



AGENDA
CITY COUNCIL/SUCCESSOR AGENCY/STANTON HOUSING AUTHORITY
JOINT REGULAR MEETING
STANTON CITY HALL, 7800 KATELLA AVENUE, STANTON, CA
TUESDAY, JUNE 26, 2018 - 6:30 P.M.

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- 1. CLOSED SESSION (6:00 PM)**
- 2. ROLL CALL**
 - Council Member Donahue
 - Council Member Ethans
 - Council Member Warren
 - Mayor Pro Tem Ramirez
 - Mayor Shawver
- 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.

4. CLOSED SESSION

4A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Existing litigation pursuant to Government Code section 54956.9(d)(1)

Number of cases: 1

Orange County Catholic Worker et al v. Orange County et al, United States District Court, Central District of California Case Number: 8:18-cv-00155-DOC-JDE

4B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Existing litigation pursuant to Government Code section 54956.9(d)(1)

Number of cases: 1

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

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

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

7. PLEDGE OF ALLEGIANCE

8. SPECIAL PRESENTATIONS AND AWARDS

Presentation of Certificate of Recognition honoring Ms. Becky Esparza, OC Human Relations.

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.

Mayor Pro Tem Ramirez to abstain from Consent Calendar Item 9C, line item 3.

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 June 7, 2018 and June 14, 2018, in the amount of \$341,761.24.

9C. APPROVAL OF MINUTES

1. City Council approve Minutes of Special Meeting – February 20, 2018; and
2. City Council/Agency/Authority Board approve Minutes of Joint Regular Meeting – May 22, 2018; and
3. City Council approve Minutes of Special Meeting – June 5, 2018.

9D. MAY 2018 INVESTMENT REPORT

The Investment Report as of May 31, 2018 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 May 2018.

9E. MAY 2018 INVESTMENT REPORT (SUCCESSOR AGENCY)

The Investment Report as of May 31, 2018 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 May 2018.

9F. MAY 2018 INVESTMENT REPORT (HOUSING AUTHORITY)

The Investment Report as of May 31, 2018 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 May 2018.

9G. FY 2018-19 INVESTMENT POLICY

The Investment Policy for the City of Stanton provides guidelines for the prudent investment of City funds and outlines the procedures for efficient cash management. This policy is updated annually to incorporate any needed provisions or amendments necessitated by changes in state law or City investment philosophy, after which it is reviewed by the City Council. The current update has no changes from the FY 2017-18 policy adopted on June 27, 2017.

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. City Council approve the FY 2018-19 Investment Policy as presented.

9H. RESOLUTION DIRECTING THE AUDITOR OF THE COUNTY OF ORANGE TO ADD THE PROTECTIVE SERVICES TAX TO THE 2018-2019 TAX ROLL

On August 6, 1985, the voters of Stanton adopted an initiative measure establishing a Protective Services Tax. Each year the City Council must adopt a Resolution directing the Auditor Controller to place this assessment on the tax rolls.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378(b)(4) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly); and
2. Adopt Resolution No. 2018-31 directing the County Auditor Controller to place the Protective Services Tax on the 2018-2019 Tax Roll, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, DIRECTING THE AUDITOR-CONTROLLER OF THE COUNTY OF ORANGE TO ADD THE PROTECTIVE SERVICES TAX TO THE 2018-2019 TAX ROLL".

END OF CONSENT CALENDAR

10. PUBLIC HEARINGS

10A. PUBLIC HEARING RELATIVE TO THE ANNUAL LEVY OF ASSESSMENTS FOR THE INSTALLATION, MAINTENANCE, AND SERVICING OF PUBLIC LIGHTING FACILITIES AND MEDIAN ISLANDS WITHIN THE BOUNDARIES OF THE TERRITORY INCLUDED IN THE STANTON LIGHTING AND LANDSCAPING DISTRICT NO. 1 FOR FISCAL YEAR 2018-2019 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972

On June 12, 2018, the City Council adopted Resolution No. 2018-16, approving the Engineers report, and Resolution No. 2018-17, declaring its intention to levy and collect the annual assessments for installation, maintenance and servicing of Lighting and Landscaping District No. 1 for Fiscal Year 2018-2019 pursuant to the Landscaping and Lighting Act of 1972. This is the time and date scheduled to conduct the Public Hearing concerning the annual levy of assessments of the District, the extent of the District, the improvements and the proposed assessments and all other matters pertaining thereto.

RECOMMENDED ACTION:

1. City Council conduct the required public hearing concerning the annual levy of assessments for the District, the extent of the District, the improvements and the proposed assessments and all other matters pertaining thereto; and
2. Find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378(b)(4) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly); and
3. Adopt Resolution No. 2018-32, confirming the assessments for installation, maintenance, and servicing of lighting and landscaping within the boundaries of the territory included in the Stanton Lighting and Landscaping District No. 1, for fiscal year 2018-2019, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA CONFIRMING THE ASSESSMENTS FOR INSTALLATION, MAINTENANCE, AND SERVICING OF LIGHTING AND LANDSCAPING WITHIN THE BOUNDARIES OF THE TERRITORY INCLUDED IN THE STANTON LIGHTING AND LANDSCAPING DISTRICT NO. 1 FOR FISCAL YEAR 2018-2019".

10B. PUBLIC HEARING RELATIVE TO PLACING THE ANNUAL SEWER SERVICE CHARGE FOR SEWER SERVICES ON THE PROPERTY TAX ROLL FOR FISCAL YEAR 2018-2019

On August 8, 2017 the City held a noticed public hearing in compliance with Proposition 218 and adopted the Sewer Service Charges for a period of five (5) years with Ordinance No. 1068. The City is at this time holding a noticed Public Hearing in order to confirm the report prepared showing each parcel subject to the Sewer Service Charges, and the estimated amount of the Sewer Service Charges on said parcel, and to request placement of the Sewer Service Charges on the property tax roll for collection.

RECOMMENDED ACTION:

1. City Council conduct the required public hearing concerning the placement of the annual sewer service charge for sewer services on the property tax roll for fiscal year 2018-2019 and all other matters pertaining thereto; and
2. Find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378(b)(4) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly); and
3. Adopt Resolution No. 2018-33, directing the County Auditor Controller to place the annual sewer service charge for sewer services on the 2018-2019 tax roll, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA ADOPTING THE REPORT OF THE ANNUAL SEWER SERVICE CHARGES AND DIRECTING STAFF TO FILE SAID REPORT WITH THE AUDITOR-CONTROLLER OF THE COUNTY OF ORANGE AND DIRECTING THE AUDITOR TO PLACE THE FISCAL YEAR 2018-19 SEWER SERVICE CHARGES ON THE TAX ROLL".

11. UNFINISHED BUSINESS

11A. APPROVAL OF ORDINANCE NO. 1078

This Ordinance was introduced at the regular City Council meeting of June 12, 2018.

RECOMMENDED ACTION:

1. City Clerk read the title of Ordinance No. 1078, entitled:

“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF STANTON AND BROOKFIELD HOMES SOUTHERN CALIFORNIA, LLC FOR CERTAIN REAL PROPERTY LOCATED AT 12631-12811 BEACH BLVD. FOR THE RESIDENTIAL COMPONENT OF THE VILLAGE CENTER PROJECT, WITHIN THE CITY OF STANTON PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 65864 ET SEQ. AND MAKING CEQA FINDINGS IN CONNECTION THEREWITH”;
and

2. City Council declare the project is consistent with the adopted Mitigated Negative Declaration (SCH#2017101007) and a Mitigation Monitoring and Reporting Program for the entire Village Center development; and
3. Adopt Ordinance No. 1078.

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

12. NEW BUSINESS None.

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.

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:

- None

15D. WOMEN OF DISTINCTION AWARDS PROGRAM

At the request of Mayor Shawver, staff created a list of events and programs held at some point in time to recognize Stanton residents.

RECOMMENDED ACTION:

1. City Council declare that this 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.
2. City Council receive the staff report and provide additional direction to staff.

15E. CITY COUNCIL INITIATED ITEM — DISCUSSION REGARDING OBTAINING A LAND LEASE WITH SOUTHERN CALIFORNIA EDISON FOR USE AS A CITY SPORTS FIELD

At the June 12, 2018 City Council meeting, Council Member Warren requested that this item be agendaized for discussion.

RECOMMENDED ACTION:

City Council provide direction to staff.

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

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 21st day of June, 2018.


s/ Patricia A. Vazquez, City Clerk/Secretary

**CITY OF STANTON
ACCOUNTS PAYABLE REGISTER**

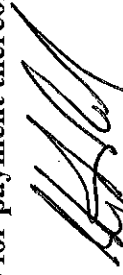
June 7, 2018		\$208,801.33
June 14, 2018		\$132,959.91

\$341,761.24

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.



Assistant City Manager

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MINUTES OF THE CITY COUNCIL OF THE CITY OF STANTON SPECIAL MEETING FEBRUARY 20, 2018

1. **CLOSED SESSION** None.

2. **CALL TO ORDER**

The meeting was called to order at 4:02 p.m. by Mayor Shawver.

3. **PLEDGE OF ALLEGIANCE**

Led by Ms. Patricia A. Vazquez, City Clerk.

4. **ROLL CALL**

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

Absent: None.

Excused: None.

SPECIAL ORDERS OF THE DAY

5. **NEW BUSINESS**

5A. **DISCUSSION REGARDING CANNABIS PERMITS AND REGULATORY FRAMEWORK**

Introduction by Mr. James A. Box, City Manager.

Presentation and introduction by Ms. Kelly Hart, Community and Economic Development Director.

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

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Presentation by Mr. David McPherson, Cannabis Compliance Director, HdL Companies:

- Proposition 64 / Election Results
- What's Legal
- California Cannabis Laws
- US Attorney General Federal Enforcement Policy
- Trailer Bill SB 94: Medicinal & Adult Use Cannabis Regulation and Safety Act (Local Contact / Notification / Unified Regulatory System)
- SB 94 Local Control Authority
- SB 94 Other Key Changes to Regulations (Temporary permits / vertical integration / transportation license / regulatory ordinances / Establishment of a non-store front license)
- State Agency key modifications to regulations (cultivation licenses / cultivation limit (acre) / Track n Trace / Health & Safety Code 11362.775)
- Community Priorities (Public Safety / Environmental Protection / Neighborhood and Land Use Protection / Access by Youth)
- Personal Use
- Where is the Cannabis Industry in the Region (Delivery Locations / Dispensary Locations)
- Status of other local agencies in the region
- Key policy and issues of concern

Presentation by Mr. Matt Eaton, Cannabis Compliance Manager, HdL Companies:

- Potential Public Concerns (Regulated commercial cannabis / unregulated commercial cannabis / public safety concerns / public health concerns)
- The importance of starting now (state licensing / regulations are under development and review / investors and businesses are deciding where to locate / legal: maintain a ban or regulate it)
- Addressing the public concerns through regulations
- Regulatory systems
- Regulatory ordinances
- Application process
- Policy decision
- Marijuana Policy Development
- Regulatory options (medicinal / adult use)
- Regulate / Legislate / Collaborate / educate
- City Council set cannabis regulatory policies on: cultivation, microbusiness, manufacturing, testing labs, delivery/non store front retailer, retail-medicinal/adult-use, distribution facilities
- Public safety risk assessment (regulating cannabis allows police to: monitor business, practices, conduct background checks, audit customer transactions, approve security plans, offset resource cost for staffs time, regulate time, place and manner requirements)
- Public safety risk assessment (unregulated illegal sales of cannabis: reduces police power due to limited search and seizure laws under Prop. 64, makes it difficult to gather intelligence information, encourages black market sales, creates a reliance

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on public safety resources with no mechanism for cost recovery, results in violent crimes/property theft, no control regarding sales to youth)

- Planning Department process
- Process for successful regulatory framework development
- Tax and fee revenues
- Revenue generating strategies
- Cannabis Economic Trends
- Local Tax Revenue Projections
- Categories of use (Cultivation, manufacturing, testing (quality control), retailer/non-store front retailer (dispensary/delivery services), distribution facility, microbusiness)
- City options: 1 – continue prohibiting cannabis uses in the City. 2 – Allow for conditional or discretionary permit

The City Council questioned staff regarding various studies that have been conducted in regards to the use of recreational marijuana, if a City would be able to regulate deliveries, how a good neighbor policy would be implemented, if the 600 foot requirement has ever been challenged, development agreements, and inquired about cultivation centers.

1. The City Council received and filed the report; and
2. Directed staff to not pursue retail options; and
3. Conduct a future study session to discuss the following:
 - What would be an ideal scenario for the City (one testing facility / one cultivation facility / one distribution facility).
 - Consider all options (no retail) that would not increase foot or vehicle traffic.
 - Obtain more information and include public input.
 - Investigate odor mitigation (tour a cultivation site to examine possible odor concerns).
 - Conduct a feasibility study (sample overlays / is the City big enough / include multiple site locations).
 - Include law enforcement input with the feasibility study to ensure that law enforcement would still be able to provide the same level of service.

8. **ADJOURNMENT** Motion/Second: Shawver/
Motion carried at 5:56 p.m.

MAYOR

ATTEST:

CITY CLERK

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MINUTES OF THE CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY OF THE CITY OF STANTON JOINT REGULAR MEETING MAY 22, 2018

1. **CLOSED SESSION** None.

2. **CALL TO ORDER CITY COUNCIL / SUCCESSOR AGENCY / STANTON HOUSING AUTHORITY MEETING**

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

3. **PLEDGE OF ALLEGIANCE**

Led by Mr. John Warren, Parks and Recreation Commissioner.

4. **ROLL CALL**

Present: Council/Agency/Authority Member Donahue, Council/Agency/Authority Member Ethans, Council/Agency/Authority Member Warren, Mayor Pro Tem/Vice Chairman Ramirez, and Mayor/Chairman Shawver.

Absent: None.

Excused: None.

5. **SPECIAL PRESENTATIONS AND AWARDS**

Chairman Brian Donahue, Stanton Community Foundation, presented 43 Supply Our Schools (SOS) Grants to grantees from ten schools: Alamitos Junior High, Bryant Elementary, Dale Junior High, Hansen Elementary, Lawrence Elementary, Pyles Elementary, St. Polycarp, Twila Reid Elementary, Wakeham Elementary, and Walters Elementary schools with nearly \$20,065 grant funds disbursed for school supplies requested by classroom teachers, which will impact 3,022 students for the 2018 school year.

6. **CONSENT CALENDAR**

Motion/Second: Ethans/Ramirez

Motion unanimously carried by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

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

CONSENT CALENDAR

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

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

6B. APPROVAL OF WARRANTS

The City Council approved demand warrants dated May 3, 2018 and May 10, 2018 in the amount of \$502,798.19.

6C. APRIL 2018 INVESTMENT REPORT

The Investment Report as of April 30, 2018 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

1. The City Council finds 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. Received and filed the Investment Report for the month of April 2018.

6D. APRIL 2018 INVESTMENT REPORT (SUCCESSOR AGENCY)

The Investment Report as of April 30, 2018 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

1. The Successor Agency finds 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. Received and filed the Investment Report for the month of April 2018.

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6E. APRIL 2018 INVESTMENT REPORT (HOUSING AUTHORITY)

The Investment Report as of April 30, 2018 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

1. The Stanton Housing Authority finds 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. Received and filed the Investment Report for the month of April 2018.

END OF CONSENT CALENDAR

7. **PUBLIC HEARINGS** None.

8. **UNFINISHED BUSINESS** None.

9. **NEW BUSINESS** None.

10. ORAL COMMUNICATIONS – PUBLIC

Mr. Robert Lewis, Resident, expressed his gratitude to the Orange County Sheriff's Department (OCSD) for their response time and professional conduct displayed in regards to his recent interaction with the OCSD.

11. **WRITTEN COMMUNICATIONS** None.

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

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

- Council Member Donahue, expressed his gratitude to the staff in attendance.
- Council Member Donahue reported on the 17th Annual Spring Car Show and Kids Fair, which was held on May 12, 2018.

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

None.

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

Currently Scheduled:

- June 5, 2018 (4:30 p.m.)
Budget presentation and discussion regarding the Orange County Sheriff's Department contract.

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

None.

14. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

- Community Services Manager Erin M. Burke reported on the upcoming Summer Kickoff event at Stanton Central Park, which is scheduled to be held on May 26, 2018.

14A. ORANGE COUNTY SHERIFF'S DEPARTMENT

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

- Sergeant Mike Dee provided the City Council with an update on their current operations.

15. ADJOURNMENT Motion/Second: Shawver/ Motion carried at 7:05 p.m.

MAYOR/CHAIRMAN

ATTEST:

CITY CLERK/SECRETARY

DRAFT

MINUTES OF THE CITY COUNCIL OF THE CITY OF STANTON SPECIAL MEETING JUNE 5, 2018

1. **CLOSED SESSION** None.

2. **CALL TO ORDER**

The meeting was called to order at 4:33 p.m. by Council Member Ethans.

3. **PLEDGE OF ALLEGIANCE**

Led by Captain Charles E Puckett, Orange County Sheriff's Department.

4. **ROLL CALL**

Present: Council Member Donahue, Council Member Ethans, and Council Member Warren.

Absent: Mayor Shawver.

Excused: Mayor Pro Tem Ramirez.

SPECIAL ORDERS OF THE DAY

5. **NEW BUSINESS**

- 5A. **REVIEW OF THE FORTHCOMING AGREEMENT BETWEEN THE CITY OF STANTON AND THE COUNTY OF ORANGE FOR LAW ENFORCEMENT SERVICES**

This item is being heard to review, receive and file the report on the new Five-Year Agreement with the County of Orange for law enforcement services for the period from July 1, 2018 to June 30, 2023. This agreement proposes the cost for services for FY 2018-2019 at \$10,955,068.

Staff report by Mr. Stephen M. Parker, Assistant City Manager.

The City Council questioned staff regarding the amount of sworn officers on contract, cost analysis/breakdown, contract length/terms, average stay of a deputy, where the City's weak and strong points are located within its staffing levels of the contract.

The City Council received and filed the report on the Five-Year Agreement between the City of Stanton and the County of Orange for law enforcement services.

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5B. 2018-19 PROPOSED BUDGET PRESENTATION

This report is to provide the City Council with an opportunity to review the Proposed Budget for the City for 2018-19.

Staff report by Mr. Stephen M. Parker, Assistant City Manager.

Mayor Shawver arrived at 4:58 PM.

The City Council questioned staff regarding the increase of new home developments, the transient occupancy tax, CR&R franchise fees, Orange County Sheriff's Department pension costs, school crossing guard services costs, retiree benefits, conversion of Hollenbeck Park to a sports park, and the potential lease of land from Southern California Edison to utilize as a sports park.

The City Council received and filed the report on Stanton's 2018-19 Proposed Budget.

Council Member Ethans reported on the Skate Park Takeover event at Stanton Central Park, which was held on June 2, 2018.

- 8. ADJOURNMENT** Motion/Second: Shawver/
Motion carried at 5:46 p.m.

MAYOR

ATTEST:

CITY CLERK

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and City Council

DATE: June 26, 2018

SUBJECT: MAY 2018 INVESTMENT REPORT

REPORT IN BRIEF:

The Investment Report as of May 31, 2018 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 May 2018.

BACKGROUND:

The attached reports summarize the City investments and deposit balances as of May 2018. 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 May 2018 was 1.76%. All City investments have safekeeping with Bank of the West. The City's investments are shown on Attachment B and have a weighted investment yield of 1.98%. Including LAIF and the City's deposit in the Bank of the West money market account, the weighted investment yield of the portfolio is 1.96%, which exceeds the benchmark LAIF return of 1.76%.

The weighted average maturity of the City's investments on May 2018 is 951 days. Including LAIF and a money market account, it is 890 days. LAIF's average maturity on May 31, 2018 was approximately 190 days.

The City has exceeded the LAIF benchmark return by increasing the weighted average maturity. With a weighted average maturity of 2.61 years, the City is well within the investment policy restriction of 3.5 years.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's 2017-18 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.

The City Treasurer controls a \$27.1 million portfolio with \$25.3 million in investments with safekeeping with Bank of the West.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Through the agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED

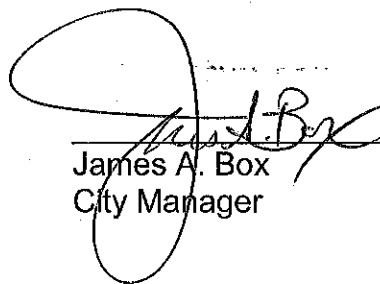
4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:



Stephen M. Parker, CPA
Assistant City Manager/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
May 31, 2018

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	1.76%	\$ 7,524,102	\$ 1,608,574	5.94%	\$ 1,608,575	LAIF
Investments ²	Various	Various	Various	\$ 25,288,884	25,306,591	93.38%	24,808,767	Bank of the West
Money Market Account	Bank of the West	On Demand	0.29%	\$186,283	186,283	0.69%	186,283	Bank of the West
Subtotal - Investments					\$ 27,101,448	100.00%	\$ 26,603,624	
Demand Deposits/Main Checking - City portion	Bank of the West	On Demand	N/A	N/A	\$ 2,278,113		\$ 2,278,113	Bank of the West
Imprest Accts & Petty Cash	Bank of the West	On Demand	N/A	N/A	93,433		93,433	Bank of the West
Subtotal - Deposits					\$ 2,371,546		\$ 2,371,546	

Total Cash Investments and Deposits³

Weighted Average Maturity (days)	890	Weighted Average Yield	1.96%
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\$ 29,472,994

\$ 28,975,171

¹ Par Value amount represents entire LAIF and CAMP balances, including City, Successor Agency and Housing Authority portions

² Cost amount includes \$58,005 adjustment made to City's books at 6/30/17 to adjust portfolio to market value, per GASB 31

³ Weighted average maturity and yield calculations include LAIF, CAMP, Investments and Money Market Account

NOTES:

The City's portfolio is in compliance with the City's 2017-18 Investment Policy.

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

**CITY OF STANTON
INVESTMENTS
MAY 2018**

Attachment B

Investment Type/ Broker	Institution	CUSIP Number	Purchase Yield	Coupon Rate	Purchase Price	Settlement/ Date Purchased	Date of Maturity	Next Call Date (NC=noncallable)	Par Value	Purchase Amount	Current Market Value
U.S. Government Agency Securities:											
Chandler Asset Management	FNMA	3135G0E58	1.20%	1.13%	100.42	9/30/2015	10/19/2018	NC	195,000	195,013.80	194,316
Chandler Asset Management	FNMA	3135G0G72	1.17%	1.13%	99.39	10/30/2015	12/14/2018	NC	195,000	194,709.45	193,933
Chandler Asset Management	FHFB	3133782M2	1.16%	1.50%	101.23	02/01/16	03/08/19	NC	185,000	186,929.55	183,975
Chandler Asset Management	FFCB	3133EGCA1	1.06%	1.06%	100.01	10/25/16	06/03/19	NC	200,000	200,010.00	197,456
Chandler Asset Management	FHLMC	3137EADM8	1.25%	1.25%	99.15	08/31/15	10/02/19	NC	190,000	188,394.12	187,253
Chandler Asset Management	FHFB	3130AQRJ2	1.65%	2.38%	103.07	11/23/15	12/13/19	NC	200,000	205,698.00	199,910
Chandler Asset Management	FNMA	3135G0D75	1.27%	1.50%	100.90	2/24/2016	6/22/2020	NC	200,000	201,962.00	196,132
Chandler Asset Management	FNMA	3135G0F73	1.50%	1.50%	100.36	1/20/2016	11/30/2020	NC	190,000	190,034.77	185,421
Chandler Asset Management	FNMA	3130A3UQ5	1.49%	1.88%	102.18	2/1/2016	12/11/2020	NC	185,000	188,348.50	181,903
Chandler Asset Management	FNMA	3136G0H55	1.50%	1.88%	102.11	1/20/2016	12/29/2020	NC	190,000	193,365.80	186,930
Chandler Asset Management	FHFB	3130A7CV5	1.46%	1.38%	99.77	02/17/16	02/18/21	NC	210,000	209,165.60	203,729
Chandler Asset Management	FNMA	3135G0J20	1.31%	1.38%	100.01	4/12/2016	2/26/2021	NC	200,000	200,630.00	193,942
Chandler Asset Management	FHFB	31382K69	1.53%	1.75%	101.72	03/23/16	03/12/21	NC	190,000	192,004.50	185,522
Chandler Asset Management	FHFB	3130A7PV1	1.33%	1.38%	99.80	04/12/16	04/05/21	NC	200,000	200,432.00	193,660
Chandler Asset Management	FNMA	3135G0K69	1.23%	1.25%	99.75	8/15/2016	5/6/2021	NC	200,000	200,168.00	192,732
Chandler Asset Management	FHFB	3130A8QS5	1.28%	1.13%	99.05	08/09/16	07/14/21	NC	190,000	188,565.90	181,935
Chandler Asset Management	FHLMC	3137EAE09	1.24%	1.13%	99.96	08/12/16	08/12/21	NC	200,000	198,898.00	191,000
Chandler Asset Management	FHFB	3130AABG2	1.97%	1.88%	99.36	11/30/16	11/29/21	NC	100,000	99,536.00	97,584
Chandler Asset Management	FNMA	3135G0T45	1.89%	1.88%	99.78	4/20/2017	4/5/2022	NC	200,000	199,830.00	194,208
Multi-Bank Securities, Inc.	FHFB	3130AC2X1	1.75%	1.75%	100.00	8/23/2017	8/23/2022	8/23/2018	500,000	500,000.00	493,200
Multi-Bank Securities, Inc.	FHFB	3130AC7K4	1.75%	1.75%	100.00	8/22/2017	9/16/2022	9/16/2018	500,000	500,000.00	492,315
Multi-Bank Securities, Inc.	FHFB	3130ADKP6	2.10%	2.10%	100.00	2/28/2018	2/28/2023	2/28/2019	500,000	500,000.00	498,690
First Empire Securities	FHFB	3130ADLH3	2.00%	2.00%	100.00	2/28/2018	2/28/2023	8/28/2018	500,000	500,000.00	499,620
									5,620,000	5,633,745.99	5,525,365
Municipal Bonds											
Multi-Bank Securities, Inc.	Brawley CA Pension Obligation Bond	105710AA5	1.52%	1.75%	100.25	7/25/2017	9/1/2019	NC	1,005,000	1,007,462.25	1,003,925
Multi-Bank Securities, Inc.	California Earthquake Auth Rev	13017HAE6	2.23%	2.81%	100.63	11/14/2017	7/1/2019	NC	178,080	179,207.25	176,155
Multi-Bank Securities, Inc.	California Earthquake Auth Rev	13017HAE6	2.43%	2.81%	100.40	11/22/2017	7/1/2019	NC	1,075,200	1,079,500.80	1,075,652
Multi-Bank Securities, Inc.	CA ST Housing Finance Agency RDA	13034PZ7	2.04%	2.30%	100.75	7/24/2017	8/1/2020	NC	250,000	251,875.00	247,395
First Empire Securities	Coachella Valley CA Unit School District	189849KY7	2.25%	2.89%	101.65	11/17/2017	8/1/2020	NC	440,000	447,260.00	436,806
Cantella & Co., Inc	Banning CA RDA SA TAB	066616AD5	2.02%	1.90%	99.66	9/28/2017	9/1/2020	NC	250,000	249,150.00	244,543
Multi-Bank Securities, Inc.	Banning CA RDA SA TAB	066616AD5	2.02%	1.90%	99.66	9/28/2017	9/1/2020	NC	250,000	249,150.00	244,543
Multi-Bank Securities, Inc.	Pomona CA PFA Lease Bond	73208MCX4	2.25%	2.42%	100.60	6/23/2017	4/1/2021	NC	500,000	503,000.00	490,595
Multi-Bank Securities, Inc.	CA ST Housing Finance Agency RDA	13034PZH3	2.32%	2.51%	100.75	7/24/2017	8/1/2021	NC	350,000	352,625.00	345,195
Multi-Bank Securities, Inc.	CA ST Housing Finance Agency RDA	13034PZH3	2.22%	2.51%	101.09	8/18/2017	8/1/2021	NC	255,000	257,776.95	251,499
Multi-Bank Securities, Inc.	Guadalupe Community Redevelopment	400559AD2	2.55%	2.25%	99.00	1/8/2018	8/1/2021	NC	225,000	222,750.00	219,440
Cantella & Co., Inc	Oceanside CA Pension Obligation Bond Taxable	657371AX6	2.03%	3.25%	104.65	8/15/2017	8/15/2021	NC	280,000	293,013.00	282,111
Cantella & Co., Inc	LA County CA RDA TAB Taxable West Covina : 54465AHP0	986176AQ8	2.08%	2.50%	101.87	6/26/2017	9/1/2021	NC	400,000	406,684.00	394,908
First Empire Securities	Yorba Linda RDA SA TAB Taxable Series B	986176AQ8	2.00%	2.00%	100.00	8/15/2017	9/1/2021	NC	360,000	360,000.00	350,107
First Empire Securities	Riverside CA Pension Obligation Bond	769036B89	2.25%	2.50%	101.16	6/20/2017	6/1/2022	NC	500,000	505,800.00	482,660
First Empire Securities	Riverside CA Pension Obligation Bond	769036B89	2.40%	2.50%	100.45	7/24/2017	6/1/2022	NC	240,000	241,080.00	231,677
									6,558,280	6,606,334.25	6,479,208
Negotiable Certificates of Deposit:											
Multi-Bank Securities, Inc.	Generations Community Fed Credit	37148LAB4	1.65%	1.65%	100.00	6/28/2017	6/28/2019	NC	249,000	249,000.00	247,225
Multi-Bank Securities, Inc.	Direct Federal Credit Union	25460FAQ9	1.75%	1.75%	100.00	05/24/17	2/24/2020	NC	249,000	249,000.00	245,287
First Empire Securities	Mercantile Bank, NA	58733AEJ4	1.90%	1.90%	100.00	08/15/17	3/2/2020	NC	247,000	247,000.00	243,875
First Empire Securities	Ally Bank	02006LY72	1.75%	1.75%	100.00	03/16/17	3/16/2020	NC	248,000	248,000.00	244,067
Cantella & Co., Inc	Webbank	947547JN6	1.85%	1.85%	100.00	03/30/17	3/30/2020	6/30/2018	249,000	249,000.00	245,330
Multi-Bank Securities, Inc.	Live Oak Banking Company	538036CN2	2.00%	2.00%	100.00	04/07/17	4/7/2020	NC	249,000	249,000.00	245,018
Cantella & Co., Inc	Community Trust Bank Inc..	20416LAC3	1.85%	1.85%	100.00	08/10/17	9/18/2020	NC	247,000	247,000.00	241,971
Multi-Bank Securities, Inc.	The Park National Bank	700654AY2	1.95%	1.95%	100.00	03/30/17	8/30/2020	NC	249,000	249,000.00	244,075
First Empire Securities	First Bank Richmond	319267GC8	1.80%	1.80%	100.00	06/23/17	11/23/2020	NC	247,000	247,000.00	240,761
Multi-Bank Securities, Inc.	Numerica Credit Union	67054NAF0	2.00%	2.00%	100.00	05/30/17	11/30/2020	NC	249,000	249,000.00	243,821
First Empire Securities	BMW Bank	05580AGQ1	1.95%	1.95%	100.00	03/10/17	3/10/2021	NC	248,000	248,000.00	241,594
First Empire Securities	Wells Fargo Bank, NA	949763FQ4	2.10%	2.10%	100.00	03/15/17	3/15/2021	NC	249,000	249,000.00	243,497
First Empire Securities	Landmark Bank	51506VCA9	2.10%	2.10%	100.00	03/29/17	3/29/2021	6/29/2018	248,000	248,000.00	242,413
First Empire Securities	Medallion Bank	5840356F8	1.80%	1.80%	100.00	04/06/17	4/6/2021	NC	249,000	249,000.00	242,618
Cantella & Co., Inc	Comenity Capital Bank	20033AUJ0	2.00%	2.00%	100.00	6/30/2017	6/30/2021	NC	249,000	249,000.00	241,844

**CITY OF STANTON
INVESTMENTS
MAY 2018**

Attachment B

Investment Type/ Broker	Institution	CUSIP Number	Purchase Yield	Coupon Rate	Purchase Price	Settlement/ Date Purchased	Date of Maturity	Next Call	Par Value	Purchase Amount	Current Market Value	
								Date (NC=noncallable)				
First Empire Securities Cantella & Co., Inc	Discover Bank	2546725D6	2.10%	2.10%	100.00	7/6/2017	7/6/2021	NC	247,000	247,000.00	240,620	
First Empire Securities Cantella & Co., Inc	Barclays Bank	06740KKC0	2.00%	2.00%	100.00	7/12/2017	7/12/2021	NC	247,000	247,000.00	239,849	
First Empire Securities Cantella & Co., Inc	Abacus Federal Savings Bank	002571AY2	1.95%	1.95%	100.00	7/12/2017	7/12/2021	NC	249,000	249,000.00	241,311	
First Empire Securities Cantella & Co., Inc	MB Financial Bank	55266CVW3	1.90%	1.90%	100.00	7/12/2017	7/12/2021	NC	249,000	249,000.00	240,940	
First Empire Securities Cantella & Co., Inc	HSBC Bank USA, NA	40434YMK0	2.15%	2.15%	100.00	7/26/2017	7/26/2021	7/26/2018	247,000	247,000.00	240,865	
First Empire Securities Cantella & Co., Inc	Third Federal Savings and Loan	88413QBN7	2.00%	2.00%	100.00	7/28/2017	7/28/2021	NC	248,000	248,000.00	240,701	
Multi-Bank Securities, Inc. First Empire Securities	State Bank of India	8562846V1	2.35%	2.35%	100.00	03/14/17	3/14/2022	NC	248,000	248,000.00	242,026	
Multi-Bank Securities, Inc. Cantella & Co., Inc	Capital One Bank USA	140420ZS2	2.35%	2.35%	100.00	03/15/17	3/15/2022	NC	248,000	248,000.00	242,021	
First Empire Securities Cantella & Co., Inc	JP Morgan Chase Bank NA	48126XD93	2.35%	2.35%	100.00	03/16/17	3/16/2022	6/16/2018	249,000	249,000.00	242,977	
First Empire Securities Cantella & Co., Inc	BMO Harris, NA	05581WVK7	2.00%	Variable	100.00	03/29/17	3/29/2022	6/29/2018	248,000	248,000.00	242,534	
Cantella & Co., Inc	Synchrony Bank	87165EL96	2.40%	2.40%	100.00	05/19/17	5/19/2022	NC	247,000	247,000.00	241,129	
First Empire Securities Cantella & Co., Inc	American Eagle Bank	02554BCN9	2.10%	2.10%	100.00	06/09/17	5/23/2022	NC	150,000	150,000.00	144,723	
First Empire Securities Cantella & Co., Inc	First Bank of Highland Park	319141GL5	2.10%	2.10%	100.00	6/21/2017	6/21/2022	NC	247,000	247,000.00	238,083	
Cantella & Co., Inc	Goldman Sachs Bank USA	38148PKX4	2.35%	2.35%	100.00	6/21/2017	6/21/2022	NC	247,000	247,000.00	240,425	
Cantella & Co., Inc	Capital One NA	14042RGN5	2.30%	2.30%	100.00	7/19/2017	7/19/2022	NC	247,000	247,000.00	239,686	
Multi-Bank Securities, Inc. Cantella & Co., Inc	Sallie Mae Bank	795450B81	2.30%	2.30%	100.00	7/27/2017	8/2/2022	NC	248,000	248,000.00	240,520	
First Empire Securities Cantella & Co., Inc	American Express Centurion Bank	02587DV47	2.35%	2.35%	100.00	8/3/2017	8/8/2022	NC	247,000	247,000.00	238,059	
First Empire Securities Cantella & Co., Inc	Fidelity Co-Operative Bank	318077CV6	1.90%	1.70%	99.60	8/4/2017	8/9/2022	6/9/2018	249,000	248,004.00	240,741	
First Empire Securities Cantella & Co., Inc	American Express Bank, FSB	02587CFU9	2.40%	2.40%	100.00	8/22/2017	8/29/2022	NC	247,000	247,000.00	238,437	
Medium-Term Corporate Notes:										8,335,000	8,334,004.00	8,129,041
Chandler Asset Management	Praxair Inc	74005PBH6	1.21%	1.25%	100.08	10/03/16	11/07/18	NC	125,000	125,100.00	124,363	
Chandler Asset Management	Apple Inc	037833BQ2	1.71%	1.01%	100.87	02/16/16	02/22/19	NC	115,000	114,980.45	114,535	
Chandler Asset Management	Bank of New York	08408HCU1	1.85%	2.20%	100.56	02/01/16	05/15/19	4/15/2019	115,000	116,290.30	114,504	
Chandler Asset Management	Toyota Motor Credit Corp	89236TDE2	1.45%	1.40%	99.88	05/17/16	05/20/19	NC	125,000	124,825.00	123,574	
Chandler Asset Management	Berkshire Hathaway	084684CK5	1.33%	1.30%	99.96	08/08/16	08/15/19	NC	55,000	54,946.65	54,269	
Chandler Asset Management	Oracle Corp	68389XAX3	1.28%	2.25%	103.16	08/11/16	10/08/19	NC	125,000	128,743.75	124,559	
Cantella & Co., Inc	Toronto-Dominion Bank	89114QBU1	2.00%	1.90%	99.82	12/15/17	10/24/19	NC	250,000	249,542.50	247,488	
Cantella & Co., Inc	Barclay's Bank PLC	06744GFU0	2.00%	2.00%	100.00	08/11/17	08/25/20	8/25/2018	500,000	500,000.00	488,975	
Chandler Asset Management	American Honda Finance	02665WAZ4	2.05%	2.45%	101.22	04/20/17	09/24/20	NC	125,000	126,651.25	123,779	
Chandler Asset Management	Visa Inc	92826CAB8	1.49%	2.20%	102.56	09/01/16	12/14/20	NC	150,000	154,404.00	147,716	
Chandler Asset Management	Exxon Mobil Corp	30231GAV4	2.18%	2.22%	101.77	02/29/16	03/01/21	2/1/2021	125,000	126,464.80	123,230	
Chandler Asset Management	Berkshire Hathaway	084670BQ0	1.54%	2.20%	102.76	08/16/16	03/15/21	2/15/2021	100,000	102,896.00	98,775	
Chandler Asset Management	State St Corp	85747AV5	1.99%	1.95%	99.49	05/23/16	05/19/21	NC	125,000	124,784.40	121,490	
Chandler Asset Management	Microsoft Corp	594918BP8	1.58%	1.55%	99.87	08/08/16	08/08/21	7/8/2021	85,000	84,898.75	81,752	
Chandler Asset Management	Paccar Financial Corp	69371RN44	1.68%	1.65%	99.59	08/11/16	08/11/21	NC	125,000	124,810.00	119,821	
Chandler Asset Management	John Deere Capital Corp	24422ETL3	2.66%	2.65%	100.26	01/03/17	01/06/22	NC	130,000	129,963.60	128,228	
Chandler Asset Management	US Bancorp	91159HHP8	2.66%	2.63%	100.37	01/19/17	01/24/22	NC	125,000	125,656.65	123,153	
First Empire Securities	Apple Inc	037833AY6	2.10%	2.15%	100.20	10/23/17	02/09/22	NC	500,000	501,000.00	486,500	
Multi-Bank Securities, Inc. Cantella & Co., Inc	Capital Impact Partners	14020AZA1	2.50%	2.50%	100.00	10/23/17	10/15/22	NC	500,000	500,000.00	484,215	
First Empire Securities	General Electric Co.	3692G6S8	3.11%	3.10%	99.95	01/25/18	01/09/23	NC	250,000	249,875.00	246,563	
First Empire Securities	Toyota Motor Credit Corp	89236TEL5	2.78%	2.70%	99.63	01/25/18	02/09/22	NC	250,000	249,075.00	244,123	
First Empire Securities	Barclay's Bank PLC	06744CRP8	3.00%	3.00%	100.00	01/26/18	01/26/23	1/26/2020	250,000	250,000.00	240,538	
Mortgage-Backed Securities:										4,250,000	4,264,908.10	4,162,147
First Empire Securities	FNMA DUS Balloon	3138LF4Y1	2.030%	1.620%	98.40	8/18/2017	11/1/2021		477,640	477,639.51	465,150	
Asset-Backed Securities:										477,640	477,639.51	465,150
Chandler Asset Management	Honda Auto Receivables	43813NAC0	1.05%	1.04%	100.01	05/13/15	02/21/19	NC	0	0	0	
Chandler Asset Management	Nissan Auto Receivables	65478WAB1	1.08%	1.07%	99.89	08/02/16	05/15/19	NC	553	553.32	553	
Chandler Asset Management	Toyota Auto Receivables Owner 2016-D	89231LAB3	1.07%	1.06%	99.99	10/04/16	05/15/19	NC	7,546	7,546.34	7,540	
Chandler Asset Management	John Deere Owner Trust	47787XAB3	1.51%	1.50%	99.98	02/22/17	10/15/19	NC	18,389	18,389.65	18,352	
Chandler Asset Management	Nissan Auto Receivables	65474TAB0	1.48%	1.47%	100.00	03/21/17	01/15/20	NC	21,475	21,475.92	21,411	
										47,964	47,964.43	47,856

CITY OF STANTON
INVESTMENTS
MAY 2018

Attachment B

Investment Type/ Broker	Institution	CUSIP Number	Purchase Yield	Coupon Rate	Purchase Price	Settlement/ Date Purchased	Date of Maturity	Next Call Date (NC=noncallable)	Par Value	Purchase Amount	Current Market Value
Subtotal Investments Prior Year Adjustment GASB 31 Investments Held With Bank of the West			1.98% Weighted Average Yield				951 WAM	days	25,288,884	25,364,596.28 -58,004.95	24,808,767
			1.76% 0.29%				6/1/2018 6/1/2018		25,288,884	25,306,591.33	24,808,767
State Treasurer's Pool Money Market Acct	Local Agency Investment Fund (LAIF) Bank of the West								7,524,102 186,283	1,608,573.85 186,282.71	1,608,575 186,283
Total Investments											
Total Money Market, LAIF and Investments			1.96% Weighted Average Yield	incl LAIF, investments and money market			890 WAM	days	32,999,269	27,101,447.89	26,603,624

CITY OF STANTON
CASH AND INVESTMENT BALANCES BY FUND TYPE
May 31, 2018

Fund Type	Cash and Investments	Totals
General Fund:		
Pooled	\$ (16,635,061)	
Other Accounts *	25,586,307	\$ 8,951,246
Special Revenue, Capital Projects and Enterprise Funds:		
Gas Tax	1,312,556	
Measure M	625,404	
Fire Emergency Services	41,879	
Lighting & Median Maint.	1,902,492	
Sewer Maintenance	3,792,736	
Other	10,541,430	18,325,812
Internal Service Funds		1,407,990
Trust Funds		787,946
Total Cash and Investment Balances		\$ 29,472,994

* 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: June 26, 2018

SUBJECT: MAY 2018 INVESTMENT REPORT (SUCCESSOR AGENCY)

REPORT IN BRIEF:

The Investment Report as of May 31, 2018 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 May 2018.

BACKGROUND:

The attached reports summarize the Successor Agency investments and deposit balances as of May 2018. 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 May 2018 was 1.76%.

The Agency's investments are shown on Attachment A and have a weighted investment yield of 0.81%, which is below the benchmark LAIF return of 1.76%, as the portfolio is almost completely liquid and has significant funds held in custodial accounts accruing very little interest.

With a completely liquid portfolio, the weighted average maturity of the Agency's investments at May 31, 2018 is 1 day. LAIF's average maturity at May 31, 2018 is approximately 190 days.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's 2017-18 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:

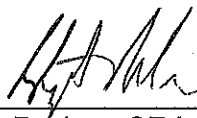
Through the agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

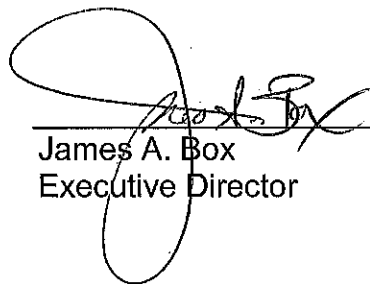
4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:

Approved:



Stephen M. Parker, CPA
Assistant Executive 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
May 31, 2018**

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	1.76%	\$ 2,099,271	\$ 2,099,271	\$ 2,097,260	LAIF
California Asset Management Plan	PFM Asset Management	PFM	On Demand	1.95%	\$ 3,010,903	\$ 3,010,903	\$ 3,010,903	PFM
Imprest Account - SA portion	Bank of the West	Bank of the West	On Demand	N/A	2,973,054	2,973,054	2,973,054	Bank of the West
Clawback - Demand Deposits/Money Market Account	Bank of the West	Bank of the West	On Demand	N/A	3,259,523	3,259,523	3,259,523	Bank of the West

Total Cash Investments and Deposits

\$ 11,342,750 \$ 11,340,739

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%	\$9.95	\$9.95	\$9.95	US Bank
Interest:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$13,396.91	\$13,396.91	\$13,396.91	US Bank
Special Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$244,956.65	\$244,956.65	\$244,956.65	US Bank
Reserve Account:									
Cash Equivalent	LAIF	US Bank	99LA009W8	On Demand	1.76%	\$1,135,000.00	\$1,135,000.00	\$1,135,000.00	US Bank

Total 2010 Tax Allocation Bonds (Tax-Exempt)

\$1,393,364 \$1,393,364

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%	\$484,902.42	\$484,902.42	\$484,902.42	US Bank
Principle Account					0.83				
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$546.41	\$546.41	\$546.41	US Bank
Interest Account									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$340,312.71	\$340,312.71	\$340,312.71	US Bank

Total 2016 Series A and B

\$ 825,762

\$825,761.54

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%	\$0.02	\$0.02	\$0.02	US Bank
Interest Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$679,284.38	\$679,284.38	\$679,284.38	US Bank
Principle Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	14.14	\$14.14	\$14.14	US Bank

Total 2016 Series C and D

\$ 679,299

\$679,298.54

Total Bond Fund Investments and Deposits (3)

\$2,898,424

\$2,898,424

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****May 31, 2018**

Fund	Cash Balance
710 Project 2000 Debt Service Fund	-
711 Redevelopment Debt Service Fund	-
712 Redevelopment Obligation Retirement Fund	8,265,956
720 Low and Moderate Income Housing Fund	-
721 Housing Successor Fund	-
730 Community Redevelopment Administration Fund	-
731 Successor Agency Admin Fund	(189,094)
740 Redevelopment Project Fund	-
741 Successor Agency Project Fund	6,365
741 Cash DDR Clawback	3,259,523

TOTAL CASH BALANCE**\$ 11,342,750**

CITY OF STANTON

REPORT TO THE STANTON HOUSING AUTHORITY

TO: Honorable Chair and Members of the Housing Authority

DATE: June 26, 2018

SUBJECT: MAY 2018 INVESTMENT REPORT (HOUSING AUTHORITY)

REPORT IN BRIEF:

The Investment Report as of May 31, 2018 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 May 2018.

BACKGROUND:

The attached reports summarize the Stanton Housing Authority investments and deposit balances as of May 2018. 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 May 2018 was 1.76%.

The Agency's investments are shown on Attachment A and have a weighted investment yield of 0.81%, as almost the entire portfolio is invested in LAIF.

With investments almost completely in LAIF, the portfolio is completely liquid, and the weighted average maturity of the Housing Authority's investments at May 31, 2018 is 1 day. LAIF's average maturity at May 31, 2018 is approximately 190 days.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's 2017-18 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:

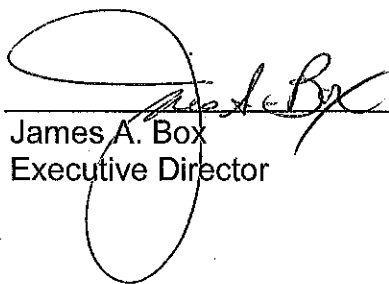
4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:



Stephen M. Parker, CPA
Assistant Executive Director

Approved:



James A. Box
Executive Director

Attachments:

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

**STANTON HOUSING AUTHORITY
INVESTMENTS AND DEPOSITS
May 31, 2018**

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	1.76%	\$ 3,816,258	\$ 3,816,258	\$ 3,817,300	LAIF
Imprest Account - SA portion	Bank of the West	Bank of the West	On Demand	N/A	\$ 5,404,705	5,404,705	5,404,705	Bank of the West
State Treasurer's Pool - Housing Authority Account	Local Agency Investment Fund (LAIF)	State of California	On Demand	1.76%	\$ 8,880,130	\$ 8,880,130	\$ 8,871,623	LAIF

Total Cash Investments and Deposits

\$ 18,101,093	\$ 18,093,629
---------------	---------------

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.

STANTON HOUSING AUTHORITY

POOLED CASH BALANCES BY FUND TYPE

May 31, 2018

Fund	Cash Balance
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285 Housing Authority Fund	18,101,093
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TOTAL CASH BALANCE

\$ 18,101,093

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and City Council

DATE: June 26, 2018

SUBJECT: FY 2018-19 INVESTMENT POLICY

REPORT IN BRIEF:

The Investment Policy for the City of Stanton provides guidelines for the prudent investment of City funds and outlines the procedures for efficient cash management. This policy is updated annually to incorporate any needed provisions or amendments necessitated by changes in state law or City investment philosophy, after which it is reviewed by the City Council. The current update has no changes from the FY 2017-18 policy adopted on June 27, 2017.

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. City Council approve the FY 2018-19 Investment Policy as presented.

BACKGROUND:

In 1985, the City Council adopted a Statement of Investment Policy to comply with California Government Code Section 53646. This code section also requires that annually thereafter, the City's Chief Financial Officer must resubmit a Statement of Investment Policy to the City Council, which the Council must review at a public meeting. Accordingly, the City's Investment Policy has been revised as necessary, submitted to the Council, and reviewed by the Council during each fiscal year.

The Government Code provides that the City Council must annually consider whether to delegate to the City Treasurer its authority to invest or reinvest funds of the City, or to sell or exchange securities thus purchased. If this authority is delegated, the City Treasurer assumes the responsibility for making such transactions, and must make a monthly report of such transactions to the City Council. This delegation of authority may be revoked at any time by the City Council.

ANALYSIS/JUSTIFICATION:

The FY 2018-19 Investment Policy includes no modifications from the FY 2017-18 policy adopted by the City Council in June 2017.

FISCAL IMPACT:

The proposed policy is consistent with the City's past conservative approach to investing its funds and the requested action should result in no fiscal impact.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

The City Attorney has reviewed and approved the Investment Policy.

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
Assistant City Manager

Approved by:



James A. Box
City Manager

Attachment:

A. FY 2018-19 Investment Policy

**CITY OF STANTON
INVESTMENT POLICY
FISCAL YEAR 2018-19**

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CITY OF STANTON

FY 2018-19 INVESTMENT POLICY

I. POLICY

This statement is intended to provide guidelines for the prudent investment of the City's temporary idle cash, and to outline the procedures for maximizing the efficiency of the City's cash management system. This statement will also be utilized by the Successor Agency to the Stanton Redevelopment Agency. The ultimate goal is to enhance the economic status of the City while safeguarding its assets.

II. SCOPE

This policy applies to activities of the City with regard to investing the financial assets of all funds. The covered funds are defined in the City's Comprehensive Annual Financial Report, and include:

1. General Fund
2. Special Revenue Funds
3. Capital Projects Funds
4. Enterprise Funds
5. Internal Service Funds
6. Trust and Agency Funds

Proceeds of bonds or other indebtedness and any moneys set aside and pledged to secure payment of the bonds are excluded from this policy and may be invested in accordance with the resolution, indenture, or any other statutory provisions governing the issuance of those bonds or indebtedness, in accordance with California Government Code Sections 53601 (m) and 5922 (d).

All funds are subject to the laws and regulations established by the State of California.

III. GENERAL OBJECTIVE

The objective of the investment portfolio is to meet the short and long-term cash flow demands of the City. This is achieved by safekeeping the corpus of cash assets under control and by earning income on cash assets not in immediate use. The City of Stanton strives to maintain the level of investment of all idle funds as near 100% as possible, through daily and projected cash flow determinations. Accordingly, the City's cash management system is designed to accurately monitor and forecast revenues and expenditures, thus enabling the City to invest funds to the fullest extent possible.

Idle cash management and investment transactions are the responsibility of the City Treasurer.

In conformance with California Government Code Sec. 53600.5, the City attempts to obtain the highest return possible while ensuring that safety and liquidity needs have been met.

The City's principal investment objectives, in priority order, are:

3.1: SAFETY

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City should select only those investments that are considered very safe. The City shall not engage in speculation and will focus on the preservation of capital and protection of investment principal. Diversification guidelines will be established to avoid incurring unreasonable risks regarding specific security types or individual financial institutions.

3.2: LIQUIDITY

This refers to the ability to "cash in" at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality especially when the need for unexpected funds occurs. The investment program will provide for the maintenance of sufficient liquidity to meet operating requirements that are reasonably anticipated.

3.3: YIELD

Yield is the potential dollar earnings an investment can provide, and sometimes is referred to as the rate of return. The investment program will strive to attain a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity needs.

IV. STANDARDS OF CARE

4.1: DELEGATION OF AUTHORITY

The ultimate responsibility and authority for the investment of City funds resides with the City Council. The City Council will receive monthly reports, designate investment officers and annually review the investment policy making any changes necessary by adoption. The City Council hereby designates the City Treasurer as the Investment Officer for the City's funds. The Investment Officer shall invest City funds in accordance with California Government Code Sec. 53600.5 and with this Investment Policy. This Policy shall constitute a "written order" from City Council. The City Treasurer is the Investment Officer, with the consent of the City Manager or designee, and may further delegate the authority to invest City funds to additional City Finance personnel with the consent of the City Manager.

Subject to required procurement procedures, the City may engage the support services of outside professionals in regard to its financial program, so long as it can be demonstrated or anticipated that these services produce a net financial advantage or necessary financial protection of the City's resources. The City Council may engage the services of one or more external investment managers to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Statement of Investment Policy. Such managers must be registered under the Investment Advisors Act of 1940, or be exempt from such registration. Such external managers shall be prohibited from executing safekeeping arrangements and wire transfers.

4.2: PRUDENCE

As a local agency defined by California Government Code Sec. 53600, the City of Stanton operates its pooled idle cash investments under California Government Code Sec. 53600.3, known as the "Prudent Investor Standard," which states, in part:

"When investing... or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including...the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section...investments may be acquired as authorized by law".

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.3: ETHICS AND CONFLICT OF INTEREST

The City Treasurer, officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or that could impair their ability to make impartial decisions. The City Treasurer, officers and employees shall, at all times, comply with the Conflict-of-Interest Code described in Title 2 of the California Code of Regulations, section 18351, and the City's adopted Conflict of Interest Code. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the City.

V. SAFEKEEPING AND CUSTODY

5.1: SAFEKEEPING OF SECURITIES AND FUNDS:

Securities purchased by the City shall be held in a segregated account for the City's benefit at a third party trust department. The broker/dealer or bank from which the security is purchased shall issue a confirmation ticket to the City listing the specific instrument, issuer, coupon, maturity, CUSIP number, purchase or sale price, transaction date, and other pertinent information. The broker/dealer or bank that executes the transaction on the City's behalf shall deliver all securities on a delivery versus payment method to the designated third party trustee at the direction of the City Treasurer. All securities will be evidenced by safekeeping receipts in the City's name.

Certificates of Deposit shall be excluded from delivery versus payment as long as certificates are issued in the City's name.

5.2: QUALIFIED INSTITUTIONS

The City of Stanton shall purchase authorized investments directly from the issuer, from an institution licensed by the State of California as a broker dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank. {Cal. Gov. Code Sec. 53601.5}.

The City Treasurer will maintain a list of financial institutions formally authorized to provide investment services. The City shall formally authorize investment brokers to provide investment services to the City by conducting a process of due diligence. Investment Brokers may be Primary Dealers or Regional Brokers and licensed to do business in the State of California. Brokers must complete a broker questionnaire, which includes: proof of National Association of Securities Dealers (NASD) certification, Proof of State registration and execute a certification that the Broker's employees and supervisory personnel have read and understand the City's Investment Policy. Additional information from the broker/dealers Form BD and/or the broker/dealers disclosure statements on www.FINRA.org, will be included in the review. The City Treasurer shall conduct periodic reviews of the approved list of investment brokers and may remove a firm from the approved list at any time due to: any failure to comply with any of the above criteria, failure to execute a transaction; any change in broker/dealer staff; or any action, event or failure to act which, in the sole discretion of the City Treasurer, is materially adverse to the best interest of the City.

Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the adviser. Where possible, transactions

with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, the investment adviser shall make their best efforts to document quotations for comparable or alternative securities. If qualitative characteristics of a transaction, including, but not limited to, complexity of the transaction, or sector expertise of the broker, prevent a competitive selection process, investment advisers shall use brokerage selection practices as described above

5.3: ACCOUNTING METHOD

The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies including but not necessarily limited to, the Governmental Accounting Standards Board (GASB); the American Institute of Certified Public Accountants (AICPA); and the Financial Accounting Standards Board (FASB).

Pooling of Funds: Except for cash in certain restricted and special funds, the City will consolidate balances from all City and Successor Agency funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

5.4: INTERNAL CONTROLS

The City Treasurer shall maintain a system of internal controls which shall be reviewed and tested by the independent auditor at least annually or upon any extraordinary event, i.e., turnover of key personnel, the discovery of any inappropriate activity, etc.

Investment officials shall be bonded or covered by blanket crime insurance to protect the public against possible embezzlement or malice.

VI. AUTHORIZED AND SUITABLE INVESTMENTS

6.1 AUTHORIZED INVESTMENTS:

All investments of the City shall be made in accordance with the investments authorized for local agencies by the California Government Code, Sections 53601 and 53635.

6.2 SUITABLE INVESTMENTS:

The City's investments are governed by California Government Code, Sections 53600 *et seq.* Within the investments permitted by the Code, the City seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity, and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

6.211 COLLATERALIZED BANK DEPOSITS such as a passbook savings account, money market account or other demand deposits in state or federally chartered banks, savings and loans, or credit unions in excess of insured amounts which are fully collateralized in accordance with California law, provided that:

- The maximum maturity does not exceed five years.

6.212 MUNICIPAL SECURITIES include obligations of the City, the State of California, any of the other 49 states, and any local agency within the State of California, provided that:

- The securities are rated "A" or higher by at least one nationally recognized statistical rating organization.
- No more than 5% of the portfolio may be invested in any issuer.
- The maximum maturity does not exceed five years.

6.213 U.S. TREASURIES and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the Agency may invest in U.S. Treasuries, provided that:

- The maximum maturity is five years.

6.214 FEDERAL AGENCIES or United States Government-Sponsored Enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the Agency may invest in Federal Agency or Government-Sponsored Enterprises (GSEs), provided that:

- No more than 25% of the portfolio may be invested in any Agency/GSE issuer.
- No more than 20% of the portfolio may be invested in callable securities.
- The maximum maturity does not exceed five years.

6.215 BANKER'S ACCEPTANCES, provided that:

- They are issued by institutions which have short-term debt obligations rated "A-1" or higher by at least one nationally recognized statistical-rating organization; or long-term debt obligations which are rated "A" or higher by at least one nationally recognized statistical rating organization.
- No more than 40% of the portfolio may be invested in Banker's Acceptances.
- No more than 5% of the portfolio may be invested in any issuer.
- The maximum maturity does not exceed 180 days.

6.216 FEDERALLY INSURED TIME DEPOSITS (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:

- The amount per institution is limited to the maximum covered under federal insurance.
- No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
- The maximum maturity does not exceed five years.

6.217 COLLATERALIZED TIME DEPOSITS (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with California law, provided that:

- No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
- The maximum maturity does not exceed five years.

6.218 CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS)

- No more than 30% of the total portfolio may be invested in a combination of Certificates of Deposit, including CDARS.
- The maximum maturity does not exceed five years.

6.219 NEGOTIABLE CERTIFICATES OF DEPOSIT (NCDs), provided that:

- The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
- For any amount above the FDIC insured limit they must be issued by institutions which have short-term debt obligations are rated "A-1" or higher by at least one nationally recognized statistical rating organization; or long-term obligations are rated "A" or higher by at least one nationally recognized statistical rating organization.
- No more than 30% of the total portfolio may be invested in NCDs (combined with CDARS.)
- No more than 5% of the portfolio may be invested in any issuer.
- The maximum maturity does not exceed five years.

6.220 COMMERCIAL PAPER, provided that:

- The issuer is a corporation organized and operating in the United States with assets in excess of \$500 million.
- The securities are rated "A-1" or higher by at least one nationally recognized statistical rating organization.
- They are issued by corporations which have long-term obligations are rated "A" or higher by at least one nationally recognized statistical rating organization.
- No more than 25% of the portfolio may be invested in Commercial Paper.
- No more than 5% of the portfolio may be invested in any issuer.
- The maximum maturity does not exceed 270 days.

6.221 STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF), provided that:

- The Agency may invest up to the maximum permitted amount in LAIF.
- LAIF's investments in instruments prohibited by or not specified in the Agency's policy do not exclude it from the Agency's list of allowable investments, provided that the fund's reports allow the Treasurer to adequately judge the risk inherent in LAIF's portfolio.

6.222 LOCAL GOVERNMENT INVESTMENT POOLS

- Other LGIPs permitted by client.

6.223 CORPORATE MEDIUM TERM NOTES (MTNs), provided that:

- The issuer is a corporation organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- The securities are rated "A" or higher by at least one nationally recognized statistical rating organization.
- No more than 30% of the total portfolio may be invested in MTNs.
- No more than 5% of the portfolio may be invested in any issuer.
- The maximum maturity does not exceed five years.

6.224 ASSET-BACKED, MORTGAGE-BACKED, MORTGAGE PASS-THROUGH SECURITIES, AND COLLATERALIZED MORTGAGE OBLIGATIONS, provided that:

- The securities are rated "AA" or higher by a nationally recognized statistical rating organization.
- They are issued by corporations which have long-term obligations are rated "A" or higher by at least one nationally recognized statistical rating organization.
- No more than 20% of the total portfolio may be invested in these securities.
- No more than 5% of the portfolio may be invested in any Asset-Backed or Commercial Mortgage security issuer. There is no issuer limitation on any

Mortgage security where the issuer is the US Treasury or a Federal Agency/GSE.

- The maximum maturity does not exceed 5 years.

6.225 MONEY MARKET MUTUAL FUNDS that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:

- Such Funds meet either of the following criteria:
 1. Have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations; or
 2. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.
- No more than 20% of the total portfolio may be invested in Money Market Mutual Funds.

6.226 Supranationals, provided that:

- Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- The securities are rated "AA" or higher by a NRSRO.
- No more than 30% of the total portfolio may be invested in these securities.
- No more than 10% of the portfolio may be invested in a single issuer.
- The maximum maturity does not exceed 5 years.

Professional investment managers that may be retained by the City may request more latitude in their choice of investment vehicles and practices than is allowed under this policy. As an integral part of their service to the City, such advisors shall recommend additional investment vehicles and practices, with limitations and restrictions on their use. The City Council must approve the investment vehicles and practices, and adopt an appropriate amendment to this policy prior to their implementation.

6.3 COLLATERALIZATION AND OTHER SAFETY CONSTRAINTS:

All bank deposits must be either federally insured or collateralized pursuant to requirements of State law. The City Treasurer may waive collateral for that portion of a deposit which is insured pursuant to Federal law.

6.4 PROHIBITED INVESTMENTS:

Certain securities will be prohibited as investments in the City's portfolio. The City has prohibited certain securities that are allowable under the California Government Code, based on its own assessment of risk and for the protection of City funds. Prohibited investments are:

1. Pursuant to California Government Code Section 53601.6, local agencies are prohibited from making investments in the following vehicles:
 - Inverse floaters, range notes, or mortgage-derived interest-only strips.
 - Securities that could result in a zero interest accrual if held to maturity.
2. City policy prohibition: The City further limits investments by expressly prohibiting investments in the following:
 - Stocks
 - Futures and options
 - Repurchase agreements
 - Reverse repurchase agreements
 - Leveraged investments of any kind
 - Foreign currency denominated securities

VII. INVESTMENT PARAMETERS:

7.1 DIVERSIFICATION:

The City will diversify the investment portfolio to avoid incurring unreasonable risks, both credit and interest rate risk, inherent in over-investing in specific instruments, individual financial institutions or maturities. The City constrains the portfolio further than the California Government Code to reduce credit risk in the marketplace. Due to fluctuations in the aggregate portfolio balance, maximum percentages for a particular investment type, issuer or security structure may be exceeded at a point in time subsequent to the purchase of a particular security. Securities do not need to be liquidated to realign the portfolio; however, consideration should be given to the matter when future purchases are made.

7.2 INVESTMENT MATURITY:

- The City will not directly invest in securities maturing more than five (5) years from the date of purchase.
- The maximum weighted maturity of the total portfolio shall not exceed 3.5 years. This maximum is established to limit the portfolio to excessive price change exposure.

- Liquidity funds, defined as active bank deposits, LAIF and CAMP balances and money market securities with a maturity of less than six months, will comprise at least 20% of the total portfolio.
- Longer term/Core funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between one (1) day and five (5) years.

Exception to 5 year maturity maximum: Reserve or Capital Improvement Project monies may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

7.3 COMPETITIVE TRANSACTIONS

The City Treasurer shall obtain competitive bid information on all purchases of investment instruments purchased on the secondary market. Bid information can be obtained via telephone, faxed or emailed quotes. If the City is offered a security for which there is no readily available competitive offering on the same specific issue, the City Treasurer shall document quotations for comparable or alternative securities. The Treasurer will select the quote which best satisfies the investment objectives of the investment portfolio within the parameters of this policy. The City Treasurer will maintain a written record of each bidding process including the name and prices offered by each participating financial institution.

7.4 INVESTMENT GUIDELINES AND STRATEGIES

The City Treasurer and staff will develop and maintain procedures, guidelines and strategies to provide for investment decisions that meet the established goals of this policy. These strategies will incorporate cash flow considerations, liquidity and surplus balances.

7.5 MITIGATING CREDIT RISK IN THE PORTFOLIO

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The City will mitigate credit risk by adopting the following strategies:

- The diversification requirements included in the "Authorized Investments" section of this policy are designed to mitigate credit risk in the portfolio.
- Unless otherwise specified in this investment policy, no more than 5% of the total portfolio may be invested in securities of any single issuer per each category in Section VI of this policy, except:
 1. Where the issuer is the US Government, its Agencies and GSEs
 2. Supranational securities
 3. Money Market Mutual Funds
 4. Local Government Investment Pools

- The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or City's risk preferences.
- If securities owned by the City are downgraded to a level below the quality required by this investment policy, it will be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

VIII. REPORTING

8.1 SPECIFIC REPORTING REQUIREMENTS:

The City Treasurer shall render a monthly investment report to the City Council and the City Manager. The report shall include the type of investment, institution, date of maturity, par value and amount of investment, rate of interest, current market value, source of the market value, and such other data as may be required by the City Council. The report shall also include a schedule of investment transactions for the month, a statement denoting the ability of the City to meet its expenditure requirements for the ensuing six (6) months or an explanation as to why sufficient funds may not be available, and a statement that the City's investment portfolio is in compliance with the City's Investment Policy or the manner in which it may not be in compliance. *{Gov. Code Sections 53607 and 53646}*

8.2: PERFORMANCE STANDARDS:

The City's investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs. The basis used by the Treasurer to determine whether market yields are being achieved shall be to identify a benchmark comparable to the portfolio's average weighted maturity and credit profile. Separate benchmarks may be established for liquidity funds and longer term/core funds. Benchmarks will be established through the City Treasurer's procedures manual.

8.3: REVIEW OF INVESTMENT PORTFOLIO:

The securities held by the City must be in compliance with Section VI Authorized and Suitable Investments at the time of purchase. Because some securities may not comply with Section VI Authorized and Suitable Investments subsequent to the date of purchase, the City Treasurer will at least quarterly review the portfolio to identify those securities that do not comply. The City Treasurer will establish procedures to report to the City Council major and critical incidences of noncompliance identified through the review of the portfolio. The portfolio may be adjusted as market conditions change to comply with the City's objectives of safety, liquidity and achievement of market rates of return.

IX. POLICY REVIEW AND ADOPTION

The Statement of Investment Policy shall be adopted by the City Council. The policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law, financial and economic trends.

X. GLOSSARY OF TERMS

Agencies. Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called "FreddieMac" issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as "FannieMae," issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as "GinnieMae," issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

Asked. The price at which a seller offers to sell a security.

Asset Backed Securities. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

Average Life. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

Banker's Acceptance. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which "accepts" the obligation to pay the investor.

Benchmark. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

Broker. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

Callable. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.

CDARS (Certificate of Deposit Account Registry System). A private CD placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

Certificate of Deposit (CD). A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

Collateral. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

Collateralized Mortgage Obligations (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

Commercial Paper. The short-term unsecured debt of corporations.

Cost Yield. The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.

Coupon. The rate of return at which interest is paid on a bond.

Credit Risk. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

Current Yield. The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

Dealer. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

Debenture. A bond secured only by the general credit of the issuer.

Delivery vs. Payment (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

Derivative. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

Discount. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

Diversification. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

Duration. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

Federal Funds Rate. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

Leverage. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

Liquidity: The speed and ease with which an asset can be converted to cash.

Make Whole Call. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

Margin: The difference between the market value of a security and the loan a broker makes using that security as collateral.

Market Risk. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

Market Value. The price at which a security can be traded.

Marking to Market. The process of posting current market values for securities in a portfolio.

Maturity. The final date upon which the principal of a security becomes due and payable.

Medium Term Notes. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

Modified Duration. The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

Money Market. The market in which short-term debt instruments (Tbills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

Mortgage Pass-Through Securities. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

Municipal Securities. Securities issued by state and local agencies to finance capital and operating expenses.

Mutual Fund. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

Nationally Recognized Statistical Rating Organization (NRSRO). A credit rating agency (CRA) that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

Premium. The difference between the par value of a bond and the cost of the bond, when the cost is above par.

Prepayment Speed. A measure of how quickly principal is repaid to investors in mortgage securities.

Prepayment Window. The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.

Primary Dealer. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

Prudent Person (Prudent Investor) Rule. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

Realized Yield. The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities; which have not been sold from the portfolio.

Regional Dealer. A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

Repurchase Agreement (RP, Repo). Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

Safekeeping. A service to bank customers whereby securities are held by the bank in the customer's name.

Structured Note. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

Supranationals. A supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

Total Rate of Return. A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. Treasury Obligations. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury Bills. All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury bills. The Treasury currently issues three- and six-month Tbills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

Treasury Notes. All securities issued with initial maturities of two to ten years are called Treasury notes, and pay interest semi-annually.

Treasury Bonds. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

Volatility. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

Yield to Maturity. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: June 26, 2018

SUBJECT: RESOLUTION DIRECTING THE AUDITOR OF THE COUNTY OF ORANGE TO ADD THE PROTECTIVE SERVICES TAX TO THE 2018-2019 TAX ROLL

REPORT IN BRIEF:

On August 6, 1985, the voters of Stanton adopted an initiative measure establishing a Protective Services Tax. Each year the City Council must adopt a Resolution directing the Auditor Controller to place this assessment on the tax rolls.

RECOMMENDED ACTION:

That City Council:

1. Find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378(b)(4) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly).
2. Adopt Resolution No. 2018-31 directing the County Auditor Controller to place the Protective Services Tax on the 2018-2019 Tax Roll.

BACKGROUND:

On August 6, 1985, the voters passed, by a 2/3rd majority, a special tax for the purpose of Protective Services. This ongoing tax has fixed rates that are not subject to change. Changes can occur to some parcels due to use change, zoning change, or in some cases development.

ANALYSIS/JUSTIFICATION:

The proceeds from the Protective Services tax are used for fire and police protection services provided by the City. Tax proceeds are used to offset a portion of the contracts.

The tax roll has been prepared by Harris and Associates, the City's consultant. The

proceeds of this tax have been calculated into the City Budget for fiscal year 2018-2019. Copies of the assessment roll are available for review in the office of the City Clerk.

The action being requested of Council relates only to the annual procedural step necessary to place the existing tax on the property tax roll for collection. The specifics of the tax, including the rate, are fixed and have already been approved by the voters through the ballot measure in 1985.

FISCAL IMPACT:

This tax will generate an estimated \$380,744 for fiscal year 2018-2019.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

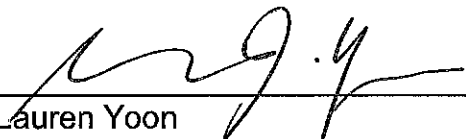
Through the regular agenda process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:


4. Ensure Fiscal Stability and Efficiency in Governance.

Prepared by:

Reviewed by:

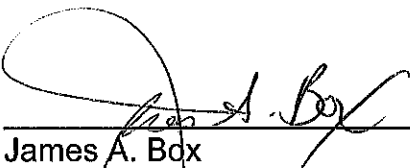


Lauren Yoon
Business License Specialist



Stephen Parker, CPA
Assistant City Manager

Approved by:



James A. Box
City Manager

Attachments:

Resolution No. 2018-31

RESOLUTION NO. 2018-31

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, DIRECTING THE AUDITOR-CONTROLLER OF THE COUNTY OF ORANGE TO ADD THE PROTECTIVE SERVICES TAX TO THE 2018-2019 TAX ROLL

WHEREAS, the voters of the City of Stanton at a Special Election on August 6, 1985, adopted an initiative measure establishing a special protective services tax for fire protection and prevention pursuant to California Government Code Section 53978; and

WHEREAS, the ordinance set the rate of tax for each parcel in the City of Stanton identified by the County Assessor as follows:

A.	For each parcel containing a single-family residential unit (including condominium units)	\$24.00
B.	For each residential unit in a multiple dwelling	\$24.00
C.	For each mobile home site	\$18.00
D.	For each parcel upon which there is located commercial and/or industrial improvements	\$300.00 per acre or part thereof
E.	For each parcel of vacant land	\$75.00 per acre or part thereof

WHEREAS, a list of parcels, as identified by the County Assessor, and the same amount of protective services tax applicable to the individual parcels has been compiled for transmittal to the County of Orange Auditor-Controller for inclusion on the tax roll and subsequent collection by the County Tax Collector.

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

SECTION 1: The City Council finds that this item is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378(b)(4) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly).

SECTION 2: The Auditor-Controller is directed to add the Protective Services Tax, as set forth in the document marked Exhibit "A" and entitled "Protective Services Tax," a copy of which is on file with the City, and by this reference is incorporated herein as though set forth in full and at length, to the 2018-2019 tax roll for the County of Orange for the parcels and in the amounts indicated in Exhibit "A".

ADOPTED, SIGNED AND APPROVED this 26th day of June, 2018.

DAVID J. SHAWVER, 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. 2018-31 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 June 26, 2018, 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 THE CITY COUNCIL

TO: Honorable Mayor and City Council

DATE: June 26, 2018

SUBJECT: PUBLIC HEARING RELATIVE TO THE ANNUAL LEVY OF ASSESSMENTS FOR THE INSTALLATION, MAINTENANCE, AND SERVICING OF PUBLIC LIGHTING FACILITIES AND MEDIAN ISLANDS WITHIN THE BOUNDARIES OF THE TERRITORY INCLUDED IN THE STANTON LIGHTING AND LANDSCAPING DISTRICT NO. 1 FOR FISCAL YEAR 2018-2019 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972

REPORT IN BRIEF:

On June 12, 2018, the City Council adopted Resolution No. 2018-16, approving the Engineers report, and Resolution No. 2018-17, declaring its intention to levy and collect the annual assessments for installation, maintenance and servicing of Lighting and Landscaping District No. 1 for Fiscal Year 2018-2019 pursuant to the Landscaping and Lighting Act of 1972. This is the time and date scheduled to conduct the Public Hearing concerning the annual levy of assessments of the District, the extent of the District, the improvements and the proposed assessments and all other matters pertaining thereto.

RECOMMENDED ACTION:

That the City Council:

1. Find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378(b)(4) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly); and
2. Conduct the required public hearing concerning the annual levy of assessments for the District, the extent of the District, the improvements and the proposed assessments and all other matters pertaining thereto; and
3. Adopt Resolution No. 2018-32, confirming the assessments for installation, maintenance, and servicing of lighting and landscaping within the boundaries of the territory included in the Stanton Lighting and Landscaping District No. 1, for fiscal year 2018-2019.

BACKGROUND:

The Stanton Lighting and Landscaping District No. 1 was formed March 10, 1981, and has provided funding for street lighting and median maintenance services within the City. Each parcel in the City is assessed a proportionate share of the District's costs each year. The assessment appears on the property tax bill. Assessments are established based upon an Engineer's assessment of each property's relative benefit for the services provided by the District.

Each year an update to the Engineer's Report must be produced relative to the annual assessments for the Stanton Lighting and Landscaping District No. 1. Council has previously taken action to contract with Harris and Associates, to perform the required work. The Engineer's Report was approved on June 12, 2018 by the City Council with the adoption of Resolution No. 2018-16.

ANALYSIS/JUSTIFICATION:

Pursuant to the Engineers report, the assessments for the street lighting system, traffic signals and median maintenance are not proposed to increase from the previous year.

After receiving public testimony, it is recommended that Council consider the proposed resolution, which would confirm the proposed assessments for the 2018-2019 Fiscal Year.

FISCAL IMPACT:

The proposed assessments will provide funding to maintain and service street lighting, traffic signals and median maintenance. The assessments will generate an estimated \$198,086.18 for fiscal year 2018-2019.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

None.

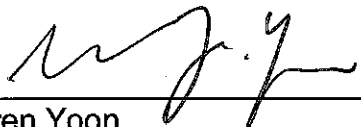
PUBLIC NOTIFICATION:

Public notification provided through the normal agenda process and publishing in the Orange County News.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

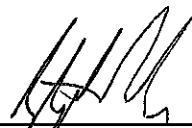
4. Ensure Fiscal Stability and Efficiency in Governance.

Prepared by:



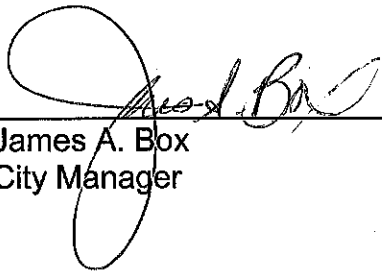
Lauren Yoon
Business License Specialist

Reviewed by:



Stephen Parker, CPA
Assistant City Manager

Approved by:



James A. Box
City Manager

Attachment:

Resolution No. 2018-32

RESOLUTION NO. 2018-32

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA CONFIRMING THE ASSESSMENTS FOR INSTALLATION, MAINTENANCE, AND SERVICING OF LIGHTING AND LANDSCAPING WITHIN THE BOUNDARIES OF THE TERRITORY INCLUDED IN THE STANTON LIGHTING AND LANDSCAPING DISTRICT NO. 1 FOR FISCAL YEAR 2018-2019

WHEREAS, on May 8, 2018, the City Council of the City of Stanton adopted Resolution No. 2018-15, initiating proceedings for the annual levy of assessments for fiscal year 2017-2018 for the Stanton Lighting and Landscaping District No. 1 (the "Assessment District") pursuant to the provisions of the Landscaping and Lighting Act of 1972 (Part 2 of Division 15 of the Streets and Highways Code of California, hereinafter referred to as "the Code"), for the installation, maintenance, servicing and operations of those certain public lighting facilities and median islands located within the territory included in the Assessment District; and

WHEREAS, the City Engineer has prepared and filed with the City Clerk his report (the "Report") containing the matters specified in Section 22567 of the Code; and

WHEREAS, the City Council has preliminarily approved the Report as filed by adoption of Resolution 2018-16; and

WHEREAS, the City Council heretofore by Resolution of Intention No. 2018-17 adopted on June 12, 2018, declared its intention to levy and collect the annual assessments for the fiscal year commencing July 1, 2018 and ending June 30, 2019 for the purpose of installation, maintenance, servicing and operations of those certain public lighting facilities and median islands located within the boundaries of the territory included in the Assessment District, as more fully described in said Resolution of Intention; and

WHEREAS, the City Council, in and by said Resolution of Intention, fixed Tuesday, June 26, 2018 at 6:30 P.M. before the City Council in the Council Chambers at 7800 Katella Avenue, Stanton, California, as the time and place for a hearing on levying the proposed assessments, and provided for the notice of hearing; and

WHEREAS, the City Clerk has filed with the City Council an affidavit setting for the time and manner of providing notice of the time, date and place of said public hearing pursuant to law; and

WHEREAS, a public hearing was conducted and duly opened and held by the City Council at the time and place for the hearing; and

WHEREAS, any verbal and written protests or objections made by property owners at the hearing conducted on June 26, 2018 were considered by the City Council; and

WHEREAS, said City Council hereby finds and determines that written protests and objections filed with the City Clerk prior to the conclusion of the public hearing, and not withdrawn, were not made by the owners of more than one-half of the area of the assessable land in said Assessment District; and

WHEREAS, the public interest and convenience require the installation, maintenance, servicing and operation of those certain public lighting facilities and median islands located within the boundaries of the territory included in the Assessment District; and

WHEREAS, all territory within said Assessment District will be benefited by the improvements described in the Resolution of Intention.

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

SECTION 1: The foregoing recitals are true and correct and the City Council so finds and determines. All said protests and objections are hereby overruled by the affirmative vote of the members of the City Council voting in favor of the adoption of this Resolution.

SECTION 2: The City Council finds that this item is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378(b)(4) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly).

SECTION 3: The Report on file with the City Clerk and each component part of it, including each exhibit incorporated by reference, as amended, if applicable, is hereby finally approved and adopted.

SECTION 4: Stanton Lighting and Landscaping District No. 1 improvements, consisting of installation, maintenance, servicing and operation of those certain street lighting and median islands, located within the boundaries of the territory included in the Assessment District as set forth in the Report, a copy of which is on file in the office of the City Clerk, are ordered to be undertaken. The exterior boundaries of said district shall be coincident with the exterior boundaries of the City of Stanton. Pursuant to Section 22508 of the Code, for a full and detailed description thereof, reference is made to the legal description on file with the County Assessor of the County of Orange.

SECTION 5: The assessments for fiscal year 2018-2019, as set forth in the Report, copies of which are on file in the office of the City Clerk, are hereby confirmed.

SECTION 6: Passage of this Resolution shall constitute a levy of the assessments for fiscal year 2018-2019. A copy of the assessment roll which specifies the amount levied is attached hereto and made a part of this Resolution as Exhibit "A".

SECTION 7: Pursuant to law, including Article 1 of Chapter 4 of Part 2 of Division 15 of the Code, the City Clerk shall file a certified copy of this Resolution with the County Auditor of the County of Orange.

ADOPTED, SIGNED AND APPROVED this 26th day of June, 2018.

DAVID J. SHAWVER, 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. 2018-32 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 June 26, 2018, 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 THE CITY COUNCIL

TO: Honorable Mayor and City Council

DATE: June 26, 2018

SUBJECT: PUBLIC HEARING RELATIVE TO PLACING THE ANNUAL SEWER SERVICE CHARGE FOR SEWER SERVICES ON THE PROPERTY TAX ROLL FOR FISCAL YEAR 2018-2019

REPORT IN BRIEF:

On August 8, 2017 the City held a noticed public hearing in compliance with Proposition 218 and adopted the Sewer Service Charges for a period of five (5) years with Ordinance No. 1068. The City is at this time holding a noticed Public Hearing in order to confirm the report prepared showing each parcel subject to the Sewer Service Charges, and the estimated amount of the Sewer Service Charges on said parcel, and to request placement of the Sewer Service Charges on the property tax roll for collection.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378(b)(4) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly); and
2. Conduct the required public hearing concerning the placement of the annual sewer service charge for sewer services on the property tax roll for fiscal year 2018-2019 and all other matters pertaining thereto; and
3. Adopt Resolution No. 2018-33, directing the County Auditor Controller to place the annual sewer service charge for sewer services on the 2018-2019 tax roll.

BACKGROUND:

The City currently operates and maintains a sewer collection system that serves the City. The network of sanitary sewers serves approximately 40,000 residents and is comprised of 55.4 miles of mains with approximately 550 manholes and 5,000 sewer laterals. The City charges fees to operate the citywide sewer collection system, and the sewer system is managed with an enterprise account.

ANALYSIS/JUSTIFICATION:

In 2017, the City consulted with Harris & Associates to review and revise the rate structure for the City's Annual Sewer Service Charges for the proper operation and maintenance of the City's Sewer System. The table below shows the rates approved for residential customers with the adoption of Ordinance No. 1068:

Residential Land Uses	Fiscal Year				
	2017/18	2018/19	2019/20	2020/21	2021/22
Detached Single Family Residential	\$ 62.96	\$ 65.16	\$ 67.44	\$ 69.80	\$ 72.25
MFR/Condo	\$ 50.37	\$ 52.13	\$ 53.96	\$ 55.84	\$ 57.80
Mobile Home/ MHP (Park)	\$ 31.48	\$ 32.58	\$ 33.72	\$ 34.90	\$ 36.12

Even with already approved increases over the next four years, the residential rates in 2021-2022 will still be lower than the rates approved in 2010 for fiscal year 2014-2015.

The Annual Sewer Service Charge for non-residential properties is based on each parcel's land use and building area which will be used to estimate the amount of wastewater discharged into the City's Sewer System. This is the same methodology used by the Orange County Sanitation District (Ordinance No. OCSD-41) to determine wastewater discharge volumes for non-residential parcels. The Annual Sewer Service Charge for non-residential parcels will be calculated by multiplying the estimated waste discharge as a percentage of a single family residence times \$65.16 per 1,000 sq. ft. of building area for FY 17/18.

The Health and Safety Code (commencing with section 5473) provides procedures that the City must follow each year in order to place the Sewer Service Charges on the property tax roll. Each year, in order to collect the Sewer Service Charges on the property tax roll, the City is required to cause the preparation of a report detailing each parcel subject to the Sewer Service Charges, and the amount of the Sewer Service Charge for each such parcel for the fiscal year, computed in conformity with the rates approved by Ordinance No. 1068 for fiscal year 2018-2019. Harris and Associates, the City's consultant, has prepared the report, which is on file with the City Clerk and incorporated herein by this reference.

In order to confirm the report and place the Sewer Service Charges on the property tax roll, the City is required to conduct a Public Hearing concerning the placing of rates for the annual sewer service charge for sewer services for fiscal year 2018-2019 and all other matters pertaining thereto. At the public hearing, all owners of separate parcels subject to the Sewer Service Charges are afforded the opportunity to file an objection or written protest to the placement of the Sewer Service Charges on the property tax roll. Should a majority of the owners of separate parcels file a written protest, the City will be restricted from collecting the Sewer Service Charges on the property tax roll, and instead will be required to direct-bill customers.

As mentioned above, the City Council already adopted a five (5) year schedule of rates for the Sewer Service Charges pursuant to Ordinance No. 1068. The City is not seeking to

increase the rates above those amounts that were previously approved in Ordinance No. 1068 and as set forth in the tables above. Tonight's action relates only to placing such Sewer Service Charges on the property tax roll.

FISCAL IMPACT:

The sewer user fees will generate approximately \$826,760 for fiscal year 2018-19.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

The City Attorney has reviewed and approved the resolution as to form.

PUBLIC NOTIFICATION:


Public notification provided through the normal agenda process and posted in three designated locations.

STRATEGIC PLAN OBJECTIVE ADDRESSED:


4. Ensure Fiscal Stability and Efficiency in Governance.

Prepared by:

Approved by:



Stephen M. Parker, CPA
Assistant City Manager



James A. Box
City Manager

Attachment:

Resolution No. 2018-33

RESOLUTION NO. 2018-33

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA ADOPTING THE REPORT OF THE ANNUAL SEWER SERVICE CHARGES AND DIRECTING STAFF TO FILE SAID REPORT WITH THE AUDITOR-CONTROLLER OF THE COUNTY OF ORANGE AND DIRECTING THE AUDITOR TO PLACE THE FISCAL YEAR 2018-19 SEWER SERVICE CHARGES ON THE TAX ROLL

WHEREAS, the City of Stanton ("City") is successor agency of the Stanton County Water District under Reorganization No. 88; and

WHEREAS, the City provides sewer services to customers within the City's service area, and charges sewer service charges (the "Sewer Service Charges") to operate the City's sewer system; and

WHEREAS, pursuant to Section 5473 of the California Health and Safety Code, the City Council of the City of Stanton has elected to annually collect the Sewer Service Charges on the property tax rolls; and

WHEREAS, on August 8, 2017, the City held a noticed public hearing in compliance with Article XIII D, Section 6 of the California Constitution (Proposition 218) for the purpose of considering Sewer Service Charges for a five (5) year period; and

WHEREAS, the City did not receive protests from a majority of property owners or customers of records, and adopted the Sewer Service Charges after closing the public hearing; and

WHEREAS, the City now wishes to collect the Sewer Service Charges on the property tax roll for Fiscal Year 2018/19 as approved, and the City has caused to be prepared an Annual Sewer Service Charge Report (the "Report") containing a description of each parcel of real property subject to the Sewer Service Charges and the amount of the Sewer Service Charges to be imposed on each such parcel for Fiscal Year 2018/19, computed in conformity with the rates prescribed by Resolution or Ordinance of this City Council, which Report is filed with the City Clerk, available for public inspection, and incorporated herein by reference; and

WHEREAS, on June 26, 2018, following the publication of notice as required by law, the City Council held a full and fair public hearing with respect to the Report, and at such hearing the City Council heard and considered all protest and objections to the Report; and

WHEREAS, the City Council has heard and considered all objections and protests to the Report and has determined and hereby finds that protests have not been made by the owners of a majority of the separate parcels or property described in the Report; and

WHEREAS, the City Council desires to approve the Report and to submit the Sewer Service Charges described therein to the Orange County Tax Collector for collection on the Fiscal Year 2018/19 tax roll.

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

SECTION 1. The foregoing recitals are true and correct and the City Council so finds and determines. All protests and objections are hereby overruled by the affirmative vote of the members of the City Council voting in favor of the adoption of this Resolution.

SECTION 2. The City Council of the City hereby adopts the Report. Within ten (10) days of the passage of this Resolution (but under no circumstances later than the 10th day of August, 2018), the City Clerk is hereby directed to file a copy of the Report with the Auditor-Controller of the County of Orange, together with a statement endorsed thereon over his or her signature that the Report has been adopted by the City Council and shall request that the Sewer Service Charges be collected on the tax bills for the taxable parcels in the City identified in the Report and such Sewer Service Charges shall be collected at the same time and in the same manner and by the same persons as, together with and not separately from, the general taxes for the City, and shall be delinquent at the same time and thereafter be subject to the same delinquency penalties to be levied on and collected from the owners of said parcels.

SECTION 3. The City Clerk shall certify as to the adoption of this Resolution.

ADOPTED, SIGNED AND APPROVED this 26th day of June, 2018.

DAVID J. SHAWVER, 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. 2018-33 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 June 26, 2018, and that the same was adopted, signed and approved by the following vote to wit:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

PATRICIA A. VAZQUEZ, CITY CLERK

ORDINANCE NO. 1078

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF STANTON AND BROOKFIELD HOMES SOUTHERN CALIFORNIA, LLC FOR CERTAIN REAL PROPERTY LOCATED AT 12631-12811 BEACH BLVD. FOR THE RESIDENTIAL COMPONENT OF THE VILLAGE CENTER PROJECT, WITHIN THE CITY OF STANTON PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 65864 ET SEQ. AND MAKING CEQA FINDINGS IN CONNECTION THEREWITH

WHEREAS, Brookfield Homes Southern California, LLC is the applicant for the proposed development, and is requesting the approval of a Precise Plan of Development PPD-790, Planned Development Permit PDP18-01, Tentative Tract Map TM18-01, Development Agreement DA18-01, and a Mitigated Negative Declaration (MND) for the development of a 11.64 acre site ("Residential Project Site"); and

WHEREAS, the project applicants, Frontier Real Estate Investments, LLC and Brookfield Homes Southern California, LLC, propose a mixed-use project that would involve demolition of all 61,905 square feet of commercial uses in Village Center North and 93,391 square feet of commercial uses in Village Center; development of up to 208 condominium units of 1 to 3 bedrooms each (94 in Village Center South and 114 in Village Center North); redevelopment and re-use of up to 93,873 square feet of commercial uses in Village Center ("Project"). In the portion of the Project site located in Garden Grove, approximately 30,320 square feet of commercial uses in the main buildings would remain, and two new commercial pads would be built along Beach Boulevard, for a total of about 38,200 square feet at Project completion in Garden Grove. The Project includes the consideration of a Precise Plan of Development, Conditional Use Permits, Planned Development Permit, and a Parcel Map for the commercial component of the project (Commercial Phase). The Project also involves consideration of a Parcel Map for the commercial phase, Site Plan Review, and a Conditional Use Permit by the City of Garden Grove. The Commercial Phase entitlements have already been approved by the City of Stanton and the City of Garden Grove on March 28, 2018 and April 19, 2018, respectively. The residential component of the project includes a Precise Plan of Development, Planned Development Permit and Tentative Tract Map and Development Agreement for the residential component of the project; and

WHEREAS, the 21.87-acre site is at the northwest corner of Beach Boulevard and Garden Grove Boulevard. The southernmost 4.1 acres of the Project site are located in the City of Garden Grove, while the balance of the Project site is located within the City of Stanton, with the residential portion of the development generally located on the western portion of the intersection of Beach Blvd. and Village Center Drive; and

WHEREAS, the residential phase of the Project would require the following approvals from the City of Stanton: Precise Plan of Development PPD-790, Planned Development Permit PDP18-01, Tentative Parcel Map TM18-01, Development Agreement DA18-01; and

WHEREAS, the City of Stanton ("City") has found that development agreements strengthen the public planning process, encourage private participation in comprehensive planning by providing a greater degree of certainty in that process, reduces the economic costs of development, allow for the orderly planning of public improvements and services, allocate costs to achieve maximum utilization of public and private resources in the development process, and ensures that appropriate measures to enhance and protect the environment are achieved; and

WHEREAS, pursuant to California Government Code section 65864 *et seq.*, the City is authorized to enter into development agreements providing for the development of land under terms and conditions set forth therein; and

WHEREAS, Brookfield Homes Southern California, LLC proposes to develop the Project Site located in the City of Stanton, more particularly described in Exhibit "A", attached hereto and incorporated herein by this reference ("Property") for the Project; and

WHEREAS, because of the logistics, magnitude of the expenditure and considerable lead time prerequisite to planning and developing the Project, Developer has proposed to enter into a development agreement concerning the Project ("Development Agreement") to provide assurances that the Project can proceed without disruption caused by a change in the City's planning policies and requirements except as provided in the Development Agreement, which assurance will thereby reduce the actual or perceived risk of planning for and proceeding with development of the Project; and

WHEREAS, the City desires the timely, efficient, orderly and proper development of the Project in furtherance of the goals of the General Plan; and

WHEREAS, the City Council has found that this Development Agreement is consistent with the City's General Plan; and

WHEREAS, the City Council has determined that by entering into the Development Agreement: (i) the City will promote orderly growth and quality development on the Property in accordance with the goals and policies set forth in the General Plan; (ii) significant benefits will be created for City residents and the public generally from increased housing opportunities created by the Project; and

WHEREAS, it is the intent of the City and Developer to establish certain conditions and requirements related to review and development of the Project which are or will be the subject of subsequent development applications and land use entitlements for the Project as well as the Development Agreement; and

WHEREAS, the City and Developer have reached mutual agreement and desire to voluntarily enter into the Development Agreement to facilitate development of the Project subject to the conditions and requirements set forth therein; and

WHEREAS, pursuant to the California Public Resources Code section 21067 and the State CEQA Guidelines (Cal. Code Regs, tit. 14 § 15000 et seq.) section 15051, the City is the lead agency for the proposed Project. The City of Garden Grove is a responsible agency; and

WHEREAS, the City's Planning Commission was the decision-making body for the first phase, the Commercial Phase, of the Project. Therefore the City's Planning Commission was responsible for reviewing and approving the Project's environmental documentation (State CEQA Guidelines, § 15025(b)(2)); and

WHEREAS, City staff reviewed the Project, which consisted of both the Commercial Phase and the Residential Phase, and prepared an Initial Study pursuant to State CEQA Guidelines section 15063; and

WHEREAS, on the basis of the Initial Study, which concluded that the Project would have potentially significant impacts but that those impacts could be reduced to less than significant levels with implementation of the proposed mitigation measures, the City determined that a Mitigated Negative Declaration ("MND") should be prepared for the Project, and an MND, bearing the State Clearinghouse Number 2017101007, was prepared pursuant to Public Resources Code sections 21064.5 and 21080, subdivision (c), and the State CEQA Guidelines section 15070 et seq.; and

WHEREAS, the City distributed a Notice to Intent to Adopt a Mitigated Negative Declaration to responsible and trustee agencies, interested members of the public, and individuals who had previously requested to receive notice of CEQA documents on October 3, 2017 pursuant to State CEQA Guidelines section 15072; and

WHEREAS, the thirty-day public review and comment period began on October 3, 2017 and ended on November 6, 2017, pursuant to Public Resources Code section 21091(b); and

WHEREAS, the City also provided copies of the draft MND and Initial Study to the State Clearinghouse for a thirty-day state agency review and comment period beginning on October 4, 2017 and ending on November 2, 2017; and

WHEREAS, the City received eight comment letters during the public and state agency review periods; and

WHEREAS, the City has prepared written responses to the comment letters received during the public and state agency public review periods. The City's written responses to the comment letters received are compiled in the final MND; and

WHEREAS, in accordance with State CEQA Guidelines section 15073(e), on March 20, 2018, the City provided written notice to all public agencies that commented on the proposed MND of the public hearing to be held on the project for which the MND was prepared; and

WHEREAS, pursuant to Public Resources Code section 21081.6 and State CEQA

Guidelines section 15074(d), the City has prepared a program for reporting on or monitoring the changes which it has either required in the project or made a condition of approval to mitigate or avoid significant environmental effects (the "Mitigation Monitoring and Reporting Program"); and

WHEREAS, on March 28, 2018, the City's Planning Commission conducted a duly noticed special meeting to hold a public hearing to consider the Commercial Phase of the Project, and the environmental documentation for the Project. At the conclusion of the public hearing, the City's Planning Commission unanimously approved the Mitigated Negative Declaration (SCH#2017101007) and the Commercial Phase of the Project; and

WHEREAS, pursuant to Public Resources Code section 21152, the City of Stanton filed a Notice of Determination with the County Clerk and State Clearinghouse on April 2, 2018. In accordance with Public Resources Code section 21167, the statutory time period for challenging the MND ended on May 2, 2018. No challenges were brought against the MND and thus the MND is presumed valid in accordance with Public Resources Code section 21167.2.

WHEREAS, on April 19, 2018, the Garden Grove Planning Commission conducted a duly noticed public hearing to consider the commercial phase of the Project located within the City of Garden Grove, and review and approve the Mitigated Negative Declaration (SCH#2017101007) as a responsible agency; and

WHEREAS, pursuant to Public Resources Code section 21152, the City of Garden Grove filed a Notice of Determination with the County Clerk and State Clearinghouse on April 20, 2018; and

WHEREAS, the City Council is the decision-making body for the second phase, the residential phase, of the Project. Therefore, the City's Planning Commission is responsible for reviewing and making a recommendation to the City Council that the residential phase of the Project is consistent with the approved environmental documentation (State CEQA Guidelines, § 15025(b)(2)); and

WHEREAS, as contained herein, the City has endeavored in good faith to set forth the basis for its decision on the proposed Project; and

WHEREAS, the City has endeavored to take all steps and impose all conditions necessary to ensure that impacts to the environment would not be significant; and

WHEREAS, all of the findings and conclusions made by the Planning Commission pursuant to this Resolution are based upon the oral and written evidence before it as a whole; and

WHEREAS, the Planning Commission has reviewed the application materials, MND, Initial Study, and all other relevant information contained in the record regarding the Project; and

WHEREAS, on May 16, 2018, the Planning Commission conducted a duly-noticed public hearing to consider Precise Plan of Development PPD-790, Tentative Map TM18-01, Planned Development Permit PDP18-01, and the Development Agreement for the Project, at which hearing members of the public were afforded an opportunity to comment upon the Development Agreement; and

WHEREAS, the Planning Commission adopted a resolution recommending that the City Council approve the Development Agreement; and

WHEREAS, on June 12, 2018, the City Council conducted a duly noticed public hearing and considered evidence concerning the Development Agreement; and

WHEREAS, the terms and conditions of the Development Agreement have undergone review by the City Council at a publicly noticed hearing and have been found to be fair, just, and reasonable, and consistent with the General Plan; and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred.

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

SECTION 1. CEQA. The City Council has reviewed and considered the information contained in the MND, Initial Study, and administrative record, on file with the City and available for review at City Hall, 7800 Katella Avenue, Stanton, California. The City Council, acting as lead agency, on March 28, 2018 found that the MND and Initial Study have been completed in compliance with the California Environmental Quality Act (Pub. Res. Code § 21000 et seq.: "CEQA") and the State CEQA Guidelines. Upon review of the residential phase of the Project, the City Council finds that the residential phase development is in conformance with and fully covered by the approved Mitigated Negative Declaration (SCH# 2017101007). The City Council finds that the MND contains a complete and accurate reporting of the environmental impacts associated with the Project, including the residential phase. The City Council also finds that the MND and the administrative record have been completed in compliance with CEQA, the State CEQA Guidelines, and the City's Local CEQA Guidelines. The City Council also finds and determines that the MND reflects the City's independent judgment.

SECTION 2. Findings on Environmental Impacts. Based on the substantial evidence set forth in the record, including but not limited to the Initial Study and MND, the City Council finds that the residential phase of the Project was fully covered by the MND and that no further subsequent environmental review is required under Public Resources Code section 21166 and State CEQA Guidelines section 15162. The residential phase of the Project was an integral component of the activity that was evaluated in the MND. All impacts of the Project, including impacts associated with the

residential phase, would be mitigated to a less than significant level with mitigation called for in the Mitigation Monitoring and Reporting Program. Therefore, the City Council finds that none of the conditions under Public Resources Code section 21166 and State CEQA Guidelines section 15162 requiring the need for further subsequent environmental review have occurred because the residential phase of the Project:

a) does not constitute a substantial change that would require major revisions of the MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and

b) does not constitute a substantial change with respect to the circumstances under which the Project would be administered that would require major revisions to the MND due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects; and

c) does not contain new information of substantial importance that was not known and could not have been known with the exercise of reasonable diligence at the MND was approved showing any of the following: (i) the Project would have one or more significant effects not discussed in the MND; (ii) significant effects previously examined would be substantially more severe than shown in the MND; (iii) mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the City declined to adopt such measures; or (iv) mitigation measures or alternatives considerably different from those analyzed in the MND that would substantially reduce one or more significant effects on the environment, but which the City declined to adopt.

For the foregoing reasons, the City Council find that the residential phase of the Project is fully covered by the MND and that no further environmental review is required before the City Council may act on the residential phase entitlements.

SECTION 3. Pursuant to Government Code Section 65867.5(b) and Stanton Municipal Code Section 20.510.050(D), and based on the entire record before the City Council including all written and oral evidence presented to the City Council, hereby makes the following findings:

1. Public Benefit: The Development Agreement provides benefit to the City because the Project contemplated in the Development Agreement includes improvement of a blighted shopping center to provide housing opportunities for City residents. Moreover, the Development Agreement requires the Applicant to provide substantial improvements to the site including an enhanced open space area and extensive landscaping throughout the Project, as well as provide a financial benefit for the improvement of public facilities throughout the City.

2. General Plan, Specific Plan, and Zoning Code Consistency: The Development Agreement is consistent with the purpose, intent, goals, policies, programs, and land use designations of the General Plan and any applicable Specific

Plan, and this Zoning Code because the Project Site is in the Commercial General (CG) Zoning District with a South Gateway Mixed-Use District Overlay, which allows for a horizontally mixed-use development. The Project meets those General Plan and Zoning Code standards, with the exception of setbacks, and build-to-zone regulations. However, with approval of a Planned Development Permit in conjunction with the development proposal, and the making of the required findings, the project would be permitted within the South Gateway Mixed Use Overlay. There is no Specific Plan applicable to the Project Site. The proposed Project meets the following General Plan Goals and Strategies:

- Goal LU-3.1: A range and balance of residential densities which are supported by adequate city services. Strategy LU-3.1.2: Encourage infill and mixed-use development within feasible development sites. The two lots where the Project Site lies have been mostly vacant and dilapidated for numerous years. The Project would revitalize the site with a high-quality mixed-use development inclusive of over 10 acres of commercial development and over 11 acres of residential development. The residential phase would provide for 208 residential condominium units with large open spaces and amenities, creating a residential enclave, with direct access to the commercial phase of the development. The residential phase has been designed to create a compatibility with the high intensity corridor of Beach Blvd. by providing for intense landscaping, use of dual panel windows, and a meandering block wall around the perimeter to ensure the infill mixed-use development would be compatible with the high use corridor.
- Goal CD-1.2: Promote an attractive streetscape and public right-of-way, especially along major primary and secondary corridors, that is consistent with the desired vision and image of Stanton. Installation of a four foot landscaped parkway planter with a six foot sidewalk treatment, along with the landscaping on the development side provides for an enhanced pedestrian atmosphere along Beach Blvd., that would extend along the length of the Project inclusive of the commercial component. In addition, the residential phase of the Project is designed to provide an enhanced streetscape inclusive of high quality elevations, with architectural features proposed on the second and third floors of the buildings to ensure the improvements are visible from Beach Blvd. above the perimeter wall. The perimeter wall is proposed to provide varying setbacks to create a meandering feel and not one solid wall structure. Landscaping is also proposed to be provided in front of the wall, and bermed to reduce the overall visual impact of the wall. Enhanced entries to the development are also proposed including use of decorative paving, steel fencing, and landscaping to provide for an attractive streetscape and entrance to the development.

3. Compliance with Development Agreement Statute. The Development Agreement complies with the requirements of Government Code Sections 65864 through 65869.5 because the Agreement provides assurance to the applicant for the development of the Project, which consists of 208 unit condominium units. The Development Agreement specifies the duration of the agreement, permitted uses of the property, density and intensity of use, and provision of public benefits to the City. Specifically, the Development Agreement provides a ten-year term in which the Applicant has a vested right to develop the residential subdivision on the Project Site in accordance to existing City regulations and Planned Development Permit PDP18-01. In exchange, the Project will provide housing opportunities for Stanton residents, and opportunities for improvements to public facilities throughout the City. Moreover, the Applicant will provide a high quality, aesthetically appealing homes with substantial improvements to the site including a park area with amenities including a BBQ, a shade structures, lounge areas, pool, tot lot, and fireplace.

SECTION 4. As provided in section 8.5 of the Development Agreement and pursuant to Stanton Municipal Code Section 20.500.030, the City Council shall be the approving body for the precise plan of development, tentative tract map, and planned development permit for the project addressed by the Development Agreement.

SECTION 5. The City Council hereby approves and adopts the Development Agreement attached hereto as Exhibit "B", entitled, "Development Agreement between the City of Stanton, a California municipal corporation and Brookfield Homes Southern California, LLC, a Delaware limited liability company". The Development Agreement shall not take effect unless and until Precise Plan of Development PPD-790, Tentative Tract Map TM18-01, and Planned Development Permit PDP18-01 are each approved by the City Council.

SECTION 6. The documents related to this Ordinance are on file and available for public review at Stanton City Hall, 7800 Katella Ave., Stanton, California 90680. The City Clerk is the custodian of these documents.

SECTION 7. 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 8. This Ordinance shall be effective thirty days after its adoption. The City Clerk shall certify the adoption of this Ordinance and shall cause the same to be posted as required by law. Pursuant to Government Code Section 65868.5, within 10 days following the entering into of the Development Agreement, as evidenced by full

execution thereof, the City Clerk shall record with the Orange County Recorder a copy of the Development Agreement.

SECTION 9. The City Council hereby directs staff to prepare and file a Notice of Exemption with the Orange County Clerk within five (5) working days of the approval of the proposed Project.

PASSED, APPROVED, AND ADOPTED this 26th day of June, 2018.

DAVID J. SHAWVER, 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, do hereby certify that the foregoing Ordinance No. 1078 was duly introduced and placed upon its first reading at a regular meeting of the City Council on the 12th day of June 2018, and thereafter, said Ordinance was duly adopted and passed at a regular meeting of the City Council on the 26th day of June 2018, by the following vote, to wit:

AYES:	COUNCILMEMBERS:	_____

NOES:	COUNCILMEMBERS:	_____
ABSENT:	COUNCILMEMBERS:	_____
ABSTAIN:	COUNCILMEMBERS:	_____

CITY CLERK, CITY OF STANTON

CERTIFICATION STATEMENT

I, Patricia A. Vazquez, City Clerk of the City of Stanton, do hereby certify that the foregoing Ordinance is a true and correct copy of Ordinance No. 1078, passed by the people of the City of Stanton, as declared by the City Council on the day and year set forth above, and published pursuant to law.

PATRICIA A. VAZQUEZ, CITY CLERK

EXHIBIT "A"

LEGAL DESCRIPTION

EXHIBIT "B"

**CITY OF STANTON AND BROOKFIELD HOMES SOUTHERN CALIFORNIA, LLC
DEVELOPMENT AGREEMENT**

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: June 26, 2018

SUBJECT: **WOMEN OF DISTINCTION AWARDS PROGRAM**

REPORT IN BRIEF:

At the request of Mayor Shawver, staff created a list of events and programs held at some point in time to recognize Stanton residents.

RECOMMENDED ACTION:

1. City Council declare that this 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.
2. City Council receive the staff report and provide additional direction to staff.

BACKGROUND:

At the Tuesday, March 23, 2018, City Council meeting, Council Member Warren requested staff research the possibility of implementing a Women of Distinction Awards Program in the City of Stanton. Staff presented their research and findings to City Council at the Tuesday, June 12, 2018, City Council meeting. Mayor Shawver requested staff to create a list of recognition events and/or programs the City has carried out for Stanton residents.

ANALYSIS/JUSTIFICATION:

Staff conducted research to identify the events and programs the City has held at some point in time to recognize Stanton residents and created a list. The list of events is as follows:

- On an annual basis, the Community Services Department recognizes their department volunteers through a presentation at a Council Meeting.
- On an annual basis, Cypress College recognizes a "Stanton Resident of the Year" at the Americana Awards.
- In the past, the City has recognized individuals, groups or businesses through a "Monthly Spotlight".
- In the past, the City has recognized a "Volunteer of the Month" at City Council meetings.

- In the past, the City has recognized a "Veteran of the Month" at City Council meetings.
- In the past, the City has recognized a "Business of the Month" at City Council meetings.

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).

LEGAL REVIEW:

None.


PUBLIC NOTIFICATION:

Through the normal agenda process.

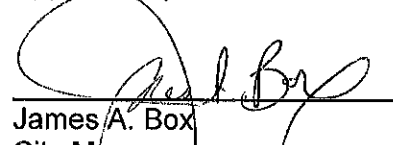
STRATEGIC PLAN OBJECTIVE ADDRESSED:

This item could be included in Strategic Plan Goal 5. Provide a High Quality of Life.

Prepared by:


Cynthia Guzman
Human Resources Specialist

Approved by:


James A. Box
City Manager

City Council

Item 15E

***“CITY COUNCIL INITIATED ITEM –
DISCUSSION REGARDING OBTAINING A
LAND LEASE WITH SOUTHERN CALIFORNIA
EDISON FOR USE AS A CITY SPORTS FIELD”***

City Council Initiated Item.

(This item does not contain a staff report)