



AGENDA
CITY COUNCIL/SUCCESSOR AGENCY/STANTON HOUSING AUTHORITY
JOINT REGULAR MEETING
STANTON CITY HALL, 7800 KATELLA AVENUE, STANTON, CA
TUESDAY, MARCH 28, 2017 - 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, MARCH 27, 2017 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.

1. **CLOSED SESSION (5:30 PM)**
2. **ROLL CALL**
 - Council Member Donahue
 - Council Member Ethans
 - Council Member Ramirez
 - Mayor Pro Tem Shawver
 - Mayor Warren
3. **PUBLIC COMMENT ON CLOSED SESSION ITEMS**

Closed Session may convene to consider matters of purchase / sale of real property (G.C. §54956.8), pending litigation (G.C. §54956.9(a)), potential litigation (G.C. §54956.9(b)) or personnel items (G.C. §54957.6). Records not available for public inspection.

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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 and online at www.ci.stanton.ca.us.

4. CLOSED SESSION

4A. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9
(d) (2)

Number of Potential Cases: 3

4B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(Pursuant to Government Code Section 54957.6)

Title: City Manager

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

6. ROLL CALL Agency/Authority Member Donahue
Agency/Authority Member Ethans
Agency/Authority Member Ramirez
Vice Chairman Shawver
Chairperson Warren

7. PLEDGE OF ALLEGIANCE

8. SPECIAL PRESENTATIONS AND AWARDS

8A. Monthly Spotlight – Celebrating Youth: Stanton Youth Committee.

8B. Presentation of Shop Stanton Program quarterly raffle winner.

8C. Presentation of Proclamation for DMV/Donate Life California Month.

8D. Presentation of Certificate of Recognition to Rowntree Gardens.

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9. 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

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

RECOMMENDED ACTION:

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

9B. APPROVAL OF WARRANTS

City Council approve demand warrants dated March 9, 2017 and March 16, 2017, in the amount of \$256,078.32.

9C. FEBRUARY 2017 INVESTMENT REPORT

The Investment Report as of February 28, 2017 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 February 2017.

9D. FEBRUARY 2017 INVESTMENT REPORT (SUCCESSOR AGENCY)

The Investment Report as of February 28, 2017 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. Successor Agency 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 February 2017.

9E. FEBRUARY 2017 INVESTMENT REPORT (HOUSING AUTHORITY)

The Investment Report as of February 28, 2017 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. Housing Authority 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 February 2017.

9F. A RESOLUTION TO RE-ESTABLISH FEES FOR STATE FRANCHISED VIDEO SERVICE PROVIDERS

As part of our membership in the joint powers authority of the Public Cable Television Authority (PCTA), every ten (10) years the City must approve a resolution that reauthorizes local governments to establish and collect Public, Educational, and Governmental Access (PEG) fees from a city's cable and video TV operators. City Council previously adopted Ordinance No. 930 on April 10, 2007.

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. Adopt Resolution 2017-09 entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, RE-ESTABLISHING FEES FOR STATE FRANCHISED VIDEO SERVICE PROVIDERS."

9G. RESOLUTION NO. 2017-11 OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING FINAL PARCEL MAP NO. 2016-101 FOR THE PROPERTY LOCATED AT 10562 LEXINGTON STREET WITHIN THE RM (MEDIUM DENSITY RESIDENTIAL) ZONE

The final parcel map for the development located at 10562 Lexington Street south of Cerritos Avenue has been completed and reviewed by all required departments and agencies. This final parcel map is in compliance with the City's General Plan and zoning land use designations.

RECOMMENDED ACTION:

1. City Council adopt Resolution No. 2017-11 approving Final Parcel Map No. 2016-101 entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING FINAL PARCEL MAP NO. 2016-101 FOR THE PROPERTY LOCATED AT 10562 LEXINGTON STREET"; and

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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 and online at www.ci.stanton.ca.us.

2. Declare that this project is categorically exempt pursuant to the California Environmental Quality Act (CEQA), Section 15332, Class 32 (In -fill Development Projects); and
3. Find that the recordation of Final Parcel Map No. 2016-101 will not be in violation of any of the provisions of Section 66474, 66474.1, and 66474.2 of the Subdivision Map Act; and
4. Find that the proposed subdivision, together with the provisions for its design and improvement, is consistent with the general plan required by Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of the Government Code, and any specific plan adopted pursuant to Article 8 (commencing with Section 65450) of Chapter 3 of Division 1 of the Government Code; and
5. Direct the City Clerk to endorse on the face of the map of Final Parcel Map No. 2016-101, the certificate which embodies the approval of said map, and submit the map to the County Recorder of Orange County for recording.

END OF CONSENT CALENDAR

10. PUBLIC HEARINGS None.

11. UNFINISHED BUSINESS

11A. AWARD OF CONTRACT TO DAVID VOLZ DESIGN LANDSCAPE ARCHITECTS INC. FOR THE DESIGN OF THE CITY HALL PLAZA

The City Council has previously expressed concerns about the condition of the plaza adjacent to City Hall. The area has not been modified since the construction of City Hall in 1993 and the concrete has been significantly damaged by the trees within the plaza. The damage to the concrete has created displacements to the concrete that can no longer be addressed through grinding and patching.

David Volz Design Landscape Architects inc. (David Volz) was selected through a competitive process to prepare conceptual plans for the plaza. These plans were presented to the City Council on February 14, 2017. The plans were accepted by the City Council. There were concerns as to how to fund the construction of the project which are addressed and resolved in this report.

The next step would be for David Volz to prepare construction documents for the project. Attached to this report is a proposal and a contract to perform these services.

RECOMMENDED ACTION:

1. City Council approve a Professional Services Agreement with David Volz Design Landscape Architects Inc to provide design services for the renovations to the City Hall Plaza for the maximum contract sum of \$77,892; and
2. Authorize the City Manager to bind the City of Stanton and David Volz Design Landscape Architects Inc in a contract to provide these services; and
3. Determine that In accordance with the requirements of the California Environmental Quality Act, the action would not be deemed to be a project per Section 15378(b)(4): ["Project" does not include] The creation of a government funding mechanism 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; and
4. Approve Budget Adjustment No. 2017-20 to appropriate \$202,856 to the Street Improvement account of the Gas Tax Fund for this project.

11B. REPORT FROM TANKO STREETLIGHTING INC REGARDING THE ACQUISITION OF STREETLIGHTING AND APPROVAL TO ACQUIRE STREETLIGHTING FROM SOUTHERN CALIFORNIA EDISON

The City Council City Council previously entered into a contract with Tanko Streetlighting Inc (Tanko) to assist the City with the purchase of the streetlights owned in Stanton by Southern California Edison (SCE) and to convert them to LED. Tanko has completed their report on the viability of purchasing the streetlights and is being presented to the City Council for their review. Based on this report staff recommends the City Council direct staff to work to negotiate an agreement with SCE to purchase the streetlights.

RECOMMENDED ACTION:

1. City Council review the report from Tanko; and
2. Direct staff to work to negotiate an agreement with SCE to purchase the streetlights; and
3. Declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15301(b) – Existing facilities of both investor and publicly-owned utilities to provide electric power, natural gas, sewerage, or other public utility services.

11C. APPROVAL OF ORDINANCE NO. 1064

This Ordinance was introduced at the regular City Council meeting of March 14, 2017.

RECOMMENDED ACTION:

1. City Clerk read the title of Ordinance No. 1064, entitled:

“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, RE-ESTABLISHING FEES FOR STATE FRANCHISED VIDEO SERVICE PROVIDERS”; and

2. 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
3. Adopt Ordinance No. 1064.

ROLL CALL VOTE: Council Member Ethans
Council Member Ramirez
Council Member Shawver
Mayor Pro Tem Warren
Mayor Donahue

11D. REPEAL OF ORDINANCE NO. 1060 IN ITS ENTIRETY, REGARDING THE PERSONAL, MEDICAL, AND COMMERCIAL USE OF MARIJUANA IN THE CITY, IN RESPONSE TO REFERENDUM PETITION

On October 25, 2016, the City Council adopted Ordinance No. 1060, which would limit marijuana businesses and activities in the City to the greatest extent under recently-passed California Proposition 64. The Ordinance's effective date would have been 30 days after adoption (November 25, 2016). However, on November 22, 2016, a group of Stanton residents/proponents filed a signed petition with the City Clerk's Office seeking to repeal portions of Ordinance No. 1060 by referendum. The petition was timely filed and contained the required signatures to qualify for the ballot.

Since the referendum measure has qualified, the Elections Code Requires the City Council to reconsider the Ordinance. After reconsideration, the City Council may: (a) entirely repeal the ordinance against which the referendum petition was filed, (b) submit the referendum measure to the voters at the next regular municipal election (November 6, 2018), or (c) submit the measure to the voters at a special election no earlier than 88 days after the City Council calls the election.

Staff is recommending that Ordinance No. 1060 be repealed in its entirety in order to avoid the costs of an election.

RECOMMENDED ACTION:

1. City Council introduce Ordinance by title only and waive further reading of Ordinance No. 1065; entitled:

“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, REPEALING ORDINANCE NO. 1060 IN ITS ENTIRETY, REGARDING THE PERSONAL, MEDICAL, AND COMMERCIAL USE OF MARIJUANA”; and

2. Determine that this Ordinance is not a project within the meaning of CEQA Guidelines section 15378 because it has no potential for resulting in physical change in the environment, directly or indirectly. The City Council further finds, under section 15061(b)(3), that this Ordinance is nonetheless exempt from the requirements of CEQA in that the activity is covered by the general rule that CEQA applies only to activities that have the potential for causing a 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. The City Council, therefore, directs that a Notice of Exemption be filed with the County Clerk of the County of Orange in accordance with CEQA Guidelines.

12. NEW BUSINESS

12A. APPROVAL OF THE STANTON RESERVE POLICY

In June 2011, City Council approved Administrative Policy IV-4-9 “Fund Balance Policy and Classification of Various Components of Fund Balance as Defined in Governmental Accounting Standards Board Statement No. 54” as well as Resolution 2011-34 approving Stanton’s General Fund Emergency Disaster Contingency commitment of fund balance.

In order to establish a commitment of fund balance for both unforeseen expenditures as well as anticipated future expenditures that require ongoing funding for significant future outlays, staff is presenting a complete General Fund Reserve Policy as an exhibit to Resolution No. 2017-10 and a revision to Administrative Policy IV-4-9 for City Council’s review and approval. In addition, a recommendation is made to initially fund two of the reserves from existing Unassigned Fund Balance.

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. Approve Administrative Policy IV-4-9 “Fund Balance Policy and Classification of Fund Balance” as presented; and
3. Adopt Resolution 2017-10 entitled:

“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING THE CITY OF STANTON GENERAL FUND RESERVE POLICY ESTABLISHING COMMITMENTS OF FUND BALANCE”; and

4. Approve the initial funding of the Capital Improvement Reserve in the amount of \$5,000,000 as a re-allocation of existing Unassigned Fund Balance; and
5. Approve the initial funding of the Pension Stabilization Reserve in the amount of \$3,000,000 as a re-allocation of existing Unassigned Fund Balance and deposit said funds with the City’s Post-Employment Benefits Trust with PARS.

12B. AN ORDINANCE REGULATING MODEL AIRCRAFT AND CIVIL UNMANNED AIRCRAFT SYSTEMS, COMMONLY KNOWN AS DRONES

The attached Ordinance provides regulations for the operation of unmanned aircraft commonly referred to as drones. The Ordinance has been drafted in response to the 2016 Orange County Grand Jury Report and follows the findings and recommendations of the Report.

RECOMMENDED ACTION:

1. City Council declare that the project is not subject to CEQA in accordance with 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. Introduce for first reading, Ordinance No. 1063, entitled:

“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, ADDING CHAPTER 9.102 TO TITLE 9 OF THE STANTON MUNICIPAL CODE REGULATING MODEL AIRCRAFT AND CIVIL UNMANNED AIRCRAFT SYSTEMS, COMMONLY KNOWN AS DRONES”; and
3. Set Ordinance for adoption at the regular City Council meeting of April 11, 2017.

ROLL CALL VOTE: Council Member Donahue
Council Member Ethans
Council Member Ramirez
Mayor Pro Tem Shawver
Mayor Warren

12C. AWARD OF CONTRACT TO LEE OSTENDORF FOR THE OPERATION OF A FARMERS' MARKET AT STANTON CENTRAL PARK

The City Council has requested that a farmers' market be implemented at Stanton Central Park. Local Harvest had previously operated a farmers' market in Stanton but a suitable venue could not be found. As there is now an acceptable venue, staff recommends that the City continue the previous relationship for a farmers' market at Stanton Central Park.

Attached to this report are a proposal and a contract to perform these services.

RECOMMENDED ACTION:

1. City Council approve a contract with Lee Ostendorf to operate a farmers' market at Stanton Central Park; and
2. Authorize the City Manager to bind the City of Stanton and Lee Ostendorf in a contract to provide these services; and
3. Waive business license fees to participating vendors to the extent that the vendor is engaging in business in Stanton exclusively relating to the Farmers' Market; and
4. 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.

13. 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.

14. WRITTEN COMMUNICATIONS None.

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

15A. 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.

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

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

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15C. 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:

- **April 11, 2017 (5:00 p.m.)**
Discussion Regarding Cyber Security and Fireworks

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

17. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

17A. 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.

18. ADJOURNMENT to April 11, 2017 at 5:00 p.m. for a City Council Study Session.

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 23rd day of March, 2017.

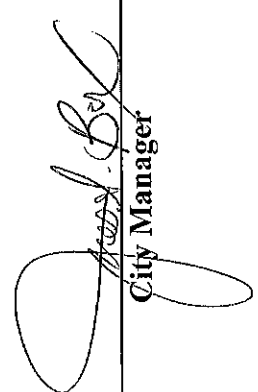
s/ Patricia A. Vazquez, City Clerk/Secretary

CITY OF STANTON
ACCOUNTS PAYABLE REGISTER

March 9, 2017	\$160,165.00
March 16, 2017	\$95,913.32

\$256,078.32

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

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and City Council

DATE: March 28, 2017

SUBJECT: February 2017 INVESTMENT REPORT

REPORT IN BRIEF:

The Investment Report as of February 28, 2017 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 February 2017.

BACKGROUND:

The attached reports summarize the City investments and deposit balances as of February 2017. 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 February 2017 was 0.78%. The City's other investments are shown on Attachment B and have a weighted investment yield of 1.41%. Including LAIF and the City's deposit in the Bank of the West money market account, the weighted investment yield of the portfolio is 0.93%, which exceeds the benchmark LAIF return of 0.78%.

The weighted average maturity of the City's investments at February 28, 2017 is 979 days. Including LAIF and a money market account, it is 344 days. LAIF's average maturity at February 28, 2017 was approximately 171 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 quintuple the LAIF average maturity.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's 2016-17 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.

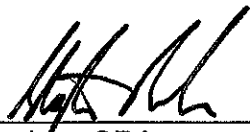
PUBLIC NOTIFICATION:

Through the agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED

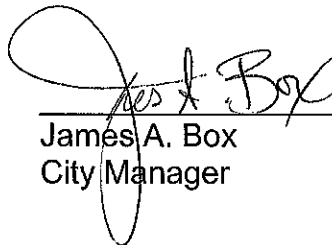
4. Ensure Fiscal Stability and Efficiency in Governance

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
February 28, 2017

Investment Type	Issuer	Date of Maturity	Interest Rate	Par Value	Cost	% of Total	Market Value	Market Value Source
State Pool (LAIF) - City portion ¹	State of California	On Demand	0.78%	\$ 13,249,793	\$ 13,249,793	58.18%	\$ 13,242,159	LAIF
Investments ²	Various	Various	Various	\$ 9,424,562	9,525,657	41.82%	9,387,790	US Bank
Subtotal - Investments					\$ 22,775,450	100.00%	\$ 22,629,949	
Demand Deposits/Main Checking - City portion	Bank of the West	On Demand	N/A	N/A	\$ (1,297,561)		\$ (1,297,561)	Bank of the West
Money Market Account	Bank of the West	On Demand	0.29%	\$ 3,935,375	3,935,375		3,935,375	Bank of the West
Imprest Accts & Petty Cash	Bank of the West	On Demand	N/A	N/A	115,267		115,267	Bank of the West
Tina Pacific Depository Agreement	US Bank	On Demand	0.02%	\$ -	-		-	
Subtotal - Deposits					\$ 2,753,081		\$ 2,753,081	

Total Cash Investments and Deposits ³

Weighted Average Maturity (days)	372	Weighted Average Yield	0.93%
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\$ 25,528,531

\$ 25,383,030

¹ Par Value amount represents entire LAIF balance, including City and Successor Agency portions

² Cost amount includes \$68,785 adjustment made to City's books at 6/30/16 to adjust portfolio to market value, per GASB 31

³ 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 2016-17 Investment Policy.

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

**CITY OF STANTON
INVESTMENTS
February 2017**

Attachment B

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
State Treasurer's Pool	Local Agency Investment Fund (LAIF)		0.78%				3/1/2017	NC	13,249,793	13,249,793	13,242,159	49.73%	100%
Cash Equivalents	First American Government Obligation	31846V203							113,860	113,860	113,860	0.43%	100%
Negotiable Certificates of Deposit:													
First Empire Securities	CD - Goldman Sachs Bank	38143ARY3	1.85%	1.850%	100	05/09/12	05/09/17	NC	97,000	97,000	97,247		
First Empire Securities	CD - Discover Bank	254671AT7	1.75%	1.750%	100	05/09/12	05/09/17	NC	100,000	100,000	100,255		
Multi-Bank Securities	CD - Salie Mae Bank	795450PJ8	1.60%	1.600%	100	10/01/12	09/19/17	NC	100,000	100,000	100,584		
Multi-Bank Securities	CD - American Express	02687DLD8	1.55%	1.550%	100	10/04/12	10/04/17	NC	248,000	248,000	249,456		
Time Value Investments	CD - HSBC	40431G3Q0	0.75%	Variable	100	10/26/12	10/26/17	NC	248,000	248,000	245,148		
First Empire Securities	CD - Everbank	29876DPY0	1.10%	1.100%	100	11/30/12	11/30/17	NC	248,000	248,000	248,627		
									1,041,000	1,041,000	1,041,318	3.91%	30%
U.S. Government Agency Securities:													
Chandler Asset Management	FHLB	3130AQR2	1.85%	2.375%	103.068	11/23/15	12/13/19	NC	200,000	205,688	204,582		
Chandler Asset Management	FHLB	3133782M2	1.16%	1.500%	101.226	02/01/16	03/08/19	NC	185,000	186,930	185,598		
Chandler Asset Management	FFCB	3133EGCA1	1.06%	1.060%	100.01	10/25/16	03/08/19	NC	200,010	200,010	198,536		
Chandler Asset Management	FHLB	3130A7CV5	1.46%	1.375%	99.769	02/17/16	02/18/21	NC	210,000	209,166	206,827		
Chandler Asset Management	FHLB	313382K69	1.53%	1.750%	101.716	03/23/16	03/12/21	NC	190,000	192,005	189,761		
Chandler Asset Management	FHLB	3130A8Q85	1.28%	1.125%	99.048	08/09/16	07/14/21	NC	190,000	188,596	184,296		
Chandler Asset Management	FHLB	3130A7PV1	1.33%	1.375%	99.796	04/12/16	04/05/21	NC	200,000	200,432	195,346		
Chandler Asset Management	FHLB	3130AABG2	1.97%	1.875%	99.356	11/30/16	11/29/21	NC	100,000	99,636	99,627		
Chandler Asset Management	FHLB	3137EAE08	1.24%	1.125%	98.96	08/12/16	08/12/21	NC	200,000	198,898	193,362		
Chandler Asset Management	FHLMC	3137EADM8	1.25%	1.250%	99.15	08/31/15	10/02/19	NC	190,000	188,394	188,902		
Chandler Asset Management	FNMA	3135G0E58	1.20%	1.125%	100.42	9/30/2015	10/19/2018	NC	195,000	195,014	194,830		
Chandler Asset Management	FNMA	3135G0G72	1.17%	1.125%	99.39	10/30/2015	12/14/2018	NC	185,000	194,709	194,686		
Chandler Asset Management	FNMA	3135G0I20	1.31%	1.375%	100.01	4/12/2016	2/26/2021	NC	200,000	200,630	196,734		
Chandler Asset Management	FNMA	3135G0K69	1.23%	1.250%	99.75	8/15/2016	5/6/2021	NC	200,000	200,168	195,480		
Chandler Asset Management	FNMA	3135G0D75	1.27%	1.500%	100.90	2/24/2016	6/22/2020	NC	200,000	201,562	199,240		
Chandler Asset Management	FNMA	3130A3U05	1.49%	1.875%	102.18	2/1/2016	12/11/2020	NC	185,000	188,349	185,679		
Chandler Asset Management	FNMA	3135G0F73	1.50%	1.500%	100.36	1/20/2016	11/30/2020	NC	190,000	188,383	190,035		
Chandler Asset Management	FNMA	3135G0H55	1.50%	1.875%	102.11	1/20/2016	12/28/2020	NC	190,000	193,386	190,912		
									3,420,000	3,433,916	3,392,791	12.89%	100%
US Treasury													
Chandler Asset Management	US Treasury	912828C73	0.71%	0.875%	100.47	05/29/14	04/15/17	NC	190,000	190,885	190,097		
Chandler Asset Management	US Treasury	912828VA5	1.28%	1.125%	99.86	02/01/16	04/30/20	NC	100,000	99,356	98,746		
Chandler Asset Management	US Treasury	912828N89	1.21%	1.375%	100.85	02/24/16	01/31/21	NC	200,000	201,555	197,290		
Chandler Asset Management	US Treasury	912828U00	1.68%	1.125%	97.75	12/22/15	03/31/20	NC	200,000	195,907	197,742		
Chandler Asset Management	US Treasury	912828V09	1.76%	2.125%	101.61	12/22/15	08/31/20	NC	200,000	203,750	203,406		
Chandler Asset Management	US Treasury	912828W00	1.78%	1.750%	99.84	12/22/15	10/31/20	NC	200,000	200,282	200,610		
Chandler Asset Management	US Treasury	912828TH3	1.19%	0.875%	98.89	09/29/15	07/31/19	NC	190,000	187,789	187,929		
Chandler Asset Management	US Treasury	912828UB4	1.37%	1.000%	98.48	10/29/15	11/30/19	NC	110,000	108,402	108,771		
Chandler Asset Management	US Treasury	912828ST8	1.25%	1.250%	100.16	05/28/15	04/30/19	NC	160,000	159,901	159,901		
Chandler Asset Management	US Treasury	912828L65	1.36%	1.375%	100.84	03/23/16	09/30/20	NC	190,000	190,090	188,159		
Chandler Asset Management	US Treasury	912828G53	1.86%	1.875%	99.73	12/13/2016	11/30/21	NC	175,000	174,303	175,007		
Chandler Asset Management	US Treasury	912828U81	1.93%	2.625%	100.43	1/13/2017	01/24/22	NC	200,000	200,696	201,046		
									2,115,000	2,113,062	2,108,704	7.93%	100%

CITY OF STANTON
INVESTMENTS
February 2017

Attachment B

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	Wells Fargo Corp Note	94574BFD7	1.26%	2.100%	102.67	01/24/14	05/08/17	NC	150,000	154,005	150,239		
Chandler Asset Management	Bank of Tokyo Mthubishi NY Discount Ct	06539BQ83	1.05%	1.030%	99.63	10/26/2016	03/06/17	NC	190,000	188,293	188,979		
Chandler Asset Management	US Bancorp MTN	91159HHD5	1.16%	1.650%	101.56	02/03/14	03/15/17	4/15/2017	150,000	152,369	150,098		
Chandler Asset Management	Qualcomm Inc	747525AG8	1.45%	1.400%	99.87	05/28/15	08/18/18	NC	135,000	134,787	134,834		
Chandler Asset Management	Oracle Corp	68389XAX3	1.28%	2.250%	103.16	08/11/16	10/08/19	NC	125,000	128,744	126,813		
Chandler Asset Management	Apple Inc	037833B02	1.71%	1.010%	100.87	02/16/16	02/22/19	NC	115,000	114,980	115,474		
Chandler Asset Management	Berkshire Hathaway	084604CK5	1.33%	1.300%	99.96	08/08/16	08/15/21	NC	55,000	54,947	54,467		
Chandler Asset Management	Berkshire Hathaway	081670BQ0	1.54%	2.200%	102.76	08/16/16	03/15/21	2/15/2021	100,000	102,896	100,466		
Chandler Asset Management	Praxair Inc	74005PBH6	1.21%	1.250%	100.08	10/03/16	11/07/18	NC	125,000	124,268	124,268		
Chandler Asset Management	Visa Inc	92826CAB8	1.49%	2.200%	102.56	09/01/16	12/14/20	NC	150,000	154,404	151,230		
Chandler Asset Management	Microsoft Corp	594918BP8	1.58%	1.550%	99.37	08/08/16	07/08/21	7/8/2021	85,000	84,899	82,641		
Chandler Asset Management	Paccar Financial Corp	69371RN44	1.68%	1.650%	99.59	08/11/16	08/11/21	NC	125,000	124,810	120,861		
Chandler Asset Management	Exxon Mobil Corp	30231GAV4	2.18%	2.222%	101.77	02/29/16	03/01/21	2/1/2021	125,000	126,465	125,341		
Chandler Asset Management	JP Morgan Note	48726EAA5	1.63%	2.000%	101.28	01/24/14	08/15/17	NC	150,000	151,925	150,530		
Chandler Asset Management	Bank of New York	08408HCU1	1.85%	2.200%	100.56	02/01/16	05/15/19	4/15/2019	115,000	116,290	116,165		
Chandler Asset Management	John Deere Capital Corp	24422ETL3	2.650%	2.650%	100.26	01/03/17	01/06/22	NC	130,000	129,963	131,043		
Chandler Asset Management	US Bancorp	91159HHP8	2.66%	2.625%	100.37	01/19/17	01/24/22	NC	60,000	59,897	60,338		
									2,085,000	2,105,773	2,084,784	7.90%	30%
Asset-Backed Securities:													
Chandler Asset Management	Toyota Auto Receivables 2015A	89236WAC2	1.44%	1.12%	99.99	03/04/15	02/15/19	NC	57,250	57,241	57,208		
Chandler Asset Management	Toyota Auto Receivables Owner 2016-D	89231LAB3	1.07%	1.06%	99.99	10/04/16	05/15/19	NC	80,000	79,994	79,836		
Chandler Asset Management	Toyota Motor Credit Corp	89236TDE2	1.45%	1.40%	99.88	05/17/16	05/20/19	NC	125,000	124,825	124,119		
Chandler Asset Management	Nissan Auto Receivables	65478WAB1	1.08%	1.07%	99.89	08/02/16	05/19/21	NC	60,000	59,998	59,911		
Chandler Asset Management	State St Corp	857477AV5	1.99%	1.95%	99.49	05/23/16	05/19/21	NC	125,000	124,784	122,961		
Chandler Asset Management	Toyota Auto Receivables Owner 2015-C	89231TAB6	0.93%	0.92%	99.99	08/26/15	02/15/18	NC	5,768	5,768	5,768		
Chandler Asset Management	Honda Auto Receivables	43813NAC0	1.05%	1.04%	100.01	05/13/15	02/21/19	NC	79,302	79,289	79,207		
Chandler Asset Management	Honda Auto Receivables	43814NAB1	1.02%	1.01%	99.88	02/16/16	06/18/18	NC	44,901	44,897	44,882		
Chandler Asset Management	Toyota Auto Receivables 2014A	89231MAC9	0.69%	0.67%	99.98	03/11/14	12/15/17	NC	1,742	1,742	1,742		
Chandler Asset Management	John Deere Owner Trust	47787VAC5	0.93%	0.92%	99.98	04/02/14	04/16/18	NC	14,511	14,508	14,505		
Chandler Asset Management	Honda Auto Receivables	43814AC2	0.89%	0.88%	99.98	08/20/14	06/15/18	NC	21,158	21,154	21,143		
Chandler Asset Management	John Deere Owner Trust	477877AD6	1.07%	99.98%	99.78	09/03/14	11/15/18	NC	35,070	35,062	35,052		
									649,702	649,262	646,334	2.44%	10%
Subtotal Investments													
Prior Year Adjustment: GASS 31													
Investments Held With US Bank													
LAIF													
Total Investments			1.41% Weighted Average Yield				1,006 WAM	days	9,424,562	9,456,872	9,387,790		
Money Market Acct									9,424,562	9,525,657	9,387,790		
Total Money Market, LAIF Depository Account and Investments			0.93% Weighted Average Yield				372 WAM	days	13,249,793	13,249,793	13,242,159		
									22,674,354	22,775,450	22,629,949		
									3,935,375	3,935,375	3,935,375	14.77%	100%
									26,609,729	26,642,040	26,565,324	100.00%	

CITY OF STANTON
CASH AND INVESTMENT BALANCES BY FUND TYPE
February 28, 2017

Fund Type	Cash and Investments	Totals
General Fund:		
Pooled	\$ (2,507,051)	
Other Accounts *	13,576,300	\$ 11,069,249
Special Revenue, Capital Projects and Enterprise Funds:		
Gas Tax	1,559,694	
Measure M	1,320,396	
Fire Emergency Services	(116,564)	
Lighting & Median Maint.	1,794,029	
Sewer Maintenance	3,489,520	
Other	4,258,350	12,305,425
Internal Service Funds		1,468,688
Trust Funds		685,169
Total Cash and Investment Balances		\$ 25,528,531

* 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: March 28, 2017

SUBJECT: February 2017 INVESTMENT REPORT (SUCCESSOR AGENCY)

REPORT IN BRIEF:

The Investment Report as of February 28, 2017 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. Successor Agency 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 February 2017.

BACKGROUND:

The attached reports summarize the Successor Agency investments and deposit balances as of February 2017. 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 February 2017 was 0.78%.

The Agency recently refunded the Tax Allocation Bonds for 2011A and B as well as a portion of the 2010 series with series 2016C & D bonds. The Agency's investments are shown on Attachment A and have a weighted investment yield of 0.54%, as so much of the portfolio is liquid, which is below the benchmark LAIF return of 0.78%.

With a completely liquid portfolio, the weighted average maturity of the Agency's investments at February 28, 2017 is 1 day. LAIF's average maturity at February 28, 2017 is approximately 171 days.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's 2016-17 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
February 28, 2017**

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	0.78%	\$ 8,094,709	\$ 8,094,709	\$ 8,096,920	LAIF
Imprest Account - SA portion	Bank of the West	Bank of the West	On Demand	N/A	(792,720)	(792,720)	(792,720)	Bank of the West
Clawback - Demand Deposits/Money Market Account	Bank of the West Money Market	Bank of the West	On Demand	0.29%	9,138,692	9,138,692	9,138,692	Bank of the West

Total Cash Investments and Deposits

\$ 16,440,680 \$ 16,442,892

Bond Funds Held by Trustees:

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
2010 Tax Allocation Bonds (Tax-Exempt)									
Principal:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$8.65	\$8.65	\$8.65	US Bank
Interest:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$15.21	\$15.21	\$15.21	US Bank
Special Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$51.96	\$51.96	\$51.96	US Bank
Reserve Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$263.45	\$263.45	\$263.45	US Bank
Reserve Account:									
Cash Equivalent	LAIF	US Bank	99LA009W8	On Demand		\$1,135,000.00	\$1,135,000.00	\$1,135,000.00	US Bank

Total 2010 Tax Allocation Bonds (Tax-Exempt)

\$339 \$339

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
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2011 Tax Allocation Bonds - Series A (Taxable)									
Principal:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$2.49	\$2.49	\$2.49	US Bank
Interest Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$16.95	\$16.95	\$16.95	US Bank
Reserve Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$76.05	\$76.05	\$76.05	US Bank
Project Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$0.01	\$0.01	\$0.01	US Bank
DS Fund									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$17.53	\$17.53	\$17.53	US Bank

Total 2011 Tax Allocation Bonds - Series A (Taxable)

\$113

\$113

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
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2011 Tax Allocation Bonds - Series B (Taxable)									
Principal:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$2.79	\$2.79	\$2.79	US Bank
Interest Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$15.06	\$15.06	\$15.06	US Bank
Special Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$0.00	\$0.00	\$0.00	US Bank
Bond Reserve Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$118.40	\$118.40	\$118.40	US Bank
Redevelopment Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$117.71	\$117.71	\$117.71	US Bank
Debt Service Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$16.04	\$16.04	\$16.04	US Bank

Total 2011 Tax Allocation Bonds - Series B (Taxable)

\$

\$270

\$

270

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
2016 Series A and B									
Debt Service Fund									
Cash Equivalents	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$633,556.22	\$633,556.22	\$633,556.22	US Bank
Interest Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$1.84	\$1.84	\$1.84	US Bank
Principle Account									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$11,762.99	\$11,762.99	\$11,762.99	US Bank

Total 2016 Series A and B

\$ 645,321 \$ 645,321

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
2016 Series C and D									
Debt Service Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$0.00	\$0.00	\$0.00	US Bank
Interest Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$0.00	\$0.00	\$0.00	US Bank
Principle Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$0.00	\$0.00	\$0.00	US Bank
Cost of Issuance Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$11,135.43	\$11,135.43	\$11,135.43	US Bank

Total 2016 Series C and D

\$ 11,135 \$ 11,135

Total Bond Fund Investments and Deposits (3)

\$657,179 \$657,179

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**

February 28, 2017

Fund	Cash Balance
710 Project 2000 Debt Service Fund	-
711 Redevelopment Debt Service Fund	-
712 Redevelopment Obligation Retirement Fund	7,440,785
720 Low and Moderate Income Housing Fund	-
721 Housing Successor Fund	-
730 Community Redevelopment Administration Fund	-
731 Successor Agency Admin Fund	(138,797)
740 Redevelopment Project Fund	-
741 Successor Agency Project Fund	-
741 Cash DDR Clawback	9,138,692

TOTAL CASH BALANCE

\$ 16,440,680

CITY OF STANTON

REPORT TO THE STANTON HOUSING AUTHORITY

TO: Honorable Chair and Members of the Successor Agency

DATE: March 28, 2017

SUBJECT: FEBRUARY 2017 INVESTMENT REPORT (HOUSING AUTHORITY)

REPORT IN BRIEF:

The Investment Report as of February 28, 2017 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. Stanton Housing Authority 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 February 2017.

BACKGROUND:

The attached reports summarize the Stanton Housing Authority investments and deposit balances as of February 2017. A summary of the Housing Authority's investments and deposits is included as Attachment A. The Housing Authority's cash balances by fund are presented in Attachment B.

ANALYSIS:

The Housing Authority'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 February 2017 was 0.78%.

The Agency's investments are shown on Attachment A and have a weighted investment yield of 0.78%, as the entire portfolio is invested in LAIF.

With investments completely in LAIF, the portfolio is completely liquid, and the weighted average maturity of the Housing Authority's investments at February 28, 2017 is 1 day. LAIF's average maturity at February 28, 2017 is approximately 171 days.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's 2016-17 Investment Policy.

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

ENVIRONMENTAL IMPACT:

None

LEGAL REVIEW:

None.

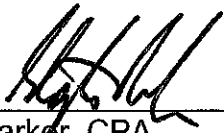
PUBLIC NOTIFICATION:

Through the agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

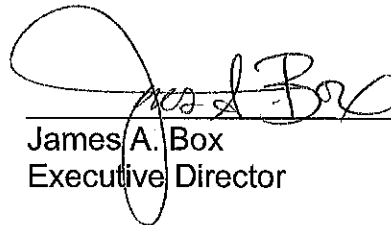
4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:



Stephen M. Parker, CPA
Administrative Services Director/CFO

Approved by:



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
February 28, 2017**

Investment Type	Institution	Issuer/ Broker	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
State Treasurer's Pool - HA portion	Local Agency Investment Fund (LAIF)	State of California	On Demand	0.78%	\$ 4,040,770	\$ 4,040,770	\$ 4,041,874	LAIF
Imprest Account - SA portion	Bank of the West	Bank of the West	On Demand	N/A	(395,715)	(395,715)	(395,715)	Bank of the West
State Treasurer's Pool - Housing Authority Account	Local Agency Investment Fund (LAIF)	State of California	On Demand	0.78%	\$ 5,265,000	\$ 5,265,000	\$ 5,266,438	LAIF

Total Cash Investments and Deposits

\$	8,910,055	\$	8,912,597
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Notes:

- (1) - There have been no exceptions to the Investment Policy.
(2) - The Housing Authority is able to meet its expenditure requirements for the next six months.

HOUSING AUTHORITY

POOLED CASH BALANCES BY FUND TYPE

February 28, 2017

Fund	Cash Balance
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285 Housing Authority Fund	8,910,055
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TOTAL CASH BALANCE

\$ 8,910,055

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: March 28, 2017

SUBJECT: **A RESOLUTION TO RE-ESTABLISH FEES FOR STATE FRANCHISED VIDEO SERVICE PROVIDERS**

REPORT IN BRIEF:

As part of our membership in the joint powers authority of the Public Cable Television Authority (PCTA), every ten (10) years the City must approve a resolution that reauthorizes local governments to establish and collect Public, Educational, and Governmental Access (PEG) fees from a city's cable and video TV operators. City Council previously adopted Ordinance No. 930 on April 10, 2007.

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. Adopt Resolution 2017-09 entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, RE-ESTABLISHING FEES FOR STATE FRANCHISED VIDEO SERVICE PROVIDERS".

BACKGROUND:

Local governments have traditionally received compensation for the use of the public right-of-way by cable television companies for the provision of video services in a community. Currently, the City of Stanton receives 5% of the gross revenues from Frontier Communications (formerly Verizon) and Spectrum/Charter (formerly Time Warner Cable) through its membership in the Public Cable Television Authority (PCTA). PCTA is a joint powers authority including the cities of Fountain Valley, Huntington Beach, Stanton and Westminster. Franchise fee revenues received by the City of Stanton in the last year were approximately \$240,000. Federal and California law

prohibits the collection of franchise fees on Internet or telephone services provided by cable television companies.

Federal law also allows for local franchise authorities to negotiate additional revenues from cable operators for the support of public, educational, and government (PEG) access channels such as Channel 3 programming that is currently available in Stanton. Typical contemporary franchise agreements establish additional funding for local cable companies to provide capital and operational support for PEG access through production studios, video equipment, and production operational support. The existing franchise agreements with Frontier Communications and Spectrum/Charter do not currently require PEG access channel support with the exception of public access channel management. In the last year, PCTA received approximately \$48,000 in PEG fees.

In September 2006, the Governor signed AB 2987, the Digital Infrastructure and Video Competition Act of 2006 (DIVCA), establishing state franchising of wireline video service providers. This law allows competitive video service providers, including local telephone companies, seeking to provide service to obtain a franchise directly through the state starting April 2007. This law also contains provisions for the conversion of incumbent cable television service providers to statewide franchises.

On April 10, 2007, City Council adopted Ordinance No. 930 to affirm a franchise fee of 5% of gross revenues and establish a PEG Fee of 1% of gross revenues for state video franchise holders.

On March 14, 2017, City Council introduced the first reading of Ordinance 1064 to re-establish fees for state franchised video service providers.

ANALYSIS/JUSTIFICATION:

DIVCA Section 5870 states that the fee to support PEG channel facilities "may be reauthorized upon the expiration of the state franchise," but does not explicitly require local agencies to reauthorize those fees via ordinance. Because Section 5870 refers to an ordinance elsewhere – and because substantial funding could be lost unless the 1% fee is reauthorized – Rutan & Tucker (the firm that represents PCTA) has advised PCTA to proceed with the reauthorization via a resolution and ordinance, and also encourages each PCTA member city to establish a similar resolution and ordinance. Failure to take such action may result in the loss of PEG revenue.

The 1% PEG support fee will continue to be used to offset PCTA expenditures on government access programming and/or augment additional government access programming. At any given time, the PCTA Board could vote on directing the PEG funds directly to each member city as opposed to the current practice.

While a similar ordinance has already been introduced, this resolution is being presented to City Council as the ordinance will take effect 30 days after the second reading on March 28, 2017, which could potentially allow the state franchise to expire prior to the re-establishment of the PEG fee.

FISCAL IMPACT:

If the City does not re-establish the collection of PEG fees from our cable providers, the City could lose the PEG fees that are remitted to PCTA quarterly and are used to enhance access for our residents to government and educational programming and access to other government services.

ENVIRONMENTAL IMPACT:

In accordance with the requirements of the CEQA, this project has been determined to be not a project under Section 15061(b)(3).

LEGAL REVIEW:

Reviewed and approved.

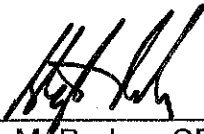
PUBLIC NOTIFICATION:

Through publication and posting of public hearing notices and the normal agenda process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

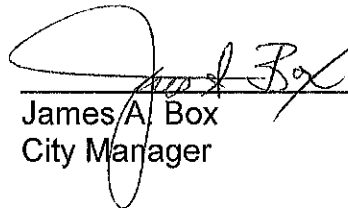
4. Ensure Fiscal Stability and Efficiency in Governance

Prepared By:



Stephen M. Parker, CPA
Administrative Services Director

Approved By:



James A. Box
City Manager

Attachment:

- A. Resolution No. 2017-09 Re-Establishing Fees for State Franchised Video Service Providers

RESOLUTION NO. 2017-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, RE-ESTABLISHING FEES FOR STATE FRANCHISED VIDEO SERVICE PROVIDERS

WHEREAS, the Legislature of the State of California has enacted the Digital Infrastructure and Video Competition Act of 2006 ("Act") set forth in Public Utilities Code section 5800 *et seq.*, which authorizes State Franchises; and

WHEREAS, pursuant to the 2004 Restated and Amended Joint Powers Agreement, the City of Stanton ("City") is a member of the Public Cable Television Authority ("PCTA") for the purposes of exercising the common powers of its member cities relating to cable television, video service providers, and open video systems, and

WHEREAS, pursuant to the Act, the City and the PCTA acquire certain rights and responsibilities with respect to state video franchise holders ("State Franchisees"), and

WHEREAS, effective January 1, 2007, the State of California ("State") has the authority to grant state franchises for the provision of video service including cable television, video service providers, and open video systems, and

WHEREAS, the PCTA adopted Ordinance 930 on March 14, 2007, wherein the PCTA agreed to impose certain fees on cable providers within the PCTA's jurisdiction; and

WHEREAS, included in such rights is the requirement that the City, through the PCTA, receive a state franchise fee as compensation for the use of the public rights-of-way for the provision of video services; and

WHEREAS, all current cable television franchisees pay a state franchise fee equal to five percent (5%) of gross revenues; and

WHEREAS, pursuant to the Act, local entities may, by ordinance, establish a fee (herein after "PEG Support Fee") for the support of public, educational, and governmental access ("PEG") channel facilities; and

WHEREAS, on April 10, 2007, the City adopted Ordinance No. 930 establishing fees for State Franchisees, and

WHEREAS, the City and PCTA have been authorized to examine the business records of a State Franchisee to the extent reasonably necessary to ensure compensation is in accordance with state law; and

WHEREAS, the PCTA will retain authority, without change, over all PCTA cable franchises until such time as the parties thereto no longer hold a state franchise, or are no longer operating under a current or expired franchise, and

WHEREAS, some State Franchisees within the PCTA's jurisdiction will expire and are expected to be renewed in 2017; and

WHEREAS, Public Utilities Code section 5870(n) could be read, such that PEG fees must be reauthorized upon the expiration of an applicable state franchise.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City Council finds that the above recitations are true and correct and, accordingly, are incorporated as a material part of this Resolution.

SECTION 2. That State Franchisee(s) holders that offer video service within the jurisdictional boundary of the City will calculate and remit, a state franchise fee equal to five percent (5%) of gross revenues as provided in Sections 5860 and 5840(q)(1) of the Act.

SECTION 3. That State Franchisee(s) holders that offer service within the jurisdictional boundary of the City will calculate and remit, an additional PEG Support Fee equal to one percent (1%) of gross revenues to be used in a manner consistent with law as provided in Section 5870(n) of the Act.

SECTION 4. The Franchise Fee and PEG Support Fee shall be remitted to the PCTA on a quarterly basis within 45 days after the end of each quarter for that calendar year. Each payment shall be accompanied by a detailed summary explaining the basis for the calculation of the Franchise Fee and PEG Support Fee.

SECTION 5. Gross Revenues under Sections 2 and 3 above, shall be defined as is consistent with Section 5860 of the Act.

SECTION 6. A late payment charge equal to the highest prime lending rate during the period of delinquency plus one percent (1%) will be applied to any payment made by a State Franchisee for Franchise Fees and PEG Support Fees not received when due under Section 4 above.

SECTION 7. Not more than once annually, the City and/or the PCTA may examine the business records of a State Franchisee(s) to the extent reasonably necessary to ensure compliance with the Act and this Resolution.

SECTION 8. Any Franchise Fee and PEG Support Fee levied and collected by the PCTA pursuant to this Act shall constitute a credit against any Franchise Fee or PEG Support Fee imposed herein.

SECTION 9. Not more than once annually, the City and/or the PCTA may examine the business records of a State Franchisee(s) to the extent reasonably necessary to ensure compliance with the Act and this Resolution.

SECTION 10. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Resolution, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution. The City Council hereby declares that it would have adopted this Resolution, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

ADOPTED, SIGNED AND APPROVED this 28th day of March, 2017.

CAROL WARREN, MAYOR

APPROVED AS TO FORM:

MATTHEW E. RICHARDSON, CITY ATTORNEY

ATTEST:

I, PATRICIA A. VAZQUEZ, City Clerk of the City of Stanton, California DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2017-09 has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the Stanton City Council, held on March 28, 2017, and that the same was adopted, signed and approved by the following vote to wit:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

PATRICIA A. VAZQUEZ, CITY CLERK

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: March 28, 2017

SUBJECT: RESOLUTION NO. 2017-11 OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING FINAL PARCEL MAP NO. 2016-101 FOR THE PROPERTY LOCATED AT 10562 LEXINGTON STREET WITHIN THE RM (MEDIUM DENSITY RESIDENTIAL) ZONE

REPORT IN BRIEF:

The final parcel map for the development located at 10562 Lexington Street south of Cerritos Avenue has been completed and reviewed by all required departments and agencies. This final parcel map is in compliance with the City's General Plan and zoning land use designations.

RECOMMENDED ACTION:

That the City Council:

1. Adopt Resolution No. 2017-11 (Attachment) approving Final Parcel Map No. 2016-101; and
2. Find that the recordation of Final Parcel Map No. 2016-101 will not be in violation of any of the provisions of Section 66474, 66474.1, and 66474.2 of the Subdivision Map Act; and
3. Find that the proposed subdivision, together with the provisions for its design and improvement, is consistent with the general plan required by Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of the Government Code, and any specific plan adopted pursuant to Article 8 (commencing with Section 65450) of Chapter 3 of Division 1 of the Government Code; and
4. Direct the City Clerk to endorse on the face of the map of Final Parcel Map No. 2016-101, the certificate which embodies the approval of said map, and submit the map to the County Recorder of Orange County for recording.

BACKGROUND:

The Applicant, Binh Tran, ZBT Group, is proposing to improve and subdivide an existing 9,570 square foot parcel, located at 10562 Lexington Street, for the development of two single-family detached residential homes. To accommodate this proposed project, the Applicant has requested the following Planning entitlements:

- Precise Plan of Development (PPD-773) – Section 20.530.030 of the Stanton Municipal Code (SMC) requires a development permit for the construction of two or more new dwelling units on a lot or in conjunction with the submittal of a subdivision; and
- Tentative Parcel Map (TM15-01) – Required for the requested property subdivision to include two numbered lots for condominium purposes.

The final parcel map has been reviewed, and found to be in compliance with the City's general plan and zoning land use designations.

ANALYSIS/JUSTIFICATION:

Recording of the final parcel map is required per Section 66426 of the Subdivision Map Act. The City Engineer has reviewed the Final Parcel Map No. 2016-101 and all associated documentation, and is satisfied that the final parcel map substantially complies with the City's general plan and zoning land use designations.

FISCAL IMPACT:

None.

ENVIRONMENTAL IMPACT:

In accordance with the requirements of the CEQA this project has been determined to be categorically exempt under Section 15332, Class 32 (In-Fill Development Projects).


LEGAL REVIEW:

None.

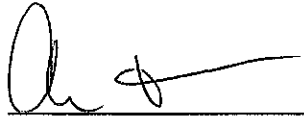
PUBLIC NOTIFICATION:

Notifications and advertisement were performed as prescribed by law.

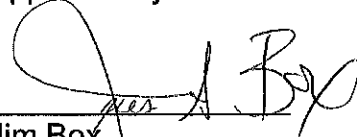
Prepared by:


Guillermo Perez
Engineering Assistant

Reviewed


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

Approved by:


Jim Box
City Manager

Attachment:

Resolution No. 2017-11

RESOLUTION NO. 2017-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING FINAL PARCEL MAP NO. 2016-101 FOR THE PROPERTY LOCATED AT 10562 LEXINGTON STREET

WHEREAS, on April 20, 2016 the Planning Commission of the City of Stanton conditionally approved Tentative Parcel Map 2016-101, located at 10562 Lexington Street; and

WHEREAS, all necessary documentation associated with this subdivision have been reviewed by the City Engineer; and

WHEREAS, the final parcel map is substantially in compliance with the previously approved Tentative Parcel Map 2016-101; and

WHEREAS, the City Council has made the finding that none of the conditions for mandatory denial exist relative to the proposed subdivision, in accordance with Section 66474, 66474.1 and 66474.2 of the Subdivision Map Act; and

WHEREAS, the City Council finds that the proposed subdivision, together with the provisions for its design and improvement, is consistent with the general plan required by Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of the Government Code, or any specific plan adopted pursuant to Article 8 (commencing with Section) 65450) of Chapter 3 of Division 1 of the Government Code; and

WHEREAS, the City Council finds that final Parcel Map No. 2016-101 satisfies the provisions of the Subdivision Map Act, Stanton Municipal Code and the Conditions of Approval,

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Stanton, California, hereby approves final Parcel Map No. 2016-101.

ADOPTED, SIGNED AND APPROVED this 28th day of March 2017.

C. WARREN, MAYOR

APPROVED AS TO FORM:

MAL RICHARDSON, CITY ATTORNEY

ATTEST:

I, Patricia Vazquez, City Clerk of the City of Stanton, California DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2017-11 has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the Stanton City Council, held on March 28, 2017, and that the same was adopted, signed and approved by the following vote to wit:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

PATRICIA VAZQUEZ, CITY CLERK

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: March 28, 2017

SUBJECT: AWARD OF CONTRACT TO DAVID VOLZ DESIGN LANDSCAPE ARCHITECTS INC. FOR THE DESIGN OF THE CITY HALL PLAZA

REPORT IN BRIEF:

The City Council has previously expressed concerns about the condition of the plaza adjacent to City Hall. The area has not been modified since the construction of City Hall in 1993 and the concrete has been significantly damaged by the trees within the plaza. The damage to the concrete has created displacements to the concrete that can no longer be addressed through grinding and patching.

David Volz Design Landscape Architects inc. (David Volz) was selected through a competitive process to prepare conceptual plans for the plaza. These plans were presented to the City Council on February 14, 2017. The plans were accepted by the City Council. There were concerns as to how to fund the construction of the project which are addressed and resolved in this report.

The next step would be for David Volz to prepare construction documents for the project. Attached to this report is a proposal and a contract to perform these services.

RECOMMENDED ACTION:

1. City Council approve a Professional Services Agreement with David Volz Design Landscape Architects Inc to provide design services for the renovations to the City Hall Plaza for the maximum contract sum of \$77,892; and
2. Authorize the City Manager to bind the City of Stanton and David Volz Design Landscape Architects Inc in a contract to provide these services; and
3. Determine that In accordance with the requirements of the California Environmental Quality Act, the action would not be deemed to be a project per Section 15378(b)(4): ["Project" does not include] The creation of a government funding mechanism 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.
4. Approve Budget Adjustment No. 2017-20 to appropriate \$202,856 to the Street

Improvement account of the Gas Tax Fund for this project.

BACKGROUND:

A proposed concept for the improvements has been prepared and has been submitted for the City Council's review on February 14, 2017. Some of the most noteworthy design elements are as follows:

- The curb and gutter have been realigned and the center island has been eliminated. This was done due to the difficulty in parking between the island and the plaza and to increase the area of the plaza.
- The trees have been eliminated from within the concrete area. The existing trees have created a large amount of displacement to the concrete and tripping hazards. This also creates a larger contiguous area for events.
- In lieu of trees throughout the plaza, a large circular planter has been designed. It will include seating around its perimeter and a flagpole.
- A shade canopy has been added to connect the parking garage to the entrances to the Community Center and City Hall. This will protect people in the rain and provide a clearer connection between the two structures.

The City Council approved the design as presented. However staff explained there would be a significant impact to the General Fund in order to complete the entire project. Staff suggested that the construction of certain elements might be delayed and that some elements might be funded from other sources. The following section and attached "Engineers Estimate" show how the project can be accomplished.

FISCAL IMPACT:

The estimated construction cost per the architect is \$782,309. Please note this does not include the fee for construction documents which is \$77,892. The total cost would then be \$860,201.

The funding sources are as follows:

	Construction	Design	Total
Gas Tax	\$163,856	\$38,946	\$202,856
CDBG Grant	\$173,221	\$38,946	\$212,167
Capital Improvement Fund	\$120,000		\$120,000
General Fund	\$325,178		\$325,178
Total	\$782,309	\$77,892	\$860,201

Three items that could be eliminated/delayed from the project scope are:

Public Art	\$49,500
Shade Structure	\$192,500
Painting of City Hall	\$82,500
Total	\$324,500

The elimination/delay of these would reduce the impact to the General Fund to \$678. With the approval of Budget Adjustment No. 2017-20, funds for the project (if \$324,500 is eliminated/delayed) will be budgeted.

ENVIRONMENTAL IMPACT:

In accordance with the requirements of the California Environmental Quality Act (CEQA), the study by SCE would not be deemed to be a project per Section 15378(b)(4): ["Project" does not include] The creation of a government funding mechanism 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.

LEGAL REVIEW:

The Professional Services Agreement has been provided by the City Attorney.

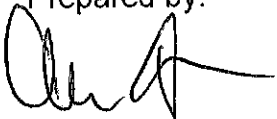
PUBLIC NOTIFICATION:

Notifications and advertisement were performed as prescribed by law.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

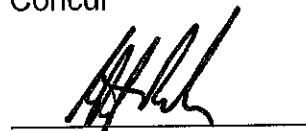
3 - Provide a quality infrastructure.

Prepared by:



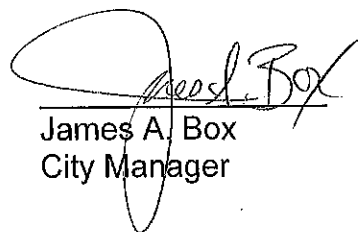
Allan Rigg, P.E.
Director of Public Works/City Engineer

Concur



Stephen Parker
Administrative Services Director

Approved by:



James A. Box
City Manager

Attachments:

- (1) Professional Services Agreement
- (2) Engineers Estimate
- (3) Budget Adjustment No. 2017-20

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and effective as of March 28, 2017, between the **City of Stanton**, a California Municipal Corporation ("City") and **David Volz Design Landscape Architects, Inc., a California corporation** ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement shall commence on **March 28, 2017** and shall remain and continue in effect until tasks described herein are completed, but in no event later than **March 28, 2018** unless sooner terminated pursuant to the provisions of this Agreement.

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 Exhibit A. When available, a more detailed work program shall be attached and incorporated into this agreement as a separate exhibit.

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 Public Works 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 Tasks to Be Performed 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 Tasks to Be Performed or change Consultant's compensation, subject to Section 5 hereof.

5. PAYMENT

(a) The City agrees to pay Consultant 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 **Seventy Seven Thousands Eight Hundred Ninety Two Dollars (77,892.00)** 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 ten (10) days 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 ten (10) days 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 or reckless act or omission, intentional or willful misconduct act of, or omission (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 negligent or reckless acts, omissions, or willful misconduct 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 B 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
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To Consultant:	David Volz Design Landscape Architects, Inc. 151 Kalmus Drive Costa Mesa, CA 92626
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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 TAIT & Associates 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, Exhibit "A" 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

By: _____
James A. Box
City Manager

CONSULTANT

By: _____
(Signature)

David Volz

Its: _____

By: _____
(Signature)

Its: _____

Attest:

Patricia A. Vazquez, City Clerk

Approved As To Form:

Matthew E. Richardson, City Attorney

EXHIBIT A

TASKS TO BE PERFORMED

Provide professional engineering services for the design of the Stanton City Hall Plaza. The scope of work for this project is detailed in the proposal submitted by David Volz Design Landscape Architects, Inc. on March 9, 2017.

EXHIBIT B

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. 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..
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.

March 9, 2017

www.dvolzdesign.com

Mr. Allan Rigg, City Engineer
City of Stanton, Public Works Department
7800 Katella Avenue
Stanton, CA 90680

Home Office
151 Kalmus Drive, Suite. M8
Costa Mesa, CA 92626
phone 714.641.1300
fax 714.641.1323

Coachella Valley Office
78060 Calle Estado
La Quinta, CA 92253
phone 760.580.5165
fax 760.564.0369

RE: PROPOSAL TO PROVIDE LANDSCAPE ARCHITECTURAL SERVICES FOR
PREPARATION OF CONSTRUCTION DRAWINGS FOR STANTON CITY HALL PLAZA

Dear Mr. Rigg,

Thank you for letting DVD propose on the next step in redeveloping the City Hall Plaza space. The city council's approval of our February 2017 concept plan allows us to proceed to the next phase of design. The attached scope of services addresses the design development and construction document preparation for the envisioned \$800,000 project.

DVD will lead the design services work and prepare site construction documents, landscape and irrigation plans. Our consulting civil engineer and surveyor is JMC². Design West Engineering will provide electrical engineering design for the street edge bollards. And, we will have a consulting structural engineer provide calculations and plans for the overhead structural design work.

These design services will require approximately three months of design time, city reviews will add to this time frame. We are ready to start immediately on the design development and survey work.

This is a great project, thanks again for entrusting DVD with this important work. Please call with any questions.

Very truly yours,

DAVID VOLZ DESIGN



David J. Volz, L.A. # 2375

LEED Accredited Professional, QSD/QSP



Designing Landscapes that Create Community

SCOPE OF SERVICES



David Volz Design will provide landscape architectural design services as described in the following scope of services. Design developmental plans and construction documents will be based on the city council approved concept plan and cost estimate dated February 2017. The work items below will be accomplished by our experienced and creative in-house staff and our well qualified civil, structural and electrical engineer subconsultants.

PHASE 1 - DESIGN DEVELOPMENT

Task One - Design Development

- 1.01 Design development
 - a. Finalize design development plans for proposed features
 - b. Provide recommendations for materials and constructions
 - Seating and site furnishings
 - Landscape concept
 - Materials selection

Task Two - Preliminary Engineering

- 2.01 Preliminary Civil Engineering and site survey see attached scope of services

Task Three - Opinion of Probable Construction Cost Projection

- 3.01 Breakdown of cost by unit and quantities

Task Four - City Staff Meetings

- 4.01 Three meetings with city staff anticipated.

MEETINGS & DELIVERABLES FOR PHASE I

Design Development

Materials selection

Updated rendering

Construction cost opinion estimate

Staff meetings

PHASE II - CONSTRUCTION DOCUMENTS

Task One - Construction Documents Development

- 1.01 Program review and verification

SCOPE OF SERVICES



- 1.02 Prepare base maps
- 1.03 Prepare construction drawings
 - a. Site construction plan and details
 - b. Civil engineering plans (see attached scope)
 - c. Electrical engineering plans for bollard lighting along street
 - d. Structural engineering plans and calculations for overhead structures.
 - e. Irrigation plan and details.
 - f. Final landscape plan and details
 - g. Construction documents
- 1.04 Prepare technical specifications
- 1.05 Prepare construction cost budgets
- 1.06 Submittal/review at 60% documents

Task Two - Final Construction Documents

- 2.01 City project team review of work-to-date
- 2.02 Internal quality control review
- 2.03 Revise documents
- 2.04 Turnover of original plans and specifications

MEETINGS & DELIVERABLES FOR PHASE II

Construction plans

Construction technical specifications

Construction budget estimate

Staff meetings/reviews

OPTIONAL SERVICES

PHASE III BIDDING AND CONSTRUCTION ASSISTANCE

Task One - Bidding Assistance

- 1.01 Provide answers to pertinent pre-bid questions
- 1.02 Assist the city in evaluation of bids
- 1.03 Attend pre-construction meeting
- 1.04 Respond to project Requests for Information (RFI's)

SCOPE OF SERVICES



- 1.05 Attend pre-construction meeting
- 1.06 Participate in construction progress meetings (4 anticipated)

MEETINGS & DELIVERABLES FOR PHASE III

Bidding assistance

RFI responses, instructions

FEE SCHEDULE



David Volz Design proposes the following Not to Exceed fee schedule to provide the services identified in this proposal. The tasks listed below are offered at a fixed fee for the design services for identified program elements.

SCOPE OF SERVICES

PR \$220	LA \$193	PP \$135	CT \$121	AD \$115	Total Hrs	Fee
4	12	8	8	2	34	\$ 5,474
20	40	36	60	8	164	\$ 25,160
	16	8		4	28	\$ 4,628
24	68	52	68	14	226	\$ 35,262
						\$ 31,280
						\$ 6,325
						\$ 4,025
						\$ 76,892

Civil Engineering & Survey (no SWPPP)

Electrical Engineering

Structural Engineering

REIMBURSABLES

Estimate \$ 1,000

Reimbursable expenses, printing, copying, postage, etc. billed at cost plus 15%.

TOTAL PROPOSED DESIGN FEE \$ 77,892

ASSUMPTIONS:

1. Subconsultants fees include 15% mark-up of direct costs and in some cases support services by DVD staff.
2. Geotechnical services, stormwater, hydrology and other engineering services are not anticipated nor included in this proposal.

ENGINEER'S ESTIMATE



Date: 2/7/2017 (Revised 3-8-17)

Project: Stanton City Hall Plaza Project

Estimated By: GV

STREET IMPROVEMENTS

Item No.	Item Description	Quantity	Unit	Unit Price	Total
1	Traffic Control	1	LS	\$ 2,500.00	\$ 2,500.00
2	Remove Existing AC Pavement	3,800	SF	\$ 4.00	\$ 15,200.00
3	Remove existing sidewalk	4,000	SF	\$ 4.00	\$ 16,000.00
4	Construct New PCC Curb	190	LF	\$ 25.00	\$ 4,750.00
5	Adjust Catch Basin	2	EA	\$ 1,500.00	\$ 3,000.00
6	Adjust Manhole or Utility Cover to finished grade.	1	EA	\$ 750.00	\$ 750.00
7	Construct New 6" Color Concrete over 6" CMB	780	SF	\$ 12.00	\$ 9,360.00
8	Adjust Existing Traffic Signal Pull Box to finished grade.	2	EA	\$ 400.00	\$ 800.00
9	Install New Turncated Domes Concrete Pavers	1	EA	\$ 600.00	\$ 600.00
10	Construct New Sidewalk	4,000	SF	\$ 10.00	\$ 40,000.00
11	Construct New Roll Curb	100	LF	\$ 40.00	\$ 4,000.00
Sub-total:					\$ 96,960.00
Contingincy (10%):					\$ 9,696.00
TOTAL:					\$ 106,656.00

PLAZA ENHANCEMENTS WITHIN STREET RIGHT-OF-WAY

Item No.	Item Description	Quantity	Unit	Unit Price	Total
24	Demolition & Site Preparation	1	LS	\$ 5,000.00	\$ 5,000.00
25	Color Concrete Flatwork with retarder finish	1,667	SF	\$ 12.00	\$ 20,000.00
26	Way Finding Sign	1	EA	\$ 5,000.00	\$ 5,000.00
27	Precast Bollard	20	EA	\$ 800.00	\$ 16,000.00
28	Precast Circular Planter/Wedge/Seating	1	LS	\$ 6,000.00	\$ 6,000.00
Sub-total:					\$ 52,000.00
Contingincy (10%):					\$ 5,200.00
TOTAL:					\$ 57,200.00

Total of Street Improvements & Plaza Enhancements within Street Right-of-way \$ 163,856.00

PLAZA ENHANCEMENTS

Item No.	Item Description	Quantity	Unit	Unit Price	Total
12	Demolition & Site Preparation	1	LS	\$ 10,000.00	\$ 10,000.00
13	Color Concrete Flatwork with retarder finish	3,333	SF	\$ 12.00	\$ 40,000.00
14	Plaza Bench	4	EA	\$ 1,500.00	\$ 6,000.00
15	Decorative Plant Container	8	EA	\$ 1,000.00	\$ 8,000.00
16	Plaza Shade Structure On-Radius - 2325 SF with 7 posts	1	LS	\$ 175,000.00	\$ 175,000.00
17	Pedestrian Corridor (Straight)- 950 SF with 6 posts	1	LS	\$ 80,000.00	\$ 80,000.00
18	Community Message Borders	1	EA	\$ 10,000.00	\$ 10,000.00
19	Precast Circular Planter/Wedge/Seating	1	LS	\$ 12,000.00	\$ 12,000.00
20	Flagpole	1	EA	\$ 6,000.00	\$ 6,000.00
21	Pedestrian Corridor Seatwall	1	LS	\$ 10,000.00	\$ 10,000.00
22	Precast Arch Feature	1	EA	\$ 10,000.00	\$ 10,000.00
23	Decorative Steel Panels - Vertical	13	EA	\$ 1,000.00	\$ 13,000.00
Sub-total					\$ 380,000.00
Contingency (10%):					\$ 38,000.00
TOTAL:					\$ 418,000.00

PUBLIC ART

Item No.	Item Description	Quantity	Unit	Unit Price	Total
29	Public Art - Outdoor Sculpture	3	EA	\$ 15,000.00	\$ 45,000.00
Sub-total:					\$ 45,000.00
Contingency (10%):					\$ 4,500.00
TOTAL:					\$ 49,500.00

PAINTING CITY HALL

Item No.	Item Description	Quantity	Unit	Unit Price	Total
30	Paint City Hall Exterior	1	LS	\$ 75,000.00	\$ 75,000.00
Sub-total:					\$ 75,000.00
Contingency (10%):					\$ 7,500.00
TOTAL:					\$ 82,500.00

LANDSCAPE EMHANCEMENTS

Item No.	Item Description	Quantity	Unit	Unit Price	Total
31	Soil Prep & Fine Grading	7,200	SF	\$ 0.50	\$ 3,600.00
32	Weed Abatement	7,200	SF	\$ 0.15	\$ 1,080.00
33	Concrete Header (9" wide)	210	LF	\$ 35.00	\$ 7,350.00
34	Install Tree - 60" box	1	EA	\$ 1,500.00	\$ 1,500.00
35	Install Tree - 36" box	3	EA	\$ 700.00	\$ 2,100.00
36	Install Shrub - 5 gallon	300	EA	\$ 25.00	\$ 7,500.00
37	Install Shrub - 1 gallon	360	EA	\$ 10.00	\$ 3,600.00
38	Irrigation System	1	LS	\$ 15,000.00	\$ 15,000.00
39	Install Wood Mulch - 3" depth	6,000	SF	\$ 0.50	\$ 3,000.00
40	Electrical and Lighting	1	LS	\$ 15,000.00	\$ 15,000.00
40	Ninety (90) Day Landscape Maintenance Phase	1	LS	\$ 2,500.00	\$ 2,500.00
				Sub-total:	\$ 62,230.00
				Contingency (10%):	\$ 6,223.00
				TOTAL:	\$ 68,453.00

TOTAL CONSTRUCTION BUDGET ESTIMATE: \$ 782,309.00

CITY OF STANTON BUDGET ADJUSTMENT AUTHORIZATION

Fiscal Year: 2016-17
 Department: Public Works
 Requested By: Allan Rigg
 City Council Approval: _____
 Availability of Funds: _____
 Administrative Services Department

BA # 2017-20
 Date: March 28, 2017
 Title: Public Works Director
 Date: March 28, 2017
 Title: Administrative Services Director

Transfer

Current
Budget

Increase
(Decrease)

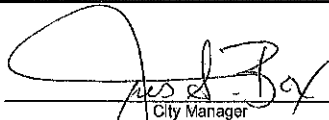
Amended
Amount

	Account Description	Account Number			
1	Gas Tax: Street Improvement	211-3510-710205	\$ -	\$ 202,856	\$ 202,856
2	Gas Tax: Fund Balance	211-0000-304320	\$ 1,722,518	\$ (202,856)	\$ 1,519,662
3					
4					
5					

JUSTIFICATION

To provide appropriation for City Hall Plaza design and construction

Budget Adjustment Request Approved:


 City Manager

3/21/17
 Date

Budget Adjustment Processed:

 Date posted

 Entered by

*** PRINT ON BLUE PAPER ONLY ***

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: March 28, 2017

SUBJECT: REPORT FROM TANKO STREETLIGHTING INC REGARDING THE ACQUISITION OF STREETLIGHTING AND APPROVAL TO ACQUIRE STREETLIGHTING FROM SOUTHERN CALIFORNIA EDISON

REPORT IN BRIEF:

The City Council previously entered into a contract with Tanko Streetlighting Inc (Tanko) to assist the City with the purchase of the streetlights owned in Stanton by Southern California Edison (SCE) and to convert them to LED. Tanko has completed their report on the viability of purchasing the streetlights and is being presented to the City Council for their review. Based on this report staff recommends the City Council direct staff to work to negotiate an agreement with SCE to purchase the streetlights.

RECOMMENDED ACTION:

1. City Council review the report from Tanko; and
2. Direct staff to work to negotiate an agreement with SCE to purchase the streetlights; and
3. Declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15301(b) – Existing facilities of both investor and publicly-owned utilities to provide electric power, natural gas, sewerage, or other public utility services.

BACKGROUND:

The City has been working through the process to obtain the streetlights owned in Stanton by SCE in order to save costs and to convert them to LED fixtures/bulbs. After reviewing the report provided by SCE on the cost of acquisition, the City Council directed staff to engage a consultant to assist the City through the acquisition and conversion process. Tanko was engaged earlier this year and they have completed the report on acquisition. It would now be appropriate for the City Council to review this report and to decide whether to purchase the streetlights. SCE has imposed a deadline of April 21, 2017 for the City to enter into agreements for the purchase.

ANALYSIS/JUSTIFICATION:

The report was recently completed and the following are the major findings:

- Tanko found that 8% of the poles listed as sellable by SCE contained errors in SCE's inventory.
- Tanko believes there are 992 sellable poles in the City. The acquisition cost based on a conservative estimate of 1,025 poles is \$1,856,559.
- The cost to convert these lights to LED fixtures/bulbs is \$326,479.
- The total cost for acquisition and conversion is approximately \$2,200,000.
- The payback period for the costs of acquisition and conversion is 20 years.
- Tanko is working in other cities to set a precedent for the City to be able to buy the other "unsellable" lights.

SCE has sent two model agreements for the City to review and to use in the purchase of the streetlights. The City Attorney has reviewed the agreements and has found a number of issues which need to be resolved. SCE's policy is to only work with cities on these agreements after the decision to buy the streetlights has been made. As such staff will work to bring these agreements back to the City Council for their approval on April 11, 2017 ahead of the deadline.

FISCAL IMPACT:

Currently, the City has approximately \$1.6 million available in the streetlight reserves that could be used for this project. If utilized, this will leave a remainder of approximately \$600,000 that will need to be financed by the City to complete the acquisition from SCE and conversion of the streetlights to LED. Under the current scope of work, Tanko Lighting will assist the City in researching all available loan options. The most common form of loan is a Municipal Lease Purchase loan from a private entity. These loans generally last for the term of the projects return on investment and are structured such that the City is always cash flow positive.

Interest rates remain low for streetlight projects as the savings are easily calculated and based on published tariffs not subject to human interaction. Payment towards the loan will come directly out of savings generated as a result of the acquisition and conversion to LED. Municipal Lease Purchase loans are not treated as debt against the City and do not require voter approval because they are subject to annual appropriation.

Alternatively, the City could opt to finance the entire \$2.2 million dollar acquisition and conversion and keep all streetlight reserves intact. This results in a larger interest payment over the lifespan of the project but allows the City to save all existing funds within the streetlight reserve. Please note that SMART technology upgrades are not included in the \$2.2 million dollar budget and it would be prudent to keep some funds in reserve to allow the City to pursue additional options. The decision regarding how to fund the project is not before the City Council at this point but is a relevant discussion

point in deciding whether to proceed with the project.

ENVIRONMENTAL IMPACT:

The project is exempt from the California Environmental Quality Act ("CEQA") under Section 15301(b) – Existing facilities of both investor and publicly-owned utilities to provide electric power, natural gas, sewerage, or other public utility services.

LEGAL REVIEW:

The City Attorney has reviewed the model agreements and has provided comments.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

3 – Provide a quality infrastructure.

PUBLIC NOTIFICATION:

Notifications and advertisement were performed as prescribed by law.

Prepared by:



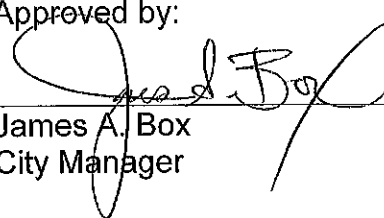
Allan Rigg, PE AICP
Public Works Director

Concur:



Stephen Parker, CPA
Administrative Services Director

Approved by:



James A. Box
City Manager

Attachments:

(1) Letter report from Tanko



SCE POLE ACQUISITION REPORT



Submitted to:

Allan Rigg

Public Works Director/City Engineer

City of Stanton

7800 Katella Avenue, Stanton, CA 90680

Submitted by:

Jason Tanko, President

Tanko Streetlighting, Inc.

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San Francisco, CA 94124

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March 17, 2017

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SCE POLE ACQUISITION REPORT

Project Background

The City of Stanton contracted Tanko Lighting to complete a full audit of the City's streetlight system and to reconcile what was found in the field with the data provided by the utility, Southern California Edison (SCE). Tanko Lighting then analyzed the data, based on SCE's parameters, to determine which poles should be available to the City for purchase. SCE's parameters, as Tanko Lighting understands them, are that the pole must be a standalone/non-utility pole. The current SCE evaluation will expire on April 21st.

This report will compare the data collected during the audit completed by Tanko Lighting to the data provided by SCE and show the discrepancies between the two. Then, through a financial analysis, it will show how this discrepancy will affect the SCE valuation of the City's streetlighting system. The report will close with Tanko Lighting's recommendations for moving forward with acquisition from SCE.

Data Comparison

Tanko Lighting audited a total of 833 sellable poles. Of these poles, 66 of them, or roughly 8%, contained inventory errors of some kind. Some of these errors include distribution poles that were deemed sellable and poles without any SCE record at all.

Table 1: SCE Errors	
SCE indicates a sellable pole is not available for purchase	31
SCE indicates a distribution pole is available for purchase	1
Pole is included in SCE's valuation but not found in the field	21
Poles found in the field that are not included in the SCE valuation	9
Pole ownership is in question	4
Total SCE Errors	66

159 poles will be audited during the "Audit Punchlist" phase. The results from this phase may affect the final results of this report.

Table 2: Total "Sellable" Poles
SCE Valuation
944
Tanko Lighting
992



The data collected by Tanko Lighting shows 48 additional sellable poles than the evaluation provided by SCE. Tanko Lighting advises that a financial analysis based on 1,025 sellable poles will provide a conservative basis for the City to make decisions going forward.

Financial Analysis

The complete financial analysis is listed in Appendix B and will be summarized below.

Table 3: Project Costs		
Acquisition Cost per Pole	\$	1,811
Total Acquisition Cost for 1,025 Poles	\$	1,856,559
Cost to Convert Streetlights to LED	\$	326,479
Total Project Cost	\$	2,183,038

Based on the valuation from SCE, the cost of acquiring a sellable pole is \$1,811. Offers that other municipalities have received from SCE have been in the same price range. Through working with other municipalities, Tanko Lighting is aware of 30 municipalities who are planning to buy their poles at a higher price point.

When you apply the price per pole figure to a total of 1,025 poles it brings the acquisition cost to \$1,856,559. This figure is \$146,713 over SCE's original evaluation.

This results in a total project cost, including the streetlight conversion, of \$2,183,038.

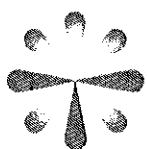
The financial analysis also gives a payback period of around 20 years for the project. While this is not the most appealing payback, it should not be a deterrent to acquiring the poles from SCE. The following section will further detail reasons why the City should acquire the poles.

Recommendations

Purchasing the sellable poles:

As previously stated, the deadline to accept SCE's valuation of the City's streetlighting system is April 21st, 2017. Tanko Lighting recommends that the City move forward with the purchase as soon as possible for several reasons described below:

- True up with SCE on any discrepancies found by Tanko Lighting will occur after submitting the payment for acquisition.
- Energy savings will be realized as soon as the sale is processed.
- SCE may discontinue its rebate program at the end of 2017.
- Increased public safety.



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- The City will have the ability to add digital infrastructure to the streetlights.

Once payment is submitted, SCE has indicated that they will conduct their own audit of the City's streetlighting system. After SCE completes their audit, the City will have the opportunity to voice any discrepancies. This will ensure that the City will only pay for poles that exist in the field and is able to acquire all standalone poles.

Submitting the payment will also help the City realize its energy savings faster. As detailed in the chart below, the City will be saving \$180,370 annually with the customer owned LS-2 rate and the new streetlighting system in place. This means there is a loss of over \$9,000 in savings every month that the project is delayed.

Table 4: Annual Costs and Savings		
Energy Savings (\$)		
Annual Energy Savings	\$	108,370
Monthly Energy Savings	\$	9,031
Energy Savings (kWh)		
Annual kWh Savings		365,028
Monthly kWh Savings		30,419

While it has not been confirmed, Tanko Lighting is receiving information through several sources that SCE is seriously considering ending their rebate program on January 1st, 2018. This means that time is of the essence and delaying the acquisition will put the SCE rebate, which is projected at \$83,933, at risk.

Once the LED streetlights are installed, citizens of Stanton will benefit from increased public safety the lights provide. Safety can further be increased by digital add-ons such as shot spot technology. Shot spot uses the streetlight's photocell for echo location which immediately and accurately pinpoints where a gun shot was fired, providing a more immediate response for police officers.

There are a multitude of digital infrastructure possibilities, due to new and developing technologies, that could be realized by the City once the poles are acquired. For example, a public Wi-Fi system using the poles as wireless access points could be installed by the City. Looking forward, the City will also have the ability to utilize the poles for generating additional revenue streams. For instance, telecommunications companies could install software on the poles to improve network capabilities.

Acquiring Distribution Poles:

Tanko Lighting is also making a recommendation regarding the distribution poles that SCE is currently not selling. While Tanko Lighting fully recommends moving forward with the purchase of the sellable poles for the reasons listed above, we also believe that the City should pursue the acquisition of the distribution poles as well. Distribution poles cost significantly less to acquire than stand alone poles because the purchase consists of only the arm and the streetlight in contrast to buying the entire pole. This lower cost of acquisition subsidizes the full project and provides additional savings with a lower investment. Tanko Lighting



is currently working to acquire distribution poles from SCE in West Hollywood, CA in the first contract of its kind in the area. Tanko Lighting believes that the results of the West Hollywood acquisition will be transferrable to the City of Stanton. If successful, Tanko Lighting would recommend the City to acquire the remaining distribution poles from SCE.



APPENDIX A

The City of Stanton
LS-1 Streetlight System Valuation

April 21, 2016

Overview of the Total LS-1 Streetlight System

Type	Qty	Type	Overhead	Underground
Non-Wood	812	65%	270	542
Wood	432	35%	432	0
	1,244	100%	702	542
			56%	44%
1950-1959	169	14%		
1960-1969	162	13%		
1970-1979	370	30%		
1980-1989	122	10%		
1990-1999	70	6%		
2000-2009	81	7%		
2010-present	270	22%		

Valuation of the Sellable LS-1 Streetlight System

	Qty	RCNLD
Marbelite (Concrete)	811	\$1,548,742
+ Wood	133	\$124,287
Total:	944	\$1,673,029
Additional Asset Components		\$8,497
Subtotal		\$1,681,526
Transition Cost		\$28,320
Valuation Price		\$1,709,846

*Note: 31% of Wood Poles are sellable (streetlights attached to distribution poles are excluded)

Steel Pole Replacement Program replaced 249 poles in 2013

Additional asset components relevant to the sale (i.e. additional fixtures, riser poles, insulators, down guy, etc.)

Transition Cost is the severance cost to transfer ownership of the asset



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APPENDIX B

Stanton, CA Street Lighting Conversion

Project Summary Sheet

Thursday, March 16, 2017

	Existing	Annual Costs + Savings		Final Project Costs	
		New	Savings	Total Retrofit Cost	\$2,183,088
Annual kWh	520,899	155,871	365,028	Total Rebate Incentive	\$83,933
Annual Energy	\$148,410	\$40,040	\$108,370	Net Project Cost	\$2,099,105
Annual Maintenance	\$0	\$9,840	-\$9,840		
Annual CO2 Emissions (lbs)	272,951	81,676	191,275		

	Existing	20-Year Costs + Savings		Simple Payback (Years)	
		New	Savings	Total Project Cost	Net Project Cost
20-Year Energy	\$3,987,822	\$1,075,876	\$2,911,946	Energy Savings Only	20.14
20-Year Maintenance	\$0	\$288,392	-\$288,392		19.37

20-Year Energy + Maintenance	\$3,987,822	\$1,364,268	\$2,623,554		
Loan Payments	\$0	\$0	\$0		
Rebate Incentive	\$0	-\$83,933	\$83,933		
Grand Total	\$3,987,822	\$1,280,336	\$2,707,486		



ORDINANCE NO. 1064

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, RE-ESTABLISHING FEES FOR STATE FRANCHISED VIDEO SERVICE PROVIDERS

WHEREAS, the Legislature of the State of California has enacted the Digital Infrastructure and Video Competition Act of 2006 ("Act") set forth in Public Utilities Code section 5800 *et seq.*, which authorizes State Franchises; and

WHEREAS, pursuant to the 2004 Restated and Amended Joint Powers Agreement, the City of Stanton ("City") is a member of the Public Cable Television Authority ("PCTA") for the purposes of exercising the common powers of its member cities relating to cable television, video service providers, and open video systems, and

WHEREAS, pursuant to the Act, the City and the PCTA acquire certain rights and responsibilities with respect to state video franchise holders ("State Franchisees"), and

WHEREAS, effective January 1, 2007, the State of California ("State") has the authority to grant state franchises for the provision of video service including cable television, video service providers, and open video systems, and

WHEREAS, the PCTA adopted Ordinance 930 on March 14, 2007, wherein the PCTA agreed to impose certain fees on cable providers within the PCTA's jurisdiction; and

WHEREAS, included in such rights is the requirement that the City, through the PCTA, receive a state franchise fee as compensation for the use of the public rights-of-way for the provision of video services; and

WHEREAS, all current cable television franchisees pay a state franchise fee equal to five percent (5%) of gross revenues; and

WHEREAS, pursuant to the Act, local entities may, by ordinance, establish a fee (herein after "PEG Support Fee") for the support of public, educational, and governmental access ("PEG") channel facilities; and

WHEREAS, on April 10, 2007, the City adopted Ordinance No. 930 establishing fees for State Franchisees, and

WHEREAS, the City and PCTA have been authorized to examine the business records of a State Franchisee to the extent reasonably necessary to ensure compensation is in accordance with state law; and

WHEREAS, the PCTA will retain authority, without change, over all PCTA cable franchises until such time as the parties thereto no longer hold a state franchise, or are no longer operating under a current or expired franchise, and

WHEREAS, some State Franchisees within the PCTA's jurisdiction will expire and are expected to be renewed in 2017; and

WHEREAS, Public Utilities Code section 5870(n) could be read, such that PEG fees must be reauthorized upon the expiration of an applicable state franchise.

THE CITY COUNCIL OF THE CITY OF STANTON DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1: That State Franchisee(s) holders that offer video service within the jurisdictional boundary of the City will calculate and remit, a state franchise fee equal to five percent (5%) of gross revenues as provided in Sections 5860 and 5840(q)(1) of the Act.

SECTION 2: That State Franchisee(s) holders that offer service within the jurisdictional boundary of the City will calculate and remit, an additional PEG Support Fee equal to one percent (1%) of gross revenues to be used in a manner consistent with law as provided in Section 5870(n) of the Act.

SECTION 3: The Franchise Fee and PEG Support Fee shall be remitted to the PCTA on a quarterly basis within 45 days after the end of each quarter for that calendar year. Each payment shall be accompanied by a detailed summary explaining the basis for the calculation of the Franchise Fee and PEG Support Fee.

SECTION 4: Gross Revenues under Sections 1 and 2 above, shall be defined as is consistent with Section 5860 of the Act.

SECTION 5: A late payment charge equal to the highest prime lending rate during the period of delinquency plus one percent (1%) will be applied to any payment made by a State Franchisee for Franchise Fees and PEG Support Fees not received when due under Section 3 above.

SECTION 6: Not more than once annually, the City and/or the PCTA may examine the business records of a State Franchisee(s) to the extent reasonably necessary to ensure compliance with the Act and this Ordinance.

SECTION 7: Any Franchise Fee and PEG Support Fee levied and collected by the PCTA pursuant to this Act shall constitute a credit against any Franchise Fee or PEG Support Fee imposed herein.

SECTION 8: Not more than once annually, the City and/or the PCTA may examine the business records of a State Franchisee(s) to the extent reasonably necessary to ensure compliance with the Act and this Ordinance.

SECTION 9: If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 10: The City Clerk shall certify to the adoption of this Ordinance and cause same to be posted in the three (3) designated posting places within the City within fifteen (15) days after its passage.

SECTION 11: This ordinance shall become effective 30 days after its adoption.

PASSED, APPROVED, AND ADOPTED this 28th day of March, 2017.

CAROL WARREN, MAYOR

ATTEST:

PATRICIA A. VAZQUEZ, CITY CLERK

APPROVED AS TO FORM

MATTHEW E. RICHARDSON, CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF STANTON)

I, Patricia A. Vazquez, City Clerk of the City of Stanton, California, do hereby certify that the foregoing Ordinance No. 1064 was introduced at a regular meeting of the City Council of the City of Stanton, California, held on the 14th day of March 2017 and was duly adopted at a regular meeting of the City Council held on the 28th day of March, 2017, by the following roll-call vote, to wit:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

CITY CLERK, CITY OF STANTON

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: March 28, 2017

SUBJECT: REPEAL OF ORDINANCE NO. 1060 IN ITS ENTIRETY, REGARDING THE PERSONAL, MEDICAL, AND COMMERCIAL USE OF MARIJUANA IN THE CITY, IN RESPONSE TO REFERENDUM PETITION

REPORT IN BRIEF:

On October 25, 2016, the City Council adopted Ordinance No. 1060, which would limit marijuana businesses and activities in the City to the greatest extent under recently-passed California Proposition 64. The Ordinance's effective date would have been 30 days after adoption (November 25, 2016). However, on November 22, 2016, a group of Stanton residents/proponents filed a signed petition with the City Clerk's Office seeking to repeal portions of Ordinance No. 1060 by referendum. The petition was timely filed and contained the required signatures to qualify for the ballot.

Since the referendum measure has qualified, the Elections Code Requires the City Council to reconsider the Ordinance. After reconsideration, the City Council may: (a) entirely repeal the ordinance against which the referendum petition was filed, (b) submit the referendum measure to the voters at the next regular municipal election (November 6, 2018), or (c) submit the measure to the voters at a special election no earlier than 88 days after the City Council calls the election.

Staff is recommending that Ordinance No. 1060 be repealed in its entirety in order to avoid the costs of an election.

RECOMMENDED ACTION:

1. City Council introduce Ordinance by title only and waive further reading of Ordinance No. 1065; entitled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, REPEALING ORDINANCE NO. 1060 IN ITS ENTIRETY, REGARDING THE PERSONAL, MEDICAL, AND COMMERCIAL USE OF MARIJUANA"; and

2. Determine that this Ordinance is not a project within the meaning of CEQA Guidelines section 15378 because it has no potential for resulting in physical change in the environment, directly or indirectly. The City Council further finds,

under section 15061(b)(3), that this Ordinance is nonetheless exempt from the requirements of CEQA in that the activity is covered by the general rule that CEQA applies only to activities that have the potential for causing a 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. The City Council, therefore, directs that a Notice of Exemption be filed with the County Clerk of the County of Orange in accordance with CEQA Guidelines.

BACKGROUND:

On October 25, 2016, the City Council adopted Ordinance No. 1060, which proposed to replace the City's marijuana business licensing regulations with zoning regulations that would limit marijuana businesses and activities in the City to the greatest extent under recently-passed California Proposition 64.

Under State law, the Ordinance's effective date would have been 30 days after adoption (November 25, 2016). However, on November 22, 2016, a group of Stanton residents/proponents filed a signed petition with the City Clerk's Office seeking to repeal portions of Ordinance No. 1060 by referendum. The petition was timely filed prior to the Ordinance's effective date.

Pursuant to the California Elections Code, the City Clerk's office verified that the referendum measure obtained the required signatures to qualify for the ballot. The City Clerk's Certificate as to Verification of Signatures on Petition was presented to the Council at its January 10, 2017 meeting.

ANALYSIS/JUSTIFICATION:

Since the referendum measure has qualified, the Elections Code requires the City Council to reconsider the Ordinance.

After the City Council has reconsidered the matter, it has three options under the Elections Code:

- a. Entirely repeal the ordinance against which the referendum petition was filed;
- b. Submit the referendum measure to the voters at the next regular municipal election. A "regular election" is one where Council Members are elected. That would be November 6, 2018;
- c. Submit the Measure to the voters at a special election no earlier than 88 days after the City Council calls the election.

Staff believes the repeal of Ordinance No. 1060 is the preferred option in that it avoids the cost and hassle of an election.

FISCAL IMPACT:

Repealing the ordinance would have no material costs. Submitting the referendum at the next regular municipal election would cost an estimated \$6,000. Submitting the referendum at a Special Election could cost up to \$30,000.

LEGAL REVIEW

The City Attorney has reviewed this staff report.

PUBLIC NOTIFICATION:

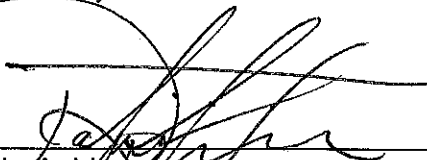
Through the regular agenda process.

Prepared by:



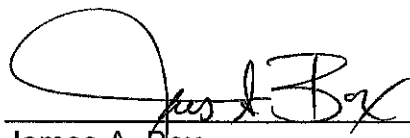
Stephen M. Parker, CPA
Administrative Services Director

Concurred by:



Patricia A. Vazquez
City Clerk

Approved by:



James A. Box
City Manager

Attachment:

A. Ordinance No. 1065, repealing Ordinance No. 1060

ORDINANCE NO. 1065

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, REPEALING ORDINANCE NO. 1060 IN ITS ENTIRETY, REGARDING THE PERSONAL, MEDICAL, AND COMMERCIAL USE OF MARIJUANA

WHEREAS, the City of Stanton, California (the "City") is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, on October 25, 2016 the City Council adopted Ordinance No. 1060, to address the personal, medical and commercial use of marijuana in light of the potential passage of California Proposition 64; and

WHEREAS, under State law, Ordinance No. 1060's effective date would have been 30 days after adoption (November 25, 2016); and

WHEREAS, however, on November 22, 2016, a group of Stanton residents/proponents filed a signed petition with the City Clerk's Office seeking to repeal Ordinance No. 1060 by referendum, pursuant to the procedures set forth in the California Elections Code; and

WHEREAS, the petition was timely filed prior to the Ordinance's effective date and on January 10, 2017, the City Clerk's Office verified that the petition contained the required number of signatures under the California Elections Code to qualify the referendum for the ballot; and

WHEREAS, under California Elections Code Section 9237, Ordinance No. 1060 has been automatically suspended and the City Council is required to reconsider the ordinance; and

WHEREAS, after reconsideration, California Elections Code Section 9241 requires the City Council to choose one of the following three options:

- a. Entirely repeal the ordinance against which the referendum petition is filed;
- b. Submit the referendum measure to the voters at the next regular municipal election. A "regular election" is one where Council Members are elected. That would be November 6, 2018;
- c. Submit the Measure to the voters at a special election no earlier than 88 days after the City Council calls the election.

WHEREAS, the City Council has reconsidered Ordinance No. 1060 and has decided to entirely repeal Ordinance No. 1060.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Incorporation of Recitals.

The City Council hereby finds that all of the facts set forth in the foregoing recitals and the staff report presented herewith are true and correct and are hereby incorporated and adopted as findings of the City Council as if fully set forth herein.

SECTION 2. Repeal of Ordinance No. 1060/ No Referendum Election.

After due reconsideration pursuant to California Elections Code Sections 9237 and 9241, the City Council hereby repeals Ordinance No. 1060 in its entirety, in lieu of calling any regular or special election to determine the referendum issue.

SECTION 3. CEQA.

This Ordinance is not a project within the meaning of CEQA Guidelines section 15378 because it has no potential for resulting in physical change in the environment, directly or indirectly. The City Council further finds, under section 15061(b)(3), that this Ordinance is nonetheless exempt from the requirements of CEQA in that the activity is covered by the general rule that CEQA applies only to activities that have the potential for causing a 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. The City Council, therefore, directs that a Notice of Exemption be filed with the County Clerk of the County of Orange in accordance with CEQA Guidelines.

SECTION 4. Custodian of Records.

The documents and materials that constitute the record of proceedings on which this Ordinance is based are located at the City Clerk's office located at 7800 Katella Avenue, Stanton, California 90680. The custodian of these records is the City Clerk.

SECTION 5. Severability.

If any section, sentence, clause or phrase of this Ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance and each section, sentence, clause or phrase thereof,

irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

SECTION 6. Effective Date.

This Ordinance shall become effective thirty (30) days after its adoption.

SECTION 7. Publication.

The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted in the three (3) designated posting places within the City of Stanton within fifteen (15) days after its passage.

PASSED, APPROVED, and ADOPTED this 28th day of March, 2017.

CAROL WARREN, MAYOR

ATTEST:

PATRICIA A. VAZQUEZ, CITY CLERK

APPROVED AS TO FORM:

MATTHEW E. RICHARDSON, CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF STANTON)

I, Patricia A. Vazquez, City Clerk of the City of Stanton, California, do hereby certify that the foregoing Ordinance No. 1065 was introduced at a regular meeting of the City Council of the City of Stanton, California, held on the 28th day of March, 2017 and was duly adopted at a regular meeting of the City Council held on the 28th day of March, 2017, by the following roll-call vote, to wit:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

PATRICIA A. VAZQUEZ, CITY CLERK

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: March 28, 2017

SUBJECT: APPROVAL OF THE STANTON RESERVE POLICY

REPORT IN BRIEF:

In June 2011, City Council approved Administrative Policy IV-4-9 "Fund Balance Policy and Classification of Various Components of Fund Balance as Defined in Governmental Accounting Standards Board Statement No. 54" as well as Resolution 2011-34 approving Stanton's General Fund Emergency Disaster Contingency commitment of fund balance.

In order to establish a commitment of fund balance for both unforeseen expenditures as well as anticipated future expenditures that require ongoing funding for significant future outlays, staff is presenting a complete General Fund Reserve Policy as an exhibit to Resolution No. 2017-10 and a revision to Administrative Policy IV-4-9 for City Council's review and approval. In addition, a recommendation is made to initially fund two of the reserves from existing Unassigned Fund Balance.

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 Administrative Policy IV-4-9 "Fund Balance Policy and Classification of Fund Balance" as presented; and
3. Adopt Resolution 2017-10 entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING THE CITY OF STANTON GENERAL FUND RESERVE POLICY ESTABLISHING COMMITMENTS OF FUND BALANCE"; and

4. Approve the initial funding of the Capital Improvement Reserve in the amount of \$5,000,000 as a re-allocation of existing Unassigned Fund Balance; and
5. Approve the initial funding of the Pension Stabilization Reserve in the amount of \$3,000,000 as a re-allocation of existing Unassigned Fund Balance and deposit said funds with the City's Post-Employment Benefits Trust with PARS.

BACKGROUND:

In February 2009, Governmental Accounting Standards Board (GASB) issued Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions. The requirements of this Statement were intended to improve financial reporting by providing fund balance categories and classifications that will be more easily understood. In response, in June 2011, City Council approved Administrative Policy IV-4-9 "Fund Balance Policy and Classification of Various Components of Fund Balance as Defined in Governmental Accounting Standards Board Statement No. 54" as well as Resolution 2011-34 approving Stanton's General Fund Emergency Disaster Contingency commitment of fund balance.

On January 10, 2017, City Council adopted Resolution No. 2017-03 adopting the PARS Post-Employment Benefit Trust.

ANALYSIS/JUSTIFICATION:

The City of Stanton is in its second consecutive year with a structurally balanced budget, and based on the mid-year budget update, is anticipating spendable reserves of 91.2% of General Fund expenditures. However, the City must be prudent with its financial resources.

The City's Capital Projects Fund is anticipated to end the year with a fund balance less than \$600,000. This is currently the only unrestricted fund of the City to use on infrastructure projects. The City's contract with Orange County Sheriff's Department has increased from an actual cost of \$7,106,234 in FY 12/13 to an initial budget of \$10,276,871 for FY 16/17 (a 45% increase in 5 years). Prudent financial planning is essential to Stanton's future success. CalPERS recently indicated it would lower its discount rate from 7.5% to 7.0% over the next three years. The financial impact to the City for all four City plans with PERS once the phase-in of costs are complete would be an increase from the current fiscal year's cost of \$560,832 to a projected \$1,563,000 in FY 2022-23.

In response to these factors and City Council's direction in the 2015 Strategic Plan regarding objective 4.2 "Implement City Council policy on reserve levels", staff is presenting a General Fund Reserve Policy to City Council for their review and approval. The purpose of the reserve policy is to establish a commitment of fund balance for both unforeseen expenditures as well as anticipated future expenditures that require ongoing funding for significant future outlays.

The General Fund Reserve Policy is attached as Exhibit A to Resolution No. 2017-10. It identifies five recommended commitments of General Fund Reserves. They are:

- A. *Economic Uncertainty Reserve*: The portion of fund balance that is set aside to mitigate annual budget revenue shortfalls and/or Council-approved expenditures in excess of revenues
- B. *Emergency Equipment Maintenance Reserve*: The portion of fund balance that is set aside to provide funding for non-scheduled capital asset repair and replacement
- C. *Emergency Disaster Contingency Reserve*: The portion of fund balance that is set aside to mitigate costs of unforeseeable emergencies, such as natural disasters, catastrophic events, or any situations requiring the declaration of an emergency as defined by the Stanton Municipal Code Section 2.56.050.C
- D. *Capital Improvement Reserve*: The portion of fund balance that is set aside for key infrastructure and capital improvement projects and established to provide capital repair and replacement funding as the City's infrastructure deteriorates over its expected useful life
- E. *Pension Stabilization Reserve*: The portion of fund balance that is set aside to mitigate volatile annual increases in CalPERS contribution rates.

The five reserves can be separated into two main types. Reserves A-C are set aside for unplanned circumstances, while Reserves D and E are for anticipated future expenditures that require ongoing funding for significant future outlays.

Reserve A is the Economic Uncertainty Reserve, which follows the recommendation of the Government Finance Officers Association (GFOA) and targets a minimum of two months of General Fund operating expenditures. This fund may be used as needed to pay outstanding operating expenditures in the case of budgeted revenue shortfalls. If revenues decreased in the event of an economic downturn, this fund would be available to help fill the gap.

Reserve B is the Emergency Equipment Maintenance Reserve. The City is aware of potential failing capital assets, and budgets for their replacement accordingly. At times, however, there are unplanned failures of City assets, including, but not limited to IT equipment (i.e. server), vehicles and related equipment, and buildings (i.e. roof leak). In those circumstances, a target amount of \$250,000 is set aside that can be used to ensure business can proceed uninterrupted.

Reserve C is the Emergency Disaster Contingency Reserve. This is the only one of the five reserves that previously existed. In its six years of existence, the reserve has not been utilized. However, as disasters are emergency-based, and could occur at any time, it is recommended to continue as a reserve for an unplanned emergency event such as a natural disaster, catastrophic event, or any situation requiring the declaration of an emergency. The recommended target level of \$2,500,000 is a reduction from the

initial establishment amount of approximately \$3,875,000.

Reserves A through C all have established target levels. If they are used or otherwise fall below their target levels, the General Fund Reserve Policy calls for any year-end operating surplus (when actual General Fund revenues exceed expenditures) to be prioritized for the replenishment of Reserves A through C in the order they are listed. The City's goal would be to replenish those reserves, if used, within five fiscal years.

Reserve D is the Capital Improvement Reserve which is being established for key infrastructure and capital improvement projects and to provide capital repair and replacement funding as the City's infrastructure deteriorates over its expected useful life. Public Works completed a high-level sinking fund calculation which shows City buildings, their remaining useful life, and the cost the City would need to set aside per year to replace those assets. This calculation is attached as Attachment B. It shows that the City would need to set aside over \$800,000 per year to replace those assets. Replacing those assets would be a major purpose of the Capital Improvement Reserve. As such, the recommended target level for the Capital Improvement Reserve is a minimum of 1% of operating expenditures.

Reserve E is the Pension Stabilization Reserve which is being established to mitigate volatile annual increases in CalPERS contribution rates. Funds that are deposited in this reserve will be remitted to the Post-Employment Benefit Trust with PARS that City Council adopted with Resolution 2017-03. Funds deposited in the US Bank-held trust would be invested by Highmark Capital Management, Inc., and expectations are that they would earn an average yield of between 4 - 5% as opposed to being a part of the City pool and earning ~ 1.5%. Those funds could be used in the future to offset forthcoming increases to the City's CalPERS pension contributions. The City could pull out of the trust (for payment to CalPERS) up to 100% of that years' required CalPERS contributions.

As Reserves D and E are being established for significant future expenditures, they will require ongoing funding. As such, to the extent that Reserves A through C are fully funded, the General Fund Reserve Policy recommends that year-end operating surpluses be distributed to the reserves in the following percentages:

- 65% to the Capital Improvement Reserve (Reserve D)
- 35% to the Pension Stabilization Reserve (Reserve E)

In addition, this action item recommends a one-time initial funding of Reserves D and E. The recommendation is for approval of an initial funding of the Capital Improvement Reserve (Reserve D) in the amount of \$4,000,000 as a re-allocation of existing Unassigned Fund Balance and for approval of an initial funding of the Pension Stabilization Reserve (Reserve E) in the amount of \$2,000,000 as a re-allocation of existing Unassigned Fund Balance and deposit said funds with the City's Post-Employment Benefits Trust with PARS.

Fund balance is essentially the difference between the assets and liabilities reported in a governmental fund. There are five separate components of fund balance. Each identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent. The following is from Administrative Policy IV-4-9, which details the City's Fund Balance Policy and Classification of Fund Balance and also details the City's committed reserves:

- **Nonspendable fund balance:** Inherently non-spendable. Example: Prepaid expenses.
- **Restricted fund balance:** Externally enforceable limitations on use. Example: Grant funds received for a particular expenditure.
- **Committed fund balance:** Self imposed limitations on use. Example: \$2,500,000 set aside for disasters.
- **Assigned fund balance:** Limitation resulting from intended use. Example: Funds set aside for future initiatives.
- **Unassigned fund balance:** Residual net resources. Example: Available for contingencies.

If all recommendations presented today are approved, the FY 2016/17 year-end fund balance projections based on the mid-year budget would be revised as follows:

	<u>Original</u>	<u>Recommended</u>
Fund Balance:		
Nonspendable	\$ 3,894,697	\$ 3,894,697
Restricted	\$ -	\$ -
Committed		
Economic Uncertainty	\$ -	\$ 3,400,000
Emergency Equipment Maintenance	\$ -	\$ 250,000
Emergency Disaster Contingency	\$ 4,989,406	\$ 2,500,000
Capital Improvement	\$ -	\$ 5,000,000
Pension Stabilization	\$ -	\$ 3,000,000
Assigned	\$ 7,200	\$ 7,200
Unassigned	<u>\$ 13,208,390</u>	<u>\$ 4,047,796</u>
Total Fund Balance	<u>\$ 22,099,693</u>	<u>\$ 22,099,693</u>

Resolution 2017-10 establishes City Council's formal commitment to the five reserves detailed above as well as the funding of reserves out of any year-end operating surplus. The reserve policy includes language requiring its review and approval by City Council at least every two years during the 2-year budget process, but the reserves or their targets can be changed at any point with the adoption of a new resolution by the affirming vote of three Council Members.

In addition to Resolution 2017-10, a revision to Administrative Policy IV-4-9 is recommended, as that administrative policy details the existing reserves, and Resolution 2017-10 and the adoption of the General Fund Reserve Policy would require similar adjustments to the administrative policy. The revised Administrative Policy IV-4-9 is attached as Attachment A.

FISCAL IMPACT:

The establishment of the General Fund Reserve Policy would have no fiscal impact on the City.

Funds placed in the Pension Stabilization Reserve would be deposited with PARS in the City's Post-Employment Benefit Trust. The trust is held with US Bank and managed by HighMark Capital Management, Inc., and the anticipation would be of increased average yields for investments placed in the trust (4-5%) than those held by the City in its investment pool (~1.5%). The fiscal impact would be a larger anticipated investment income of \$75,000 to \$105,000 a year on an initial investment of \$3,000,000.

ENVIRONMENTAL IMPACT:

Not applicable.

LEGAL REVIEW:

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

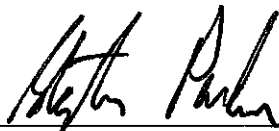
PUBLIC NOTIFICATION:

Through the normal agenda process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

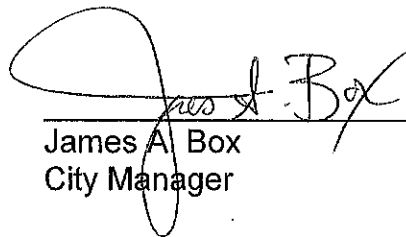
4.2 Implement City Council policy on reserve levels

Prepared by:



Stephen M. Parker, CPA
Administrative Services Director

Approved by:



James A. Box
City Manager

Attachment:

- A. Administrative Policy IV-4-9
- B. City Property Sinking Fund Amounts
- C. Resolution 2017-10
 - Exhibit A: City of Stanton Reserve Policy

CITY OF STANTON ADMINISTRATIVE POLICY	Number IV-4-9
	Date 3/28/17
SUBJECT: FUND BALANCE POLICY AND CLASSIFICATION OF FUND BALANCE	Authority City Council
	Administrator Administrative Services

Purpose:

The City of Stanton provides a wide range of services that impact the public safety and the quality of life of its residents and community members every day. Maintaining adequate reserves is an essential part of sound financial management. The purpose of this policy is to secure the City's financial stability during a changing environment and establish a procedure for the allocation of unrestricted fund balance in the General Fund into adequate committed reserves. In addition, this policy also establishes a mechanism to provide a classification of fund balance in compliance with GASB Statement No. 54.

Policy:

This Fund Balance Policy and Classification of Various Components of Fund Balance as Defined in Governmental Accounting Standard No. 54 establishes the procedures for reporting fund balances in governmental fund financial statements. Certain commitments and assignments of fund balance will help ensure that there will be adequate financial resources to protect the City against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures. The policy also authorizes and directs the Administrative Services Director to prepare financial reports which accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

By adopting Resolution No. 2017-10, City Council has established the following five reserves as commitments of General Fund fund balance:

- A) Budget Stabilization/Economic Uncertainty Reserve set at 16.67% of the regular general fund operating expenditures (rounded up to the next \$100,000)
- B) Emergency Equipment and Maintenance Reserve set at \$250,000
- C) Emergency Disaster Contingency Reserve set at \$2,500,000
- D) Capital Improvement Reserve with annual funding at a minimum of 1% of operating expenditures and 65% of any year-end surplus
- E) Pension Stabilization Reserve with annual funding of 35% of any year-end surplus

CITY OF STANTON ADMINISTRATIVE POLICY	Number IV-4-9
	Date 3/28/17
SUBJECT: FUND BALANCE POLICY AND CLASSIFICATION OF FUND BALANCE	Authority City Council
	Administrator Administrative Services

Procedure:

Fund balance is essentially the difference between the assets and liabilities reported in a governmental fund. There are five separate components of fund balance. Each identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent.

- **Nonspendable fund balance:** Inherently nonspendable. Example: Prepaid expenses.
- **Restricted fund balance:** Externally enforceable limitations on use. Example: Grant funds received for a particular expenditure.
- **Committed fund balance:** Self imposed limitations on use. Example: \$2,500,000 set aside for disasters.
- **Assigned fund balance:** Limitation resulting from intended use. Example: Funds set aside for future initiatives.
- **Unassigned fund balance:** Residual net resources. Example: Available for contingencies.

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are not is a spendable form, such as inventories, or because the amounts are legally or contractually required to be maintained intact.

- *Prepaid Items:* The portion of fund balance that represents the asset amount of prepaid expenditures, held by a given fund.
- *Advance to Other Funds:* The portion of fund balance that represents the asset amount of cash advanced to other funds, held by a given fund.
- *Notes and Loan Receivable:* The portion of fund balance that represents the asset amount of loans receivable, held by a given fund.
- *Land Held for resale:* The portion of fund balance that represents the asset amount of land inventory that is being held for resale, held by a given fund.

CITY OF STANTON ADMINISTRATIVE POLICY	Number IV-4-9
	Date 3/28/17
SUBJECT: FUND BALANCE POLICY AND CLASSIFICATION OF FUND BALANCE	Authority City Council
	Administrator Administrative Services

Restricted Fund Balance

Funds that are externally constrained such as by creditors, other governments or a legally enforceable requirement which mandates that the resources be used for a particular purpose specified in the legislation. Examples include, but are not limited to:

- *Lighting and Landscaping Maintenance:* The portion of fund balance derived from fees and/or taxes collected to be used for lighting and landscaping maintenance in lighting, landscaping, median, and signal districts.
- *Public Safety Program:* The portion of fund balance derived from grants, taxes, and fees received to be used for Public Safety.
- *Street Maintenance:* The portion of fund balance derived from fees, grants, or taxes collected to be used for funding street planning and projects.
- *Capital Improvement Projects:* The portion of fund balance derived from fees or grants collected to be used for future development.
- *Pollution Mediation:* The portion of fund balance derived from fees to be used for mediating pollution.
- *Community Services Activities:* The portion of fund balance derived from fees to be used for Community Services activities.
- *Community Development:* The portion of fund balance derived from grants received to be used for development of community as required by grant documents/agreements.
- *Debt Service:* The portion of fund balance derived from those funds within a given fund that has been set aside for debt payments.
- *Fund Balance – Restricted:* The portion of fund balance that is in any non-general fund governmental fund that is restricted under the "Restricted Fund Balance" definition as prescribed by Governmental Accounting Standards Board Statements No. 54 and not otherwise defined in this category above.

CITY OF STANTON ADMINISTRATIVE POLICY	Number IV-4-9
	Date 3/28/17
SUBJECT: FUND BALANCE POLICY AND CLASSIFICATION OF FUND BALANCE	Authority City Council
	Administrator Administrative Services

Committed Fund Balance

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal reporting period; however the amount can be determined subsequently.

- *Fund Balance – Committed:* The portion of fund balance that is in any non-general fund governmental fund that is committed under the "Committed Fund Balance" definition as prescribed by Governmental Accounting Standards Board Statements No. 54 and not otherwise defined in this category above.

Based on Resolution 2017-10, the following commitments of fund balance were established in the General Fund Reserve Policy:

- *Economic Uncertainty Reserve:* The portion of fund balance that is set aside to mitigate annual budget revenue shortfalls and/or Council-approved expenditures in excess of revenues
- *Emergency Equipment Maintenance Reserve:* The portion of fund balance that is set aside to provide funding for non-scheduled capital asset repair and replacement
- *Emergency Disaster Contingency Reserve:* The portion of fund balance that is set aside to mitigate costs of unforeseeable emergencies, such as natural disasters, catastrophic events, or any situations requiring the declaration of an emergency as defined by the Stanton Municipal Code Section 2.56.050.C
- *Capital Improvement Reserve:* The portion of fund balance that is set aside for key infrastructure and capital improvement projects and established to provide capital repair and replacement funding as the City's infrastructure deteriorates over its expected useful life
- *Pension Stabilization Reserve:* The portion of fund balance that is set aside to mitigate volatile annual increases in CalPERS contribution rates.

CITY OF STANTON ADMINISTRATIVE POLICY	Number IV-4-9
	Date 3/28/17
SUBJECT: FUND BALANCE POLICY AND CLASSIFICATION OF FUND BALANCE	Authority City Council
	Administrator Administrative Services

Assigned Fund Balance

Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This policy hereby delegates the authority to assign amounts to be used for specific purposes to the Administrative Services Director for the purpose of reporting these amounts in the annual financial statements. Examples of assigned fund balance include, but are not limited to:

- *Replenishment of Committed Fund Balances:* Used to account for the portion of fund balance that is being set aside for replenishment of reserves that are below their minimum threshold.
- *Compensated Absences:* Used to account for that portion of fund balance that is being set aside for accrued compensated absences.
- *Encumbrances:* Used to account for that portion of fund balance that is being used to fund appropriations being carried over from the prior year into the current fiscal year.

Unassigned Fund Balance

These are residual positive net resources of the fund balance in excess of what can properly be classified in one of the other four categories.

- *Fund Balance:* Any portion of General Fund fund balance that does not fall under any of the fund balance definitions presented above.

Fund Balance Classification

The accounting policies of the City consider restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

City of Stanton
City Property Sinking Fund Amounts
March 28, 2017

Name	Address	Value	Year Built	Age	Total Life	Remaining Life	\$/year
Stanton Central Park	10660 Western Ave	\$ 2,000,000	2016	1	75	74	\$ 27,027
City Hall	7800 Katella Avenue	\$ 8,000,000	1993	24	75	51	\$ 156,863
City Parking Garage	7800 Katella Avenue	\$ 2,000,000	1993	24	100	76	\$ 26,316
Community Services Center	11822 Santa Paula Ave.	\$ 1,000,000	1981	36	75	39	\$ 25,641
Corporate Yard	8100 Pacific	\$ 4,400,000	2011	6	75	69	\$ 63,768
Fire Station #46	10711 Flower	\$ 4,400,000	2011	6	75	69	\$ 63,768
Harry Dotson Park	10350 Fern Street	\$ 2,200,000	2008	9	25	16	\$ 137,500
Hollenbeck Park		\$ 200,000	2000	17	20	3	\$ 66,667
Illumination Foundation	7855 Katella Ave	\$ 2,000,000	1980	37	75	38	\$ 52,632
Katella Linear Park	10970 Chestnut	\$ 50,000	2010	7	20	13	\$ 3,846
Orangewood Pocket Park	7972 Orangewood/11501 Beach	\$ 130,000	2017	0	25	25	\$ 5,200
Premier Park		\$ 200,000	2000	17	20	3	\$ 66,667
Sheriff's Station	11050 Cedar Street	\$ 3,000,000	1993	24	75	51	\$ 58,824
Stanton Park		\$ 200,000	2000	17	25	8	\$ 25,000
Veterans Park	10970 Cedar Street	\$ 363,000	2008	9	25	16	\$ 22,688
Zuniga Park	10902 Date Street	\$ 144,000	2008	9	25	16	\$ 9,000
							\$ 811,405

Parking Garage Life 100 years
 Building Life 75 years
 Park Structures 25 years
 Playground Equipment Life 20 years

RESOLUTION NO. 2017-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING THE CITY OF STANTON GENERAL FUND RESERVE POLICY ESTABLISHING COMMITMENTS OF FUND BALANCE

WHEREAS, in June 2011, the City Council of the City of Stanton adopted Resolution No. 2011-34, establishing a commitment of fund balance for a General Fund Emergency Disaster Contingency; and

WHEREAS, in June 2011, the City Council of the City of Stanton considered and adopted Administrative Policy IV-4-9 entitled "Fund Balance Policy and Classification of Various Components of Fund Balance as Defined in the Governmental Accounting Standards Board Statement No. 54"; and

WHEREAS, the City Council has reviewed the need to establish a commitment of fund balance for unforeseen expenditures as well as anticipated future expenditures that require ongoing funding for significant future outlays; and

WHEREAS, the Administrative Services Director has recommended to the City Council that the General Fund Disaster Emergency Contingency Commitment of General Fund balance be revised and four additional commitments of General Fund balance be established; and

WHEREAS, the Administrative Services Director has recommended a mechanism for replenishment and ongoing funding of the commitments of General Fund balance out of the City of Stanton's year-end operating surplus; and

WHEREAS, the City Council of the City of Stanton has considered and adopted the revised Administrative Policy IV-4-9 entitled "Fund Balance Policy and Classification of Fund Balance" which also reflects the revisions to commitments of General Fund balance; and

WHEREAS, the General Fund Reserve Policy is attached to this resolution as Exhibit A.

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

SECTION 1. The City Council finds that the above recitations are true and correct and, accordingly, are incorporated as a material part of this Resolution.

SECTION 2. The City Council finds that this project is exempt from 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.

SECTION 3. The City of Stanton General Fund Reserve Policy as attached as Exhibit A is hereby approved and adopted.

SECTION 4. The City Clerk shall certify as to the adoption of this Resolution.

ADOPTED, SIGNED AND APPROVED this 28th day of March, 2017.

CAROL WARREN, MAYOR

APPROVED AS TO FORM:

MATTHEW E. RICHARDSON, CITY ATTORNEY

ATTEST:

I, Patricia A. Vazquez, City Clerk of the City of Stanton, California DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2017-10 has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the Stanton City Council, held on March 28, 2017, and that the same was adopted, signed and approved by the following vote to wit:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

PATRICIA A. VAZQUEZ, CITY CLERK

CITY OF STANTON

GENERAL FUND RESERVE POLICY

I. GENERAL POLICY/ PURPOSE

The City of Stanton provides a wide range of services that impact the public safety and the quality of life of its residents and community members every day. Maintaining adequate reserves is an essential part of sound financial management. The purpose of this policy is to secure the City's financial stability during a changing environment and establish a procedure for the allocation of unrestricted fund balance in the General Fund into adequate committed reserves.

II. PERIODIC REVIEW

This General Fund Reserve Policy and the appropriate level of reserves are to be reviewed and approved by City Council at least every two years during the 2-year budget process. The Administrative Services Department will continue to monitor reserve and investment balances year round to maintain healthy reserve levels.

III. USE OF RESERVE FUNDS

The following committed reserves designed by the City in the event of unforeseen expenditures as well as to establish funding for anticipated future expenditures that require ongoing funding for significant future outlays. These committed balances are established by a resolution of the City Council and cannot be changed except by a similar subsequent City Council action. The committed reserves are presented as follows:

A. *Economic Uncertainty Reserve*

- Purpose: These funds are committed to mitigate annual budget revenue shortfalls as a protection from a fluctuating economy, including financial hardship or downturns in the economy and/or Council-approved expenditures in excess of revenues.
- Target Level: The City's target will be 16.67% (rounded to the next \$100,000) of the General Fund operating expenditures, in accordance with the recommendation of the Government Finance Officers Association (GFOA).
- Events or Conditions Prompting Its Use: This reserve may be utilized as needed to pay outstanding operating expenditures due to budgeted revenue shortfalls. Use may be prompted, but is not limited to:
 - Significant decrease in property, sales, or transactions and use tax, or other revenues
 - Reductions in revenue due to actions by the state/federal government

CITY OF STANTON GENERAL FUND RESERVE POLICY

B. Emergency Equipment and Maintenance Reserve

- Purpose: These funds are committed to provide funding for non-scheduled capital asset repair and replacement.
- Target Level: \$250,000.
- Events or Conditions Prompting Its Use: This reserve may be utilized in the event of an unplanned failure of a City asset, including, but not limited to IT equipment (i.e. server), vehicles and related equipment, and buildings (i.e. roof leak).

C. Emergency Disaster Contingency Reserve

- Purpose: These funds are committed to mitigate costs of unforeseeable emergencies, such as natural disasters, catastrophic events, or any situation requiring the declaration of an emergency as defined by Stanton Municipal Code Section 2.56.050.C.
- Target Level: \$2,500,000.
- Events or Conditions Prompting Its Use: This reserve may be utilized to cover unexpected losses experienced by the City as a result of an unplanned, emergency event as described above.

D. Capital Improvement Reserve

- Purpose: These funds are committed for key infrastructure and capital improvement projects and established to provide capital repair and replacement funding as the City's infrastructure deteriorates over its expected useful life.
- Target Level: The budgeted contribution shall be at a minimum level of 1% of operating expenditures. In addition, 65% of any operating year-end surplus (after reserves A - C are fully funded) will be deposited in this reserve.
- Events or Conditions Prompting Its Use: This reserve may be utilized for capital projects approved by City Council.

E. Pension Stabilization Reserve

- Purpose: These funds are committed to mitigate volatile annual increases in CalPERS contribution rates. Funds deposited in this reserve will be remitted to the City's PARS Post-Employment Benefits Trust until City Council determines funds are needed to help offset annual CalPERS' contributions.
- Target Level: 35% of any year-end operating surplus (after reserves A - C are fully funded) will be deposited in this reserve.
- Events or Conditions Prompting Its Use: This reserve may be utilized to offset forthcoming increases to the City's CalPERS pension contributions.

CITY OF STANTON
GENERAL FUND RESERVE POLICY

IV. Replenishment of Unreserved Fund Balance

At the end of the year, the Administrative Services Department reports on the audited year-end budgetary fiscal results. Should actual General Fund revenues exceed expenditures, a year-end operating surplus shall be reported.

Allocation of any year-end operating surplus will be distributed throughout the five established reserves as follows:

- Reserves A through C have target levels and are prioritized for replenishment in the order they are listed should any reserve be employed or if Reserve A increased as a result of growth in the City's annual operating budget. The City's goal will be to replenish these reserves, if used, within five fiscal years.
- Once reserves A through C attain full funding, the remaining year-end operating surplus shall be distributed to the following reserves:
 - 65% to the Capital Improvement Reserve (Reserve D)
 - 35% to the Pension Stabilization Reserve (Reserve E)

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and City Council

DATE: March 28, 2017

SUBJECT: AN ORDINANCE REGULATING MODEL AIRCRAFT AND CIVIL UNMANNED AIRCRAFT SYSTEMS, COMMONLY KNOWN AS DRONES

REPORT IN BRIEF:

The attached Ordinance provides regulations for the operation of unmanned aircraft commonly referred to as drones. The Ordinance has been drafted in response to the 2016 Orange County Grand Jury Report and follows the findings and recommendations of the Report.

RECOMMENDED ACTION:

1. Declare that the project is not subject to CEQA in accordance with 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. Introduce Ordinance No. 1063, entitled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, ADDING CHAPTER 9.102 TO TITLE 9 OF THE STANTON MUNICIPAL CODE REGULATING MODEL AIRCRAFT AND CIVIL UNMANNED AIRCRAFT SYSTEMS, COMMONLY KNOWN AS DRONES"

3. Set Ordinance for adoption at the April 11, 2017 meeting.

BACKGROUND:

On May 18, 2016, the City received a copy of the 2015-2016 Orange County Grand Jury Report, "Drones: Know Before You Fly." The report required a response to each of the findings and recommendations made and require the City to consider taking action to regulate drones. The Grand Jury Report discusses the proliferation of drones used for hobbyist purposes and the potential risks associated with the large scale use of drones in municipal airspace. The Grand Jury Report acknowledges the FAA and

Congress' potential preemptive authority, either of which could preclude any local drone regulation. The Report references the Federal Aviation Administration Reauthorization Act of 2016, in which Congress purported to preempt the field of drone regulations and severely limit local authority—that bill did not pass, but a similar piece of legislation can be expected in the new Congress. Nonetheless, the Report recommends that Orange County cities develop local regulations and promote drone education. On August 3, 2016, the City responded to the Grand Jury Report, indicating it would follow the Grand Jury's findings and recommendations and adopt a drone ordinance.

ANALYSIS AND JUSTIFICATION:

The proposed Ordinance is limited in regulation and scope. Specifically, the Ordinance stipulates:

1. No Person shall operate any Model Aircraft or Civil UAS within the City in a manner that is prohibited by any federal statute or regulation governing aeronautics.
2. No Person shall operate any Model Aircraft or Civil UAS within the City in violation of any temporary flight restriction or notice to airmen issued by the Federal Aviation Administration.
3. No Person shall operate any Model Aircraft or Civil UAS within the City in a careless or reckless manner so as to endanger the life or property of another. The standard for what constitutes careless and reckless operation under this section shall be the same as the standard set forth in any federal statutes or regulations governing aeronautics including but not limited to Federal Aviation Rule 91.13.

The City of Stanton has not experienced any significant issues, or received a significant number of complaints regarding the use of drones in its jurisdiction. As such, the proposed Ordinance is intended to meet the requirements of the Grand Jury Report, while minimizing the regulations. If the use of drones increases, and the City receives increased calls or complaints regarding the use of drones, the Ordinance would be able to be amended to provide additional regulations and restrictions at that time.

FISCAL IMPACT:

None.

ENVIRONMENTAL IMPACT:

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

PUBLIC NOTIFICATION:

Through the regular agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

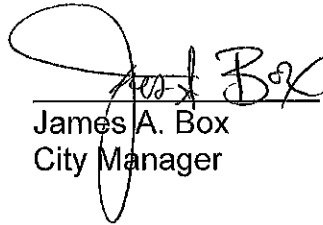
1 - Provide a safe community.

Prepared by:

A handwritten signature in cursive script that reads "Kelly Hart".

Kelly Hart
Community & Economic
Development Director

Approved by:

A handwritten signature in cursive script that reads "James A. Box".

James A. Box
City Manager

Attachments:

Ordinance No. 1063

ORDINANCE NO. 1063

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, ADDING CHAPTER 9.102 TO TITLE 9 OF THE STANTON MUNICIPAL CODE REGULATING MODEL AIRCRAFT AND CIVIL UNMANNED AIRCRAFT SYSTEMS, COMMONLY KNOWN AS DRONES

WHEREAS, pursuant to Cal. Const. Art. XI, Sec. 7 and under the City's general police powers, the City of Stanton ("City") is empowered and charged with responsibility for the health, safety, and welfare of its citizens; and

WHEREAS, in May 2016, the City received a copy of the 2015-2016 Orange County Grand Jury Report, "Drones: Know Before You Fly." Among other things, the Grand Jury Report discussed the proliferation of drones used for hobbyist purposes and the potential risks associated with the large scale use of drones in municipal airspace; and

WHEREAS, the operation of unmanned aircraft such as model aircraft and civil unmanned aircraft systems ("UASs"), commonly known as drones, can at times pose a hazard to full-scale aircraft in flight and to persons and property on the ground; and

WHEREAS, imposing community-based safety requirements on the operation of model aircraft and imposing restrictions on the operation of both model aircraft and civil UASs consistent with Federal Aviation Rules is necessary to mitigate such risks and to protect the public from the hazards associated with the operation of unmanned aircraft; and

WHEREAS, in August 2016, the City responded to the Grand Jury Report. Among its responses, the City agreed to adopt a local ordinance that regulates drone usage within the City; and

WHEREAS, the City acknowledges that the U.S. Congress has vested the Federal Aviation Administration with the authority to regulate the areas of airspace use, management and efficiency, air traffic control, safety, navigational facilities, and aircraft noise at its source; and

WHEREAS, as such, the City Council desires to enact an ordinance regulating model aircraft and civil UASs to the extent not preempted by federal law; and

WHEREAS, on March 28, 2017, the City Council considered the staff report, recommendations by staff, and public testimony regarding the proposed drone regulations.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON DOES ORDAIN AS FOLLOWS:

SECTION 1. CEQA. The City Council finds that this Ordinance is exempt from the

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.

SECTION 2. Chapter 9.102 is hereby added to Title 9 of the Stanton Municipal Code to read as follows:

"Chapter 9.102 Model aircraft and civil unmanned aircraft system regulations

Section 9.102.010

A. Definitions. For purposes of this section:

1. "Unmanned Aircraft" shall mean an aircraft, including but not limited to, an aircraft commonly known as a drone, that is operated without the possibility of direct human intervention from within or on the aircraft.
2. "Unmanned Aircraft System" shall mean an Unmanned Aircraft and associated elements, including, but not limited to, any communication links and components that control the Unmanned Aircraft.
3. "Person" shall mean a natural person, joint venture, joint stock company, partnership, association, club, company, corporation, business trust, or organization, or the manager, lessee, agent, servant, officer or employee of any of them.
4. "Model Aircraft" shall mean an Unmanned Aircraft or Unmanned Aircraft System operated by a person strictly for hobby or recreational purposes.
5. "Civil UAS" shall mean any Unmanned Aircraft or Unmanned Aircraft System operated by any Person for purposes other than strictly hobby or recreational purposes, including, but not limited to, commercial purposes or in furtherance of, or incidental to, any business or media service or agency.
6. "Public UAS" shall mean an Unmanned Aircraft or Unmanned Aircraft System operated by any public agency for government-related purposes.

- B. No Person shall operate any Model Aircraft within the City in a manner that interferes with manned aircraft, and any Person operating a Model Aircraft in the City shall always give way to any manned aircraft.
- C. The following shall apply to the operation of any Model Aircraft or Civil UAS within the City:
 - 1. No Person shall operate any Model Aircraft or Civil UAS within the City in a manner that is prohibited by any federal statute or regulation governing aeronautics.
 - 2. No Person shall operate any Model Aircraft or Civil UAS within the City in violation of any temporary flight restriction or notice to airmen issued by the Federal Aviation Administration.
 - 3. No Person shall operate any Model Aircraft or Civil UAS within the City in a careless or reckless manner so as to endanger the life or property of another. The standard for what constitutes careless and reckless operation under this section shall be the same as the standard set forth in any federal statutes or regulations governing aeronautics including but not limited to Federal Aviation Rule 91.13.
- D. It shall be unlawful for any Person to violate or fail to comply with this section. Any Person violating the provisions of this section shall be guilty of a misdemeanor and subject to the provisions of Section 1.10.010 of this Code. In addition to or in lieu of the penalty provided in Section 1.10.010, any Person who violates or fails to comply with this section may be subject to civil or administrative remedies, in the City's discretion.
- E. This section shall not apply to any Public UAS operated pursuant to, and in compliance with, the terms and conditions of any current and enforceable authorization granted by the Federal Aviation Administration."

SECTION 3. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance for any reason is held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 4. The City Clerk shall certify as to the adoption of this Ordinance and shall cause a summary thereof to be published within fifteen (15) days of the adoption and shall post a Certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

SECTION 5. The documents and materials associated with this Resolution that constitute the record of proceedings on which these findings are based are located at Stanton City Hall, 7800 Katella Ave., Stanton, California 90680. The City Clerk is the custodian of the record of proceedings.

SECTION 6. This ordinance shall be effective thirty days after its adoption.

PASSED, APPROVED, and ADOPTED this 11th day of April, 2017.

CAROL WARREN, MAYOR

ATTEST:

PATRICIA A. VAZQUEZ, CITY CLERK

APPROVED AS TO FORM:

MATTHEW E. RICHARDSON, CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF STANTON)

I, PATRICIA A. VAZQUEZ, City Clerk of the City of Stanton, California, do hereby certify that the foregoing Ordinance No. 1063 was introduced at a regular meeting of the City Council of the City of Stanton, California, held on the 28th day of March, 2017 and was duly adopted at a regular meeting of the City Council held on the 11th day of April, 2017, by the following roll-call vote, to wit:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

CITY CLERK, CITY OF STANTON

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: March 28, 2017

SUBJECT: AWARD OF CONTRACT TO LEE OSTENDORF FOR THE OPERATION OF A FARMERS' MARKET AT STANTON CENTRAL PARK

REPORT IN BRIEF:

The City Council has requested that a farmers' market be implemented at Stanton Central Park. Local Harvest had previously operated a farmers' market in Stanton but a suitable venue could not be found. As there is now an acceptable venue, staff recommends that the City continue the previous relationship for a farmers' market at Stanton Central Park.

Attached to this report are a proposal and a contract to perform these services.

RECOMMENDED ACTION:

1. City Council approve a contract with Lee Ostendorf to operate a farmers' market at Stanton Central Park; and
2. Authorize the City Manager to bind the City of Stanton and Lee Ostendorf in a contract to provide these services; and
3. City Council waive business license fees to participating vendors to the extent that the vendor is engaging in business in Stanton exclusively relating to the Farmers' Market; and
4. 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.

BACKGROUND:

Farmers' markets are an integral part of the urban/farm linkage. They contribute to local economic development, support sustainable businesses, offer a tourism attraction, and

provide the local population with farm fresh foods. Farmers' markets have risen in popularity, mostly due to the growing consumer interest in obtaining fresh products directly from the farm. The number of farmers' markets in the United States has grown dramatically.

Many cities in Orange County have farmers' markets. Stanton did have a farmers' market in varying locations beginning in 2009, but none of the locations were suitable. Local Harvest operated a farmers' market in front of Park Avenue, Stanton Park, and within the Home Depot shopping center. Due to different reasons none of the locations worked.

Councilman Ethans had recently suggested that Stanton Central Park would be a good location. Staff contacted Lee Ostendorf of Local Harvest and met with her at the site along with Councilman Ethans. The parking lot was found to be an excellent location for a farmers' market due to a variety of factors including visibility from Western, the proximity of restrooms, adequate parking, and the nearby picnic tables and other park facilities. The combination of experiences of coming to a park and also having food for sale was seen to help the success of the market as well as to increase the use of the park.

Ms. Ostendorf suggested that the market be done on Thursdays in order to not conflict with markets in nearby cities and to not be on a weekend when parking spaces are often filled. The time period from 9 am until 2 pm was chosen in order to allow for the vendors to set up and tear down, as well as to be a lunch time destination.

Per her proposal she has asked that the City publicize the event through various means, which is a reasonable request. She has also asked that the City pay the cost of a fee to the Department of Agriculture of \$420. She will be responsible for all costs for the market other than this fee. Additionally it is typical that cities waive business license fees for vendors who are only doing business in a city where they are doing no other business than participating in a city-sponsored farmers' market.

FISCAL IMPACT:

The City has been requested to pay an annual fee of \$420. This can be accommodated in the existing budget.

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:

The Contract has been provided by the City Attorney.

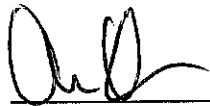
PUBLIC NOTIFICATION:

Notifications and advertisement were performed as prescribed by law.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

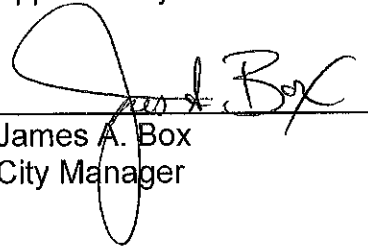
5 - Provide a high quality of life.

Prepared by:



Allan Rigg, P.E.
Director of Public Works

Approved by:



James A. Box
City Manager

Attachments:

- (1) Proposal
- (2) Contract

Lee Ostendorf
5390 E. 8th Street
Long Beach, Ca 90804

FARMERS MARKET PROPOSAL

Proposal to bring a weekly year round "Certified" Farmers' Market to the City of Stanton.

Location: Stanton Central Park, 10660 Western Ave., Stanton CA 90680. The Market would be set up at the North end of the parking lot, using approximately 50 parking spaces and area within, for the Farmers' Market and 35 parking spaces for customer parking, to be shared with visitors of the park.

Day and time: Thursdays from 9:00 am until 2:00 pm

Set up beginning at 7:00 am Tear down completed by 3:30 pm

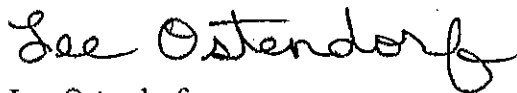
Grand Opening: Suggested dates Thursday April 20th or April 27th

I would manage the weekly Stanton Farmers' Market and provide all equipment needed to setup the Market, such as barricades, canopies, tables and chairs, tablecloths, trash cans and a generator. I would provide farmers' market cash for customers that do not have cash with them. This is a service I provide at no charge. At the Information booth you can swipe your debit or credit card and receive farmers' market cash in any amount to use at the Market. These do not expire.

The Stanton Farmers' Market would also be listed on my Local Harvest Farmers Markets website at www.localharvestfarmersmarkets.com and promoted at the other 7 markets that I operate. They are in Buena Park at the Buena Park Downtown Mall, in Garden Grove on Historic Main Street, in Long Beach, at Bixby Park and Marina Vista Park/Marine Stadium, in San Pedro in the Historic Waterfront District and in Riviera Village, Redondo Beach.

I am requesting that the City sponsor and support the farmers market by providing banners, community outreach, advertising on the City's electronic signs and pay the cost of the Department of Agriculture annual fee of \$420.

Warmest Regards,



Lee Ostendorf

PROPOSED CERTIFIED FARMERS, FOOD AND CRAFT VENDORS

FARMERS

Energy Bee Farm

Gaytan Farms

Berumen Farms

Chavez Farms

Munoz Farm

YNT Farm

Cozares Nursery

Victor Gongalez

CRAFTERS

Betty Smith

Joaquin's Silver Jewelry

Andes Peruvian Crafts

Magical Soap Company

Kun Sang's Tibetan Crafts

COOKED FARE

Santa Maria BBQ Company

Me Gusta Gourmet Tamales

Momma Sui's Hawaiian BBQ

Estella's Pupusas

Tropical Islands

Gourmet Crepes

SPECIALTY FOODS

Aris Natural Foods

Garcia's Peanuts

Annetta's Candy Cakes

Salsa Anytime

Mr K's Cookies

St Moritz Bakery

Nena's Gourmet Kettle Corn

FARMERS' MARKET AGREEMENT

This Agreement ("Agreement") is entered into on March 28, 2017, by and between the City of Stanton, a California municipal corporation ("City") and Lee Ostendorf ("Ostendorf"), an individual.

RECITALS

A. Ostendorf has managed farmers' markets held in locations throughout Southern California.

B. Ostendorf wishes to operate a farmers' market in the City.

C. Upon the terms and conditions set forth hereinafter, the parties now wish to enter into an agreement to permit the use of the northern end of the parking lot at Stanton Central Park located at 10660 Western Avenue, Stanton, CA 90680 as more particularly depicted in Exhibit "A" attached hereto and incorporated herein by reference, upon which Ostendorf will conduct a farmers' market ("Market Location").

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereby agree as follows:

1. City's Obligations.

1.1 The City hereby permits Ostendorf to use the Market Location for the sole purpose of operating a farmers' market. The City shall have the right and the sole discretion to move or expand the Market Location to an alternative location.

1.2 The City hereby agrees to provide the Market Location from approximately 9:00 a.m. to 2:00 p.m., every Thursday. Set up may begin at 7:00 a.m. and tear down must be completed by approximately 3:30 p.m.

1.3 The City shall sponsor and support the farmers' market by providing banners to be displayed at the farmers' market, providing community outreach, and providing advertising on the City's electronic signs.

1.4 The City shall pay the annual farmers' market fee to the Department of Agriculture.

1.5 The City shall allow the patrons and vendors of the farmers' market to use the restrooms at the park.

2. Ostendorf's Obligations.

2.1 Except for the City's payment of the Department of Agriculture's annual farmers' market fee, Ostendorf shall operate the farmers' market at no cost to the City.

2.1.1 In order to delineate and separate the area for the farmers' market, Ostendorf shall provide all appropriate traffic barriers, directional signage, and parking monitors at her own cost and expense. Ostendorf shall also be responsible for installing and maintaining traffic barriers and signage as required by the City Engineer.

2.1.2 Ostendorf shall also provide canopies, tables, chairs, tablecloths, trash cans, and a generator.

2.1.3 Ostendorf shall replace, at her sole cost and expense, any landscaping at or around the Market Location damaged as a result of the farmers' market, but shall not be responsible for turf areas due to anticipated normal use of Stanton Central Park that does not include use by the farmers' market or its vendors.

2.1.4 All costs aside from the annual payment to the Department of Agriculture shall be borne by Ostendorf. If the City pays for any cost with respect to the farmers' market in addition to the annual payment to the Department of Agriculture, the City shall request reimbursement in writing from Ostendorf, and Ostendorf shall reimburse the City within thirty (30) days of the request.

2.2 In addition to Section 2.1, above, Ostendorf shall be responsible for all installation and removal of the following: debris containers and booths. Ostendorf shall also be responsible for removal of litter associated with the farmers' market and shall arrange for any vehicle towing, if necessary, for operation of the farmers' market.

2.3 Ostendorf shall maintain the streets and adjacent sidewalks in a clean, safe and sanitary condition during the hours of use and shall leave the streets and adjacent sidewalks after each day of use in a clean, safe and sanitary condition.

2.3.1 Ostendorf shall not commit any waste at the Market Location, nor shall Ostendorf maintain, commit, or permit the maintenance or commission of any nuisance or the use of the Market Location for any unlawful purpose.

2.4 Ostendorf shall attempt in good faith to monitor and correct illegal parking on the street or unauthorized parking in neighboring parking lots by farmer's market patrons to alleviate any parking problems.

2.5 Ostendorf shall use the Market Location solely for activities consistent with its operation of the farmers' market. Ostendorf shall use the Market Location in a manner consistent with all applicable federal, state or local laws, statutes, ordinances, or rules or regulations, including but not limited to: Food and Agricultural Code Section 47000 *et seq.* and Section 1392 *et seq.* of Title 3 of the California Code of Regulations.

2.6 In the event that Ostendorf installs or places portable toilet facilities in the Market Location, said installation or placement shall be subject to prior approval from the City.

2.7 Ostendorf shall ensure that at least three (3) parking spaces are available at the Market Location for use as parking for people with disabilities at all times during the farmers' market. Disabled parking signs shall be preapproved by the City Engineer.

2.8 Ostendorf shall ensure that only authorized vendors ("Authorized Vendors") are allowed to participate in the farmers' market. A list of Authorized Vendors is provided in Exhibit "B" attached hereto and incorporated herein by reference. The City shall have the authority to remove a vendor from the list of Authorized Vendors in its reasonable and sole discretion. A proposed vendor shall not operate at the farmers' market without consent from the City, which may be withheld in the City's sole discretion. The City has the authority to exclude any vendors in its reasonable and sole discretion.

3. Term and Termination of Agreement.

3.1 Term. The term of this Agreement shall be from the date first herein above written until terminated by either party.

3.2 Termination.

3.2.1 This Agreement may be terminated by the City upon ten (10) days' written notice by the City to Ostendorf of the occurrence of at least one of the following:

3.2.1.1 Ostendorf fails to perform any material obligation in accordance with this Agreement or breaches any material clause in this Agreement, including its obligations in Section 2 of this Agreement.

3.2.1.2 Ostendorf ceases operation of that certain farmers' market at the Market Location.

3.2.1.3 The farmers' market sells products, goods or services other than freshly grown produce or other related foodstuffs and crafts that are not approved by the City.

3.2.2 Notwithstanding any other provision of this Agreement, either party to this Agreement may terminate this Agreement for any reason at any time with fifteen (15) days' written notice to the other party.

4. Independent Contractor. Ostendorf, including her officers, employees, agents and volunteers, is not an agent or employee of the City, but rather is an independent contractor solely responsible for her own acts and omissions, and this Agreement shall not be construed as an employment contract. The manner in which Ostendorf performs this Agreement shall be left to the discretion of Ostendorf.

5. Indemnification. Ostendorf agrees to indemnify and hold harmless City, its officials, officers, employees, and agents ("Indemnified Parties") from and against all claims (including injuries, demands, losses, actions, causes of action, damages, liabilities, expenses, charges, assessments, fines or penalties of any kind, and costs including consultant and expert fees, court costs and attorneys' fees) ("Claims") arising out of this Agreement or actions taken at or related to the farmers' market. Ostendorf further agrees to obtain executed indemnity agreements which indemnify, protect, defend and hold harmless the City from liability, with provisions acceptable to the City, from each and every vendor, subcontractor or any other person or entity involved by, for, with or on behalf of Ostendorf in the performance of this Agreement. In the event Ostendorf fails to obtain such indemnity obligations from others, as required, this failure shall be a material

breach of this Agreement, and Ostendorf agrees to be fully responsible according to the terms of this entire Section 5. City has no obligation to ensure compliance with this Section by Ostendorf 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 Ostendorf, and shall survive the termination of this Agreement or this Section. It shall be the sole responsibility and duty of Ostendorf 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 Ostendorf's insurance, against the City and the Indemnified Parties which arise out of any type of omission or error, negligent or wrongful act, of Ostendorf, her vendors, officers, agents, employees, or subcontractors. City shall have the right to select defense counsel.

6. Insurance. Ostendorf shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit "C" attached hereto and incorporated by reference.

7. Amendment; Waiver. No amendment or waiver shall be valid unless in writing signed by the City Manager or his or her designee and Ostendorf.

8. Assignment Prohibited. Ostendorf may not assign the rights and duties under this Agreement without prior written authorization of the City with City having absolute discretion to allow and refuse to allow an assignment. Ostendorf may not enter into any vendor, subcontractor or subconsultant agreement with any other firm or person to perform any of the tasks agreed to be performed by Ostendorf without the prior written authorization of the City. If authorization to assign the rights and duties under this Agreement is given by the City, Ostendorf shall provide to the City copies of each and every agreement into which Ostendorf enters with subconsultants or subcontractors prior to the date that subcontractor contracts or subconsultant contracts are executed by the parties. Ostendorf shall be fully responsible to the City for all acts or omissions of any subconsultant or subcontractor.

9. Notice. All correspondence and notice to the parties indicated herein shall be sent to the parties as follows:

The City:

City of Stanton
Attn: City Manager
7800 Katella Avenue
Stanton, CA 90680

Ostendorf:

Lee Ostendorf
5390 E. 8th Street
Long Beach, CA 90804

10. Costs of Enforcement. If legal action is necessary to enforce any provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys' and witness' fees and all related costs.

11. Effect. This Agreement, and each of its terms and conditions, shall inure to the benefit of, and be binding upon the heirs, successors, executors and assigns of the parties to this Agreement.

12. Entire Agreement. This Agreement may be executed in counterparts, and contains the entire Agreement between the parties hereto. No promise, presentation, warranty or covenant not included in the Agreement has been or is relied on by any of the parties hereto. This Agreement hereby supersedes, revokes and nullifies any prior written or verbal agreement(s) made by the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first written above.

CITY OF STANTON

LEE OSTENDORF

By: _____
James A. Box, City Manager

By: _____
Lee Ostendorf

Exhibit "A"

Depiction of Property

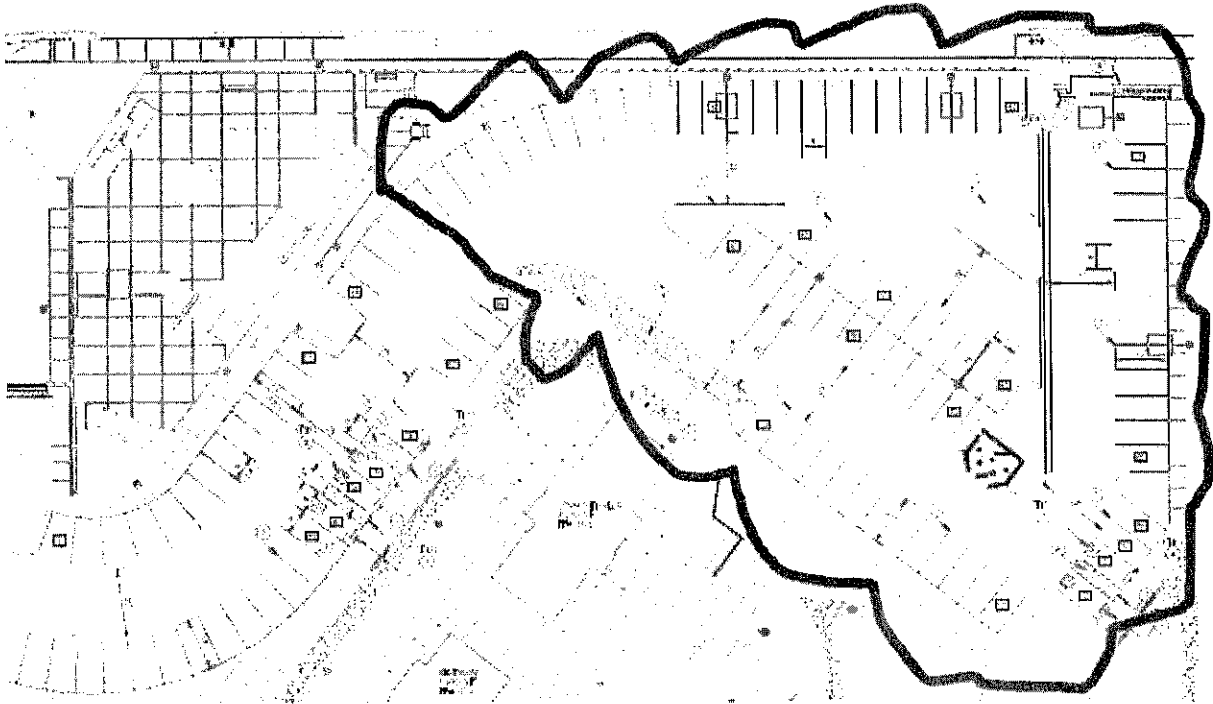


Exhibit "B"

Authorized Vendors

FARMERS Energy Bee Farm Gaytan Farms Berumen Farms Chavez Farms Munoz Farms YNT Farm Cozares Nursery Victor Gonzalez Farm	COOKED FARE Santa Maria BBQ Company Me Gusta Gourmet Tamales Momma Sui's Hawaiian BBQ Estella's Pupusas Tropical Islands Gourmet Crepes
CRAFTERS Betty Smith Joaquin's Silver Jewelry Andes Peruvian Crafts Magical Soap Company Kun Sang's Tibetan Crafts	SPECIALTY FOODS Aris Natural Foods Garcia's Peanuts Annetta's Candy Cakes Salsa Anytime Mr. K's Cookies St. Moritz Bakery Nena's Gourmet Kettle Corn

Exhibit "C"

Insurance Requirements

Prior to the beginning of and throughout the duration of the Work, Ostendorf will maintain insurance in conformance with the requirements set forth below. Ostendorf will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Ostendorf agrees to amend, supplement or endorse the existing coverage to do so. Ostendorf 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.

Ostendorf 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 \$1,000,000 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 Ostendorf owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Ostendorf or Ostendorf's employees will use personal autos in any way on this project, Ostendorf 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. To the extent Ostendorf is a sole proprietor, Ostendorf does not need to carry worker's compensation insurance.

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. Best's rating of A or better and a minimum financial size VII.

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

1. Ostendorf agrees to have her insurer endorse the third party general liability coverage required herein to include as additional insureds City, its officials, employees and agents. Ostendorf also agrees to require all contractors, and subcontractors to do likewise.

2. No liability insurance coverage provided to comply with this Agreement shall prohibit Ostendorf, or Ostendorf's employees, or agents, from waiving the right of subrogation prior to a loss. Ostendorf 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. Ostendorf 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 Ostendorf'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 Ostendorf or deducted from sums due Ostendorf, at City option.
8. Certificate(s) are to reflect that the insurer will provide 30 days' notice to City of any cancellation of coverage.
9. It is acknowledged by the parties of this Agreement that all insurance coverage required to be provided by Ostendorf 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. Ostendorf agrees to ensure that vendors, subcontractors and any other party involved with the project that is brought onto or involved in the project by Ostendorf, provide the same minimum insurance coverage required of Ostendorf. Ostendorf 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. Ostendorf agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to City for review.

11. Ostendorf 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 Ostendorf'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 Ostendorf, 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 Ostendorf ninety (90) days' advance written notice of such change. If such change results in substantial additional cost to Ostendorf, 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. Ostendorf acknowledges and agrees that any actual or alleged failure on the part of City to inform Ostendorf 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. Ostendorf 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. Ostendorf 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 Ostendorf'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 Ostendorf under this Agreement. Ostendorf 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. Ostendorf 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 Ostendorf 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. Ostendorf agrees to provide immediate notice to City of any claim or loss against Ostendorf 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.