT IN BRIEF:**

Coastline Advertising Corporation maintains the City's bus stops and shelters through a franchise agreement. Staff has identified that many of the bus shelters along Beach Boulevard are dilapidated and not lit at night and have asked for a plan to replace these shelters. A conceptual plan has been developed by staff and Coastline Advertising Corporation and is being presented for the Council's consideration. If approved, a formal amendment to the franchise agreement will be brought back to the City Council at a future meeting.

### **RECOMMENDED ACTION:**

That the City Council:

1. Declare that in accordance with the requirements of the CEQA, this project has been determined to be exempt under Section 15301(c); and
2. Direct staff how to proceed with a franchise agreement amendment to provide new bus shelters.

### **BACKGROUND:**

The City of Stanton has 26 bus shelters throughout the City. These shelters provide residents with protection from the environment while waiting for the Orange County Transportation Authority (OCTA) bus system. OCTA currently owns and operates the bus system, but does not provide the shelters.

On January 12, 2010 the City Council awarded a 10-year franchise agreement to Coastline Advertising Corporation (Coastline) for the maintenance of the City's bus stops, which includes shelters, benches, and trash cans. The City receives a portion of the revenues from the advertising placed on the benches and shelters. Costs for new shelters are the responsibility of the City.

## **ANALYSIS/JUSTIFICATION:**

Over the years many of the shelters have become deteriorated to the point that they are falling apart. The City's Public Works crew has demolished several shelters that were in danger of collapsing. The existing shelters cannot be maintained in a safe and attractive manner. Many do not have functional electrical service so that the interior of the shelter and the advertising panels can be lit. The condition of the shelters cannot be a positive for the people utilizing them and as such it is anticipated that new shelters will increase ridership.

Coastline has prepared the attached presentation as a starting point to provide 10 new bus shelters along Beach Boulevard. This area has been selected as it has the highest ridership in the City and will complement the other improvements along Beach Blvd. Nine existing structures would be removed by City Staff. Please note that per the franchise agreement with Coastline that they are the only firm allowed to install bus shelters and benches.

The main points of the proposal are as follows:

- The total project cost is approximately \$120,000. Coastline will incur 50% of the cost, which is paid back through future fees due to the City. The other \$60,000 will be paid for by the City.
- Any remaining concrete benches in the City will be replaced with new metal benches.
- 11 year extension to the franchise agreement for a total of 15 remaining years.
- Leaning bars can be used within the shelters to reduce people sleeping within the shelters and to increase capacity of people within them.
- Solar panels are used for lighting. This includes functional lighting inside the shelters as well as lighting for the advertisements.

## **FISCAL IMPACT:**

The City can use AB2766 funds for the City's portion of the project. These funds are derived from the AQMD and must be used for programs that decrease air pollution. Increasing bus usage is an acceptable manner to expend these funds. Our current fund balance is \$139,000 and we receive around \$48,000 annually. These funds are typically used to purchase hybrid vehicles.

## **ENVIRONMENTAL IMPACT:**

None.

**LEGAL REVIEW:**

The City Attorney's office has reviewed the franchise agreement and concurs that the only firm that can install new shelters and benches is Coastline.

**PUBLIC NOTIFICATION:**

Notifications and advertisement were performed as prescribed by law.

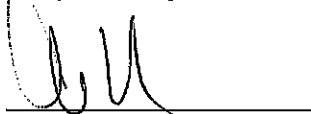
**STRATEGIC PLAN OBJECTIVE ADDRESSED:**

3 – Provide a high quality infrastructure

**ATTACHMENT:**


- 1) Power Point presentation

Prepared by:



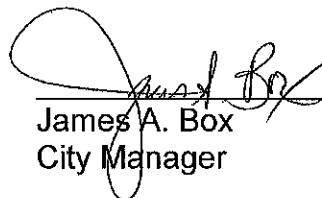
Allan Rigg, P.E.  
Director of Public Works/City Engineer

Concur



Stephen Parker  
Administrative Services Director

Approved by:



James A. Box  
City Manager



**COASTLINE**  
ADVERTISING CORP

# **TRANSIT SHELTER REPLACEMENT PROJECT**

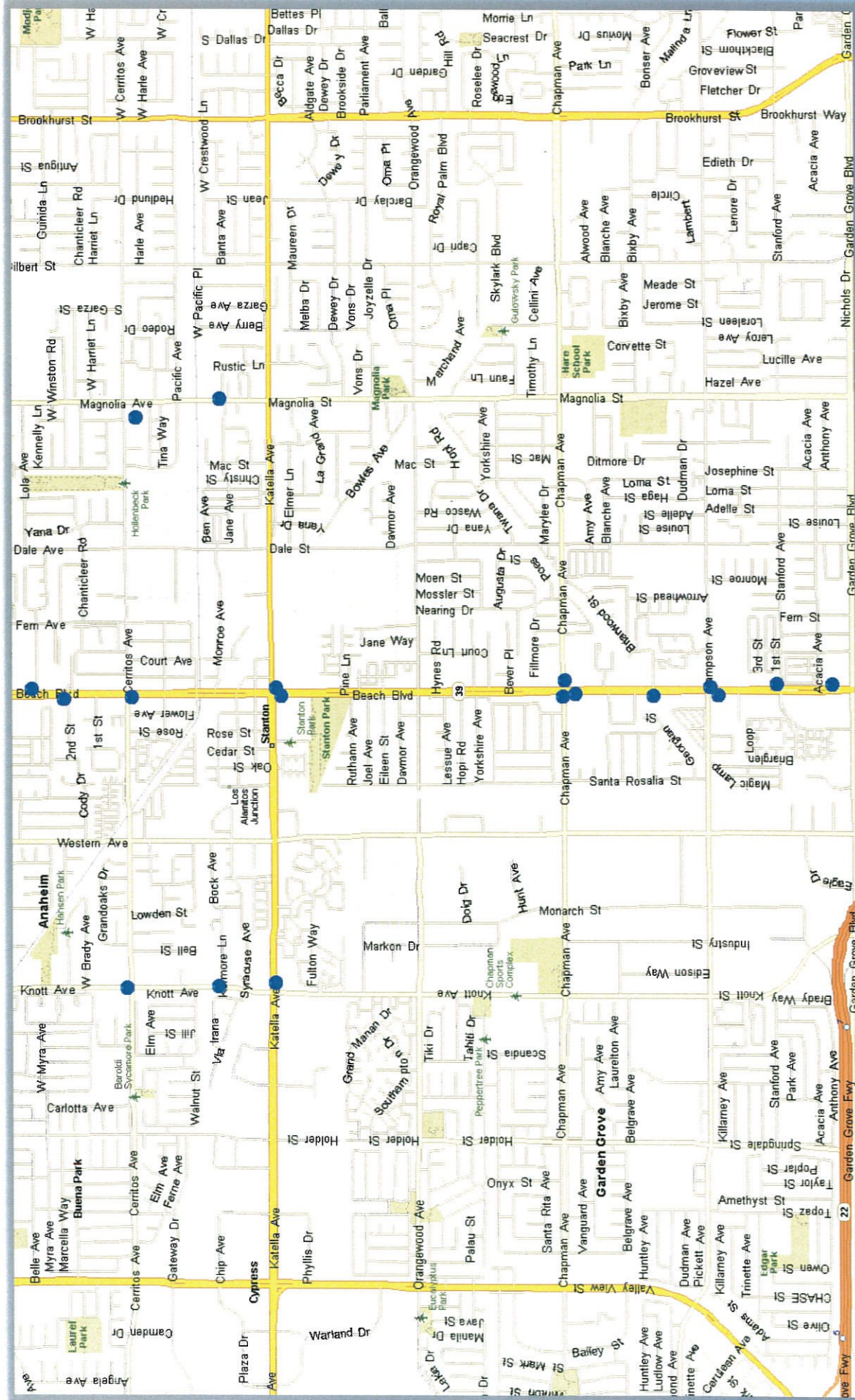
**PRESENTED TO:  
CITY OF STANTON**

11612 Knott Street, Suite 2  
Garden Grove, CA 92841-1822



# STANTON TRANSIT SHELTERS

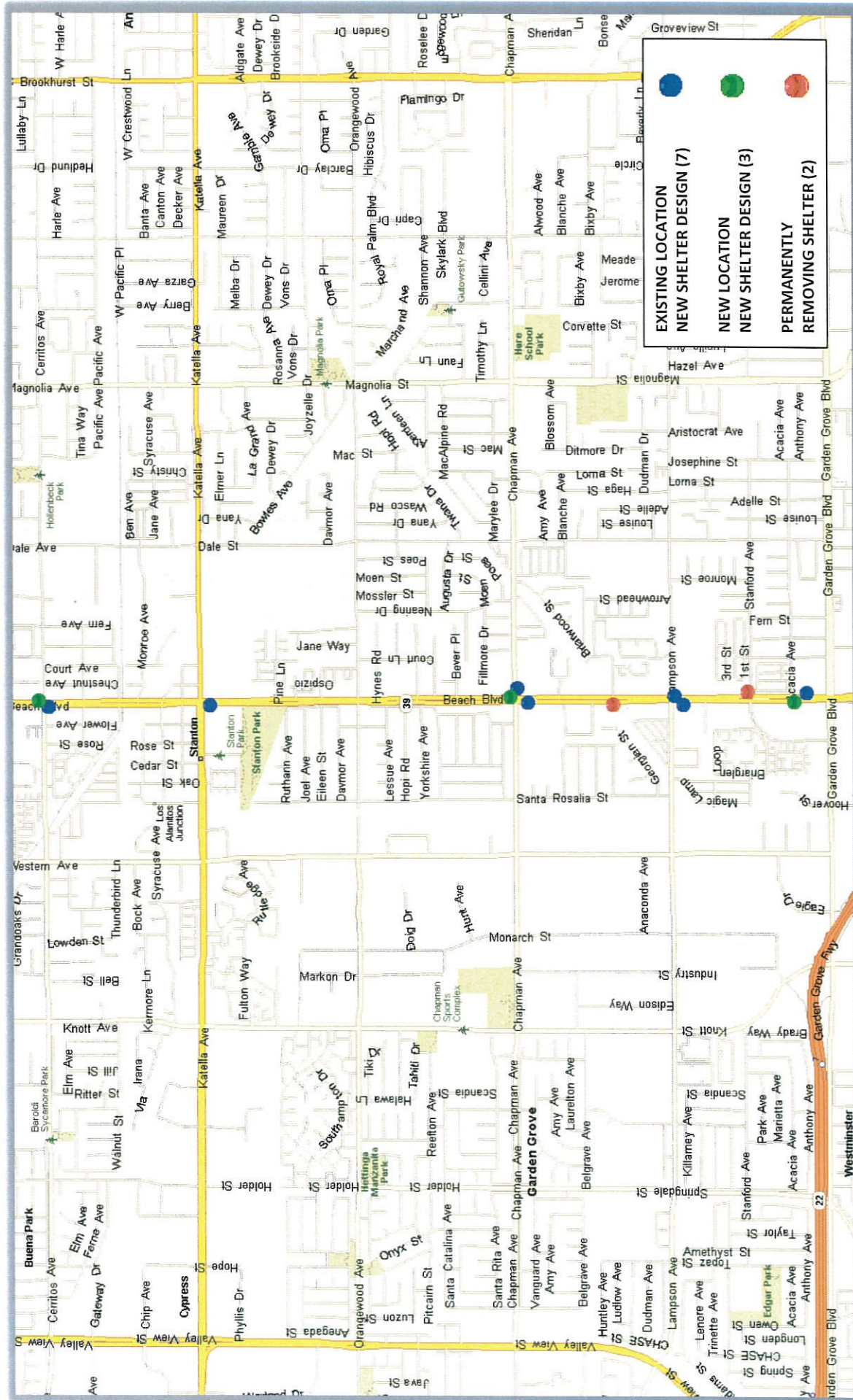
## COMPLETE INVENTORY (18)





# STANTON TRANSIT SHELTERS

## EXISTING & NEW RECOMMENDATIONS





# STANTON TRANSIT SHELTERS

## EXISTING & NEW RECOMMENDATIONS

### EXISTING LOCATIONS WITH NEW SHELTER DESIGN

#		LOCATION DESCRIPTION
1	SB	Beach Blvd Cerritos Ave
2	SB	Beach Blvd Chapman Ave
3	NB	Beach Blvd Garden Grove Blvd
4	SB	Beach Blvd Katella Ave
5	SB	Beach Blvd Lampson Ave
6	NB	Beach Blvd Lampson Ave
7	EB	Chapman Ave Beach Blvd

### NEW LOCATIONS WITH NEW SHELTER DESIGN

#		LOCATION DESCRIPTION
1	NB	Beach Blvd Chapman Blvd
2	SB	Beach Blvd Acacia Ave
3	NB	Beach Blvd Cerritos Ave

### PERMANENTLY REMOVING LOCATIONS

#		LOCATION DESCRIPTION
1	SB	Beach Blvd Catherine Ave
2	NB	Beach Blvd Stanford Ave/Village Cnt Dr



# TOP 20 LOCATIONS

BASED ON OCTA FIGURES

RANKED BY # BUS STOP # TOTAL DAILY BOARDINGS			LOCATION DESCRIPTION			BOARDING	NEW SHELTER ADA COMPLIANCE	
1	7116	1	EB	Chapman Blvd	FS	Beach Blvd	205	Y
2	7108	2	SB	Beach Blvd	FS	Katella Ave	182	Y
3	7097	3	NB	Beach Blvd	FS	Chapman Blvd	177	Y
4	7112	4	SB	Beach Blvd	FS	Chapman Blvd	155	Y
5	7101	5	NB	Beach Blvd	FS	Katella Ave	149	
6	7127	6	EB	Katella Ave	NS	Beach Blvd	140	Y
7	7093	7	NB	Beach Blvd	FS	Garden Grove Blvd	137	Y
8	2177	8	SB	Beach Blvd	FS	Acacia Ave	132	Y
9	7106	9	SB	Beach Blvd	FS	Cerritos Ave	117	Y
10	7103	10	NB	Beach Blvd	FS	Cerritos Ave	76	Y
11	7133	11	WB	Katella Ave	NS	Beach Blvd	65	
12	7122	12	EB	Katella Ave	FS	Knott Ave	63	Y
13	7110	13	SB	Beach Blvd	FS	Orangewood Ave	52	
14	7139	14	NB	Knott Ave	FS	Katella Ave	49	
15	7114	15	SB	Beach Blvd	FS	Lampson Ave	44	Y
16	7124	16	EB	Katella Ave	NS	Western Ave	41	Y
17	7129	17	WB	Katella Ave	FS	Magnolia Ave	40	Y
18	7095	18	NB	Beach Blvd	NS	Lampson Ave	40	Y
19	7119	19	WB	Chapman Blvd	FS	Beach Blvd	34	Y
20	7099	20	NB	Beach Blvd	FS	Orangewood Ave	34	Y



# TRANSIT SHELTER OPTIONS

## 17' SIERRA DOME ROOF



### TRANSIT SHELTER OPTIONS

17' Sierra Dome Roof non-advertising transit shelter (17NALD-WG) featuring: Sierra style low dome structure with opaque twin wall polycarbonate roof panels, 9" wire grid fascia below the roof line, no walls, durable baked powder coat finish colors RAL 5017 Traffic Blue in the shelter roof and pressure ribs, RAL 7004 Signal Grey posts, wire grid and shoes), adjustable leveling shoes, zinc anchors and all installation hardware-lighting and seating options listed below @ \$4,450.00 each + tax.

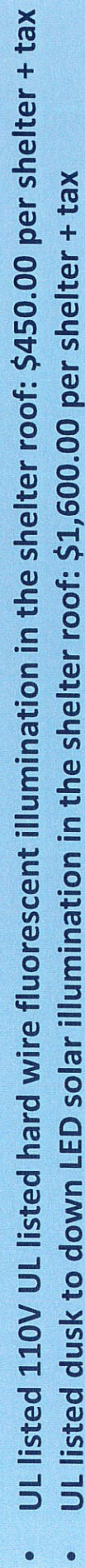


# TRANSIT SHELTER DESIGN

17' SIERRA DOME ROOF











# BEACH BOULEVARD REPLACEMENT PROGRAM

	Mo 1	Mo 2	Mo 3	Mo 4	Mo 5	Mo 6	Mo 7	Mo 8	Mo 9	Mo 10	Mo 11	Mo 12	Year 1
<b>TRANSIT SHELTER</b>													
Transit Shelter (2 Faces)- 10 Shelters - New	20	20	20	20	20	20	20	20	20	20	20	20	
Transit Shelter (2 Faces) - 9 Shelters - Current	18	18	18	18	18	18	18	18	18	18	18	18	
<b>TOTAL PANELS</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>38</b>	
Percent of Occupancy	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	
Panels Sold	25	25	25	25	25	25	25	25	25	25	25	25	
<b>SHELTER GROSS REVENUE (Rate \$100)</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 30,000</b>
<b>TRANSIT BUS BENCH</b>													
Bus Benches	42	42	42	42	42	42	42	42	42	42	42	42	
<b>TOTAL PANELS</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>	
Percent of Occupancy	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	
Panels Sold	25	25	25	25	25	25	25	25	25	25	25	25	
<b>BENCH GROSS REVENUE (Rate \$85)</b>	<b>\$ 2,125</b>	<b>\$ 2,125</b>	<b>\$ 2,125</b>	<b>\$ 2,125</b>	<b>\$ 2,125</b>	<b>\$ 2,125</b>	<b>\$ 2,125</b>	<b>\$ 2,125</b>	<b>\$ 2,125</b>	<b>\$ 2,125</b>	<b>\$ 2,125</b>	<b>\$ 2,125</b>	<b>\$ 25,500</b>
<b>GRAND TOTAL REVENUE (SHELTER &amp; BENCH)</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 55,500</b>
Guarantee City Payment for Shelter (\$40/S)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Payment For Benches (15% of Sales)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EST CITY PAYMENT</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET REVENUE</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 4,625</b>	<b>\$ 55,500</b>

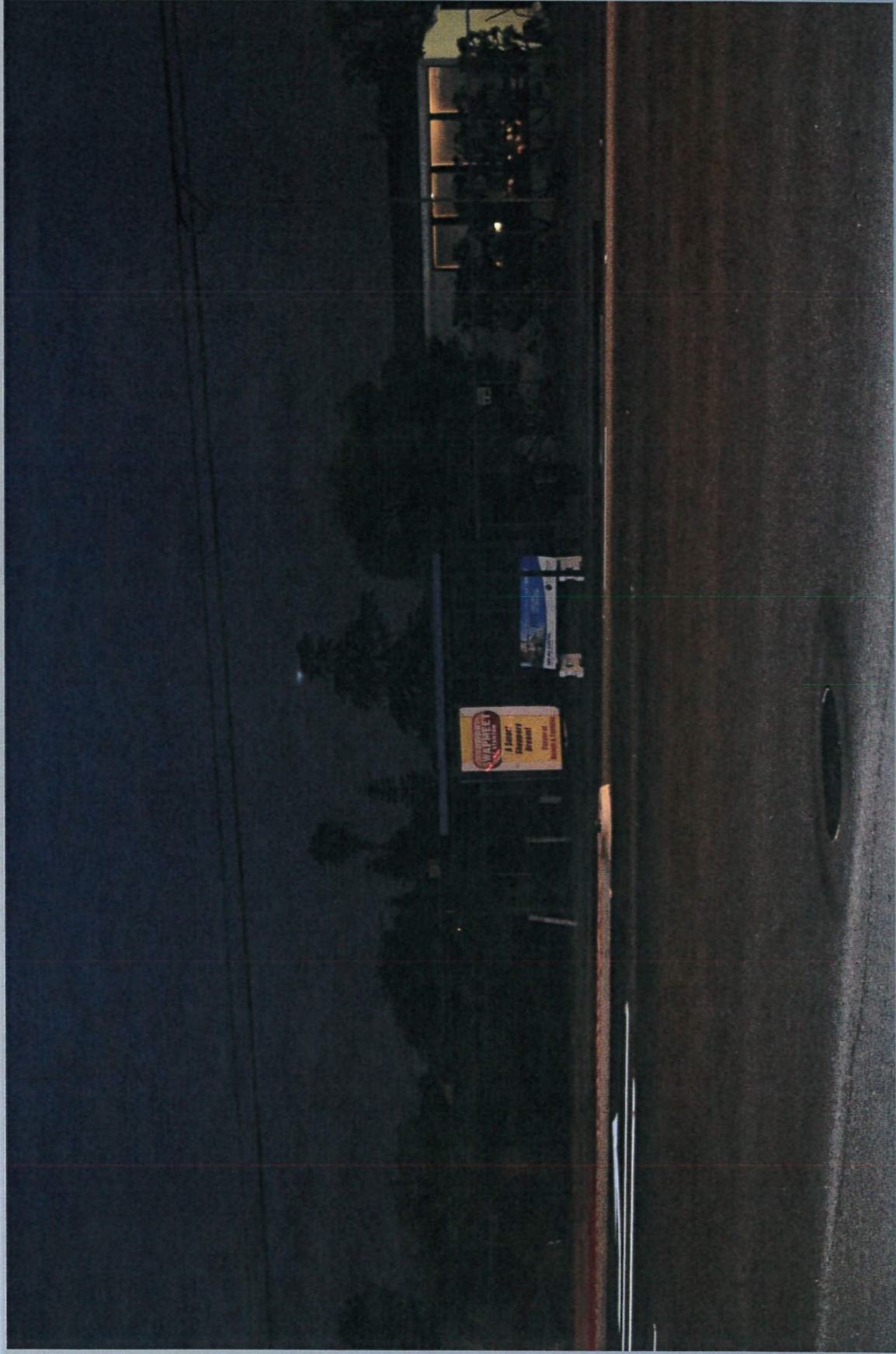
## TRANSIT SHELTER PAY BACK PLAN

Estimated Annual Payment to City \$13,000	Year 1	Year 2	Year 3	Year 4	+6 Months	Total
Capital Expense - Coastline \$60,386	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 8,386	\$ 60,386



# TRANSIT SHELTER

EXISTING NON-ILLUMINATED





# TRANSIT SHELTER

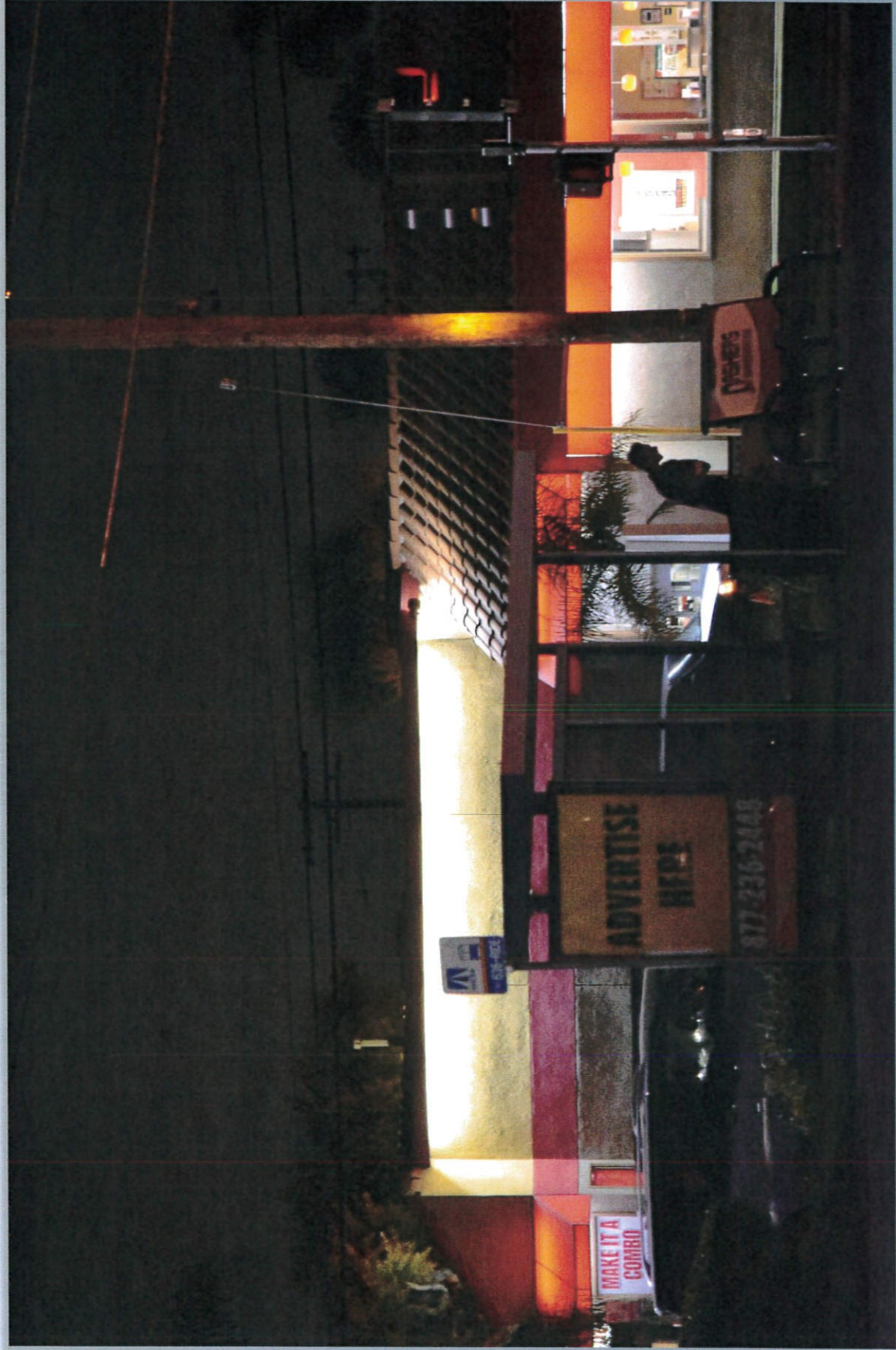
EXISTING NON-ILLUMINATED





# TRANSIT SHELTER

EXISTING NON-ILLUMINATED







# ESTIMATED EXPENSE TO CONNECT TO METER SERVICE USING OUTSIDE CONTRACTOR

## TRANSIT SHELTER LOCATIONS

1. NB BEACH BLVD FS GARDEN GROVE BLVD: \$13,000 (EDISON)	9. SB BEACH BLVD FS KATELLA (PANEL ON BACK \$2,000 - \$4,000)
2. SB BEACH BLVD NS GARDEN GROVE BLVD: \$11,000 (EDISON)	10. SB BEACH BLVD FS CERRITOS: \$11,000 (EDISON)
3. NB BEACH BLVD NS LAMPSON: \$13,000 (EDISON)	11. NB BEACH BLVD. FS CERRITOS: \$10,000 (EDISON)
4. SB BEACH BLVD FS LAMPSON: \$11,000 (EDISON)	12. EB CHAPMAN FS BEACH BLVD: \$10,000 (EDISON)
5. NB BEACH BLVD FS CHAPMAN: \$12,000 (EDISON)	13. WB CHAPMAN FS BEACH BLVD: \$8,500 (EDISON)
6. SB BEACH BLVD FS CHAPMAN: \$15,000 (EDISON)	14. EB KATELLA NS BEACH BLVD: \$11,000 (EDISON)
7. NB BEACH BLVD FS ORANGEWOOD: \$15,000 (EDISON)	15. WB KATELLA NS BEACH BLD: \$9,000 (EDISON)
8. SB BEACH BLVD FS ORANGEWOOD: \$11,000 (EDISON)	16. EB KATELLA FS KNOTT AVE: \$8,500 (PRIVATE COMPANY)



# TRANSIT SHELTER

SOLAR ILLUMINATED















## PROPOSAL & RECOMMENDATION

- The City will partner with Coastline Advertising for the purchase of 10 new Transit Shelters on Beach Blvd.
- The total cost is estimated to be \$120,000.
- Coastline Advertising will fund 50% and City will fund 50% of the cost.
- Coastline Advertising will suspend all revenue payments to the City (estimated \$13,000 annually) until they recouped \$60,000 of the capital expenditure.
- This payment plan is estimated to take 4 -5 years.
- All payments to the City will resume as soon as Coastline Advertising capital expenses are reimbursed.
- The City will own the Transit Shelters.
- Coastline Advertising will receive a 15 Year Contract (Four Remaining Years + Eleven Additional Years)
- Coastline will replace the remaining concrete benches with new metal bench structure.
- Coastline will facilitate and manage the new shelter replacement project providing a turn key program.





**THANK YOU**  
**FOR YOUR SUPPORT**

# **CITY OF STANTON**

## **REPORT TO THE CITY COUNCIL**

**TO:** Honorable Mayor and City Council

**DATE:** April 26, 2016

**SUBJECT: ANIMAL CARE SERVICES AGREEMENT**

### **REPORT IN BRIEF:**

The County of Orange has provided animal care services to the City of Stanton for over two decades, with no issues. When City Council was informed of the County of Orange's intention to build a new shelter in Tustin at a significant capital cost to the City, staff was asked to research alternative options for this service. Staff is presenting the City of Westminster as an additional option for animal care services. Staff recommends that City Council select from the vendor options and approve the corresponding agreement(s).

### **RECOMMENDED ACTION:**

That City Council

- 1) Declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(4) – The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.
- 2) Authorize the City Manager to execute the New Shelter Participation Agreement and a ten year Agreement for Provision of OC Animal Care Services with the County of Orange **OR** a three year agreement with the Animal Control and Shelter Services Agreement with the City of Westminster.

### **BACKGROUND:**

For over two decades the City of Stanton has utilized the County of Orange for animal care services. For years these services have been performed without complaint by residents of the City while maintaining a positive relationship with City staff.

Upon receiving information that the County of Orange intended to build a new shelter in the City of Tustin that would require a significant capital contribution to be shared by its contract cities, City Council instructed staff to explore potential alternative options.



City staff researched options for animal care services with the Southeast Area Animal Control Authority (SEAACA), Long Beach Animal Care, and the City of Westminster. After lengthy discussions, only one potential alternative option remained - utilizing the Westminster Police Department Animal Control Unit for field services and piggyback on the City's contract for shelter services with the nonprofit Westminster Adoption Group and Services (WAGS).

## **ANALYSIS/JUSTIFICATION:**

As previously mentioned, there have been no public complaints regarding the County of Orange's services for a number of years. However, recent information about a capital contribution in excess of \$600,000 for the County of Orange's new shelter, a required ten-year commitment to the County of Orange, and the new shelter's location being further away from Stanton residents provided the impetus for looking for other options. That search revealed sharing services with the City of Westminster as an alternative option. With the City of Westminster being included along with the County of Orange, staff believes the City of Stanton has two qualified options for animal care services.

As with any choice, each side has pros and cons. As both options are suitable for the City's needs, staff is not providing a recommendation, but is has presented information below pertaining to a series of areas that relate to animal care services.

<u>Attribute</u>	<u>County of Orange</u>	<u>City of Westminster</u>
Age of shelter	Brand new in FY 2017/18	5 years at current location
Canvassing	200+ hours annually	Annual canvassing
Contract length	10 years	3 years
Dead animal pickup	No - available service for a fee	Yes
Educational efforts	Outreach Team visits local schools	Website only
Existing relationship	Strong	No existing relationship
Field services hours of operation	7am - 11 pm fully staffed 11-7 - 1 overnight employee	8-6 fully staffed 6-8 emergency only
Insurance	County indemnifies City	Westminster indemnifies City
Patrol in Stanton	Responding to calls	25 dedicated hrs/week + responding to calls
Price	\$242,466	\$160,000
Proximity to shelter	14 miles	4.4 miles
Shelter services hours of operation	11-5 daily Wed: 11-7	Weekdays: 1-6, Wed closed Weekends: 12-5

Trap neuter release feral cat program	No - available service for a fee	Yes
Veterinary services	7 days a week	6 days a week

When comparing the two options, the County of Orange has advantages in Educational efforts, Existing relationship, Field and Shelter services hours of operation and Veterinary services. The City of Westminster has advantages in Dead animal pickup, Patrol in Stanton, Price, Proximity and Trap neuter release feral cat program.

As price was a primary factor in reviewing alternatives, more detail will be provided in that area. Currently the City of Stanton receives a Notice of Intent (NOI) from the County of Orange in April or May that identifies the estimated budget for that upcoming year. A number of factors can revise that figure up or down. In addition, an agreement was reached last year regarding a large hoarding case that will require a \$26,587 payment to be made to OC Animal Care regardless of which provider City Council chooses to move forward with.

The current figure listed in Price for the County of Orange includes the NOI from FY 15/16 less the required hoarding case installment payment (\$177,805) as FY 16/17 numbers are not yet known. It should be pointed out that the NOI from the County of Orange does not always line up with the final expense. The following chart shows the NOI and actual expenses for the current and previous three fiscal years:

<u>Fiscal Year</u>	<u>NOI</u>	<u>Actual Expenses</u>
FY 15/16	\$177,805 <sup>^</sup>	\$170,134 <sup>*^</sup>
FY 14/15	\$130,568	\$81,928
FY 13/14	\$119,361	\$160,461
FY 12/13	\$113,677	\$160,372

<sup>^</sup> Amounts are excluding installment hoarding expense of \$26,587

<sup>\*</sup> Most recent forecast from the County of Orange as of 4/20/16

In addition, to the current NOI payment, the most recently estimated capital cost of \$64,661 is included in the Price section in the top chart. That capital charge figure factors in the two small south Orange County cities that have chosen to pursue other options for animal care services. The City of Garden Grove is also considering changing services on Tuesday, April 26<sup>th</sup>. Should Garden Grove join Laguna Hills and Rancho Santa Margarita in choosing a different animal control option, it is estimated that Stanton's share of the capital cost would increase by 16% to \$751,960 over 10 years.

The cost of building a new shelter is significant, but the County of Orange is willing to take the burden of financing that cost by using funds in the County's Investment Pool. The County of Orange is spreading that cost over 10 years and only charging contract cities the County Investment Pool's interest rate which is currently less than 1%. Due to the time period of the cost being spread, the County of Orange is asking for 10-year commitments from its contract cities. The attached Animal Care Services Agreement

goes into more detail, while the attached New Shelter Participation Agreement details the City's agreement to participate in the cost of the new shelter.

The City of Westminster's agreement calls for a three-year term with a one-year option, and does not include any capital cost component. That timing is purposeful as the County of Orange has indicated that cities opting out of the New Shelter Participation Agreement will not be able to receive services from the County of Orange for a minimum of three years. The existing contract with the County of Orange requires the City of Stanton to provide six months written notice prior to terminating the contract. As such, should City Council choose to utilize the City of Westminster, animal care services would not be able to begin for six months, putting a start date around November 1, 2016.

The City Attorney has reviewed and approved all three agreements presented for Council's review for the two vendors willing and able to provide animal care services.

**FISCAL IMPACT:**

If City Council elects to stay with the County of Orange, there would be a minimum increase of \$646,610 over ten years relating to the capital and interest cost of the new animal shelter, with an increase of \$64,661 included for FY 16/17. The operating cost of staying with the County of Orange could increase or decrease based on FY 16/17's Notice of Intent, which should be known next month.

If City Council moves animal care services to the City of Westminster, there would be a decrease of \$17,805 from the current fiscal year's budget. The Westminster cost would be \$82,466 (34%) lower than the currently estimated County of Orange option.

**ENVIRONMENTAL IMPACT:**

None.

**LEGAL REVIEW:**

The City Attorney has reviewed and approved the attached agreement.

**PUBLIC NOTIFICATION:**

Through the agenda posting process.

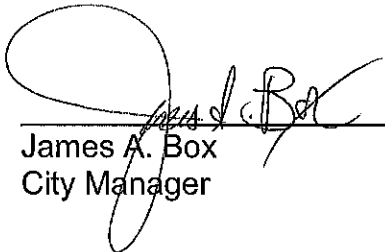
**STRATEGIC PLAN OBJECTIVE ADDRESSED:**

- 1. Provide a Safe Community
- 4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:

Approved by:

  
\_\_\_\_\_  
Stephen M. Parker, CPA  
Administrative Services Director

  
\_\_\_\_\_  
James A. Box  
City Manager

**Attachments:**

- A. New Shelter Participation Agreement with the County of Orange
- B. Agreement for Provision of OC Animal Care Services with the County of Orange
- C. Animal Control and Shelter Services Agreement with the City of Westminster

## PARTICIPATION AGREEMENT

This PARTICIPATION AGREEMENT, dated for reference as of April 26, 2016 (the "AGREEMENT"), is by and among the COUNTY OF ORANGE (the "COUNTY"), and the cities of [Participating cities subject to change] ANAHEIM, BREA, CYPRESS, FOUNTAIN VALLEY, FULLERTON, GARDEN GROVE, HUNTINGTON BEACH, LAGUNA HILLS, LAKE FOREST, ORANGE, PLACENTIA, RANCHO SANTA MARGARITA, SAN JUAN CAPISTRANO, STANTON, TUSTIN, VILLA PARK, and YORBA LINDA (each, a "CITY," and collectively, the "CITIES" and, together with the County, the "PARTIES").

### RECITALS

- A. WHEREAS, COUNTY and each CITY are, or concurrent with the execution of this AGREEMENT, will become, parties to an Agreement for Provision of OC Animal Care Services (the "SERVICES AGREEMENTS"), pursuant to which COUNTY provides animal care services ("SERVICES") in the jurisdictional boundaries of the signatory cities, and;
- B. WHEREAS, COUNTY provides the SERVICES to the CITIES, as well as to the unincorporated areas of the COUNTY, through OC Animal Care ("OCAC"), and;
- C. WHEREAS, COUNTY owns, and through OCAC operates, an animal care shelter facility at 561 The City Drive South, Orange, California (the "EXISTING SHELTER"), and;
- D. WHEREAS, the PARTIES agree that, owing to the age and condition of the EXISTING SHELTER, it is now desirable to construct a new facility (the "NEW SHELTER") in which to provide enhanced shelter and care services which will benefit the citizens of each of the PARTIES, and;
- E. WHEREAS, the PARTIES acknowledge that the construction of the NEW SHELTER will impact the operational costs of providing SERVICES pursuant to the SERVICES AGREEMENTS, which costs are shared among the parties in proportion to their usage of the SERVICES; and
- F. WHEREAS, each PARTY agrees that the construction of the NEW SHELTER is a benefit to, and necessary to meet the social needs of, each PARTIES' respective citizens, and, therefore, the PARTIES desire to enter into this AGREEMENT to set

forth terms governing the construction of the NEW SHELTER and the allocation among the PARTIES, and the method of payment of, the increased costs of SERVICES resulting from the construction of the NEW SHELTER.

NOW, THEREFORE, in consideration of the foregoing recitals of fact, the mutual covenants and conditions contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the PARTIES agree as follows:

1. Design & Construct

- 1.1. **COUNTY Responsibilities:** COUNTY shall be responsible for the design; preparation of all studies, analyses and documents necessary to deliver the NEW SHELTER, including any CEQA environmental documentation; obtaining all permits; administration; and construction of the NEW SHELTER.
- 1.2. **Site:** Construction of the NEW SHELTER is sited for the 10 acre area of land on the Old Tustin Air Force Base located at the 1500 block of Armstrong Avenue in Tustin, CA and identified on Exhibit A, attached hereto (the "SITE").
- 1.3. **Design Concept:** COUNTY has developed the initial design concept of the NEW SHELTER, attached hereto as Exhibit B. The design of the NEW SHELTER is scalable based on usage needs. COUNTY shall use best efforts to scale the final design of the NEW SHELTER to a size reasonably appropriate for the total requirements of those CITIES that elect to be parties to this AGREEMENT.
- 1.4. **Project Development:** COUNTY has or shall retain the services of a licensed design-build contractor ("CONTRACTOR") to perform further design and all engineering, planning, preparation of plans and specifications, and complete construction of the NEW SHELTER, including construction management and post-construction activities, pursuant to a written agreement between COUNTY and CONTRACTOR, as the same may be amended from time to time (the "CONSTRUCTION CONTRACT").
- 1.5. **Design Advisory Board:** COUNTY shall establish a Design Advisory Board (the "DESIGN ADVISORY BOARD") to provide input to COUNTY regarding the design of the NEW SHELTER. COUNTY shall, in good faith, reasonably consider the input of the DESIGN ADVISORY BOARD in making COUNTY'S determinations regarding the design of the NEW SHELTER.

Nevertheless, COUNTY is not bound to follow the recommendations of the DESIGN ADVISORY BOARD and the ultimate determination as to the design of the NEW SHELTER rests entirely with COUNTY. The DESIGN ADVISORY BOARD shall consist of at least three staff members from the City Managers Association Animal Care Committee referenced in Paragraph IV of Exhibit A of the SERVICES AGREEMENT. At least two (2) of the staff members shall be chosen collectively by those CITIES whose shelter usage each individually constituted more than eight percent (8%) of total usage of the EXISTING SHELTER for fiscal year 2014/2015. The third staff member shall be chosen by mutual agreement of the remaining CITIES.

- 1.6. **Use of NEW SHELTER.** The completed NEW SHELTER shall be owned by COUNTY and shall be used by COUNTY for the provision of SERVICES for contracting cities and COUNTY unincorporated areas, as needed, pursuant to the terms of current and future SERVICES AGREEMENTS. In the event COUNTY elects to discontinue usage of the NEW SHELTER for animal sheltering purposes prior to December 31, 2066, COUNTY shall offer to those CITIES then currently contracting with COUNTY to receive SERVICES pursuant to a SERVICES AGREEMENTS the opportunity to lease the NEW SHELTER strictly for animal sheltering purposes until such date, at a costs of \$1.00 per year plus all rental costs, if any, owed to SOCCCD pursuant to the Ground Lease to be entered into between COUNTY and SOCCCD pursuant to the LETTER OF INTENT defined below (the "GROUND LEASE"). Each and every CITY exercising this option shall be responsible for all operational costs; utility costs; maintenance, alteration, repair and improvement costs; and any other costs of sustaining and operating an animal shelter at the SITE and shall indemnify COUNTY for any costs or liabilities resulting from or relating to the SITE. Upon exercise of the option, the COUNTY and the optioning CITIES shall use best efforts to negotiate mutually agreeable terms for the resulting lease. If the PARTIES cannot agree to mutually agreeable terms within one hundred and eighty (180) days after the exercise of the option, the option will terminate. The option provided for in this subsection is exclusive to those CITIES described above and may only be exercised collectively by those CITIES that elect to exercise the option or, if only one CITY wishes to do so, by that single electing CITY. The option must be exercised, if at all, within one hundred and eighty (180) days after COUNTY notifies CITIES of its decision to discontinue use of the NEW SHELTER for animal sheltering purposes. The option provided herein shall be contingent upon the GROUND LEASE not terminating by its terms prior to

COUNTY obtaining fee hold possession of the SITE. In the event COUNTY does not yet have fee hold possession of the SITE as of April 29, 2034, the expiration date of the GROUND LEASE, COUNTY shall, at least six months prior to that date, consult with those CITIES then contracting with COUNTY for SERVICES regarding proposed methods of accessing continued use of the SITE. Upon execution of the GROUND LEASE, COUNTY and CITIES shall consult regarding any assistance CITIES can provide to facilitate and expedite conveyance of the SITE to COUNTY.

- 1.7. **Contingency:** All obligations created by this Agreement are contingent upon the full execution of the GROUND LEASE and receipt of possession of the SITE by COUNTY.

## 2. Construction Costs Allocation

- 2.1 **Total Costs:** Total cost of NEW SHELTER construction shall include: a) all design development costs; b) all costs incurred by COUNTY pursuant to the CONSTRUCTION CONTRACT; c) all site preparation costs; d) all costs of fixtures; e) all costs incurred by COUNTY under the Amended and Restated Agreement for the Exchange of Real Property to be entered into between COUNTY and the South Orange County Community College District (the "SOCCCD") pursuant to the Letter of Intent Regarding the Proposal to Ground Lease SOCCD Exchange Parcel to County of Orange For Development as Animal Care Center/Amendment of County-SOCCCD Land Exchange Agreement, which Letter of Intent is attached hereto as Exhibit C (the "LETTER OF INTENT"), as the same may be amended from time to time, as well as any costs incurred pursuant to the LETTER OF INTENT itself; and f) any and all other costs incurred by COUNTY for any construction or construction related activity on the Site incurred in connection with the NEW SHELTER (the "ACTUAL CONSTRUCTION COSTS"). The maximum amount to be paid hereunder as ACTUAL CONSTRUCTION COSTS is set forth on Exhibit D, attached hereto (the "MAXIMUM CONSTRUCTION COSTS"). Upon completion of the NEW SHELTER, COUNTY shall provide CITIES with a full accounting of the application of all funds spent on ACTUAL CONSTRUCTION COSTS.

- 2.2 **COUNTY's Contribution:** COUNTY shall contribute toward the construction of the NEW SHELTER the land upon which the NEW SHELTER shall be constructed and five million dollars (\$5,000,000.00) to be applied toward



MAXIMUM CONSTRUCTION COSTS. Any COUNTY funds paid by COUNTY toward ACTUAL CONSTRUCTION COSTS on or after the execution of this AGREEMENT shall count toward the \$5,000,000 to be contributed by COUNTY and will be applied toward costs of construction as necessary to cover any discrepancy between available CITY payment funds and ACTUAL CONSTRUCTION COSTS as they become due and payable.

**2.3 CITIES' Contribution:** The remainder of MAXIMUM CONSTRUCTION COSTS beyond the five million dollars (\$5,000,000.00) paid by COUNTY ("CITIES' SHARE OF MAXIMUM CONSTRUCTION COSTS") will be divided among the CITIES based on the formula set forth in Exhibit D, attached hereto. Each CITY'S respective percentage share of CITIES' SHARE OF MAXIMUM CONSTRUCTION COSTS, as determined by said formula, is also set forth on Exhibit D. On that date which is five (5) years after the full execution of this AGREEMENT, each CITY'S respective percentage share of CITIES' SHARE OF MAXIMUM CONSTRUCTION COSTS shall be recalculated based on the same formula as set forth in Exhibit D but using then current statistical data. If any CITY'S respective percentage share of CITIES' SHARE OF MAXIMUM CONSTRUCTION COSTS is altered by the recalculation by more than five percentage points, then each CITY'S total share of CITIES' SHARE OF MAXIMUM CONSTRUCTION COSTS shall be recalculated so that the originally calculated percentage shall be applied to one half of CITIES' SHARE OF MAXIMUM CONSTRUCTION COSTS and the recalculated percentage shall be applied to the second half of CITIES' SHARE OF MAXIMUM CONSTRUCTION COSTS. All future payments owed by each CITY shall be adjusted based on the results of the recalculation of each such CITY'S total share of CITIES' SHARE OF MAXIMUM CONSTRUCTION COSTS. If said adjustment results in a reduction in the amount owing by any CITY that, as of that time, has already fully paid its share of the MAXIMUM CONSTRUCTION COSTS, such reduction shall be credited as an offset against future charges, if any, under such CITY'S SERVICES AGREEMENT. If said adjustment results in an increase in the amount owing by any CITY that, as of that time, has already fully paid its previously calculated share of the MAXIMUM CONSTRUCTION COSTS, the amount of such increase shall be due and payable pursuant to the same payment schedule as those CITIES that have not elected to prepay their share of MAXIMUM CONSTRUCTION COSTS, subject to the same prepayment option. COUNTY shall, upon request of a CITY, provide the requesting CITY with copies of the data and documents used to calculate each CITY's percentage

share of CITIES' SHARE OF MAXIMUM CONSTRUCTION COSTS.

**2.4 Payment Schedule:** Each CITY shall pay its full share of CITIES' SHARE OF MAXIMUM CONSTRUCTION COSTS, in addition to costs to be paid in accordance with such CITY'S SERVICES AGREEMENT, in consideration of each such CITY'S continuing right to use the NEW SHELTER or the EXISTING SHELTER or any replacement of the NEW SHELTER or the EXISTING SHELTER (together, or any one of them, "SHELTERS") pursuant to the terms of its SERVICES AGREEMENT. Each CITY'S annual obligation to make the payments required hereunder is contingent on the COUNTY making available to such CITY, for the respective year, the use of SHELTERS pursuant to the terms of such CITY'S SERVICES AGREEMENT. At the election of each individual CITY, payment of the amounts owing hereunder may be made in advance of use or may be made over the ten (10) year term of the SERVICES AGREEMENTS in accordance with the Payment Schedule, attached hereto as Exhibit E (the "PAYMENT SCHEDULE"). For CITIES electing not to pay in advance of the scheduled payment, the annual amount each such CITY shall owe hereunder shall be increased by the formula shown on the PAYMENT SCHEDULE as the "ADDITIONAL FUNDING COST." The higher payment amount to be paid by CITIES not electing to pay in advance represents the cost to the COUNTY of the lost value overtime of the money paid by COUNTY toward ACTUAL CONSTRUCTION COSTS beyond the \$5,000,000 provided for above. The amounts indicated on the PAYMENT SCHEDULE further include costs to be incurred by the relevant CITY for each thirty (30) day period that any payment is overdue. Each CITY acknowledges that the construction and availability of SHELTERS for use by each CITY over the term of such CITY'S SERVICES AGREEMENT is a substantial benefit to such CITY. In the event any CITY refuses to receive SERVICES from COUNTY in violation of the terms of such CITY'S SERVICES AGREEMENT despite being offered such SERVICES by COUNTY, or in the case of a default or failure to pay its cost share in accordance with this AGREEMENT, each CITY remains obligated to pay to COUNTY its outstanding payments hereunder as they become due and payable and COUNTY may take any legal action as appropriate to obtain such payment. Further, the PARTIES acknowledge that the payments owing hereunder do not reduce or offset amounts owing pursuant to the SERVICES AGREEMENTS.

3. Participation of New Cities After Commencement of Construction. After full execution of this AGREEMENT, no city will be added to the OCAC SERVICES program for a period of three (3) years from the date first set forth above, to allow for appropriate sizing and establishment of operational protocols for the NEW SHELTER. If a new city elects to participate in the OCAC SERVICES program after the three (3) year period indicated above, and COUNTY elects to provide SERVICES to such city, such city will be required to pay a pro rata portion of the MAXIMUM CONSTRUCTION COSTS based on the formula set forth in Exhibit D. Any new participating cities' contributions pursuant to this section will be applied first toward any necessary expansion of the NEW SHELTER and the remainder will be deposited into a shelter maintenance and repair fund (the "SHELTER MAINTENANCE FUND"). COUNTY shall establish a separate project fund account for all funds allocable to the SHELTER MAINTENANCE FUND and shall not commingle any other funds in said account. It is the intention of the PARTIES that any funds contained in the SHELTER MAINTENANCE FUND be exhausted prior to any additional contributions by the PARTIES toward post-construction shelter upgrades or capital improvements. Prior to contracting to provide SERVICES to a new city, COUNTY shall consult with those CITIES then currently contracting with COUNTY to receive SERVICES pursuant to a SERVICES AGREEMENT. COUNTY shall in good faith consider the input of those cities in making COUNTY'S determination as to whether to provide SERVICES to the proposed new city. Nevertheless, COUNTY is not bound to follow the recommendations of those cities and the ultimate determination as to whether to provide SERVICES to the proposed city rests entirely with COUNTY.
4. NEW SHELTER Account; Deposit of Funds. Upon the execution of this AGREEMENT, COUNTY shall establish a separate capital project fund account for all funds of the PARTIES which are to be applied toward ACTUAL CONSTRUCTION COSTS for the NEW SHELTER (the "NEW SHELTER ACCOUNT") and shall not commingle any other funds in said account. Funds payable by any CITY as an additional cost imposed due to late payment, or that are allocable to COUNTY to reimburse COUNTY for any COUNTY funds spent on ACTUAL CONSTRUCTION COSTS beyond the \$5,000,000 provided for above, or that are to reimburse COUNTY for the lost value over time of the money paid by COUNTY toward ACTUAL CONSTRUCTION COSTS beyond the \$5,000,000 provided for above, shall not be paid into the NEW SHELTER ACCOUNT but shall be paid directly to COUNTY for COUNTY'S sole use.
5. Allocation of Excess Funds. Upon final completion of the NEW SHELTER, issuance of a certificate of occupancy, payment of all ACTUAL CONSTRUCTION COSTS, and payment of all amounts due pursuant to this AGREEMENT, any unused funds remaining in

the NEW SHELTER ACCOUNT, but not exceeding an amount equal to the difference between total ACTUAL CONSTRUCTION COSTS incurred and MAXIMUM CONSTRUCTION COSTS, shall be credited to those CITIES then obtaining SERVICES from COUNTY against future charges under each such CITY'S SERVICES AGREEMENT based on the same percentages that each such CITY paid of the CITIES' SHARE OF MAXIMUM CONSTRUCTION COSTS. Any funds not distributed in accordance with the previous sentence shall be deposited into the SHELTER MAINTENANCE FUND.

6. Operational Commitment. Concurrent with the execution of this AGREEMENT, each CITY shall enter into a new, amended SERVICES AGREEMENT with COUNTY in the form attached hereto as Exhibit F (the "AMENDED SERVICES AGREEMENT"). The operational cost for SERVICES owing pursuant to the AMENDED SERVICES AGREEMENTS, calculated with respect to each CITY and unincorporated COUNTY area, shall include, together with all other annual costs of operation of OCAC, all rental costs, if any, under the Ground Lease to be entered into between COUNTY and SOCCCD pursuant to the LETTER OF INTENT. All PARTIES acknowledge that the division of all operational costs among the PARTIES allows for costs efficiencies and operational savings to each PARTY and that each PARTY has entered into this AGREEMENT and its AMENDED SERVICES AGREEMENT in reliance on such shared costs and resulting savings. Each CITY, to provide assurance of such continued cost efficiencies to each remaining PARTY, hereby expresses its commitment to procure SERVICES from COUNTY for a period of 10 years and acknowledges the financial burden that any breach of this commitment would have on all other PARTIES. To that end the AMENDED SERVICES AGREEMENTS shall each provide for a 10 year term of service.

7. Defaults and Remedies.

- 7.1. **Defaults.** The failure by any PARTY to perform any of its obligations set forth in this AGREEMENT shall constitute a default of this AGREEMENT. Except as required to protect against further damages, the nondefaulting PARTY may not institute legal proceedings against the PARTY in default until the nondefaulting PARTY has provided the defaulting PARTY notice of the default and the following applicable cure period has expired: (i) the cure period for any monetary default shall be fifteen (15) calendar days after the defaulting PARTY'S receipt of written notice from the nondefaulting PARTY that such obligation was not performed; and (ii) the cure period for any other default shall be thirty (30) days

after the defaulting PARTY'S receipt of written notice from the nondefaulting PARTY that such obligation was not performed.

**7.2. Remedies Upon Default.** Upon the occurrence of any default and after the defaulting PARTY has received written notice of default and the time period to cure the default has expired, the nondefaulting PARTY may at its option pursue damages or specific performance or other legal and equitable remedies the injured PARTY may have against the defaulting PARTY in accordance with applicable law. Should any CITY fail to pay any payment due by that CITY hereunder, COUNTY may take any action as is appropriate to obtain such payment. Nothing herein shall be construed as COUNTY'S exclusive remedy for the remediation of default by a CITY or CITIES, and COUNTY reserves the right to pursue any and all available rights and remedies at law or in equity.

**7.3. Non-refund of Contributions.** The payments made by all PARTIES pursuant to this AGREEMENT shall be used for completion and maintenance of the NEW SHELTER in the manner described herein and all PARTIES acknowledge and agree that the completion and maintenance of the NEW SHELTER, as well as the completion of each phase of construction activity and each construction milestone under the CONSTRUCTION CONTRACT, provides an immediate benefit to each PARTY and that no payments made pursuant to this AGREEMENT shall be refunded for any reason other than pursuant to the last sentence of Section 8.1.a.

**8. Results of Nonpayment by any CITY.**

**8.1. Adjustment of Payments Upon Nonpayment:**

a) All PARTIES acknowledge that the failure of any CITY to pay any amount hereunder will result in an increase in the operational costs of sheltering SERVICES to be divided among all other CITIES. To that end, in the event any CITY fails to pay, for any other reason, any amount to be paid by that CITY under this AGREEMENT, within fifteen (15) days of when such payment is due, the amount of such nonpayment will be apportioned among the remaining CITIES such that the remaining CITIES' will be responsible to pay such unpaid amount. The amounts paid by the remaining CITIES pursuant to this section will be applied in the following order: first to replenish any COUNTY funds spent on ACTUAL CONSTRUCTION COSTS that would have been paid by funds owed by the nonpaying CITY, second to pay any other amounts due to COUNTY by the nonpaying CITY pursuant to this AGREEMENT, and the

remainder to pay ACTUAL CONSTRUCTION COSTS as they come due. Should the non-paying CITY pay any portion of the amount owing, the increased cost paid pursuant to this subsection by the remaining CITIES will be reimbursed to the extent of the amount of such repayment. This section shall apply to each payment obligation owed and not paid by any CITY as it becomes due and payable and shall not result in any acceleration of the full amount payable by the nonpaying CITY over the term of this AGREEMENT. In the event any CITY should default in its obligations under this AGREEMENT and no longer obtain sheltering SERVICES from COUNTY, COUNTY shall consult with all CITIES then obtaining SERVICES from COUNTY to discuss methods of cost reduction that may be made available as a result of such reduction in sheltering SERVICES usage.

b) It is the intention of all PARTIES that no funds provided by any PARTY under this AGREEMENT shall be reimbursed for any other reason than that set forth in the last sentence of the foregoing subsection (a). If, pursuant to judicial action or threat thereof, any funds are reimbursed under this AGREEMENT to any CITY, other than pursuant to the last sentence of the foregoing subsection (a), the remaining CITIES' will be responsible to pay to the COUNTY the reimbursed amount.

c) Each CITY's proportional share of any amounts required to be paid by CITIES pursuant to this section shall be determined based on the formula set forth on Exhibit D. Each CITY'S resulting incremental increase in contribution will be due within thirty (30) days of notification by the COUNTY to the participating CITIES of the increased amount owing. The obligation of CITIES to pay increased amounts under this Section 8 is not intended to be an exclusive remedy. COUNTY reserves the right to take any action as is appropriate to obtain payment from any non-paying CITY. Additionally, each CITY paying increased costs pursuant to this Section 8, shall have and retain the right to take any action at law or equity as is appropriate to obtain reimbursement of such increased payment amounts from the non-paying CITY.

**8.2. Impact of Nonpayment upon SERVICES AGREEMENT.** In the event any CITY fails to pay, for any reason, any amount to be paid by that CITY under this AGREEMENT, such failure shall constitute a default under the nonpaying CITY's SERVICES AGREEMENT and COUNTY shall have

the right to immediately terminate such SERVICES AGREEMENT, at its discretion.

9. Status of COUNTY as Independent Contractor. COUNTY is, and shall at all times be deemed to be, an independent contractor. Nothing herein contained shall be construed as creating the relationship of employer and employee, or principal and agent, between any CITY and COUNTY or any of COUNTY's agents or employees. COUNTY shall retain all authority for rendition of services, standards of performance, control of personnel, and other matters incident to the performance of services by COUNTY pursuant to this Agreement. COUNTY, its agents and employees shall not be considered to be CITY employees.
10. Governing Law and Venue. This AGREEMENT has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this AGREEMENT, the sole and exclusive venue shall be a court of competent jurisdiction, located in Orange County, California, and the PARTIES hereto agree to and hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the PARTIES specifically agree to waive any and all rights to request that an action be transferred for trial to another county.
11. Term and Termination: This AGREEMENT shall be effective from the date first set forth above until each PARTY has made the last payment required under this AGREEMENT, provided that the rights granted with respect to the option created pursuant to Section 1.6 shall continue in accordance with the terms of Section 1.6.
12. Amendments/Entire Agreement: Amendments to this AGREEMENT must be in writing and approved by the governing body of each PARTY. This AGREEMENT is the entire agreement among the parties with respect to the construction of the NEW SHELTER and it supersedes any prior written or oral agreements with respect to the subject. Any and all exhibits that may be referred to in this AGREEMENT are by such references incorporated in this AGREEMENT and made a part hereof.
13. Severability. If any provision of this AGREEMENT, or the application thereof, to any extent, is held by a court of competent jurisdiction to be invalid, void or unenforceable, such provision, to the extent it is valid and enforceable, and all other remaining provisions hereof shall remain in full force and effect, to the fullest extent possible, and shall in no way be affected, impaired or invalidated thereby to the extent such provisions are not rendered impractical to perform taking into consideration the purposes of this

## AGREEMENT.

14. Attorney's Fees. In any action or proceeding to enforce or interpret any provision of this AGREEMENT, or where any provision hereof is validly asserted as a defense, each PARTY shall bear its own attorney's fees, costs and expenses.
15. Interpretation. This AGREEMENT has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this AGREEMENT. In addition, each PARTY has been represented by experienced and knowledgeable independent legal counsel of its own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each PARTY further acknowledges that it has not been influenced to any extent whatsoever in executing this AGREEMENT by the other PARTIES hereto or by any person representing the other PARTIES, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this AGREEMENT against the PARTY that has drafted it is not applicable and is waived. The provisions of this AGREEMENT shall be interpreted in a reasonable manner to affect the purpose of the PARTIES and this AGREEMENT.
16. Consent to Breach Not Waiver. No term or provision of this AGREEMENT shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the PARTY claimed to have waived or consented. Any consent by any PARTY to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.
17. Authority. The PARTIES to this AGREEMENT represent and warrant that this AGREEMENT has been duly authorized and executed and constitutes the legally binding obligation of their respective organization or entity, enforceable in accordance with its terms.
18. Hold Harmless. Each CITY shall hold harmless, indemnify, and defend COUNTY, its officers, employees, and agents from and against any and all claims, suits, or actions of every kind brought for or on account of injuries to or death of any person or damage to any property of any kind whatsoever and to whomsoever belonging which arise out of such CITY'S failure to fulfill any payment obligations of such CITY arising pursuant to this AGREEMENT. COUNTY shall hold harmless, indemnify, and defend each CITY, its officers, employees, and agents from and against any and all claims, suits, or actions of every kind brought for or on account of injuries to or death of any person or damage to any property of any kind whatsoever and to whomsoever belonging which



arise out of the performance or nonperformance of COUNTY's covenants and obligations under this AGREEMENT and which result from the actively negligent or wrongful acts of COUNTY or its officers, employees, or agents. This provision requiring COUNTY to hold harmless, indemnify, and defend each CITY shall expressly not apply to claims, losses, liabilities, or damages arising from actions or omissions, negligent or otherwise, of any independent contractor providing services pursuant to a contract with the COUNTY. In the event of concurrent negligence of the COUNTY, its officers, or employees, and any CITY, its officers and employees, then the liability for any and all claims for injuries or damages to persons and/or property or any other loss or cost which arises out of the terms, conditions, covenants or responsibilities of this AGREEMENT shall be apportioned in any dispute or litigation according to the California theory of comparative negligence.

19. Appropriations. During the term of this AGREEMENT, for each fiscal year, each CITY shall make every effort to adopt all necessary budgets and make all necessary appropriations for all payments due hereunder. The covenant contained in this Section 19 shall be deemed to be, and shall be construed to be, contingent upon the continuing offer by COUNTY to provide SERVICES and use of SHELTERS to each individual CITY. To the extent COUNTY offers the provision of SERVICES and use of any SHELTERS to any CITY, the continued responsibility of such CITY to make all payments required hereunder shall be a duty imposed by law and it shall be the duty of each and every public official of each CITY to take such actions and do such things as are required by law in performance of the official duty of such officials to enable the CITY to carry out and perform the covenants contained in this Section 19. All PARTIES acknowledge that the construction, maintenance and availability of SHELTERS for the provision of services to all PARTIES and the division of the costs of constructing and maintaining such SHELTERS among the PARTIES allows for costs efficiencies and significant savings to each PARTY and that each PARTY has entered into this AGREEMENT and its SERVICES AGREEMENT in reliance on such shared costs and resulting savings. Each PARTY, to provide assurance of such cost efficiencies to each remaining PARTY, hereby expresses its commitment to fulfill its stated obligations under this AGREEMENT regardless of the term of the AGREEMENT overlapping more than one fiscal year and acknowledges the financial burden that any breach of the terms of this AGREEMENT will have on all other PARTIES.
20. Assignability. Except as otherwise expressly provided for herein, no PARTY shall assign any of its obligations or rights hereunder without the consent of all other PARTIES.
21. Execution in Counterpart. This AGREEMENT may be executed in counterparts, each of

which, when the PARTIES hereto have signed this AGREEMENT, shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

22. Notices. Any notices required to be given pursuant to this AGREEMENT shall be given in writing and shall be mailed to all PARTIES to the AGREEMENT, as follows [to be completed prior to execution]:

To CITY:

To COUNTY:

IN WITNESS WHEREOF, the Board of Supervisors of the COUNTY OF ORANGE has authorized and directed the Chairman of the Board of Supervisors to execute this Agreement for and on behalf of the COUNTY, and [Participating cities subject to change] the CITIES of ANAHEIM, BREA, CYPRESS, FOUNTAIN VALLEY, FULLERTON, GARDEN GROVE, HUNTINGTON BEACH, LAGUNA HILLS, LAKE FOREST, ORANGE, PLACENTIA, RANCHO SANTA MARGARITA, SAN JUAN CAPISTRANO, STANTON, TUSTIN, VILLA PARK, and YORBA LINDA have caused this AGREEMENT to be subscribed by each of their duly authorized officers and attested by their Clerks.

DATE: \_\_\_\_\_

COUNTY OF ORANGE

\_\_\_\_\_  
Clerk of the Board

By: \_\_\_\_\_

[The final agreement will contain appropriate signature blocks for participating CITIES. Following are simply examples of possible participants.]

DATE: \_\_\_\_\_

CITY OF ANAHEIM

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_

DATE: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

CITY OF BREA

By: \_\_\_\_\_

DATE: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

CITY OF FOUNTAIN VALLEY

By: \_\_\_\_\_

DATE: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

CITY OF FULLERTON

By: \_\_\_\_\_

DATE: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

CITY OF GARDEN GROVE

By: \_\_\_\_\_

DATE: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

CITY OF HUNTINGTON  
BEACH

By: \_\_\_\_\_

DATE: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

CITY OF LAGUNA HILLS

By: \_\_\_\_\_

DATE: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

CITY OF LAKE FOREST

By: \_\_\_\_\_

DATE: \_\_\_\_\_

CITY OF ORANGE

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_

DATE: \_\_\_\_\_

CITY OF PLACENTIA

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_

DATE: \_\_\_\_\_

CITY OF RANCHO SANTA  
MARGARITA

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_

DATE: \_\_\_\_\_

CITY OF SAN JUAN  
CAPISTRANO

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_

DATE: \_\_\_\_\_

CITY OF STANTON

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_

DATE: \_\_\_\_\_

CITY OF TUSTIN

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_

DATE: \_\_\_\_\_

CITY OF VILLA PARK

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_

DATE: \_\_\_\_\_

CITY OF YORBA LINDA

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_

AGREEMENT FOR PROVISION OF  
OC ANIMAL CARE SERVICES  
BETWEEN  
COUNTY OF ORANGE  
AND  
CITY OF STANTON  
JULY 1, 2016 THROUGH JUNE 30, 2026

THIS AGREEMENT entered into this 26th day of April, 2016, which date is enumerated for purposes of reference only, is by and between the COUNTY OF ORANGE, a political subdivision of the State of California (COUNTY) and the CITY OF STANTON (CITY). This Agreement shall be administered by County of Orange OC Community Resources (ADMINISTRATOR).

**WITNESSETH:**

WHEREAS, CITY wishes to contract with COUNTY for the provision of the OC Animal Care Services described herein; and

WHEREAS, COUNTY is willing and able to provide such services on the terms and conditions hereinafter set forth:

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

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## CONTENTS

<u>PARAGRAPH</u>	<u>PAGE</u>
Title Page.....	1
Contents.....	2
Referenced Contract Provisions.....	3
I. Alteration of Terms.....	4
II. Indemnification and Insurance.....	4
III. Notices.....	5
IV. Severability.....	5
V. Status of the Parties.....	5
VI. Term.....	6
VII. Termination.....	6
VIII. Third Party Beneficiary.....	6
IX. Waiver of Default or Breach.....	7
Signature Page.....	7

### EXHIBIT A

I. Definitions.....	1
II. Services to be Provided by County.....	1
III. Payments.....	4
IV. City Managers Association Animal Care Committee.....	5
V. Laws and Regulations.....	5
VI. Reports.....	6
VII. Records.....	7

### EXHIBIT B

Animal Care Notice of Intent.....	1 Page
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**REFERENCED CONTRACT PROVISIONS**

**Term:** July 1, 2016 through June 30, 2026

**Notices to COUNTY and CITY:**

COUNTY:     County of Orange  
              OC Community Resources  
              Director's Office  
              1770 North Broadway  
              Santa Ana, CA 92706-2642  
              and  
              County of Orange  
              OC Community Resources  
              OC Animal Care Director  
              561 The City Drive South  
              Orange, CA 92868

CITY:         Stephen M. Parker, CPA  
              Administrative Services Director  
              City of Stanton  
              7800 Katella Ave  
              Stanton, CA 90680

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## **I. ALTERATION OF TERMS**

This Agreement, together with Exhibit A and B, attached hereto and incorporated herein by reference, fully expresses all understanding of COUNTY and CITY with respect to the subject matter of this Agreement, and shall constitute the total Agreement between the parties for these purposes. No addition to, or alteration of, the terms of this Agreement, whether written or verbal, shall be valid unless made in writing and formally approved and executed by both COUNTY and CITY. This Agreement supersedes any and all previous agreements between the parties relating to the subject matter hereof.

## **II. INDEMNIFICATION AND INSURANCE**

A. CITY agrees to indemnify, defend and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special districts and agencies for which COUNTY's Board of Supervisors acts as the governing Board ("COUNTY INDEMNITEES") harmless from any claims, demands, including defense costs, or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by CITY pursuant to this Agreement. If judgment is entered against CITY and COUNTY by a court of competent jurisdiction because of the concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CITY and COUNTY agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

B. COUNTY agrees to indemnify, defend and hold CITY, its elected and appointed officers, employees, agents, directors, members, shareholders and/or affiliates harmless from any claims, demands, including defense costs, or liability of any kind or nature, including but not limited to, personal injury or property damage, arising from or related to the services, products or other performance provided by COUNTY pursuant to this Agreement. If judgment is entered against COUNTY and CITY by a court of competent jurisdiction because of the concurrent active negligence of CITY, COUNTY and CITY agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

C. Each party agrees to provide the indemnifying party with written notification of any claim related to services provided by either party pursuant to this Agreement within thirty (30) calendar days of notice thereof, and in the event the indemnifying party is subsequently named party to the litigation, each party shall cooperate with the indemnifying party in its defense.

D. Without limiting CITY's indemnification, CITY warrants that it is self-insured or shall maintain in force at all times during the term of this Agreement, the policy or policies of insurance covering its operations, placed with reputable insurance companies. Upon request by ADMINISTRATOR, CITY shall provide evidence of such insurance.

E. Without limiting COUNTY's indemnification, COUNTY warrants that it is self-insured or shall maintain in force at all times during the term of this Agreement, the policy or policies of insurance covering its operations, placed with reputable insurance companies. Upon request by CITY, COUNTY



shall provide evidence of such insurance.

### **III. NOTICES**

A. Unless otherwise specified, all notices, claims, correspondence, reports and/or statements authorized or required by this Agreement shall be effective:

1. When written and deposited in the United States mail, first class postage prepaid and addressed as specified on Page 3 of this Agreement or otherwise directed by ADMINISTRATOR or CITY;
2. When FAXed, transmission confirmed;
3. When sent by electronic mail; or
4. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel Service, or other expedited delivery service.

B. Termination Notices shall be addressed as specified on Page 3 of this Agreement or as otherwise directed by ADMINISTRATOR or CITY and shall be effective when FAXed, transmission confirmed, or when accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel Service, or other expedited delivery service.

C. Each party shall notify the other party, in writing, within twenty-four (24) hours of becoming aware of any occurrence of a serious nature, which may expose either party to liability. Such occurrences shall include, but not be limited to, accidents, injuries, or acts of negligence, or loss or damage to any COUNTY property in possession of CITY.

D. For purposes of this Agreement, any notice to be provided by COUNTY may be given by ADMINISTRATOR.

### **IV. SEVERABILITY**

If a court of competent jurisdiction declares any provision of this Agreement or application thereof to any person or circumstances to be invalid or if any provision of this Agreement contravenes any federal, state, or county statute, ordinance, or regulation, the remaining provisions of this Agreement or the application thereof shall remain valid, and the remaining provisions of this Agreement shall remain in full force and effect, and to that extent the provisions of this Agreement are severable.

### **V. STATUS OF THE PARTIES**

Each party is, and shall at all times be deemed to be, an independent contractor and shall be wholly responsible for the manner in which it performs the services required of it by the terms of this Agreement. Each party is entirely responsible for compensating staff and consultants employed by that party. This Agreement shall not be construed as creating the relationship of employer and employee, or principal and agent, between COUNTY and CITY or any of either party's employees, agents, consultants, or subcontractors. Each party assumes exclusively the responsibility for the acts of its employees, agents, consultants, or subcontractors as they relate to the services to be provided during the

course and scope of their employment. Each party, its agents, employees, or subcontractors, shall not be entitled to any rights or privileges of the other party's employees and shall not be considered in any manner to be employees of the other party.

#### **VI. TERM**

A. The term of this Agreement shall commence as specified on Page 3 of this Agreement.

B. This Agreement shall be effective for the full ten (10) year term specified on Page 3 of this Agreement, provided no notice of termination has been given by COUNTY in accordance with the Termination paragraph of this Agreement.

#### **VII. TERMINATION**

A. COUNTY may terminate this Agreement immediately upon default by CITY of its obligations hereunder or under that Participation Agreement entered into, in the year 2016, between CITY, COUNTY, and all other cities then contracting for Animal Care Services with COUNTY, for the purpose of allocating the increased costs of Animal Care Services resulting from the construction of a new animal shelter.

B. Upon termination, both parties shall be obligated to perform such duties as would normally extend beyond this term, including but not limited to, obligations with respect to confidentiality, indemnification, audits, reporting and accounting.

C. Any obligation of COUNTY under this Agreement is contingent upon the inclusion of sufficient funding for the services hereunder in the applicable budgets approved by the Board of Supervisors. In the event such funding is subsequently reduced or terminated, COUNTY may terminate this Agreement upon thirty (30) calendar days written notice given to CITY. Any obligation of CITY under this Agreement is contingent on COUNTY making available to CITY the continued use of Animal Care Services pursuant to the terms hereof. CITY acknowledges that other local cities have or will enter into similar agreements with the COUNTY to provide Animal Care Services for a period of ten (10) years, that the sharing of costs among the COUNTY and all contracting cities allows for costs efficiencies and operational savings to COUNTY and each contracting city, and that COUNTY and each contracting city have entered into their Services Agreements in reliance on such shared costs and resulting savings. CITY further acknowledges that the refusal of CITY to fulfill its obligations under this Agreement would increase the financial burden of services on COUNTY and all remaining contracting cities. CITY therefore agrees that it will fulfill its obligations hereunder and acknowledges that COUNTY and the other cities acquiring Animal Care Services from COUNTY are relying on CITY'S stated agreement, and the sharing of costs with CITY, in electing to acquire similar services.

#### **VIII. THIRD PARTY BENEFICIARY**

Except to the extent provided for in Section VII above with respect to other contracting cities,

neither party hereto intends that this Agreement shall create rights hereunder in third parties including, but not limited to, any subcontractors or any clients provided services hereunder.

**IX. WAIVER OF DEFAULT OR BREACH**

Waiver of any default shall not be considered a waiver of any subsequent default. Waiver of any breach of any provision of this Agreement shall not be considered a waiver of any subsequent breach. Waiver of any default or any breach shall not be considered a modification of the terms of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement, in the County of Orange, State of California.

CITY OF STANTON

BY: \_\_\_\_\_  
JAMES A. BOX, CITY MANAGER

DATED: \_\_\_\_\_

ATTEST:

BY: \_\_\_\_\_  
PATRICIA A. VAZQUEZ, CITY CLERK

DATED: \_\_\_\_\_

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
MATTHEW E. RICHARDSON, CITY ATTORNEY

DATED: \_\_\_\_\_

COUNTY OF ORANGE

BY: \_\_\_\_\_

DATED: \_\_\_\_\_

TITLE: \_\_\_\_\_

APPROVED AS TO FORM:  
OFFICE OF THE COUNTY COUNSEL  
ORANGE COUNTY, CALIFORNIA

BY: \_\_\_\_\_  
DEPUTY

DATED: \_\_\_\_\_

EXHIBIT A  
TO AGREEMENT FOR PROVISION OF  
OC ANIMAL CARE SERVICES  
WITH  
CITY OF STANTON  
JULY 1, 2016 THROUGH JUNE 30, 2026

**I. DEFINITIONS**

- A. "Actual Cost" means all COUNTY expenditures, including indirect charges, for providing Animal Care Services to CITY pursuant to this Agreement.
- B. "Animal Care Notice of Intent" means the document, signed by authorized representatives of COUNTY and CITY, which specifies all Animal Care Services COUNTY intends to provide to CITY, the estimated cost of the services, and the effective date.
- C. "Animal Care Service(s)" means one or more service to be provided by COUNTY to CITY, as specified, by category, in Paragraph II.B. of Exhibit A to this Agreement.
- D. "Fee Revenue" means revenue collected by COUNTY for Animal Care Services provided by COUNTY to CITY pursuant to this Agreement.
- E. "Fiscal Year" means a twelve (12)-month period from July through June.
- F. "Net Cost" means Actual Cost minus Fee Revenue.
- G. "Service Details" mean the activities performed by COUNTY within an Animal Care Service category.

**II. SERVICES TO BE PROVIDED BY COUNTY**

A. ANIMAL CARE NOTICE OF INTENT

1. Annually, by March 1, CITY shall identify which of the Animal Care Services, specified below in subparagraph II.B. of Exhibit A to this Agreement, CITY would like COUNTY to provide during the next Fiscal Year. CITY and COUNTY may agree to individualized levels of Service Details within the Animal Care Services selected. Requests for individualized levels of Service Details will only be considered by COUNTY if the resulting service level will not conflict with state or federal statutes and will not endanger public health.

2. Annually, by April 1, COUNTY shall prepare and send to CITY an Animal Care Notice of Intent which shall include, but not be limited to, a list of Animal Care Services, and individualized Service Details, if any, COUNTY agrees to provide, estimated costs for said services, and the start date for those services. COUNTY shall provide the Animal Care Services specified in the Animal Care Notice of Intent signed by both ADMINISTRATOR or designee, and an authorized representative of CITY.

3. Upon mutual agreement of CITY and COUNTY, COUNTY may prepare a new or amended Animal Care Notice of Intent at any time, may change due dates specified in subparagraph II.A.1. and II.A.2. of Exhibit A to this Agreement, and may modify the format of the Animal Care Notice of Intent attached to this Agreement as Exhibit B.

B. ANIMAL CARE SERVICES – COUNTY provides the following seven (7) categories of Animal Care Services. Each category of service includes Service Details which may be added or changed by ADMINISTRATOR upon six (6) months prior notification to CITY. COUNTY shall provide to CITY the Animal Care Services specified on the most current, Animal Care Notice of Intent for the Fiscal Year, signed in accordance with subparagraph II.A.2. of this Exhibit A to the Agreement.

1. ANIMAL CONTROL SERVICES – Animal Control Services include, but are not limited to, emergency response service; patrolling; impounding of stray animals and of owner-released animals; animal cruelty investigations; animal bite investigations; citation issuance; field release to owner and impound fee collection for impounded animals; quarantine activities including home checks of animals involved in bites; site inspections required to comply with vicious dog ordinances; emergency transportation of injured, impounded animals to a veterinarian; impounding of deceased animals for disposal; responses to requests for assistance from law enforcement and CITY officials regarding suspected criminal activities or zoning violations related to animals; advice to residents regarding wildlife management or other animal concerns, not to include wildlife eradication or relocation services; injured wildlife pick-up; animal license issuance and renewal, fee collection and payment services; customer support regarding animal licensing; animal license billing; and delinquent animal license follow-up; assistance to residents regarding potentially dangerous and/or vicious animals; impound data entry; and impound animal photography.

2. ANIMAL CARE SPECIAL SERVICES

a. Animal Care Special Services include, but are not limited to animal license issuance and renewal; fee collection and payment services; customer support regarding animal licensing; animal license billing; delinquent animal license follow-up; animal field canvassing to locate and license unlicensed animals; inspection of animal-related businesses in CITY jurisdiction in response to complaints and in accordance with COUNTY established inspection schedules; and when applicable, issuance of animal permits for private homes.

b. The number of hours of canvassing provided to CITY by COUNTY will be prorated based on available canvassing hours and CITY percentage of costs of Animal Care Services received by CITY during the previous Fiscal Year. At sole discretion of COUNTY, COUNTY may provide canvassing services to cities that did not receive canvassing services in the previous Fiscal Year. COUNTY may change its methodology for allocating canvassing hours upon six (6) months prior notification to cities.

3. ANIMAL CARE SHELTER SERVICES

a. Animal Care Shelter Services include, but are not limited to, retention of impounded

animals at COUNTY's Animal Care Shelter (Shelter), public display of animals to allow owner identification; contact of owners when animals are wearing identification; sale or release of impounded animals to residents; animal evaluation for adoption; reasonable effort toward animal placement; public education; volunteer services; rescue group coordination; euthanasia and disposal of animals that are neither redeemed nor adopted; veterinary services and spay/neuter surgeries consistent with standards established by the California Veterinary Medical Board; and necropsies on animals that die under suspicious circumstances or at the request of law enforcement.

b. CITY may request additional retention days for healthy, non-aggressive impounded animals. Additional retention days will be offered to CITY upon written approval by COUNTY's OC Community Resources Director, or designee, on a space available basis only.

c. COUNTY agrees to maintain its Shelter in a humane manner, consistent with applicable laws, keep said premises in a clean condition at all times, and use humane methods of care consistent with applicable laws.

d. No animals may be donated, sold or otherwise released for the purposes of experimentation, research or vivisection.

4. BARKING DOG COMPLAINT SERVICES – Barking Dog Compliant Services include, but are not limited to, receipt of barking dog complaints from residents, customer assistance regarding barking dog complaints, issuance of citations, and administrative hearings in response to complaints received by COUNTY for barking dogs within jurisdiction of CITY.

5. STANDARD LICENSING SERVICES – Standard Licensing Services include, but are not limited to, animal license issuance and renewal, fee collection and payment services; customer support regarding animal licensing; animal license billing; and delinquent animal license follow-up.

6. CITY LICENSE SERVICES

a. City License Services include, but are not limited to, issuance of CITY animal licenses at the time of adoption or redemption by owners. CITY shall provide CITY licensing tags to COUNTY. COUNTY shall provide quarterly licensing reports to CITY.

b. CITY shall make its best effort to provide updated animal licensing information to COUNTY.

7. ANIMAL IMPOUND SERVICES – Animal Impound Services include, but are not limited to, data entry of impound information for each live or deceased animal from CITY, impound animal photography for each live animal, owner notification of impounded animal, and posting of animal photographs on COUNTY website. COUNTY shall receive CITY animals at Shelter at times arranged by COUNTY.

C. COUNTY shall notify CITY of COUNTY's hours of operation for Animal Care Services. COUNTY may adjust hours of operation for Animal Care Services upon ninety (90) calendar days prior notification given to CITY.

D. Animals which are being retained for criminal prosecutions, except for violations of animal

control regulations and/or ordinances pursuant to this Agreement, are not to be construed as held pursuant to the services provided under this Agreement; housing will be provided at the discretion of COUNTY and at COUNTY's usual and customary charges for such housing.

E. To facilitate the performance of services, COUNTY shall have full cooperation and assistance from CITY, its officers, agents and employees.

### **III. PAYMENTS**

#### **A. BASIS FOR PAYMENT**

1. CITY shall pay COUNTY the Net Cost of providing Animal Care Services specified in Animal Care Notice of Intent for CITY signed in accordance with subparagraph II.A. CITY Net Costs may include services/supplies procured but not yet delivered within the Fiscal Year.

2. The methodology for determining CITY's Actual Cost of Animal Care Services shall be provided to CITY annually in accordance with the Reports paragraph of this Agreement. CITY shall take all action necessary to ensure that Animal Care Services fees effective with respect to CITY are consistent with the most recent animal care services fees approved by the County of Orange Board of Supervisors (the "COUNTY FEES") which fee amounts will be charged for Animal Care Services within CITY's jurisdiction and shall be used in determining CITY's Actual Cost of Animal Care Services. If CITY wishes to charge fees which are different from the COUNTY FEES, CITY shall notify COUNTY of the applicable fee amounts to be charged for Animal Care Services within CITY's jurisdiction (the "CITY FEES") and the applicable CITY FEES will be charged for Animal Care Services within CITY's jurisdiction and shall be used in determining CITY's Actual Cost of Animal Care Services.

3. COUNTY shall record and retain all Fee Revenue derived from providing Animal Care Services to CITY. CITY's Fee Revenue shall be credited to CITY's Actual Cost of Animal Care Services. COUNTY shall have all fee collection powers of CITY and shall receive full cooperation from CITY to enable efficient enforcement of fee collection.

#### **B. PAYMENT SCHEDULE**

1. Each Fiscal Year, CITY shall pay COUNTY in arrears for the Net Cost of Animal Care Services provided in accordance with the following payment schedule. Billings are due from COUNTY to CITY within thirty (30) calendar days following the three-month Period specified below.

<u>Period</u>	<u>Billing Due</u>	<u>Payment Due</u>
July 1 through September 30	October 30	November 25
October 1 through December 31	January 30	February 25
January 1 through March 31	April 30	May 25
April 1 through June 30	July 30	August 25



2. If payment is not received by COUNTY by the payment due date specified above in subparagraph III.B. of Exhibit A to this Agreement, COUNTY may cease providing any further service under this Agreement and may satisfy the indebtedness in any manner prescribed by law.

3. COUNTY may modify the payment schedule upon six (6) months written notification to CITY.

#### **IV. CITY MANAGERS ASSOCIATION ANIMAL CARE COMMITTEE**

A subcommittee of the Orange County City Managers Association representing all cities participating in OCAC services exists to facilitate communication between OCAC and the city managers and staff of participating cities regarding financial and operational matters of OCAC, including, but not limited to: the assessment of cost options for animal care services provided under the Services Agreements; supplemental services or financial requests which result in a change to a participating city's Actual Cost; consideration of new or adjusted fees; and other Service Details which may arise during the course of the Agreement. COUNTY shall provide regular updates on operations to the City Managers Association Animal Care Committee and to a participating city upon request.

#### **V. LAWS AND REGULATIONS**

A. COUNTY shall comply with all applicable governmental laws, regulations, and requirements related to Animal Care Services, as they exist now or may be hereafter amended or changed and shall enforce federal and state statutes deemed applicable to CITY by COUNTY. Animal Care Services provided by COUNTY to CITY may be changed to comply with said laws, regulations, and requirements. ADMINISTRATOR will make its best efforts to notify CITY of changes that may impact Animal Care Services provided through this Agreement.

B. For each Animal Care Service that COUNTY agrees to provide to CITY in an Animal Care Notice of Intent, CITY shall enact and maintain in full force and effect ordinances identical to COUNTY ordinances which apply to said service, including but not limited to, those related to fees. ADMINISTRATOR shall notify CITY of the deadline for adopting said ordinances. If COUNTY is unable to enforce an animal care ordinance because of the limitations of a CITY ordinance or failure of CITY to adopt identical ordinances related to an Animal Care Service, COUNTY may suspend provision of one or all Animal Care Services to CITY or may terminate this Agreement. It is solely the responsibility of CITY to immediately notify COUNTY of any discrepancy between relevant ordinances maintained by CITY and those maintained by COUNTY.

D. If CITY wishes to maintain any relevant ordinance that is not consistent, on any point, with COUNTY ordinances, CITY shall immediately notify COUNTY of the discrepant ordinance. At the sole discretion of COUNTY, COUNTY may waive CITY enactment and maintenance of COUNTY animal care ordinances and may agree to enforce, and issue citations for violations pursuant to, the discrepant CITY ordinance. CITY acknowledges that individualized enforcement of unique CITY ordinances may result in increased costs to CITY.

E. CITY shall notify COUNTY of its intent to add, amend, or delete any CITY animal care ordinance at least ninety (90) calendar days in advance of its addition, amendment, or deletion.

F. CITY may request that specific ordinances adopted by CITY not be enforced in CITY by COUNTY. Requests for exclusion must be submitted in writing and received by COUNTY ninety (90) calendar days prior to the requested exclusion. Requests for exclusion will only be considered by COUNTY if they are not in conflict with state statutes and do not endanger public health. COUNTY shall notify CITY, in writing, of COUNTY's decision regarding the requested exclusion.

G. COUNTY's OC Community Resources Director, or designee, may provide assistance to CITY in defining the manner in which enforcement of a new or amended animal care ordinance would be provided by COUNTY. Requests for assistance must be made in writing and received by COUNTY ninety (90) calendar days prior to the requested implementation of the service. If the cost of such service can be delineated and accommodated by COUNTY, COUNTY will send an amended Animal Care Notice of Intent to CITY which will include reference to the CITY ordinance.

H. CITY will reimburse COUNTY for ordinance enforcement, as specified in the Payments Paragraph of this Agreement.

## **VI. REPORTS**

A. Each Fiscal Year, COUNTY shall provide to CITY written, quarterly reports of Animal Care Services revenue and expenses for each period specified below. Said reports will be due to CITY within thirty (30) calendar days of the month following the reporting period, in accordance with the schedule below:

<u>Period</u>	<u>Reports Due</u>
July 1 through September 30	October 30
October 1 through December 31	January 30
January 1 through March 31	April 30
April 1 through June 30	July 30

B. Each Fiscal Year, COUNTY shall provide the following Animal Care Services reports to CITY by July 30:

1. A payment methodology report for Animal Care Services to be provided by COUNTY during the next Fiscal Year and
2. A Fiscal Year intake and outcome report.

C. COUNTY may change the due dates for reports specified in subparagraphs VI.A. and VI.B. above upon six (6) months written notification to CITY.

D. No less than once every three (3) years, COUNTY shall engage an external auditor to review CITY billings.

## VII. RECORDS

A. All records created or received by COUNTY in accordance with the performance of COUNTY services pursuant to this Agreement are confidential. COUNTY agrees to keep said records in such form and manner as the Auditor-Controller of COUNTY shall specify. Said records shall be open for examination by CITY at all reasonable times.

B. Once each Fiscal Year, COUNTY shall deliver to CITY only the addresses of each CITY licensed animal upon demand without additional expense or cost to CITY. Any such information requested which is confidential pursuant to the terms of the Public Records Act shall be released to CITY pursuant to government code. Prior to each disclosure, CITY agrees to complete and return to COUNTY a "Confidentiality Agreement" on a form approved or provided by COUNTY. The parties agree and understand that this procedure is required by the Public Records Act and necessitated to permit CITY to obtain the information required for its use, and to allow COUNTY to disclose said information. Upon receipt by COUNTY, the records requested may be released to the extent COUNTY is in possession of such records, and permitted by state law to disclose them voluntarily.

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EXHIBIT B  
TO AGREEMENT FOR PROVISION OF  
OC ANIMAL CARE SERVICES  
WITH  
CITY OF STANTON  
«START\_DATE» THROUGH «END\_DATE»

**ANIMAL CARE NOTICE OF INTENT**

This Animal Care Notice of Intent specifies Animal Care Services to be provided to CITY by COUNTY for the Period: «NOI\_START» through «NOI\_END». COUNTY agrees to provide to the City of «COMPANY2» the following Animal Care Services beginning «NOI\_EFFECTIVE»:

«SERVICE1»  
«SERVICE2»  
«SERVICE3»  
«SERVICE4»  
«SERVICE5»

The total estimated cost for Animal Care Services specified above is «TOTAL\_COST\_».

- ☒ This is a new Animal Care Notice of Intent for the Period indicated above.  
☐ This is an Amendment to an existing Animal Care Notice of Intent for the Period indicated above.

Significant Changes Since the Previous Animal Care Notice of Intent:

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To the best of my knowledge, this notice specifies the Animal Care Services to be provided by COUNTY.

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City of Stanton Representative and Title

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Date

---

OC Animal Care Director

---

Date

## **ANIMAL CONTROL AND SHELTER SERVICES AGREEMENT**

**THIS AGREEMENT** is made and entered into this 27th day of April, 2016, between the City of Westminster (VENDOR), a municipal corporation located at 8200 Westminster Blvd., Westminster, CA 92683, and the City of Stanton (CITY) located at 7800 Katella Avenue, Stanton, CA 90680.

### ***WITNESSETH:***

**WHEREAS**, CITY desires to engage VENDOR to provide Animal Control and Shelter Services to the City of Stanton; and

**WHEREAS**, VENDOR is experienced in providing such services and is able to provide CITY with the requisite experience and background to carry out these duties; and

**WHEREAS**, CITY and VENDOR desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

**WHEREAS**, no official or employee of CITY or VENDOR has a financial interest, within the provisions of California Government Code, Sections 1090-1092, in the subject matter of this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants, benefits, and promises hereinabove stated, the parties hereto agree as follows:

### **1. SERVICES TO BE PERFORMED**

CITY agrees to engage VENDOR to provide the Animal Control and Shelter Services contained within VENDOR'S proposed Scope of Work, a copy of which is attached hereto as Exhibit "A".

### **2. TERM OF AGREEMENT**

This Agreement shall commence on the effective date and shall continue until October 31, 2019, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties. At the end of the term period CITY and VENDOR may mutually agree, in writing, to renew the contract for an additional one (1) term period of one (1) year.

### **3. TIME OF PERFORMANCE**

- A. The services to be performed pursuant to this Agreement shall commence on November 1, 2016.
- B. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party.

### **4. CONFLICT IN DOCUMENTS**

Notwithstanding anything stated herein to the contrary, if there is any conflict between the terms of this Agreement and any Exhibit thereto, the following documents shall take precedence over the others, in the order listed:

First, the terms of this Agreement.  
Second, Exhibit "A", VENDOR's Scope of Work  
Third, Exhibit "B", Fee Schedule  
Fourth, Exhibit "C" Animal Shelter Indemnification of CITY

**5. COMPLIANCE WITH LAW**

VENDOR warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California laws.

**6. COMPENSATION**

**A. Amount**

VENDOR's total compensation shall not exceed One Hundred Fifty Five Thousand Dollars (\$155,000) in the first year of this Agreement. All work shall be in accordance with the Scope of Work.

**B. Pricing Increase**

VENDOR will apply a pricing increase not to exceed 5% each year during the term of the contract.

**C. Additional Services**

VENDOR shall not receive compensation for any services provided outside the scope of services unless the CITY, prior to VENDOR performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

For a call out of an Animal Control Officer to respond to an incident at the CITY that takes place outside of the hours of 8:00 A.M. and 6:00 P.M., the VENDOR will be compensated \$50.00 per hour for the total duration of the call out. CITY will prepay 100 hours of call out time each year at rates provided in Exhibit "B" (the "Fee Schedule"), and applicable towards calls for service taking place outside of the hours of 8:00 A.M. and 6:00 P.M. Once the prepaid hours are exhausted, VENDOR will bill CITY per occurrence for this type of call out. All field services will be billed in hour increments irrespective of whether actual field services are less than an hour.

A maximum of 586 animals per year will be permitted into the shelter. In the event that CITY requests additional services, not provided in the Scope of Work, Exhibit "A," CITY will make a written request to VENDOR and pay an additional amount to cover the additional services.

**D. Payment Procedure**

VENDOR shall be paid in accordance with the fee schedule set forth in Exhibit "B," attached hereto and made a part of this Agreement (the "Fee Schedule").



#### **E. Fee Revenue**

VENDOR shall have all powers of CITY with respect to animal control and shelter services and shall receive all cooperation possible from CITY to enable efficient collection of fees resulting from fees, licensing and fines. VENDOR shall retain all fees and revenue derived from the enforcement of the CITY Ordinances pertaining to animal control and shelter services provided by VENDOR.

VENDOR agrees to keep record of all license revenue collected from residents of CITY, and all revenue generated from animals received from CITY residents or impounded within the corporate limits of CITY.

#### **F. Records and Audits**

Records of VENDOR's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to CITY for inspection and/or audit at mutually convenient times for a period of three (3) years from the Effective Date.

### **7. TERMINATION**

#### **A. Notice of Termination**

The CITY and VENDOR have the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to the other party no less than one hundred and eighty (180) calendar days in advance of such termination.

#### **B. Compensation**

In the event of termination, CITY shall pay VENDOR for reasonable costs incurred and services satisfactorily performed up to and including the date of the written notice of termination. Compensation for work in progress shall be prorated as to the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, and to other documents pertaining to the services contemplated herein whether delivered to the CITY or in the possession of the VENDOR.

### **8. COORDINATION OF WORK & NOTICES**

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand or overnight courier service during VENDOR's and CITY's regular business hours or by facsimile before or during VENDOR's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid, to the addresses heretofore set forth in the Agreement, or to such other addresses as the parties may, from time to time, designate in writing pursuant to the provisions of this Section.

**Address for Notices:**

**CITY:**

Stephen Parker  
Administrative Services Director  
City of Stanton  
7800 Katella Ave.  
Stanton, CA 90680  
(714) 890-4226

**VENDOR:**

City Manager  
City of Westminster  
8200 Westminster Blvd.  
Westminster, CA 92683  
(714) 548-3172

**A. Selection of Representatives**

The following representative of VENDOR is hereby designated as the principal and representative of VENDOR authorized to act in its behalf with respect to the work specified in this Agreement:

**VENDOR Representative**

The VENDOR's representative, Cmdr. Bill Collins, shall be the person primarily assigned to make decisions on behalf of the VENDOR relating to services provided by VENDOR under this Agreement. VENDOR's Representative shall be available to answer questions during regular business hours throughout the term of this Agreement. VENDOR shall appoint an alternate person who is empowered to make decisions and act on the VENDOR Representative's behalf, during any period when the VENDOR's Representative is unavailable.

**CITY Representative**

The CITY'S representative shall be: Stephen Parker, Administrative Services Director, or such other person as designated by the City Manager of the CITY. Unless otherwise specified herein, any required CITY approval shall mean the approval of the CITY representative(s).

**9. COOPERATION**

In the event any claim or action is brought against the VENDOR relating to VENDOR's performance of services /or under this Agreement, VENDOR shall render any reasonable assistance and cooperation which CITY might require.

**10. INDEPENDENT CONTRACTOR VENDOR Status**

VENDOR is, and shall at all times remain to CITY, a wholly independent contractor. VENDOR shall have no power to incur any debt, obligation, or liability on behalf of the CITY or otherwise act on behalf of CITY as an agent. Neither CITY nor any of its agents shall have control over the conduct of VENDOR or any of VENDOR's employees, except as set forth in this

Agreement. VENDOR shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

**11. PROHIBITED INTERESTS**

No employee of VENDOR shall have any direct financial interest in this Agreement.

**12. ASSIGNMENT PROHIBITED**

No party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

**13. INDEMNIFICATION**

To the fullest extent permitted by law, the parties, and each of their elected and appointed officials, officers, agents, employees and volunteers agree to save, indemnify, defend, and hold harmless each other from any and all liability, claims, suits, actions, arbitration proceedings, administrative proceedings, and regulatory proceedings, losses, expenses, or any inquiry or damage of any kind whatsoever, whether actual, alleged or threatened, attorney fees, court costs, and any other costs of any nature without restriction incurred in relation to, as a consequence of, or arising out of, the performance of this Agreement, by the other party. Following a determination of the percentage of fault and or liability by agreement between the Parties or a court of competent jurisdiction, the Party responsible for liability to the other will indemnify the other Party to this Agreement for the percentage of liability determined.

Without limiting the indemnification, VENDOR and CITY warrant that they are self-insured or maintain in force at all times during the term of this Agreement, the policy or policies of insurance covering their operations. Upon request by one Party, the other Party shall provide evidence of such insurance.

**14. EQUAL EMPLOYMENT OPPORTUNITY**

During the performance of this Agreement, VENDOR agrees as follows:

- A. VENDOR shall not discriminate against any employee or applicant for employment because of age, race, color, religion, sex, marital status, national origin, or mental or physical disability. VENDOR will ensure that applicants are employed and that employees are treated during employment, without regard to their age, race, color, religion, sex, marital status, national origin, or mental or physical disability. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. VENDOR agrees to post in conspicuous places, available to employees and applicants for employment, a notice setting forth provisions of this non-discrimination clause.
- B. VENDOR shall, in all solicitations and advertisements for employees placed by, or on behalf of the VENDOR, state that all qualified applicants will receive consideration for employment without regard to age, race, color, religion, sex, marital status, national origin, or mental or physical disability.

**15. MISCELLANEOUS**

- A. CITY fully intends to contract services as indicated within Exhibit "A" – Scope of Services.
- B. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.
- C. Attorney's Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorney's fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.
- D. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.
- E. Entire Agreement. This Agreement represents the entire understanding of the CITY and VENDOR. No prior oral or written understanding shall be of any force or effect with respect to those matters covered in this Agreement. Any work performed, which is inconsistent with or in violation of the provisions of this Agreement, shall not be compensated. This Agreement may not be altered, amended or modified except in writing executed by both Parties hereto.
- F. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.
- G. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.
- H. Third Party Beneficiary. Neither party hereto intends that this Agreement shall create rights hereunder in third parties including, but not limited to, any subcontractors.
- I. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or

service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

- J. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties are formally bound to the provisions of this Agreement.

***Signatures follow on the next page***

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be duly executed with all the formalities required by law on the respective dates set forth opposite their signatures.

**CITY OF STANTON:**

**VENDOR:**

\_\_\_\_\_  
JAMES A. BOX  
CITY MANAGER

\_\_\_\_\_  
EDDIE MANFRO  
CITY MANAGER, CITY OF WESTMINSTER

DATED: \_\_\_\_\_

DATED: \_\_\_\_\_

**APPROVED AS TO FORM: CITY OF STANTON**

BY: \_\_\_\_\_  
MATTHEW RICHARDSON CITY ATTORNEY

DATED: \_\_\_\_\_

**APPROVED AS TO FORM: CITY OF WESTMINSTER**

BY: \_\_\_\_\_  
DICK JONES, CITY ATTORNEY

DATED: \_\_\_\_\_

**APPROVED AS TO INSURANCE:**

\_\_\_\_\_  
RISK MANAGEMENT

\_\_\_\_\_  
DATE

**ATTEST:**

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
DATE



## EXHIBIT "A"

### SCOPE OF WORK

#### 1. Services

- 1.1 VENDOR agrees to provide animal control services within the corporate limits of CITY. Services provided by VENDOR shall include the enforcement of State statutes deemed applicable to CITY by VENDOR. VENDOR will not be obligated to enforce any ordinances adopted by CITY except those adopted in the Scope of Work. Services shall be provided in the following three categories.

##### A. Field Services

Under the terms of the contract, the VENDOR will provide 25 hours of dedicated patrol and field service hours to the City of Stanton. In excess of these hours, the Vendor shall provide animal control services, on an as needed basis, between the hours of 8:00 A.M. and 6:00 P.M, seven days per week. If field services are requested outside these operational hours, than VENDOR will charge a rate of \$50 per hour for that Animal Control Officer response. All field services will be billed in hour increments irrespective of whether actual field services are less than an hour.

Telephone service request lines will be answered between 8:00AM and 6:00 P.M. Monday to Friday. Telephone calls will be answered if an Animal Control Officer is in the office and not in the field. In the event the Animal Control Officer is in the field, the telephone call will be returned as soon as possible.

Field Service activities include but are not limited to patrol of the City of Stanton, impounding of stray dogs or confined stray cats and of owner-released animals; pick up of injured wildlife; cruelty investigations; field release to owner and impound fee collection for licensed dogs impounded; bite investigations; quarantine activities including home checks of animals involved in bites; transportation of all injured impounded animals to emergency veterinarians; issuance of citations; impounding of dead animals for disposal; response to service request calls from law enforcement and city officials to assist in areas regarding suspected criminal activities; citizen contacts to give information or advice regarding wildlife or other animal concerns, not to include wildlife eradication or relocation services.

In house field service activities shall include: assistance to citizens regarding barking dogs and other nuisance complaints; advice regarding wildlife management, responsible pet ownership and other animal control related issues which may not require contact in the field by an Animal Control Officer.

##### A. Special Services – Pet and Facility Licensing

In keeping with Public Health laws which require the rabies vaccination and licensing of all dogs over four months old, VENDOR shall annually canvas the CITY to locate and license unlicensed dogs. Animal Control Officers will follow up on problems when necessary. Nothing in this contract shall prohibit other methods for the sale of dog licenses by CITY or VENDOR.

All animal related businesses in the jurisdiction will be inspected twice each year and in response to any complaints received to assure that facilities meet required standards and pay any fees due. For animal permits issued to private residences,

permits shall be issued with the approval of CITY following neighborhood investigation and inspection of the home to assure that the residence has adequate facilities to maintain the requested number of animals.

Pet license renewals shall be processed annually. VENDOR will process renewals and will answer telephone and in-person inquiries regarding licensing requirements.

**B. Shelter Services**

VENDOR contracts with the Westminster Adoption Groups and Shelter Services to receive animals from the public 365 days a year from Monday to Saturday. Stray animals will be accepted without charge. Owners who release their animals will be charged a fee. The Shelter will be open to the public to locate lost pets or for pet adoption during hours designated by the animal shelter.

The shelter shall retain dogs, cats and all other impounded animals in accordance with state law. Animals will be kept on public display to allow owner identification. When animals are wearing identification, owners will be contacted by telephone, mail or in person. If animals are not redeemed by their owners and adoption holds have not been placed, some may be made available for adoption for an additional time period on a space available basis. Those which are neither redeemed nor adopted will be euthanized and carcasses disposed of.

Veterinary services shall be available six days a week. Veterinary staff shall perform required euthanasia on domestic animals by lethal injection. Necropsies will be performed on animals which die under suspicious circumstances and at the request of law enforcement. Animal Control Officers will euthanize wildlife per protocol. Veterinary location will possess a premise Permit, as issued by the CA Veterinary Medical Board

**1.2 Animals Retained for Criminal Prosecution**

Animals which are being retained in criminal prosecutions, except for violations of Animal Control regulations and/or ordinances pursuant to the Agreement are not to be construed as held pursuant to the services provided under this Agreement; housing will be done at the discretion of VENDOR and at the VENDOR's usual and customary charges for such housing. These animals will not count towards the CITY'S maximum allowance of 586 animals.

**1.3 VENDOR shall furnish and supply all necessary labor, supervision, equipment, and supplies to provide the services described in this Agreement. In all instances wherein special supplies, stationery, notices, forms and the like are issued in the name of CITY, the same shall be supplied by CITY at its own expense.**

**1.4 The method by which services are provided, the standard of performance, any other matters, and any matters incidental to the performance of such services, and control of personnel so employed, shall be determined by VENDOR. In the event of a dispute between the parties as to the extent of the duties and functions to be provided hereunder, or the level and manner of performance of such services, the parties shall meet in good faith to resolve their differences.**

**1.5 To facilitate the performance of services, VENDOR shall have full cooperation and assistance from CITY, its officers, agents and employees.**

- 1.6 If agreeable to both parties, additional services may be rendered and paid for by CITY.
- 1.7 VENDOR agrees to maintain its animal shelter in a humane manner and keep said premises in a clean condition at all times, and that all services furnished shall be in accordance with the laws of the State of California and that it will provide required notices and use humane methods of care and destruction of any animal coming under its jurisdiction.

## EXHIBIT "B"

### FEE SCHEDULE

1. Payments will be made in advance of services rendered.
2. Payments are due on the following dates on each year that the contract is in effect:  
  
November 1<sup>st</sup>  
February 1  
May 1  
August 1
3. For a call out of an Animal Control Officer to respond to an incident at the CITY that takes place outside of the hours of 8:00 A.M. and 6:00 P.M., the VENDOR will be compensated \$50.00 per hour for the total duration of the call out.
4. Prepayment for Callout Services Occurring After Hours  
  
CITY will prepay 100 hours of call out time each year at the amount of \$5,000.00 and applicable towards calls for service taking place outside of the hours of 8:00 A.M. and 6:00 P.M. Once the prepaid hours are exhausted, VENDOR will bill CITY per occurrence for this type of call out. All field services will be billed in hour increments irrespective of whether actual field services are less than an hour.

**EXHIBIT "C"**  
**ANIMAL SHELTER INDEMNIFICATION OF CITY**

EXHIBIT "C"  
INDEMNIFICATION

WAGS agrees to defend, indemnify, hold free and harmless the CITY, its elected officials, officers, agents and employees, from and against any and all claims, actions, suits or other legal proceedings brought against the CITY, its elected officials, officers, agents and employees arising out of the performance of WAGS, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. Notwithstanding the foregoing, WAGS shall not be liable for the defense or indemnification of the CITY for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the CITY.



04/21/16

\_\_\_\_\_  
Michelle Rusillo, CEO  
Westminster Adoption Group Services

\_\_\_\_\_  
Date