



**AGENDA**  
**CITY COUNCIL/SUCCESSOR AGENCY/STANTON HOUSING AUTHORITY**  
**JOINT REGULAR MEETING**  
**STANTON CITY HALL, 7800 KATELLA AVENUE, STANTON, CA**  
**TUESDAY, JULY 23, 2019 - 6:30 P.M.**

*In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (714) 890-4245. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.*

*The City Council agenda and supporting documentation is made available for public review and inspection during normal business hours in the Office of the City Clerk, 7800 Katella Avenue, Stanton California 90680 immediately following distribution of the agenda packet to a majority of the City Council. Packet delivery typically takes place on Thursday afternoons prior to the regularly scheduled meeting on Tuesday. The agenda packet is also available for review and inspection on the city's website at [www.ci.stanton.ca.us](http://www.ci.stanton.ca.us), at the public counter at City Hall in the public access binder, and at the Stanton Library (information desk) 7850 Katella Avenue, Stanton, California 90680.*

- 1. CLOSED SESSION (6:00 PM)**
- 2. ROLL CALL**
  - Council Member Taylor
  - Council Member Van
  - 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

Heaven's Gate Funeral Home, Inc. v. City of Stanton, Superior Court of the State of California County of Orange, Case Number: 30-2019-01054997-CU-WM-CJC

**4B. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to Government Code Section 54956.9(d) (2)

Number of Potential Cases: 1

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

**6. ROLL CALL** Agency/Authority Member Taylor  
Agency/Authority Member Van  
Agency/Authority Member Warren  
Vice Chairman Ramirez  
Chairman Shawver

**7. PLEDGE OF ALLEGIANCE**

**8. SPECIAL PRESENTATIONS AND AWARDS**                      **None.**

**9. CONSENT CALENDAR**

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

## CONSENT CALENDAR

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

**RECOMMENDED ACTION:**

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

- 9B. APPROVAL OF WARRANTS**

City Council approve demand warrants dated July 3, 2019 and July 11, 2019, in the amount of \$459,913.33.

- 9C. APPROVAL OF MINUTES**

City Council/Agency/Authority Board approve Minutes of Regular Joint Meeting – June 25, 2019.

- 9D. JUNE 2019 INVESTMENT REPORT**

The Investment Report as of June 30, 2019 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 June 2019.

## **9E. JUNE 2019 INVESTMENT REPORT (SUCCESSOR AGENCY)**

The Investment Report as of June 30, 2019 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 June 2019.

## **9F. APPROVAL OF SELECTION OF TELECOMMUNICATIONS VENDOR**

Staff conducted research and obtained nine quotes and is recommending that City Council approve moving forward with CommandLink as the City's telecommunications provider.

### **RECOMMENDED ACTION:**

1. City Council declare that the project is exempt from the California Environmental Quality Act ("CEQA") under section 15061(b)(4) – the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
2. Authorize the Assistant City Manager to execute the attached CommandLink sales order form and any additional documents necessary to move telecommunications services to CommandLink.

## **9G. REVIEW OF INSURANCE COVERAGE OPTIONS**

The City of Stanton has been of member of Public Entity Risk Management Authority (PERMA), an insurance Joint Powers Authority (JPA), since February 1, 1987. The City is requesting authorization to engage Bickmore, a professional risk advisor, to identify and evaluate available pool and commercial alternatives for various liability insurance coverage programs.

### **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; and

2. Approve Budget Adjustment 2020-01 appropriating funds for the review of insurance coverage options from fund balance in the Workers Compensation and Liability Risk Management Internal Service funds; and
3. Authorize the City Manager to sign a \$25,000 professional services agreement with Bickmore for the review of insurance coverage options.

**9H. RESOLUTION AUTHORIZING THE APPLICATION FOR GRANT FUNDS FOR THE STANTON FAMILY RESOURCE CENTER UNDER THE COUNTY OF ORANGE FAMILIES AND COMMUNITIES TOGETHER (FaCT) PROGRAM**

Resolution No. 2019-33 will authorize the City to file an application for grant funds for the Stanton Family Resource Center under the County of Orange Families and Communities Together Program (FaCT) to provide human and social services from the County of Orange Social Services Agency.

**RECOMMENDED ACTION:**

1. City Council declare that the project is exempt from the California Environmental Quality Act ("CEQA") under section 15061(b)(4) – the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
2. Approve Resolution 2019-33 authorizing the application for FaCT grant funding, entitled:

**"APPROVING THE APPLICATION FOR GRANT FUNDS FOR FAMILY RESOURCE CENTER UNDER THE COUNTY OF ORANGE FAMILIES AND COMMUNITY TOGETHER (FaCT) PROGRAM".**

**END OF CONSENT CALENDAR**

## 10. PUBLIC HEARINGS

### 10A. CALLING FOR AND CONDUCTING A CONSOLIDATED SPECIAL MUNICIPAL ELECTION ON NOVEMBER 5, 2019 FOR APPROVING CITY-PROPOSED BALLOT MEASURES; SETTING PRIORITIES FOR THE FILING OF WRITTEN ARGUMENTS; AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS FOR EACH BALLOT MEASURE

The Cannabis Ad Hoc Committee has proposed two City-sponsored ballot measures for a November 5, 2019 Special Election for the Council's consideration: 1) a new Cannabis Business Tax and 2) an increase and modernization to the Transient Occupancy Tax. As an administrative matter, and to ensure that information is presented to the City's voters in a manner consistent with applicable State law, staff also recommends the adoption of procedures setting priorities for the submission of arguments and rebuttal arguments to be printed in the sample ballot, and directing the preparation by the City Attorney of impartial analyses.

#### **RECOMMENDED ACTION:**

1. City Council declare that the project is exempt from California Environmental Quality Act ("CEQA") under Section 15378( b)( 4) — The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
2. Approve Resolution No. 2019-30, entitled:

**“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA CALLING FOR THE PLACEMENT OF A GENERAL TAX MEASURE ON THE NOVEMBER 5, 2019 SPECIAL MUNICIPAL ELECTION BALLOT FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF A PROPOSED ORDINANCE ADDING CHAPTER 5.74 TO TITLE 5 OF THE STANTON MUNICIPAL CODE, ESTABLISHING A TAX ON CANNABIS BUSINESSES OPERATING WITHIN THE CITY OF STANTON; MAKING FINDINGS OF FISCAL EMERGENCY PURSUANT TO CALIFORNIA PROPOSITION 218; REQUESTING FULL ELECTION SERVICES FROM THE COUNTY OF ORANGE TO CONDUCT SAID SPECIAL ELECTION; AND SETTING RULES AND DEADLINES FOR ARGUMENTS AND REBUTTALS FOR AND AGAINST THE ORDINANCE”;** and

3. Approve Resolution No. 2019-31, entitled:

**“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA CALLING FOR THE PLACEMENT OF A GENERAL TAX MEASURE ON THE NOVEMBER 5, 2019 SPECIAL MUNICIPAL ELECTION BALLOT FOR THE SUBMISSION TO THE QUALIFIED**

**VOTERS OF A PROPOSED ORDINANCE AMENDING THE CITY'S TRANSIENT OCCUPANCY (HOTEL) TAX BY INCREASING THE RATE FROM 8% TO 12% AND ADDRESSING ONLINE TRAVEL COMPANY AND OTHER THIRD PARTY BOOKINGS; MAKING FINDINGS OF FISCAL EMERGENCY PURSUANT TO CALIFORNIA PROPOSITION 218; REQUESTING FULL ELECTION SERVICES FROM THE COUNTY OF ORANGE TO CONDUCT SAID SPECIAL ELECTION; AND SETTING RULES AND DEADLINES FOR ARGUMENTS AND REBUTTALS FOR AND AGAINST THE ORDINANCE"; and**

4. Approve Budget Adjustment No. 2020-02 to appropriate \$133,500 to account 101-1400-608140 (City Clerk: Elections) in the General Fund from fund balance for the special election.

**ROLL CALL VOTE:** Council Member Taylor  
Council Member Van  
Council Member Warren  
Mayor Pro Tem Ramirez  
Mayor Shawver

**11. UNFINISHED BUSINESS** **None.**

**12. NEW BUSINESS**

**12A. CONSIDERATION OF BALLOT ARGUMENTS IN SUPPORT OF MEASURES**

At the July 23 meeting, the City Council will consider calling a Special Election for two City-sponsored ballot measures. It is appropriate for the full City Council to prepare an argument supporting its position in favor of the measures. Accordingly, the Ad Hoc Committee (Mayor Pro Tem Ramirez and Council Member Van) has drafted arguments for full City Council's consideration.

**RECOMMENDED ACTION:**

1. City Council declare that the project is exempt from California Environmental Quality Act ("CEQA") under Section 15378( b)( 4) — The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
2. Approve the language and authorize the full City Council to sign the the ballot arguments in favor of proposed measures.

## **12B. RESOLUTION AUTHORIZING STAFF TO APPLY FOR THE STATEWIDE PARK DEVELOPMENT AND COMMUNITY REVITALIZATION PROGRAM**

To approve and submit an application for grant funding for the Norm Ross Sports Complex Renovation Project.

### **RECOMMENDED ACTION:**

1. City Council declare that the project is exempt from California Environmental Quality Act ("CEQA") under Section 15378( b)( 4) — The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
2. Approve Resolution No. 2019-32, entitled:

**“RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING THE APPLICATION FOR STATEWIDE PARK DEVELOPMENT AND COMMUNITY REVITALIZATION PROGRAM GRANT FUNDS”;** and

3. Authorize the City Manager or designee to apply for subject grants.

## **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.

**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 18<sup>th</sup> day of July, 2019.

s/ Patricia A. Vazquez, City Clerk/Secretary

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## CITY OF STANTON ACCOUNTS PAYABLE REGISTER

July 3, 2019

\$174,214.31

July 11, 2019

\$285,699.02

\$459,913.33
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Demands listed on the attached registers  
conform to the City of Stanton Annual  
Budget as approved by the City Council.

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

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

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

**DRAFT**

MINUTES OF THE CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY  
OF THE CITY OF STANTON  
JOINT REGULAR MEETING JUNE 25, 2019

**1. CALL TO ORDER / CLOSED SESSION**

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

**2. ROLL CALL**

Present: Council Member Taylor, Council Member Van, Council Member Warren,  
Mayor Pro Tem Ramirez, and Mayor Shawver.

Absent: None.

Excused: None.

**3. PUBLIC COMMENT ON CLOSED SESSION ITEMS** None.**4. CLOSED SESSION**

The members of the Stanton City Council of the City of Stanton proceeded to closed session at 6:00 p.m. for discussion regarding:

**4A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

**Existing litigation pursuant to Government Code section 54956.9(d)(1)**  
**Number of cases: 1**

Heaven's Gate Funeral Home, Inc. v. City of Stanton, Superior Court of the State of California County of Orange, Case Number: 30-2019-01054997-CU-WM-CJC

**4B. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION**

**Significant exposure to litigation pursuant to Government Code Section 54956.9 (d)**  
**(2)**

Number of Potential Cases: 1

**4C. 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

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

The meetings were called to order at 6:34 p.m. by Chairman Shawver.

The City Attorney reported that the Stanton City Council met in closed session from 6:00 to 6:30 p.m.

The City Attorney reported that there was no reportable action.

### **6. ROLL CALL**

Present: Agency/Authority Member Taylor, Agency/Authority Member Van, Agency/Authority Member Warren, Vice Chairman Ramirez, and Chairman Shawver.

Absent: None.

Excused: None.

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

Led by Ms. Pam Schoonover.

### **8. SPECIAL PRESENTATIONS AND AWARDS**                      None.

### **9. CONSENT CALENDAR**

Mayor Shawver requested to pull Item 9I and 9J from the Consent Calendar for separate discussion.

Motion/Second: Ramirez/Warren

Motion unanimously carried by the following vote:

AYES: 5 (Ramirez, Shawver, Taylor, Van, and Warren)

NOES: None

ABSTAIN: None

ABSENT: None

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

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## **CONSENT CALENDAR**

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

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

**9B. APPROVAL OF WARRANTS**

The City Council approved demand warrants dated June 5, 2019 and June 13, 2019, in the amount of \$268,878.68.

**9C. APPROVAL OF MINUTES**

1. The City Council approved Minutes of Special Meeting – June 6, 2019; and
2. The City Council approved Minutes of Special Meeting – June 11, 2019; and
3. The City Council/Agency/Authority Board approved Minutes of Regular Joint Meeting – June 11, 2019.

**9D. MAY 2019 INVESTMENT REPORT**

The Investment Report as of May 31, 2019 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 May 2019.

## **DRAFT**

### **9E. MAY 2019 INVESTMENT REPORT (SUCCESSOR AGENCY)**

The Investment Report as of May 31, 2019 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 May 2019.

### **9F. PROFESSIONAL SERVICES AGREEMENT WITH TOWNSEND PUBLIC AFFAIRS TO PROVIDE ADVOCACY AND GRANT FUNDING SERVICES**

Requested is the authorization to allow the City Manager to enter into a Professional Services Agreement with Townsend Public Affairs to provide advocacy and grant funding services in an amount not to exceed \$144,000 for FY 2019-20 until FY 2021-22.

1. The City Council declared that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
2. Approved the contract for Townsend Public Affairs; and
3. Authorized the City Manager to bind the City of Stanton and Townsend Public Affairs in a contract to provide advocacy and grant funding services to the City of Stanton and the Stanton Housing Authority.

### **9G. RESOLUTION DIRECTING THE AUDITOR OF THE COUNTY OF ORANGE TO ADD THE PROTECTIVE SERVICES TAX TO THE 2019-2020 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.

1. The City Council finds 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

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2. Adopted Resolution No. 2019-28 directing the County Auditor Controller to place the Protective Services Tax on the 2019-2020 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 2019-2020 TAX ROLL”.**

### **9H. FY 2019-20 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 three minor changes from the FY 2018-19 policy adopted on June 26, 2018.

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. Approved the FY 2019-20 Investment Policy as presented.

### **9K. STANTON CENTRAL PARK GOLF CART**

In accordance with adopted Administrative Procedures, the City will be disposing of the previously donated golf cart.

1. The City Council declared that the project is exempt from the California Environmental Quality Act (“CEQA”) under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.; and
2. Received and filed the report.

**END OF CONSENT CALENDAR**

## **DRAFT**

### **9I. APPROVAL OF MEASURE M2 SETTLEMENT AGREEMENT WITH THE ORANGE COUNTY TRANSPORTATION AUTHORITY**

A recent Orange County Transportation Authority (OCTA) audit of the City's Measure M expenditure report found that the City did not meet the Fiscal Year 2017-18 Measure M maintenance of effort (MOE) requirement. Consequently, the OCTA Board determined the City ineligible to receive Measure M funds and suspended payments to the City until eligibility is reestablished pursuant to the Settlement Agreement.

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

Mayor Shawver questioned when funding would return to the City.

Motion/Second: Ramirez/Van

Motion unanimously carried by the following vote:

AYES: 5 (Ramirez, Shawver, Taylor, Van, and Warren)

NOES: None

ABSTAIN: None

ABSENT: None

1. The City Council declared that the project is exempt from California Environmental Quality Act ("CEQA") under Section 15378( b)( 4) — The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
2. Approved and authorized the City Manager to execute Settlement Agreement with Orange County Transportation Authority.

### **9J. CONSIDERATION OF PARTICIPATING IN THE OC HOUSING TRUST VIA STANTON HOUSING AUTHORITY MEMBERSHIP (HOUSING AUTHORITY)**

The Orange County Housing Finance Trust Joint Powers Authority Agreement, as enacted by Assembly Bill 448, is proposed to provide and receive funds for housing for the homeless population and persons and families of extremely low, very low and low income within the County of Orange. Through the adoption of Resolution No. SHA 2019-02, the City of Stanton's Housing Authority may join the Orange County Housing Finance Trust Joint Powers Authority.

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

Mayor Shawver requested that staff explain the benefits of participating in this membership and what the costs to the City will be.



## DRAFT

Motion/Second: Warren/Van  
Motion unanimously carried by the following vote:

AYES: 5 (Ramirez, Shawver, Taylor, Van, and Warren)  
NOES: None  
ABSTAIN: None  
ABSENT: None

1. The Authority Board finds that this action is not subject to the California Environmental Quality Act pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
2. Adopted Resolution No. SHA 2019-02 relating to participating in the Orange County Housing Finance Trust via the Authority's execution of the Joint Powers Agreement which implements the Trust's shared powers and activities, entitled:

**"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON  
RELATING TO THE JOINT EXERCISE OF POWERS FOR AND  
MEMBERSHIP IN THE ORANGE COUNTY HOUSING FINANCE TRUST  
BY THE STANTON HOUSING AUTHORITY".**

Mayor Shawver requested that Townsend Public Affairs report on their services to the City. Townsend Public Affairs shared their mission with the City Council and provided information on their current operations.

### **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 2019-2020 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972**

On May 14, 2019, the City Council adopted Resolution No. 2019-18, approving the Engineer's Report, and Resolution No. 2019-19, 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 2019-2020 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.

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

## DRAFT

The public hearing was opened.

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

Motion/Second: Ramirez/Warren

Motion unanimously carried by the following vote:

AYES: 5 (Ramirez, Shawver, Taylor, Van, and Warren)

NOES: None

ABSTAIN: None

ABSENT: None

1. The City Council finds 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. Conducted 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. Adopted Resolution No. 2019-27, 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 2019-2020, 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 2019-2020".**

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### **10B. PUBLIC HEARING RELATIVE TO PLACING THE ANNUAL SEWER SERVICE CHARGE FOR SEWER SERVICES ON THE PROPERTY TAX ROLL FOR FISCAL YEAR 2019-2020**

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.

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

The public hearing was opened.

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

Motion/Second: Warren/Van

Motion unanimously carried by the following vote:

AYES: 5 (Ramirez, Shawver, Taylor, Van, and Warren)

NOES: None

ABSTAIN: None

ABSENT: None

1. The City Council finds 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. Conducted the required public hearing concerning the placement of the annual sewer service charge for sewer services on the property tax roll for fiscal year 2019-2020 and all other matters pertaining thereto; and
3. Adopted Resolution No. 2019-29, directing the County Auditor Controller to place the annual sewer service charge for sewer services on the 2019-2020 tax roll, entitled:

**"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA ESTABLISHING RATES FOR THE ANNUAL SEWER SERVICE CHARGE FOR SEWER SERVICES FOR FISCAL YEAR 2019-2020".**

## **DRAFT**

### **10C. PROPOSED ORDINANCE TO AMEND THE CITY'S ZONING CODE TO MODIFY REGULATIONS RELATING TO TEMPORARY NONCOMMERCIAL SIGNS**

This Ordinance proposes revisions to the City's sign ordinances regarding temporary noncommercial signs to be displayed on private property during an election period. Proposal includes modifications to sign size requirements, location of signs, amount of signs, and include special enforcement regulations during an election period.

Staff report by Ms. Kelly Hart, Community and Economic Development Director.

The City Council questioned staff regarding campaign signage, allowable size(s), typical campaign sign standards, allowable amount of signage on one property, and resident benefits/concerns.

The public hearing was opened.

- Mr. Bob Lewis, resident, spoke in opposition to 4x4 and 4x8 sized signage.

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

Motion/Second: Ramirez/Van

Motion unanimously carried by the following vote:

AYES: 5 (Ramirez, Shawver, Taylor, Van, and Warren)

NOES: None

ABSTAIN: None

ABSENT: None

1. The City Council conducted a public hearing; and
2. Finds that Ordinance No. 1090 is exempt from CEQA pursuant to Section 15061(b)(3), because there is no possibility that the proposed Ordinance will have a significant effect on the environment; and
3. Conducted the first reading of Ordinance No. 1090, entitled:

**"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, AMENDING CHAPTER 20.325 OF THE STANTON MUNICIPAL CODE RELATING TO POLITICAL SIGNS AND TEMPORARY NONCOMMERCIAL SIGNS"; and**

4. Set said Ordinance for adoption at the July 9, 2019 City Council meeting.

### **11. UNFINISHED BUSINESS                      None.**

## **DRAFT**

### **12. NEW BUSINESS**

#### **12A. CITY COUNCIL APPOINTMENTS TO FILL ONE VACANCY ON THE STANTON PARKS, RECREATION AND COMMUNITY SERVICES COMMISSION AND ONE VACANCY ON THE STANTON PLANNING COMMISSION FOR TERM COINCIDING WITH THE CITY COUNCIL ELECTION**

The Council Member holding the seat corresponding to that numbered seat on the Parks, Recreation and Community Services Commission and Planning Commission shall be responsible for appointment of one Commissioner (who shall be a qualified elector of the City), with majority approval of the City Council. The terms of office shall coincide with the term of office of the Council Member or Mayor who made the appointment. Section 2.06.030 of the Stanton Municipal Code requires the submission of applications and interviews prior to appointment to any position. Section 2.06.030 also provides that the City Council, by majority vote, may waive to the requirement interview persons previously appointed by the City Council and who are requesting re-appointment to another term.

Staff report by Ms. Patricia A. Vazquez, City Clerk.

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. The City Council conducted interviews with the following Parks, Recreation and Community Services Commission and Planning Commission applicants:
  - Debi Grand
  - DeWayne Normand
  - Jerry Ristrom

#### **PARKS, RECREATION AND COMMUNITY SERVICES COMMISSION:**

Motion/Second: Warren/Shawver

Motion unanimously carried by the following vote:

AYES: 4 (Ramirez, Shawver, Taylor, and Warren)

NOES: 1 (Van)

ABSTAIN: None

ABSENT: None

Mr. DeWayne Normand was appointed to fill Seat #4 on the Stanton Parks, Recreation and Community Services Commission.

## **DRAFT**

### **PLANNING COMMISSION:**

Motion/Second: Warren/Shawver

Motion unanimously carried by the following vote:

AYES: 5 (Ramirez, Shawver, Taylor, Van, and Warren)

NOES: None

ABSTAIN: None

ABSENT: None

Ms. Debi Grand was appointed to fill Seat #4 on the Stanton Planning Commission.

### **12B. MAYOR'S APPOINTMENT OF A COUNCIL MEMBER AS REPRESENTATIVE TO THE BRIDGES AT KRAEMER PLACE EMERGENCY SHELTER COMMUNITY ADVISORY BOARD**

Traditionally, Council Members have been appointed by the Mayor to serve on numerous outside committees, boards, commissions and agencies. Each appointee is responsible for representing the City and voting on behalf of the City Council. Bridges at Kraemer Place Emergency Shelter Community Advisory Board recently advised the City that as a community stakeholder the City would need to appoint a representative to promote open communication between community stakeholders concerning the operation of the program.

Staff report by Ms. Patricia A. Vazquez, City Clerk.

Motion/Second: Ramirez/Warren

Motion unanimously carried by the following vote:

AYES: 5 (Ramirez, Shawver, Taylor, Van, and Warren)

NOES: None

ABSTAIN: None

ABSENT: None

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. Appointed Council Member Gary Taylor to serve as the City's representative on the Bridges at Kraemer Place Emergency Shelter Community Advisory Board.

Ms. Patricia A. Vazquez, City Clerk reported that the City Council will also need to appoint a Council Member to serve as a representative on the Orange County Housing Finance Trust via a revised Mayor's Appointment List at the next regularly scheduled City Council meeting.

## **DRAFT**

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

Christopher Aguilera, Senior Filed Representative, Office of Assemblywoman Sharon Quirk-Silva provided the City Council with an update on their current operations and invited the City Council and Stanton residents to attend the open house and grand opening of Assemblywoman Sharon Quirk-Silva's new district office on June 27, 2019.

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

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

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

- Council Member Warren reported on her attendance at the Norm Ross Sports Complex community outreach meeting, which was held on June 17, 2019.
- Council Member Warren provided the City Council with an update on the departure of the City of Huntington Beach from the Public Cable Television Authority (PCTA).
- Council Member Van reported that the Stanton Branch Library's re-grand opening will occur on July 6, 2019.
- Council Member Van reported on her attendance at the League of California Cities Advanced Leadership Workshop which was held on June 21, 2019.
- Council Member Van reported on her attendance at the Stanton Collaborative meeting which was held on June 24, 2019.
- Mayor Pro Tem Ramirez requested that staff report on the City's current graffiti app.
- Council Member Taylor reported on the Orange County Vector Control District's West Nile Virus alerts and cases within the City and County of Orange.
- Mayor Shawver reported on his attendance at the Norm Ross Sports Complex community outreach meeting, which was held on June 17, 2019.
- Mayor Shawver reported on his attendance at the Youth Leaders of Orange County (YLOC) event which was held on June 16, 2019.
- Mayor Shawver reported on upcoming changes to the Mayor's Appointments Listing.
- Mayor Shawver reported on the upcoming 4<sup>th</sup> of July holiday and the City's regulations and enforcement.

## **DRAFT**

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

None.

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

None.

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

None.

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

- Mr. Jarad L. Hildenbrand, City Manager reported on the upcoming community meetings to discuss the future Norm Ross Sports Complex renovations which will be held on July 2, 2019 and July 10, 2019.
- Mr. Jarad L. Hildenbrand, City Manager expressed his gratitude and best wishes to outgoing Community and Economic Development Director Ms. Kelly Hart.
- The City Council expressed their gratitude to outgoing Community and Economic Development Director Ms. Kelly Hart.

### **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.

Lieutenant Nate L. Wilson provided the City Council with an update on their current operations.

### **18. ADJOURNMENT** Motion/Second: Shawver/ Motion carried at 8:18 p.m.

---

MAYOR/CHAIRMAN

ATTEST:

---

CITY CLERK/SECRETARY



## CITY OF STANTON

### REPORT TO THE CITY COUNCIL

**TO:** Honorable Juneor and City Council

**DATE:** July 23, 2019

**SUBJECT: JUNE 2019 INVESTMENT REPORT**

#### **REPORT IN BRIEF:**

The Investment Report as of June 30, 2019 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 June 2019.

#### **BACKGROUND:**

The attached reports summarize the City investments and deposit balances as of June 2019. 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 investments in the State Treasurer's Local Agency Investment Fund (LAIF) and in PFM's California Asset Management Program (CAMP) continue to be available on demand. The effective yield on LAIF for the month of June 2019 was 2.43%. 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 2.23%. Including LAIF and the City's deposit in the Bank of the West money market account, the weighted investment yield of the portfolio is 2.32%, which is below the benchmark LAIF return of 2.43% due to a 248% increase in the LAIF rate over the past two years.

The weighted average maturity of the City's investments on June 2019 is 808 days. Including LAIF and a money market account, it is 453 days. LAIF's average maturity on

June 30, 2019 was approximately 173 days.

With a weighted average maturity of 2.20 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 2018-19 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 \$47.7 million portfolio with \$26.2 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**

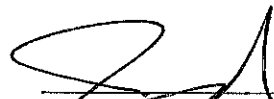
4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:



Stephen M. Parker, CPA  
Assistant City Manager/Treasurer

Approved:



Jarad L. Hildenbrand  
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**  
**June 30, 2019**

Investment Type	Issuer	Date of Maturity	Interest Rate	Gasb 31 Value	Cost	% of Total	Market Value	Market Value Source
LAIF and BOW General Acct - City	State of California/ BOW	On Demand	2.43% N/A	\$ 5,048,810	\$ (1,307,583)	-2.74%	\$ (1,307,582)	LAIF
State Pool (LAIF) - HA Portion	State of California	On Demand	2.43%	\$ 17,686,983	\$ 17,686,983	37.04%	\$ 17,686,984	LAIF
Investments <sup>2</sup>	Various	Various	Various	\$ 26,681,112	\$ 26,159,240	54.78%	\$ 26,745,923	Bank of the West
California Asset Management Plan	PFM Asset Management	On Demand	2.48%	\$ 5,211,929	\$ 5,211,929	10.91%	\$ 5,211,929	PFM
Money Market Account	Bank of the West	On Demand	0.29%	\$ -	\$ -	0.00%	\$ -	Bank of the West
Subtotal - Investments				\$ 47,750,569	\$ 47,750,569	100.00%	\$ 48,337,255	
Imprest Accts & Petty Cash	Bank of the West	On Demand	N/A	N/A	\$ 102,273		\$ 102,273	Bank of the West
Subtotal - Deposits				\$ 102,273	\$ 102,273		\$ 102,273	

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

453	2.32%
Weighted Average Maturity (days)	Yield

\$ 47,852,843

\$ 48,439,529

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

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

<sup>3</sup> 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 2018-19 Investment Policy.

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

**CITY OF STANTON  
INVESTMENTS  
MAY 2019**

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)	Per Value	Purchase Amount	Current Market Value
U.S. Government Agency Securities:  Chandler Asset Management Chandler Asset											

CITY OF STANTON  
INVESTMENTS  
MAY 2019

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	
Multi-Bank Securities, Inc. Cantella & Co., Inc First Empire Securities Cantella & Co., Inc First Empire Securities First Empire Securities Cantella & Co., Inc Cantella & Co., Inc Multi-Bank Securities, Inc. Cantella & Co., Inc First Empire Securities First Empire Securities Stifel, Nicolaus & Company, Inc. Stifel, Nicolaus & Company, Inc. Stifel, Nicolaus & Company, Inc. Stifel, Nicolaus & Company, Inc. Cantella & Co., Inc Stifel, Nicolaus & Company, Inc. Stifel, Nicolaus & Company, Inc. Cantella & Co., Inc Stifel, Nicolaus & Company, Inc. Stifel, Nicolaus & Company, Inc. Cantella & Co., Inc Stifel, Nicolaus & Company, Inc.	Capital One Bank USA	140420252	2.35%	2.35%	100.00	03/15/17	3/15/2022	NC	248,000	248,000	248,680	
	JP Morgan Chase Bank NA	48126XD93	2.35%	2.35%	100.00	03/16/17	3/16/2022	9/16/2019	248,000	248,000	249,082	
	BMO Harris, NA	05581WINK7	2.00%	Variable	100.00	03/29/17	3/29/2022	9/29/2019	248,000	248,000	247,722	
	Synchrony Bank	87166EL96	2.40%	2.40%	100.00	05/19/17	5/19/2022	NC	247,000	247,000	247,993	
	American Eagle Bank	02554BCN9	2.10%	2.10%	100.00	06/08/17	5/23/2022	NC	150,000	150,000	149,343	
	First Bank of Highland Park	319141GL5	2.10%	2.10%	100.00	6/21/2017	6/21/2022	NC	247,000	247,000	245,856	
	Goldman Sachs Bank USA	38148PK04	2.35%	2.35%	100.00	6/21/2017	6/21/2022	NC	247,000	247,000	247,632	
	Capital One NA	14042RGN5	2.30%	2.30%	100.00	7/19/2017	7/19/2022	NC	247,000	247,000	247,153	
	Sallie Mae Bank	795450B61	2.30%	2.30%	100.00	7/27/2017	8/2/2022	NC	248,000	248,000	248,074	
	American Express Centurion Bank	02587DVA7	2.35%	2.35%	100.00	8/3/2017	8/8/2022	NC	247,000	247,000	248,219	
	Fidelity Co-Operative Bank	316077CV6	1.70%	1.70%	99.60	8/4/2017	8/9/2022	8/9/2019	248,004	248,004	248,542	
	American Express Bank, FSB	02587CFU9	2.40%	2.40%	100.00	8/22/2017	8/29/2022	NC	247,000	247,000	246,410	
	Allegiance Bank Texas	01748DB81	2.65%	2.65%	100.00	4/11/2019	2/14/2023	NC	249,000	249,000	250,778	
	First Choice Bank	319481B15	2.79%	2.45%	99.60	4/12/2019	3/22/2023	9/22/2019	248,004	248,004	249,224	
	Mountain America FCU	62394RAF3	2.84%	3.00%	100.00	4/9/2019	3/27/2023	NC	249,000	250,484	253,659	
	EagleBank	27002YEL6	2.65%	2.65%	100.00	4/30/2019	4/28/2023	NC	249,000	249,000	250,347	
	University of Iowa Community Credit Union	914351AG2	2.92%	3.05%	100.50	4/25/2019	5/15/2023	NC	248,000	249,240	252,858	
	Merritt Bank	59013J7P8	2.60%	2.60%	100.00	4/23/2019	8/23/2023	NC	249,000	249,000	249,324	
	First Technology Federal Credit Union	33719LCL7	3.35%	3.35%	100.00	9/21/2018	9/27/2023	NC	240,000	240,000	247,452	
	Morgan Stanley, NA	61690UDW7	3.10%	3.10%	100.00	2/7/2019	2/7/2024	NC	246,000	246,000	251,119	
	Morgan Stanley Private Bank	61760AVJ5	3.10%	3.10%	100.00	2/7/2019	2/7/2024	NC	246,000	246,000	251,119	
	Bank Hapoalim B. M.	06251AW48	2.90%	2.90%	100.00	4/24/2019	3/25/2024	NC	250,000	250,000	252,973	
	Healthcare Systems FCU	42228LA03	2.65%	2.65%	100.00	4/25/2019	4/25/2024	NC	246,000	246,000	246,098	
	Main Street Bank	56065GAG3	2.60%	2.60%	100.00	4/26/2019	4/26/2024	NC	249,000	249,000	248,537	
Comerstone Community Bank	219240BY3	2.60%	2.60%	100.00	5/17/2019	5/14/2024	NC	249,000	249,000	248,460		
Bank of New England	06426KBE7	2.65%	2.65%	100.00	5/23/2019	5/23/2024	NC	249,000	249,000	249,010		
										10,810,000	10,810,742	10,828,056.95
Medium-Term Corporate Notes:												
Chandler Asset Management	Oracle Corp	63839XAX3	1.28%	2.25%	103.16	08/11/16	10/08/19	NC	125,000	128,744	125,009	
Cantella & Co., Inc	Toronto-Dominion Bank	89114QBUI	2.00%	1.90%	99.82	12/15/17	10/24/19	NC	250,000	249,543	249,655	
Cantella & Co., Inc	Barclay's Bank PLC	06744GFU0	2.00%	2.00%	100.00	08/11/17	08/25/20	8/25/2019	500,000	500,000	498,505	
Chandler Asset Management	American Honda Finance	02665WAZ4	2.05%	2.45%	101.22	04/20/17	09/24/20	NC	125,000	126,851	125,259	
Cantella & Co., Inc	Credit Agricole	22533AA31	3.00%	3.00%	100.00	09/28/18	09/28/20	9/28/2019	400,000	400,000	400,512	
Multi-Bank Securities, Inc.	Credit Agricole	22533AA31	3.00%	3.00%	100.00	09/28/18	09/28/20	9/28/2019	500,000	500,000	500,840	
Chandler Asset Management	Visa Inc	92826CAB8	1.49%	2.20%	102.56	09/01/16	12/14/20	NC	150,000	154,404	150,236	
Chandler Asset Management	Exxon Mobil Corp	30231GAV4	2.18%	2.22%	101.77	02/29/16	03/01/21	2/1/2021	125,000	126,465	125,346	
Chandler Asset Management	Berkshire Hathaway	094670BQ0	1.54%	2.20%	102.76	08/16/16	03/15/21	2/15/2021	100,000	102,896	100,277	
Chandler Asset Management	State St Corp	857477AV5	1.98%	1.95%	99.49	05/23/16	05/19/21	NC	125,000	124,784	124,874	
Chandler Asset Management	Microsoft Corp	594918BP8	1.58%	1.55%	99.87	09/08/16	06/08/21	7/8/2021	85,000	84,899	84,277	
Chandler Asset Management	Paccar Financial Corp	69371RN44	1.68%	1.65%	99.59	08/11/16	08/11/21	NC	125,000	124,810	123,854	
Chandler Asset Management	John Deere Capital Corp	24422ETL3	2.68%	2.65%	100.26	01/03/17	01/06/22	NC	130,000	129,964	131,396	
Chandler Asset Management	US Bancorp	91159HHP8	2.68%	2.63%	100.37	01/19/17	01/24/22	NC	125,000	125,657	126,336	
First Empire Securities	Apple Inc	037833AY6	2.10%	2.15%	100.20	10/23/17	02/09/22	NC	500,000	501,000	501,965	
Multi-Bank Securities, Inc.	Capital Impact Partners	14020AZA1	2.50%	2.50%	100.00	10/23/17	10/15/22	NC	500,000	500,000	491,120	
First Empire Securities	Toyota Motor Credit Corp	89236TEL5	2.78%	2.70%	99.83	01/25/18	01/11/23	NC	250,000	249,075	254,015	
First Empire Securities	Toyota Motor Credit Corp	89236TEL5	3.01%	2.70%	98.85	02/01/19	01/11/23	NC	300,000	296,550	304,818	
First Empire Securities	U.S. Bank NA Cincinnati	90331HNL3	2.98%	2.85%	99.60	02/04/19	01/23/23	12/23/2022	250,000	249,000	254,540	
First Empire Securities	Barclay's Bank PLC	08744CFP8	3.00%	3.00%	100.00	01/26/18	01/26/23	1/26/2020	250,000	250,000	246,540	
First Empire Securities	Wells Fargo Bank	94988J5R4	3.61%	3.55%	99.74	09/21/18	08/14/23	NC	500,000	498,720	521,870	
First Empire Securities	Wells Fargo Bank	94988J5R4	3.75%	3.55%	99.14	12/03/18	08/14/23	NC	400,000	396,560	417,496	
First Empire Securities	Bank of America Corp	06048WZB9	3.25%	3.25%	100.00	2/15/2019	2/15/2024	2/15/2020	250,000	250,000	251,018	
Cantella & Co., Inc	Bank of America Corp	06048WZJ2	3.25%	3.25%	100.00	3/19/2019	3/19/2024	3/19/2020	500,000	500,000	495,860	
First Empire Securities	Bank of America Corp											

Subtotal Investments  
Prior Year Adjustment GASB 31  
Investments Held With Bank of the West

808 days  
WAMI

26,681,112 26,734,525  
(575,285)  
26,681,112 26,159,240  
26,745,923

Local Agency Investment Fund (LAIF) - City Portion  
Local Agency Investment Fund (LAIF) - HA Portion

State Treasurer's Pool  
State Treasurer's Pool

5,048,810 (1,307,583)  
17,686,983 17,686,983  
(1,307,582)  
17,686,984

CITY OF STANTON  
INVESTMENTS  
MAY 2019

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
PFM Money Market Acct	California Asset Management Program (CAMP) Bank of the West		2.43% 0.20%				7/1/2019 7/1/2019		5,211,929 0	5,211,929 0	5,211,929 0
Total Investments											
Total Money Market, LAIF and Investments			2.32% Weighted Average Yield	incl LAIF, CAMP, Investments, and money market			453 WAM	days	54,628,835	47,750,569	48,337,255

**CITY OF STANTON**  
**CASH AND INVESTMENT BALANCES BY FUND TYPE**  
**June 30, 2019**

Fund Type	Cash and Investments	Totals
<b>General Fund:</b>		
Pooled	\$ 3,328,284	
Other Accounts *	31,473,442	\$ 34,801,726
<b>Special Revenue, Capital Projects and Enterprise Funds:</b>		
Gas Tax	114,395	
RMRA	271,876	
Measure M	383,461	
Fire Emergency Services	38,977	
Lighting & Median Maint.	1,938,154	
Housing Authority	1,630,204	
Sewer Maintenance	4,152,004	
Other	2,183,610	10,712,680
<b>Internal Service Funds</b>		1,452,658
<b>Trust Funds</b>		885,778
<b>Total Cash and Investment Balances</b>		<b>\$ 47,852,843</b>

\* Money Market, Housing Authority Fund, 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:** July 23, 2019

**SUBJECT: JUNE 2019 INVESTMENT REPORT (SUCCESSOR AGENCY)**

#### **REPORT IN BRIEF:**

The Investment Report as of June 30, 2019 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 June 2019.

#### **BACKGROUND:**

The attached reports summarize the Successor Agency investments and deposit balances as of June 2019. 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 investments in the State Treasurer's Local Agency Investment Fund (LAIF) and California Asset Management Plan (CAMP) continue to be available on demand. The effective yield on LAIF for the month of June 2019 was 2.43%, while the effective yield on CAMP was 2.48%.

The Agency's investments are shown on Attachment A and have a weighted investment yield of 1.33%, which is below the benchmark LAIF return of 2.43%, 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 June 30, 2019 is 1 day. LAIF's average maturity at June 30, 2019 is approximately 173 days.

**FISCAL IMPACT:**

All deposits and investments have been made in accordance with the City's 2018-19 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 City Manager/Treasurer



Jarad L. Hildenbrand  
City Manager

**Attachments:**

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

**SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY  
INVESTMENTS AND DEPOSITS  
June 30, 2019**

Investment Type	Institution	Issuer/ Broker	Date of Maturity	Interest Rate	Gasb 31 Value	Cost	Market Value	MV Source
								LAIF
LAIF and BOW General Acct	State of California/ BOW	State of California	On Demand	2.44% N/A	\$ 5,048,810	\$ 4,153,161	\$ 4,153,162	LAIF
Clawback - Demand Deposits/Money Market Account	Bank of the West	Bank of the West	On Demand	N/A	3,311,064	3,311,064	3,311,064	Bank of the West
								Bank of the West

Total Cash Investments and Deposits

**\$ 7,464,225 \$ 7,464,226**

Bond Funds Held by Trustees:

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
<b>2010 Tax Allocation Bonds (Tax-Exempt)</b>									
Principal:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$16.85	\$16.85	\$16.85	US Bank
Interest:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$14,080.75	\$14,080.75	\$14,080.75	US Bank
Special Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$15.21	\$15.21	\$15.21	US Bank
Reserve Account:									
Cash Equivalent	LAIF	US Bank	99LA009W8	On Demand	2.43%	\$1,135,000.00	\$1,135,000.00	\$1,135,000.00	US Bank

Total 2010 Tax Allocation Bonds (Tax-Exempt)

\$1,149,113 \$1,149,113

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
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2016 Series A and B									
Debt Service Fund									
Cash Equivalents	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$493,169.27	\$493,169.27	\$493,169.27	US Bank
Principle Account					0.83				
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$151.83	\$151.83	\$151.83	US Bank
Interest Account									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$10.85	\$10.85	\$10.85	US Bank

Total 2016 Series A and B

\$ 493,332 \$493,331.95

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%	\$568,669.70	\$568,669.70	\$568,669.70	US Bank
Interest Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$22.04	\$22.04	\$22.04	US Bank
Principle Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	60.05	\$60.05	\$60.05	US Bank

Total 2016 Series C and D

\$ 568,752 \$568,751.79

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

\$2,211,197 \$2,211,197

#### 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****June 30, 2019**

<b>Fund</b>	<b>Cash Balance</b>
712 Redevelopment Obligation Retirement Fund	4,556,392
731 Successor Agency Admin Fund	(403,231)
741 Successor Agency Project Fund	-
741 Cash DDR Clawback	3,311,064

**TOTAL CASH BALANCE****\$ 7,464,225**

**CITY OF STANTON**  
**REPORT TO CITY COUNCIL**

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

**DATE:** July 23, 2019

**SUBJECT: APPROVAL OF SELECTION OF TELECOMMUNICATIONS VENDOR**

**REPORT IN BRIEF:**

Staff conducted research and obtained nine quotes and is recommending that City Council approve moving forward with CommandLink as the City's telecommunications provider.

**RECOMMENDED ACTION:**

1. That City Council declare that the project is exempt from the California Environmental Quality Act ("CEQA") under section 15061(b)(4) – the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.
2. That City Council authorize the Assistant City Manager to execute the attached CommandLink sales order form and any additional documents necessary to move telecommunications services to CommandLink.

**BACKGROUND:**

In July, 2016, the City signed an agreement with BCN (now SolEx) to provide phone and internet services to four City-owned sites: City Hall, Corporate Yard, Family Resources Center and Stanton Central Park. At that point the City had just reached the end of a three year agreement with TelePacific. The BCN agreement called for a three year exclusivity contract, and that contract is reaching its conclusion at the end of this month.

**ANALYSIS/JUSTIFICATION:**

In January staff began discussions with IntelesysOne, our existing Mitel phone supporter to provide a pricing comparison of alternative telecommunications options, with an emphasis on improved uptime, communication between sites and increased redundancies. A few months later, Verizon Wireless and subsequently C3 Technology Services, the City's IT contractor also obtained quotes for all City telecommunications.

IntelesysOne, Verizon and C3 all agreed that a Software-Defined Wide Area Networking (SD-WAN) approach would work best for the various sites in the City to communicate to each other most reliably. See attachment C for more information about SD-WAN.

In addition, Verizon let the City know about the possibility of having a 4G backup at each of the City's four sites that would automatically be in effect if any site went down. This redundancy was highly valued, and requested in each of the quotes the City received.

Below is a chart of the existing internet type and speed at each City-owned location along with the type and speed that was requested in quotes.

Location	Internet Type	Internet Speed	New Type	New Speed
City Hall	Cable Internet	100MB/10MB	Cable Internet	100MB/10MB
Corporate Yard	Point to Point	1.5MB	Fiber	10MB/10MB
Family Resources Center	Cable Internet	15MB/2MB	Cable Internet	100MB/10MB
Stanton Central Park	Cable Internet	45MB/6MB	Ethernet over Copper	10MB/10MB

As you can see, the City is either staying at par (City Hall), improving reliability in internet type (Corporate Yard and Stanton Central Park) or improving the internet speed (Family Resources Center and Corporate Yard) at each facility.

Representatives from staff, C3, IntelesysOne and Verizon met on multiple occasions to review and research options to determine the most appropriate and cost-effective solution for the City. We received nine total bids from seven companies, including two from our existing vendor, SolEx.

After a thorough evaluation, staff is recommending the City move forward with CommandLink. CommandLink provided the City with the least expensive option of those evaluated. In addition, CommandLink required no initial costs, as opposed to almost \$2,000 for the next highest-rated vendor. CommandLink was also determined to have the best support, with 24/7 dedicated Tier 3 Engineering Support. C3, who will troubleshoot any issues before contacting CommandLink was also pleased with their ability to monitor the system remotely with CommandLink as well. You can learn more about CommandLink by reviewing attachment B.

Some aspects of the City's existing bill have terms that expire later than July, but within the next year. As such, the CommandLink Sales Order Form attached excludes those services. Once the services reach their contract end date, staff will move forward with transitioning them to CommandLink as well.

**FISCAL IMPACT:**

Despite improved services such as internet reliability with SD-WAN, more reliable internet delivery and a 4G backup at every site, moving forward with CommandLink would reduce recurring costs excluding taxes by \$262.52 per month compared to the City's existing services.

**ENVIRONMENTAL IMPACT:**

Not applicable.

**LEGAL REVIEW:**

None.

**PUBLIC NOTIFICATION:**

Through the normal agenda process.

**STRATEGIC PLAN OBJECTIVE ADDRESSED:**

4. Ensure Fiscal Stability and Efficiency in Governance

Prepared By:



Stephen M. Parker, CPA  
Assistant City Manager

Approved By:



Jared L. Hildenbrand  
City Manager

**Attachments:**

- A. CommandLink Sales Order Form
- B. CommandLink Overview
- C. SD WAN Solution Overview

## CommandLink

Digital Transformation Infrastructure Company  
Strategy | Services | Deployment | Support | One Platform

### SALES ORDER FORM

#### Customer & Order Information:

Customer Name:	City of Stanton	Sales Rep:	David Huddleston
Corp Address:	7800 Katella Ave	Sales Rep Phone:	425.375.0575
City/State/Zip:	Stanton CA 90680	Sales Rep Email:	davidh@commandlink.com
Contact Name:	Stephen Parker	Sales Rep Title:	Channel Sales Director
Contact Phone:	714-890-4266	Order Date:	7/2/2019
Contact Email:	sparker@ci.stanton.ca.us	Order Expiration Date:	7/2/2019
Billing Address:	7800 Katella Ave	Payment Terms:	Month to Month
Billing City/ST/ZIP:	Stanton CA 90680		
Billing Email:	SParker@ci.stanton.ca.us		
Federal ID#:			

#### Services Ordered:

##### City Hall – 7800 Katella Ave, Stanton CA 90680

Service Type	Term	Qty	Unit MRC	Unit NRC	Subtotal MRC	Subtotal NRC
Sip Trunk (PRI)	36	15	10.00	0.00	150.00	0.00
DID's	36	99	0.50	0.00	49.50	0.00
Customer Provided Access (Spectrum 100/10m)	36	1	0.00	0.00	0.00	0.00
4G/LTE (1GB Pool)	36	1	35.00	0.00	35.00	0.00
SD-WAN Link 25 Advanced	36	1	121.00	0.00	121.00	0.00
IAD Device (PRI)	36	1	45.00	0.00	45.00	0.00
Professional Install	NA	1	Waived	Waived	Waived	Waived
CommandLink SaaS Platform	36	1	Waived	Waived	Waived	Waived

##### Community Center – 11822 Santa Paula St Stanton CA 90680

Service Type	Term	Qty	Unit MRC	Unit NRC	Subtotal MRC	Subtotal NRC
Cable Broadband 100/10m	36	1	145.00	0.00	145.00	0.00
4G/LTE (1GB Pool)	36	1	35.00	0.00	35.00	0.00
SD-WAN Link 25 Advanced	36	1	121.00	0.00	121.00	0.00
Professional Install	NA	1	Waived	Waived	Waived	Waived
CommandLink SaaS Platform	36	1	Waived	Waived	Waived	Waived

##### Corp Yard – 8100 Pacific St Stanton CA 90680

Service Type	Term	Qty	Unit MRC	Unit NRC	Subtotal MRC	Subtotal NRC
Dedicated internet Access (DIA) 10Mbps	36	1	577.00	0.00	577.00	0.00
4G/LTE (1GB Pool)	36	1	35.00	0.00	35.00	0.00
SD-WAN Link 25 Advanced	36	1	121.00	0.00	121.00	0.00
Professional Install	NA	1	Waived	Waived	Waived	Waived
CommandLink SaaS Platform	36	1	Waived	Waived	Waived	Waived

##### Central Park – 10660 Western Ave Stanton CA90680

Service Type	Term	Qty	Unit MRC	Unit NRC	Subtotal MRC	Subtotal NRC
Dedicated internet Access (DIA) 10Mbps	36	1	250.00	0.00	250.00	0.00
4G/LTE (1GB Pool)	36	1	35.00	0.00	35.00	0.00
SD-WAN Link 25 Advanced	36	1	121.00	0.00	121.00	0.00
Professional Install	NA	1	Waived	Waived	Waived	Waived
CommandLink SaaS Platform	36	1	Waived	Waived	Waived	Waived

<b>Total MRC</b>	<b>Total NRC</b>
\$1840.50	0.00



THIS ORDER FORM ("Order Form") shall outline the products and/or services (collectively, the "Services") to be provided by CommandLink, LLC ("CommandLink") to the customer identified herein ("Customer"). This Order Form and the delivery, installation and provision of Services shall be subject to CommandLink's Master Service Agreement ("MSA") and CommandLink's Service Level Agreement ("SLA"), which can both be found at <https://www.commandlink.com/terms-of-service>. The MSA and SLA shall be expressly incorporated herein and shall be binding on Customer.

If this Order Form is not executed by CommandLink, CommandLink's provisioning of the Services shall indicate its acceptance of the Service Agreement. **Customer shall pay CommandLink an Early Termination Fee as set forth in the MSA if Services are terminated prior to the minimum term ("Min. Term") specified herein.** Customer shall be responsible for costs and/or fees associated with additional Services that are performed by, or additional Products are provided by, CommandLink that are not specified herein.

This Order Form may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. A facsimile, electronic or portable document format ("PDF") transmitted copy of this Order Form executed by one of the parties hereto shall be accepted as a copy of this Order Form originally executed by such party.

"MRC" means monthly recurring charge, which Customer can expect to be invoiced for pursuant to the terms of the MSA on a monthly basis. "NRC" means non-recurring charge, which Customer can expect to be invoiced for such charges only once upon the installation and delivery of the Services.

NOTE: BandwidthLink network connectivity services are subject to a site survey and build verification by the specific underlying vendor prior to ensuring services are available at the quoted pricing.

**Special Service Information:**

Please provide any installation notes or special contact instructions below, however, please note that any information inserted herein does not alter or modify this Order Form, MSA or SLA: \_\_\_\_\_

**Location Information:**

Locations Address: TBD on Design and Review call

Building/Floor/Suite Information: \_\_\_\_\_

On-Site Contact Name: Stephen Parker

On-Site Contact Phone & Email: SParker@ci.stanton.ca.us

DMARC Extension Requested?: ☐ YES ☐ NO

Requested Service Activation Date: TBD in Design review call

Customer Move-in Date to Location: TBD

Other Relevant Location Notes: TBD

**Accepted and Agreed:**

**COMMANDLINK, LLC**

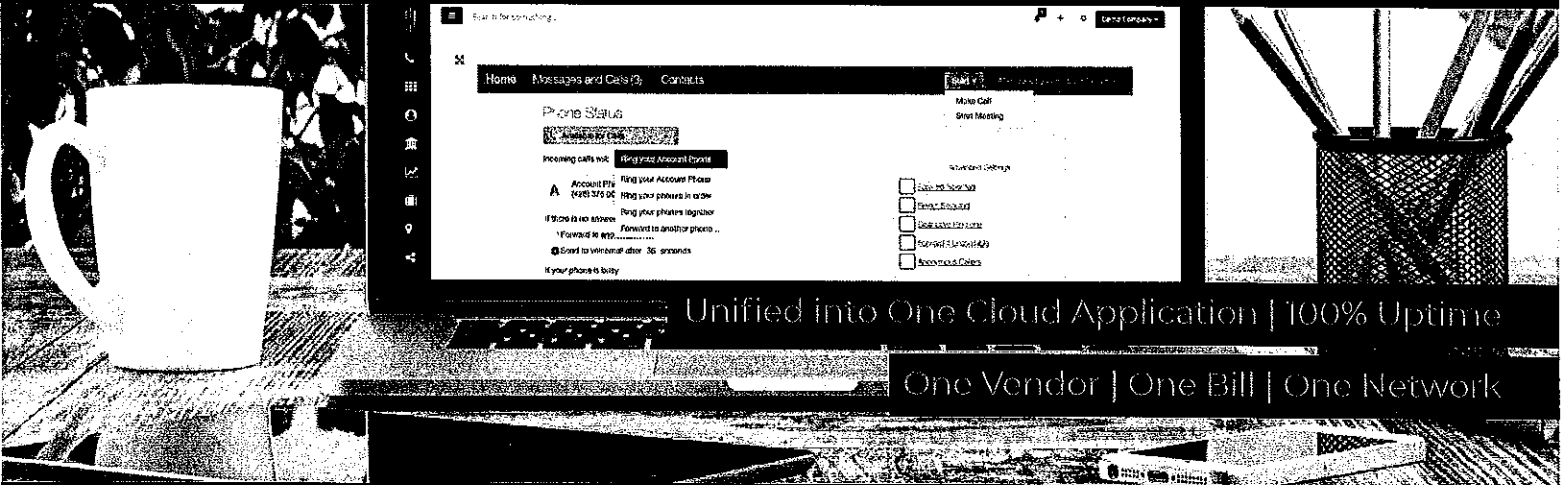
**Customer: City of Stanton**

By: David Huddleston  
Name: David Huddleston  
Title: Director of Channel Sales

By: \_\_\_\_\_  
Name: Stephen Parker  
Title: \_\_\_\_\_

# Command||Link

## Cloud Phone System + SD-WAN + Security + Internet



## Single Source Voice & Data | Easy to Use | 100% Accountability

Industry leading Cloud Phone System available on all of your devices delivering calling, text, and web meetings integrated with SD-WAN network connectivity and security for an always connected cloud experience.

No Downtime - 100% Uptime SLA

• Rapid Config Changes

• Easy to use Cloud Control & Reporting

**Eliminate Phone Company Tier 1 Support Hell**  
24/7 Dedicated Tier3 Engineering POD Support.

**Deployments by Certified Project Managers**  
Over communications and seamless migrations by experienced experts w/ Real-time updates.

**One Software Platform | Control & Visibility**  
All of your services, support, real-time visibility and reporting are available in our proprietary Web application.

**100% Accountability with 100% Uptime**  
We own our own next generation nationwide network capable of delivering multiple circuits, connecting you to our 100% uptime network all backed by our 100% Uptime Command||SLA.

## Full Stack Technology Partner

**SaaS Platform**

Network & Communications Management System  
CRM  
Customer Service Software & Support Case System  
Sales Automation, Engagement & Opportunity System

**API Connect**

Class 5 Voice Network

Software Defined Network

Carrier Layer 2/3 Network

**Strategy & Design**

**Deployment**

**Management**

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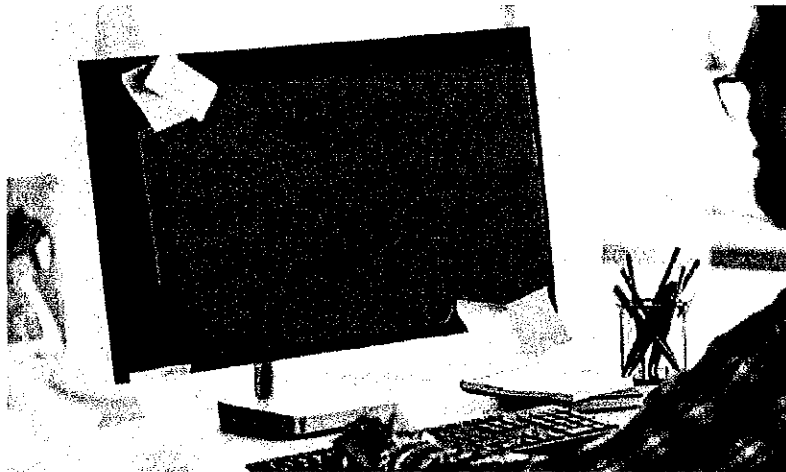
**UCaaS||Link**  
Unified Cloud Communications

**SDWAN||Link**  
Software Defined Cloud Networking

**SECURITY||Link**  
Managed Security Service

**SIP||Link**  
Flexible Calling Integration

**BANDWIDTH||Link**  
Managed Internet Access Anywhere

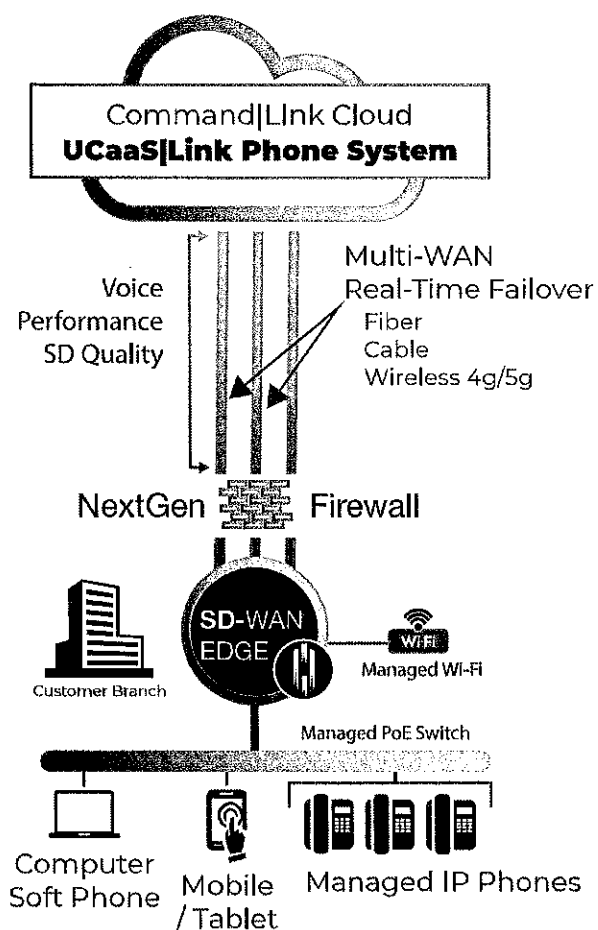


## Enterprise Cloud Phone System Features

- CALLING
- TEXT
- CHAT & PRESENCE
- WEB CONFERENCE
- SCREEN SHARE MEETINGS
- COLLABORATION & WHITEBOARD
- COMMAND|LINK ADMIN PLATFORM
- CUSTOM CALL ROUTING
- 1000+ CALLING FEATURES

### End-2-End **Quality & Reliability**

Your Office to Our Cloud



### **Unlimited Calling**

Packages Starting @  
\$21 /user

### **Connect & Collaborate** - All Devices

Desk IP Phone | Computer | Mobile | Tablet

UCaaS|Link is your enterprise phone and collaboration system hosted in our secure cloud. Our system empowers your business with productivity enhanced communication features, connecting you to your customers, staff and partners, any time, and on any device. The platform is easy to use and manage from our intuitive web interface, providing you with real-time control and visibility into your business' communications.

### **Integrated SD-WAN** - 100% Uptime SLA

- Multi-WAN Realtime - Instant Auto-Failover
- Geo-Redundant Network - Built for Uptime
- Securely Connect & Network Multiple Offices

### **HD Voice** - QoS Voice Routing

- Secure tunnels directly to our voice network
- Application performance routing
- Forward error correction & traffic steering

### **Network + Internet**

- Simplify your network with accountability
- One partner for a complete solution including:
  - Internet Access: Integrate existing + New
  - Switching [w/ Power Over Ethernet]
  - Wi-Fi
  - Firewall Security
  - All services unified in One SaaS App

[www.CommandLink.com](http://www.CommandLink.com)

# SD-Analytics Cloud Platform

Network & Application **Visibility + Reporting**

# CommandLink

One Partner | 100% Accountability

## Network Problems

Leading industry research highlights Networks will see a 28% compound annual growth rate for bandwidth. While 50% of application deployments will suffer performance impact due to networking limitations. There will be a three-fold increase in security attacks year over year.

Therefore, more important than ever, network visibility and control, predictability, adaptability and a feedback loop based on analytics data is a necessity for a trouble free and secure network.

## See Everything & Solve Problems

A strong analytics solution increases both the degree of seeing and the degree of timely action. CommandLink Analytics is purpose-built for focused analytics to identify challenge points and get ahead of potential problems covering SD-Routing, SD-WAN, SD-Security, and the SD-locations.

CommandLink Analytics is a rich real-time big data solution that provides visibility and control, base-lining, correlation, prediction and feedback loop into the CommandLink Platform.

We provide real-time and historical search, reports on usage patterns, trends, security events, and alerts.

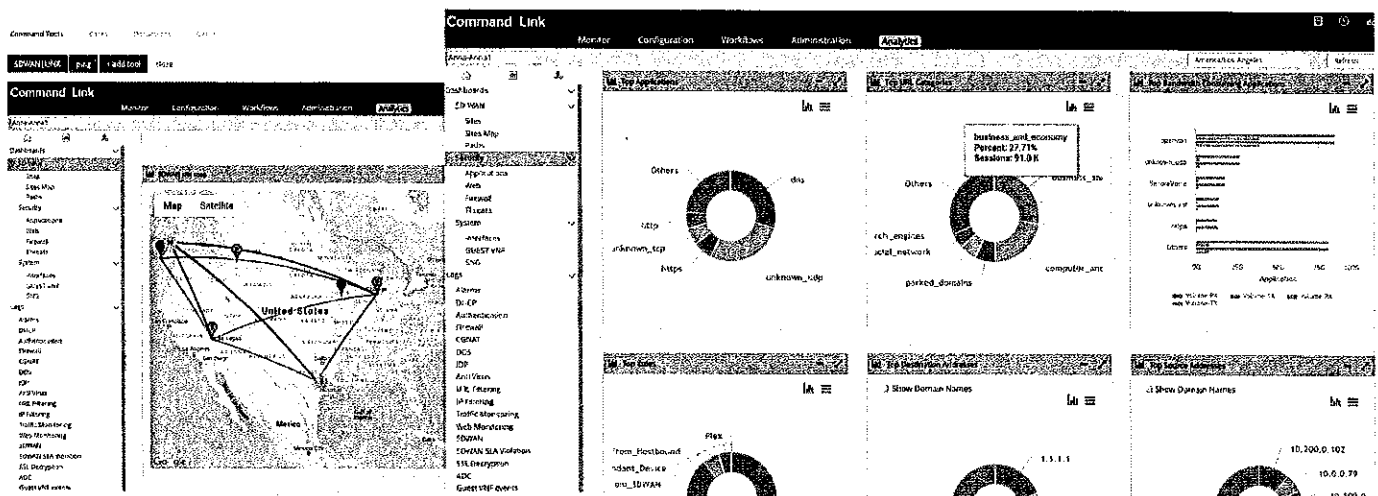
CommandLink Analytics analyzes huge amounts of data sent from the entire network to present critical data points as actionable analytics and reports.

Our platform is operations-ready and supports standard protocols and log formats, such as Syslog and IPFIX, making it compatible with existing SIEM, monitoring, and reporting systems. CommandLink Analytics is extensible and flexible via the Command|API and professional services.

The comprehensive and native capabilities, reduces costs and simplifies deployments and data analysis by reducing the dependency on various 3rd party data analytics platforms such as Solar Winds or others, greatly reducing customer costs and systems management. For multi-vendor environments, CommandLink Analytics interoperates with wellknown performance management applications and 3rd party services. The result is carrier-grade, big data analysis for realizing the full value of your network and applications.

**Analytics** is Included with our SDWAN|Link services.

## Network Routes & Map | Link Performance | Applications | User Data | Security | Threats



# Analytics Cloud Application Features for SD-WAN Services

## Data Logging Framework

Highly scalable, reliable, optimized, policy-driven data logging framework for all services

Multiple transports

Multiple log formats – IPFIX, syslog

Streaming of logs to one or more 3rd party collectors

## Reports & Analytics

Real & historical time series log event reporting for various SD-WAN Functions

Traffic usage/protocol anomaly detection through trend lines and confidence band

Prediction-based on extrapolation of trending data

Ad-hoc and scheduled reports

Predefined and custom report templates

Report export formats: csv, pdf, xls, email notification

## Search

Multi-column search with drilldown

Generic and custom queries

Correlation searches

## Network Reports

Traffic reports per site: availability, bandwidth usage per access circuit, bandwidth usage per application, latency/loss, QoS per access circuit

Multi-site reports: connectivity, bandwidth usage and SLA metrics between sites

CGNAT reports: NAT events, pool utilization etc.

## Security Reports

Firewall reports per tenant: top rules, zones, source, destination by IP/domain name/geo location, ports, protocols, session duration, QoS, DDoS and Flood detection

Application reports: top L7 applications by risk, productivity, family and sub-families based on sessions, volume and throughput

Web traffic reports: top web traffic by URL categories and reputation

Threat profile reports: URL filtering and captive portal actions, IDS/IPS, anti-virus, SSL certificate anomalies, etc.

Forensics: packet capture for known/unknown applications and detected vulnerabilities

## Anomalies

Support of anomaly detection in traffic pattern/usage

Support for custom applications to detect anomalies and take actions (send traps, program policies, etc.)

## GUI

Dashboard views for SD-WAN, security, vCPE functionality per tenant, per Customer VNF (Virtual Network Functions)

Visualization using charts, real-time views, maps, grids

Drilldown support to analyze data instantly for a given time range, detect trends and anomalies

Automatic data enrichment

Flexible reporting framework

## Management

Role-based access control + Command|API Access

Historical log archival and cleanup

## Integrated Support + Monitoring | Alerting | Auto-Support-Case Creation & Work-Flow

Eliminate reactive support & broken process. Our work-flow unifies support from monitoring of services, to alerting, to directly creating auto-support cases, assignment to Command|POD support tier3 engineers and unifying everything into ONE CLOUD APP.

### Monitor

- SD-WAN Services
- Cloud Voice & Collaboration
- CommandLink Provided
- MPLS & Internet Circuits
- Customer Provided
- CommandLink Managed
- MPLS & Internet Circuits

### Alert

- Custom alert groups
- Email Alerting
- SMS
- Variable triggers
- Customer control
- Real-time routing changes

### Auto-Support Cases

- Problem events trigger auto-support cases
- Example: Down Circuit
- Support cases are auto-created
- Support cases is auto-assigned to your dedicated Command|POD

### Command|POD Support

- Each customer is assigned to a dedicated tier3 engineering POD
- 1:1 Case ownership by Tier3 engineers
- Cases assigned to engineer based on skills, availability & direct experience with your network
- Over-Communication & Expert Help
- Complete transparency and visibility

One Cloud Application

1h SLA Config Changes

Support & Services

## About Command|Link

CommandLink empowers enterprises with a transformative digital strategic advantage leveraging our single-source full-stack technology solutions integrated into one cloud application. We build Next-Generation Software-Defined Hybrid Networks (SD-WAN) with integrated managed security, unified with Cloud Communications and Collaboration software, fully integrated into the Command|Link SaaS Platform. Our support is service workflow integrated with monitoring and alerting, auto-support-case creation, and assignment to a dedicated Command|POD team of certified tier 3 engineers backed by 100% uptime SLA options. For more information, please contact us at [sales@commandlink.com](mailto:sales@commandlink.com) or visit [www.CommandLink.com](http://www.CommandLink.com)

## CITY OF STANTON

### REPORT TO CITY COUNCIL

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

**DATE:** July 23, 2019

**SUBJECT: REVIEW OF INSURANCE COVERAGE OPTIONS**

#### REPORT IN BRIEF:

The City of Stanton has been of member of Public Entity Risk Management Authority (PERMA), an insurance Joint Powers Authority (JPA), since February 1, 1987. The City is requesting authorization to engage Bickmore, a professional risk advisor, to identify and evaluate available pool and commercial alternatives for various liability insurance coverage programs.

#### 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 approve Budget Adjustment 2020-01 appropriating funds for the review of insurance coverage options from fund balance in the Workers Compensation and Liability Risk Management Internal Service funds.
3. City Council authorize the City Manager to sign a \$25,000 professional services agreement with Bickmore for the review of insurance coverage options.

#### BACKGROUND:

The City of Stanton joined PERMA, an insurance JPA, in 1987 and is currently a member. PERMA was created in 1985 for the purpose of jointly funding programs of insurance and is a statewide agency consisting of thirty-two public entity members. The following is a list of insurance programs the City obtains through PERMA as well as the 2018/19 and 2019/20 annual premium amounts:

Insurance Program	2018/19 Annual Premium	2019/20 Annual Premium
General Liability	\$115,799.00	\$164,187.00
Workers' Compensation	\$140,497.00	\$191,911.00
Property/Auto Physical Damage	\$25,929.00	\$33,041.00

Employment Practices Liability	\$15,538.00	<b>\$16,443.00</b>
Crime Coverage	\$1,936.00	<b>\$1,936.00</b>
Cyber Liability	\$567.00	<b>\$567.00</b>
Alliant Deadly Weapon Response Program	n/a	<b>\$270.00</b>

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

Incurring increases in all but two insurance programs and not having conducted an evaluation of available pool and commercial insurance alternatives since it joined PERMA were both factors in the City seeking to conduct such study in addition to it being a healthy process. Staff sent out a statewide survey to municipalities in an effort to identify additional companies with expertise in the project subject matter. The results received identified Bickmore as the only company with past experience with similar California city research projects.

Staff has received a proposal from Bickmore, a specialist with California public agencies and their pooling programs. Their consulting division, which provides services to a public-sector client base, will manage and conduct the analysis. The project will include the City's request to look at alternatives to the City's current coverage arrangement and evaluate insurance program options. Bickmore's proposed scope of work will include the following:

1. Establish City objectives and needs by consulting with City staff including key finance, risk management and executive staff,
2. Identify and collect data from risk sharing pools and commercial insurance options capable of providing the coverage and service the City needs,
3. Review City's risk financing program documents i.e., Current Memorandum of Coverage (MOC), PERMA reports, loss histories, service plans and schedules, loss control policies and procedures and other insurance policies,
4. Evaluate and compare the current MOCs for identified pools, having analyzed and compared such documents for other cities and JPA's,
5. Review and analysis of the following elements: service capabilities, cost/pro forma analysis at various loss level assumptions, risk retention analysis and comparative analysis,
6. Quality control for consulting through the process of "peer review" by which a knowledgeable expert who is not directly involved in the work reviews, evaluates, and challenges assumptions and conclusions of the report,
7. Present summary of findings through a written executive summary of findings, conclusions and recommendations with underlying research and data attached.

Ms. Cathy Wells, MBA, CPUC, ARM, CRIS, Vice President of Risk Consulting Solutions at Bickmore will serve as the project director. Ms. Wells and her team have over 34 years of experience with a diverse background in insurance and risk management. Her experience includes service in public entity risk management, risk management consulting, insurance underwriting, insurance brokerage and account management for a variety of clients. Ms. Wells and her team have worked closely with many California public agencies in assisting them with their risk finance strategies and are prepared to start work as soon as indicated by the City. Bickmore proposes a project timeline with a start date this August and a targeted completion date of the final report in November 2019. The completion of this project before the end of the calendar year is critical. If the City determines it intends to pursue a liability coverage option outside of membership with PERMA, notice of withdrawal from the pool needs to be provided by January 1, 2020.

**FISCAL IMPACT:**

With the approval of Budget Adjustment 2020-01 this \$25,000 project will be budgeted in accounts 602.1420.608105 (Workers Compensation: Professional Services) and 603.1430.608105 (Liability Risk Management: Professional Services).

**ENVIRONMENTAL IMPACT:**

None.

**LEGAL REVIEW:**

None.

**PUBLIC NOTIFICATION:**

Through the normal agenda process.

**STRATEGIC PLAN OBJECTIVE ADDRESSED:**

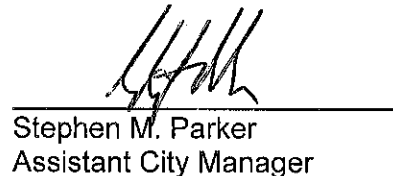
- 4. Ensure Fiscal Stability and Efficiency in Governance
- 6. Maintain and Promote a Responsive, High Quality and Transparent Government.

Prepared by:

Reviewed by:



Cynthia Guzman  
Human Resources Specialist



Stephen M. Parker  
Assistant City Manager

Approved by:



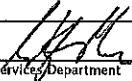
Jarad L. Hildenbrand  
City Manager

**Attachments:**

- 1. Budget Adjustment 2020-01
- 2. Bickmore Review of Insurance Coverage Options Proposal



## CITY OF STANTON BUDGET ADJUSTMENT AUTHORIZATION

Fiscal Year: 2019-20  
 Department: Administration  
 Requested By: Cynthia Guzman  
 City Council Approval: \_\_\_\_\_  
 Availability of Funds:   
 Administrative Services Department

BA # 2020-01  
 Date: July 17, 2019  
 Title: HR Specialist  
 Date: July 23, 2019  
 Title: Assistant City Manager

Transfer		Current Budget	Increase (Decrease)	Amended Amount
Account Description	Account Number			
1 Workers Compensation: Professional Services	602-1420-608105	\$ -	\$ 12,500	\$ 12,500
2 Workers Compensation: Fund Balance	602-0000-304320	\$ 778,552	\$ (12,500)	\$ 766,052
3 Liability/Risk Mgmt: Professional Services	603-1430-608105	\$ -	\$ 12,500	\$ 12,500
4 Liability/Risk Mgmt: Fund Balance	603-0000-304320	\$ 161,835	\$ (12,500)	\$ 149,335

## JUSTIFICATION:

To provide appropriation for review of risk sharing pool and alternatives.

## Budget Adjustment Request Approved:

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

\_\_\_\_\_  
 Date

## Budget Adjustment Processed:

\_\_\_\_\_  
 Date posted

\_\_\_\_\_  
 Entered by

\*\*\* PRINT ON BLUE PAPER ONLY \*\*\*

# Bickmore

## Review of Insurance Coverage Options

City of Stanton

July 10, 2019

# Bickmore

July 10, 2019

Mr. Jarad Hildenbrand  
City Manager  
City of Stanton  
7800 Katella Avenue  
Stanton, CA 90680

RE: Review of Insurance Coverage Options

Dear Mr. Hildenbrand,

It is our pleasure to provide the City of Stanton (City) with a proposal to assist in the review and analysis of risk financing strategies for the City. Bickmore is an independent risk management consulting firm recognized nationally for our work with public agencies and we appreciate this opportunity to work with you.

Based on my initial conversation with Cynthia Guzman, I understand the City belongs to PERMA's self-insurance pool. It is also our understanding that the purpose of this study is to identify other potential pooling and self-insurance/insurance alternatives and provide comparative analysis for the City.

Enclosed is our proposal for this scope of work incorporating past experience with similar California city research projects, as well as our understanding of your project goals. In overview the proposal includes:

1. The project goals and objectives;
2. Our proposed work plan;
3. The Bickmore Service Team supporting this work and their individual qualifications;
4. Work schedule; and
5. A cost proposal.

We look forward to your review and consideration of our proposal. Please do not hesitate to contact me with any questions or to discuss further.

Sincerely,



Catherine Wells, MBA, CPCU, ARM, CRIS  
Vice President, Risk Management Consulting

## Project Goals and Objectives

The purpose of this study is to identify alternative pooling and self-insurance options for the City of Stanton (City) – including pertinent aspects for specific comparison to the City’s existing PERMA participation.

### Key Elements for Review

*Viable alternative risk financing methodologies, capacity for City participation, pro-forma cost analysis, available services, and capabilities.*

As a current PERMA member, the City is familiar with risk transfer through self-insured programs and JPAs. Of the approximately 100 JPAs in California, approximately 20 provide commercial liability insurance to cities and less than 15 have exclusive (or majority) membership participation by cities. Potential participation by the City of Stanton is further narrowed by each JPA’s geographic limitations, size requirements, appetite for new membership, member self-insured retention levels, and various other considerations.

The key data points for JPAs that we will compile and review include the following.

• JPA Name	• Lines of Coverage
• JPA Location	• Coverage Terms and Conditions
• Membership Demographics	• Member Deductible/SIR Ranges
• Historical and Current Financial Metrics	• Key Coverage Highlights
• Participation Requirements	• Claims Services
• Pro Forma Premium Contribution	• Other Capabilities

In addition to JPAs, there are other self-insurance pooling methodologies available such as “risk retention groups,” “self-insurance groups,” and “safety groups.” These are not generally viable alternatives for public agency consideration in California and therefore not a fruitful area of examination. Most importantly, the enabling legislation that authorized formation of JPAs provides powerful incentives, tools, and advantages that are not available with other types of risk sharing systems.

Finally, the City may be large enough as a stand-alone entity to consider individual insurance alternatives above a large self-insured retention through the traditional commercial insurance marketplace. As JPAs are largely based on the advantages of economy of scale purchasing, this approach is generally elected by only the largest public entities that have significant individual buying power or entities with qualitative concerns (i.e. unique exposures, apprehension with shared liability) that outweigh reduced risk transfer costs. Given this perspective, we will concentrate on a broad overview and comparison of self-insurance to JPA alternatives.

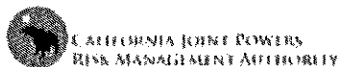
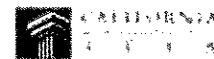
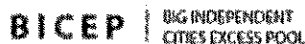
## Work Plan and Recommendations

Bickmore has worked with and analyzed the offerings of most JPAs in California. We will identify, contact, obtain information from, and compare the key data for City-eligible JPAs, and their ability to meet the City's needs, to evaluate potential participation by the City.

### Scope of Work Components

*Establish City objectives, identify JPAs, collect relevant data, compile, and review.*

1. **City Objectives and Interviews:** One aspect of the consulting process that deserves special consideration is the City's level of involvement. A specific study is somewhat different than operational consulting, where we would be working closely as part of your team, in that you are specifically requesting our expert analysis on a defined topic. We will consult with City staff (including key finance, risk management, and executive or business staff) and ask questions about the City's operations to further the project objectives and the City's needs.
2. **Identify Joint Powers Authority (JPA) Options:** Some of the possibilities we can identify include larger statewide or Southern California pools such as CJPIA, BICEP, ICRMA, PARSAC, and CJPRMA. Other possibilities include the California State Association of Counties Excess Insurance Authority (CSAC EIA), an excess pool, which includes individual municipalities and other entities and has become the world's largest property/casualty self-insurance pool. The Authority for California Cities Excess Liability (ACCEL) is another excess liability pool. In addition, some regional pools or mixed-entity pools may consider adding members. Examples of these include the Golden State Risk Management Authority (GSRMA) or Municipal Pooling Authority (MPA).



3. **Data Collection:** Bickmore maintains a database of self-insured pools whose information is publicly accessible. Public entity regulations usually require the posting of public meeting documents including Board agendas, meeting minutes, annual reports, programs, services, and service providers. Additional detail can be requested directly from the JPAs and/or via a public records act request. These two elements combined enable us to obtain a significant amount of risk transfer data for Pool members through single points of research.

## Highlights on Analysis

The critical step in the work plan is the application of experience. We believe this is where Bickmore has a distinct advantage because of our extensive knowledge of public entity risk pooling and “hands-on” experience as risk managers.

### **Scope of Work Components (Continued)**

*Establish City objectives, identify JPAs, collect relevant data, compile, and review.*

4. **Compilation, Analysis, and Review:** This component of the Scope of Work is comprised of several sections as outlined below.

- a. Document Review - We will review available information about the City’s risk financing program to grasp its scope and identify some of the major issues. Documents we would like to review include the following.

Current Memorandum of Coverage (MOC)	Other Insurance Policies
Reports from PERMA	Loss Histories
Financial Model (if any)	Assessments and Charges
City Loss Control Policies and Procedures	Service Plans and Schedules

Bickmore will also evaluate and compare the current MOCs for identified pools, having analyzed and compared such documents for other cities and JPA’s.

- b. Analysis - We will review the information gathered in the prior steps and develop the data analysis for the City. This analysis includes the following elements.
- *Service capabilities: Analysis of data from prior service capability evaluations performed through surveys and requests for information for each of the pools.*
  - *Cost/pro forma analysis at various loss level assumptions: Analysis of current rating and underwriting plans for each alternative including the nuances of costs for any options reviewed as well as the benefits involving scope and breadth of coverage.*
  - *Risk retention analysis: Evaluation of the City’s risk retention capabilities that Bickmore has developed for measuring risk retention capacity for public entities. Our focus is on the budgeting process but also takes into account levels of public official risk tolerance and confidence level measures.*
  - *Comparative analysis: Cost/benefit analysis of coverage and risk financing alternatives including the present PERMA program. Many pools offer their own pro forma estimates for prospective members at different loss levels, streamlining our analysis, although we will test their results using our own methodologies.*
- c. Quality/Budget/Schedule Control - Our work incorporates cost/benefit and decision analysis components and places much reliance on the experience, knowledge and skill of our work team. Our principal method of quality control for consulting is the process of “peer review” by which a knowledgeable expert who is not directly involved in the work reviews, evaluates, and challenges assumptions and conclusions of the report.
- d. Summary of Findings – The end work product of our analysis is a written executive summary of our findings, conclusions and recommendations with underlying research and data attached. It will serve as an unbiased, objective compilation and review of available pool data for the City.

## Proposed Service Team

Bickmore is one of the largest independent public entity risk management consulting firms in the United States. We have a deep team of professionals with experience in all aspects of public agency risk analysis including very similar assignments for California cities and Joint Powers Authorities (JPAs).

### PROJECT TEAM LEADER



**Catherine Wells, MBA, CPUC, ARM, CRIS**

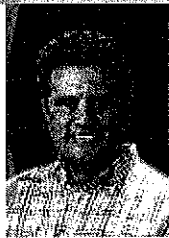
**Vice President, Risk Management Consulting**

Cathy Wells is Vice President and Practice Leader of Bickmore's Risk Management Consulting Practice. She will serve as the Project Team Leader for the City. In this role Cathy will conduct the majority of the work, conduct the financial analysis, and deliver the project results.

**TECHNICAL BACKGROUND:** Catherine has over 34 years of experience with a diverse background in insurance and risk management. Her experience includes service in public entity risk management, risk management consulting, insurance underwriting, insurance brokerage and account management for a variety of clients. She has worked closely with many California public agencies in assisting them with their risk finance strategies.

**EDUCATION:** Master of Business Administration: Finance - Golden Gate University, San Francisco  
Bachelor of Science, Finance & Economics - California State University, Chico

### PROJECT CONSULTANT



**Paul Cross, ARM, Senior Consultant**

In his role as Senior Consultant, Paul Cross provides data analysis, application development, and reporting for our projects. Paul will perform the majority of pooling research and data compilation for this project.

**TECHNICAL BACKGROUND:** Paul works on many of our current JPA and stand-alone public entity clients for Bickmore performing data analytics and related research. Paul has also worked directly on similar JPA comparison projects for cities throughout California. Prior to joining Bickmore, Paul held positions as an actuarial analyst, information systems director, and risk management consultant at ARM Tech/Aon Global Risk Consulting. He designed and developed compSTATS, an online workers' compensation benchmarking application for public entities, and has demonstrated expertise in manipulating, converting, and parsing large, complex data sets.

**EDUCATION:** Master of Science, Statistics - University of California, Davis  
Bachelor of Arts, Human Ethology - Pomona College

## Work Schedule

### **Milestones and Target Completion Dates**

#### *A. Notice to Proceed – Start of Project*

Receive notice to proceed from the City of Stanton. Initiate a diagnostic/scoping meeting to revise the scope of work, if necessary.

#### *B. Key City Stakeholder Meetings and Data Gathering*

Meet with key City personnel as directed and collect information for analysis.

#### *C. Initial Update*

Provide the City with a status update of research and data findings.

#### *D. Research and Analyses*

Review and analyze documents, and conduct follow-up interviews as necessary.

#### *E. Draft Report*

Prepare and deliver a draft report for the City's review.

#### *F. Review of Findings*

Review draft report with the City via teleconference.

#### *G. Summary Analysis and Report*

Complete scope of work and provide a final report to the City.



## Project Consulting Fee

### **Fixed Price, Not to Exceed, Fee of \$25,000**

1. **Fixed Price Fee Structure:** Our fixed price fee for this project is \$25,000. This fee is based on our experience with other projects of similar size and scope.
2. **Travel Expenses:** The fee includes travel expenses for Bickmore personnel for initial key City stakeholder meetings as well as presentation of our final report. Any additional travel required by the City will be charged at our cost with no markup and consist of direct travel and lodging expenses. Office expenses and report preparation are included in the fixed price fee.
3. **Payment Terms:** We request 50% of fees upon project initiation, and the remaining 50% upon project completion. Payment terms are negotiable and can be adapted to meet the City's standard professional services invoicing and payment processes.
4. **Invoice Schedule:** Bickmore will invoice the first installment at the end of the first month of work in compliance with the City's invoicing terms. The second installment will be invoiced at the end of the month of work completion.

## **Project Team Resumes**



**Catherine Wells, CPCU, ARM, CRIS, MBA**  
**Vice President, Risk Management Consulting**  
[www.linkedin.com/in/catherinebwells](http://www.linkedin.com/in/catherinebwells)

Catherine is Vice President of Bickmore's Risk Management Consulting Practice, serving public and private entities across the United States.

## EXPERIENCE

Following her 18 year underwriting, insurance brokerage, and third party administration career, Catherine moved to the public sector to work in the California State Office of Risk Management. She then moved over to the California Department of Transportation (Caltrans) and set up the Office of Risk Management overseeing a state-wide rolling Owner Controlled Insurance Program (OCIP) as well as other transportation and risk issues. Catherine then joined Bickmore six years ago following the merger of her former organization, Ron Rakich & Associates, where she was a principle partner in the organization. She is currently the President of Bickmore's Risk Management Consulting practice.

Catherine has 33 years of experience in insurance and risk management including insurance underwriting, insurance brokerage, workers' compensation claims administration, public entity risk management, and risk management consulting with a specialty in risk financing issues for public entities. She also has extensive experience in general liability, environmental liability, surety, professional liability, risk financing issues for large insured and self-insured programs, and all other risk management challenges and opportunities. She has extensive experience in construction risk management as an underwriter, broker, risk manager, and now construction risk consultant. Her construction risk management consulting clients include transportation agencies, airports, hospital organizations, universities, and various cities and countries throughout the United States.

Catherine has been a speaker at various Risk Management conferences throughout the country including the International Risk Management Institute (IRMI), Airport Council International (ACI) Risk Management Conference, Risk and Insurance Management Society (RIMS) Western Regional Conference, the American Public Transportation Association (APTA) Risk Management Conference, Financial Executives International (FEI) Sacramento and San Francisco Chapters, and the Public Agency Risk Management Association (PARMA) Annual Conference.

## EDUCATION

Master of Business Administration – Corporate Finance, Golden Gate University, San Francisco  
Bachelor of Science – Business Administration/Finance & Economics, California State University, Chico

## PROFESSIONAL CERTIFICATIONS

Chartered Property Casualty Underwriter (CPCU) – American Institute for Property and Liability Underwriters, Inc.  
Associate in Risk Management (ARM) Designation – Insurance Institute of America  
Construction Risk Insurance Specialist (CRIS) – International Risk and Management Institute

## **PROFESSIONAL AFFILIATIONS & RECOGNITIONS**

Risk and Insurance Management Society (RIMS)

Risk Management Forum, President, Sacramento Chapter

Society of Chartered Property Casualty Underwriters (CPCU), Co-Chair All Industry Day

"Women to Watch" – Award bestowed by York Risk Services Group (2016)

## **SPEAKING ENGAGEMENTS**

Wrap-Up Feasibility - Beyond the Numbers, International Risk Management Institute (IRMI) (November 2012 and 2013)

OCIP Feasibility: Is it Right for You?, Risk and Insurance Management (RIMS) (October 2010)

Public Works OCIPs - The Good, Bad and Ugly, Public Agency Risk Management Association (PARMA) (February 2011)

Career Paths in Insurance and Risk Management, California State University, Sacramento, Risk Management Career Night (December 2009 & 2010)

Owner Controlled Insurance Programs & Strategies for Their Successful Close-Out, American Public Transportation Association (APTA): (2015)

Let's Do a Wrap-Up – What Could Possibly Go Wrong? Lessons Learned the Hard Way, International Risk Management Institute (2015)

Determining Appropriate Compensation for Your Insurance Broker, Airport Council International – Risk Management (ACI): (2016)

Challenges and Politics Behind Mega Construction Projects, Financial Executives International (FEI), Sacramento Chapter (2016)

Is the Price Right for Mega Construction Projects?, York Risk Services Group Annual Fall Into Education Day, Key Note Speaker (2016)

Airport Council International – Risk Management (ACI): Managing Your OCIP Successes and Failures to Senior Leadership (2017)

Financial Executives International (FEI), San Francisco Chapter: Understanding and Calculating Your Organization's Cost of Risk (2017)

America Public Transportation Association (APTA): Understanding and Calculating Your Organization's Cost of Risk (2017)

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**Paul Cross, ARM**  
**Senior Consultant**

<http://www.linkedin.com/in/pauledwardcross>

In his role as Senior Consultant at Bickmore, Paul Cross provides data analysis, database application development, and reporting activities for Risk Management Consulting projects. He has been with Bickmore since 2009.

## EXPERIENCE

From 1994 to 2009, Paul held positions as an actuarial analyst, information systems director, and risk management consultant at ARM Tech/Aon Global Risk Consulting. He designed and developed compSTATS, an online workers' compensation benchmarking application for public entities. Paul specialized in premium allocations, cost of risk benchmarking, and experience modification projects. He has demonstrated expertise in manipulating, converting, and parsing large, complex data sets and providing quick and flexible relational database applications, VBA programming, scripting, and web solutions.

## EDUCATION

Master of Science, Statistics – University of California, Davis  
Bachelor of Arts, Human Ethology – Pomona College

## PROFESSIONAL CERTIFICATIONS

Associate in Risk Management (ARM) Designation – Insurance Institute of America  
Actuarial Exam-P Probability – Casualty Actuarial Society

## TECHNICAL BACKGROUND

Databases – Microsoft SQL Server, MS Access  
Programming – SQL, VBScript, CSS, ActionScript, VBA, ColdFusion  
Development – MS SQL Server Integration (SSIS), MS Access, LogiStudio  
Design – Adobe Creative Suite Design Premium applications, Cinema 4D

## PUBLICATIONS

*Compilation of Workers Compensation Data of Self-Insured California Public Entities*, California Institute for Public Risk Analysis  
*Cost Allocation and Risk Management Information Systems*, (contributing author), International Risk Management Institute (IRMI)

# **CITY OF STANTON**

## **REPORT TO CITY COUNCIL**

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

**DATE:** July 23, 2019

**SUBJECT: RESOLUTION AUTHORIZING THE APPLICATION FOR GRANT FUNDS FOR THE STANTON FAMILY RESOURCE CENTER UNDER THE COUNTY OF ORANGE FAMILIES AND COMMUNITIES TOGETHER (FaCT) PROGRAM**

### **REPORT IN BRIEF:**

Resolution No. 2019-33 will authorize the City to file an application for grant funds for the Stanton Family Resource Center under the County of Orange Families and Communities Together Program (FaCT) to provide human and social services from the County of Orange Social Services Agency.

### **RECOMMENDED ACTION:**

1. City Council declare that the project is exempt from the California Environmental Quality Act ("CEQA") under section 15061(b)(4) – the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
2. Approve Resolution 2019-33. Authorizing the application for FaCT grant funding.

### **BACKGROUND:**

The County of Orange Social Services Agency is currently requesting proposals from community collaboratives to provide Family Resource Center (FRC) services for families residing in Orange County. Services that would be provided at the Stanton Family Resource Center if awarded this grant would include, but not limited to comprehensive case management team, counseling, family support/case management services, parenting education, domestic violence prevention and treatment, and information and referral in support of addressing protective factors to strengthen Orange County families and their children.

The proposed funding amount awarded to each FRC will be \$350,000 per year, with an additional \$87,500 per year for Family Stabilization (FS) Services. The proposed total funding for this five (3) year Request for Proposal (RFP) cycle for the Stanton Family Resource Center is \$1,050,000 for the FRC component and an additional \$262,500 for the FS component.

It is intended that 15 FRC's with four (FS) Services will be funded from this RFP cycle in the County of Orange. The City will act as the lead fiscal agent with sub contractors/ collaborative members assisting with the provision of services. The City has received this grant the past three funding cycles, 15 years total, which initiated the programs at the Stanton Family Resource Center.

**ANALYSIS/JUSTIFICATION:**

If awarded the grant, the City as lead fiscal agent will receive \$164,500 per year which will continue to assist with off-setting costs associated with the delivery of social and human service programs at the Stanton Family Resource Center.

**FISCAL IMPACT:**

The total amount of the grant is \$1,050,000, at \$350,000 per year for the next five (3) years as related to the FRC, with the possibility of being awarded \$262,500, at \$87,500 per year for the next five (3) years as related to FS Services. The City as lead fiscal agent will receive \$164,500 per year which will continue to assist with off-setting costs associated with the delivery of social and human service programs at the Stanton Family Resource Center.

**ENVIRONMENTAL IMPACT:**

None.

**LEGAL REVIEW:**

None.

**PUBLIC NOTIFICATION:**


Through the normal agenda process.

Prepared by:



Zenia Bobadilla  
Community Services Manager

Approved by:



Jarad Hildenbrand  
City Manager

## RESOLUTION NO. 2019-33

### APPROVING THE APPLICATION FOR GRANT FUNDS FOR FAMILY RESOURCE CENTER UNDER THE COUNTY OF ORANGE FAMILIES AND COMMUNITY TOGETHER (FaCT) PROGRAM

**WHEREAS**, the County of Orange, California is soliciting proposals for grants for the project shown above; and

**WHEREAS**, the City of Stanton Community Services Department desires to act as the lead agency (Proponent) and submit a grant proposal for human and social services for the City of Stanton; and

**WHEREAS**, the County of Orange Social Services Agency has been delegated the responsibility for the administration of the grant program, including establishing necessary procedures; and

**WHEREAS**, said procedures established by the County of Orange Social Services Agency require the Proponent to certify, by resolution, the approval of applications before submission of said applications to the County of Orange Social Services Agency.

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

**SECTION 1:** Approves the filing of an application for local assistance for the Stanton Family Resource Center.

**SECTION 2:** Certifies that Proponent understands the assurances and certification in the application form.

**SECTION 3:** Certifies that Proponent has reviewed and understands the General Provisions contained in the Project Contract shown in the Procedural Guide.

**SECTION 4:** Appoints the City Manager and/or the Community Services Manager as agent to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, amendments, and so on, which may be necessary for the completion of the aforementioned project.

**ADOPTED, SIGNED AND APPROVED** this 23<sup>rd</sup> day of July, 2019.

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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. 2019-33 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 July 23, 2019, and that the same was adopted, signed and approved by the following vote to wit:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

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

# **CITY OF STANTON**

## **REPORT TO CITY COUNCIL**

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

**DATE:** July 23, 2019

**SUBJECT: CALLING FOR AND CONDUCTING A CONSOLIDATED SPECIAL MUNICIPAL ELECTION ON NOVEMBER 5, 2019 FOR APPROVING CITY-PROPOSED BALLOT MEASURES; SETTING PRIORITIES FOR THE FILING OF WRITTEN ARGUMENTS; AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS FOR EACH BALLOT MEASURE**

### **REPORT IN BRIEF:**

The Cannabis Ad Hoc Committee has proposed two City-sponsored ballot measures for a November 5, 2019 Special Election for the Council's consideration: 1) a new Cannabis Business Tax and 2) an increase and modernization to the Transient Occupancy Tax. As an administrative matter, and to ensure that information is presented to the City's voters in a manner consistent with applicable State law, staff also recommends the adoption of procedures setting priorities for the submission of arguments and rebuttal arguments to be printed in the sample ballot, and directing the preparation by the City Attorney of impartial analyses.

### **RECOMMENDED ACTION:**

1. City Council declare that the project is exempt from California Environmental Quality Act ("CEQA") under Section 15378( b)( 4) — The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
2. Approve Resolution No. 2019-30, entitled:

**"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA CALLING FOR THE PLACEMENT OF A GENERAL TAX MEASURE ON THE NOVEMBER 5, 2019 SPECIAL MUNICIPAL ELECTION BALLOT FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF A PROPOSED ORDINANCE ADDING CHAPTER 5.74 TO TITLE 5 OF THE STANTON MUNICIPAL CODE, ESTABLISHING A TAX ON CANNABIS BUSINESSES OPERATING WITHIN THE CITY OF STANTON; MAKING FINDINGS OF FISCAL EMERGENCY PURSUANT**

**TO CALIFORNIA PROPOSITION 218; REQUESTING FULL ELECTION SERVICES FROM THE COUNTY OF ORANGE TO CONDUCT SAID SPECIAL ELECTION; AND SETTING RULES AND DEADLINES FOR ARGUMENTS AND REBUTTALS FOR AND AGAINST THE ORDINANCE”; and**

3. Approve Resolution No. 2019-31, entitled:

**“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA CALLING FOR THE PLACEMENT OF A GENERAL TAX MEASURE ON THE NOVEMBER 5, 2019 SPECIAL MUNICIPAL ELECTION BALLOT FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF A PROPOSED ORDINANCE AMENDING THE CITY’S TRANSIENT OCCUPANCY (HOTEL) TAX BY INCREASING THE RATE FROM 8% TO 12% AND ADDRESSING ONLINE TRAVEL COMPANY AND OTHER THIRD PARTY BOOKINGS; MAKING FINDINGS OF FISCAL EMERGENCY PURSUANT TO CALIFORNIA PROPOSITION 218; REQUESTING FULL ELECTION SERVICES FROM THE COUNTY OF ORANGE TO CONDUCT SAID SPECIAL ELECTION; AND SETTING RULES AND DEADLINES FOR ARGUMENTS AND REBUTTALS FOR AND AGAINST THE ORDINANCE”; and**

4. Approve Budget Adjustment No. 2020-02 to appropriate \$133,500 to account 101-1400-608140 (City Clerk: Elections) in the General Fund from fund balance for the special election.

#### **BACKGROUND:**

On May 14, 2019, the Stanton City Council conducted a study session to consider permitting cannabis activities in the City. At the conclusion of the study session, the City Council formed an Ad Hoc Committee comprised of Mayor Pro Tem Ramirez, Council Member Van, City Attorney’s Office, City Manager’s office, HdL Companies, and members of City staff as necessary to fully evaluate recreational cannabis activities in the City. Currently, the City does not allow cannabis business activity other than what is permitted by State law, but additional cannabis activities could someday be authorized by City Council. The Ad Hoc Committee has met seven times since formation and provides the recommendation as indicated in the staff report.

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

The Cannabis Ad Hoc Committee is proposing two City-sponsored ballot measures for a November 5, 2019 Special Election for the Council’s consideration:

## Cannabis Business Tax

Since formation, recognizing that it is important to impose a reasonable and fair taxation of commercial cannabis businesses within the City and to protect local control, the initial focus of the Ad Hoc Committee has been to determine appropriate tax rates regardless of the action that may someday be taken regarding land use regulations pertaining to cannabis. Appropriate rates are important to the entire economic cycle of cannabis cultivation, manufacturing, and sale because a tax rate that is too high will drive the legal market underground. Based on analysis from the City's consultant and in reviewing what has occurred throughout California, the Ad Hoc Committee proposes to submit to City voters the following tax rate structure:

1. For every person engaged in commercial cannabis cultivation, including cultivation of industrial hemp, in the City:
  - a. Through January 1, 2023, the annual maximum rate shall be:
    - i. Twelve dollars (\$12.00) per square foot of canopy space in a facility that uses exclusively artificial lighting.
    - ii. Twelve dollars (\$12.00) per square foot of canopy space in a facility that uses a combination of natural and supplemental artificial lighting.
    - iii. Twelve dollars (\$12.00) per square foot of canopy space in a facility that uses no artificial lighting.
    - iv. Twelve dollars (\$12.00) per square foot of canopy space for any nursery.
2. For every person engaged in the operation of a testing laboratory for cannabis, cannabis products, industrial hemp and/or industrial hemp products, s/he/it shall be subject to the maximum tax rate not to exceed two and one-half percent (2.5%) of gross receipts.
3. For every person engaged in retail sales of cannabis, cannabis products, industrial hemp, and/or industrial hemp products, including as a retailer (dispensary) or non-storefront retailer (retail delivery business), or microbusiness, s/he/it shall be subject to the maximum tax rate not to exceed six percent (6%) of gross receipts.
4. For every person engaged in distribution of cannabis, cannabis products, industrial hemp and/or industrial hemp products, s/he/it shall be subject to the maximum tax rate not to exceed three percent (3%) of gross receipts.
5. For every person engaged in manufacturing or processing of cannabis, cannabis products, industrial hemp and/or industrial hemp products, or any other type of cannabis business not described in Section 5.74.50 (C) (1), (2), (3), or (4) of the ordinance, s/he/it shall be subject to the maximum tax rate not to exceed four percent (4%) of gross receipts.

The proposed measure sets maximum tax rates and the City Council may, by resolution or ordinance, increase or decrease the rate of the cannabis business tax, including the initial rate of cannabis business tax.

Collection of the cannabis business tax would be done through the City's existing administrative process. Business license fees are generally submitted annually; however, staff proposes the cannabis business tax be payable monthly. Upon cessation of a business, any tax due would become due immediately. Failure of timely payment, would result in a penalty of 10 percent plus interest for the first month and will increase to 25 percent plus interest for each exceeding month beyond the due date.

The proposed tax, based on the assumption that two of each type of cannabis activities are permitted, is expected to generate approximately \$1,000,000 to \$1,400,000 annually. This measure will simply create a tax on any cannabis businesses that are allowed to operate in Stanton under State and local laws. Several businesses have indicated an interest in operating in Stanton and this measure is a proactive way to generate considerable revenues from these businesses to benefit our community in the event they are permitted by City Council in the future.

#### *Transient Occupancy Tax (TOT) Increase and Modernization*

In 1963, the City Council adopted the City's TOT of 4%. The TOT was increased to 12% in 1978, and ultimately lowered to its current rate of 8% in 2001 where it has remained unchanged. The City currently has 10 motels generating approximately \$500,000 annually. The Ad Hoc Committee analyzed Orange County Sheriff Department calls for service over the last 5 years, which average 775 annually. Sheriff time consumed over these five years has nearly doubled from 360 hours annually in 2014 to over 700 hours in 2018. Time was consumed is calculated based on length of call and does not indicate whether or not it was a multiple deputy response. In speaking with the City's Chief of Police Service, most calls to motels require response of multiple deputies so it is safe to assume that 700 hours equates to 1400 man hours or more. Increasing the TOT from 8% to 12% is expected to generate approximately \$250,000 annually and will offset increasing costs responding to calls for service at all motels.

In addition to the increase, the measure asks voters to approve a modernization to capture third party and online bookings. A growing portion of hotel bookings are being conducted through online booking services such as Hotels.Com, Expedia.com and Travelocity.com. Such internet intermediaries purchase rooms from hoteliers at rates far below rack rates, and then, in turn, impose significant markups (25 to 40 percent above the net rate paid to the hotels). Guests who book such rooms online are charged the local TOT based on the marked-up rate they pay, but the online company only remits to the hotelier only the discounted wholesale room rate and only the TOT collected on that lower rate. Hotels pass on to the city the TOT they receive from the online booking company, but these amounts are based on the wholesale rate charged to the booking company, not the full rate charged to the room occupant. The city gets shortchanged for

the TOT on the online company's markup, even though the online company collects the TOT on this full rate. The proposed modernization amends the City's ordinance so that the City captures the full TOT amount it is entitled to.

#### **FISCAL IMPACT:**

The cost for a special election with one measure is estimated to be \$125,000. The cost to include an additional measure is \$8,500 per measure.

If approved by voters, and in the event that recreational cannabis is regulated by City Council in the future, the proposed Cannabis Sales Tax measure is estimated to generate \$1,000,000 - \$1,400,000 annually.

If approved by voters, increasing the City's Transient Occupancy Tax from 8% to 12% would take effect ten days after the City Council's certification of election results, which is expected at the first meeting in December. The increase is expected to generate an additional \$250,000 annually; another \$125,000 in this fiscal year.

With the approval of Budget Adjustment No. 2020-02, funds for the special election will be budgeted in account 101-1400-608140.

#### **ENVIRONMENTAL IMPACT:**

City Council declare that the project is exempt from California Environmental Quality Act ("CEQA") under Section 15378( b)( 4) — The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

#### **LEGAL REVIEW:**

The resolution, ordinance, and measure have been reviewed by the City Attorney's Office.

#### **PUBLIC NOTIFICATION:**

Through the normal agenda process.

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

1. Provide a Safe Community
4. Ensure Fiscal Stability and Efficiency in Governance
6. Maintain and Promote a Responsive, High Quality and Transparent Government

**ATTACHMENTS:**

1. Resolution No. 2019 - 30, proposed Cannabis Business Tax
2. Resolution No. 2019 - 31, proposed increase of Transient Occupancy Tax
3. Budget Adjustment No. 2020-02

Prepared by:

A handwritten signature in black ink, appearing to read 'Jarad Hildenbrand', is written over a horizontal line.

Jarad Hildenbrand, City Manager

## RESOLUTION NO. 2019-30

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA CALLING FOR THE PLACEMENT OF A GENERAL TAX MEASURE ON THE NOVEMBER 5, 2019 SPECIAL MUNICIPAL ELECTION BALLOT FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF A PROPOSED ORDINANCE ADDING CHAPTER 5.74 TO TITLE 5 OF THE STANTON MUNICIPAL CODE, ESTABLISHING A TAX ON CANNABIS BUSINESSES OPERATING WITHIN THE CITY OF STANTON; MAKING FINDINGS OF FISCAL EMERGENCY PURSUANT TO CALIFORNIA PROPOSITION 218; REQUESTING FULL ELECTION SERVICES FROM THE COUNTY OF ORANGE TO CONDUCT SAID SPECIAL ELECTION; AND SETTING RULES AND DEADLINES FOR ARGUMENTS AND REBUTTALS FOR AND AGAINST THE ORDINANCE.**

**WHEREAS**, pursuant to California Government Code sections 37100.5 and 37101, the City of Stanton has the authority to establish a local business tax upon cannabis businesses that engage in business in the City; and

**WHEREAS**, pursuant to Section 9222 of the California Elections Code, the City Council has authority to place propositions on the ballot to be considered at a Municipal Election; and

**WHEREAS**, the City Council desires to submit to the voters an ordinance establishing both (i) a maximum 6% local general tax on the gross receipts received by any cannabis business through its operations and/or manufacturing; and (ii) a maximum \$12.00 per square foot local general tax on the space utilized at such a business for cannabis cultivation; and

**WHEREAS**, the proposed cannabis business tax is a general tax the proceeds of which would be deposited into the City's general fund and which would pay for important City services such as police, fire and paramedic services, street operations and maintenance, library services, parks and recreation services and general municipal services to the public; and

**WHEREAS**, on November 6, 1996, the voters of the State of California approved Proposition 218 (California Constitution, Article XIII C), an amendment to the State Constitution which requires that all general taxes which are imposed, extended or increased must be submitted to the electorate and approved by a majority vote of the qualified electors voting in the election; and

**WHEREAS**, the proposed ordinance would establish a general tax which is subject to Proposition 218; and

**WHEREAS**, pursuant to Proposition 218 (California Constitution Article XIII C, §2(b)), the general rule is that any local election for the approval of a general tax must be consolidated with a regularly scheduled general election for members of the governing body of the local government; and



**WHEREAS**, Proposition 218 permits the City Council to call a special election for the voters to consider imposing, increasing or extending a general tax if the City Council finds, by a unanimous vote, that there exists an emergency requiring a special election to be conducted earlier than the next regularly scheduled general election at which City Council members are to be elected; and

**WHEREAS**, the next regularly scheduled general election at which City Council members are to be elected is not until November 3, 2020; and

**WHEREAS**, for the following reasons, the health, safety and general welfare of the citizens of the City would be endangered if the City were unable to place this Measure before its voters prior to November 3, 2020; and

**WHEREAS**, because the City's operating costs continue to significantly outpace City revenues, the City of Stanton projects operating budget shortfalls of \$100,000 starting in FY 2020-2021, which are projected to increase to \$1,000,000 by FY 2023-2024; and

**WHEREAS**, as of FY 2019-2020, over three-quarters of the General Fund budget is spent on public safety expenditures (fire, police and emergency response); and

**WHEREAS**, to balance the budget in prior years, the City has already eliminated 23 full-time positions, including 12 public safety positions; and

**WHEREAS**, without additional sources of revenue, the City will have to consider further reductions to authorized positions which will have a direct negative effect on the level of public services and programs provided to the community; and

**WHEREAS**, the potential reduction in public services and programs can be addressed by proposing a new measure to Stanton voters establishing a cannabis business tax as set forth herein; and

**WHEREAS**, without additional sources of revenue, the projected deficit will start having an effect on the City's budget as early as Fiscal Year 2020-2021, requiring the City to decide whether to reduce public services and programs or spend down its reserve funds; and

**WHEREAS**, in order to prudently develop and decide on a budget for Fiscal Year 2020-2021, the City must know in advance whether or not Stanton voters support the tax measure set forth herein. A November, 2019 Special Election will provide sufficient time for the City to incorporate the voters' decision into its Fiscal Year 2020-2021 budgeting calculations; and

**WHEREAS**, if the City were to wait until the November, 2020 General Municipal Election to place this question before Stanton voters, the City would have to develop and approve a Fiscal Year 2020-2021 budget without knowing the voters' wishes in this regard, compromising the City's ability to budget with full knowledge of all of its available revenue sources going forward; and

**WHEREAS**, the circumstances described above create an emergency situation warranting the placement of the Measure on a special election ballot to permit the voters to decide on the Measure pursuant to Proposition 218; and

**WHEREAS**, the City Council also desires to request that the Orange County Registrar of Voters provide full election services to the City in order to conduct the Special Municipal Election for the Ordinance/Measure described herein to be held on November 5, 2019; and

**WHEREAS**, the City Council also desires to establish deadlines and rules for the submission of written arguments and rebuttals for and against the Ordinance in accordance with applicable California Elections Code procedures; and

**WHEREAS**, the specific terms relating to the cannabis business tax are provided for in the ordinance to be considered by the qualified voters, attached hereto as Exhibit "A" (the "Ordinance" or "Measure") and by this reference made an operative part hereof, and in accordance with all applicable laws.

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

**SECTION 1. Recitals.** The City Council hereby finds and determines that the foregoing recitals are true and correct, are incorporated herein and by this reference made an operative part hereof.

**SECTION 2. Declaration of Emergency.** Pursuant to California Proposition 218 (California Constitution, Article XIII C, Section 2(b)), the City Council, **by a unanimous vote**, hereby declares the existence of an emergency in that there are imminent financial risks and dangers, as described above, to the public welfare and the City's financial ability to provide municipal services at current levels and without disruption, so that a special election is necessary to address such risks and dangers.

**SECTION 3. Submission of Ballot Measure.** The City Council of the City, pursuant to its right and authority as contained in California Proposition 218 and Elections Code section 9222, **by a unanimous vote**, hereby orders the Ordinance attached hereto as Exhibit "A" to be submitted to the qualified voters of the City at the Special Municipal Election to be held on Tuesday, November 5, 2019. The proposed Ordinance shall be in the form attached hereto as Exhibit "A" to this Resolution and is incorporated by this reference as if fully set forth herein.

**SECTION 4. Ballot Measure.** The City Council, pursuant to its right and authority, does hereby order that the Measure shall be presented and printed upon the ballot submitted to the qualified voters in the manner and form set forth in this Section 3. On the ballot to be submitted to the qualified voters at the Special Municipal Election to be held on Tuesday, November 5, 2019, in addition to any other matters required by law, there shall be printed substantially the following:

<p>"To improve general City services, such as police, fire and emergency response, parks and youth/senior services, and street repair, shall a measure enacting a tax on cannabis or hemp businesses up to \$12.00 per square foot for cultivation, 6% of gross receipts for retail businesses, and 4% for all other cannabis or hemp businesses, generating approximately \$1,000,000 - \$1,400,000 annually, until ended by voters, be adopted?"</p>	YES	
	NO	

#### **SECTION 5. Election Procedures.**

- A. The ballots to be used at the election shall be in the form and content as required by law.
- B. In accordance with Section 10002 of the Elections Code, the Board of Supervisors of Orange County is hereby requested to consent to having the County Election Department/Registrar of Voters render full election services to the City of Stanton as may be requested by the City Clerk of said City, the County of Orange to be reimbursed in full for such services as are performed.
- C. The full election services which the City of Stanton requests the Registrar of Voters, or such other official as may be appropriate, to perform and which such officer is hereby authorized and directed to perform, if said Board of Supervisors consents, include: the preparation, printing and mailing of sample ballots and polling place cards; the establishment or appointment of precincts, polling places, and election officers, the preparation, printing, mailing and furnishing of vote-by-mail ballots, making such publications as are required by law in connection therewith; the furnishing of ballots, voting booths and other necessary supplies or materials for polling places; the canvassing of the returns of the election and the furnishing of the results of such canvassing to the City Clerk of the City of Stanton; and the performance of such other election services as may be requested by the City Clerk.
- D. The City Clerk is authorized, instructed and directed to procure and furnish, or cause to be procured and furnished through the County of Orange, any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.
- E. The polls for the election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, except as provided in Section 14401 of the Elections Code of the State of California.

- F. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections in the City.
- G. Notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form, and manner as required by law.
- H. All ballots shall be tallied at a central counting place and not at the precincts. Said central counting place shall be at a County center as designated by the Registrar of Voters.
- I. The Orange County Registrar of Voters is hereby authorized to canvass the returns of said election.
- J. The City Clerk of the City of Stanton shall receive the canvass from the County as it pertains to the election on the measure, and shall certify the results to the City Council, as required by law.

**SECTION 6. Arguments and Impartial Analysis.**

- A. The City Council authorizes (i) the City Council or any member(s) of the City Council, (ii) any individual voter eligible to vote on the above measure, (iii) a bona fide association of such citizens or (iv) any combination of voters and associations, to file a written argument in favor of or against the City measure, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California and may change the argument until and including **August 6, 2019 by 5:00 p.m.**, after which no arguments for or against the measure may be submitted to the City Clerk. Arguments in favor of or against the measure shall each not exceed 300 words in length. Each argument shall be filed with the City Clerk, signed, and include the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument.
- B. The City Clerk shall comply with all provisions of law establishing priority of arguments for printing and distribution to the voters, and shall take all necessary actions to cause the selected arguments to be printed and distributed to the voters.
- C. Pursuant to Section 9280 of the Elections Code, the City Council directs the City Clerk to transmit a copy of the measure to the City Attorney. The City Attorney shall prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure. The City Attorney shall transmit such impartial analysis to the City Clerk, who shall cause the analysis to be

published in the voter information guide along with the ballot measure as provided by law. The Impartial Analysis shall be filed by the deadline set for filing of primary arguments as set forth in subsection (A) above. The impartial analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the City Council. In the event the entire text of the measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there shall be printed immediately below the impartial analysis, in no less than 10-font bold type, the following: **"The above statement is an impartial analysis of Ordinance or Measure \_\_\_\_\_. If you desire a copy of the ordinance or measure, please call the election official's office at (insert phone number) and a copy will be mailed at no cost to you."**

- D. That the provisions of this Section 6 herein shall apply only to the election to be held on November 5, 2019, and shall then be repealed.

#### **SECTION 7. Rebuttals.**

- A. Pursuant to Section 9285 of the Elections Code of the State of California, when the Clerk has selected the arguments for and against the various City initiated measures which will be printed and distributed to the voters, the Clerk shall send copies of the argument in favor of the measures to the authors of the argument against, and copies of the argument against to the authors of the argument in favor. The authors or persons designated by them may prepare and submit rebuttal arguments not exceeding 250 words. The rebuttal arguments shall be filed with the City Clerk not later than **August 16, 2019 by 5:00 p.m..** Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.
- B. The provisions of this Section 7 herein shall apply only to the election to be held on November 5, 2019, and shall then be repealed.

**SECTION 8. Placement on the Ballot.** The full text of the Ordinance/Measure shall not be printed in the voter information guide, and a statement shall be printed in the ballot pursuant to Section 9223 of the Elections Code advising voters that they may obtain a copy of this Ordinance/Measure at no cost, upon request made to the City Clerk.

**SECTION 9. Delivery of Resolution to County.** The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions. The City Council directs the City Clerk to deliver copies of this Resolution, including the Ordinance/Measure attached hereto as Exhibit "A", to the Clerk of the Board of Supervisors of Orange County and to the Registrar of Voters of Orange County.

**SECTION 10. Public Examination.** Pursuant to California Elections Code section 9295, this Measure will be available for public examination for no fewer than ten (10) calendar days prior to being submitted for printing in the voter information guide. The Clerk shall post notice in the Clerk's office of the specific dates that the examination period will run.

**SECTION 11. CEQA.** The City Council hereby finds and determines that the ballot measure relates to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, and therefore is not a project within the meaning of the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines, section 15378(b)(5).

**SECTION 12. Severability.** If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City Council hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

**SECTION 13. Effective Date of Resolution.** This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Stanton, California, at a special meeting held on this 23rd day of July, 2019.

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DAVID J. SHAWVER, MAYOR

**CERTIFICATION FOR RESOLUTION NO. 2019-30**

I, Patricia A. Vazquez, City Clerk of the City Council of the City of Stanton, California, do hereby certify that the whole number of the members of the City Council is five (5); that the above and foregoing Resolution was duly and regularly passed and adopted at a regular meeting of the City Council of the City of Stanton on the 23<sup>rd</sup> day of July, 2019, by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

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. 2019-30 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 July 23, 2019, and that the same was adopted, signed and approved by the following vote to wit:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

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

**EXHIBIT "A"**

**ORDINANCE NO. 1091**

**"AN ORDINANCE OF THE PEOPLE OF THE CITY OF STANTON, CALIFORNIA, ADDING CHAPTER 5.74 TO TITLE 5 OF THE STANTON MUNICIPAL CODE ESTABLISHING A TAX ON CANNABIS BUSINESSES OPERATING WITHIN THE CITY OF STANTON"**

**NOW THEREFORE, THE PEOPLE OF THE CITY OF STANTON DO ORDAIN AS FOLLOWS:**

**SECTION 1.** Subject to the approval of a majority of the voters of the City of Stanton at the Special Municipal Election so designated by the City Council in a separate resolution placing the proposal on the ballot for such election, Chapter 5.74 is hereby added to Title 5 of the Stanton Municipal Code to read as follows:

**"Chapter 5.74. CANNABIS BUSINESS TAX**

- 5.74.010 Title.
- 5.74.020 Authority and purpose.
- 5.74.030 Intent.
- 5.74.040 Definitions.
- 5.74.050 Tax imposed.
- 5.74.060 Registration, reporting, and remittance of tax.
- 5.74.070 Payments and communications –timely remittance.
- 5.74.080 Payment – when taxes deemed delinquent.
- 5.74.090 Notice not required by City.
- 5.74.100 Penalties and interest.
- 5.74.110 Refunds and credits.
- 5.74.120 Refunds and procedures.
- 5.74.130 Personal cultivation not taxed.
- 5.74.140 Administration of the tax.
- 5.74.150 Appeal procedure.
- 5.74.160 Enforcement –action to collect.
- 5.74.170 Apportionment.
- 5.74.180 Constitutionality and legality.
- 5.74.190 Audit and examination of premises and records.
- 5.74.200 Other licenses, permits, taxes or charges.
- 5.74.210 Payment of tax does not authorize unlawful business.
- 5.74.220 Deficiency determinations.
- 5.74.230 Failure to report – nonpayment, fraud.
- 5.74.240 Tax assessment –notice requirements.
- 5.74.250 Tax assessment – hearing, application, and determination.
- 5.74.260 Relief from taxes-disaster relief.
- 5.74.270 Conviction for violation – taxes not waived.



- 5.74.280 Violation deemed misdemeanor.
- 5.74.290 Severability.
- 5.74.300 Remedies cumulative.
- 5.74.310 Amendment or repeal.

**5.74.010 Title.**

This ordinance shall be known as the Cannabis Business Tax Ordinance.

**5.74.020 Authority and Purpose.**

The purpose of this Ordinance is to adopt a tax, for revenue purposes, pursuant to Sections 37101 and 37100.5 of the California Government Code, upon cannabis businesses that engage in business in the City. The Cannabis Business Tax is levied based upon business gross receipts except for commercial cannabis or industrial hemp cultivation which shall be taxed on square footage. It is not a sales and use tax, a tax upon income, or a tax upon real property.

The Cannabis Business Tax is a general tax enacted solely for general, governmental purposes of the City and not for specific purposes. All of the proceeds from the tax imposed by this section shall be placed in the City's general fund and be available for any lawful municipal purpose.

**5.74.030 Intent.**

The intent of this Ordinance is to levy a tax on all cannabis or industrial hemp businesses that operate in the City, regardless of whether such business would have been legal at the time this section was adopted. Nothing in this section shall be interpreted to authorize or permit any business activity that would not otherwise be legal or permissible under laws applicable to the activity at the time the activity is undertaken.

**5.74.040 Definitions.**

The following words and phrases shall have the meanings set forth below when used in this section:

A. "Business" shall include all activities engaged in or caused to be engaged in within the City, including any commercial or industrial enterprise, trade, profession, occupation, vocation, calling, or livelihood, whether or not carried on for gain or profit, but shall not include the services rendered by an employee to his or her employer.

B. "Calendar year" means January 1 through December 31, of the same year.

C. "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every

compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" shall not include "industrial hemp," unless otherwise specified.

D. "Cannabis product" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product. "Cannabis product" also means cannabis products as defined by Section 11018.1 of the California Health and Safety Code and is not limited to medicinal cannabis products.

E. "Canopy" means all areas occupied by any portion of a cannabis or industrial hemp plant whether contiguous or noncontiguous on any one site. When plants occupy multiple horizontal planes (as when plants are placed on shelving above other plants) each plane shall be counted as a separate canopy area.

F. "Cannabis business" means any business activity involving cannabis or industrial hemp, including but not limited to cultivating, transporting, distributing, manufacturing, compounding, converting, processing, preparing, storing, packaging, delivering, testing, dispensing, retailing and wholesaling of cannabis, cannabis products, industrial hemp, industrial hemp products or of ancillary products and accessories, whether or not carried on for gain or profit.

G. "Cannabis business tax" or "business tax," means the tax due pursuant to this chapter for engaging in a cannabis business in the City.

H. "Commercial cannabis cultivation" means cultivation of cannabis or industrial hemp undertaken in the course of conducting a cannabis business.

I. "Commercial cannabis permit" means a permit issued by the City to a person to authorize that person to operate a cannabis business or engage in business as a cannabis business within the City.

J. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis or industrial hemp and includes, but is not limited to, the operation of a nursery.

K. "Employee" means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager or solicitor, and each and every other person employed or working in such business for a wage, salary, commission, barter or any other form of compensation.

L. "Engaged in business as a cannabis business" means the commencing, conducting, operating, managing or carrying on of a cannabis business, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the City or coming into the City from an outside

location to engage in such activities. A person shall be deemed engaged in business within the City if:

1. Such person or person's employee maintains a fixed place of business within the City for the benefit or partial benefit of such person;
2. Such person or person's employee owns or leases real property within the City for business purposes;
3. Such person or person's employee regularly maintains a stock of tangible personal property in the City for sale in the ordinary course of business;
4. Such person or person's employee regularly conducts solicitation of business within the City; or
5. Such person or person's employee performs work or renders services in the City.

The foregoing specified activities shall not be a limitation on the meaning of "engaged in business."

M. "Evidence of doing business" means evidence such as, without limitation, use of signs, circulars, cards or any other advertising media, including the use of internet or telephone solicitation, or representation to a government agency or to the public that such person is engaged in a cannabis business in the City.

N. "Gross Receipts," except as otherwise specifically provided, means, whether designated a sales price, royalty, rent, slotting fee, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, services and property of any kind or nature) received or payable for sales of goods, wares or merchandise, or for the performance of any act or service of any nature for which a charge is made or credit allowed (whether such service, act or employment is done as part of or in connection with the sale of goods, wares, merchandise or not), without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, losses or any other expense whatsoever. However, the following shall be excluded from Gross Receipts:

1. Cash discounts where allowed and taken on sales;
2. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
3. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;

4. Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;

5. Cash value of sales, trades or transactions between departments or units of the same business located in the City of Stanton or if authorized by the Tax Administrator in writing in accordance with section 5.74.140 (B);

6. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected they shall be included in the amount of gross receipts for the period when they are recovered;

7. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar;

8. Amounts collected for others where the business is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the City's Administrative Services Department with the names and the addresses of the others and the amounts paid to them. This exclusion shall not apply to any fees, percentages, or other payments retained by the agent or trustees.

9. Retail sales of t-shirts, sweaters, hats, stickers, key chains, bags, books, posters, rolling papers, cannabis accessories such as pipes, pipe screens, vape pen batteries (without cannabis or industrial hemp) or other personal tangible property which the Tax Administrator has excluded in writing by issuing an administrative ruling per Section 5.74.140 shall not be subject to the cannabis business tax under this section. However, any business activities not subject to this section as a result of an administrative ruling shall be subject to the appropriate business tax provisions of Title 5, Chapter 5.04 or any other Title or Chapter of this code as determined by the Tax Administrator.

O. "Industrial hemp" means a crop that is limited to types of the plant *Cannabis sativa* L. having no more than three-tenths of 1 percent tetrahydrocannabinol (THC) contained in the dried flowering tops, whether growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin produced therefrom.

P. "Industrial hemp products" "Industrial hemp products" means any raw hemp that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product. "Hemp product"

also means hemp products as defined by Section 11018.5 of the California Health and Safety Code.

Q. "Lighting" means a source of light that is primarily used for promoting the biological process of plant growth. Lighting does not include sources of light that primarily exist for the safety or convenience of staff or visitors to the facility, such as emergency lighting, walkway lighting, or light admitted via small skylights, windows or ventilation openings.

R. "Medicinal cannabis" or "medicinal cannabis product" means cannabis or a cannabis product, intended to be sold or sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code, for a medicinal cannabis patient in California who possesses a physician's recommendation, or a cannabis card issued pursuant to Health and Safety Code Section 11362.71.

S. "Nursery" means a facility or part of a facility that is used only for producing clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis or industrial hemp industrial hemp.

T. "Person" means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, whether organized as a nonprofit or for-profit entity, and includes the plural as well as the singular number.

U. "Processing" means a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis, industrial hemp and nonmanufactured cannabis products.

V. "Sale" "Sell" and "to sell" means and includes any sale, exchange, or barter. It shall also mean any transaction whereby, for any consideration, title to cannabis, cannabis products, industrial hemp and/or industrial hemp products are transferred from one person to another and includes the delivery of cannabis, cannabis products, industrial hemp and/or industrial hemp products pursuant to an order placed for the purchase of the same, but does not include the return of cannabis, cannabis products, industrial hemp and/or industrial hemp products to the licensee from whom the cannabis, cannabis product, industrial hemp and/or industrial hemp product was purchased.

X. "State" means the State of California.

Y. "State license," "license," or "registration" means a state license issued pursuant to California Business & Professions Code Section 26050, and all other applicable state laws, required for operating a cannabis business.

Z. "Tax Administrator" means the City Manager of the City of Stanton or his or her designee.

AA. "Testing Laboratory" means a cannabis business that (i) offers or performs tests of cannabis, cannabis products, industrial hemp and/or industrial hemp products (ii) offers no service other than such tests, (iii) sells no products, excepting only testing supplies and materials, (iv) is accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the state and (v) is registered with the Bureau of Cannabis Control or other state agency.

#### **5.74.050 Tax Imposed.**

A. Beginning January 1, 2020, there is imposed upon each person who is engaged in business as a cannabis business a cannabis business tax. Such tax is payable regardless of whether the business has been issued a business license or commercial cannabis permit to operate lawfully in the City or is operating unlawfully. The City's acceptance of a cannabis business tax payment from a cannabis business operating illegally shall not constitute the City's approval or consent to such illegal operations.

B. The City Council may, by resolution or ordinance, increase or decrease the rate of the cannabis business tax, including the initial rate of cannabis business tax. The City Council may, by resolution or ordinance, increase or decrease the rate of the medicinal cannabis business tax, including the initial rate of the medicinal business tax, independent of other cannabis business tax activities. In addition, the City Council may, by resolution or ordinance, increase or decrease the rate of the cannabis business tax on hemp or hemp products, including the initial rate of the tax on hemp or hemp products independent of other cannabis activities. Notwithstanding the foregoing, in no event shall the City Council repeal this tax, or set any adjusted rate that exceeds the maximum rates calculated pursuant to this section.

C. The maximum rate of the cannabis business tax shall be calculated as follows:

1. For every person engaged in commercial cannabis cultivation, including cultivation of industrial hemp, in the City:
  - a. Through January 1, 2023, the annual maximum rate shall be:
    - i. Twelve dollars (\$12.00) per square foot of canopy space in a facility that uses exclusively artificial lighting.
    - ii. Twelve dollars (\$12.00) per square foot of canopy space in a facility that uses a combination of natural and supplemental artificial lighting.
    - iii. Twelve dollars (\$12.00) per square foot of canopy space in a facility that uses no artificial lighting.

- iv. Twelve dollars (\$12.00) per square foot of canopy space for any nursery.
- b. On January 1, 2023 and on each January 1 thereafter, the maximum annual tax rates specified in subsection a, above, shall increase by the percentage increase in the Consumer Price Index ("CPI") for all urban consumers in the Los Angeles-Long Beach-Anaheim area as published by the United States Government Bureau of Labor Statistics. However, no CPI adjustment resulting in a decrease of any tax imposed by this subsection shall be made.
- 2. For every person engaged in the operation of a testing laboratory for cannabis, cannabis products, industrial hemp and/or industrial hemp products s/he/it shall be subject to the maximum tax rate not to exceed two and one-half percent (2.5%) of gross receipts.
- 3. For every person engaged in retail sales of cannabis, cannabis products, industrial hemp, and/or industrial hemp products, including as a retailer (dispensary) or non-storefront retailer (retail delivery business), or microbusiness , s/he/it shall be subject to the maximum tax rate not to exceed six percent (6%) of gross receipts.
- 4. For every person engaged in distribution of cannabis, cannabis products, industrial hemp and/or industrial hemp products, s/he/it shall be subject to the maximum tax rate not to exceed three percent (3%) of gross receipts.
- 5. For every person engaged in manufacturing or processing of cannabis, cannabis products, industrial hemp and/or industrial hemp products, or any other type of cannabis business not described in Section 5.74.50 (C) (1), (2), (3), or (4) s/he/it shall be subject to the maximum tax rate not to exceed four percent (4%) of gross receipts.

D. Persons subject to the cannabis business tax shall register with the City and pay the registration fee pursuant to Section 5.74.60. They shall also be required to obtain a business license pursuant to Chapter 5.04 of this code; provided, however, that cannabis business activities subject to the cannabis business tax shall be excluded from determining the amount of any business license tax payable under Chapter 5.04.

#### **5.74.060 Registration, reporting and remittance of tax.**

A. Registration of Cannabis Business. All cannabis businesses shall be required to annually register as follows:

- 1. All persons engaging in business as a cannabis business, whether an existing, newly established or acquired business shall register with the

Tax Administrator within thirty (30) days of commencing operation and shall annually renew such registration within 31 days of subsequent calendar year thereafter. In registering, such persons shall furnish to the Tax Administrator a sworn statement, upon a form provided by the Tax Administrator, setting forth the following information:

- i. The name of the business
- ii. The names and addresses of each owner
- iii. The exact nature or kind of business;
- iv. The place where such business is to be carried on; and
- v. Any additional information which the Tax Administrator may require.

B. An annual registration fee of one hundred ten dollars (\$110.00) shall be presented with the sworn statement submitted under this section. This fee shall not be considered a tax and may be adjusted by resolution of the City Council.

C. The cannabis business tax imposed by this section shall be paid, in arrears, on a monthly basis. Each person owing a cannabis business tax each calendar month shall, no later than the last day of the month following the close of the calendar month, file with the Tax Administrator a statement ("tax statement") of the tax owed for that calendar month and the basis for calculating that tax. The Tax Administrator may require that the tax statement be submitted on a form prescribed by the Tax Administrator. The tax for each calendar month shall be due and payable on that same date that the tax statement for the calendar month is due.

D. Upon cessation of a cannabis business, tax statements and payments shall be immediately due for all calendar months up to the calendar month during which cessation occurred.

E. The Tax Administrator may, at his or her discretion, establish alternative reporting and payment periods for any taxpayer as the Tax Administrator deems necessary to ensure effective collection of the cannabis business tax. The Tax Administrator may also require that a deposit, to be applied against the taxes for a calendar month, be made by a taxpayer at the beginning of that calendar month. In no event shall the deposit required by the Tax Administrator exceed the tax amount he or she projects will be owed by the taxpayer for the calendar month. The Tax Administrator may require that a taxpayer make payments via a cashier's check, money order, wire transfer, or similar instrument.

#### **5.74.070 Payments and communications – timely remittance.**

Whenever any payment, statement, report, request or other communication is due, it must be received by the Tax Administrator on or before the final due date. A



postmark will not be accepted as timely remittance. If the due date would fall on a Friday, Saturday, Sunday, or a holiday observed by the City, the due date shall be the next regular business day on which the City is open to the public.

**5.74.080 Payment - when taxes deemed delinquent.**

Unless otherwise specifically provided under other provisions of this section, the taxes required to be paid pursuant to this section shall be deemed delinquent if not received by the Tax Administrator on or before the due date as specified in Sections 5.74.60 and 5.74.70.

**5.74.090 Notice not required by the City.**

The City may as a courtesy send a tax notice to the cannabis business which owes the City a cannabis business tax. However, the Tax Administrator is not required to send a delinquency or other notice or bill to any person subject to the provisions of this section. Failure to send such notice or bill shall not affect the validity of any tax or penalty due under the provisions of this section.

**5.74.100 Penalties and interest.**

A. Any person who fails or refuses to pay any cannabis business tax required to be paid pursuant to this section on or before the due date shall pay penalties and interest as follows:

1. A penalty equal to ten percent (10%) of the amount of the tax, in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at the rate of one percent (1.0%) per month.

2. If the tax remains unpaid for a period exceeding one calendar month beyond the due date, an additional penalty equal to twenty-five percent (25%) of the amount of the tax, plus interest at the rate of one percent (1.0%) per month on the unpaid tax and on the unpaid penalties.

3. Interest shall be applied at the rate of one percent (1.0%) per month on the first day of the month for the full month and will continue to accrue monthly on the tax and penalty until the balance is paid in full.

B. Whenever a check or electronic payment is submitted in payment of a cannabis business tax and the payment is subsequently returned unpaid by the bank for any reason, the taxpayer will be liable for the tax amount due plus any fees, penalties and interest as provided for in this section, and any other amount allowed under state law.

**5.74.110 Refunds and credits.**

A. No refund shall be made of any tax collected pursuant to this section, except as provided in Section 5.74.120.

B. No refund of any tax collected pursuant to this section shall be made because of the discontinuation, dissolution, or other termination of a business.

**5.74.120 Refunds and procedures.**

A. Whenever the amount of any cannabis business tax, penalty or interest has been overpaid, paid more than once, or has been erroneously collected or received by the City under this section, it may be refunded to the claimant who paid the tax provided that a written claim for refund is filed with the Tax Administrator within one (1) year of the date the tax was originally due or paid, whichever came first.

B. The Tax Administrator, his or her designee or any other City officer charged with the administration of this section shall have the right to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant refuses to allow such examination of claimant's books and business records after request by the Tax Administrator to do so.

C. In the event that the cannabis business tax was erroneously paid in an amount in excess of the tax due, and the error is attributable to the City, the City shall refund the amount of tax erroneously paid; provided that (i) a claim for refund has been timely filed with the Tax Administrator; and (ii) the refund cannot exceed, under any circumstance, the amount of tax overpaid during the twelve months preceding the last month for which the claim states the tax was overpaid.

**5.74.130 Personal Cultivation Not Taxed.**

The provisions of this section shall not apply to personal cannabis cultivation or personal use of cannabis, to the extent those activities are authorized in the "Medicinal and Adult Use Cannabis Regulation and Safety Act," as may be amended. This section shall not apply to personal use of cannabis that is specifically exempted from state licensing requirements, that meets the definition of personal use or equivalent terminology under state law, and provided that the individual receives no compensation whatsoever related to that personal cultivation or use.

**5.74.140 Administration of the tax.**

A. It shall be the duty of the Tax Administrator to collect the taxes, penalties, fees, and perform the duties required by this section.

B. For purposes of administration and enforcement of this section generally, the Tax Administrator may from time to time promulgate such administrative interpretations, rules, and procedures consistent with the purpose, intent, and express

terms of this section as he or she deems necessary to implement or clarify such provisions or aid in enforcement.

C. The Tax Administrator may take such administrative actions as needed to administer the cannabis business tax, including but not limited to:

1. Provide to all cannabis business taxpayers forms for the reporting of the tax;
2. Provide information to any taxpayer concerning the provisions of this section;
3. Receive and record all taxes remitted to the City as provided in this section;
4. Maintain records of taxpayer reports and taxes collected pursuant to this section;
5. Assess penalties and interest to taxpayers pursuant to this section;
6. Determine amounts owed under and enforce collection pursuant to this section.

**5.74.150 Appeal procedure.**

Any taxpayer aggrieved by any decision of the Tax Administrator with respect to the amount of tax, interest, penalties and fees, if any, due under this section may appeal to the City Council by filing a notice of appeal with the City Clerk within thirty (30) calendar days of the serving or mailing of the Tax Administrator's determination of the amount due. The City Clerk, or his or her designee, shall fix a time and place for hearing such appeal, and the City Clerk, or his or her designee, shall give notice in writing to such operator at the last known place of address. The finding of the City Council shall be final and conclusive and shall be served upon the appellant in the manner prescribed by this section 5.74.150 for service of notice of hearing. Any amount found to be due shall be immediately due and payable upon the service of the notice.

**5.74.160 Enforcement - action to collect.**

Any taxes, penalties and/or fees required to be paid under the provisions of this section shall be deemed a debt owed to the City. Any person owing money to the City under the provisions of this section shall be liable in an action brought in the name of the City for the recovery of such debt. The provisions of this section shall not be deemed a limitation upon the right of the City to bring any other action including criminal, civil and equitable actions, based upon the failure to pay the tax, penalties and/or fees imposed by this section or the failure to comply with any of the provisions of this section.

#### **5.74.170                    Apportionment.**

If a business subject to the tax is operating both within and outside the City, it is the intent of the City to apply the cannabis business tax so that the measure of the tax fairly reflects the proportion of the taxed activity actually carried on in the City. To the extent federal or state law requires that any tax due from any taxpayer be apportioned, the taxpayer may indicate said apportionment on his or her tax return. The Tax Administrator may promulgate administrative procedures for apportionment as he or she finds useful or necessary.

#### **5.74.180                    Constitutionality and legality.**

This tax is intended to be applied in a manner consistent with the United States and California Constitutions and state law. None of the tax provided for by this section shall be applied in a manner that causes an undue burden upon interstate commerce, a violation of the equal protection or due process clauses of the Constitutions of the United States or the State of California or a violation of any other provision of the California Constitution or state law. If a person believes that the tax, as applied to him or her, is impermissible under applicable law, he or she may request that the Tax Administrator release him or her from the obligation to pay the impermissible portion of the tax.

#### **5.74.190                    Audit and examination of premises and records.**

A. For the purpose of ascertaining the amount of cannabis business tax owed or verifying any representations made by any taxpayer to the City in support of his or her tax calculation, the Tax Administrator shall have the power to inspect any location where commercial cannabis cultivation occurs and to audit and examine all books and records (including, but not limited to bookkeeping records, state and federal income tax returns, and other records relating to the gross receipts of the business) of persons engaged in cannabis businesses. In conducting such investigation, the tax administrator shall have the power to inspect any equipment, such as computers or point of sale machines, that may contain such records.

B. It shall be the duty of every person liable for the collection and payment to the City of any tax imposed by this section to keep and preserve, for a period of at least three (3) years, all records as may be necessary to determine the amount of such tax as he or she may have been liable for the collection of and payment to the City, which records the Tax Administrator or his/her designee shall have the right to inspect at all reasonable times.

#### **5.74.200                    Other licenses, permits, taxes, fees or charges.**

A. Nothing contained in this section shall be deemed to repeal, amend, be in lieu of, replace or in any way affect any requirements for any commercial cannabis permit or City license required by, under or by virtue of any provision of any other Chapter of this code or any other ordinance or resolution of the City, nor be deemed to

repeal, amend, be in lieu of, replace or in any way affect any tax, fee or other charge imposed, assessed or required under any other Chapter of this code or any other ordinance or resolution of the City. Any references made or contained in any other Chapter of this code to any licenses, license taxes, fees, or charges, or to any schedule of license fees, shall be deemed to refer to the licenses, license taxes, fees or charges, or schedule of license fees, provided for in other Chapters of this code.

B. The Tax Administrator may revoke or refuse to renew the license required by Chapter 5.74 of this code for any business that is delinquent in the payment of any tax due pursuant to this section or that fails to make a deposit required by the Tax Administrator pursuant to Section 5.74.60.

A commercial cannabis permit issued under the Stanton Municipal Code may be revoked, suspended or not renewed in the event that the business holding that permit has failed to (i) make a deposit required by the Tax Administrator pursuant to Section 5.74.60 or (ii) timely pay all taxes, interest and penalties owed by that business under this section.

**5.74.210 Payment of tax does not authorize unlawful business.**

A. The payment of a cannabis business tax required by this section, and its acceptance by the City, shall not entitle any person to carry on any cannabis business unless the person has complied with all of the requirements of this code and all other applicable state laws.

B. No tax paid under the provisions of this section shall be construed as authorizing the conduct or continuance of any illegal or unlawful business, or any business in violation of any local or state law.

**5.74.220 Deficiency determinations.**

If the Tax Administrator is not satisfied that any statement filed as required under the provisions of this section is correct, or that the amount of tax is correctly computed, he or she may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession within three (3) years of the date the tax was originally due and payable. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person discontinues engaging in a cannabis business, a deficiency determination may be made at any time within three (3) years thereafter as to any liability arising from engaging in such cannabis business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due. Whenever a deficiency determination is made, a notice shall be given to the person concerned in the same manner as notices of assessment are given under Section 5.74.240.

**5.74.230 Failure to report—nonpayment, fraud.**

A. Under any of the following circumstances, the Tax Administrator may make and give notice of an assessment of the amount of tax owed by a person under this section at any time:

1. If the person has not filed a complete statement required under the provisions of this section;
2. If the person has not paid the tax due under the provisions of this section;
3. If the person has not, after demand by the Tax Administrator, filed a corrected statement, or furnished to the Tax Administrator adequate substantiation of the information contained in a statement already filed, or paid any additional amount of tax due under the provisions of this section; or
4. If the Tax Administrator determines that the nonpayment of any cannabis business tax due under this section is due to fraud, a penalty of twenty-five percent (25%) of the amount of the tax shall be added thereto in addition to penalties and interest otherwise payable under this section and any other penalties allowed by law.

B. The notice of assessment shall separately set forth the amount of any tax known by the Tax Administrator to be due or estimated by the Tax Administrator, after consideration of all information within the Tax Administrator's knowledge concerning the business and activities of the person assessed, to be due under each applicable provision of this section and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of assessment.

**5.74.240 Tax assessment - notice requirements.**

The notice of assessment shall be served upon the person either by personal delivery, by overnight delivery by a nationally-recognized courier service, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the person at the address of the location of the business or to such other address as he or she shall register with the Tax Administrator for the purpose of receiving notices provided under this section; or, should the person have no address registered with the Tax Administrator for such purpose, then to such person's last known address. For the purpose of Section 5.74.240, a service by overnight delivery shall be deemed to have occurred one (1) calendar day following deposit with a courier and service by mail shall be deemed to have occurred three (3) days following deposit in the United States mail.

**5.74.250 Tax assessment - hearing, application and determination.**

Within thirty (30) calendar days after the date of service of the notice of assessment the person may apply in writing to the Tax Administrator for a hearing on the assessment. If application for a hearing before the City is not made within the time herein prescribed, the tax assessed by the Tax Administrator shall become final and

conclusive. Within thirty (30) calendar days of the receipt of any such application for hearing, the Tax Administrator shall cause the matter to be set for hearing before him or her no later than thirty (30) calendar days after the receipt of the application, unless a later date is agreed to by the Tax Administrator and the person requesting the hearing. Notice of such hearing shall be given by the Tax Administrator to the person requesting such hearing not later than five (5) calendar days prior to such hearing. At such hearing said applicant may appear and offer evidence why the assessment as made by the Tax Administrator should not be confirmed and fixed as the tax due. After such hearing the Tax Administrator shall determine and reassess (if necessary) the proper tax to be charged and shall give written notice to the person in the manner prescribed in Section 5.74.240 for giving notice of assessment.

**5.74.260 Relief from taxes -disaster relief.**

A. If a cannabis business is unable to comply with any tax requirement imposed under this section due to a disaster, the business may notify the Tax Administrator of its inability to comply and request relief from the tax requirement. For purposes of this section, "disaster" means fire, flood, storm, tidal wave, earthquake, or similar public calamity, whether or not resulting from natural causes.

B. The cannabis business shall provide any information required by the Tax Administrator including, without limitation, why relief is requested, the time period for which the relief is requested, and the reason relief is needed for the specific amount of time. The cannabis business agrees to grant the Tax Administrator or his/her designee access to the location where the cannabis business has been impacted due to a disaster.

C. The Tax Administrator, in his/her sole discretion, may provide relief from the cannabis business tax requirement for businesses whose operations have been impacted by a disaster if such tax relief does not exceed fifteen thousand (\$15,000) dollars. Such temporary relief may be granted for a reasonable amount of time, in the Tax Administrator's sole discretion, and the amount and duration of relief should be based upon how long it would reasonably take for the cannabis business to recover from the disaster. the Tax Administrator may require that the cannabis business follow certain conditions to receive temporary relief from the cannabis business tax requirement.

**5.74.270 Conviction for violation - taxes not waived.**

The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this section or of any state law requiring the payment of all taxes.

**5.74.280 Violation deemed misdemeanor.**

Any person violating any of the provisions of this section shall be guilty of a misdemeanor.

**5.74.290 Severability.**

If any provision of this section, or its application to any person or circumstance, is determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this section or the application of this section to any other person or circumstance and, to that end, the provisions hereof are severable.

**5.74.300 Remedies cumulative.**

All remedies and penalties prescribed by this section or which are available under any other provision of this code and any other provision of law or equity are cumulative. The use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this section.

**5.74.310 Amendment or modification.**

Except as set forth in this section 5.74.310, this section may be amended or modified but not repealed by the City Council without a vote of the people. However, as required by Article XIII C of the California Constitution, voter approval is required for any amendment that would expand, extend, or increase the rate of any tax levied pursuant to this section. The people of the City of Stanton affirm that the following actions shall not constitute an increase of the rate of a tax:

A. The restoration or adjustment of the rate of the tax to a rate that is no higher than that allowed by this chapter, in those circumstances where, among others, the City Council has previously acted to reduce the rate of the tax or is incrementally implementing an increase authorized by this chapter;

B. An action that interprets or clarifies (i) the methodology of applying or calculating the tax or (ii) any definition applicable to the tax, so long as the interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the provisions of this Chapter 5.74; or

C. The collection of the tax imposed by this section even if the City had, for some period of time, failed to collect the tax.

**SECTION 2.** Pursuant to Article XIIIB of the California Constitution, the appropriation limit for the City of Stanton will be increased by the maximum projected aggregate collection authorized by the levy of this general tax, as indicated in Section 1, in each of the years covered by this Ordinance plus the amount, if any, by which the appropriation limit is decreased by law as a result of the levy of the general tax set forth in this Ordinance.



**SECTION 3.** If any portion of this Ordinance is declared invalid by a court of law or other legal body with applicable authority, the invalidity shall not affect or prohibit the force and effect of any other provision or application of the Ordinance that is not deemed invalid. The voters of the City hereby declare that they would have circulated for qualification and/or voted for the adoption of this Section, and each portion thereof, regardless of the fact that any portion of the initiative may be subsequently deemed invalid.

**SECTION 4.** Pursuant to California Constitution Article XIIC §(2)(b) and California Elections Code §9217, this Ordinance shall take effect only if approved by a majority of the eligible voters of the City of Stanton voting at the Special Municipal Election to be held on November 5, 2019, and shall take effect ten (10) days after the City Council has certified the results of the Special Municipal Election by resolution.

**SECTION 5.** The Mayor is hereby authorized to attest to the adoption of this Ordinance by the People voting thereon on November 5, 2019, by signing where indicated below.

**I hereby certify that the foregoing Ordinance was PASSED, APPROVED AND ADOPTED by the people of the City of Stanton on the 5<sup>th</sup> day of November, 2019.**

\_\_\_\_\_  
DAVID J. SHAWVER, MAYOR

ATTEST:

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

APPROVED AS TO FORM:

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

## RESOLUTION NO. 2019-31

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA CALLING FOR THE PLACEMENT OF A GENERAL TAX MEASURE ON THE NOVEMBER 5, 2019 SPECIAL MUNICIPAL ELECTION BALLOT FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF A PROPOSED ORDINANCE AMENDING THE CITY'S TRANSIENT OCCUPANCY (HOTEL) TAX BY INCREASING THE RATE FROM 8% TO 12% AND ADDRESSING ONLINE TRAVEL COMPANY AND OTHER THIRD PARTY BOOKINGS; MAKING FINDINGS OF FISCAL EMERGENCY PURSUANT TO CALIFORNIA PROPOSITION 218; REQUESTING FULL ELECTION SERVICES FROM THE COUNTY OF ORANGE TO CONDUCT SAID SPECIAL ELECTION; AND SETTING RULES AND DEADLINES FOR ARGUMENTS AND REBUTTALS FOR AND AGAINST THE ORDINANCE**

**WHEREAS**, pursuant to Section 9222 of the California Elections Code, the City Council has authority to place propositions on the ballot to be considered at a Municipal Election; and

**WHEREAS**, pursuant to Chapter 5.12 of Title 5 of the Stanton Municipal Code (S.M.C. §§5.12.010 through 5.12.140), the City currently imposes a Transient Occupancy Tax (Hotel) Tax ("TOT") at the rate of eight percent (8%) upon guests of hotels and other transient accommodations within the City; and

**WHEREAS**, the City Council desires to amend the Stanton Municipal Code to increase the rate of the TOT from eight percent (8%) to twelve percent (12%); and

**WHEREAS**, the City Council also desires to modernize the Stanton Municipal Code to allow for the imposition and collection of the TOT on the full rent charged to a guest for hotel occupancy, whether the occupancy is booked directly by the guest, through online travel companies which enable guests to purchase occupancy via the Internet, or through online short term rental companies operating to facilitate connections in the rental market or otherwise broker short term rentals between a host and a guest, or by similar electronic means; and

**WHEREAS**, the TOT is a general tax the proceeds of which are deposited into the City's general fund and which pay for important City services such as police, fire and paramedic services, street operations and maintenance, library services, parks and recreation services and general municipal services to the public; and

**WHEREAS**, on November 6, 1996, the voters of the State of California approved Proposition 218 (California Constitution, Article XIII C), an amendment to the State Constitution which requires that all general taxes which are imposed, extended or increased must be submitted to the electorate and approved by a majority vote of the qualified electors voting in the election; and

**WHEREAS**, the proposed amendments which increase the rate of the TOT constitute a tax "increase" subject to Proposition 218; and

**WHEREAS**, the proposed amendments which apply the TOT rate to the total rent charged to a guest for occupancy in a hotel (including any retail markup and other charges imposed through purchase of occupancy through an agent, on-line travel company, or online short term rental company) may also be characterized as an "increase" in the TOT under Proposition 218; and

**WHEREAS**, pursuant to Proposition 218 (California Constitution Article XIII C, §2(b)), the general rule is that any local election for the approval of an increase to a general tax must be consolidated with a regularly scheduled general election for members of the governing body of the local government; and

**WHEREAS**, Proposition 218 permits the City Council to call a special election for the voters to consider imposing, increasing or extending a general tax if the City Council finds, by a unanimous vote, that there exists an emergency requiring a special election to be conducted earlier than the next regularly scheduled general election at which City Council members are to be elected; and

**WHEREAS**, the next regularly scheduled general election at which City Council members are to be elected is not until November 3, 2020; and

**WHEREAS**, for the following reasons, the health, safety and general welfare of the citizens of the City would be endangered if the City were unable to place this Measure before its voters prior to November 3, 2020; and

**WHEREAS**, because the City's operating costs continue to significantly outpace City revenues, the City of Stanton projects operating budget shortfalls of \$100,000 starting in FY 2020-2021, which are projected to increase to \$1,000,000 by FY 2023-2024; and

**WHEREAS**, as of FY 2019-2020, over three-quarters of the General Fund budget is spent on public safety expenditures (fire, police and emergency response); and

**WHEREAS**, to balance the budget in prior years, the City has already eliminated 23 full-time positions, including 12 public safety positions; and

**WHEREAS**, without additional sources of revenue, the City will have to consider further reductions to authorized positions which will have a direct negative effect on the level of public services and programs provided to the community; and

**WHEREAS**, the potential reduction in public services and programs can be addressed by proposing a new measure to Stanton voters increasing the City's transient occupancy tax rate and modernizing its terms as set forth herein; and

**WHEREAS**, without additional sources of revenue, the projected deficit will start having an effect on the City's budget as early as Fiscal Year 2020-2021, requiring the City to decide whether to reduce public services and programs or spend down its reserve funds; and

**WHEREAS**, in order to prudently develop and decide on a budget for Fiscal Year 2020-2021, the City must know in advance whether or not Stanton voters support the tax measure set forth herein. A November, 2019 special election will provide sufficient time for the City to incorporate the voters' decision into its Fiscal Year 2020-2021 budgeting calculations; and

**WHEREAS**, if the City were to wait until the November, 2020 General Municipal Election to place this question before Stanton voters, the City would have to develop and approve a Fiscal Year 2020-2021 budget without knowing the voters' wishes in this regard, compromising the City's ability to budget with full knowledge of all of its available revenue sources going forward; and

**WHEREAS**, the circumstances described above create an emergency situation warranting the placement of the Measure on a special election ballot to permit the voters to decide on the Measure pursuant to Proposition 218; and

**WHEREAS**, the City Council also desires to request that the Orange County Registrar of Voters provide full election services to the City in order to conduct the Special Municipal Election for the Ordinance/Measure described herein to be held on November 5, 2019; and

**WHEREAS**, the City Council also desires to establish deadlines and rules for the submission of written arguments and rebuttals for and against the Ordinance/Measure in accordance with applicable California Elections Code procedures; and

**WHEREAS**, the specific terms relating to the TOT amendment are provided for in the ordinance to be considered by the qualified voters, attached hereto as Exhibit "A" (the "Ordinance" or "Measure") and by this reference made an operative part hereof, and in accordance with all applicable laws.

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

**SECTION 1. Recitals.** The City Council hereby finds and determines that the foregoing recitals are true and correct, are incorporated herein and by this reference made an operative part hereof.

**SECTION 2. Declaration of Emergency.** Pursuant to California Proposition 218 (California Constitution, Article XIIC, Section 2(b)), the City Council, **by a unanimous vote**, hereby declares the existence of an emergency in that there are imminent financial risks and dangers, as described above, to the public welfare and the City's financial ability to provide municipal services at current levels and without disruption, so that a special election is necessary to address such risks and dangers.

**SECTION 3. Submission of Ballot Measure.** The City Council of the City, pursuant to its right and authority as contained in California Proposition 218 and Elections Code section 9222, **by a unanimous vote**, hereby orders the Ordinance attached hereto as Exhibit "A" to be submitted to the qualified voters of the City at the Special Municipal Election to be held on Tuesday, November 5, 2019. The proposed Ordinance shall be in the form attached hereto as Exhibit "A" to this Resolution and is incorporated by this reference as if fully set forth herein.

**SECTION 4. Ballot Measure.** The City Council, pursuant to its right and authority, does hereby order that the ballot measure shall be presented and printed upon the ballot submitted to the qualified voters in the manner and form set forth in this Section 3. On the ballot to be submitted to the qualified voters at the Special Municipal Election to be held on Tuesday, November 5, 2019, in addition to any other matters required by law, there shall be printed substantially the following:

"To improve general City services, such as police, fire and emergency response, parks and youth/senior services, and street repair, shall a measure amending the Stanton Municipal Code to increase the Transient Occupancy Tax rate from 8% to 12%, providing approximately \$250,000 annually, until ended by voters, and applying the tax to all rent charged to hotel guests, including by online travel and short term rental companies, for transient occupancy of any hotel, be adopted?"	YES	
	NO	

**SECTION 5. Election Procedures.**

- A. The ballots to be used at the election shall be in the form and content as required by law.
- B. In accordance with Section 10002 of the Elections Code, the Board of Supervisors of Orange County is hereby requested to consent to having the County Election Department/Registrar of Voters render full election services to the City of Stanton as may be requested by the City Clerk of said City, the County of Orange to be reimbursed in full for such services as are performed.
- C. The full election services which the City of Stanton requests the Registrar of Voters, or such other official as may be appropriate, to perform and which such officer is hereby authorized and directed to perform, if said Board of Supervisors consents, include: the preparation, printing and mailing of sample ballots and polling place cards; the establishment or appointment of precincts, polling places, and election officers, the preparation, printing, mailing and furnishing of vote-by-mail ballots, making such publications as are required by law in connection therewith; the furnishing of ballots, voting booths and other

necessary supplies or materials for polling places; the canvassing of the returns of the election and the furnishing of the results of such canvassing to the City Clerk of the City of Stanton; and the performance of such other election services as may be requested by the City Clerk.

- D. The City Clerk is authorized, instructed and directed to procure and furnish, or cause to be procured and furnished through the County of Orange, any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.
- E. The polls for the election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, except as provided in Section 14401 of the Elections Code of the State of California.
- F. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections in the City.
- G. Notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form, and manner as required by law.
- H. All ballots shall be tallied at a central counting place and not at the precincts. Said central counting place shall be at a County center as designated by the Registrar of Voters.
- I. The Orange County Registrar of Voters is hereby authorized to canvass the returns of said election.
- J. The City Clerk of the City of Stanton shall receive the canvass from the County as it pertains to the election on the measure, and shall certify the results to the City Council, as required by law.

#### **SECTION 6. Arguments and Impartial Analysis.**

- A. The City Council authorizes (i) the City Council or any member(s) of the City Council, (ii) any individual voter eligible to vote on the above measure, (iii) a bona fide association of such citizens or (iv) any combination of voters and associations, to file a written argument in favor of or against the City measure, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California and may change the argument until and including **August 6, 2019 by 5:00 p.m.**, after which no arguments for or against the measure may be submitted to the City Clerk. Arguments in favor of or against the measure shall each not exceed 300 words in length. Each argument shall be filed with the City Clerk, signed, and include the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an

organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument.

- B. The City Clerk shall comply with all provisions of law establishing priority of arguments for printing and distribution to the voters, and shall take all necessary actions to cause the selected arguments to be printed and distributed to the voters.
- C. Pursuant to Section 9280 of the Elections Code, the City Council directs the City Clerk to transmit a copy of the measure to the City Attorney. The City Attorney shall prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure. The City Attorney shall transmit such impartial analysis to the City Clerk, who shall cause the analysis to be published in the voter information guide along with the ballot measure as provided by law. The Impartial Analysis shall be filed by the deadline set for filing of primary arguments as set forth in subsection (A) above. The impartial analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the City Council. In the event the entire text of the measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there shall be printed immediately below the impartial analysis, in no less than 10-font bold type, the following: **"The above statement is an impartial analysis of Ordinance or Measure \_\_\_\_\_. If you desire a copy of the ordinance or measure, please call the election official's office at (insert phone number) and a copy will be mailed at no cost to you."**
- D. That the provisions of this Section 6 herein shall apply only to the election to be held on November 5, 2019, and shall then be repealed.

#### **SECTION 7. Rebuttals.**

- A. Pursuant to Section 9285 of the Elections Code of the State of California, when the Clerk has selected the arguments for and against the various City initiated measures which will be printed and distributed to the voters, the Clerk shall send copies of the argument in favor of the measures to the authors of the argument against, and copies of the argument against to the authors of the argument in favor. The authors or persons designated by them may prepare and submit rebuttal arguments not exceeding 250 words. The rebuttal arguments shall be filed with the City Clerk not later than **August 16, 2019 by 5:00 p.m.** Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.
- B. The provisions of this Section 7 herein shall apply only to the election to be held on November 5, 2019, and shall then be repealed.

**SECTION 8. Placement on the Ballot.** The full text of the Ordinance/Measure shall not be printed in the voter information guide, and a statement shall be printed in the ballot pursuant to Section 9223 of the Elections Code advising voters that they may obtain a copy of this Ordinance/Measure at no cost, upon request made to the City Clerk.

**SECTION 9. Delivery of Resolution to County.** The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions. The City Council directs the City Clerk to deliver copies of this Resolution, including the Ordinance/Measure attached hereto as Exhibit "A", to the Clerk of the Board of Supervisors of Orange County and to the Registrar of Voters of Orange County.

**SECTION 10. Public Examination.** Pursuant to California Elections Code section 9295, this Measure will be available for public examination for no fewer than ten (10) calendar days prior to being submitted for printing in the voter information guide. The Clerk shall post notice in the Clerk's office of the specific dates that the examination period will run.

**SECTION 11. CEQA.** The City Council hereby finds and determines that the ballot measure relates to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, and therefore is not a project within the meaning of the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines, section 15378(b)(5).

**SECTION 12. Severability.** If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City Council hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

**SECTION 13. Effective Date of Resolution.** This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Stanton, California, at a special meeting held on this 23<sup>rd</sup> day of July, 2019.

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DAVID J. SHAWVER, MAYOR



**CERTIFICATION FOR RESOLUTION NO. 2019-31**

I, Patricia A. Vazquez, City Clerk of the City Council of the City of Stanton, California, do hereby certify that the whole number of the members of the City Council is five (5); that the above and foregoing Resolution was duly and regularly passed and adopted at a regular meeting of the City Council of the City of Stanton on the 23<sup>rd</sup> day of July, 2019, by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

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. 2019-31 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 July 23, 2019, and that the same was adopted, signed and approved by the following vote to wit:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

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

EXHIBIT "A"

ORDINANCE NO. 1092

AN ORDINANCE OF THE PEOPLE OF THE CITY OF STANTON, CALIFORNIA, AMENDING CERTAIN SECTIONS OF CHAPTER 5.12 OF TITLE 5 OF THE STANTON MUNICIPAL CODE INCREASING THE RATE OF THE CITY'S TRANSIENT OCCUPANCY (HOTEL) TAX FROM 8% TO 12%, ADDRESSING ONLINE TRAVEL COMPANY AND OTHER THIRD PARTY BOOKINGS AND MAKING OTHER CONFORMING CHANGES

(NOTE: Additions are highlighted in ***bold italics*** and deletions are highlighted in ~~strikeout~~)

NOW THEREFORE, THE PEOPLE OF THE CITY OF STANTON DO ORDAIN AS FOLLOWS:

**SECTION 1.** Subject to the approval of a majority of the voters of the City of Stanton at the Special Municipal Election so designated by the City Council in a separate resolution placing the proposal on the ballot for such election, Sections 5.12.020, 5.12.030 and 5.12.040 are hereby amended and Sections 5.12.055 and 5.12.150 are hereby added to Chapter 5.12 of Title 5 of the Stanton Municipal Code to read as follows:

**"Chapter 5.12 TRANSIENT OCCUPANCY**

....

**"5.12.020. Definitions.**

Except where the context otherwise requires, the definitions given in this section govern the construction of this chapter.

A. "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.

B. "Hotel" means any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure or portion thereof.

C. "Occupancy" means the use or possession, or the right to the use or possession of any room or rooms or portion thereof (***whether or not the person entitled to the use or possession actually uses or possesses such room or rooms or portion thereof***), in any hotel for dwelling, lodging or sleeping purposes. ***The use or possession or right to the use or possession of any room or any suite of connecting rooms as office space, banquet or private dining rooms, or as exhibit, sample or display space shall not be considered "occupancy" within the meaning of this definition unless the person exercising occupancy uses or possesses, or has the right to the use or possession of all or any portion of such room or suite of rooms for dwelling, lodging or sleeping purposes.***

D. "Transient" means any person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement for a period of thirty consecutive calendar days or less, counting portions of calendar days as full days. ***The following rules shall apply to this definition:***

1. Any such person so occupying space ***or entitled to occupy a room*** in a hotel shall be deemed to be a transient until the period of thirty ***(30) calendar*** days has expired ~~unless there is an agreement in writing between the operator and the occupant providing for a longer period of occupancy.~~ ***Any person who exercises or is entitled to occupancy for a period of thirty consecutive calendar days or less shall be deemed to be a transient, regardless of whether the reservation and payment or payment for occupancy is made directly by the person exercising or entitled to occupancy or by another person or entity. The intent is to tax the person occupying or having the entitlement to occupy the hotel room.***
2. In determining whether a person is a transient, uninterrupted periods of time extending both prior and subsequent to the effective date of this chapter may be considered.
3. ***In the event a person exercises or is entitled to occupancy for a continuous and uninterrupted period of longer than thirty (30) calendar days, he or she shall be deemed a transient and subject to the tax for only for the first thirty (30) calendar days of occupancy. The person shall cease being a transient and the tax shall not apply to the thirty-first (31st) calendar day and each following calendar day of continuous and uninterrupted occupancy. However, any break or interruption in occupancy shall start a new thirty (30) calendar day period subject to the tax.***
4. ***In the case of a block reservation, a person's employee or agent shall be deemed a transient if that employee or agent exercises or is entitled to occupancy of a room for a period of 30 consecutive calendar days or less, regardless of the duration of any block reservation agreement. By way of example, if a corporation enters into a one-year block reservation agreement with an operator and one of the corporation's employees occupies a room for 30 calendar days under that agreement, the employee shall be deemed a transient whose occupancy is subject to the tax, notwithstanding the***

***fact that the block reservation agreement itself may have a term longer than 30 calendar days."***

E. "Rent" means the ***total*** consideration charged to the transient, (including but not limited to, room rates, service charges, parking fees, purchase price, advance registration, block or group reservation charges, assessments, retail markup, commission, processing fees, cancellation charges, attrition fees, or online booking or broker fees), whether or not received, for the occupancy of space in a hotel valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever. ***Nothing in this definition shall be construed to mean that rent is charged directly or indirectly for occupancy in a hotel when a room is provided to the transient as a compliment for the operator and where no consideration is charged to or received from any other person. Further, bona fide charges for food and beverages which are subject to tax under the California Sales and Use Tax Law (Revenue and Taxation Code Sections 6001 et. seq.) shall not be deemed rent subject to the tax imposed by this chapter.***

F. "Operator" means the person who is proprietor of the hotel ***or any other person who has the right to rent rooms within the hotel to customers or to facilitate the rental of rooms***, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee, ***seller, reseller***, or any other capacity. Where the operator performs his functions through a managing agent of any type or character, other than an employee, the managing agent shall also be deemed an operator for the purposes of this chapter and shall have the same duties and liabilities as his ***the agent's*** principal. ***Full*** compliance with the provisions of this chapter by either the principal or the managing agent shall, however, be considered to be compliance by both.

G. "Tax Administrator" means the director of finance.

H. ***"Online Short Term Rental Company" shall mean any person, whether operating for profit or not for profit, which facilitates the connection between transients aiming to purchase occupancy in any hotel via the Internet, or by similar electronic means.***

I. ***"Online Travel Company" shall mean any person, whether operating for profit or not for profit, which enables transients to purchase occupancy in a hotel via the Internet, or by similar electronic means.***

J. ***"Block Reservation" means an arrangement whereby a person reserves, whether on an exclusive or non-exclusive basis, a room or block/group of rooms for a defined period of time under a written or oral agreement with an operator, intending for such room(s) to be occupied by that person's employees or agents on an intermittent, periodic or "as needed" basis during that defined period of time.***

#### 5.12.030 Tax imposed.

For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the amount of eight ~~eight~~ **twelve (12%)** percent of the rent charged ~~paid~~ by the operator ~~transient~~. Said tax constitutes a debt owed by the transient to the city which is extinguished only by payment to the operator, **a rental agent pursuant to Section 5.12.055 of this chapter**, or to the city. The transient shall pay the tax to the operator **or rental agent** of the hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel. If for any reason the tax due is not paid to the operator **or rental agent** of the hotel, the tax administrator may require that such tax shall be paid directly to the tax administrator.

#### 5.12.040 Exemptions.

A. No tax shall be imposed upon:

1. Any person as to whom, or any occupancy as to which, it is beyond the power of the City to impose the tax provided in this chapter;
2. Any federal or state officer or employee when **occupying a room while on official government business. For purposes of this section, non-employee students, supporters and volunteers of state universities and colleges shall not be deemed to be officers or employees of the state.**
3. Any officer or employees of a foreign government who is exempt by reason of express provision of federal law or international treaty.

**B.** No exemption shall be granted except upon a claim therefor made at the time rent is collected and under penalty of perjury upon a form prescribed by the tax administrator. **Any federal or state officer or employee when on official government business claiming such an exemption shall provide to the operator or rental agent as conclusive evidence that his or her occupancy is for the official business of his or her employer:**

1. **Travel orders from his or her government employer; or a government warrant issued by his or her employer to pay for the occupancy; or a government credit card issued by his or her employer to pay for the occupancy; and**
2. **Proof of his or her governmental employment as an employee or officer as described in subsection (A), and proof, consistent with these provisions, that his or her occupancy is for the official business of his or her governmental employer.**

***It shall be the duty of an operator or rental agent to keep and maintain for a period of three (3) years written documentation in support of each exemption granted under this Section.***

***....***

#### **5.12.055 Third Party Rental Transactions.**

***A. Any transient who pays rent to an online short term rental company, an online travel company, or similar agent (collectively a "rental agent") instead of to an operator shall, at the time the rent is paid, pay the tax to the rental agent in the manner required by section 5.12.030. If for any reason the tax is not paid to the rental agent, it shall be paid to the operator before the transient has ceased occupancy in the hotel or paid directly to the tax administrator pursuant to section 5.12.030. Any transient seeking a refund under section 5.12.120 of taxes paid to a rental agent must establish that the transient has been unable to obtain a refund from the rental agent who collected the tax.***

***B. Any rental agent who collects rent shall comply with all obligations of the operator set forth in sections 5.12.050 and 5.12.110 of this chapter. The rental agent shall remit all collected taxes to the operator before the deadline for the operator to remit the taxes to the tax administrator under section 5.12.070, and the rental agent shall provide the operator with copies of all records required to be maintained by the operator pursuant to section 5.12.110 of this chapter, including records necessary for the operator to comply with its obligations under this chapter.***

***C. If the tax administrator determines that a rental agent has failed to collect, remit, or report any tax, the tax administrator may take any action against the rental agent that he or she may take against an operator under sections 5.12.080 and 5.12.090 of this chapter subject to the requirements of those sections. If the tax administrator assesses unremitted taxes and penalties against the rental agent, the rental agent shall be subject to the provisions of sections 5.12.090, 5.12.100, 5.12.120, 5.12.130 and 5.12.140 of this chapter as if it were an operator. Nothing in this section shall prohibit the tax administrator from assessing the full amount of any unremitted taxes and penalties solely against the operator in lieu of assessing some or all of those taxes and penalties against the rental agent.***

***....***

#### **5.12.150 Amendment or Repeal – Adjustment of Taxing Rate or Methodology.**

***This chapter may be repealed or amended by the City Council without a vote of the People of the City of Stanton. However, as required by California Constitution Article XIIIC (Proposition 218), voter approval is required for any amendment or provision that would increase the maximum rate or methodology of any tax levied pursuant to this chapter. The people of the City of Stanton***

***affirm that the following actions shall not constitute an increase of the rate or methodology of the transient occupancy tax requiring subsequent voter approval:***

***A. The restoration of the rate of the tax to a rate that is no higher than the maximum set by this voter-approved chapter, if the City Council has previously acted to reduce the rate of the tax;***

***B. An action that interprets or clarifies the methodology of the tax, or any definition applicable to the tax, so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this chapter;***

***C. The establishment of a class of person or service that is exempt or excepted from the tax or the discontinuation of any such exemption or exception (other than the discontinuation of an exemption or exception explicitly set forth in this chapter); and***

***D. Resuming collection of the tax imposed by this chapter, even if the City had, for some period of time, either suspended collection of the tax or otherwise failed to collect the tax, in whole or in part."***

**SECTION 2.** Pursuant to Article XIII B of the California Constitution, the appropriation limit for the City of Stanton will be increased by the maximum projected aggregate collection authorized by the levy of this general tax, as indicated in Section 1, in each of the years covered by this Ordinance plus the amount, if any, by which the appropriation limit is decreased by law as a result of the levy of the general tax set forth in this Ordinance.

**SECTION 3.** If any portion of this Ordinance is declared invalid by a court of law or other legal body with applicable authority, the invalidity shall not affect or prohibit the force and effect of any other provision or application of the Ordinance that is not deemed invalid. The voters of the City hereby declare that they would have circulated for qualification and/or voted for the adoption of this Section, and each portion thereof, regardless of the fact that any portion of the initiative may be subsequently deemed invalid.

**SECTION 4.** Pursuant to California Constitution Article XIII C §(2)(b) and California Elections Code §9217, this Ordinance shall take effect only if approved by a majority of the eligible voters of the City of Stanton voting at the Special Municipal Election to be held on November 5, 2019, and shall take effect ten (10) days after the City Council has certified the results of the Special Municipal Election by resolution.

**SECTION 5.** The Mayor is hereby authorized to attest to the adoption of this Ordinance by the People voting thereon on November 5, 2019, by signing where indicated below.

**I hereby certify that the foregoing Ordinance was PASSED, APPROVED AND ADOPTED by the people of the City of Stanton on the 5<sup>th</sup> day of November, 2019.**

\_\_\_\_\_  
DAVID J. SHAWVER, MAYOR

ATTEST:

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

APPROVED AS TO FORM:

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



## CITY OF STANTON BUDGET ADJUSTMENT AUTHORIZATION

Fiscal Year: 2019-20  
 Department: Administration  
 Requested By: Jarad Hildenbrand  
 City Council Approval: \_\_\_\_\_  
 Availability of Funds: \_\_\_\_\_  
 Administrative Services Department

BA # 2020-02  
 Date: July 17, 2019  
 Title: City Manager  
 Date: July 23, 2019  
 Title: Assistant City Manager

Transfer		Current Budget	Increase (Decrease)	Amended Amount
Account Description	Account Number			
1 General Fund: City Clerk: Elections	101-1400-608140	\$ -	\$ 133,500	\$ 133,500
2 General Fund: Fund Balance	101-0000-304320	\$ 3,889,763	\$ (133,500)	\$ 3,756,263

## JUSTIFICATION:

To provide appropriation for special election in November 2019.

## Budget Adjustment Request Approved:

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

\_\_\_\_\_  
 Date

## Budget Adjustment Processed:

\_\_\_\_\_  
 Date posted

\_\_\_\_\_  
 Entered by

\*\*\* PRINT ON BLUE PAPER ONLY \*\*\*

# **CITY OF STANTON**

## **REPORT TO CITY COUNCIL**

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

**DATE:** July 23, 2019

**SUBJECT: CONSIDERATION OF BALLOT ARGUMENTS IN SUPPORT OF MEASURES**

### **REPORT IN BRIEF:**

At the July 23 meeting, the City Council will consider calling a Special Election for two City-sponsored ballot measures. It is appropriate for the full City Council to prepare an argument supporting its position in favor of the measures. Accordingly, the Ad Hoc Committee (Mayor Pro Tem Ramirez and Council Member Van) has drafted arguments for full City Council's consideration.

### **RECOMMENDED ACTION:**

1. City Council declare that the project is exempt from California Environmental Quality Act ("CEQA") under Section 15378( b)( 4) — The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
2. Approve the language and authorize the full City Council to sign the the ballot arguments in favor of proposed measures.

### **BACKGROUND:**

As an earlier item on the agenda, the City Council will be asked to consider calling a Special Election this November to ask voters to consider two ballot measures. In the event that City Council calls the special election for November, this item should be considered.

### **ANALYSIS/JUSTIFICATION:**

The state Elections Code provides that any member of the City Council, or any eligible voter, or any bona fide association of citizens, may file an argument for or against a ballot measure. It is presumed that the City Council wishes to be involved in drafting the language and signing of the argument. Accordingly, the Ad Hoc Committee has drafted an argument in favor of each measure for full City Council consideration.

**FISCAL IMPACT:**

None.

**ENVIRONMENTAL IMPACT:**

City Council declare that the project is exempt from California Environmental Quality Act ("CEQA") under Section 15378( b)( 4) — The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

**LEGAL REVIEW:**

None


**PUBLIC NOTIFICATION:**

Through the normal agenda process.

**STRATEGIC PLAN OBJECTIVE ADDRESSED:**

6. Maintain and Promote a Responsive, High Quality and Transparent Government

Prepared by:

  
Jarad Hildenbrand  
City Manager

**ATTACHMENTS:**

Proposed Ballot Arguments

# Attachment: A

With the passage of Proposition 64, which legalized recreational cannabis, local governments were given the responsibility to provide oversight and regulate cannabis legalization within their communities. There has since been numerous attempts at the state level, such as AB 1356 (Ting), to strip away local control and force cities to allow cannabis businesses without any safeguards for residents. Measure \_\_\_ is a proactive measure initiated by the Stanton city council to preserve local control and create a taxing structure applicable should cannabis businesses become legal in Stanton.

Measure \_\_\_ allows our city to tax cannabis businesses to invest in our rising public safety needs. This would allow us to increase the quality of life in Stanton and support vital community services. Measure \_\_\_ would also provide the financial resources necessary to regulate and oversee cannabis businesses without taking money away from existing programs. The funds generated by this tax would also assist the City in shutting down illegal dispensaries.

Measure \_\_\_ does not legalize cannabis businesses in Stanton and does not modify or amend the City's current ordinances, resolutions, and policies prohibiting the cannabis businesses in Stanton. It also does not tax or regulate the personal use or personal cultivation of cannabis as authorized by the Medicinal and Adult-Use Cannabis Regulation and Safety Act. Measure \_\_\_ will NOT cost Stanton residents one penny.

Regardless of where you stand on the legalization of cannabis, Measure \_\_\_ is a proactive common sense legislation which will ensure our city has the resources to protect our residents and direct our fair share of taxes from the cannabis industry to meet our community's needs. Stanton's non-partisan city council voted unanimously to put this measure on the ballot. Please join us and vote Yes on Measure \_\_\_ !

(292 WORDS)

The City of Stanton currently has the lowest hotel Transient Occupancy Tax (TOT) in the county at 8%. All our neighboring cities have higher hotel taxes. For example, Cypress's is 10%, Buena Park's is 12%, Garden Grove's is 14.5%, and Anaheim's is 15%.

Due to Stanton's low TOT, our city's motels are the lowest priced in the area. Consequently, these motels attract prostitution, drugs, and other vices. Residents are all aware of the unkempt motels along Beach Boulevard. They burden our city's resources through high demand for law enforcement services. They cause our neighborhoods and businesses to lose value and feel unsafe.

Stanton City Council is urging Stanton residents to pass Measure \_\_\_ which will increase the city's Transient Occupancy Tax from 8% to 12%. Our current 8% rate has existed since 2001. Prior to that, our city's TOT was 12% in 1978. By returning to our pre-established rate of 12%, our city's TOT will be in line with neighboring cities. This rate change is expected to generate an additional \$250,000. This is not a tax on Stanton residents or homeowners, but a tax on the motels to ensure they pay their fair share for public safety and are not creating a burden on our community. Please join a unanimous city council and pass Measure \_\_\_!

(216 WORDS)

# CITY OF STANTON

## REPORT TO CITY COUNCIL

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

**DATE:** July 23, 2019

**SUBJECT: RESOLUTION AUTHORIZING STAFF TO APPLY FOR THE STATEWIDE PARK DEVELOPMENT AND COMMUNITY REVITALIZATION PROGRAM**

### REPORT IN BRIEF:

To approve and submit an application for grant funding for the Norm Ross Sports Complex Renovation Project.

### RECOMMENDED ACTION:

1. City Council declare that the project is exempt from California Environmental Quality Act ("CEQA") under Section 15378( b)( 4) — The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
2. Approve Resolution No. 2019-32, entitled:

**"RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING THE APPLICATION FOR STATEWIDE PARK DEVELOPMENT AND COMMUNITY REVITALIZATION PROGRAM GRANT FUNDS"; and**

3. Authorize the City Manager or designee to apply for subject grants.

### BACKGROUND:

On January, 22, 2019 the State of California Department of Parks and Recreation formally announced a Notice of Funding Opportunity to apply for \$250 million in available grant funding through the Proposition 68 Statewide Park Development and Community Improvement Revitalization Program (SPP). This competitive program focuses on creating new parks and recreation opportunities in underserved and park poor communities across California.

**ANALYSIS/JUSTIFICATION:**

Staff has identified the Norm Ross Sports Complex as a potential prime candidate for funding within the program scope and requirements of the grant. The Norm Ross Sports Complex, a Garden Grove Unified School District property located at 11150 Santa Rosalia Street, has been operating as a joint-use multi-purpose recreational facility for both the City and District since July 12, 1983. City staff has identified this location for revitalization and is preparing a grant application to the SPP to seek funding for the 4.3 acre park to include design, development and construction that will serve the City and District for continued recreational use.

The Community Services Department has held a series of five public outreach meetings to collect input from our community on the most needed amenities to improve this site. In addition, the City is seeking to purchase additional property on a vacant lot on Beach Boulevard to improve access and add parking space for visitors to the site.

Staff retained the services of David Volz Design (DVD, designer of Stanton Central Park, Dotson Park, and Veterans' Park) to prepare the conceptual design and planning for grant submittal. On July 15, 2019, two conceptual plans were presented to the Parks, Recreation and Community Services Commission for review and feedback. Mr. Volz will be in attendance Tuesday night to present a final conceptual plan, which incorporates the community's and Commission's input.

Adoption of the proposed Resolution will authorize staff to complete and submit an application for this grant. An adopted Resolution is required as part of the application packet. The Resolution designates the City Manager or designee to represent the City on all matters regarding the application and Project.

**FISCAL IMPACT:**

The minimum grant per application is \$200,000 with a maximum amount of \$8,500,000. No match is required.

**ENVIRONMENTAL IMPACT:**

City Council declare that the project is exempt from California Environmental Quality Act ("CEQA") under Section 15378( b)( 4) — The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

**LEGAL REVIEW:**

None

**PUBLIC NOTIFICATION:**

Through the normal agenda process.

**STRATEGIC PLAN OBJECTIVE ADDRESSED:**

1. Provide a Safe Community
3. Promote a Quality Infrastructure
5. Provide a High Quality of Life
6. Maintain and Promote a Responsive, High Quality and Transparent Government

Prepared by:



Zenia Bobadilla  
Community Services Manager

Approved by:



Jarad Hildentbrand  
City Manager

**ATTACHMENT:**

Proposed Resolution



## RESOLUTION NO. 2019-32

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING THE APPLICATION FOR STATEWIDE PARK DEVELOPMENT AND COMMUNITY REVITALIZATION PROGRAM GRANT FUNDS**

**WHEREAS**, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Statewide Park Development and Community Revitalization Grant Program, setting up necessary procedures governing the application; and

**WHEREAS**, said procedures established by the State Department of Parks and Recreation require the Applicant to certify by resolution the approval of the application before submission of said application to the State; and

**WHEREAS**, successful Applicants will enter into a contract with the State of California to complete the Grant Scope project;

**NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL HEREBY: APPROVES THE FILING OF AN APPLICATION FOR THE NORM ROSS SPORTS COMPLEX AND**

1. Certifies that said Applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project; and
2. Certifies that if the project is awarded, the Applicant has or will have sufficient funds to operate and maintain the project, and
3. Certifies that the Applicant has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and
4. Delegates the authority to the City Manager or designee to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the Grant Scope; and
5. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.
6. Will consider promoting inclusion per Public Resources Code §80001(b)(8 A-G).

**ADOPTED, SIGNED AND APPROVED** this 23<sup>rd</sup> day of July, 2019.

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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. 2019-32 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 July 23, 2019, and that the same was adopted, signed and approved by the following vote to wit:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

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