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**REGULAR MEETING AGENDA**  
125 E. College Street, Covina, California  
Council Chamber of City Hall  
**Tuesday, October 04, 2016**

**CITY COUNCIL/SUCCESSOR AGENCY TO THE COVINA  
REDEVELOPMENT AGENCY/COVINA PUBLIC FINANCING  
AUTHORITY/COVINA HOUSING AUTHORITY  
JOINT MEETING—CLOSED SESSION  
6:30 p.m.**

**CALL TO ORDER**

**ROLL CALL**

Council/Agency/Authority Members Walter Allen III, Peggy A. Delach, John C. King, Mayor Pro Tem/Vice-Chair Jorge A. Marquez and Mayor/Chair Kevin Stapleton

**PUBLIC COMMENTS**

*The Public is invited to make comment on Closed Session items only at this time. To address the Council/Agency/Authority please complete a yellow speaker request card located at the entrance and give it to the City Clerk. Your name will be called when it is your turn to speak. Individual speakers are limited to five minutes each.*

**The City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Covina Housing Authority will adjourn to closed session for the following:**

**CLOSED SESSION**

- A. Government Code § 54956.9(d)(1) – CONFERENCE WITH LEGAL COUNSEL:  
EXISTING LITIGATION**
- Name of Case: Powers, Justin v. City of Covina, et al; Case No. 2:15 CV 5877
- B. Government Code § 54957.6 – CONFERENCE WITH LABOR NEGOTIATORS**  
Agency Designated Representative: Danielle Tellez, Human Resources Director  
Employee Organizations: American Federation of State, County and Municipal Employees (AFSCME); Police Association of Covina (PAC); Police Management Group (PMG); and Police Supervisors of Covina (PSC)

**C. Government Code § 54957.6 – CONFERENCE WITH LABOR NEGOTIATORS**

Agency Designated Representative: Danielle Tellez, Human Resources Director  
Unrepresented Employees: Mid-Management, Supervisory and Professional, and Confidential and Technical Employees; and Executive Employees (excluding the City Manager)

**RECESS**

**CITY COUNCIL/SUCCESSOR AGENCY TO THE COVINA  
REDEVELOPMENT AGENCY/COVINA PUBLIC FINANCING  
AUTHORITY/COVINA HOUSING AUTHORITY  
JOINT MEETING—OPEN SESSION  
7:30 p.m.**

**RECONVENE AND CALL TO ORDER**

**ROLL CALL**

Council/Agency/Authority Members Walter Allen III, Peggy A. Delach, John C. King, Mayor Pro Tem/Vice-Chair Jorge A. Marquez and Mayor/Chair Kevin Stapleton

**PLEDGE OF ALLEGIANCE**

Led by Mayor Stapleton

**INVOCATION**

Given by Covina Police Chaplain Truax

**PRESENTATIONS**

Introduction of New Employees.

*Report:* [New Employees](#)

2016 USA Taekwondo National Championships

**PUBLIC COMMENTS**

*To address the Council/Agency/Authority please complete a yellow speaker request card located at the entrance and give it to the City Clerk/Agency/Authority Secretary. Your name will be called when it is your turn to speak. Those wishing to speak on a LISTED AGENDA ITEM will be heard when that item is addressed. Those wishing to speak on an item NOT ON THE AGENDA will be heard at this time. State Law prohibits the Council/Agency/Authority Members from taking action on any item not on the agenda. Individual speakers are limited to five minutes each.*

## **COUNCIL/AGENCY/AUTHORITY COMMENTS**

*Council/Agency/Authority Members wishing to make any announcements of public interest or to request that specific items be added to future Council/Agency/Authority agendas may do so at this time.*

## **CITY MANAGER COMMENTS**

### **CONSENT CALENDAR**

*All matters listed under consent calendar are considered routine, and will be enacted by one motion. There will be no separate discussion on these items prior to the time the Council/Agency/Authority votes on them, unless a member of the Council/Agency/Authority requests a specific item be removed from the consent calendar for discussion.*

**CC 1. Minutes of the September 20, 2016, Regular Meeting of the City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Housing Authority.**

*Report: [Minutes](#)*

**CC 2. Payment of City Demands in the Amount of \$1,416,814.91.**

*Report: [City Demands](#)*

**CC 3. Payment of Agency Demands in the Amount of \$9,040.24.**

*Report: [Agency Demands](#)*

**CC 4. Ordinance No. 16-2061 for Zoning Code Amendment (ZCA) 16-003, Amending Chapters 17.62 (Conditional Use Permit); 17.78 (Variance); and 17.80 (Zoning Amendments and Zone Changes) of Title 17 of the Covina Municipal Code Concerning Public Hearing Date and Noticing Requirements – Second Reading and Adoption.**

*Report: [Ordinance No. 16-2061](#)*

**CC 5. City Council to Adopt Resolution No. 16-7535 Confirming Continued Existence of An Emergency Condition for the Residual Control System at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.**

*Report: [Resolution No. 16-7535](#)*

**CC 6. Recommendation to Authorize the Interim City Manager to Represent the City of Covina at the Covina Irrigating Company (CIC) Annual Shareholder's Meeting and to Vote the City's Shares for the Slate Nominated on the Attachment.**

*Report: [Proxy Ballot](#)*

**CC 7. Notification of lease extension with Elite Dining Services, Inc.**

*Report:* [Elite Dining Services, Inc.](#)

**CC 8. Purchase of Police Department Vehicles Including Equipment Retrofit.**

*Report:* [Police Department Vehicles](#)

**CC 9. Contract Amendment to Vavrinek, Trine, Day & Co., LLP for Accounting Services Assisting with the Preparation of the Fiscal Year 2014-15 Audit and CAFR.**

*Report:* [Vavrinek, Trine, Day & Co.](#)

**CC 10. Introduction of Ordinance No. 16-2062 Setting the City's Refuse Collection Services Rates for Residential, Commercial and Industrial Customers for FY 2016-17 through FY 2018-19, Effective July 1, 2016.**

*Report:* [Ordinance No. 16-2062](#)

**CC 11. Consideration of Appointments to the Traffic Advisory Commission and Youth Accountability Board.**

*Report:* [Appointments](#)

**CC 12. Resolution No. 16-7538 to Amend the FY 2017 Capital Improvement Budget to Increase Funding for Rancho La Merced Reservoir PAX Water Technologies Mixer Project by \$17,604 and Proposed Professional Services Agreement with Doane and Hartwig Water Systems, Inc. to Furnish and Install a PAX Water Technologies Mixer at Rancho La Merced Reservoir.**

*Report:* [Doane and Hartwig Water Systems, Inc.](#)

**PUBLIC HEARING – NONE**

**CONTINUED BUSINESS**

**CB 1. Covina Senior and Community Center Project – Designation of Kelby Park and the Covina Woman's Club as Possible Site Alternatives for Placement of New Center, Adoption of Resolution No. 16-7533 Authorizing Application for Grant Funds from Los Angeles County Regional Park and Open Space District for Fifth Supervisorial District Competitive Excess Funding, and First Amendment to Agreement between City of Covina and Gonzalez Goodale Architects to Provide Planning, Programming, Architectural, and Engineering services for Initial Phase of Covina Senior and Community Center Project.**

*Report:* [Resolution No. 16-7533](#)

Staff Recommendation:

1. Direct City staff to pursue the placement of the Covina Senior and Community Center in Kelby Park and at the site of the Covina Woman's Club.
2. Adopt **Resolution No. 16-7533** authorizing the application for \$1.9 million in grant funds from the Los Angeles County Regional Park and Open Space District for Fifth Supervisorial District Competitive Excess Funding for the Covina Senior and Community Center Project.
3. Approve and Authorize the Interim City Manager to execute on the City Council's behalf, in substantial form, the attached First Amendment to the Agreement between the City of Covina and Gonzalez Goodale Architects to (1) extend the term of the agreement through June 30, 2017, (2) amend the scope of work to (a) reflect the placement of the Covina Senior and Community Center at a location to be designated by the City Council and (b) prepare a General Building and Site Analysis of the Covina Woman's Club, (3) increase the total compensation by \$20,000 to a not-to-exceed amount of \$120,000, and (4) include provisions required for compliancy with federal law and Community Development Block Grant (CDBG) requirements, subject to the City Attorney's review and approval as to form.

**CB 2. Consideration of Resolutions Amending the Composition of the Finance Advisory Commission and Amending Policies Related to the City's Advisory Boards and Commissions.**

*Report:* [Resolution Nos. 16-7531 and 16-7532](#)

Staff Recommendation:

1. Adopt **Resolution No. 16-7531** amending policies related to the City's Advisory Boards and Commission to change the composition of the Finance Advisory Commission and rescinding Resolution No. 16-7505.
2. Adopt **Resolution No. 16-7532** amending the Bylaws of the Finance Advisory Commission to change the composition of the Commission from five to seven members.

**CB 3. Consideration of Appointments to the Finance Advisory Commission.**

*Report:* [FAC Appointments](#)

Staff Recommendation:

Reappoint Mark Cook, Diane Fonseca, and Tom Melendrez to the Finance Advisory Commission for full terms ending June 30, 2020.

**NEW BUSINESS**

**NB 1. Professional Services Agreement with HdL Software, LLC (HdL) for Business License Management and Compliance Services.**

*Report:* [HdL Software, LLC](#)

Staff Recommendation:

Award Professional Services Agreement (PSA) to HdL Software, LLC (HdL) for Business License Management and Compliance Services along with Consulting Services for a Business Tax Analysis and Ordinance Review, Authorize the Interim City Manager to execute the PSA, and adopt Resolution No. 16-7534 appropriating \$71,500 for this agreement.

**NB 2. Consideration of Resolutions relating to Covina’s General Municipal Election to be held on March 7, 2017, including Placing a Measure Extending the City’s Utility Users Tax on the March 2017 Ballot.**

*Report:* [Election Resolutions](#)

Staff Recommendation:

1. Adopt **Resolution No. 16-7526** calling for the holding of a General Municipal Election on Tuesday, March 7, 2017.
2. Adopt **Resolution No. 16-7527** requesting the Board of Supervisors of the County of Los Angeles to direct the Registrar-Recorder/County Clerk’s Office to administer, manage and oversee the City of Covina’s General Municipal Election to be held on March 7, 2017.
3. Adopt **Resolution No. 16-7536** requesting the Board of Supervisors to render specified services relating to the Election.
4. Adopt **Resolution No. 16-7528** adopting regulations for candidates’ statements.
5. Adopt **Resolution No. 16-7529** ordering that an ordinance to extend the City’s existing utility users tax (Option 1 or Option 2) be submitted to the voters at the General Municipal Election to be held March 7, 2016, directing the City Attorney to prepare an impartial analysis of the measure, setting priorities for filing a written argument relating to the ballot measure, and providing for rebuttal arguments relating to the ballot measure.

**NB 3. Resolution No. 16-7537; Budget Resolution to Appropriate \$12,600 of the 2016-2017 Budget for Emergency Asbestos and Lead Paint Survey Services and Litigation Guarantee Fees for the Abatement of a Dangerous Building – Update on Fire-Damaged Property at 345 S. Citrus Ave.**

*Report:* [Resolution No. 16-7537](#)

Staff Recommendation:

Approve City Council Resolution No. 16-7537 and provide additional direction as appropriate.

**NB 4. Request to Reorganize Community Development Department Staffing Structure.**

*Report:* [Staffing Structure](#)

Staff Recommendation:

That the City Council approve the Staffing Reorganization in the Community Development Department.

**ADJOURNMENT**

The Covina City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Finance Authority/Covina Housing Authority will adjourn to its next regular meeting of the Council/Agency/Authority scheduled for Tuesday, October 18, 2016, at 6:30 p.m. for closed

session and 7:30 p.m. for open session inside the Council Chamber, 125 East College Street, Covina, California, 91723.

Any member of the public may address the Council/Agency/Authority during both the public comment period and on any scheduled item on the agenda. Comments are limited to a maximum of five minutes per speaker unless, for good cause, the Mayor/Chairperson amends the time limit. Anyone wishing to speak is requested to submit a yellow Speaker Request Card to the City Clerk; cards are located near the agendas or at the City Clerk's desk.

MEETING ASSISTANCE INFORMATION: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (626) 384-5430. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

If you challenge in court any discussion or action taken concerning an item on this agenda, you may be limited to raising only those issues you or someone else raised during the meeting or in written correspondence delivered to the City at or prior to the City's consideration of the item at the meeting.

The Covina City Clerk's Office does hereby declare that, in accordance with California Government Code Section 54954.2(a), the agenda for the Tuesday, October 04, 2016, meeting was posted on September 29, 2016, on the City's website and near the front entrances of: 1) Covina City Hall, 125 East College Street, Covina; and 2) the Covina Public Library, 234 N. Second Avenue, Covina.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA, AND SUBMITTED TO THE CITY COUNCIL AFTER PUBLICATION OF THE AGENDA, ARE AVAILABLE TO THE PUBLIC IN THE CITY CLERK'S OFFICE AT 125 E. COLLEGE STREET, COVINA.

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# CITY OF COVINA AGENDA REPORT

ITEM NO. P.1

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**MEETING DATE:** October 4, 2016

**TITLE:** Introduction of New Employees

**PRESENTED BY:** Don Penman, Interim City Manager  
Anita Agramonte, Finance Director  
Kim Raney, Interim Chief of Police  
Siobhan Foster, Public Works Director

**RECOMMENDATION:** Welcome new employees.

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**BACKGROUND:**

Once per quarter, new full-time employees are introduced to Council and the community with a brief biography presented by their respective department directors.

**DISCUSSION:**

For the third quarter of 2016, we welcome the following new employees:

FINANCE:

- **Alan Sands, Senior Accountant**  
Date of Hire: June 13, 2016

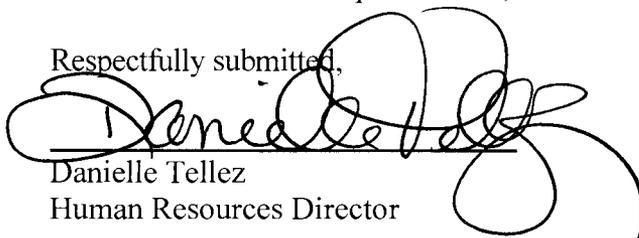
POLICE DEPARTMENT:

- **Kelly Churnside, Public Safety Dispatcher**  
Date of Hire: August 16, 2016
- **Patricia Tachias, Public Safety Communications Supervisor**  
Date of Hire: September 6, 2016

PUBLIC WORKS DEPARTMENT:

- **Jason Lappin, Public Works Manager**  
Date of Hire: September 6, 2016
- **John Ericson, Water Worker**  
Date of Hire: September 27, 2016

Respectfully submitted,

  
Danielle Tellez  
Human Resources Director

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ITEM NO. CC 1

**MINUTES OF SEPTEMBER 20, 2016  
REGULAR MEETING OF THE COVINA CITY COUNCIL/SUCCESSOR AGENCY TO  
THE COVINA REDEVELOPMENT AGENCY/COVINA PUBLIC FINANCING  
AUTHORITY/COVINA HOUSING AUTHORITY HELD IN THE COUNCIL  
CHAMBER OF CITY HALL, 125 EAST COLLEGE STREET, COVINA, CALIFORNIA**

**CALL TO ORDER**

Mayor Stapleton called the Council/Agency/Authority meeting to order at 6:37 p.m. with all Councilmembers present. There were no public comments. Mayor Stapleton recessed the Council to closed session at 6:37 p.m.

**ROLL CALL**

**Councilmembers Present:** Walter Allen III, Peggy A. Delach, John C. King, Mayor Pro Tem/Vice-Chair Jorge A. Marquez, and Mayor/Chair Kevin Stapleton.

**Councilmembers Absent:** None.

**Elected Members Present:** City Treasurer Geoffrey Cobbett.

**Elected Members Absent:** City Clerk Mary Lou Walczak.

**Staff Members Present:** Interim City Manager Donald E. Penman, City Attorney Candice K. Lee, Interim Police Chief Kim Raney, Community Development Director Brian Lee, Public Works Director Siobhan Foster, Parks and Recreation/Library Director Amy Hall-McGrade, Human Resources Director Danielle Tellez, Finance Director Anita Agramonte, Acting Assistant Fire Chief Jim Enriquez, and Chief Deputy City Clerk/Records Management Director Sharon F. Clark.

**CLOSED SESSION**

- A. Government Code § 54956.9(d)(1) – CONFERENCE WITH LEGAL COUNSEL:  
EXISTING LITIGATION**
- Name of Case: Powers, Justin v. City of Covina, et al; Case No. 2:15 CV 5877
- B. Government Code § 54956.9(d)(1) – CONFERENCE WITH LEGAL COUNSEL:  
EXISTING LITIGATION**
- Name of Case: Robert Bobkiewicz v. City of Covina; WCAB No. ADJ7975901
- C. Government Code § 54956.9(d)(2) – CONFERENCE WITH LEGAL COUNSEL:  
SIGNIFICANT EXPOSURE TO LITIGATION**

**D. Government Code § 54957.6 – CONFERENCE WITH LABOR NEGOTIATORS**

Agency Designated Representative: Danielle Tellez, Human Resources Director  
Employee Organizations: American Federation of State, County and Municipal Employees (AFSCME); Police Association of Covina (PAC); Police Management Group (PMG); and Police Supervisors of Covina (PSC)

**E. Government Code § 54957.6 – CONFERENCE WITH LABOR NEGOTIATORS**

Agency Designated Representative: Danielle Tellez, Human Resources Director  
Unrepresented Employees: Mid-Management, Supervisory and Professional, and Confidential and Technical Employees; and Executive Employees (excluding the City Manager)

**RECONVENE AND CALL TO ORDER**

Mayor Stapleton reconvened the meeting into open session at 7:31 p.m.

**PLEDGE OF ALLEGIANCE**

Councilmember King led the Pledge of Allegiance.

**INVOCATION**

Covina Police Chaplain Venegas gave the invocation.

**CLOSED SESSION REPORT**

City Attorney Lee announced that there was no reportable action taken and direction was given to staff.

**PRESENTATIONS**

*Daughters of the American Revolution (DAR) Proclamation*

Mayor Stapleton presented a proclamation honoring Constitution Week to DAR representatives Susan Nash Barboza, Regent of the Covina Chapter - NSDAR; Debbie King, District X Director; Pam Schulz, Vice Regent; and Lori Duffy, Chaplain & Constitution Week Chairperson.

*National Literacy Month Proclamation*

Mayor Stapleton presented a proclamation declaring September 2016 as National Literacy Month to Literacy Coordinator Lilly Jimenez who accepted on behalf of the Covina Library.

*Covina Chamber of Commerce Check Presentation to the Library*

Covina Chamber of Commerce President/Chief Executive Officer Dawn Nelson presented a \$500 check donation to Mayor Stapleton and Literacy Coordinator Lilly Jimenez for the Covina Library.

## **PUBLIC COMMENTS**

Leonard W. Rose, Jr. spoke about religious TV programs, supernatural personages, reporting suspicious activity to the Police and Fire Departments, families working together, and helping people in need.

## **COUNCIL/AGENCY/AUTHORITY COMMENTS**

Councilmember King thanked community members for being present and giving input at the study session meeting for the Senior and Community Center update and commented on the success of Covina Day at the Los Angeles County Fair during which Hometown Hero Joelle Peelgren was honored.

Councilmember Delach thanked the seniors who attended the study session meeting and those who came to the recent iTEC meeting, and commented on Covina Day at the Fair and the funeral for Ron Capotosto.

Councilmember Allen agreed with comments by Councilmembers King and Delach, and congratulated Joelle Peelgren for being Covina's Hometown Hero.

At Mayor Stapleton's invitation, Covina Chamber of Commerce President/Chief Executive Officer Dawn Nelson announced the 33<sup>rd</sup> Annual Police and Firefighter luncheon during which a police officer, firefighter and civilian employee will be honored.

Mayor Stapleton acknowledged the following recent City events: Covina Day at the Los Angeles County Fair; Covina Forward Development meeting for the project proposed on the former Kmart site; Covina Library's September 11<sup>th</sup> Memorial and Tribute; Covina Police Department Community Lunch; and the appointment of Covina Police Captain John Curley as Covina's new Chief of Police.

He announced the following upcoming events:

- San Gabriel Valley Mosquito & Vector Control District community-based workshop to "Keep Zika Out" of Los Angeles County on Saturday, September 24, 2016 from 8:00 a.m. to 12:00 p.m. at the Dharma Seal Temple, 3027 Del Mar Avenue, Rosemead.
  - 21<sup>st</sup> Annual Thunderfest Event on Saturday, October 8, 2016, from 2:00 to 9:00 p.m. in Downtown Covina.
  - Youth Sports Programs, registering now.
  - Flu Shot Clinic on Tuesday, October 25, 2016, from 9:00 to 11:30 a.m. at the Covina Public Library for persons 50 years old or older and those with chronic health conditions.
  - Dia de los Muertos Event on Sunday, October 30, 2016, from 2:00 to 8:00 p.m. at Forest Lawn – Covina Hills.
  - Halloween Carnival Sponsorships still needed to support the annual Halloween carnival on October 31.
- Covina Public Library Events:
- Banned Books Week from September 25 to October 1, 2016.
  - Baby Story Time beginning September 30, 2016, at 10:30 a.m. for ages 0-2; and Toddler Story Time beginning October 4, 2016, at 11:30 a.m. for ages 2-3; both registering now.

- Wednesday Whodunit Mystery Book Club – Local author Isla Morley speaking on Wednesday, October 5, 2016, at 6:30 p.m.
- Play & Learn Workshops beginning October 12, 2016; registering now.

Councilmember King commented that Isla Morley is a local author and it is nice to hear she will be at the Library.

Police Chief Raney honored Chaplains Venegas and Truax for their service and introduced new PD employees: Officers Mark Fraijo and Tremell Reed, and Chaplains Deacon Ron Butler and Pastor Michael Callahan. In closing, he recognized Sergeant Gregg Peterson for his recruiting success.

**CITY MANAGER COMMENTS** – None.

**CONSENT CALENDAR**

A motion was made by Councilmember King, seconded by Mayor Pro Tem Marquez, to approve Consent Calendar items CC 1 – 11 as presented.

*Motion approved Consent Calendar items CC 1 – 11 as follows:*

**AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON**  
**NOES: NONE**  
**ABSTAIN: NONE**  
**ABSENT: NONE**

- CC 1. City Council approved the Minutes of the August 16, 2016, Study Session Meeting and September 6, 2016, Regular Meeting of the City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Housing Authority.
- CC 2. City Council approved the payment of City Demands in the Amount of \$2,027,200.14.
- CC 3. Successor Agency to the Covina Redevelopment Agency approved the payment of Agency Demands in the Amount of \$58,294.45.
- CC 4. City Council adopted **Resolution No. 16-7522** Confirming Continued Existence of An Emergency Condition for the Residual Control System at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.
- CC 5. City Council adopted **Resolution No. 16-7523** amending the City of Covina Conflict of Interest Code and rescinding Resolution No. 14-7280.
- CC 6. City Council authorized the Interim City Manager to execute the Sixth Amendment to Agreement between City of Covina and Interwest Consulting Group, Inc. for Planning and Transit Consulting Services to increase the compensation for transit consulting services by a not-to-exceed amount of \$17,680.
- CC 7. City Council authorized the Director of Public Works to execute the Request to California Public Utilities Commission (CPUC) Staff for Authorization to Alter the Citrus Avenue Highway-Rail Crossing Pursuant to General Order 88-B.

- CC 8. City Council authorized the Interim City Manager to execute the First Amendment to the Agreement between City of Covina and Urban Graffiti Enterprises, Inc. for Citywide Transit Maintenance, Graffiti Abatement, and Code Enforcement Property Abatement Services to extend the term of the agreement by one year through September 30, 2017, and increase the total compensation by \$122,100.
- CC 9. City Council: 1) Awarded Bid to Power Security Group for Security Services at the Covina Metrolink Station Parking Complex and Park Restroom Locking Services; 2) Authorized the Interim City Manager to execute the Professional Services Agreement with Power Security Group for Security Services at the Covina Metrolink Station Parking Complex and Park Restroom Locking Services for a three-year period between November 1, 2016, and November 1, 2019, for an amount not-to-exceed \$307,956.50; and 3) Approved 3,973 security hours at the Covina Metrolink Station Parking Complex and 242 days of park restroom locking services between November 1, 2016, and June 30, 2017.
- CC 10. City Council approved the Second Amendment to the Facility Use Agreement for a Farmers' and Street Market in the City of Covina and authorized the Interim City Manager or his designee to execute the Amendment on behalf of the City.
- CC 11. City Council: 1) Adopted **Resolution No. 16-7520** appropriating \$31,750.05 for the renewal of the following annual maintenance service agreements that support technology programs currently operating at the Police Department totaling \$31,750.05 for Leverage Information Systems, NetMotion Wireless, 2FA, VeriPic and S&J Sales; and 2) Authorized the Interim City Manager or his designee to execute these maintenance service contracts.

**PUBLIC HEARING**

**PH 1. Ordinance No. 16-2061 for Zoning Code Amendment (ZCA) 16-003, Amending Chapters 17.62 (Conditional Use Permits); 17.78 (Variances); and 17.80 (Zoning Amendments and Zone Changes) of Title 17 of the Covina Municipal Code Concerning Public Hearing Date and Noticing Requirements.**

Mayor Stapleton opened the public hearing.

The staff report was presented by Community Development Director Lee. There was no public comment.

Mayor Stapleton closed the public hearing.

City Attorney Lee read the Ordinance title.

A motion was made by Councilmember Allen, seconded by Councilmember King, to waive full reading, read by title only, and introduce for first reading **Ordinance No. 16-2061** entitled, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, AMENDING CHAPTERS 17.62 (CONDITIONAL USE PERMITS), 17.78 (VARIANCES) AND 17.80 (ZONING AMENDMENTS AND ZONE CHANGES) OF TITLE 17 (ZONING) OF THE COVINA MUNICIPAL CODE CONCERNING PUBLIC HEARING DATE AND

NOTICING REQUIREMENTS, AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA.”

*Motion approved Public Hearing item PH 1 as follows:*

**AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON**  
**NOES: NONE**  
**ABSTAIN: NONE**  
**ABSENT: NONE**

**CONTINUED BUSINESS**

**CB 1. Appointments and/or Reappointments to Fill Vacancies on Various City of Covina Boards and Commissions.**

The staff report was presented by Chief Deputy City Clerk Clark. There was no public comment.

Mayor Stapleton instructed councilmembers to mark the ballots for appointments to the Planning Commission which had been distributed to them and return them to Chief Deputy City Clerk Clark for tallying.

Upon Mayor Stapleton’s suggestion, there was a consensus of the City Council to defer appointments to the Finance Advisory Commission and direct staff to bring back an agenda item at the October 4, 2016, regular meeting to expand the composition of the Finance Advisory Commission from five to seven members, and consider appointments to the Finance Advisory Commission at that time.

There was a consensus of the City Council to appoint Nick Lopez to the Traffic Advisory Commission for an unexpired term ending June 30, 2018.

A motion was made by Councilmember King, seconded by Mayor Pro Tem Marquez, to appoint Pedro Ramirez, Jr. to a member position on the Youth Accountability Board for a term ending June 30, 2017, and to direct staff to ascertain whether Nick Lopez would be interested in a position as an alternate on the Youth Accountability Board.

*Motion was approved as follows:*

**AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON**  
**NOES: NONE**  
**ABSTAIN: NONE**  
**ABSENT: NONE**

Chief Deputy City Clerk Clark tallied the votes for the Planning Commission and displayed the results as follows:

Planning Commission						Vote for Three (3)	
	Allen	Delach	King	Marquez	Stapleton	Round 1 Voting	Results
John Connors (Incumbent)	1	1	1		1	4	4
Brad Manning (Incumbent)	1	1	1	1	1	5	5
Dan McMeekin (Incumbent)	1	1	1	1	1	5	5
Susan Zermeno				1		1	1

Chief Deputy City Clerk Clark announced that John Connors, Brad Manning and Dan McMeekin had been appointed to the Planning Commission. There was a consensus of the City Council for Brad Manning and Dan McMeekin to serve terms ending June 30, 2019, and John Connors to serve a term ending June 30, 2020.

There was a consensus of the City Council to direct staff to ascertain whether applicant Susan Zermeno would be interested in serving on any of the other City advisory bodies that have current vacancies.

A motion was made by Councilmember King, seconded by Councilmember Delach, to authorize the establishment of staggered first terms for the Parking Place Commission and Parks and Recreation Commission.

*Motion was approved as follows:*

**AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON**  
**NOES: NONE**  
**ABSTAIN: NONE**  
**ABSENT: NONE**

A motion was made by Councilmember King, seconded by Councilmember Allen, to direct staff to continue accepting applications for remaining vacancies on all advisory bodies.

*Motion was approved as follows:*

**AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON**  
**NOES: NONE**  
**ABSTAIN: NONE**  
**ABSENT: NONE**

## **NEW BUSINESS**

### **NB 1. Authorization to Provide Written Notice of Intention to Withdraw the City of Covina from the Joint Powers Agreement with LA Works as of June 30, 2016.**

The staff report was presented by Interim City Manager Penman. There was no public comment.

A motion was made by Councilmember Delach, seconded by Mayor Pro Tem Marquez, to authorize the Interim City Manager to submit Notice of Intention to withdraw the City of Covina from the Joint Powers Agreement with LA Works as of June 30, 2016.

*Motion approved New Business item NB 1 as follows:*

**AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON**  
**NOES: NONE**  
**ABSTAIN: NONE**  
**ABSENT: NONE**

**NB 2. Nomination for San Gabriel Basin Water Quality Authority Board Member and Alternate Representing Cities with Prescriptive Water Pumping Rights.**

The staff report was presented by Assistant to the City Manager Carrillo. There was no public comment.

A motion was made by Councilmember Allen, seconded by Councilmember King, to nominate Mayor Pro Tem Marquez for San Gabriel Basin Water Quality Authority Board Member.

*Motion was approved as follows:*

**AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON**  
**NOES: NONE**  
**ABSTAIN: NONE**  
**ABSENT: NONE**

A motion was made by Councilmember King, seconded by Councilmember Delach to direct staff to send a resolution naming the nomination for Board Member to the San Gabriel Basin Water Quality Authority.

*Motion was approved as follows:*

**AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON**  
**NOES: NONE**  
**ABSTAIN: NONE**  
**ABSENT: NONE**

**NB 3. Opposition of Proposition 64 - The Control, Regulate and Tax Adult Use of Marijuana Act, also known as the Adult Use of Marijuana Act (AUMA).**

The staff report was presented by Interim Police Chief Raney. There was no public comment.

In response to a question from Councilmember King about organized opposition, Interim Police Chief Raney responded that we are not hearing about opposition because it costs money, and agencies who oppose the Proposition don't have the revenue stream that proponents have.

Councilmember Allen gave examples of negative results happening in other states which have passed similar legislation and stated that passage of the Proposition would be detrimental to California.

Councilmember Delach stated she had requested this item because it is important for the City to make a statement and maybe other cities will follow suite.

Mayor Pro Tem Marquez commented that he is opposed to the Proposition for healthcare reasons and doesn't feel that it is written well for patient rights.

Mayor Stapleton stated that he is opposed to the Proposition for public safety reasons.

A motion was made by Councilmember Delach, seconded by Councilmember Allen, to adopt **Resolution No. 16-7521** opposing Proposition 64, known as the Adult Use of Marijuana Act (AUMA).

*Motion approved New Business item NB 3 as follows:*

**AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON**  
**NOES: NONE**  
**ABSTAIN: NONE**  
**ABSENT: NONE**

### **ADJOURNMENT**

At 8:30 p.m., the meeting of the Covina City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Covina Housing Authority was adjourned to its next regular meeting of the Council/Agency/Authority scheduled for Tuesday, October 4, 2016, at 6:30 p.m. for closed session and 7:30 p.m. for open session inside the Council Chamber, 125 East College Street, Covina, California, 91723.

Respectfully submitted:

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Sharon F. Clark, CMC  
Chief Deputy City Clerk

Approved this 4<sup>th</sup> day of October, 2016:

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Kevin Stapleton, Mayor/Chair

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# CITY OF COVINA AGENDA REPORT

ITEM NO. CC 2

**MEETING DATE:** October 4, 2016

**TITLE:** Payment of Demands

**PRESENTED BY:** Geoffrey Cobbett, City Treasurer  
Anita Agramonte, Finance Director

**RECOMMENDATION:** Approve Payment of Demands in the amount of \$1,416,814.91

**BACKGROUND:**

Attached is a list of warrants and demands which are being presented for approval and are summarized as follows:

<u>DATE OF DEMANDS</u>	<u>DEMAND NUMBERS</u>	<u>AMOUNT</u>
<b>ACCOUNTS PAYABLE WARRANTS</b>		
Sept. 2 - Sept. 15, 2016	Wires/EFTs 5154-5158	\$ 13,901.14
	Checks 81574-81708	\$ 853,190.04
<b><u>PAYROLL</u></b>		
9/8/16		\$ 520,145.85
<b><u>VOIDS</u></b>		
		\$ -
<b><u>WORKERS COMPENSATION</u></b>		
Sept. 2 - Sept. 15, 2016		\$ 29,577.88
	<b>GRAND TOTAL:</b>	<b>\$ 1,416,814.91</b>

**DISCUSSION:**

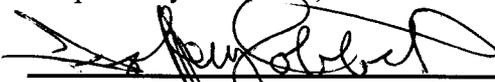
The attached reports have been reviewed by the City Treasurer and by the Finance Director.

**FISCAL IMPACT:**

Sufficient funding is available and the related costs are included in the Fiscal Year 15/16 and 16/17 Adopted Budgets.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

Respectfully submitted,

  
\_\_\_\_\_  
Geoffrey Cobbett  
City Treasurer

  
\_\_\_\_\_  
Anita Agramonte  
Finance Director

**ATTACHMENTS:**

Attachment A: Check Register

CITY OF COVINA  
Check Register  
Sept. 2 - Sept. 15, 2016

Check #	Check Date	Vendor	Name	Amount
5154	9/7/16	4160	ICMA	100.00
5155	9/7/16	1405	ICMA RETIREMENT	5,013.47
5156	9/7/16	4003	MidAmerica	2,351.67
5157	9/7/16	2033	NATIONWIDE RETI	5,550.00
5158	9/7/16	4223	ZUMWALT, KRISTI	886.00
			<b>subtotal EFT/wires</b>	<b>\$13,901.14</b>
81574	9/7/16	68	AFLAC	3,951.78
81575	9/7/16	69	AFSCME	660.00
81576	9/7/16	487	CalPERS	60,767.25
81577	9/7/16	3846	CLEA	490.00
81578	9/7/16	3846	CLEA	110.25
81579	9/7/16	775	COVINA POLICE A	2,650.00
81580	9/7/16	789	COVINA-FSA, CIT	1,101.56
81581	9/7/16	878	DELTA DENTAL OF	6,833.12
81582	9/7/16	1106	FRANCHISE TAX B	400.00
81583	9/7/16	1247	GREAT WEST LIFE	3,305.10
81584	9/7/16	3795	LEGAL SHIELD	223.24
81585	9/7/16	2234	PERS	136,705.61
81586	9/7/16	2235	PERS LONG TERM	169.84
81587	9/7/16	2946	UNITED WAY OF G	17.50
81588	9/7/16	3014	VISION SERVICE	724.48
81589	9/7/16	4255	VOYA FINANCIAL	3,941.75
81590	9/7/16	3045	WASHINGTON NATI	46.10
81591	9/7/16	254	AZUSA LIGHT & W	2,954.15
81592	9/7/16	487	CalPERS	43,083.52
81593	9/7/16	634	CHEVRON PRODUCT	22.22
81594	9/7/16	4524	Courtyard Salt	1,815.12
81595	9/7/16	771	COVINA IRRIGATI	8,895.77
81596	9/7/16	783	COVINA WATER	659.00
81597	9/7/16	4118	CROWNE PLAZA SA	1,490.20
81598	9/7/16	829	CURLEY, JOHN	146.64
81599	9/7/16	859	DAVIS, RYAN	146.64
81600	9/7/16	962	EAST DISTRICT S	345.00
81601	9/7/16	962	EAST DISTRICT S	6,862.50
81602	9/7/16	4116	EAST SAN GABRIE	35,000.00
81603	9/7/16	970	EDISON CO	2,159.56
81604	9/7/16	4455	FRONTIER CALIFO	1,252.64
81605	9/7/16	1204	GOLDEN STATE WA	228.64
81606	9/7/16	1317	HdL Coren & Con	745.00
81607	9/7/16	1364	HOME DEPOT	41.20
81608	9/7/16	1578	KLYMKIW, MARIE	1,084.13
81609	9/7/16	3987	KYOCERA DOCUMEN	4,160.68
81610	9/7/16	1633	LACPCA	300.00
81611	9/7/16	4523	LEDGENT FINANCE	7,673.40

CITY OF COVINA  
Check Register  
Sept. 2 - Sept. 15, 2016

81612	9/7/16	1754	LOWE'S COMPANIE	13.06
81613	9/7/16	1768	MACADAM, HEIDI	146.64
81614	9/7/16	1933	MISSION LINEN S	17.16
81615	9/7/16	3998	NEWPORT BEACH M	1,702.52
81616	9/7/16	3998	NEWPORT BEACH M	851.26
81617	9/7/16	4201	ROBERT HALF	5,362.50
81618	9/7/16	99999	ADAM MCGILL	200.00
81619	9/7/16	99999	DAN KARIS	140.00
81620	9/7/16	99999	JAMES KNOX	146.64
81621	9/7/16	99999	KYLE HULSEY	146.64
81622	9/7/16	99999	PATRICIA TACHIAS	146.64
81623	9/7/16	2204	PASADENA, CITY	47,193.00
81624	9/7/16	4024	PERFORMANCE TRU	10,000.00
81625	9/7/16	2247	PETTINGER, ERIC	140.00
81626	9/7/16	4518	Steven Hernande	240.00
81627	9/7/16	2778	SUPERIOR PAVEME	23,068.50
81628	9/7/16	2814	TASER INTERNATI	225.00
81629	9/7/16	3185	TOSHIBA FINANCI	1,908.64
81630	9/7/16	2966	V & V MANUFACTU	56.57
81631	9/7/16	3029	WALCZAK, RIC	146.64
81632	9/7/16	3042	WARD, SHERYL	146.64
81633	9/7/16	3159	ZUMWALT, JOHN	133.71
81634	9/15/16	3	12 MILES OUT.CO	1,200.00
81635	9/15/16	23	ABORTA BUG INC	80.00
81636	9/15/16	44	ADAMSON INDUSTR	752.09
81637	9/15/16	84	AIRGAS-WEST	124.85
81638	9/15/16	84	AIRGAS-WEST	214.00
81639	9/15/16	125	ALLIANCE BUS LI	2,039.11
81640	9/15/16	158	AMERICAN TRAFFI	16,185.00
81641	9/15/16	4234	ANIMAL & BIRD V	234.00
81642	9/15/16	333	BERLITZ	50.00
81643	9/15/16	369	BNY WESTERN TRU	2,198.80
81644	9/15/16	735	BOBCAT OF CERRI	347.10
81645	9/15/16	396	BRAINFUSE INC	5,500.00
81646	9/15/16	435	BURGUAN, RENE	250.00
81647	9/15/16	437	BURRO CANYON EN	120.00
81648	9/15/16	457	CA PARKS AND RE	170.00
81649	9/15/16	550	CASQA	580.00
81650	9/15/16	4388	CHINO SHORT LOA	1,037.68
81651	9/15/16	649	CINTAS CORP #69	870.07
81652	9/15/16	654	CITRUS CAR WASH	303.45
81653	9/15/16	700	COLLEY FORD	7.35
81654	9/15/16	700	COLLEY FORD	784.01
81655	9/15/16	710	COMMUNICATIONS	75.00
81656	9/15/16	730	CONTEMPORARY IN	72.00

CITY OF COVINA  
Check Register  
Sept. 2 - Sept. 15, 2016

81657	9/15/16	749	COUNSELING TEAM	300.00
81658	9/15/16	771	COVINA IRRIGATI	260,073.00
81659	9/15/16	826	CSMFO	80.00
81660	9/15/16	3701	DEPARTMENT OF J	275.00
81661	9/15/16	4332	ERIC ARROYO	3,150.00
81662	9/15/16	1156	GAS COMPANY, TH	1,309.62
81663	9/15/16	1197	GLOBAL WATER MA	56,459.36
81664	9/15/16	4338	GOKOO, ROBERT	11,425.77
81665	9/15/16	1235	GRAINGER	414.53
81666	9/15/16	1241	GRAND PRINTING	1,873.16
81667	9/15/16	1251	GREENS LOCK AND	45.00
81668	9/15/16	1275	HAAKER EQUIPMEN	106.32
81669	9/15/16	3934	HF & H CONSULTA	5,533.00
81670	9/15/16	1352	HINDERLITER DEL	4,296.94
81671	9/15/16	3297	Holiday Inn Exp	522.69
81672	9/15/16	1361	HOLLIDAY ROCK C	1,280.22
81673	9/15/16	1364	HOME DEPOT	1,351.79
81674	9/15/16	1429	INLAND EMPIRE S	2,151.50
81675	9/15/16	1437	INTER-CON SECUR	5,143.44
81676	9/15/16	1531	JW LOCK CO INC	329.18
81677	9/15/16	3751	KELLY ASSOCIATE	1,913.75
81678	9/15/16	1610	LA CNTY DEPT OF	52.00
81679	9/15/16	1619	LA CNTY SHERIFF	1,175.76
81680	9/15/16	4500	LA Gateway Regi	2,247.70
81681	9/15/16	1694	LEWIS ENGRAVING	103.28
81682	9/15/16	1748	LOS ANGELES TIM	519.25
81683	9/15/16	1792	MANNING & MARDE	11,818.37
81684	9/15/16	1908	MICHAEL J O'DAY	260.00
81685	9/15/16	1924	MILLERS & ISHAM	283.40
81686	9/15/16	1933	MISSION LINEN S	419.04
81687	9/15/16	2038	NATIONAL RECREA	165.00
81688	9/15/16	2104	OFFICE DEPOT	13.72
81689	9/15/16	2121	ON TARGET PERFO	2,500.00
81690	9/15/16	4181	ONE STOP BODY S	684.36
81691	9/15/16	4238	PETCO ANIMAL SU	559.03
81692	9/15/16	2407	REGIONAL TAP SE	853.60
81693	9/15/16	2415	REPUBLIC MASTER	672.89
81694	9/15/16	2415	REPUBLIC MASTER	866.16
81695	9/15/16	2444	RIO HONDO COLLE	340.40
81696	9/15/16	2660	SIMPLEX GRINNEL	175.65
81697	9/15/16	2714	SOUTHERN CA GAS	575.00
81698	9/15/16	3729	SUNBELT RENTALS	201.57
81699	9/15/16	2804	TAG AMS INC	299.50
81700	9/15/16	2855	TIME WARNER CAB	260.16
81701	9/15/16	2914	TUCKER TIRE	259.00

CITY OF COVINA  
 Check Register  
 Sept. 2 - Sept. 15, 2016

81702	9/15/16	3078	WEST PAYMENT CE	310.12
81703	9/15/16	3080	WESTERN EMULSIO	236.98
81704	9/15/16	3082	WESTERN WATER W	261.60
81705	9/15/16	3132	WRIGHT DESIGNS	313.92
81706	9/15/16	3137	Y TIRE SALES	1,015.49
81707	9/15/16	4370	YOUNGBLOOD, ERV	450.00
81708	9/15/16	3152	YWCA	772.96

<i>subtotal checks</i>	<b>\$ 853,190.04</b>
<i>subtotal payroll</i>	<b>\$ 520,145.85</b>
<i>subtotal voids (prior to current mo.)</i>	<b>\$ -</b>
<i>subtotal workers' compensation</i>	<b>\$ 29,577.88</b>

<b>TOTAL checks/EFTs</b>	<b>\$1,416,814.91</b>
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STATE OF CALIFORNIA        )  
  ) ss:  
COUNTY OF LOS ANGELES    )

I, Anita Agramonte, being first duly sworn, declare that I am the Finance Director of the City of Covina and have read the attached Register(s) of Audited Demands for the City of Covina accounts payable for 9/02-9/15/16; payroll for 9/08/16; workers' compensation and voids for 9/02-9/15/16; know the contents thereof, and do certify as to the accuracy of the attached demands and the availability of funds for their payment pursuant to the Government Code Section 37202.

  
\_\_\_\_\_  
Anita Agramonte  
Finance Director



**SUCCESSOR AGENCY TO THE  
COVINA REDEVELOPMENT AGENCY**

**AGENDA REPORT**

ITEM NO. CC 3

**MEETING DATE:** October 4, 2016

**TITLE:** Payment of Demands

**PRESENTED BY:** Geoffrey Cobbett, City Treasurer  
Anita Agramonte, Finance Director

**RECOMMENDATION:** Approve Payment of Demands in the amount of \$9040.24

**BACKGROUND:** Attached is a list of warrants and demands which are being presented for approval and are summarized as follows:

<u>DATE OF DEMANDS</u>	<u>DEMAND NUMBERS</u>	<u>AMOUNT</u>
Sept. 2 - Sept. 15, 2016	1369-1373	\$5,099.71
<u>VOIDS</u>	1359	(\$3,465.00)
<u>PAYROLL</u> 9/08/16		\$7,405.53
	<b>GRAND TOTAL:</b>	<b>\$9,040.24</b>

**DISCUSSION:**

The attached reports have been reviewed by the City Treasurer and by the Finance Director.

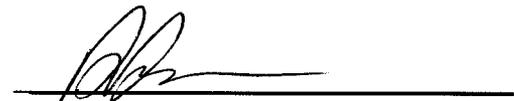
**FISCAL IMPACT:**

Sufficient funding is available and the related costs are included in the Fiscal Years 15/16 and 16/17 Adopted Budgets.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

Respectfully submitted,

  
 \_\_\_\_\_  
 Geoffrey Cobbett  
 City Treasurer

  
 \_\_\_\_\_  
 Anita Agramonte  
 Finance Director

**ATTACHMENTS:**

Attachment A: Check Register

SUCCESSOR AGENCY TO THE  
 COVINA REDEVELOPMENT AGENCY  
 Check Register  
 Sept. 2-Sept. 15

Check #	Check Date	Vendor	Name	Amount
1369	9/7/16	1156	GAS COMPANY	34.44
1370	9/7/16	1317	HdL Coren & Con	3,465.00
1371	9/7/16	2104	OFFICE DEPOT	4.57
1372	9/7/16	4520	Public Trust Ad	1,527.53
1373	9/7/16	2942	UNITED SITE SER	68.17
<i>subtotal checks</i>				<b>\$5,099.71</b>
<i>subtotal voids (prior to current mo.)</i>				<b>-\$3,465.00</b>
<i>subtotal payroll</i>				<b>\$7,405.53</b>
<b>TOTAL CHECKS/EFT's</b>				<b>\$9,040.24</b>

STATE OF CALIFORNIA        )  
  ) ss:  
COUNTY OF LOS ANGELES    )

I, Anita Agramonte, first duly sworn, declare that I am the Finance Director of the City of Covina and have read the attached Register(s) of Audited Demands for the Covina Successor Agency to the Covina Redevelopment Agency accounts payable and voids for 9/02-9/15/16 and payroll for 9/08/16; know the contents thereof, and do certify as to the accuracy of the attached demands and the availability of funds for their payment pursuant to the Government Code Section 37202.

  
\_\_\_\_\_  
Anita Agramonte  
Finance Director

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# CITY OF COVINA

## AGENDA REPORT

ITEM NO. CC 4

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- MEETING DATE:** October 4, 2016
- TITLE:** Ordinance No. 16-2061 for Zoning Code Amendment (ZCA) 16-003, Amending Chapters 17.62 (Conditional Use Permit); 17.78 (Variance); and 17.80 (Zoning Amendments and Zone Changes) of Title 17 of the Covina Municipal Code Concerning Public Hearing Date and Noticing Requirements – Second Reading and Adoption
- PRESENTED BY:** Brian K. Lee, AICP, Director of Community Development  
Nancy Fong, AICP, Community Development Consultant
- RECOMMENDATION:** Waive full reading, read by title only, and adopt on second reading **Ordinance No. 16-2061** entitled, “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, AMENDING CHAPTERS 17.62 (CONDITIONAL USE PERMITS), 17.78 (VARIANCES) AND 17.80 (ZONING AMENDMENTS AND ZONE CHANGES) OF TITLE 17 (ZONING) OF THE COVINA MUNICIPAL CODE CONCERNING PUBLIC HEARING DATE AND NOTICING REQUIREMENTS, AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA.”
- 

### **BACKGROUND:**

On September 20, 2016, the City Council held a public hearing to consider Zoning Code Amendment (ZCA) 16-003 in changing the date and notice requirements for public hearings to be consistent with State Law. The City Council, after receiving the staff report and with no comment received from the public, concluded the public hearing. The City Council unanimously approved the proposed zoning code amendment with a 5-0-0 vote. Attachment B is a copy of the September 20, 2016 Agenda Report for Council reference.

### **DISCUSSION:**

The approval of the Zoning Code Amendment (ZCA) 16-003 requires the adoption of Ordinance No. 16-2061. The City Council introduced the first reading at the September 20, 2016 meeting. An Ordinance requires a second reading to be adopted by the City Council as follows:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, AMENDING CHAPTERS 17.62 (CONDITIONAL USE PERMITS), 17.78 (VARIANCES) AND 17.80 (ZONING AMENDMENTS AND ZONE CHANGES) OF TITLE 17 (ZONING) OF THE COVINA MUNICIPAL CODE CONCERNING PUBLIC HEARING DATE AND NOTICING REQUIREMENTS, AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA.”

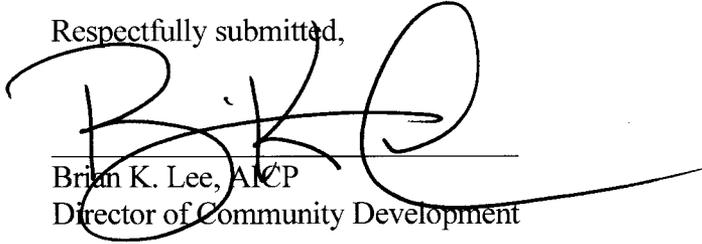
**FISCAL IMPACT:**

There is no fiscal impact for the second reading of the attached Ordinance.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

A second reading of the Ordinance is exempt from CEQA.

Respectfully submitted,



\_\_\_\_\_  
Brian K. Lee, AICP  
Director of Community Development

**ATTACHMENTS:**

- A. Ordinance No. 16-2061
- B. September 20, 2016 City Council Agenda Report (without attachments)

ATTACHMENT A

**ORDINANCE NUMBER 16-2061**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, AMENDING CHAPTERS 17.62 (CONDITIONAL USE PERMITS), 17.78 (VARIANCES) AND 17.80 (ZONING AMENDMENTS AND ZONE CHANGES) OF TITLE 17 (ZONING) OF THE COVINA MUNICIPAL CODE CONCERNING PUBLIC HEARING DATE AND NOTICING REQUIREMENTS, AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA**

**THE CITY COUNCIL OF THE CITY OF COVINA DOES ORDAIN AS FOLLOWS:**

**SECTION 1.** Pursuant to Covina Municipal Code (CMC) Section 17.80.020.A., the Planning Commission of the City of Covina, on July 28, 2016, initiated, by motion, Zoning Code Amendment (ZCA) 16-003, set forth in Sections 6 through 20 of this Ordinance, to amend public hearing date and noticing requirements for applications for Conditional Use Permits, Variances, Planned Community Developments, Zoning Amendments and Zone Changes.

**SECTION 2.** On August 9, 2016, the Planning Commission conducted a public hearing to consider the proposed ZCA 16-003. Notices of the time, place and purpose of this public hearing were duly provided with respect ZCA 16-003 in accordance with California Government Code Sections 65854 and 65090 and CMC Section 17.80.040. Following public testimony, the Planning Commission closed the public hearing on that same date and adopted Resolution No. 2016-023 PC, recommending that the City Council adopt the proposed ZCA 16-003 to amend public hearing date and noticing requirements for applications for Conditional Use Permits, Variances, Planned Community Developments, Zoning Amendments and Zone Changes.

**SECTION 3.** On September 20, 2016, the City Council of the City of Covina conducted a public hearing to consider the proposed ZCA 16-003. Notices of the time, place and purpose of this public hearing were duly provided with respect ZCA 16-003 in accordance with California Government Code Sections 65854 and 65090 and CMC Section 17.80.060. Following public testimony, the City Council closed the public hearing on that same date.

**SECTION 4.** Community Development Department staff has determined that the proposed Zoning Code Amendment is exempt from the requirements of the California Environmental Quality Act ("CEQA") (Cal. Pub. Resources Code, § 21000 *et seq.*) and the CEQA Guidelines (Cal. Code Reg., tit. 14, § 1500 *et seq.*) pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the proposed ordinance to amend public hearing date and notice requirements for applications for Conditional Use Permits, Variances, Planned Community Developments, Zoning Amendments and Zone Changes will have a significant effect on the environment. The proposed Zoning Code Amendment is an administrative process of the City that will not result in a direct or indirect physical change in the environment, or a reasonably foreseeable indirect physical change in the environment because further environmental review, if required under CEQA, will be performed as applications for Conditional Use Permits, Variances, Planned Community Developments,

Zoning Amendments and Zone Changes are submitted to the City. The City Council has reviewed the Community Development Department staff's determination of exemption, and based on its own independent judgment, concurs in staff's determination that the proposed Zoning Code Amendment is exempt from CEQA.

**SECTION 5.** Based on the evidence in the record, the City Council of the City of Covina finds that the proposed Zoning Code Amendment is necessary to maintain consistency with public hearing date and noticing requirements required under State Planning and Zoning Law Sections 65905, 65854, 65090 and 65091. Further, the City Council of the City of Covina finds that the proposed Zoning Code Amendment is consistent with Program/Implementation Measure No. B.11.a of the Land Use Element of the City of Covina General Plan because the proposed Zoning Code Amendment will remove governmental development constraints by "streamlin[ing] any identified over-lengthy procedures to create a more efficient, reasonable, and 'business friendly' atmosphere."

**SECTION 6.** Subsection A. of Section 17.62.100 (Commission public hearing – Date and notice) of Chapter 17.62 (Conditional Use Permits) of Title 17 (Zoning) of the Covina Municipal Code is hereby amended to read as follows:

"A. After an application for a conditional use permit is deemed complete, the planning director shall set the matter for a public hearing to be held by the planning commission."

**SECTION 7.** Subsection A. of Section 17.62.110 (Commission public hearing – Decision) of Chapter 17.62 (Conditional Use Permits) of Title 17 (Zoning) of the Covina Municipal Code is hereby amended to read as follows:

"A. The planning commission shall hold a public hearing on the date and at the time and place specified in the notice."

**SECTION 8.** Subsection A. of Section 17.62.150 (Council public hearing – Decision) of Chapter 17.62 (Conditional Use Permits) of Title 17 (Zoning) of the Covina Municipal Code is hereby amended to read as follows:

"A. The city council shall hold a public hearing on the date and at the time and place specified in the notice. The appellant shall present at the hearing information and data in support of the appeal."

**SECTION 9.** Subsection A. of Section 17.78.080 (Commission public hearing – Date and notice) of Chapter 17.78 (Variances) of Title 17 (Zoning) of the Covina Municipal Code is hereby amended to read as follows:

"A. After an application for a variance is deemed complete, the planning director shall set the matter for a public hearing to be held by the planning commission."

**SECTION 10.** Subsection A. of Section 17.78.090 (Commission public hearing – Decision) of Chapter 17.78 (Variances) of Title 17 (Zoning) of the Covina Municipal Code is hereby amended to read as follows:

“A. The planning commission shall hold a public hearing on the date and at the time and place specified in the notice.”

**SECTION 11.** Subsection B. of Section 17.78.090 (Commission public hearing – Decision) of Chapter 17.78 (Variances) of Title 17 (Zoning) of the Covina Municipal Code is hereby amended to read as follows:

“B. The planning commission shall announce its decision at a regular meeting or scheduled special meeting within 30 days after the conclusion of the hearing. The decision shall approve, conditionally approve or disapprove the application, and shall set forth findings in support of the decision. For approval, the conditions listed in CMC 17.78.020 shall be found.”

**SECTION 12.** Subsection A. of Section 17.78.130 (Council public hearing – Decision) of Chapter 17.78 (Variances) of Title 17 (Zoning) of the Covina Municipal Code is hereby amended to read as follows:

“A. The city council shall hold a public hearing on the date and at the time and place specified in the notice. The appellant shall present at the hearing information and data in support of the appeal.”

**SECTION 13.** Subsection A. of Section 17.80.040 (Amendment – Notice of commission public hearing) of Chapter 17.80 (Zoning Amendments and Zone Changes) of Title 17 (Zoning) of the Covina Municipal Code is hereby amended to read as follows:

“A. After the planning commission or the city council initiates proceedings by motion, the planning director shall give notice of a public hearing in accordance with this section.”

**SECTION 14.** Subsection A. of Section 17.80.050 (Amendment – Commission public hearing – Recommendation and notice) of Chapter 17.80 (Zoning Amendments and Zone Changes) of Title 17 (Zoning) of the Covina Municipal Code is hereby amended to read as follows:

“A. The planning commission shall hold a public hearing on the date and at the time and place specified in the notice.”

**SECTION 15.** Subsection A. of Section 17.80.070 (Amendment – Council public hearing – Referral and decision) of Chapter 17.80 (Zoning Amendments and Zone Changes) of Title 17 (Zoning) of the Covina Municipal Code is hereby amended to read as follows:

“A. The city council shall hold a public hearing on the date and at the time and place specified in the notice.”

**SECTION 16.** Subsection A. of Section 17.80.120 (Zone change – Notice of commission public hearing) of Chapter 17.80 (Zoning Amendments and Zone Changes) of Title 17 (Zoning) of the Covina Municipal Code is hereby amended to read as follows:

“A. After the zone change application is deemed complete, or after the planning commission or the city council initiates proceedings by motion, the planning director shall give notice of a hearing in accordance with this section.”

**SECTION 17.** Subsection B.3. of Section 17.80.120 (Zone change – Notice of commission public hearing) of Chapter 17.80 (Zoning Amendments and Zone Changes) of Title 17 (Zoning) of the Covina Municipal Code is hereby amended to read as follows:

“3. In the event that the number of owners to whom notice would be sent pursuant to subsection (B)(2) of this section is greater than 1,000, the city, in lieu of mailed or delivered notice required under subsection (B)(2) of this section, may provide notice by placing a display advertisement at least one-eighth page in the newspaper having the greatest circulation within the area affected by the purposed ordinance or amendment, at least 10 days prior to the hearing.”

**SECTION 18.** Subsections B.3.a. and B.3.b. of Section 17.80.120 (Zone change – Notice of commission public hearing) of Chapter 17.80 (Zoning Amendments and Zone Changes) of Title 17 (Zoning) of the Covina Municipal Code are hereby deleted in their entirety.

**SECTION 19.** Subsection A. of Section 17.80.130 (Zone change – Commission public hearing – Recommendation and notice) of Chapter 17.80 (Zoning Amendments and Zone Changes) of Title 17 (Zoning) of the Covina Municipal Code is hereby amended to read as follows:

“A. The planning commission shall hold a public hearing on the date and at the time and place specified in the notice.”

**SECTION 20.** Subsection A. of Section 17.80.150 (Zone change – Council public hearing – Decision and notice) of Chapter 17.80 (Zoning Amendments and Zone Changes) of Title 17 (Zoning) of the Covina Municipal Code is hereby amended to read as follows:

“A. The city council shall hold a public hearing on the date and at the time and place specified in the notice.”

**SECTION 21.** Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The City Council hereby declares that it would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

**SECTION 22.** Savings Clause. Neither the adoption of this Ordinance nor the repeal or amendment by this Ordinance of any ordinance or part or portion of any ordinance previously in effect in the City or within the territory comprising the City, shall in any manner affect the prosecution for the violation of any ordinance, which violation was committed prior to the effective date of this Ordinance, nor be construed as a waiver of any license, fee or penalty or the penal provisions applicable to any violation of such ordinances.

**SECTION 23.** Effective Date. This Ordinance shall go into effect and be in full force and effect at 12:01 a.m. on the 31<sup>st</sup> day after its adoption.

**SECTION 24.** Certification. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause this Ordinance to be published within 15 days after its passage, in accordance with Section 36933 of the Government Code.

**PASSED, APPROVED and ADOPTED** this 4<sup>th</sup> day of October, 2016.

City Council of Covina, California

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

KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Ordinance No. 16-2061 was introduced for first reading at a REGULAR meeting on the 20<sup>th</sup> day of September, 2016. Thereafter, said Ordinance was duly approved and adopted at a REGULAR meeting of said City Council on the 4<sup>th</sup> day of October, 2016, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:

Dated:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk



Attachment B

**CITY OF COVINA**  
**AGENDA REPORT**

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- MEETING DATE:** September 20, 2016
- TITLE:** Ordinance No. 16-2061 for Zoning Code Amendment (ZCA) 16-003, amending Chapters 17.62 (Conditional Use Permit); 17.78 (Variance); and 17.80 (Zoning Amendments and Zone Changes) of Title 17 of the Covina Municipal Code concerning public hearing date and noticing requirements.
- PRESENTED BY:** Brian K. Lee, AICP, Director of Community Development  
Nancy Fong, AICP, Community Development Consultant
- RECOMMENDATION:** Waive full reading, read by title only, and introduce for first reading **Ordinance No. 16-2061** entitled, “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, AMENDING CHAPTERS 17.62 (CONDITIONAL USE PERMITS), 17.78 (VARIANCES) AND 17.80 (ZONING AMENDMENTS AND ZONE CHANGES) OF TITLE 17 (ZONING) OF THE COVINA MUNICIPAL CODE CONCERNING PUBLIC HEARING DATE AND NOTICING REQUIREMENTS, AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA.”
- 

**BACKGROUND**

On July 26, 2016, the Planning Commission received a report from staff regarding Zoning Code sections that set public hearing dates and establish noticing requirements, which staff believes to be outdated and confusing. An example cited was that the public hearing on a Tentative Tract Map application has a 10-day legal noticing requirement under Title 16, Subdivisions, of the Covina Municipal Code (“CMC”), while the public hearing on a Conditional Use Permit, Variance, Zoning Code Amendment or Zone Change application has a 15-day legal noticing under Title 17, Zoning, of the CMC. The Planning Commission agreed with staff’s assessment that a Zoning Code amendment was needed for consistency, with the requirements of Title 16 of the CMC and state law public hearing notice requirements. The Planning Commission, by a 5-0 vote, initiated Zoning Code Amendment 16-003 to change certain date and notice requirements for public hearings in the City’s Zoning Code.

On August 9, 2016, the Planning Commission conducted a public hearing to consider the proposed Zoning Code Amendment in changing the date and notice requirements for public hearings. There was no comment from the public. After the close of the public hearing, the Planning Commission deliberated on the proposed code amendment and determined that this was part of an ongoing effort to modernize the City’s codes to make it user-friendly and streamline the processing time for planning applications. The Planning Commission unanimously voted to

recommend approval of the proposed code amendment to the City Council.

## **DISCUSSION**

A. Under State Planning and Zoning Law Sections §§ 65905, 65854, 65090 and 65091, the minimum legal notice requirements are summarized below:

1. Conditional Use Permits and Variances

- Notice of hearing must be mailed or delivered 10 days prior to the hearing date to the owner of the subject real property, the owner's duly authorized agent, if any, and to the project applicant. (Cal. Gov. Code, § 65091(a)(1).)
- Notice of the hearing must be mailed or delivered at least 10 days prior to the hearing date to each local agency expected to provide water, sewage, streets, roads, schools, or other essential facilities or services to the project, whose ability to provide those facilities and services may be significantly affected. (Cal. Gov. Code, § 65091(a)(3).)
- Notice of hearing must be mailed or delivered at least 10 days prior to the hearing date to all property owners within 300 feet of the real property that is the subject of the hearing. (Cal. Gov. Code, § 65091(a)(4).)
- If the number of owners to whom notice would be mailed or delivered is greater than 1,000, a local agency, in lieu of mailed or delivered notice, may provide notice by placing a display advertisement of at least one-eighth page in at least one newspaper of general circulation within the local agency in which the proceeding is conducted at least 10 days prior to the hearing. (Cal. Gov. Code, § 65091(a)(4).)
- If notice is provided to a local agency expected to provide water, sewage, streets, roads, schools, or other essential facilities or services to the project, then the notice must also be:
  - Published once in at least one newspaper of general circulation within the local agency which is conducting the proceeding at least 10 days prior to the hearing; or
  - Posted at least 10 days prior to the hearing in at least three public places within the boundaries of the local agency, including one public place in the area directly affected by the proceeding. (Cal. Gov. Code, § 65091(a)(5).)
- Notice of hearing may be given in any other manner a local agency deems necessary or desirable. (Cal. Gov. Code, § 65091(c).)

2. Zoning Amendments and Zone Changes

- Notice of hearing must be published once in at least one newspaper of general circulation within the jurisdiction of the local agency which is conducting the proceeding at least 10 days prior to the hearing. (Cal. Gov. Code, § 65090(a).)
- If the proposed zoning amendment or zone change affects the permitted uses of real property, notice must also be given in accordance with the requirements above for hearings on Conditional Use Permits and Variances. (Cal. Gov. Code, §§ 65854, 65091.)
- Notice of hearing may be given in any other manner a local agency deems necessary or desirable. (Cal. Gov. Code, § 65090(c).)

B. Existing Covina Zoning Codes on setting public hearing for Conditional Use Permit, Variance, Zoning Code Amendments and Zone Changes and the proposed changes are summarized below:

## 1. Conditional Use Permit

### 17.62.100 Commission public hearing – Date and notice.

A. The hearing date shall be set by the planning director for not less than 15 nor more than 60 days after the filing of a petition with the planning department.  
(Existing)

*A. After an application for a conditional use permit is deemed complete, the planning director shall set the matter for a public hearing to be held by the planning commission. (Proposed)*

### 17.62.110 Commission public hearing – Decision.

A. The commission shall, not less than 15 nor more than 60 days after the publication of the legal notice of a public hearing on a conditional use permit application, hold the public hearing.

*A. The planning commission shall hold a public hearing on the date and at the time and place specified in the notice.*

### 17.62.150 Council public hearing – Decision

A. The council shall, not less than 15 day or more than 60 days after the publication of a legal notice of a public hearing on a conditional use permit application, hold the public hearing. The appellant shall present at the hearing information and data in support of his appeal.

*A. The city council shall hold a public hearing on the date and at the time and place specified in the notice. The appellant shall present at the hearing information and data in support of the appeal.*

## 2. Variance

### 17.78.080 Commission public hearing – Date and notice.

A. The hearing date shall be set by the planning director for not less than 15 nor more than 60 days after the filing of a petition with the planning department.

*A. After an application for a variance is deemed complete, the planning director shall set the matter for a public hearing to be held by the planning commission.*

### 17.78.090 Commission public hearing – Decision.

A. The commission shall, not less than 15 nor more than 60 days after the publication of the legal notice of a public hearing on a variance application, hold the public hearing.

*A. The planning commission shall hold a public hearing on the date and at the time and place specified in the notice.*

B. The commission shall announce its decision at a regular meeting or scheduled special meeting within 40 days after the conclusion of the hearing. The decision shall approve, approve with stated conditions or disapprove the application, and shall set forth findings in support of the

decision. For approval, the conditions listed in CMC 17.78.020 shall be found.

- B. The planning commission shall announce its decision at a regular meeting or scheduled special meeting within 30 days after the conclusion of the hearing. The decision shall approve, conditionally approve or disapprove the application, and shall set forth findings in support of the decision. For approval, the conditions listed in CMC 17.78.020 shall be found.*

**17.78.130 Council public hearing – Decision**

- A. The council shall, not less than 15 day or more than 60 days after the publication of a legal notice of a public hearing on a variance application, hold the public hearing. The appellant shall present at the hearing information and data in support of his appeal.

- A. The city council shall hold a public hearing on the date and at the time and place specified in the notice. The appellant shall present at the hearing information and data in support of the appeal.*

**3. Zoning Amendments and Zone Changes**

**Section 17.80.040 Amendment – Notice of commission public hearing.**

- A. The hearing date shall be set by the planning director for not less than 15 nor more than 60 days after the initiating motion by the commission or council.

- A. After the planning commission or the council initiates proceedings by motion, the planning director shall give notice of a public hearing in accordance with this section.*

**Section 17.80.050 Amendment - Commission public hearing – Recommendation and notice.**

- A. The commission shall, not less than 15 nor more than 60 days after the publication of the legal notice of a public hearing on an ordinance amendment, hold the public hearing.

- A. The planning commission shall hold a public hearing on the date and at the time and place specified in the notice.*

**Section 17.80.070 Amendment – Council public hearing – Referral and decision.**

- A. The council shall, not less than 15 nor more than 60 days after the publication of a legal notice of a public hearing on an ordinance amendment, hold the public hearing.

- A. The city council shall hold a public hearing on the date and at the time and place specified in the notice.*

**Section 17.80.120 Zone Change – Notice of commission public hearing.**

A. The hearing date shall be set by the planning director for not less than 15 nor more than 60 days after the filing of a petition, or the initiating motion by the council or commission.

*A. After the zone change application is deemed complete, or after the planning commission or the city council initiates proceedings by motion, the planning director shall give notice of a hearing in accordance with this section.*

B.3. In the event that the number of owners to whom notice would be sent pursuant to subsection (B)(2) of this section is greater than 1,000 in area of annexation rezoning, the city may, as an alternative of the notice required by subsection (B) (2) of this section, provide notice pursuant to this subdivision. Such notice shall be given at least 10 days prior to the hearing by either of the following procedures:

a. By placing a display advertisement at least one-fourth page in the newspaper having the greatest circulation within the area affected by the purposed ordinance or amendment and in at least one additional newspaper having the general circulation within such area, if such additional newspaper is available; or

*B.3. In the event that the number of owners to whom notice would be sent pursuant to subsection (B)(2) of this section is greater than 1,000, the city, in lieu of mailed or delivered notice required under subsection (B)(2) of this section, may provide notice by the following procedures:*

*a. By placing a display advertisement at least one-eighth page in the newspaper having the greatest circulation within the area affected by the proposed ordinance or amendment, at least 10 days prior to the hearing; and*

**Section 17.80.130 Zone Change – Commission public hearing - Recommendation and notice.**

A. The commission shall, not less than 15 nor more than 60 days after the publication of the legal notice of a public hearing on a zone change, hold the hearing.

*A. The planning commission shall hold a public hearing on the date and at the time and place specified in the notice.*

**Section 17.80.150 Zone change – Council public hearing – Decision and notice.**

A. The council shall, not less than 15 nor more than 60 days after the publication of a legal notice of a public hearing on a zone change, hold the public hearing.

*A. The city council shall hold a public hearing on the date and at the time and place specified in the notice.*

The Planning Commission determined that the above-proposed changes (in italics) are consistent with the pertinent sections of the State Planning and Zoning Laws. The Planning Commission agreed with staff that the proposed changes will reduce the processing time for various land use applications, which would improve the City's customer service.

#### **FISCAL IMPACT**

The proposed Zoning Code Amendment will not have a fiscal impact.

#### **ENVIRONMENTAL DETERMINATION**

The Planning Commission, based on its own independent judgement, recommended that the proposed Zoning Code Amendment is exempt from the requirements of the California Environmental Quality Act ("CEQA") (Cal. Pub. Resources Code, § 21000 et seq.) and the CEQA Guidelines. (Cal. Code Regs., tit. 14, § 15000 et seq.) pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the proposed ordinance to amend public hearing date and notice requirements for applications for Conditional Use Permits, Variances, Planned Community Developments, Zoning Amendments and Zone Changes will have a significant effect on the environment. The proposed Zoning Code Amendment is an administrative process of the City that will not result in a direct or indirect physical change in the environment, or a reasonably foreseeable indirect physical change in the environment because further environmental review, if required under CEQA, will be performed as applications for Conditional Use Permits, Variances, Planned Community Developments, Zoning Amendments and Zone Changes are submitted to the City.

Respectfully submitted,

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Brian K. Lee, AICP  
Director of Community Development

#### **ATTACHMENTS:**

- A. Ordinance No. 16-2061
- B. Planning Commission Resolution No. 2016-023PC
- C. August 9, 2016 Planning Commission Staff Report



# CITY OF COVINA AGENDA REPORT

ITEM NO. CC 5

**MEETING DATE:** October 4, 2016

**TITLE:** City Council to Adopt **Resolution No. 16-7535** Confirming Continued Existence of an Emergency Condition for the Residual Control System at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code

**PRESENTED BY:** Siobhan Foster, Director of Public Works

**RECOMMENDATION:** Adoption of Resolution No. 16-7535 confirming continued existence of an emergency condition for the Residual Control System at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code

## **BACKGROUND:**

The Charter Oak site consists of four, above-ground reservoirs each with a 3 million gallon (MG) capacity. The Charter Oak site supplies Water Zone 1 and Water Zone 2 via the Charter Oak Booster Pump Station. Water Zone 1 is the largest zone, encompassing the low elevation area that occupies the west and central portion of the City's water system. The northern and eastern portions of the system comprise Water Zone 2.

Name	Material	Year Constructed	Capacity (MG)
Charter Oak Reservoir 1	Concrete	1954	3.0
Charter Oak Reservoir 2	Steel	1957	3.0
Charter Oak Reservoir 3	Steel	1964	3.0
Charter Oak Reservoir 4	Concrete	2014	3.0

As the City of Covina does not pump its own water, the City relies on water from Covina Irrigating Company (CIC) and the Metropolitan Water District of Southern California (MWD) through the Three Valleys Municipal Water District (TVMWD). CIC's water comes predominantly from the San Gabriel River and Main San Gabriel Valley Groundwater Basin. Water from CIC enters at two points in the City's water system. There is a connection at Cypress Reservoir, which is 3000 gallons per minute (gpm), and another at Forestdale Reservoir at 4000 gpm.

The City also has a connection with TVMWD, which treats water from the Metropolitan Water District of Southern California (MWD). The connection is located at the Charter Oak site with an 8,980 gpm capacity. MWD's primary source of water in this area is the Colorado River. Currently, however, MWD is receiving water from the State Water Project system. The City operates this connection during periods of high demand.

The City's water suppliers, CIC and MWD, both use chloramines for disinfection purposes. MWD has used chloramines since 1984, as this disinfection method endures well and provides longer-lasting disinfection to water that travels long distances to its multiple water purveyors. CIC began using chloramines on May 4, 2015, when it implemented ultra-violet treatment at the William B. Temple Water Treatment Plant No 1. The State Water Resources Control Board, Division of Drinking Water (SWRCB) was insistent that CIC use chloramines for disinfection purposes to be compatible with MWD water. Prior to May 2015, CIC used free chlorine as a disinfectant and since Covina's water supply would typically be a blend of CIC and MWD water, a blended combination of chlorine and chloramines would have been present in the City's water supply in varying quantities depending on the mix of water in the City's distribution system at any given time.

The City of Covina is required to test for all regulated contaminants in its water system including bacteriological quality and disinfectant residual at water-sampling stations throughout the system. The City collects and analyzes approximately 50 water samples each month.

Since Covina's water suppliers began supplying the City with chloramine-only treated water in May 2015, the City has been mindful that the water system may experience nitrification in its water supply since nitrites are a byproduct of chloramines. Nitrification can degrade a distribution system's water quality and negatively affect regulatory compliance and lead to health and safety concerns if not properly managed. Once nitrification has started, it can be difficult to control. A key symptom of nitrification may be the decrease of chloramine residual as it travels through the distribution system. Given the potential for serious water quality, health, and safety concerns that may result from nitrification, it is imperative to prevent nitrification from occurring in the first place, or barring that, promptly remediate nitrification as soon as it is discovered.

Nitrification usually occurs when water temperatures are warmer and water usage is low. To mitigate the possibility of nitrification, the City seeks to cycle water in the reservoir tanks, reduce the age of the water stored by keeping water moving through the system, and reducing the volume of water stored in reservoirs during extended periods of low water demand.

Understanding that nitrification may occur at any time when chloramines are used to treat water, the Department of Public Works recommended the implementation of a residual control system (RCS), including a chemical feed system, water quality station, and smart controller, as a longer-term strategy at the City's largest reservoir, the Charter Oak site.

On August 16, 2016, the City Council adopted Resolution No. 16-7508 for the RCS at the Charter Oak Reservoir Site Emergency Project, declaring that the public interest and necessity demand the immediate expenditure of public money and completion of certain work without competitive bidding to safeguard life, health, or property pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code and authorizing the City Manager to execute all necessary contracts and documents with qualified contractors and vendors to respond to the emergency condition at the Charter Oak Reservoir Site.

On September 6, 2016, the City Council adopted Resolution No. 16-7516 confirming the continued existence of an emergency condition for the Residual Control System at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.

On September 20, 2016, the City Council adopted Resolution No. 16-7522 confirming the continued existence of an emergency condition for the Residual Control System at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.

Public Contracts Code Section 22050 requires a governing body that takes action pursuant to subdivision (a) of that Section to review the Emergency action at its next regularly scheduled meeting, and by four-fifths vote, determine that there is a need to continue the action. Adoption of Resolution No. 16-7522 will confirm the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.

**DISCUSSION:**

The City Council's adoption of Resolution No. 16-7508 on August 16, 2016 made the findings needed to allow the City Manager to immediately retain the services necessary for the RCS at the Charter Oak Reservoir Site, pursuant to the Public Contracts Code Sections 20168 and 22050. The City retained services without competitive bidding, with Doane and Hartwig Water Systems, Inc. to provide an RCS System, which includes the Chemical Feed System, Water Quality Station, and Smart Controller, and Control Automation Design, Inc. to complete the configuration and installation of the SCADA system.

On August 23, 2016, Public Works staff met with CIC and James Ko, Associate Sanitary Engineer, from the State Water Resources Control Board, Division of Drinking Water and discussed the 1) importance of developing a relationship with the City's assigned engineer; 2) symptoms of nitrification occurring at the Charter Oak Reservoir site; 3) Residual Control System (RCS) project, approved by the City Council on August 16, 2016; and 4) to discern if there are any modifications required to the City's operating permit.

On September 20, 2016, the City and CIC representatives had a follow-up meeting with Mr. Ko and reviewed the water quality enhancements that have been made at the Charter Oak Reservoir site through operational treatment methods and the cleaning of tank No. 4 at the site. Prior to the next meeting with Mr. Ko, scheduled for November 15, 2016, the City is expected to make similar enhancements to the Rancho Simi Reservoir and other reservoir sites. This can be accomplished through tank operational adjustments, tank cleaning, and/or chemical treatment.

To that end, the City is working with Doane and Hartwig Water Systems, Inc., the supplier of the RCS unit the City is purchasing, to rent a loaner unit beginning in mid-October. The tentative intent is to issue a contract change order (CCO) for the rental using a portion of the project contingency approved by the City Council on August 16, 2016. On October 18, 2016, the Department of Public Works will submit such a CCO for City Council consideration. Concurrently, the City and CIC representatives are exploring opportunities to partner with Rowland Water District for technical assistance in addressing the challenges inherent with chloramination. Rowland Water District is one of a number of local agencies using RCS technology and has found it to be a proven methodology to mitigate symptoms of nitrification in its water system.

On September 15, 2016, the City Engineer held the pre-construction conference for the RCS project and issued the Notice to Proceed (NTP) to Doane & Hartwig Water Systems, Inc. for the RCS, including the Chemical Feed System, Water Quality Station, and Smart Controller. On September 22, 2016, the City Engineer issued the NTP to Control Automation Design, Inc. for the integration of the RCS into the City's existing SCADA system. The tentative project schedule is outlined below with project completion expected by the end of January 2017.

August 2016	September 2016	October 2016	November 2016	December 2016	January 2017
Purchase RCS	██████████				
Fabrication and installation of RCS System and related equipment	██				
RCS Start-up and training				██████████	
SCADA installation				██████████	
SCADA monitoring					██████████

RCS technology is a proven methodology that has been used by several local municipalities to mitigate symptoms of nitrification in their water systems. RCS technology coupled with operational methods, such as regularly circulating the water in the Charter Oak reservoirs, are best management practices (BMPs) for mitigating the symptoms of nitrification. The combination of technological and operational treatment methods in a timely manner is necessary to safeguard the City’s water supply.

Pursuant to Public Contracts Code Section 22050, the Interim City Manager, through the Department of Public Works, will provide project updates at every regularly scheduled City Council meeting until the emergency project is completed.

**FISCAL IMPACT:**

The estimated fiscal impact associated with the Charter Oak Reservoir Site – Residual Control System Project is approximately \$163,000. Sufficient funding for the proposed project is available in the Department of Public Works, Water Capital Improvement budget (Account No. 6011-5080-55410-W1709). The following table represents a summary of the proposed project:

RCS	\$126,000
SCADA Programming/Interface	\$25,000
Contingency Allowance	\$10,000
Contract Administration/Inspection	\$2,000
Estimated Total	\$163,000

The proposed project has no General Fund impact.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

This project has been determined to be categorically exempt under CEQA in accordance with Section 15301(b) Existing Facilities (Class 1). The project involves negligible or no expansion of an existing use.

Respectfully submitted,

  
 \_\_\_\_\_  
 Siobhan Foster  
 Director of Public Works

**ATTACHMENTS:**

Attachment A: Resolution 16-7535

**RESOLUTION NO. 16-7535**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, CONFIRMING THE CONTINUED EXISTENCE OF AN EMERGENCY CONDITION FOR THE RESIDUAL CONTROL SYSTEM AT THE CHARTER OAK RESERVOIR SITE EMERGENCY PROJECT, PURSUANT TO SECTION 22050 OF THE CALIFORNIA PUBLIC CONTRACT CODE**

**WHEREAS**, the City of Covina is a municipal corporation duly organized and existing pursuant to the Constitution and laws of the State of California (“City”); and

**WHEREAS**, the City endeavors to provide safe and reliable public facilities for public use; and

**WHEREAS**, from time-to-time City facilities will experience unexpected failure, stress, or damage in the course of routine operations; and

**WHEREAS**, the resolution of any unexpected failure, stress, or damage may occur at times when the competitive bidding process is not possible in order to bring a swift resolution to the interruption of regular services, requiring that the City contract with vendors who are most readily and reasonably available to address the urgent situation; and

**WHEREAS**, The City of Covina has identified that the Charter Oak Reservoir Site, which includes four (4) reservoirs, is in need of immediate action. Since Covina’s water suppliers began supplying the City with chloramine-only treated water in May 2015, the City has been mindful that the water system may experience nitrification in its water supply since nitrites are a byproduct of chloramines. In mid-July 2016, due in part to a series of field tests performed by Covina Irrigating Company (CIC), the City became aware that the Charter Oak reservoirs are experiencing symptoms of nitrification, which require immediate action as nitrification can degrade a distribution system’s water quality and negatively affect regulatory compliance, leading to potential health and safety concerns. Residual Control System (RCS) technology coupled with operational methods, such as regularly circulating the water in the Charter Oak reservoirs, are best management practices (BMPs) for mitigating the symptoms of nitrification. The combination of technological and operational treatment methods in a timely manner is necessary to safeguard the City’s water supply. As a result, the Department of Public Works recommends the immediate procurement and implementation of an RCS system at the Charter Oak site as an emergency action, including the chemical feed system, water quality station, and smart controller; and

**WHEREAS**, on August 16, 2016, the Covina City Council adopted Resolution No. 16-7508 declaring an emergency condition and declaring that the public interest and necessity requires certain work to be performed without competitive bidding pursuant to California Public Contract Code Sections 20168 and 22050; and

**WHEREAS**, under Section 22050 of the California Public Contract Code “ a public agency pursuant to a four-fifths vote of its governing body may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts;” and

**WHEREAS**, the City Manager immediately retained the services necessary to remediate the Charter Oak Reservoir Site, without competitive bidding, including Doane and Hartwig Water Systems, Inc. to provide an RCS System, which includes the Chemical Feed System, Water Quality Station, and Smart Controller, and Control Automation Design, Inc. to complete the configuration and installation of the SCADA system; and

**WHEREAS**, the schedule for the RCS at the Charter Oak Reservoir Site Emergency Project runs tentatively from mid-August 2016 through project completion estimated to occur by the end of January 2017; and

**WHEREAS**, on September 6, 2016 the Covina City Council adopted Resolution No. 16-7516 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

**WHEREAS**, on September 20, 2016 the Covina City Council adopted Resolution No. 16-7522 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

**WHEREAS**, California Public Contract Code Section 22050, subdivision (c) provides that “If the governing body orders any action specified in subdivision (a), the governing body shall review the emergency action at its next regularly scheduled meeting and ...at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, and there is a need to continue the action;” and

**WHEREAS**, Resolution No. 16-7535 constitutes action specified in subdivision (a) of California Public Contract Code Section 22050; and

**WHEREAS**, the RCS at the Charter Oak Site Emergency Project is ongoing.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council hereby reviews the emergency action approved in City Council Resolution No. 16-7508 for the Charter Oak Reservoir Site – Residual Control System pursuant to California Public Contract Code Section 22050.

**SECTION 2.** The City Council hereby determines that the emergency action for the Charter Oak Reservoir Site – Residual Control System needs to continue through project completion estimated to occur by the end of January 2017 in order to respond to the emergency pursuant to California Contract Code Section 22050.

**SECTION 3.** Such action shall be reviewed by the City Council at subsequent regular meetings to determine whether there is a need to further continue the action.

**SECTION 4.** The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

**APPROVED** and **PASSED** this \_\_\_ day of \_\_\_\_\_, 20\_\_.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7535 was duly adopted by the City Council of the City of Covina at a regular meeting held on the \_\_\_ day of \_\_\_\_\_, 20\_\_, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

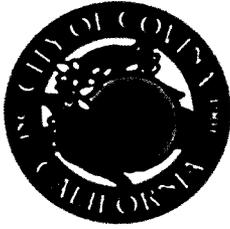
ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Dated:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

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# CITY OF COVINA

## AGENDA REPORT

ITEM NO. CC 6

---

**MEETING DATE:** October 4, 2016

**TITLE:** Recommendation to Authorize the Interim City Manager to Represent the City of Covina at the Covina Irrigating Company (CIC) Annual Shareholder's Meeting and to Vote the City's Shares for the Slate Nominated on the Attachment

**PRESENTED BY:** Don Penman, Interim City Manager

**RECOMMENDATION:** It is recommended that the City Council direct the Interim City Manager to represent the City of Covina at the Annual Shareholder's meeting of the Covina Irrigating Company (CIC) and that the City vote its shares equally for the directors identified on the attached proxy ballot

---

### **BACKGROUND:**

The City of Covina owns 4,218 shares of the Covina Irrigating Company stock; total shares of the Company are 10,000. As a shareholder the City derives the majority of its water from the CIC. As a major shareholder of CIC stock the City may nominate and hold four seats on the Board of Directors. Each year the CIC holds an annual meeting of shareholders to select the Board; this year the meeting will be held on October 20, 2016 at the CIC offices. At that meeting or by proxy vote beforehand the City needs to vote its shares for the nine (9) directors' seats.

### **DISCUSSION:**

The attached proxy provides the name of nine individuals to serve on the CIC Board of Directors. Three of those individuals, Geoffrey Cobbett, Richard Jett and Henry Morgan are current directors who are representatives from the City. Kim Raney was nominated by the City Council at your meeting of September 6 and if voted on by the shareholders will be the City's fourth representative on the Board.

The City may vote for directors in two ways; either by submittal of a proxy ballot in advance of the meeting or designating someone to represent the City at the Annual Shareholders meeting on October 20. The CIC recommends that the proxy be completed and returned prior to the shareholders meeting even if its representative intends to attend the meeting, to assure the presence of a quorum and also in the event that the City's designated representative is unable to attend the actual meeting, the City's shares would be voted.

The attached proxy provides the names of nine directors; eight are incumbent and one, Kim Raney is a new nominee. Should the Council determine that it does not want to vote its shares for one or more of the directors, it should direct that the City withhold authority to vote for that individual director and staff would draw a line through that individual's name.

**RECOMMENDATION:**

It is recommended that the City Council approve the slate as indicated on the attached proxy, return the proxy and authorize the City Manager to represent the City at the Annual Stockholders meeting on October 20, 2016.

**FISCAL IMPACT:**

There is no fiscal impact in voting the City's shares for the CIC Board of Directors. Stipends for the Directors are paid by the CIC and not the City.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):** N/A

Respectfully submitted,

*Donald Penman*

Donald Penman  
Interim City Manager

**ATTACHMENT:**

CIC Proxy Ballot

**COVINA IRRIGATING COMPANY  
PROXY FOR ANNUAL MEETING OF STOCKHOLDERS OCTOBER 20, 2016**

The undersigned hereby appoints \_\_\_\_\_ or **Geoffrey H. Cobbett and William L. McIntyre, Jr.** as my attorney in fact, to vote as my proxy at the annual meeting of the Covina Irrigating Company, a corporation, to be held on the 20th day of October, 2016 or any adjourned meeting thereof, all shares of common stock of Covina Irrigating Company, a corporation, held by me of record as of 8:00 o'clock a.m. on October 19, 2016 with full power of substitution and revocation.

Executed on \_\_\_\_\_, 2016, at \_\_\_\_\_, California

Print Name \_\_\_\_\_, Signature \_\_\_\_\_

Print Name \_\_\_\_\_, Signature \_\_\_\_\_

***Sign your name as it appears as a Stockholder on the company records. If signing for estates, trusts, corporations or partnerships, indicate your title or capacity. Each joint tenant should sign.***

**INSTRUCTIONS:**

1. All proxies which appoint "Secretary" as proxy shall be used for quorum purposes only, unless the stockholder directs otherwise in writing.
2. If the proxy is left blank, or in the event the named proxy fails to attend the meeting, the proxy shall be deemed to be an appointment of those persons named above as proxy, or the other if either fails to attend. Said proxies shall be used with such power as may be exercised by proxies as provided under the laws of the State of California.

**EXCEPT THAT:**

Such proxies shall be deemed an instruction to vote the shares equally for the election of the following named incumbent directors of the company duly nominated at the meeting; provided, however, that in the event that any of the incumbent directors named below fails to be nominated for reelection or otherwise is not a candidate to be elected, then the proxyholder shall refrain from casting any votes for any such person and the shares subject to this proxy shall instead be equally divided among those incumbent directors who are candidates for election:

**GEOFFREY H. COBBETT**

**RICHARD J. JETT**

**HENRY M. MORGAN**

**ANDREW M. MCINTYRE**

**WILLIAM L. MCINTYRE JR.**

**MICHAEL O. QUINN**

**STEVEN N. REENDERS**

**RICHARD J. RICH**

**NOTE:** To withhold authority to vote for an individual incumbent, indicate by drawing a line through that individual's name.

**PLEASE MARK, SIGN, DATE, AND RETURN PROMPTLY  
IN THE STAMPED RETURN ENVELOPE PROVIDED**

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# CITY OF COVINA

## AGENDA REPORT

ITEM NO. CC 7

---

**MEETING DATE:** October 4, 2016

**TITLE:** Notification of lease extension with Elite Dining Services, Inc.

**PRESENTED BY:** Brian K. Lee, Director of Community Development

**RECOMMENDATION:** Receive and file.

---

### **BACKGROUND:**

On November 19, 2013, Resolution 13-7200 was adopted (see Exhibit A) approving a Lease Agreement with Elite Dining Services, Inc., for real property located at 114 E. Italia Street, Covina, and authorizing the City Manager, with concurrence of the City Attorney, to execute and deliver on behalf of the City the Agreement and such other documents as may be necessary to carry out the actions authorized in the Resolution. Elite Dining Services, Inc., does business at 114 E. Italia Street, Covina, as Giovanni's Ristorante ("Elite"). The lease premises contained 1,406 square feet. The initial term will end on December 1, 2016.

The lease document contains the provision for the extension of the lease for one three-year period, with the stipulation that (1) the tenant requests the extension, and (2) the tenant is not in default.

### **DISCUSSION:**

The lease allows for one three-year extension under Section 2.2.1, with extension base rent defined in Section 2.3.1:

*2.2.1 Extension of Initial Term: Provided that Tenant is not in material default of any provision of this Agreement at the time Tenant requests an extension of the Initial Term as herein described, Landlord may grant an optional extension to extend the Initial Term of this Agreement for a period of three (3) years with such extension term to commence immediately upon the expiration of the Initial Term ("First Extension"), upon the same terms and conditions set forth in this Agreement, except as provided in Section 2.3.1.*

*2.3.1 Extension Base Rent: If Tenant and Landlord extend this Lease pursuant to Section 2.2.1, the Base Rent for the First Extension shall be equal to the Base Rent in the month prior to the Commencement of the First Extension plus an annual Consumer Price Index adjustment.*

Elite has notified the City that they wish to extend the lease. The business has a current business license and is not in material default of the lease. However, the lease provides for an adjustment

to the base rent on an annual basis. That adjustment was not implemented in 2014 or 2015. Elite has advised City that they will pay the catch-up rent adjustment prior to the lease extension; the amount is \$399.19. Staff will not deliver the lease amendment/extension to the tenant unless and until payment has been received. The rent effective as of December 1, 2016, under the extension, will be \$1,423.85 per month. Increases will be effective December 1, 2017 and December 1, 2018, as described in the original lease and clarified in Amendment No. 1 to Lease.

Amendment No. 1 to Lease is attached as Attachment B. The lease extension:

1. Extends the lease to December 1, 2019.
2. Clarifies the index to be used for the CPI adjustment, and states that if the CPI is negative, the rent will not be reduced.
3. Establishes the monthly rent for the first year at \$1,423.85 per month.
4. Emphasizes that Elite is to obtain all city-required permits for activities at the restaurant, such as an entertainment permit, when it is warranted, as stated in Section 2.11.
5. Changes the reference to the City's legal firm. Section 6.3 is changed to state that copies of Notices are to be sent to Richards, Watson & Gershon.

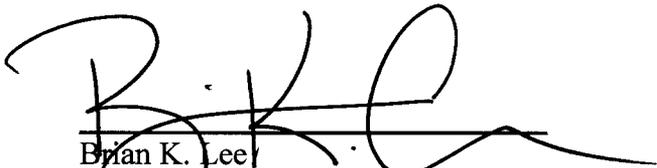
**FISCAL IMPACT:**

Over the three year period between 2016 and 2019 it is estimated that the benefit to the City will be approximately \$51,700. Anticipated CPI increases have been factored into this amount. Revenues will be deposited to Revenue Account No. 1010-0000-43600.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

This activity will not result in a reasonably foreseeable change to the physical environment; it is exempt from CEQA under State CEQA Guidelines 15061 (b) (2) and (3) and does not constitute a project.

Respectfully submitted,



Brian K. Lee  
Director of Community Development

**ATTACHMENTS:**

- A. Resolution 13-7200
- B. Amendment No. 1 to Lease

**RESOLUTION NO. 13-7200**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
COVINA, CALIFORNIA, APPROVING A LEASE  
AGREEMENT WITH ELITE DINING SERVICES, INC.  
FOR REAL PROPERTY LOCATED AT 114 E. ITALIA  
STREET, COVINA, CALIFORNIA**

**WHEREAS**, the City of Covina (“City”) owns land commonly referred to as 114 E. Italia Street, City of Covina, County of Los Angeles, State of California (a portion of Assessor Parcel No. 8445-001-905), which consists of a 1,406 square foot restaurant facility and 720 square foot covered patio (“Property”); and

**WHEREAS**, the City and Elite Dining Services, Inc., a California Corporation dba Giovanni’s Ristorante (“Lessee”) desire to enter into a lease agreement (“Agreement”), a copy of which is attached to this Resolution as Exhibit A and incorporated herein by this reference, for the Property in order for the Lessee to operate a restaurant business on the Property; and

**WHEREAS**, City staff has determined that the City’s approval of the Agreement is exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15301 because the Agreement involves leasing of an existing facility, which involves negligible or no expansion.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Covina, as follows::

**Section 1.** Recitals. The above recitals are true and correct, and are incorporated into this Resolution by reference as though fully set forth herein.

**Section 2.** Approval of Agreement. The City Council hereby approves the Agreement substantially in the form attached to this Resolution as Exhibit A. The City Council hereby authorizes the City Manager, with the concurrence of the City Attorney, to execute and deliver on behalf of the City the Agreement and such other documents and instruments as may be necessary or convenient in furtherance of the actions authorized in this Resolution.

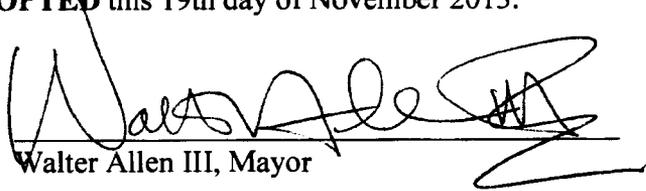
**Section 3.** Authorization. The City Council hereby authorizes and directs City staff to do all that is necessary to effectuate the intent of the Agreement and this Resolution.

**Section 4.** CEQA Compliance. The City Council hereby authorizes and directs City staff to file a Notice of Exemption under CEQA with the Clerk of the Board of Supervisors of the County of Los Angeles, California, within five (5) working days following approval of this Resolution.

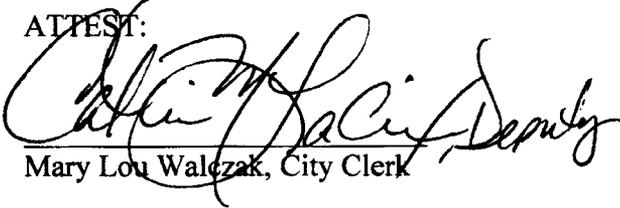
**Section 5.** Effective Date. This Resolution shall become effective immediately upon its adoption.

**Section 6. Certification.** The City Clerk of the City of Covina shall certify as to the adoption of this Resolution.

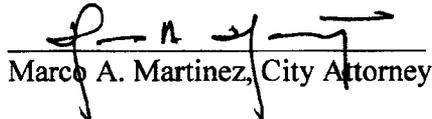
**PASSED, APPROVED AND ADOPTED** this 19th day of November 2013.

  
Walter Allen III, Mayor

ATTEST:

  
Mary Lou Walczak, City Clerk

APPROVED AS TO FORM:

  
Marco A. Martinez, City Attorney

**CERTIFICATION**

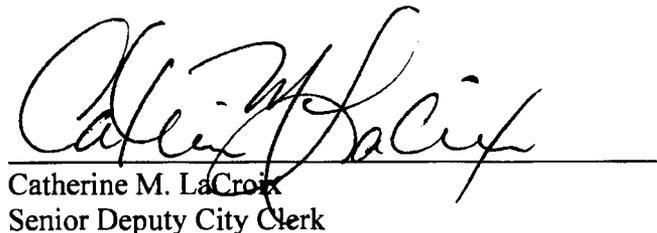
I, Catherine M. LaCroix, Senior Deputy City Clerk of the City of Covina, California, do hereby certify that the forgoing Resolution No. 13-7200 was introduced and adopted by the Covina City Council at a regular meeting thereof held on the 19th day of November 2013, by the following vote of the Council:

**AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON**

**NOES: NONE**

**ABSENT: NONE**

**ABSTAIN: NONE**

  
Catherine M. LaCroix  
Senior Deputy City Clerk

**FIRST AMENDMENT TO  
LEASE AGREEMENT**

**BETWEEN THE CITY OF COVINA AND ELITE DINING SERVICES, INC.  
(City Resolution 13-720)**

This First Amendment to Lease ("First Amendment") is entered into as of December 1, 2016, by and between the CITY OF COVINA, a municipal corporation, (hereinafter "Landlord"), and ELITE DINING SERVICES, INC., a California Corporation doing business as Giovanni's Ristorante (hereinafter "Tenant") who agree as follows:

1. RECITALS

This Amendment is entered into with reference to the following facts and circumstances:

- 1.1 Landlord is the owner of the real property in the City of Covina commonly referred as 114 E. Italia Street, Covina, CA (a portion of Assessor Parcel No. 3445-001-905) (the "Premises") , which is legally described in an unrecorded Lease Agreement, hereinafter referred to as the "Lease", dated December 1, 2013.
- 1.2 The Initial Term under the Lease ends December 1, 2016.
- 1.3 Tenant has elected to exercise the option to renew the Lease for an additional three (3) year period as allowed in Sections 2.2.1 and 2.3.1 of the Lease.
- 1.4 An extension of the Lease will end December 1, 2019.
- 1.5 Tenant is not in material default of any provision of the Lease,
- 1.6 The parties now desire to amend the Lease as set forth herein.

2. AGREEMENT

The Lease is amended as follows:

- 2.1 The Initial Term is extended for a period of three (3) years, upon the same terms and conditions set forth in the Lease, except as provided in Section 2.3.1.
- 2.2 For clarification purposes, the "Consumer Price Index, All Items for All Urban Consumers, for the Los Angeles-Riverside-Orange Co." index (CPI-U) will be used to determine the CPI adjustment. The prior year's Los Angeles-Riverside-Orange Co. CA Annual Average CPI will be used for adjustment. In no event will the rent be decreased.

For example, the rent increase for the period starting December 1, 2016, would be calculated as follows:

[Type text]

**Calculate CPI Increase**

CPI for prior calendar year (2015)	244.632
Less CPI for previous period (2014)	242.434
Equals index point change	2.198
Divided by previous period CPI	242.434
Equals	.009
Results multiplied by 100	.009 x 100
Equals percent change	.9%

**Calculate New Rent**

Rent for period prior to December 1, 2016:	\$1,411.15
Multiply by percent change	x .9%
Equals new rent for period starting December 1, 2016	\$1,423.85

- 2.3 Base rent for the First Extension is equal to the Base Rent in the month prior to the commencement of the First Extension, which is One Thousand Four Hundred Eleven Dollars and Fifteen Cents (\$1,411.15) plus an annual Consumer Price Index (CPI) adjustment. The calculated CPI increase is .9%, for an adjusted monthly rent for the first extended year of \$1,423.85.
- 2.4 There will be a similar CPI adjustment on December 1, 2017, and on December 1, 2018.
- 2.5 In compliance with Section 2.11 "Compliance with Laws, Rules, Regulations," Elite will obtain all licenses, permits and approvals required for the use or operation of the Premises, including an entertainment permit when warranted.
- 2.6 Section 6.3 is changed to reflect that copies of Notices shall be delivered to Landlord by e-mail to [blee@covinaca.gov](mailto:blee@covinaca.gov).

Copy of transmittals will be sent to:  
Richards, Watson & Gershon  
Attention: City Attorney  
355 South Grand Avenue, 40<sup>th</sup> Floor,  
Los Angeles, CA 90071

Fax: (213) 626-0078

- 2.7 Except as hereby amended, the Lease shall remain in full force and effect.

(Signatures on Following Page)

**SIGNATURE PAGE TO FIRST AMENDMENT TO LEASE AGREEMENT**

**TENANT**

**ELITE DINING SERVICES, INC.,  
A California Corporation**

**By: \_\_\_\_\_  
George Peterson**

**Its: Vice President**

**Dated: \_\_\_\_\_**

**LANDLORD**

**CITY OF COVINA,  
A California municipal corporation**

**By: \_\_\_\_\_  
Donald Penman, Interim City Manager**

**Dated: \_\_\_\_\_**

**ATTEST:**

**By: \_\_\_\_\_  
Sharon F. Clark  
Chief Deputy City Clerk**

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# CITY OF COVINA

## AGENDA REPORT

ITEM NO. CC 8

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**MEETING DATE:** October 4, 2016

**TITLE:** Purchase of Police Department Vehicles including equipment retrofit.

**PRESENTED BY:** Kim J. Raney, Interim Chief of Police

**RECOMMENDATION:** Approve the purchase of Six (6) Police Department Vehicles and six (6) aftermarket police package retrofits.

---

### **BACKGROUND:**

The Covina Police Department is in need of six new vehicles to replace existing high mileage vehicles. The total purchase price including taxes is \$177,174.04 from Wondries Fleet Group, Alhambra, California as outlined below.

- \$30,571.56 (2017 Ford Police Utility) To replace Unit 7 2010 Ford Crown Vic
- \$30,571.56 (2017 Ford Police Utility) To replace Unit 12 2011 Ford Crown Vic
- \$30,571.56 (2017 Ford Police Utility) To replace Unit 15 2005 Ford Crown Vic
- \$32,672.78 (2016 Ford Police Admin Utility) To replace Unit D3 2007 Ford Crown Vic
- \$26,393.29 (2015 Ford Police Admin Sedan) To replace Unit D7 2000 Ford Crown Vic
- \$26,393.29 (2015 Ford Police Admin Sedan) To replace Unit DL 2005 Ford Crown Vic

In addition, \$34,977.09 is needed to retrofit all six new vehicles with equipment provided by Black & White Emergency Vehicle, Covina, California. Following is the breakdown:

- \$8,589.28 (2017 Ford Police Utility)
- \$8,589.28 (2017 Ford Police Utility)
- \$8,589.28 (2017 Ford Police Utility)
- \$3,069.75 (2016 Ford Police Admin Utility)
- \$3,069.75 (2015 Ford Police Admin Sedan)
- \$3,069.75 (2015 Ford Police Admin Sedan)

### **DISCUSSION:**

Police Department patrol vehicle Unit # 7 has been in service since 2010 and has over 75,000 miles. It is currently out of service and stored at the city yard with transmission issues that will NOT be repaired. Unit # 12 has been in service since 2011 and has over 81,000 miles. Unit # 15 is assigned to the Traffic Unit and is also the oldest model in the Patrol fleet and has almost 82,000 miles. These three vehicles have been driven 10-20 hours per day, seven days a week and have averaged approximately 20,000 hard miles per year. All three patrol units have reached the end of their serviceable life. Replacement of these three vehicles has been recommended by the Public Works Equipment Supervisor.

Police Department administrative and detective vehicle # D7 has been in service since 2000 and has 90,000 miles. #D7 was originally purchased and used as a police patrol vehicle, then later retrofitted to an administrative vehicle. Police Department administrative and detective vehicle # DL has been in service since 2005 and has 93,000 miles. Police Department administrative and detective vehicle # D3 has been in service since 2007 and has 91,000 miles. These three vehicles are now beyond their serviceable life and replacement has been recommended by the Public Works Equipment Supervisor.

When it is to the City’s advantage, CMC Section 2.20.210.B. (Joint Purchasing Agreements with Other Governmental Entities) allows the City Manager to waive the formal bid procedure prescribed in CMC Sections 2.20.100 through 2.20.160 in the following instance:

Supplies, vehicles, equipment or services can be purchased from a vendor offering the same prices, terms and conditions as in a previous award from the City or another governmental entity either by competitive bid or through a negotiated process. (Ord. 16-2051 § 1, 2016). Accordingly, it is staff’s intention that these vehicles be procured by exercising an existing purchase option through a purchasing agreement with the City of Los Angeles. By doing so, the City will realize significant savings in both vehicle cost as well as in vehicle delivery. This purchase will utilize the Cooperative Purchase provision of the City of Los Angeles Cooperative Provision

**FISCAL IMPACT:**

The total cost of this action is \$212,151.13. Sufficient Central Equipment Operations funding is available in the FY 2017 Department of Public Works budget (account no. 7010-6010-55550).

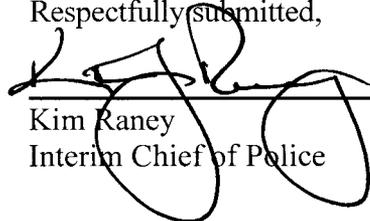
The following table represents the project summary:

Wondries Fleet Group	\$177,174.04
Black & White Emergency Vehicle	\$34,977.09
<b>Total Fiscal Impact</b>	<b>\$212,151.13</b>

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

None.

Respectfully submitted,




---

Kim Raney  
Interim Chief of Police

**ATTACHMENT:**

Attachment A: Vehicle Purchase Quotes

# **Wondries**

## **FLEET GROUP**

1247 W. Main Street, P.O. Box 3850 Alhambra, CA 91801  
(626) 457-5590 (626) 457-5593 Fax

September 6, 2016

Sgt. Ray Marquez  
Covina Police Department  
444 N. Citrus Ave  
Covina, CA 91723  
Email: [Rmarquez@covina.ca.gov](mailto:Rmarquez@covina.ca.gov)

Dear Sgt. Marquez,

In response to your inquiry, we are pleased to submit the following for your consideration.

Wondries Fleet Group will sell, service, and deliver; at Covina, New/Unused 2017 Ford Police Utility responding to the attached specifications for \$30,571.56 including state sales tax & tire tax. Price includes black and white paint.

These vehicles are available under the Cooperative Purchase Provision of the City of Los Angeles Contract.

Delivery is (15) days. A.R.O.

Terms are Net 30 days.

Sincerely,

Joe Connell  
Wondries Fleet Group  
Fleet Manager



CHI-003097 CA

9-PORVAL, NO. 003097, CRZAL 10618 12/16/2012 2153

CFM GRAY CEN TRAD ROME SUPER CARP 2014 RPT

11/28/2016 HGA24281 NB 01/17



# POLICE INTERCEPT HG A24281

EXTERIOR / ELK  
INTERIOR / ELK  
TECH CLOTH FRT/INSTR REIF

**DESCRIPTION**  
2014 FORD POLICE INTERCEPT...  
**EXTERIOR**  
Color: ELK  
Trim: ELK  
**INTERIOR**  
Color: ELK  
Trim: ELK  
**TECHNICAL**  
Front Suspension: FORD  
Rear Suspension: FORD  
Steering: FORD  
Brakes: FORD  
Engine: FORD  
Transmission: FORD  
Drive: FORD  
Fuel System: FORD  
Cooling System: FORD  
Exhaust System: FORD  
Wipers: FORD  
Mirrors: FORD  
Tires: FORD  
Wheels: FORD  
Accessories: FORD  
**VEHICLE IDENTIFICATION**  
VIN: FORD  
Title: FORD  
Registration: FORD  
Sales Tax: FORD  
License: FORD  
Insurance: FORD  
Warranty: FORD  
Options: FORD  
Mileage: FORD  
Date of Sale: FORD  
Seller: FORD  
Buyer: FORD  
Agent: FORD  
Phone: FORD  
Email: FORD  
Address: FORD  
City: FORD  
State: FORD  
Zip: FORD  
Country: FORD

MSRP	\$34,905.00
TOTAL MSRP	\$34,905.00

REGULAR ORDER

**EPA Fuel Economy and Environment**

**17 MPG** combined city/hwy  
**15 city**  
**20 highway**

**You spend \$3,750 more in fuel costs over 5 years** compared to the average new vehicle.

**Annual fuel cost \$2,150**

**fuelconomy.gov**

**GOVERNMENT 5-STAR SAFETY RATINGS**

**Overall Vehicle Score ★★★★★**  
 Based on the combined ratings of frontal, side and rollover. Should ONLY be compared to other vehicles of similar size and weight.

Frontal Crash	★★★★★
Side Crash	★★★★★
Rollover	★★★★★

**GOVERNMENT 5-STAR SAFETY RATINGS**

Frontal Driver	★★★★★
Frontal Passenger	★★★★★
Side Driver	★★★★★
Side Passenger	★★★★★
Rollover	★★★★★

**GOVERNMENT 5-STAR SAFETY RATINGS**

**Star ratings range from 1 to 5 stars (★★★★★) with 5 being the highest.**  
 Source: National Highway Traffic Safety Administration (NHTSA).  
[www.safercar.gov](http://www.safercar.gov) 311-288-3273

**GOVERNMENT 5-STAR SAFETY RATINGS**

**Overall Vehicle Score ★★★★★**  
 Based on the combined ratings of frontal, side and rollover. Should ONLY be compared to other vehicles of similar size and weight.

Frontal Driver	★★★★★
Frontal Passenger	★★★★★
Side Driver	★★★★★
Side Passenger	★★★★★
Rollover	★★★★★

**GOVERNMENT 5-STAR SAFETY RATINGS**

**Star ratings range from 1 to 5 stars (★★★★★) with 5 being the highest.**  
 Source: National Highway Traffic Safety Administration (NHTSA).  
[www.safercar.gov](http://www.safercar.gov) 311-288-3273

**GOVERNMENT 5-STAR SAFETY RATINGS**

**Overall Vehicle Score ★★★★★**  
 Based on the combined ratings of frontal, side and rollover. Should ONLY be compared to other vehicles of similar size and weight.

Frontal Driver	★★★★★
Frontal Passenger	★★★★★
Side Driver	★★★★★
Side Passenger	★★★★★
Rollover	★★★★★

**GOVERNMENT 5-STAR SAFETY RATINGS**

**Star ratings range from 1 to 5 stars (★★★★★) with 5 being the highest.**  
 Source: National Highway Traffic Safety Administration (NHTSA).  
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**Overall Vehicle Score ★★★★★**  
 Based on the combined ratings of frontal, side and rollover. Should ONLY be compared to other vehicles of similar size and weight.

Frontal Driver	★★★★★
Frontal Passenger	★★★★★
Side Driver	★★★★★
Side Passenger	★★★★★
Rollover	★★★★★

**GOVERNMENT 5-STAR SAFETY RATINGS**

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**Overall Vehicle Score ★★★★★**  
 Based on the combined ratings of frontal, side and rollover. Should ONLY be compared to other vehicles of similar size and weight.

Frontal Driver	★★★★★
Frontal Passenger	★★★★★
Side Driver	★★★★★
Side Passenger	★★★★★
Rollover	★★★★★

**GOVERNMENT 5-STAR SAFETY RATINGS**

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 Source: National Highway Traffic Safety Administration (NHTSA).  
[www.safercar.gov](http://www.safercar.gov) 311-288-3273

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**Overall Vehicle Score ★★★★★**  
 Based on the combined ratings of frontal, side and rollover. Should ONLY be compared to other vehicles of similar size and weight.

Frontal Driver	★★★★★
Frontal Passenger	★★★★★
Side Driver	★★★★★
Side Passenger	★★★★★
Rollover	★★★★★

**GOVERNMENT 5-STAR SAFETY RATINGS**

**Star ratings range from 1 to 5 stars (★★★★★) with 5 being the highest.**  
 Source: National Highway Traffic Safety Administration (NHTSA).  
[www.safercar.gov](http://www.safercar.gov) 311-288-3273

1201607022153

69232916

# **Wondries**

## **FLEET GROUP**

1247 W. Main Street, P.O. Box 3850 Alhambra, CA 91801  
(626) 457-5590 (626) 457-5593 Fax

September 6, 2016

Sgt. Ray Marquez  
Covina Police Department  
444 N. Citrus Ave  
Covina, CA 91723  
Email: [Rmarquez@covina.ca.gov](mailto:Rmarquez@covina.ca.gov)

Dear Sgt. Marquez,

In response to your inquiry, we are pleased to submit the following for your consideration.

Wondries Fleet Group will sell, service, and deliver; at Covina, New/Unused 2015 Ford Police Admin Sedan responding to the attached specifications for \$26,393.29 including state sales tax & tire tax. Colors available are \*Sterling Grey Metallic \*Ingot Silver Metallic.

These vehicles are available under the Cooperative Purchase Provision of the City of Los Angeles Contract.

Delivery is (10) days. A.R.O.

Terms are Net 30 days.

Sincerely,

Joe Connell  
Wondries Fleet Group  
Fleet Manager



**TOYOTA**



**HONDA**



Disclaimer: This window sticker is only representative of the information contained on an actual window sticker, and may or may not match the actual window sticker on the vehicle itself. Please see your retailer for further information.

**Vehicle Description**

**TAURUS** 2015 AWD INTERCEPTOR  
3.7L TIVCT V8  
6-SPEED AUTO TRANSMISSION

VIN 1FAHP2MK9FG 195396

**Exterior**  
MED TITANIUM C/C METALLIC  
**Interior**  
CHARCOAL BLACKCLOTH/CLOTH SEATING

**Standard Equipment INCLUDED AT NO EXTRA CHARGE**

**EXTERIOR**

- . 18" H.D. STEEL WHEELS
- . FULL SIZE 18" SPARE W/TPMS
- . DUAL POWER MIRRORS
- . KEY LOCKS (DR/PASS/TRUNK)
- . EASY FUEL CAPLESS FILLER

**INTERIOR**

- . PWR DR SEAT/6-WAY/M LUMBAR
- . CLOTH BUCKET FRONT SEATS
- . STEERING - TILT/TELESCOPIC
- . A/C W/MANUAL CLIMATE
- . CERTIFIED SPEEDOMETER
- . TRUNK RELEASE BUTTON
- . CONSOLE MOUNTING PLATE

**FUNCTIONAL**

- . COLUMN MOUNTED SHIFTER
- . 220 AMP ALTERNATOR
- . W/ ABS & TRACTION CONTROL
- . HEAVY DUTY SUSPENSION
- . TRANSMISSION OIL COOLER
- . ADJUST PEDALS, NON MEMORY
- . POWERPOINTS (2)

**SAFETY/SECURITY**

- . ADVANCETRAC ESC
- . AIRBAGS - SAFETY CANOPY
- . SOS POST CRASH ALERT SYS
- . 3YR/36K MILE WARRANTY

- . 245/55R18 A/S POLICE TIRES
- . 18" WHEEL HUB CAP
- . UNDERBODY DEFLECTOR PLATE
- . PROJ BEAM HALOGEN HEADLAMP
- . GRILLE - BLACK
- . BLACK VINYL FLOOR COVERING
- . MANUAL PASS SEAT - 2-WAY
- . VINYL BENCH REAR SEAT
- . STR WHEEL W/SPEED & AUDIO CONTROL, SINGLE ZONE
- . ENGINE HOUR / IDLE METER
- . UNIVERSAL TOP TRAY
- . RED / WHITE DOME LAMP
- . ALL WHEEL DRIVE SYSTEM
- . HEAVY DUTY 78-AMP BATTERY
- . POLICE BRAKES: 4 WHL DISC
- . POWER STEERING W/EPAS
- . ENGINE OIL COOLER
- . POWER LOCKS AND WINDOWS
- . AM/FM SINGLE CD/MP3, 4SPKR
- . 75 MPH REAR-CRASH TESTED
- . AIRBAGS - FRONT AND SIDE
- . PERSONAL SAFETY SYSTEM
- . TIRE PRESSURE MONITOR SYS

**WARRANTY**

**Price Information**  
**STANDARD VEHICLE** MSRP  
**PRICE** \$28,685

**Included on this Vehicle**  
EQUIPMENT GROUP 500A

**Optional Equipment**

- 2016 MODEL YEAR
- MED TITANIUM C/C METALLIC
- BLACK CLOTH/CLOTH SEATING
- .3.7L TIVCT V8
- .6-SPEED AUTO TRANSMISSION
- INTERIOR UPGRADE PACKAGE 380
- .1ST AND 2ND ROW CARPET FLR
- .CARPETED FLOOR MATS 1ST & 2ND
- FRT HDLAMP POLICE HOUSING ONLY 120
- FRONT LICENSE PLATE BRACKET
- INTERCEPTOR BADGE DELETE
- NOISE SUPPRESSION BONDS 95
- CALIFORNIA EMISSIONS SYSTEM
- REMAPPABLE AUDIO WITH VOICE SYNC VOICE ACTIVATED 150
- SYSTEMS 295
- KEY FOB 255
- 18" FULL FACE WHEEL COVER 60
- FRT CONSOLE MNT PLATE DELETE
- HMI W/4.2" SCREEN - W/SYNC
- REVERSE SENSING SYSTEM 295
- REAR VIEW CAMERA 240
- CLOTH/CLOTH SEATING

TOTAL VEHICLE & OPTIONS 30,575  
DESTINATION & DELIVERY 825

**TOTAL MSRP \$31,400**

Disclaimer: Option pricing will be blank for any item that is priced as 0 or "No Charge".



**CITY MPG**  
**18**  
**HIGHWAY MPG**  
**25**

Estimated Annual Fuel Cost: \$

**Vehicle Engine Information**

Actual mileage will vary with options, driving conditions, driving habits and vehicle's condition. Results reported to EPA indicate that the majority of vehicles with these estimates will achieve between \_ and \_ mpg in the city and between \_ and \_ mpg on the highway. For Comparison Shopping all vehicles classified as \_ have been issued mileage ratings from \_ to \_ mpg city and \_ to \_ mpg highway.

Ford Extended Service Plan is the ONLY service contract backed by Ford and honored by the Ford and Lincoln dealers. Ask your dealer for prices and additional details or see our website at [www.Ford-ESP.com](http://www.Ford-ESP.com).

# **Wondries**

## **FLEET GROUP**

1247 W. Main Street, P.O. Box 3850 Alhambra, CA 91801  
(626) 457-5590 (626) 457-5593 Fax

September 6, 2016

Sgt. Ray Marquez  
Covina Police Department  
444 N. Citrus Ave  
Covina, CA 91723  
Email: [Rmarquez@covina.ca.gov](mailto:Rmarquez@covina.ca.gov)

Dear Sgt. Marquez,

In response to your inquiry, we are pleased to submit the following for your consideration.

Wondries Fleet Group will sell, service, and deliver; at Covina, New/Unused 2016 Ford Police Admin Utility responding to the attached specifications for \$32,672.78 including state sales tax & tire tax. Colors available are \*Titanium Metallic \*Sterling Grey Metallic \*Silver \*Black.

These vehicles are available under the Cooperative Purchase Provision of the City of Los Angeles Contract.

Delivery is (10) days. A.R.O.

Terms are Net 30 days.

Sincerely,

Joe Connell  
Wondries Fleet Group  
Fleet Manager



**TOYOTA**



**HONDA**



Disclaimer: This window sticker is only representative of the information contained on an actual window sticker, and may or may not match the actual window sticker on the vehicle itself. Please see your retailer for further information.

**Vehicle Description**

**EXPLORER 4-DOOR**  
**2016 4DR AWD POLICE**  
**3.7L V6 TIVCT ENGINE**  
**6-SPEED AUTO TRANSMISSION**

VIN 1FM5K8AR6GG B87426

**Exterior**  
 INGOT SILVER METALLIC  
**Interior**  
 EBONY BLACK INTERIORCLOTH  
 BUCKETS/CLOTH REAR SEATS

**Standard Equipment INCLUDED AT NO EXTRA CHARGE**

**EXTERIOR**

- . 18" H.D. STEEL WHEELS
- . FULL SIZE 18" SPARE W/TPMS
- . PRIVACY GLASS 2ND/3RD ROW
- . GRILLE - BLACK
- . EASY FUEL CAPLESS FILLER

**INTERIOR**

- . PWR DR SEAT/6-WAY/M LUMBAR
- . CLOTH BUCKET FRONT SEATS
- . TILT STEERING WHL/ CRUISE
- . 1 TOUCH UP/DOWN DR/PASS WIN CONTROL, SINGLE ZONE
- . ENGINE HOUR / IDLE METER
- . UNIVERSAL TOP TRAY

**FUNCTIONAL**

- . REAR VIEW CAMERA
- . HEAVY DUTY 78-AMP BATTERY
- . POLICE BRAKES: 4 WHL DISC
- . HEAVY DUTY SUSPENSION
- . ENGINE OIL COOLER
- . POWER LOCKS AND WINDOWS
- . ADJUST PEDALS, NON MEMORY

**SAFETY/SECURITY**

- . ADVANCETRAC WITH RSC
- . AIRBAGS - SAFETY CANOPY
- . SOS POST CRASH ALERT SYS
- . 3YR/36K MILE WARRANTY

- . 245/55R18 A/S POLICE TIRES
- . 18" WHEEL HUB CAP
- . DUAL POWER MIRRORS
- . DUAL EXHAUST SYSTEM
- . KEY LOCKS (DR/PASS/LFTGT)
- . BLACK VINYL FLOOR COVERING
- . MANUAL PASS SEAT - 2-WAY
- . 60/40 SPLIT VINYL REAR & AUDIO CONTROLS
- . A/C W/MANUAL CLIMATE
- . CERTIFIED SPEEDOMETER
- . CONSOLE MOUNTING PLATE
- . RED / WHITE DOME LAMP
- . ALL WHEEL DRIVE SYSTEM
- . COLUMN MOUNTED SHIFTER
- . 220 AMP ALTERNATOR
- . W/ ABS & TRACTION CONTROL
- . POWER STEERING W/EPAS
- . TRANSMISSION OIL COOLER
- . AM/FM SINGLE CD/MP3, 6SPKR
- . POWERPOINTS (2)
- . 75 MPH REAR-CRASH TESTED
- . AIRBAGS - FRONT AND SIDE
- . PERSONAL SAFETY SYSTEM
- . TIRE PRESSURE MONITOR SYS

**WARRANTY**

**Price Information**  
**STANDARD VEHICLE PRICE** **MSRP**  
**\$30,820**

**Included on this Vehicle**  
 EQUIPMENT GROUP 500A

**Optional Equipment**

- 2016 MODEL YEAR
- INGOT SILVER METALLIC
- EBONY CLOTH
- . PREMIUM SINGLE CD W/ MP3
- . 3.7L V6 TIVCT ENGINE
- . 6-SPEED AUTO TRANSMISSION
- SYNC VOICE ACTIVATED SYSTEM **295**
- FRONT LICENSE PLATE BRACKET
- BADGE DELETE
- CALIFORNIA EMISSIONS SYSTEM
- REMOTE KEYLESS ENTRY W/O PAD **260**
- NOISE SUPPRESSION BOND
- STRAPS **100**
- CONFIG AUDIO CTRLS WITH VOICE **155**
- 18" PAINTED ALUMINUM WHEELS **475**
- INTERIOR UPGRADE PACKAGE **390**
- . 1ST AND 2ND ROW CARPET FLR
- DEFLECTOR PLATE **335**
- REVERSE SENSING SYSTEM **275**
- FRONT CNSL MOUNTING PLATE
- DEL
- FRONT HEADLMP HOUSING ONLY **125**
- PKG
- REAR TAILLAMP HOUSING **60**
- CLOTH BUCKETS/CLOTH REAR SEATS

TOTAL VEHICLE & OPTIONS **33,090**  
 DESTINATION & DELIVERY **895**

**TOTAL MSRP \$33,885**

Disclaimer: Option pricing will be blank for any item that is priced as 0 or "No Charge".

**Vehicle Engine Information**

Actual mileage will vary with options, driving conditions, driving habits and vehicle's condition. Results reported to EPA indicate that the majority of vehicles with these estimates will achieve between \_ and \_ mpg in the city and between \_ and \_ mpg on the highway. For Comparison Shopping all vehicles classified as \_ have been issued mileage ratings from \_ to \_ mpg city and \_ to \_ mpg highway.



**CITY MPG**  
**15**  
**HIGHWAY**  
**MPG**  
**20**

Estimated Annual Fuel Cost: \$



# CITY OF COVINA

## AGENDA REPORT

ITEM NO. CC 9

---

**MEETING DATE:** October 4, 2016

**TITLE:** Contract Amendment to Vavrinek, Trine, Day & Co., LLP for Accounting Services Assisting with the Preparation of the Fiscal Year 2014-15 Audit and CAFR

**PRESENTED BY:** Anita Agramonte, Finance Director

**RECOMMENDATION:** Authorize the Interim City Manager to execute the first amendment to the agreement with Vavrinek, Trine, Day & Co., LLP for accounting services assisting with the preparation of the Fiscal Year 2014-15 Audit and CAFR in the amount of \$23,900

---

### **BACKGROUND:**

With change in management and departure of long-term personnel in 2015, it was necessary to outsource a significant portion of the 2015 fiscal year-end closing duties. Vavrinek, Trine, Day & Co, LLP (VTD) is a firm with over 225 employees which consistently ranks among the top regionally based CPA firms. In November 2015, the Finance Department requested the services of VTD to provide assistance with the year-end process including closing the books, preparing for the annual audit, and finalizing the annual financial statements.

Covina Municipal Code (CMC) Section 2.20.060 allows the City Manager to authorize purchases and contracts for services with an estimated value of \$25,000 or less. The City Council shall authorize purchases and contracts for services with an estimated value greater than \$25,000.

The original scope of work was scheduled for December 2015 and expected to be completed in January 2016, with compensation not to exceed \$25,000. However, it became apparent that additional assistance was needed through April 2016. The City Council approved a Professional Services Agreement with VTD in February 2016 stipulating maximum expenditure of \$35,000, which would be funded by savings in salaries and benefits.

VTD has assisted with Fiscal Year 2015 accounting entries and analysis, year-end closing, completion of the audit, finalizing of the CAFR, and various other projects. VTD's unique understanding of the complexities of the City's financial details made it prudent to engage the firm for assistance during the Finance Department's difficult transition period. VTD completed the required work; however, the final cost exceeded the Council Approved expenditure amount of \$35,000. The total cost of services provided was \$58,900.

### **DISCUSSION:**

On September 6, 2016 the City Council authorized the necessary appropriations and payment of final invoices pending any necessary contract amendments. The first amendment to the

agreement with VTD increases the not to exceed compensation amount by \$23,900 from \$35,000 to \$58,900. Staff recommends approval of the contract amendment and payment of the final invoice.

**FISCAL IMPACT:**

Funding was approved on September 6, 2016, and is budgeted and available in the Auditing and Accounting account number 1010 0500 51100 in Fiscal Year 2015-16.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

None.

Respectfully submitted,



---

Anita Agramonte  
Finance Director

**ATTACHMENTS:**

Attachment A: First Amendment to Agreement between the City of Covina and Vavrinek, Trine, Day & Co, LLP

**FIRST AMENDMENT TO AGREEMENT BETWEEN THE CITY OF COVINA AND  
VAVRINEK, TRINE, DAY & CO. LLP**

**THIS FIRST AMENDMENT** is made and entered into as of September 6, 2016 by and between the City of Covina, a California municipal corporation (hereinafter referred to as "City"), and Vevrinek, Trine, Day & Co., a Limited Liability Partnership (hereinafter referred to as "Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. This **FIRST** Amendment is made with the respect to the following facts and purposes:

a. On February 16, 2016, the City and Consultant entered into that certain Professional Services Agreement for accounting services in the amount of \$35,000.

b. The parties now desire to increase the compensation in the amount of \$23,900 for a new total agreement amount not to exceed \$58,900 and to amend the Agreement as set forth in this Amendment.

2. Paragraph 3.3.1 of Section 3.3 of the Agreement entitled "**COMPENSATION**" is hereby amended to read as follows:

A. Compensation. As full compensation for Consultant's services provided under this Agreement, City shall pay Consultant the not to exceed total sum of Fifty Eight Thousand Nine Hundred Dollars \$58,900 (the "maximum compensation"), as set forth in the Approved Fee Schedule, attached hereto as Exhibit A. Any terms in Exhibit A, other than the payment rates and schedule of payment, are null and void.

3. Except for the changes specifically set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

The parties, through their duly authorized representatives, are signing this **FIRST** Amendment on the date stated in the introductory clause.

City:  
  
City of Covina,  
a California municipal corporation

Consultant:  
  
Vevrinek, Trine, Day & Co,  
a Limited Liability Partnership

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By:  \_\_\_\_\_  
Name: Joseph Aguilar  
Title: Partner

ATTEST:

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

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

Name: Sharon F. Clark  
Title: Chief Deputy City Clerk

Title: \_\_\_\_\_

*(Two signatures of corporate officers required for corporations under Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)*

APPROVED AS TO FORM:

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

Name: Candice K. Lee  
Title: City Attorney

**ATTACHMENT A**

Attached hereto and incorporated herein is the additional scope of work and associated cost as provided by the Consultant.



# CITY OF COVINA

## AGENDA REPORT

ITEM NO. CC 10

**MEETING DATE:** October 4, 2016

**TITLE:** Introduction of **Ordinance No. 16-2062** Setting the City's Refuse Collection Services Rates for Residential, Commercial, and Industrial Customers for FY 2016-17 through FY 2018-19, Effective July 1, 2016.

**PRESENTED BY:** Siobhan Foster, Director of Public Works

**RECOMMENDATION:**

- 1) Waive full reading, read by title only, and introduce for first reading Ordinance No. 16-2062, which is scheduled for public hearing, consideration, and action, setting the residential and commercial refuse collection services rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19), as contained in Attachment B, and making automatic adjustments to the proposed rates in future years each fiscal year beginning in FY 2017-18 (July 1, 2017) and ending in FY 2018-19 (June 30, 2019), by a factor equal to the Consumer Price Index without further action on the part of the City Council; and
- 2) Hold the State-mandated public hearing on the proposed increase to residential and commercial refuse collection services fees on October 18, 2016 at 7:30 p.m.

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**BACKGROUND:**

On October 5, 2010, the City Council reviewed the solid waste disposal options that were expected to be available to the City after the closure of Puente Hills Landfill in 2013. The City Council directed the Department of Public Works to return to the City Council with a report on possible alternative disposal opportunities available in partnership with the City's licensed solid waste hauler, Arakelian Enterprises, Inc. (Athens Services), in light of Athens' acquisition of American Organics (a composting facility) and its planned construction of a new materials recovery facility (MRF) in Irwindale.

As requested by the City Council, the Department of Public Works conferred with Athens Services regarding the City's projected disposal and diversion needs. The City asked that Athens propose alternatives to assist Covina in achieving the following objectives:

- Reduce waste processing, transportation, disposal, and diversion costs;
- Improve residential refuse account customer service and stabilize refuse rates;
- Improve the community's financial stability;

- Support the City's efforts to comply with state solid waste mandates, including required construction and demolition debris recycling; and
- Facilitate appropriate disposal of solid waste to minimize the detrimental impact of improper disposal on the environment.

On November 2, 2010, the City Council reviewed and approved a proposal from Athens Services in concept and directed the Department of Public Works to draft amendments to the Refuse Collection Exclusive Franchise Agreement to reflect the proposal.

On February 15, 2011, the City Council reviewed and approved the Amended and Restated Exclusive Franchise Agreement with Arakelian Enterprises, Inc. (Athens Services), with the recommendation to include the authority for staff to work with the service provider to make any non-substantive changes and advise the City Council of such changes. Exhibit B of the Amended and Restated Exclusive Franchise Agreement specifies the Rate Adjustment for the services provided under the Agreement.

In summary, each of the rates provided by the Agreement contains a Service Component and a Disposal Component. The Service Component includes the costs of collection and hauling of all refuse, including recyclable materials and green waste for all customers. The Disposal Component shall be based on the per ton costs incurred by Athens Services for disposal of all refuse, processing of recyclable materials at Athens Services' MRF (which costs are defined on a per ton basis as the "MRF Gate Fee"), and for its disposal of green waste.

The Service Component will automatically be adjusted each July 1<sup>st</sup> in proportion to the increase or decrease in the cost of living as determined by the percentage change in the CPI for the previous period of January through January for All Urban Consumers in the Los Angeles/Anaheim/Riverside area. City staff reviewed all proposed rate increases solely for validity of the submitted data and, upon verification of data, approved the new Service Component rates.

The Disposal Component will automatically be adjusted in proportion to the increase or decrease in disposal costs as determined by the percentage change in the MRF Gate Fee. As soon as the information is available, Athens Services shall submit documentation to the City Manager with evidence of the net change in disposal costs. The City will review the documentation in connection with the net change in disposal costs solely for validity of the submitted data and, upon verification of data, approve the new Disposal Component rates. The net change in disposal costs will be added to, or subtracted from, the Disposal Component of the maximum rates to be effective the next billing cycle once approved by the City Council.

The Agreement also allows Athens Services the opportunity to request a Special Rate Adjustment when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement. For each request, Athens Services must prepare a schedule documenting the extraordinary costs. The City will then review Athens Services' request and, in the City's sole judgment, make the final determination on the adjustment.

Between the date of execution of the Amended and Restated Exclusive Franchise Agreement and the closure of the Puente Hills Landfill, on October 31, 2013, Athens Services was required to evaluate cost-effective disposal sites to be utilized upon the closure of the Puente Hills Landfill. Prior to the closure of the Puente Hills Landfill, Athens Services was required to propose its disposal site recommendation to the City for residue from the MRF and provide the

Disposal Component of the rate. Athens Services and the City met and conferred to discuss Athens Services' disposal recommendation and rate.

Key provisions of the Amended and Restated Exclusive Franchise Agreement are outlined in Attachment C of the August 16, 2016 Agenda Report, Item No. NB3. As a result of the approval of the Amended and Restated Exclusive Franchise Agreement, residential refuse rates decreased, as shown below, for the period of March 1, 2011 through June 30, 2011.

**Table 1 – Sampling of Monthly Residential Rates, March 1, 2011 through June 30, 2011**

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$25.62	\$25.14	(\$0.48)
60 Gallon (Townhomes & Condominiums)	\$23.37	\$23.16	(\$0.21)
30 Gallon (Verified low-income senior citizens)	N/A	\$21.18	(\$4.44)

On May 17, 2011, the City Council introduced Ordinance 11-1994, setting the City's refuse collection rates for residential, commercial, and industrial refuse customers for FY 2011-12, effective July 1, 2011.

On June 7, 2011, the City Council conducted a public hearing on the City's proposed refuse rates for the period of July 1, 2011 through June 30, 2012 (FY 2011-12) and making automatic adjustments to the proposed rates in future years by the change in CPI or 3%, whichever is greater. Following the public hearing, the City Council adopted Ordinance 11-1994, setting refuse rates for the period of July 1, 2011 through June 30, 2012 and making automatic adjustments to the proposed rates in future years by the change in CPI or 3%, whichever is greater.

For illustrative purposes, the rates approved by the City Council for the period of July 1, 2011 through June 30, 2012 (FY 2011-12), established the residential rates shown below.

**Table 2 – Sampling of Monthly Residential Rates, July 1, 2011 through June 30, 2012**

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$25.14	\$25.50	\$0.36
60 Gallon (Townhomes & Condominiums)	\$23.16	\$23.51	\$0.35
30 Gallon (Verified low-income senior citizens)	\$21.18	\$21.52	\$0.34

Section 2 of Ordinance No. 11-1994 provides, pursuant to Government Code, Sections 53756 and 53739, such rates shall be automatically adjusted each fiscal year, beginning in FY 2012-13 (July 1, 2012) and ending in FY 2015-16 (June 30, 2016), by a factor equal to (i) CPI, or (ii) three percent (3%), whichever is greater, without further action on the part of the City Council. The City is required by State law, however, to notify residents of any such increases.

Subsequently, on June 6, 2013, the Department of Public Works informed the Covina City Council and the City Manager via Inter-Office Memorandum of a refuse rate increase effective July 1, 2013 (FY 2013-14). The memorandum explains that on June 1, 2013, and in accordance with State law and Section 2 of Ordinance No. 11-1994, the City of Covina Schedule of Refuse Rates Effective July 1, 2013 was mailed to all Covina residential and commercial refuse customers as an insert with the June Athens Services' refuse bills. The memorandum and rate sheets are contained in Attachment E of the August 16, 2016 Agenda Report, Item No. NB3.

The rates were calculated in accordance with Exhibit B of the Amended and Restated Exclusive Franchise Agreement and automatically adjusted per Ordinance No. 11-1994, Section 2 and reflect adjustments of 1.96% for CPI and 1.19% for the MRF Gate Fee.

Athens Services and the Department of Public Works developed and verified the rate calculations, which resulted in the following residential rates:

**Table 3 – Sampling of Monthly Residential Rates, July 1, 2013**

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$25.50	\$27.05	\$1.55
60 Gallon (Townhomes & Condominiums)	\$23.51	\$24.94	\$1.43
30 Gallon (Verified low-income senior citizens)	\$21.52	\$22.82	\$1.30

The refuse rates reflected in Table 3 above and Attachment E of the August 16, 2016 Agenda Report, Item No. NB3, have remained in effect since July 1, 2013 due to lengthy negotiations between Athens Services regarding post-Puente Hills Landfill disposal options and other related items. The Amended and Restated Exclusive Franchise Agreement required Athens Services to propose a new disposal site for City waste prior to the closure of Puente Hills on October 31, 2013 and that Athens Services and the City met and conferred to discuss the disposal site recommendation and rate.

On September 4, 2013, Athens Services representatives met with the City Manager and the Department of Public Works to present three options available to the City for waste disposal after the closure of Puente Hills. Athens Services asserted that the best option was for the City to accept an initial 10% rate increase and annual CPI adjustments to provide Covina customers refuse rate stability and ensure that the City will meet the State’s diversion mandate. The City believed it had additional, more beneficial options beyond those presented by Athens Services and initiated the process to procure a consultant to assist staff in evaluating its options.

On October 8, 2013, Athens Services followed up with a letter reiterating the three options and requesting a 10% rate increase. Similar letters were sent to most or all of Athens Services franchised cities and cited an increase in gate rates at the Puente Hills Transfer Station and additional transportation expenses for disposing of waste at the San Bernardino County Landfill System as justification for the 10% increase.

The City responded that after the closure of Puente Hills, its waste was to be hauled to the San Bernardino County Landfill System at the disposal rates negotiated by Athens Services in its agreement with San Bernardino County. The letter requested additional information to support the requested rate increase and specifically stated that no adjustment to customer rates was authorized by the City at that time.

In December 2013, the City learned from businesses that Athens had increased the per ton disposal rate they were being charged. The City reaffirmed to Athens Services that the increase was not authorized by the City and the overcharge was to be reimbursed to the affected commercial customers. Athens Services asserted that it was passing through the increase in disposal rates as specified in the Agreement. The City Attorney sent Athens a letter on April 4, 2014 explaining how their proposed rate increase was contrary to the rate adjustment and post-Puente Hills disposal site and rate language contained in the Agreement.

On January 21, 2014, the City Council authorized the City Manager to enter into a Professional Services Agreement with HF&H Consultants, LLC (HF&H) for analysis of rate increases

requested by Athens Services for waste disposal and approved Resolution No. 14-7211 amending the FY 2013-14 budget to allocate \$80,000 from Environmental–Waste Management reserve funds for the consulting services.

On July 21, 2015, the City Council authorized the City Manager to execute a subsequent Professional Services Agreement with HF&H for waste management consulting services and adopted Resolution No. 15-7378, amending the FY 2015-16 budget to reflect the carryover of \$46,745.33 in unexpended FY 2014-15 funds previously appropriated for waste management consulting services.

Since January 2014, HF&H has analyzed data, provided reports, and met with Athens Services and City representatives with the objective of reviewing transportation, processing, and tipping fees associated with Athens Services disposal of City waste at the San Bernardino County Landfill System, calculating the CPI adjustments that were to be applied annually per the Amended and Restated Exclusive Franchise Agreement, and comparing the new rates based on these calculations with the increase being requested by Athens Services.

HF&H conducted an initial analysis using monthly tonnage reports provided to the City by Athens Services and solid waste industry data regarding transfer, transportation, and disposal costs. While conducting its analysis, HF&H found that Athens had obtained reduced per ton disposal rates at Puente Hills Landfill from 2011 to 2013 that had not been passed through to the City, as required by the Exclusive Franchise Agreement.

On July 7, 2014, these findings were shared with Athens Services. Athens Services challenged some of the industry standards and assumptions used in the analysis and argued that the lower disposal rate paid at Puente Hills was not due to Covina customers because Athens Services had assumed higher costs for transporting waste from other jurisdictions to Puente Hills to obtain the volume discount. The City then requested that Athens provide its cost factors related to its Covina operations so that HF&H could proceed to calculate the ongoing impact of redirecting waste from Puente Hills to the San Bernardino County Landfill System based on Athens Services own data.

Between July 2014 and present, Athens Services and City representatives continued to work through the items outlined above and reached a tentative resolution in June 2016. Due to the complexity of the matters involved and staff changes at Athens Services and in the City, the post-Puente Hills disposal issues took a significant amount of time to resolve and delayed two regular July 1<sup>st</sup> rate adjustments (FY 2014-15 and FY 2015-16). While a third CPI adjustment for July 1, 2016 has also been delayed, the proposed rate structure will be retroactive to July 1, 2016. At this juncture, it is necessary to adjust the refuse rate structure that has been in place since July 1, 2013 to reflect changes in the local landfill industry and rate adjustments required by the Amended and Restated Exclusive Franchise Agreement.

#### **DISCUSSION:**

During the August 16, 2016, City Council Study Session, the Department of Public Works presented the residential and commercial refuse collection services proposed rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19). The City Council reviewed and discussed the item.

At the City Council Meeting on August 16, 2016, the Department of Public Works presented the residential and commercial refuse collection services proposed rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19). The City Council conceptually approved the residential and commercial refuse collection services rate structure

for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19) as outlined in the staff report, authorized the initiation of the State-mandated public hearing process to increase residential and commercial refuse collection services fees as outlined in Attachment F of the August 16, 2016 Agenda Report, Item No. NB3, set a public hearing on October 18, 2016 regarding the proposed refuse collection fee increases, and adopted Resolution No. 16-7513 establishing procedures for the conduct of a public hearing relating to the proposed increase to refuse collection services charges increase.

The proposed residential and commercial refuse rate adjustment is comprised of several factors and reflects the resolution of the long-standing items between Covina and Athens Services, including the following:

1. Deferred CPI adjustments – Deferred CPI adjustments for July 1, 2014 and July 1, 2015 must be implemented pursuant to Exhibit B of the Amended and Restated Exclusive Franchise Agreement. The adjustments are 0.77% for July 1, 2014 and (0.06%) for July 1, 2015, for a cumulative adjustment of 0.71%.
2. Residential account billing services – Year 4 (FY 2014-15) of the cost for Athens Services, provided residential account billing services, must be implemented pursuant to the Amended and Restated Exclusive Franchise Agreement, as explained in detail in Attachment C of the August 16, 2016 Agenda Report, Item No. NB3. This equates to a onetime, 1% residential rate increase for the period of July 1, 2016.
3. Customer rebate for disposal costs – Athens Services will rebate Covina customers \$941,000 for disposal costs between October 2011 and October 2013, during which time Athens Services paid a discounted rate for disposal at Puente Hills prior to closure of the landfill. The rebate amount must be adjusted to reflect compensation owed to Athens Services by the City and costs incurred by Athens Services during this time between July 1, 2014 and present, including:
  - Deferred July 1, 2014 and July 1, 2015 deferred CPI increases totaling \$99,658;
  - Proportionate share of Athens Services costs for accumulating a higher tonnage necessary to receive the discounted rate at Puente Hills Landfill between October 2011 and 2013, estimated to be \$150,000; and
  - Final installment due to Athens Services for assumption of residential account billing services for the period of July 1, 2014 to June 30, 2016, which equates to \$48,750. The calculation is based on 9,233 residential accounts x \$0.22/month for 24 months.

These adjustments reduce the credit amount to \$642,592 or an 8.87% credit applied to each monthly invoice for the one-year billing period of July 1, 2016 to June 30, 2017, as depicted below.

**Table 4 – Proposed Customer Credit Reimbursement, July 1, 2016 through June 30, 2017**

Item	Description	Adjustment (\$)
1	Disposal gate rate savings (Oct 2011 to Oct 2013)	941,000
2	July 1, 2014 deferred CPI	(48,194)
3	July 1, 2015 deferred CPI	(51,464)
4	Accumulated costs to achieve disposal gate rate savings (Oct 2011 to Oct 2013)	(150,000)
5	Final installment for Athens to provide residential billing services (Jul 2014 to Jun 2016)	(48,750)
Total – Customer Credit Reimbursement (to be issued from Jul 2016 to Jun 2017)		642,592
Annual Covina net revenue		7,248,431
Total – Credit reimbursement % on invoice (to be issued from Jul 2016 to Jun 2017)		8.87%

4. Reimbursement for city costs – Athens Services will reimburse the City’s General Fund \$150,000 for staff, legal, and consultant costs associated with the negotiations with Athens Services pertaining to cost-effective disposal sites to be utilized upon the closure of the Puente Hills Landfill. Athens Services must remit payment to the City upon City Council adoption of the proposed refuse rate structure.
5. Post-Puente Hills Landfill disposal option – During a time of change in the local landfill industry, Athens Services secured a long-term landfill contract with the County of San Bernardino. The Disposal Component language in the Amended and Restated Exclusive Franchise Agreement entitles Covina to be charged the rates Athens Services negotiated with San Bernardino County to operate the San Bernardino County Landfill System. Under the terms of the Athens Services agreement with San Bernardino County, Athens Services is able to dispose of waste at a cost of \$29.04/ton plus annual CPI adjustments for the ten-year contract period (contract expires in 2023 and extension negotiations are underway) provided Athens Services delivers 800,000 tons per year to the Landfill System.

In exchange for use of this disposal option, Covina proposes to grant Athens Services a one-time Special Rate Adjustment of 3.4% to compensate Athens Services for the increased transportation and additional processing costs associated with taking Covina’s waste to the San Bernardino County Landfill System, rather than Puente Hills Landfill post-closure. The City, at its sole discretion, may grant a Special Rate Adjustment when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement.

6. California Paid Sick Leave Law and Los Angeles County minimum wage increases - Athens Services is incurring undue financial hardship associated with the California Paid Sick Leave Law and Los Angeles County minimum wage increases that affect Athens Services MRF employees. The City, at its sole discretion, may grant a Special Rate Adjustment when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement. The California Paid Sick Leave Law (AB 1522, operative January 1, 2015, and as amended in AB 304 effective July 13, 2015) requires employers to provide and allow employees to use at least 24 hours or three days of sick leave per year. Los Angeles County minimum wage increases will increase hourly wages from \$9 to \$15/hour by 2020. The City reviewed adjustment requests of 0.05% and 1.22% for the Paid Sick Leave Law and minimum wage increases to residential and commercial rates, respectively, and determined that a one-time increase of 0.80% is merited.

### Residential Rate Adjustment

Table 5 summarizes the proposed adjustments to residential rates effective July 1, 2016 (FY 2016-17), based on the items outlined above.

**Table 5 – Proposed Adjustments to Residential Rates Effective July 1, 2016**

Item	Description	Adjustment
1	Deferred Jul 2014 and Jul 2015 CPI adjustment	0.71%
2	Final installment for Athens to provide residential billing services (Jul 2016 and forward)	1.0%
3	One-time incremental transportation/processing costs for San Bernardino County Landfill System contract	3.40%
4	One-time minimum wage and CA Paid Sick Leave Law	0.80%
5	July 1, 2016 annual rate adjustment for CPI (Jan 2015 to Jan 2016)	3.10%
	Subtotal – Residential Rate Adjustment	9.01%
	Credit reimbursement % on invoice (to be issued from Jul 2016 to Jun 2017)	(8.87%)
	Net – Residential Rate Adjustment for FY 2016-17 *	0.14%

\* Prior to application of 6% Franchise Fee and Integrated Waste Management Fee

### Commercial Rate Adjustment

Table 6 summarizes the proposed adjustments to commercial rates effective July 1, 2016 (FY 2016-17), based on the items outlined above.

**Table 6 – Proposed Adjustments to Commercial Rates Effective July 1, 2016**

Item	Description	Adjustment
1	Deferred Jul 2014 and Jul 2015 CPI adjustment	0.71%
2	One-time incremental transportation/processing costs for San Bernardino County Landfill System contract	3.40%
3	One-time minimum wage and CA Paid Sick Leave Law	0.80%
4	July 1, 2016 annual rate adjustment for CPI (Jan 2015 to Jan 2016)	3.10%
	Subtotal – Commercial Rate Adjustment	8.01%
	Credit reimbursement % on invoice (to be issued from Jul 2016 to Jun 2017)	(8.87%)
	Net – Commercial Rate Adjustment for FY 2016-17 *	(0.86%)

\* Prior to application of 6% Franchise Fee and Integrated Waste Management Fee

### Refuse Rate Adjustment Calculation

The proposed residential and commercial rates for July 1, 2016 through June 30, 2017 (FY 2016-17), were calculated by applying the adjustment percentages shown above to the July 1, 2013 to June 30, 2014 (FY 2013-14) rates that were approved by the City Council on June 7, 2011. The adjustment percentages are being applied to the two components of the residential and commercial refuse rates, the Service Component and Disposal Components, as outlined in Exhibit B of the Amended and Restated Exclusive Franchise Agreement, consisting of a 9.01% increase to residential rates and an 8.01% increase to commercial rates. This calculation determines the net FY 2016-17 refuse rates for each service level. Following this calculation, two City fees, the Franchise Fee and Integrated Waste Management Fee, are applied to net refuse rates to determine the proposed total rate.

1. **Franchise Fee** – A 6% Franchise Fee is applied to the net rate or sum of the Service Component and Disposal Component plus the Franchise Fee for each service level. The Franchise Fee is a fee for the privilege of using city streets and of the franchise itself. The fee for each customer class is shown on Attachment F of the August 16, 2016 Agenda Report, Item No. NB3.

While no increase to the 6% Franchise Fee is proposed, the fees will be applied to the rate structure for 90 gallon recycling (blue) and 90 gallon green waste (green) barrels in FY 2016-17 and beyond. These franchise fees were inadvertently not applied to these customer classes in the July 1, 2013 through June 30, 2014 (FY 2013-14) rate structure.

2. **Integrated Waste Management Fee** – The Integrated Waste Management Fee (IWMF) is also applied to the net rate or sum of the Service Component and Disposal Component for each service level. The proposed refuse rate structure reflects adjustments to the Integrated Waste Management Fee to support the City’s approved FY 2016-17 budget. The proposed IWMF shall not be used for any purpose other than funding any services and facilities furnished by the City in connection with solid waste collection, conveyance, recycling, and disposal. The Integrated Waste Management Fee for each customer class is shown on Attachment F of the August 16, 2016 Agenda Report, Item No. NB3.

As a best management practice, the City plans to conduct thorough analyses of the Franchise and Integrated Waste Management Fees prior to the expiration of the proposed rate structure on June 30, 2019.

For illustrative purposes, the proposed residential rates for FY 2016-17 (the period of July 1, 2016 through June 30, 2017) are shown below. This is prior to the application of the 8.87% monthly credit adjustment to customer accounts for the twelve month period of July 1, 2016 through June 30, 2017.

**Table 7 – Sampling of Monthly Residential Rates, July 1, 2016 through June 30, 2017\***

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$27.05	\$29.89	\$2.84
60 Gallon (Townhomes & Condominiums)	\$24.94	\$27.68	\$2.74
30 Gallon (Verified low-income senior citizens)	\$22.82	\$25.44	\$2.62

*\* Prior to application of 8.87% monthly credit adjustment to customer accounts for the twelve month period of July 1, 2016 through June 30, 2017*

**AB 1826 (Mandatory Commercial Organics Recycling)**

The proposed commercial rate structure includes costs for organics recycling for the first time. AB 1826 requires cities to implement an organics waste recycling program for commercial businesses to recycle organics and green waste, including food scraps. The law provides for a phased implementation, as outlined below:

- April 1, 2016: businesses generating eight (8) cubic-yards or more of organics waste on a weekly basis must arrange for organics waste recycling services;
- January 1, 2017: businesses generating four (4) cubic-yards or more of organics waste on a weekly basis must arrange for organics waste recycling services; and
- January 1, 2019: businesses generating four (4) cubic-yards or more of solid waste on a weekly basis must arrange for organics waste recycling services.

To minimize costs associated with this mandate, Athens Services will be providing 96 gallon automated containers to commercial customers and service the containers as part of its residential green waste routes. To lessen the cost of the organics container, commercial customers should be able to downsize in other service areas.

To educate the City's commercial customers about the requirements of AB 1826, Athens Services completed a waste assessment of commercial accounts in December 2015 to identify businesses that will require organics recycling as large generators beginning on April 1, 2016 and those whose service requirement will begin on January 1, 2017. Athens Services is meeting one-on-one with large generators to educate them about the new requirements and discuss service options. The City is also planning additional outreach to these customers.

#### Duration of Rate Structure

The proposed rate structure will be in effect from July 1, 2016 through June 30, 2019, covering FY 2016-17, FY 2017-18, and FY 2018-19. Pursuant to Government Code, Sections 53756 and 53739, such rates shall be automatically adjusted each fiscal year, beginning in FY 2017-18 (July 1, 2017) and ending in FY 2018-19 (June 30, 2019), by a factor equal to CPI without further action on the part of the City Council. In addition, the City Council may amend these rates by ordinance, resolution, or minute action, in accordance with applicable law.

#### Proposition 218

Residential and commercial refuse fees and all property-related fee increases are subject to the procedural and substantive requirements of voter approved Proposition 218. Specifically, Proposition 218 requires, for residential and commercial refuse fees, that a written notice be mailed to the owner or utility account holder of each parcel upon which the fee will be imposed and that a public hearing be conducted not less than 45 days after mailing the notice. If written protests against the fee increase are not presented by a majority of parcels, the City Council may approve the fee increase. If written protests against the proposed fee are received by a majority of parcels, the City may not impose the fee increase.

On August 16, 2016, the City Council approved the initiation of the Proposition 218-required public hearing process to increase residential and commercial refuse collection services fees. As such, a notice of public hearing was mailed not later than September 1, 2016, advising affected property owners of the proposed increase to residential and commercial refuse collection services fees. Pursuant to Government Code Section 53755, the notice was mailed to the regular billing address and record owner of each parcel. The Notice of Public Hearing is contained in Attachment B. The Public Hearing will be held on October 18, 2016 at 7:30 p.m.

#### Procedures for the Conduct of a Public Hearing Relating to a Proposed Increase to Refuse Collection Services Charges

The City is proposing an increase to its refuse collection services charges. Proposition 218 was approved by the California Voters in 1996 and added Articles XIIC and XIID to the California Constitution. Article XIID imposes substantive and procedural requirements to impose or increase property-related fees, such as the proposed refuse collection services charges.

The City Council must hold a noticed public hearing on the proposed increase to the refuse collection services charges. At the public hearing, the City Council must consider all protests or objections to the proposed refuse collection services charges. At the conclusion of the public hearing, the City Council must tabulate the written protests against the proposed refuse collection services charges and determine if a majority protest exists.

A majority protest will exist if written protests have been presented, and not withdrawn, by the record owners or customers of record of a majority of the parcels subject to the charges. If a majority protest exists, the City Council cannot adopt the proposed refuse collection services charges. If a majority protest does not exist, the City Council may adopt the refuse collection services charges.

On August 16, 2016, the City Council adopted Resolution No. 16-7513 establishing “Procedures for the Conduct of a Public Hearing Relating to the Proposed Increase to Refuse Collection Services Charges.” The Procedures govern the conduct of a public hearing and the submission and tabulation of written protests in connection with the City Council’s consideration of the proposed increase to refuse collection services charges, in compliance with the requirements of Proposition 218.

**FISCAL IMPACT:**

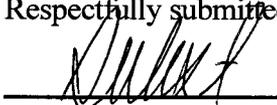
The proposed FY 2016-17 refuse revenues are included in the approved FY 2016-17 City of Covina budget. The revenue budget for the Franchise Fee totals \$575,000 (account no. 1010-0000-40880) and the Integrated Waste Management Fee totals \$712,000 (account no. 6200-5580-46315). Additionally, a one-time revenue of \$150,000 is included in the approved FY 2016-17 City of Covina budget (account no. 1010-2000-43290) for Athens Services reimbursement to the City for the staff, legal, and consultant costs associated with the lengthy negotiations between the parties pertaining to the analysis of disposal options related to the closure of the Puente Hills Landfill.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

The proposed increase to the commercial and residential refuse rates are determined to be statutorily exempt from CEQA per Section 15273 (Rates, Tolls, Fares, and Charges). Under Section 15273 (a), CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of:

1. Meeting operating expenses, including employee wage rates and fringe benefits;
2. Purchasing or leasing supplies, equipment, or materials;
3. Meeting financial reserve needs and requirements;
4. Obtaining funds for capital projects necessary to maintain service within existing service areas; or
5. Obtaining funds necessary to maintain such intra-city transfers as are authorized by city charter. (This provision is non-applicable, as Covina is not a Charter City).

Respectfully submitted,

  
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Siobhan Foster  
Director of Public Works

**ATTACHMENTS:**

Attachment A: City Council Study Session Report, Item NB 2, and City of Covina Agenda Report, Item NB 3, August 16, 2016 (without attachments)

Attachment B: Notice of Public Hearing on Proposed Increase in Refuse Collection Services Rates

Attachment C: Resolution No. 16-7513

Attachment D: Ordinance No. 16-2062



# CITY OF COVINA

## STUDY SESSION REPORT

**MEETING DATE:** August 16, 2016

**TITLE:** Residential and Commercial Refuse Collection Services – Proposed Rate Structure for the Period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19)

**PRESENTED BY:** Siobhan Foster, Director of Public Works

**RECOMMENDATION:** Review and discuss the proposed residential and commercial refuse collection services rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19).

### **BACKGROUND:**

The City's current residential and commercial refuse collection service rates have been in effect since July 1, 2013 and have not been adjusted in accordance with the rate adjustment formula contained in Exhibit B of the Amended and Restated Exclusive Franchise Agreement by and between the City of Covina and Arakelian Enterprises, Inc. (Athens Services), as approved by the City Council on February 15, 2011. This is due to lengthy negotiations with Athens Services regarding post-Puente Hills Landfill disposal options and related items. The Amended and Restated Exclusive Franchise Agreement required Athens Services to propose a new disposal site for City waste prior to the closure of Puente Hills on October 31, 2013 and that Athens Services and the City meet and confer to discuss the disposal site recommendation and rate.

Due to the complexity of the matters involved and staff changes at Athens Services and in the City, the post-Puente Hills disposal issues took a significant amount of time to resolve and delayed two regular July 1<sup>st</sup> Consumer Price Index-related (CPI) rate adjustments (FY 2014-15 and FY 2015-16). While a third CPI adjustment for July 1, 2016 has also been delayed, the proposed rate structure will be retroactive to July 1, 2016. At this juncture, it is necessary to adjust the refuse rate structure that has been in place since July 1, 2013 to reflect changes in the local landfill industry and rate adjustments required by the Amended and Restated Exclusive Franchise Agreement.

### **DISCUSSION:**

The attached City of Covina Agenda Report on this topic details the proposed residential and commercial refuse collection services rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19).

Following City Council review of the proposed rate structure at this City Council Study Session, the Department of Public Works will be seeking City Council consideration of the following recommendations during the regularly scheduled August 16, 2016 City Council meeting:

1. Conceptually approve the residential and commercial refuse collection services rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19) as outlined in this report;
2. Authorize the initiation of the State-mandated public hearing process to increase residential and commercial refuse collection service fees as outlined in Attachment F;
3. Set a public hearing on October 18, 2016 regarding the proposed refuse collection fee increases; and
4. Adopt Resolution No. 16-7513 establishing procedures for the conduct of a public hearing relating to the proposed increase to refuse collection service charges increase.

**FISCAL IMPACT:**

The fiscal impact associated with the printing, mailing, and publication of the public notices for the State-mandated public hearing process to increase residential and commercial refuse collection service fees as outlined in Attachment F is approximately \$7,150. Sufficient funding is included in the approved FY 2016-17 Department of Public Works budget (account nos. 6200-5580-53300, 6200-5580-53540, and 6200-5580-53590).

The proposed FY 2016-17 refuse revenues are included in the approved FY 2016-17 City of Covina budget. The revenue budget for the Franchise Fee totals \$575,000 (account no. 1010-0000-40880) and the Integrated Waste Management Fee totals \$712,000 (account no. 6200-5580-46315). Additionally, a one-time revenue of \$150,000 is included in the approved FY 2016-17 City of Covina budget (account no. 1010-2000-43290) for Athens Services reimbursement to the City for the staff, legal, and consultant costs associated with the lengthy negotiations between the parties pertaining to the analysis of disposal options related to the closure of the Puente Hills Landfill.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

The proposed increase to the residential and commercial refuse rates are determined to be statutorily exempt from CEQA per Section 15273 (Rates, Tolls, Fares, and Charges). Under Section 15273 (a), CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of:

1. Meeting operating expenses, including employee wage rates and fringe benefits;
2. Purchasing or leasing supplies, equipment, or materials;
3. Meeting financial reserve needs and requirements;
4. Obtaining funds for capital projects necessary to maintain service within existing service areas; or
5. Obtaining funds necessary to maintain such intra-city transfers as are authorized by city charter. (This provision is non-applicable, as Covina is not a Charter City).

Respectfully submitted,

  
Siobhan Foster  
Director of Public Works

**ATTACHMENT:**

Attachment A: August 16, 2016, City of Covina Agenda Report Re: Residential and Commercial Refuse Collection Services – Proposed Rate Structure for the Period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19)



# CITY OF COVINA

## AGENDA REPORT

ITEM NO. NB 3

- 
- MEETING DATE:** August 16, 2016
- TITLE:** Residential and Commercial Refuse Collection Services – Proposed Rate Structure for the Period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19)
- PRESENTED BY:** Siobhan Foster, Director of Public Works
- RECOMMENDATION:**
- 1) Conceptually approve the residential and commercial refuse collection services rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19) as outlined in this report;
  - 2) Authorize the initiation of the State-mandated public hearing process to increase residential and commercial refuse collection services fees as outlined in Attachment F;
  - 3) Set a public hearing on October 18, 2016 regarding the proposed refuse collection fee increases; and
  - 4) Adopt Resolution No. 16-7513 establishing procedures for the conduct of a public hearing relating to the proposed increase to refuse collection services charges increase.
- 

**BACKGROUND:**

On October 5, 2010, the City Council reviewed the solid waste disposal options that were expected to be available to the City after the closure of Puente Hills Landfill in 2013. The City Council directed the Department of Public Works to return to the City Council with a report on possible alternative disposal opportunities available in partnership with the City's licensed solid waste hauler, Arakelian Enterprises, Inc. (Athens Services), in light of Athens' acquisition of American Organics (a composting facility) and its planned construction of a new materials recovery facility (MRF) in Irwindale.

As requested by the City Council, the Department of Public Works conferred with Athens Services regarding the City's projected disposal and diversion needs. The City asked that Athens propose alternatives to assist Covina in achieving the following objectives:

- Reduce waste processing, transportation, disposal, and diversion costs;
- Improve residential refuse account customer service and stabilize refuse rates;
- Improve the community's financial stability;
- Support the City's efforts to comply with state solid waste mandates, including required construction and demolition debris recycling; and

- Facilitate appropriate disposal of solid waste to minimize the detrimental impact of improper disposal on the environment.

On November 2, 2010, the City Council reviewed and approved a proposal from Athens Services in concept and directed the Department of Public Works to draft amendments to the Refuse Collection Exclusive Franchise Agreement to reflect the proposal.

On February 15, 2011, the City Council reviewed and approved the Amended and Restated Exclusive Franchise Agreement with Arakelian Enterprises, Inc. (Athens Services), with the recommendation to include the authority for staff to work with the service provider to make any non-substantive changes and advise the City Council of such changes. Exhibit B of the Amended and Restated Exclusive Franchise Agreement specifies the Rate Adjustment for the services provided under the Agreement.

In summary, each of the rates provided by the Agreement contains a Service Component and a Disposal Component. The Service Component includes the costs of collection and hauling of all refuse, including recyclable materials and green waste for all customers. The Disposal Component shall be based on the per ton costs incurred by Athens Services for disposal of all refuse, processing of recyclable materials at Athens Services' MRF (which costs are defined on a per ton basis as the "MRF Gate Fee"), and for its disposal of green waste.

The Service Component will automatically be adjusted each July 1<sup>st</sup> in proportion to the increase or decrease in the cost of living as determined by the percentage change in the CPI for the previous period of January through January for All Urban Consumers in the Los Angeles/Anaheim/Riverside area. City staff reviewed all proposed rate increases solely for validity of the submitted data and, upon verification of data, approved the new Service Component rates.

The Disposal Component will automatically be adjusted in proportion to the increase or decrease in disposal costs as determined by the percentage change in the MRF Gate Fee. As soon as the information is available, Athens Services shall submit documentation to the City Manager with evidence of the net change in disposal costs. The City will review the documentation in connection with the net change in disposal costs solely for validity of the submitted data and, upon verification of data, approve the new Disposal Component rates. The net change in disposal costs will be added to, or subtracted from, the Disposal Component of the maximum rates to be effective the next billing cycle once approved by the City Council.

The Agreement also allows Athens Services the opportunity to request a Special Rate Adjustment when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement. For each request, Athens Services must prepare a schedule documenting the extraordinary costs. The City will then review Athens Services' request and, in the City's sole judgment, make the final determination on the adjustment.

Between the date of execution of the Amended and Restated Exclusive Franchise Agreement and the closure of the Puente Hills Landfill, on October 31, 2013, Athens Services was required to evaluate cost-effective disposal sites to be utilized upon the closure of the Puente Hills Landfill. Prior to the closure of the Puente Hills Landfill, Athens Services was required to propose its disposal site recommendation to the City for residue from the MRF and provide the Disposal Component of the rate. Athens Services and the City met and conferred to discuss Athens Services' disposal recommendation and rate.

Key provisions of the Amended and Restated Exclusive Franchise Agreement are outlined in Attachment C to this report. As a result of the approval of the Amended and Restated Exclusive Franchise Agreement, residential refuse rates decreased, as shown below, for the period of March 1, 2011 through June 30, 2011.

**Table 1 – Sampling of Monthly Residential Rates, March 1, 2011 through June 30, 2011**

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$25.62	\$25.14	(\$0.48)
60 Gallon (Townhomes & Condominiums)	\$23.37	\$23.16	(\$0.21)
30 Gallon (Verified low-income senior citizens)	N/A	\$21.18	(\$4.44)

On May 17, 2011, the City Council introduced Ordinance 11-1994, setting the City’s refuse collection rates for residential, commercial, and industrial refuse customers for FY 2011-12, effective July 1, 2011.

On June 7, 2011, the City Council conducted a public hearing on the City’s proposed refuse rates for the period of July 1, 2011 through June 30, 2012 (FY 2011-12) and making automatic adjustments to the proposed rates in future years by the change in CPI or 3%, whichever is greater. Following the public hearing, the City Council adopted Ordinance 11-1994, setting refuse rates for the period of July 1, 2011 through June 30, 2012 and making automatic adjustments to the proposed rates in future years by the change in CPI or 3%, whichever is greater.

For illustrative purposes, the rates approved by the City Council for the period of July 1, 2011 through June 30, 2012 (FY 2011-12), established the residential rates shown below.

**Table 2 – Sampling of Monthly Residential Rates, July 1, 2011 through June 30, 2012**

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$25.14	\$25.50	\$0.36
60 Gallon (Townhomes & Condominiums)	\$23.16	\$23.51	\$0.35
30 Gallon (Verified low-income senior citizens)	\$21.18	\$21.52	\$0.34

Section 2 of Ordinance No. 11-1994 provides, pursuant to Government Code, Sections 53756 and 53739, such rates shall be automatically adjusted each fiscal year, beginning in FY 2012-13 (July 1, 2012) and ending in FY 2015-16 (June 30, 2016), by a factor equal to (i) CPI, or (ii) three percent (3%), whichever is greater, without further action on the part of the City Council. The City is required by State law, however, to notify residents of any such increases.

Subsequently, on June 6, 2013, the Department of Public Works informed the Covina City Council and the City Manager via Inter-Office Memorandum of a refuse rate increase effective July 1, 2013 (FY 2013-14). The memorandum explains that on June 1, 2013, and in accordance with State law and Section 2 of Ordinance No. 11-1994, the City of Covina Schedule of Refuse Rates Effective July 1, 2013 was mailed to all Covina residential and commercial refuse customers as an insert with the June Athens Services’ refuse bills. The memorandum and rate sheets are contained in Attachment E to this report.

The rates were calculated in accordance with Exhibit B of the Amended and Restated Exclusive Franchise Agreement and automatically adjusted per Ordinance No. 11-1994, Section 2 and reflect adjustments of 1.96% for CPI and 1.19% for the MRF Gate Fee.

Athens Services and the Department of Public Works developed and verified the rate calculations, which resulted in the following residential rates.

**Table 3 – Sampling of Monthly Residential Rates, July 1, 2013**

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$25.50	\$27.05	\$1.55
60 Gallon (Townhomes & Condominiums)	\$23.51	\$24.94	\$1.43
30 Gallon (Verified low-income senior citizens)	\$21.52	\$22.82	\$1.30

The refuse rates reflected in Table 3 above and Attachment E to this report have remained in effect since July 1, 2013 due to lengthy negotiations between Athens Services regarding post-Puente Hills Landfill disposal options and other related items. The Amended and Restated Exclusive Franchise Agreement required Athens Services to propose a new disposal site for City waste prior to the closure of Puente Hills on October 31, 2013 and that Athens Services and the City met and conferred to discuss the disposal site recommendation and rate.

On September 4, 2013, Athens Services representatives met with the City Manager and the Department of Public Works to present three options available to the City for waste disposal after the closure of Puente Hills. Athens Services asserted that the best option was for the City to accept an initial 10% rate increase and annual CPI adjustments to provide Covina customers refuse rate stability and ensure that the City will meet the State’s diversion mandate. The City believed it had additional, more beneficial options beyond those presented by Athens Services and initiated the process to procure a consultant to assist staff in evaluating its options.

On October 8, 2013, Athens Services followed up with a letter reiterating the three options and requesting a 10% rate increase. Similar letters were sent to most or all of Athens Services franchised cities and cited an increase in gate rates at the Puente Hills Transfer Station and additional transportation expenses for disposing of waste at the San Bernardino County Landfill System as justification for the 10% increase.

The City responded that after the closure of Puente Hills, its waste was to be hauled to the San Bernardino County Landfill System at the disposal rates negotiated by Athens Services in its agreement with San Bernardino County. The letter requested additional information to support the requested rate increase and specifically stated that no adjustment to customer rates was authorized by the City at that time.

In December 2013, the City learned from businesses that Athens had increased the per ton disposal rate they were being charged. The City reaffirmed to Athens Services that the increase was not authorized by the City and the overcharge was to be reimbursed to the affected commercial customers. Athens Services asserted that it was passing through the increase in disposal rates as specified in the Agreement. The City Attorney sent Athens a letter on April 4, 2014 explaining how their proposed rate increase was contrary to the rate adjustment and post-Puente Hills disposal site and rate language contained in the Agreement.

On January 21, 2014, the City Council authorized the City Manager to enter into a Professional Services Agreement with HF&H Consultants, LLC (HF&H) for analysis of rate increases requested by Athens Services for waste disposal, and approved Resolution No. 14-7211 amending the FY 2013-14 budget to allocate \$80,000 from Environmental–Waste Management reserve funds for the consulting services.

On July 21, 2015, the City Council authorized the City Manager to execute a subsequent Professional Services Agreement with HF&H for waste management consulting services and adopted Resolution No. 15-7378, amending the FY 2015-16 budget to reflect the carryover of \$46,745.33 in unexpended FY 2014-15 funds previously appropriated for waste management consulting services.

Since January 2014, HF&H has analyzed data, provided reports, and met with Athens Services and City representatives with the objective of reviewing transportation, processing, and tipping fees associated with Athens Services disposal of City waste at the San Bernardino County Landfill System, calculating the CPI adjustments that were to be applied annually per the Amended and Restated Exclusive Franchise Agreement, and comparing the new rates based on these calculations with the increase being requested by Athens Services.

HF&H conducted an initial analysis using monthly tonnage reports provided to the City by Athens Services and solid waste industry data regarding transfer, transportation, and disposal costs. While conducting its analysis, HF&H found that Athens had obtained reduced per ton disposal rates at Puente Hills Landfill from 2011 to 2013 that had not been passed through to the City, as required by the Exclusive Franchise Agreement.

On July 7, 2014, these findings were shared with Athens Services. Athens Services challenged some of the industry standards and assumptions used in the analysis and argued that the lower disposal rate paid at Puente Hills was not due to Covina customers because Athens Services had assumed higher costs for transporting waste from other jurisdictions to Puente Hills to obtain the volume discount. The City then requested that Athens provide its cost factors related to its Covina operations so that HF&H could proceed to calculate the ongoing impact of redirecting waste from Puente Hills to the San Bernardino County Landfill system based on Athens Services own data.

Between July 2014 and present, Athens Services and City representatives continued to work through the items outlined above and reached a tentative resolution in June 2016. Due to the complexity of the matters involved and staff changes at Athens Services and in the City, the post-Puente Hills disposal issues took a significant amount of time to resolve and delayed two regular July 1<sup>st</sup> rate adjustments (FY 2014-15 and FY 2015-16). While a third CPI adjustment for July 1, 2016 has also been delayed, the proposed rate structure will be retroactive to July 1, 2016. At this juncture, it is necessary to adjust the refuse rate structure that has been in place since July 1, 2013 to reflect changes in the local landfill industry and rate adjustments required by the Amended and Restated Exclusive Franchise Agreement.

#### **DISCUSSION:**

The proposed residential and commercial refuse rate adjustment is comprised of several factors and reflects the resolution of the long-standing items between Covina and Athens Services, including the following:

1. Deferred CPI adjustments – Deferred CPI adjustments for July 1, 2014 and July 1, 2015 must be implemented pursuant to Exhibit B of the Amended and Restated Exclusive Franchise Agreement. The adjustments are 0.77% for July 1, 2014 and (0.06%) for July 1, 2015, for a cumulative adjustment of 0.71%.
2. Residential account billing services – Year 4 (FY 2014-15) of the cost for Athens Services, provided residential account billing services, must be implemented pursuant to the Amended and Restated Exclusive Franchise Agreement, as explained in detail in Attachment C to this report. This equates to a onetime, 1% residential rate increase for the period of July 1, 2016.

3. **Customer rebate for disposal costs** – Athens Services will rebate Covina customers \$941,000 for disposal costs between October 2011 and October 2013, during which time Athens Services paid a discounted rate for disposal at Puente Hills prior to closure of the landfill. The rebate amount must be adjusted to reflect compensation owed to Athens Services by the City and costs incurred by Athens Services during this time between July 1, 2014 and present, including:
- Deferred July 1, 2014 and July 1, 2015 deferred CPI increases totaling \$99,658;
  - Proportionate share of Athens Services costs for accumulating a higher tonnage necessary to receive the discounted rate at Puente Hills Landfill between October 2011 and 2013 estimated to be \$150,000; and
  - Final installment due to Athens Services for assumption of residential account billing services for the period of July 1, 2014 to June 30, 2016, which equates to \$48,750. The calculation is based on 9,233 residential accounts x \$0.22/month for 24 months.

These adjustments reduce the credit amount to \$642,592 or an 8.87% credit applied to each monthly invoice for the one-year billing period of July 1, 2016 to June 30, 2017, as depicted below.

**Table 4 – Proposed Customer Credit Reimbursement, July 1, 2016 through June 30, 2017**

Item	Description	Adjustment (\$)
1	Disposal gate rate savings (Oct 2011 to Oct 2013)	941,000
2	July 1, 2014 deferred CPI	(48,194)
3	July 1, 2015 deferred CPI	(51,464)
4	Accumulated costs to achieve disposal gate rate savings (Oct 2011 to Oct 2013)	(150,000)
5	Final installment for Athens to provide residential billing services (Jul 2014 to Jun 2016)	(48,750)
Total – Customer Credit Reimbursement (to be issued from Jul 2016 to Jun 2017)		642,592
Annual Covina net revenue		7,248,431
Total – Credit reimbursement % on invoice (to be issued from Jul 2016 to Jun 2017)		8.87%

4. **Reimbursement for city costs** – Athens Services will reimburse the City’s General Fund \$150,000 for staff, legal, and consultant costs associated with the negotiations with Athens Services pertaining to cost-effective disposal sites to be utilized upon the closure of the Puente Hills Landfill. Athens Services must remit payment to the City upon City Council adoption of the proposed refuse rate structure.
5. **Post-Puente Hills Landfill disposal option** – During a time of change in the local landfill industry, Athens Services secured a long-term landfill contract with the County of San Bernardino. The Disposal Component language in the Amended and Restated Exclusive Franchise Agreement entitles Covina to be charged the rates Athens Services negotiated with San Bernardino County to operate the San Bernardino County Landfill System. Under the terms of Athens Services agreement with San Bernardino County, Athens Services is able to dispose of waste at a cost of \$29.04/ton plus annual CPI adjustments for the ten-year contract period (contract expires in 2023 and extension negotiations are underway) provided Athens Services delivers 800,000 tons per year to the Landfill System.

In exchange for use of this disposal option, Covina proposes to grant Athens Services a one-time Special Rate Adjustment of 3.4% to compensate Athens Services for the increased transportation and additional processing costs associated with taking Covina's waste to the San Bernardino County Landfill System, rather than Puente Hills Landfill post-closure. The City, at its sole discretion, may grant a Special Rate Adjustment when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement.

6. California Paid Sick Leave Law and Los Angeles County minimum wage increases - Athens Services is incurring undue financial hardship associated with the California Paid Sick Leave Law and Los Angeles County minimum wage increases that affect Athens Services MRF employees. The City, at its sole discretion, may grant a Special Rate Adjustment when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement. The California Paid Sick Leave Law (AB 1522, operative January 1, 2015, and as amended in AB 304 effective July 13, 2015) requires employers to provide and allow employees to use at least 24 hours or three days of sick leave per year. Los Angeles County minimum wage increases will increase hourly wages from \$9 to \$15/hour by 2020. The City reviewed adjustment requests of 0.05% and 1.22% for the Paid Sick Leave Law and minimum wage increases to residential and commercial rates, respectively, and determined that a one-time increase of 0.80% is merited.

Residential Rate Adjustment

Table 5 summarizes the proposed adjustments to residential rates effective July 1, 2016 (FY 2016-17), based on the items outlined above.

**Table 5 – Proposed Adjustments to Residential Rates Effective July 1, 2016**

Item	Description	Adjustment
1	Deferred Jul 2014 and Jul 2015 CPI adjustment	0.71%
2	Final installment for Athens to provide residential billing services (Jul 2016 and forward)	1.0%
3	One-time incremental transportation/processing costs for San Bernardino County Landfill System contract	3.40%
4	One-time minimum wage and CA Paid Sick Leave Law	0.80%
5	July 1, 2016 annual rate adjustment for CPI (Jan 2015 to Jan 2016)	3.10%
	Subtotal – Residential Rate Adjustment	9.01%
	Credit reimbursement % on invoice (to be issued from Jul 2016 to Jun 2017)	(8.87%)
	Net – Residential Rate Adjustment for FY 2016-17 *	0.14%

\* Prior to application of 6% franchise fee and Integrated Waste Management Fee

Commercial Rate Adjustment

Table 6 summarizes the proposed adjustments to commercial rates effective July 1, 2016 (FY 2016-17), based on the items outlined above.

**Table 6 – Proposed Adjustments to Commercial Rates Effective July 1, 2016**

Item	Description	Adjustment
1	Deferred Jul 2014 and Jul 2015 CPI adjustment	0.71%
2	One-time incremental transportation/processing costs for San Bernardino County Landfill System contract	3.40%
3	One-time minimum wage and CA Paid Sick Leave Law	0.80%
4	July 1, 2016 annual rate adjustment for CPI (Jan 2015 to Jan 2016)	3.10%
	Subtotal – Commercial Rate Adjustment	8.01%
	Credit reimbursement % on invoice (to be issued from Jul 2016 to Jun 2017)	(8.87%)
	Net – Commercial Rate Adjustment for FY 2016-17 *	(0.86%)

\* Prior to application of 6% franchise fee and Integrated Waste Management Fee

**Refuse Rate Adjustment Calculation**

The proposed residential and commercial rates for July 1, 2016 through June 30, 2017 (FY 2016-17), were calculated by applying the adjustment percentages shown above to the July 1, 2013 to June 30, 2014 (FY 2013-14) rates that were approved by the City Council on June 7, 2011. The adjustment percentages are being applied to the two components of the residential and commercial refuse rates, the Service Component and Disposal Components, as outlined in Exhibit B of the Amended and Restated Exclusive Franchise Agreement, consisting of a 9.01% increase to residential rates and an 8.01% increase to commercial rates. This calculation determines the net FY 2016-17 refuse rates for each service level.

Following this calculation, two City fees, the Franchise Fee and Integrated Waste Management Fee, are applied to net refuse rates to determine the proposed total rate.

1. **Franchise Fee** – A 6% Franchise Fee is applied to the net rate or sum of the Service Component and Disposal Component plus the Franchise Fee for each service level. The Franchise Fee is a fee for the privilege of using city streets and of the franchise itself. The fee for each customer class is shown on Attachment F.

While no increase to the 6% Franchise Fee is proposed, the fees will be applied to the rate structure for 90 gallon recycling (blue) and 90 gallon green waste (green) barrels in FY 2016-17 and beyond. These franchise fees were inadvertently not applied to these customer classes in the July 1, 2013 through June 30, 2014 (FY 2013-14) rate structure.

2. **Integrated Waste Management Fee** – The Integrated Waste Management Fee (IWMF) is also applied to the net rate or sum of the Service Component and Disposal Component for each service level. The proposed refuse rate structure reflects adjustments to the Integrated Waste Management Fee to support the City’s approved FY 2016-17 budget. IWMF provides funding for the City’s compliance with the State’s AB 939 mandate, including hazardous materials responses and disposal, recycling programs, personnel costs, overhead, and a contingency for supplementary programs if the waste diversion rate drops. The Integrated Waste Management Fee for each customer class is shown on Attachment F.

As a best management practice, the City plans to conduct thorough analyses of the Franchise and Integrated Waste Management Fees prior to the expiration of the proposed rate structure on June 30, 2019.

For illustrative purposes, the proposed residential rates for FY 2016-17 (the period of July 1, 2016 through June 30, 2017) are shown below. This is prior to the application of the 8.87% monthly credit adjustment to customer accounts for the twelve month period of July 1, 2016 through June 30, 2017.

**Table 7 – Sampling of Monthly Residential Rates, July 1, 2016 through June 30, 2017\***

Service Level	Previous Rate	New Rate	(Savings)/Cost
90 Gallon (Basic)	\$27.05	\$29.89	\$2.84
60 Gallon (Townhomes & Condominiums)	\$24.94	\$27.68	\$2.74
30 Gallon (Verified low-income senior citizens)	\$22.82	\$25.44	\$2.62

*\* Prior to application of 8.87% monthly credit adjustment to customer accounts for the twelve month period of July 1, 2016 through June 30, 2017*

**AB 1826 (Mandatory Commercial Organics Recycling)**

The proposed commercial rate structure includes costs for organics recycling for the first time. AB 1826 requires cities to implement an organics waste recycling program for commercial businesses to recycle organics and green waste, including food scraps. The law provides for a phased implementation, as outlined below:

- April 1, 2016: businesses generating eight (8) cubic-yards or more of organics waste on a weekly basis must arrange for organics waste recycling services;
- January 1, 2017: businesses generating four (4) cubic-yards or more of organics waste on a weekly basis must arrange for organics waste recycling services; and
- January 1, 2019: businesses generating four (4) cubic-yards or more of solid waste on a weekly basis must arrange for organics waste recycling services.

To minimize costs associated with this mandate, Athens Services will be providing 96 gallon automated containers to commercial customers and service the containers as part of its residential green waste routes. To lessen the cost of the organics container, commercial customers should be able to downsize in other service areas.

To educate the City’s commercial customers about the requirements of AB 1826, Athens Services completed a waste assessment of commercial accounts in December 2015 to identify businesses that will require organics recycling as large generators beginning on April 1, 2016 and those whose service requirement will begin on January 1, 2017. Athens Services is meeting one-on-one with large generators to educate them about the new requirements and discuss service options. The City is also planning additional outreach to these customers.

**Proposition 218**

Residential and commercial refuse fees and all property-related fee increases are subject to the procedural and substantive requirements of voter approved Proposition 218. Specifically, Proposition 218 requires, for residential and commercial refuse fees, that a written notice be mailed to the owner or utility account holder of each parcel upon which the fee will be imposed and that a public hearing be conducted not less than 45 days after mailing the notice. If written protests against the fee increase are not presented by a majority of parcels, the City Council may approve the fee increase. If written protests against the proposed fee are received by a majority of parcels, the City may not impose the fee increase.

The Department of Public Works recommends the City Council approve the initiation of the Proposition 218-required public hearing process to increase residential and commercial refuse

fees. As such, a notice of public hearing will be mailed no later than September 1, 2016, advising affected parcel owners of the proposed residential and commercial refuse collection fee increases. Pursuant to Government Code Section 53755, the notice will be mailed to the regular billing address and to the record owner of each parcel. A copy of the Notice of Public Hearing can be found in Attachment F.

Notice of these adjustments will also be included with the residential and commercial refuse fee public hearing scheduled for October 18, 2016, for information only.

**Procedures for the Conduct of a Public Hearing Relating to a Proposed Increase to Refuse Collection Service Charges**

The City is proposing an increase to its refuse collection service charges. Proposition 218 was approved by the California Voters in 1996 and added Articles XIIC and XIID to the California Constitution. Article XIID imposes substantive and procedural requirements to impose or increase property-related fees, such as the proposed refuse collection service charges.

As relevant here, the City Council must hold a noticed public hearing on the proposed increase to the refuse collection service charges. At the public hearing, the City Council must consider all protests or objections to the proposed refuse collection service charges. At the conclusion of the public hearing, the City Council must tabulate the written protests against the proposed refuse collection service charges and determine if a majority protest exists.

A majority protest will exist if written protests have been presented, and not withdrawn, by the record owners or customers of record of a majority of the parcels subject to the charges. If a majority protest exists, the City Council cannot adopt the proposed refuse collection service charges. If a majority protest does not exist, the City Council may adopt the refuse collection service charges.

The City Council is being asked to consider a resolution establishing "Procedures for the Conduct of a Public Hearing Relating to Proposed Increase to Refuse Collection Service Charges" (the "Procedures"). The Procedures govern the conduct of a public hearing and the submission and tabulation of written protests in connection with the City Council's consideration of the proposed increase to refuse collection service charges, in compliance with the requirements of Proposition 218.

**Duration of Rate Structure**

The proposed rate structure will be in effect from July 1, 2016 through June 30, 2019, covering FY 2016-17, FY 2017-18, and FY 2018-19. Pursuant to Government Code, Sections 53756 and 53739, such rates shall be automatically adjusted each fiscal year, beginning in FY 2017-18 (July 1, 2017) and ending in FY 2018-19 (June 30, 2019), by a factor equal to CPI without further action on the part of the City Council. In addition, the City Council may amend these rates by ordinance, resolution, or minute action, in accordance with applicable law.

**FISCAL IMPACT:**

The fiscal impact associated with the printing, mailing, and publication of the public notices for the State-mandated public hearing process to increase residential and commercial refuse collection service fees as outlined in Attachment F is approximately \$7,150. Sufficient funding is included in the approved FY 2016-17 Department of Public Works budget (account nos. 6200-5580-53300, 6200-5580-53540, and 6200-5580-53590).

The proposed FY 2016-17 refuse revenues are included in the approved FY 2016-17 City of Covina budget. The revenue budget for the Franchise Fee totals \$575,000 (account no. 1010-0000-40880)

and the Integrated Waste Management Fee totals \$712,000 (account no. 6200-5580-46315). Additionally, a one-time revenue of \$150,000 is included in the approved FY 2016-17 City of Covina budget (account no. 1010-2000-43290) for Athens Services reimbursement to the City for the staff, legal, and consultant costs associated with the lengthy negotiations between the parties pertaining to the analysis of disposal options related to the closure of the Puente Hills Landfill.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

The proposed increase to the commercial and residential refuse rates are determined to be statutorily exempt from CEQA per Section 15273 (Rates, Tolls, Fares, and Charges). Under Section 15273 (a), CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of:

1. Meeting operating expenses, including employee wage rates and fringe benefits;
2. Purchasing or leasing supplies, equipment, or materials;
3. Meeting financial reserve needs and requirements;
4. Obtaining funds for capital projects necessary to maintain service within existing service areas; or
5. Obtaining funds necessary to maintain such intra-city transfers as are authorized by city charter. (This provision is non-applicable, as Covina is not a Charter City).

Respectfully submitted,

  
Siobhan Foster  
Director of Public Works

**ATTACHMENTS:**

Attachment A: Amended and Restated Exclusive Franchise Agreement, Approved by City Council on February 15, 2011 (Item NB 2)

Attachment B: City of Covina Staff Report, Item NB 2, February 15, 2011 (w/o attachments)

Attachment C: Provisions of Amended and Restated Exclusive Franchise Agreement, Approved by City Council on February 15, 2011 (Item NB 2)

Attachment D: City of Covina Staff Report, Item PH 1, June 7, 2011

Attachment E: June 6, 2013, Inter-Office Memorandum Re: Refuse Rate Increase Effective July 1, 2013 with City of Covina Schedule of Refuse Rate Effective July 1, 2013

Attachment F: Notice of Public Hearing on Proposed Increase in Refuse Collection Services Rates

Attachment G: Residential and Commercial Refuse Rate Survey conducted March 2016

Attachment H: Resolution No. 16-7513



**CITY OF COVINA**  
**Notice of Public Hearing on Proposed Increase in**  
**Residential and Commercial Refuse Collection Service Rates Tuesday, October 18, 2016 at 7:30 p.m.**  
**City of Covina Council Chambers, 125 E. College Street, Covina, CA 91723**

**Reason for Public Hearing:** The Covina City Council will hold a public hearing on the above date and time to consider adoption of a resolution increasing rates for residential and commercial refuse collection services. This notice is being provided to you pursuant to Section 6 of Article XIID of the California Constitution (Proposition 218) and Section 53755 of the Government Code which require that a notification be sent 45 days in advance of the public hearing, to the address to which the City customarily mails the refuse service bill, for each identified parcel upon which any new or increased refuse rate or charge is being proposed ("customer of record"). You have been identified as a customer of record.

**Public Hearing Process:** All Covina customers of record for refuse service are invited to attend this public hearing. The Covina City Council will hear and consider all materials and testimony concerning these matters, as well as, all written protests against the proposed rate increases. At the close of the public hearing, the City Council will be authorized to adopt new refuse rates and related fees if written protests against the proposed increases are not presented by a majority of identified parcels upon which the proposed rates are to be imposed. If the proposed rates and fees are adopted, the increases will be effective retroactive to July 1, 2016.

**Basis for Rate Increases:** The request for the proposed rate increase is based upon the City's refuse collection franchise agreement with Athens Services ("Franchise Agreement"). The Franchise Agreement provides for increases in refuse rates due to following: (a) the Service Component will automatically be adjusted each July 1<sup>st</sup> in proportion to the increase or decrease in the cost of living as determined by the percentage change in the Consumer Price Index ("CPI") for the previous period of January through January for All Urban Consumers in the Los Angeles/Anaheim/Riverside area, (b) the Disposal Component will automatically be adjusted in proportion to the increase or decrease in disposal costs as determined by the percentage change in the MRF Gate Fee, (c) changes in AB 939 refuse recycling and diversion compliance costs, and (d) changes in other operational costs in providing refuse collection services. The Franchise Agreement also permits Special Rate Adjustments when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement. The proposed rate increase includes a 3.4% Special Rate Adjustment for the increased transportation and additional processing costs associated with taking Covina's waste to the San Bernardino County Landfill System, rather than Puente Hills Landfill post-closure, and a 0.80% Special Rate Adjustment for impacts associated with the California Paid Sick Leave Law and Los Angeles County minimum wage increases. In addition to the information provided in this notice, the bases for the rate adjustments are detailed in the Agenda Report prepared by the City. The Agenda Report is on file at the City Clerk's Office at 125 E. College Street, Covina, CA and may be reviewed there by any interested person. Revenues derived from the refuse service rates and fees are used solely for the purpose of defraying costs incurred in providing efficient refuse collection services and to ensure continued compliance with State law, including but not limited to, refuse pick-up, transportation and disposal. As required by California Government Code Section 66016, the City has prepared a report that provides data indicating amount of cost, or estimated cost, to provide integrated waste management services and the revenue sources anticipated to provide such services. A copy of the report will be available at the office of the City Clerk on or about October 7, 2016.

**How will the proposed increase affect my refuse and recycling bill?** By way of example, the current residential monthly refuse bill for Basic Service (1-90 gal. black-refuse, 1-90 gal. blue-recyclables, and 1-90 gal. green-yard waste) is \$27.05 per month. If the rate adjustment is approved, the new rate will be \$29.89. The current commercial rate for a 3.0 cubic yard bin serviced one time per week is \$152.33 per month. If the rate adjustment is approved, the new rate will be \$165.25 (See "**Proposed Refuse Rates**" chart on the back of this page). The refuse collection rate and related fees shall thereafter be increased in Fiscal Year 2017-18 (July 1, 2017) and Fiscal Year 2018-19 (July 1, 2018), by a factor equal to the then-applicable increase in CPI (defined above) without conducting another noticed public hearing.

**To protest the proposed rate increases, you must submit a written protest:** If you oppose any of the proposed rate increases, your protest must be submitted in writing to be considered, even if you plan to attend the Public Hearing. Your written protest must be actually received (not postmarked) by the City Clerk of the City of Covina prior to the close of the public hearing. **Oral, telephonic, and e-mail protests will not be accepted.** The protest must be signed by you and include: 1) your name; 2) your street address and assessor's parcel number(s); 3) your City of Covina refuse service account number; and 4) an indication of whether you are a residential and/or commercial customer. Please identify on the front of the envelope, whether mailed or submitted in person, that the enclosed letter is for the "Refuse Rate Increase Public Hearing". You may mail or deliver your written protest to: City of Covina, City Clerk's Office, 125 E. College Street, Covina, CA 91723. The City of Covina is required to follow the "majority protest" procedures outlined in the State Constitution, as approved by California voters through Proposition 218.

If you have any questions regarding this notice, please contact the Department of Public Works at (626) 384-5480.

**CITY OF COVINA – Schedule of Refuse Rates Effective July 1, 2016**

Below is the City of Covina refuse rates effective July 1, 2016. Refuse rates are automatically adjusted each fiscal year, beginning in FY 2016-17 (July 1, 2016) and ending in FY 2018-19 (June 30, 2019), by the annual adjustment based on CPI, without further action on the part of the City Council.

RESIDENTIAL		New Service Component	New Disposal Component	New Net Rate	6% Franchise Fee	Waste Management Fee	New Total Rate
90 Gallon Standard Service		20.26	5.83	26.09	1.67	2.13	29.89
60 Gallon Standard Service		20.26	4.43	24.68	1.58	1.42	27.68
30 Gallon Standard Service		20.26	3.00	23.25	1.48	0.71	25.44
Additional 90 Gallon Black		11.74	4.27	16.01	1.02	2.13	19.16
Additional 90 Gallon Green		4.57	1.58	6.15	0.39	-	6.54
Additional 90 Gallon Blue		3.22	-	3.22	0.21	-	3.43
Manual or Backyard Service		40.04	11.70	51.74	3.30	4.27	59.31
Roll-Out Service		17.80	-	17.80	1.14	-	18.94
<b>COMMERCIAL</b>	<b>Times/Week</b>						
1.5 Cubic Yards (First Bin)	1	72.78	24.79	97.57	6.23	7.15	110.94
	2	115.71	49.60	163.31	10.55	14.30	190.16
	3	158.69	74.39	232.98	14.87	21.45	269.30
	4	201.56	99.17	300.73	19.20	28.60	348.53
	5	244.45	123.97	368.42	23.52	35.75	427.69
	6	300.37	148.77	449.14	28.67	42.90	520.71
1.5 Cubic Yards (Ea. Additional Bin)	1	57.35	24.79	82.14	5.24	7.15	94.53
	2	91.66	49.60	141.26	9.02	14.30	164.57
	3	124.28	74.39	198.66	12.68	21.45	232.79
	4	158.60	99.17	257.78	16.45	28.60	302.83
	5	192.94	123.97	316.91	20.23	35.75	372.89
	6	236.80	148.77	385.57	24.61	42.90	453.09
2 Cubic Yards (First Bin)	1	83.66	33.06	116.73	7.45	9.53	133.71
	2	128.28	66.12	194.41	12.41	19.06	225.88
	3	172.99	99.17	272.16	17.37	28.59	318.13
	4	217.65	132.24	349.89	22.33	38.12	410.34
	5	262.33	165.29	427.62	27.30	47.65	502.57
	6	322.55	198.35	520.90	33.25	57.18	611.33
2 Cubic Yards (Each Additional Bin)	1	66.81	33.06	99.88	6.38	9.53	115.78
	2	100.84	66.12	166.96	10.66	19.06	196.68
	3	136.89	99.17	236.07	15.07	28.59	279.72
	4	171.27	132.24	303.51	19.37	38.12	361.00
	5	207.34	165.29	372.62	23.78	47.65	444.06
	6	255.62	198.35	453.97	28.98	57.18	540.12
3 Cubic Yards (First Bin)	1	92.31	49.60	141.90	9.06	14.29	165.25
	2	141.81	99.17	240.98	15.38	28.58	284.94
	3	191.27	148.77	340.05	21.71	42.87	404.62
	4	240.70	198.35	439.05	28.02	57.16	524.23
	5	290.23	247.94	538.17	34.35	71.45	643.97
	6	353.96	297.52	651.48	41.58	85.74	778.81
3 Cubic Yards (Each Additional Bin)	1	73.45	49.60	123.04	7.85	14.29	145.19
	2	112.61	99.17	211.79	13.52	28.58	253.88
	3	151.73	148.77	300.51	19.18	42.87	362.56
	4	190.91	198.35	389.26	24.85	57.16	471.26
	5	230.13	247.94	478.06	30.51	71.45	580.03
	6	280.09	297.52	577.62	36.87	85.74	700.22
30YD Standard Roll-off (+ dump)		290.72	-	290.72	18.56	17.63/ton	ton-based
30YD C&D Roll-off (+ dump)		450.15	-	450.15	28.73	17.63/ton	ton-based
3 Yard Temporary Bin		160.23	-	160.23	10.23	14.29	184.75
Commercial Barrel		28.71	13.24	41.95	2.68	3.20	47.83
Sweeper Service		14.62	2.69	17.31	-	-	17.31
Organics – Primary 96 gallon cart	1	-	-	104.54	6.67	2.13	113.34
	2	-	-	182.51	11.65	4.26	198.42
	3	-	-	260.49	16.63	6.39	283.51
	4	-	-	338.47	21.60	8.52	368.59
	5	-	-	416.45	26.58	10.65	453.68
	6	-	-	494.43	31.56	12.78	538.77
Organics- Additional 96 gallon cart	1	-	-	88.63	5.66	2.13	96.42
	2	-	-	155.20	9.91	4.26	169.37
	3	-	-	221.79	14.16	6.39	242.34
	4	-	-	288.36	18.41	8.52	315.29
	5	-	-	354.95	22.66	10.65	388.26
	6	-	-	421.54	26.91	12.78	461.23
Compactor Haul		-	-	269.16	17.18	-	286.34
Compactor Disposal/Ton		-	-	100.00	6.38	17.63	124.01

**RESOLUTION NO. 16-7513**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
COVINA ADOPTING PROCEDURES IN CONNECTION WITH  
PROPOSED REFUSE COLLECTION SERVICE CHARGES  
INCREASE**

**WHEREAS**, Article XIID of the California Constitution and the Proposition 218 Omnibus Implementation Act (Government Code Section 53750, *et seq.*) (the "Implementation Act") impose certain procedural and substantive requirements for imposing new or increased property-related fees and charges, as defined in Article XIID ("Charges"), including the requirement to conduct a public hearing and majority protest proceedings for consideration of Charges; and

**WHEREAS**, neither Article XIID of the California Constitution nor the Implementation Act provide specific guidance for the conduct of the public hearing and majority protest proceedings; and

**WHEREAS**, City Council desires to adopt procedures for the conduct of its public hearings and majority protest proceedings for consideration of Charges which are consistent with Article XIID and the Implementation Act.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA,  
CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** In accordance with Article XIID and the Implementation Act, the City Council hereby approves the Procedures for the Conduct of a Public Hearing Relating to a Proposed Increase to Refuse Collection Service Charges, as set forth in Attachment A, attached hereto and incorporated herein by reference (the "Procedures").

**APPROVED and PASSED** this \_\_\_ day of \_\_\_\_\_, 20\_\_.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16- was duly adopted by the City Council of the City of Covina at a regular meeting held on the \_\_\_ day of \_\_\_\_\_, 20\_\_, by the following vote:

AYES: COUNCIL MEMBERS:  
NOES: COUNCIL MEMBERS:  
ABSTAIN: COUNCIL MEMBERS:  
ABSENT: COUNCIL MEMBERS:

Dated:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

**ATTACHMENT A**

**PROCEDURES FOR THE CONDUCT OF A PUBLIC HEARING  
RELATING TO A PROPOSED INCREASE TO REFUSE COLLECTION SERVICE  
CHARGES**

**(See attached)**

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**PROCEDURES FOR THE CONDUCT OF A  
PUBLIC HEARING RELATING TO PROPOSED  
REFUSE COLLECTION SERVICE CHARGES**

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*The following Procedures have been adopted by the City Council of the City of Covina for the purpose of conducting a public hearing required by Article XIII D of the California Constitution for consideration of the proposed increase to refuse collection service charges (the "Proposed Increase").*

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A. Definitions

1. "Customer of Record" means the person whose name appears on the City's records as the person who contracted for, and became obligated to pay for, refuse collection service for the Identified Parcel.
2. "Identified Parcel" means the parcel to which the Proposed Increase will apply.
3. "Proposed Increase" means a proposed increase to a charge for refuse collection service.
4. "Record Owner" means the owner of an Identified Parcel whose name and address appears on the last Los Angeles County equalized secured property tax assessment roll (the "Assessment Roll"), or in the case of any public entity, the State of California, or the United States, means the representative of that public entity at the address of that entity known to the City.

B. Notice of the Public Hearing on the Proposed Increase

1. Notice of the public hearing on the Proposed Increase shall be sent, postage prepaid, by first class mail at least forty-five (45) days prior to the date set for the public hearing, to the Customer of Record and to the Record Owner, if such person or entity is not the same as the Customer of Record.
2. "Record Owner" means the owner of an Identified Parcel whose name and address appears on the last Los Angeles County equalized secured property tax assessment roll (the "Assessment Roll"), or in the case of any public entity, the State of California, or the United States, means the representative of that public entity at the address of that entity known to the City.
3. Failure of any person to receive notice shall not invalidate the proceedings.

C. Eligibility to File a Protest

1. Any Customer of Record or Record Owner may file a written protest against the Proposed Increase.
2. If the owner of any Identified Parcel is not shown on the Assessment Roll, such owner may file a protest for such parcel by filing with the City Clerk a proxy from the Record Owner in a form satisfactory to the City Attorney or evidence of ownership satisfactory to the City Attorney. Any such proxy or evidence must be received by the City Clerk prior to the conclusion of the public hearing..

3. When a Customer of Record is, or an Identified Parcel is held by, a partnership, as community property, in joint tenancy, or as a tenancy in common, any partner, spouse, joint tenant, or tenant in common, as the case may be, may file a protest for such parcel.
4. An executor, administrator, or guardian may file a protest for an Identified Parcel on behalf of the estate it represents. If such representative is shown on the Assessment Roll as paying taxes and assessments levied against the parcel, that fact shall establish the right of such representative to file the protest. If such representative is not shown on the Assessment Roll, the representative must file with the City Clerk written documentation satisfactory to the City Attorney establishing the legal representation. Any such documentation must be filed with the City Clerk prior to the conclusion of the public hearing.
5. When a Customer of Record is, or an Identified Parcel is held by, a corporation or unincorporated association, a protest may be filed by any person authorized in writing by the board of directors or trustees or other managing body thereof to take such actions. The corporation or unincorporated association must file with the City Clerk written authorization satisfactory to the City Attorney. Any such written authorization must be filed with the City Clerk prior to the conclusion of the public hearing.

**D. Submission of Written Protests**

1. Written protests may be mailed (via U.S. mail) to the City Clerk at City Hall or delivered in person to the City Clerk at City Hall or at the public hearing.
2. To be counted, each written protest must: (i) clearly state opposition to the Proposed Increase, (ii) identify the property covered by the protest and (iii) include an original signature (no copies) of the Customer of Record or Record Owner that is filing the written protest with respect to the Identified Parcel
3. No protest received after the close of the public hearing shall be counted in determining the existence of a majority protest. The last pick up by the City Clerk of protests mailed or delivered to City Hall will occur at 5:00 p.m. on the date scheduled for the public hearing. To ensure that protests which are mailed or delivered to City Hall are received by the City Clerk prior to the close of the public hearing, such protests must be received by the City Clerk at City Hall prior to 5:00 p.m. on the date scheduled for the public hearing. The City Clerk shall endorse on each written protest the date it is filed with the City. The City Clerk shall identify any protests which are received after the close of the public hearing.

4. Written protests may be withdrawn in writing at any time before the conclusion of the public hearing by the person who submitted the written protest.
5. For purposes of determining whether a majority protest exists, only one protest for each Identified Parcel will be counted.
6. Prior to the commencement of the public hearing, all written protests submitted shall be kept secret and confidential.
7. After the City Council opens the public hearing, all written protests shall be considered public records.

**E. Conduct of the Public Hearing; Determination of A Majority Protest**

1. At the time, date and place fixed for the public hearing, the City Council shall:
  - (i) Hear a staff presentation pertaining to the Proposed Increase;
  - (ii) Hear all persons interested in the matter of the Proposed Increase; and
  - (iii) Receive all written communications regarding the Proposed Increase.
2. The public hearing may be continued from time to time, as the City Council determines is necessary to complete its consideration of the Proposed Increase.
3. If the City Council determines at the close of the public hearing that written protests have been presented, and not withdrawn, by the Record Owners or Customers of Record of a majority of the Identified Parcels, the agency shall not impose the fee or charge. (i.e., there is a majority protest), the Proposed Increase shall not be approved.
4. If the City Council determines at the close of the public hearing that there is not a majority protest, the City Council may adopt by a two-thirds vote of the members of the City Council an ordinance imposing the Proposed Increase.

**ORDINANCE NO. 16-2062**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA SETTING THE CITY'S REFUSE COLLECTION SERVICES RATES FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CUSTOMERS, FOR FISCAL YEAR 2016-17 THROUGH FISCAL YEAR 2018-19, EFFECTIVE JULY 1, 2016**

**WHEREAS**, the City of Covina ("City") operates a municipal solid waste and refuse collection system that transports and disposes of all solid waste and refuse collected from residential, commercial, and industrial customers within the City, via an Amended and Restated Exclusive Franchise Agreement ("Franchise Agreement") By and Between City of Covina and Arakelian Enterprises, Incorporated, a California corporation dba Athens Services, approved by the City Council on February 15, 2011; and

**WHEREAS**, the City last conducted a public hearing and adopted Ordinance No. 11-1994 setting refuse collection services rates for residential, commercial, and industrial customers on June 7, 2011 for the period of July 1, 2011 through June 30, 2012 (FY 2011-12); and

**WHEREAS**, Section 2 of Ordinance No. 11-1994 provides, pursuant to Government Code, Sections 53756 and 53739, such rates shall be automatically adjusted each fiscal year, beginning in FY 2012-13 (July 1, 2012) and ending in FY 2015-16 (June 30, 2016), by a factor equal to (1) Consumer Price Index (CPI), or (2) three percent (3%), whichever is greater, without further action on the part of the City Council. The City is required by State law, however, to notify residents of any such increases; and

**WHEREAS**, subsequently on June 6, 2013, the Department of Public Works informed the Covina City Council and the City Manager via Inter-Office Memorandum of a refuse rate increase effective July 1, 2013 (FY 2013-14); and

**WHEREAS**, no further rate adjustments were implemented pursuant to Ordinance No. 11-1994; and

**WHEREAS**, Exhibit B of the Franchise Agreement specifies the Rate Adjustment for the services provided under the Franchise Agreement and indicates that each of the rates provided by the Agreement contains a Service Component and a Disposal Component. The Service Component includes the costs of collection and hauling of all refuse, including recyclable materials and green waste for all customers. The Disposal Component shall be based on the per ton costs incurred by Athens Services for disposal of all refuse, processing of recyclable materials at Athens Services' Material Recovery Facility ("MRF") (which costs are defined on a per ton basis as the "MRF Gate Fee"), and for its disposal of green waste. The Service Component will automatically be adjusted each July 1<sup>st</sup> in proportion to the increase or decrease in the cost of living as determined by the percentage change in the Consumer Price

Index ("CPI") for the previous period of January through January for All Urban Consumers in the Los Angeles/Anaheim/Riverside area. The Disposal Component will automatically be adjusted in proportion to the increase or decrease in disposal costs as determined by the percentage change in the MRF Gate Fee. The Franchise Agreement also allows Athens Services the opportunity to request a Special Rate Adjustment when circumstances beyond the control of Athens Services impose or generate extraordinary costs in the performance of the Agreement. For each request, Athens Services must prepare a schedule documenting the extraordinary costs. The City will then review Athens Services' request and, in the City's sole judgment, make the final determination on the adjustment; and

**WHEREAS**, The Integrated Waste Management Act ("AB 939") enacted by the State of California in 1989, mandated local jurisdictions to meet numerical diversion goals of solid waste from landfill or transformation facilities of 25% by 1995 and 50% by 2000 through source reduction, recycling, and composting activities; and

**WHEREAS**, Mandatory Organics Recycling ("AB 1826") enacted by the State of California in 2014, requires businesses to recycle their organic waste on and after April 1, 2016, depending on the amount of waste they generate per week. The law also requires that on and after January 1, 2016, local jurisdictions across the state implement an organic waste recycling program to divert organic waste generated by businesses, including multifamily residential dwellings that consist of five or more units. The law phases in the requirements for businesses, including multifamily residential dwellings that consist of five or more units, over time based on the amount and type of waste the business produces on a weekly basis, with full implementation realized in 2019; and

**WHEREAS**, due to increases in (1) the MRF gate fees charged to the City as a result of landfill disposal costs ("tipping fees"); (2) State-mandated AB 939 recycling and diversion compliance costs; (3) other operational costs in providing refuse collection services; and (4) the annual percentage increase in the CPI, the current level of refuse collection services rates and charges (hereinafter collectively referred to as "rates") is insufficient to recover the total costs of providing said services; and

**WHEREAS**, the following adjustments must be applied to the customer rebate to reflect compensation owed to Athens Services by the City (1) deferred CPI increases for Fiscal Year 2014-15 (0.77%) and 2015-16 (-0.06%) totaling a cumulative amount of 0.71%; (2) final installment for Athens Services assumption of the residential account billing services for period of July 1, 2014 to June 30, 2016 equivalent to 1.0%; and

**WHEREAS**, the proposed rate adjustment includes a Special Rate Adjustment (3.4%) for the increased transportation and additional processing costs associated with taking Covina's waste to the San Bernardino County Landfill System, rather than Puente Hills Landfill post-closure, and a Special Rate Adjustment (0.80%) for impacts associated with the California Paid Sick Leave Law and Los Angeles County minimum wage increases; and

**WHEREAS**, Athens Services will rebate Covina customers \$941,000 for disposal costs between October 2011 and October 2013, during which time Athens Services paid a

discounted rate for disposal at Puente Hills prior to closure of the landfill; and

**WHEREAS**, adjustments outlined above, reduce the customer rebate to \$642,592 or the equivalent of an 8.87% credit to be applied to each residential and commercial account invoice for the one-year billing period of July 1, 2016 to June 30, 2017; and

**WHEREAS**, Athens Services will reimburse the City's General Fund \$150,000 for staff, legal, and consultant costs associated with the negotiations with Athens Services pertaining to cost-effective disposal sites to be utilized upon the closure of the Puente Hills Landfill. Athens Services must remit payment to the City immediately upon City Council adoption of this Ordinance; and

**WHEREAS**, on August 16, 2016, the City Council conducted a Study Session on residential and commercial refuse collection services – proposed rate structure for the period of July 1, 2016 through June 30, 2019 (FY 2016-17 through FY 2018-19); and

**WHEREAS**, on August 16, 2016, the City prepared a City of Covina Agenda Report analyzing the City's revenue requirements and the proposed rate structure recommended for adoption to proportionately allocate the costs of providing refuse service to its residential, commercial, and industrial customers; and

**WHEREAS**, a copy of the August 16, 2016 City of Covina Agenda Report is on file with the City Clerk's Office and by this reference is made a part of the record of these proceedings; and

**WHEREAS**, the Franchise Agreement allows for increases in refuse collection rates due to increasing costs, as outlined more specifically above; and

**WHEREAS**, based upon the data contained in the August 16, 2016 City of Covina Agenda Report, the City proposes to increase its refuse collection rates in accordance with California Health & Safety Code, Section 5471 in an amount that corresponds to the amount necessary for the collection, conveyance, recycling, and disposal of solid waste via the Franchise Agreement with Athens Services. Therefore, the City Council finds, with respect to the revenue derived from the increased rates, that (1) there is a reasonable relationship between the use of the rates increased herein and the services for which they are imposed; (2) the revenue derived from the increased rates does not exceed the amount necessary to provide the services; (3) the increased rates shall not be used for any purpose other than funding any services and facilities furnished by the City in connection with solid waste collection, conveyance, recycling, and disposal; (4) the increased rates do not exceed the proportional cost of the services attributable to each customer; and (5) the increased rates are not levied for general governmental purposes; and

**WHEREAS**, pursuant to Section 6 of Article XIID of the California Constitution (Proposition 218) and Section 53755 of the Government Code which requires that a notification be sent 45 days in advance of the public hearing on this Ordinance, the City has mailed, postage prepaid, a notice of the public hearing on the proposed refuse rate increase to be mailed to the owner or utility account holder of each parcel upon which the fee will be imposed; and

**WHEREAS**, said notice identified: (1) the amount of the increased rate to be charged; (2) the basis upon which the rate increase was calculated; (3) the reason for the rate increase; and (4) the date, time, and location for the public hearing on the rate increase; and

**WHEREAS**, on October 18, 2016, at 7:30 p.m., the City Council conducted a duly noticed public hearing at which time all those wishing to be heard were afforded an opportunity to be heard, and at which time the City Council considered any and all written protests concerning the proposed refuse rates; and

**WHEREAS**, the City did not receive written protests from a majority of the identified parcels that would be subject to the proposed rates; and

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

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

**SECTION 1.** Based on the written and verbal evidence presented to the City Council, the amounts of the refuse collection services rates, as set forth in Exhibit "A", attached hereto and incorporated by reference herein, are hereby approved and adopted by the City Council of the City of Covina, by not less than a two-thirds vote pursuant to Government Code, Section 5471. The refuse collection services rates set forth herein shall become effective July 1, 2016.

**SECTION 2.** Pursuant to Government Code, Section 53756, beginning July 1, 2017, and each July 1 through July 1, 2019, the refuse collection services rates set forth in Exhibit A shall increase by an amount that is equal to the annual percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) for Los Angeles-Riverside-Orange County, CA area for the twelve-month period ending the immediately preceding March 1, without further action on the part of the City Council. In addition, the City Council may amend these rates by ordinance, resolution, or minute action, in accordance with applicable law.

**SECTION 3.** This Ordinance supersedes and voids all prior ordinances, resolutions, and other Council actions, which are inconsistent with its terms, including all prior ordinances and resolutions establishing or amending refuse rates.

**SECTION 4.** Pursuant to Section 21080(b)(8) of the Public Resources Code and Section 15273(a) of the Guidelines for the Implementation of the California Environmental Quality Act ("CEQA"), further review under CEQA is not required because the City Council action increasing refuse collection rates is for the purpose of (1) meeting refuse collection operating expenses, including employee wage rates and fringe benefits; (2) purchasing or leasing supplies, equipment, or materials for the refuse collection services; (3) obtaining funds for capital projects necessary to maintain refuse collection services within existing service areas; and (4) meeting financial reserve needs and requirements.

**SECTION 5.** If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent

jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The people of the City of Covina hereby declare that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

**SECTION 6.** The City Clerk shall certify to the passage of this Ordinance and shall cause the same to be entered in the book of original ordinances of said City; shall make a minute passage and adoption thereof in the records of the meeting at which time the same is passed and adopted; and shall, within fifteen (15) days after the passage and adoption thereof, cause the same to be published as required by law, in a local newspaper of general circulation and which is hereby designated for that purpose.

PASSED, APPROVED, and ADOPTED this 18<sup>th</sup> day of October, 2016.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, California, do hereby certify that Ordinance No. 16-XXXX was introduced for first reading at a regular meeting on the 4<sup>th</sup> day of October, 2016. Thereafter, said Ordinance was duly approved and adopted at a regular meeting of said City Council on the 18<sup>th</sup> day of October, 2016, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:

Dated:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk



# CITY OF COVINA

## AGENDA REPORT

ITEM NO. CC 11

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**MEETING DATE:** October 4, 2016

**TITLE:** Consideration of Appointments to the Traffic Advisory Commission and Youth Accountability Board.

**PRESENTED BY:** Sharon Clark, Chief Deputy City Clerk/Records Management Director

**RECOMMENDATION:** 1) Appoint Susan Zermeno to the Traffic Advisory Commission for a term ending June 30, 2018; and 2) Appoint Nick Lopez as an alternate on the Youth Accountability Board for a term ending June 30, 2017.

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### **BACKGROUND:**

On September 20, 2016, the City Council conducted interviews of new applicants to various City advisory bodies during a regularly-scheduled Study Session meeting. In the following Regular City Council meeting, Council directed staff to ascertain whether two of the applicants were interested in appointment to other advisory bodies.

### **DISCUSSION:**

Staff contacted both applicants with the following results:

- Susan Zermeno (non-appointed Planning Commission applicant) indicated that she is interested in serving on the Traffic Advisory Commission.
- Nick Lopez (appointee to the Traffic Advisory Commission) indicated that he is interested in serving on the Youth Accountability Board.

Therefore, it is recommended that Susan Zermeno be appointed to the Traffic Advisory Commission for a term ending June 30, 2018, and Nick Lopez be appointed as an alternate on the Youth Accountability Board for a term ending June 30, 2018. It should be noted that Mr. Lopez' appointment is dependent on the successful completion of a background investigation.

### **FISCAL IMPACT:**

None.

### **CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

None.

Respectfully submitted,

A handwritten signature in cursive script that reads 'Sharon F. Clark'.

Sharon F. Clark  
Chief Deputy City Clerk

### **ATTACHMENTS:**

None.

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## CITY OF COVINA

# AGENDA REPORT

ITEM NO. CC 12

**MEETING DATE:** October 4, 2016

**TITLE:** **Resolution No. 16-7538** to Amend the FY 2017 Capital Improvement Program Budget to Increase Funding for Rancho La Merced Reservoir PAX Water Technologies Mixer Project by \$17,604 and Proposed Professional Services Agreement with Doane and Hartwig Water Systems, Inc., to Furnish and Install a PAX Water Technologies Mixer at Rancho La Merced Reservoir

**PRESENTED BY:** Siobhan Foster, Director of Public Works

**RECOMMENDATION:**

- 1) Authorize the Interim City Manager to execute the attached Professional Services Agreement with Doane and Hartwig Water Systems, Inc., to furnish and install a PAX Water Technologies Mixer at Rancho La Merced Reservoir in an amount not-to-exceed \$46,553; and
- 2) Adopt Resolution No. 16-7538 to amend the FY 2017 Capital Improvement Program (CIP) budget to reflect an additional appropriation of \$17,604 from available Water Capital Improvement Fund balance for the Rancho La Merced Reservoir PAX Water Technologies Mixer Project and increase the FY 2017 Water CIP budget

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**BACKGROUND:**

On July 19, 2016, the City Council adopted Resolution No. 16-7504 approving the FY 2017-2021 Capital Improvement Program (CIP) and the FY 2017 CIP Budget. The FY 2017 CIP Budget includes \$35,000 in Water Capital Improvement funding for the Rancho La Merced Reservoir PAX Water Technologies Mixer project, which provides for the installation of a PAX Mixer at the one million gallon Rancho La Merced Reservoir.

Rancho La Merced Reservoir is one of four City reservoirs that do not have a PAX Mixer in place. Currently the four reservoirs at the Charter Oak site (three million gallon capacity per reservoir and total storage capacity of 12 million gallons at the site) and the five million gallon Rancho Simi Reservoir have PAX Water Technologies Mixers. It is imperative that the City install mixers at the remaining sites, as expeditiously as possible beginning with the Rancho La Merced Reservoir as recommended by the State Water Resources Control Board, Division of Drinking Water (SWRCB), to enhance water quality. The use of mixers is an industry best practice, which creates a powerful vortex flow pattern inside water storage tanks to circulate the entire volume, top to bottom, and eliminate thermal stratification. Powerful mixing helps prevent conditions favorable to residual loss, disinfection byproducts, and nitrification.

Mixers also facilitate the use of Residual Control System (RCS) technology. As explained in detail in the August 16, 2016 Agenda Report, Item CC 11, pertaining to the purchase of a mobile RCS unit, RCS is an intelligent disinfectant boosting system that gives operators the ability to set and maintain residual levels in water storage tanks and key locations in the distribution system. By combining advanced water quality sensors with powerful tank mixing and an automated chemical feed system, the RCS enables operators to eliminate manual boosting and quickly counteract adverse water quality changes. RCS technology is a proven methodology that has been used by several local municipalities to address the challenges inherent with chloramination and mitigate symptoms of nitrification in their water systems.

PAX Mixers are the City's standard mixer and were selected based on mixing performance in comparison with other active mixing technologies. In one comparison at a Southern California utility, for example, a side-by-side comparison was performed in one of the agency's most problematic four million gallon tanks. The mixers were tested to see if they could fully mix the four million gallon tank within 38 hours. Measurements were taken at four sample locations and water depths every four hours to track how well the chemicals were being mixed. The PAX Mixer blended the entire tank volume in 24 hours, whereas the other mixer never achieved a mixed condition. Statistical analysis of the data demonstrated that the estimated blend time for the mixer would be 200 to 240 hours, approximately seven to 10 times longer than the PAX Mixer.

Standardizing on one brand of mixer, allows City personnel to become intimately familiar with operations and inventory only one type of parts. Additionally, PAX Mixers are compatible with the City's Supervisory Control and Data Acquisition (SCADA) system.

PAX Mixers are only available from one distributor in Southern California, Doane and Hartwig Water Systems, Inc.

#### **DISCUSSION:**

On August 23, 2016, City staff and Covina Irrigating Company (CIC) representatives met with James Ko, Associate Sanitary Engineer with the SWRCB. The purpose of the meeting was fourfold:

1. To meet and begin developing a relationship with the City's assigned engineer;
2. Discuss the symptoms of nitrification occurring at the Charter Oak Reservoir site;
3. Discuss the mobile Residual Control System (RCS) project, approved by the City Council on August 18, 2016; and
4. Discern if there are any modifications required to the City's operating permit.

During the meeting, the parties discussed operational treatment methods for mitigating the symptoms of nitrification and ongoing monitoring. Additionally, Mr. Ko indicated the City should proceed with the RCS project and develop and submit Nitrification Control and Monitoring and Emergency Chlorination Plans within sixty days.

On September 20, 2016, City staff and CIC representatives had a follow-up meeting with Mr. Ko. At the meeting, the parties reviewed the water quality enhancements that have been made at the Charter Oak Reservoir site through operational treatment methods and the cleaning of tank No. 4 at the site. Prior to the next meeting with Mr. Ko, scheduled for November 15, 2016, the City is expected to make similar enhancements to the Rancho Simi Reservoir, Rancho La Merced, and the remaining tanks at Charter Oak Reservoir. This can be accomplished through operational adjustments, tank cleaning, and/or chemical treatment.

Given the Rancho Simi and Rancho La Merced Reservoirs were recently inspected by underwater divers and cleaned (April 27, 2015) and on schedule for underwater inspection and cleaning prior to June 30, 2019, Mr. Ko is amenable to the City and CIC employing RCS technology to enhance water quality in the tanks.

To that end, the City is working with Doane and Hartwig Water Systems, Inc., the supplier of the RCS unit the City is purchasing, to rent a loaner unit beginning in mid-October. The tentative intent is to issue a contract change order (CCO) for the rental using a portion of the project contingency approved by the City Council on August 16, 2016. On October 18, 2016, the Department of Public Works will submit such a CCO for City Council consideration.

Concurrently, the City and CIC representatives are exploring opportunities to partner with Rowland Water District for technical assistance in addressing the challenges inherent with chloramination. Rowland Water District is one of a number of local agencies using RCS technology and has found it to be a proven methodology to mitigate symptoms of nitrification in its water system. Rowland Water District is willing to provide a mobile RCS unit and staff assistance to the City and CIC personnel on an interim basis, as the agency regularly provides to other local water providers.

For use of the RCS unit and chemical treatment to be an option at the Rancho La Merced Reservoir, mixing technology needs to be in place. As such, the Department of Public Works recommends moving forward with the Rancho La Merced Reservoir PAX Water Technologies Mixer project at this time through the purchase of the mixer and installation services from Doane and Hartwig Water Systems, Inc., the sole distributor of PAX mixers in Southern California. The FY 2017 CIP budget includes a \$35,000 budget for the project. The estimate requested at the time of CIP preparation did not include installation and labor, project contingency, and contract administration/inspection. As such, an additional appropriation of \$17,604 from the Water Capital Improvement Fund balance is necessary at this time.

Covina Municipal Code Section 2.20.080 (Bidding – Required – Exceptions), Subsection B, allows procurement by noncompetitive proposals when the supply, service, or equipment is available from only one source. This is the case with the PAX Water Technologies Mixer for the Rancho La Merced Reservoir. Doane and Hartwig Water Systems, Inc. is the sole distributor of PAX mixers in Southern California.

Additionally, Covina Municipal Code Section 2.20.175 (Purchase - Professional and specialized services) recognizes that some professional services are so specialized that procurement of such services by competitive means is not necessary or in the City's best interest. In this case, the PAX Water Technologies Mixer is the City's standard mixer and can only be supplied by Doane and Hartwig Water Systems, Inc. Doane and Hartwig Water Systems, Inc., has demonstrated its competence and experience in installing such mixing technology previously in five of the City's other City reservoirs.

**FISCAL IMPACT:**

The estimated fiscal impact associated with the Rancho La Merced Reservoir PAX Water Technologies Mixer project is approximately \$52,604. The FY 2017 approved CIP budget includes \$35,000 for the project (account no. 6011-5080-55410-W1707). Adoption of Resolution No. 16-7538 will appropriate the additional \$17,604 needed for the project from the Water Capital Improvement Fund balance. The following table represents a summary of the proposed project:

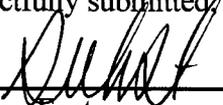
PAX Water Technologies Mixer	\$46,553
Contingency Allowance (10%)	\$4,655
Contract Administration/Inspection (3%)	\$1,396
Estimated Total	\$52,604

The proposed project has no General Fund impact.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

This project has been determined to be categorically exempt under CEQA in accordance with Section 15301(b) Existing Facilities (Class 1). The project involves negligible or no expansion of an existing use.

Respectfully submitted,

  
 \_\_\_\_\_  
 Siobhan Foster  
 Director of Public Works

**ATTACHMENTS:**

- Attachment A: Professional Services Agreement with Doane and Hartwig Water Systems, Inc., to Furnish and Install PAX Water Technologies Mixer at Rancho La Merced Reservoir
- Attachment B: Resolution No. 16-7538

## PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is dated October 4, 2016 (“Effective Date”) and is between the City of Covina, a California municipal corporation (“City”) and Doane and Hartwig Water Systems, Inc., a California corporation (“Contractor”). City and Contractor are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

### RECITALS

A. City desires to utilize the services of Contractor to purchase and install the PAX Water Technologies Mixer at the Rancho La Merced Reservoir Site.

B. Contractor represents that it is fully qualified to perform such services by virtue of its experience and the training, education, and expertise of its principals and employees.

C. City desires to retain Contractor and Contractor desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

The parties therefore agree as follows:

**1. Term of Agreement.** The term of this Agreement shall be from the Effective Date through January 31, 2017, unless sooner terminated as provided in Section 13 of this Agreement.

**2. Compensation.**

A. Compensation. As full compensation for Contractor’s services provided under this Agreement, City shall pay Contractor the total not-to-exceed amount of Forty Six Thousand Five Hundred and Fifty Three Dollars (\$46,553) (the “maximum compensation”), as set forth in the Proposal, attached hereto as **Exhibit A**. The maximum compensation shall not exceed Forty Six Thousand Five Hundred and Fifty Three Dollars (\$46,553.00), unless the City Manager authorizes, in writing, additional compensation up to Four Thousand Six Hundred Fifty Five Dollars (\$4,655) (“Contingency Amount”). Any additional compensation that exceeds the Contingency Amount shall require the approval of the Covina City Council and an amendment to this Agreement.

B. Expenses. The amount set forth in paragraph A shall include reimbursement for all actual and necessary expenditures reasonably incurred in the performance of this Agreement.

C. Additional Services. City shall not allow any claims for additional services performed by Contractor, unless the City Council and the Contractor Representative authorize the additional services in writing prior to Contractor’s performance of the additional services or incurrence of additional expenses. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

**3. Contractor's Services.**

A. Scope of Services. Contractor shall perform the services described in the Proposal, attached as **Exhibit A**. City may request, in writing, changes in the scope of services to be performed. Any changes mutually agreed upon by the parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the "City Representative"). For the purposes of this Agreement, the Contractor Representative shall be Brian Doane, Principal (the "Contractor Representative"). The Contractor Representative shall directly manage Contractor's services under this Agreement. Contractor shall not change the Contractor Representative without City's prior written consent.

C. Time for Performance. Contractor shall commence the services on the Effective Date and shall perform all services by the deadline established by the City Representative or, if no deadline is established, with reasonable diligence

D. Standard of Performance. Contractor shall perform all services under this Agreement in accordance with the standard of care generally exercised by like professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Contractor has, or will secure at its own expense, all personnel required to perform the services required under this Agreement. All of the services required under this Agreement shall be performed by Contractor or under its supervision, and all personnel engaged in the work shall be qualified to perform such services.

F. Compliance with Laws. The Contractor shall keep itself informed of all local, state and federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Contractor shall at all times observe and comply with all such ordinances, laws and regulations. The City and its agents shall not be liable at law or in equity occasioned by failure of the Contractor to comply with this section. This Agreement may call for services that, in whole or in part, constitute "public works," as defined in the California Labor Code. Therefore, as to those services that may be "public works", including construction, alteration, demolition, installation work, Contractor shall comply in all respects with all applicable provisions of the California Labor Code, including those set forth in **Exhibit B**.

G. Permits and Licenses. Contractor shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

**4. Method of Payment.**

A. Invoices. Contractor shall submit to City an invoice, on a monthly basis or less frequently, for actual services performed pursuant to this Agreement. Each invoice shall

itemize the services rendered during the billing period, hourly rates charged, if applicable, and the amount due. If City disputes any of Contractor's fees, it shall give written notice to Contractor within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

B. Payment. City shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth in Section 2 of this Agreement. City shall not withhold federal payroll, state payroll or other taxes; or other similar deductions, from payments made to Contractor.

C. Audit of Records. Contractor shall make all records, invoices, time cards, cost control sheets and other records maintained by Contractor in connection with this agreement available during Contractor's regular working hours to City for review and audit by City.

**5. Ownership of Documents.** Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the services to be performed ("written products") pursuant to this Agreement shall become the sole property of the City without restriction or limitation upon its use and may be used, reused, disseminated or otherwise disposed of by the City without the permission of the Contractor. With respect to computer files containing data generated for the work, Contractor shall make available to the City, upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files. Contractor may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Contractor.

**6. Independent Contractor.**

A. Contractor is, and shall at all times remain as to City, a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Contractor shall have no power to incur any debt, obligation, or liability on behalf of City. Neither City nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees, except as set forth in this Agreement. Contractor shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of City.

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

**7. Confidentiality.** All data, documents, discussion, or other information (collectively "data") developed or received by Contractor or provided for performance of this Agreement are deemed confidential. Contractor shall keep all data confidential and shall not disclose any data to any person or entity without City's prior written consent. City shall grant such consent if

disclosure is legally required. Contractor shall return all data to City upon the expiration or termination of this Agreement. Contractor's covenant under this Section 7 shall survive the expiration or termination of this Agreement.

**8. Conflicts of Interest.** Contractor and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Contractor's services under this Agreement, including the Political Reform Act (Gov. Code, § 81000 *et seq.*) and Government Code Section 1090. During the term of this Agreement, Contractor may perform similar services for other clients, but Contractor and its officers, employees, associates and subcontractors shall not, without the City Representative's prior written approval, perform work for another person or entity for whom Contractor is not currently performing work that would require Contractor or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Contractor shall incorporate a clause substantially similar to this Section 8 into any subcontract that Contractor executes in connection with the performance of this Agreement.

**9. Indemnification.**

A. Indemnities for Third Party Claims.

1) To the fullest extent permitted by law, Contractor shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys or other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Contractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Contractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties. Contractor shall defend the Indemnitees in any action or actions filed in connection with any Liability with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Contractor shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Contractor shall pay all required taxes on amounts paid to Contractor under this Agreement, and indemnify and hold City harmless from any and all taxes, assessments, penalties and interest asserted against City by reason of the independent contractor

relationship created by this Agreement. Contractor shall fully comply with the workers' compensation law regarding Contractor and Contractor's employees. Contractor shall indemnify and hold City harmless from any failure of Contractor to comply with applicable workers' compensation laws. City may offset against the amount of any fees due to Contractor under this Agreement any amount due to City from Contractor as a result of Contractor's failure to promptly pay to City any reimbursement or indemnification arising under this Subparagraph A. 2).

3) Contractor shall obtain executed indemnity agreements with provisions identical to those in this Section 9 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Contractor in the performance of this Agreement. If Contractor fails to obtain such indemnity obligations, Contractor shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Contractor's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Contractor's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties.

B. Workers' Compensation Acts not Limiting. Contractor's indemnifications and obligations under this Section 9, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Contractor expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. City does not, and shall not, waive any rights that it may possess against Contractor because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. The indemnities in this Section 9 shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. Contractor's indemnifications and obligations under this Section 9 shall survive the expiration or termination of this Agreement.

## **10. Insurance.**

A. Minimum Scope and Limits of Insurance. Contractor shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of Two Million Dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property

damage and a general aggregate limit of Two Million Dollars (\$2,000,000) per project or location. If Contractor is a limited liability company, the commercial general liability coverage shall be amended so that Contractor and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of Two Million Dollars (\$2,000,000) per accident for bodily injury and property damage. If Contractor does not use any owned, non-owned or hired vehicles in the performance of services under this Agreement, Contractor shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under Subparagraph A. 1) of this Section 10.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000) per accident for bodily injury or disease. If Contractor has no employees while performing services under this Agreement, workers' compensation policy is not required, but Contractor shall provide an executed declaration that it has no employees.

B. Acceptability of Insurers. The insurance policies required under this Section 10 shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self-insurance shall not be considered to comply with the insurance requirements under this Section 10.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming the City, its officers, employees, agents and volunteers as additional insureds.

D. Primary and Non-Contributing. The insurance policies required under this Section 10 shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its officers, employees, agents or volunteers, shall be in excess of Contractor's insurance and shall not contribute with it.

E. Contractor's Waiver of Subrogation. The insurance policies required under this Section 10 shall not prohibit Contractor and Contractor's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Contractor hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be approved by City. At City's option, Contractor shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Contractor shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Contractor shall not cancel, reduce or otherwise modify the insurance policies required by this Section 10 during the term of this Agreement. The commercial general and automobile liability policies required under this

Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail thirty (30) calendar days' prior written notice to City. If any insurance policy required under this Section 10 is canceled or reduced in coverage or limits, Contractor shall, within two (2) business days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Contractor does not maintain the policies of insurance required under this Section 10 in full force and effect during the term of this Agreement, or in the event any of Contractor's policies do not comply with the requirements under this Section 10, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Contractor's expense, the premium thereon. Contractor shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Contractor.

I. Evidence of Insurance. Prior to the performance of services under this Agreement, Contractor shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section 10. The endorsements are subject to City's approval. Contractor may provide complete, certified copies of all required insurance policies to City. Contractor shall maintain current endorsements on file with City's Risk Manager. Contractor shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Contractor shall furnish such proof at least two (2) weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Contractor shall not be construed as a limitation of Contractor's liability or as full performance of Contractor's duty to indemnify City under Section 9 of this Agreement.

K. Subcontractor Insurance Requirements. Contractor shall require each of its subcontractors that perform services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section 10.

## **11. Mutual Cooperation.**

A. City's Cooperation. City shall provide Contractor with all pertinent data, documents and other requested information as is reasonably available for Contractor's proper performance of the services required under this Agreement.

B. Contractor's Cooperation. In the event any claim or action is brought against the City relating to Contractor's performance or services rendered under this Agreement, Contractor shall render any reasonable assistance that City requires.

**12. Records and Inspections.** Contractor shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of Five (5) years. Contractor

shall, without charge, provide City with access to the records during normal business hours. City may examine and audit the records and make transcripts therefrom, and inspect all program data, documents, proceedings and activities.

**13. Termination or Suspension of Agreement.**

A. Right to Terminate or Suspend. City may terminate or suspend this Agreement at any time, at will, for any reason or no reason, after giving written notice to Contractor at least seven (7) calendar days before the termination or suspension is to be effective. Contractor may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least sixty (60) calendar days before the termination is to be effective.

B. Obligations upon Termination. Contractor shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Contractor, City shall pay Contractor based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Contractor be entitled to receive more than the amount that would be paid to Contractor for the full performance of the services required by this Agreement.

**14. Force Majeure.** Contractor shall not be liable for any failure to perform its obligations under this Agreement if Contractor presents acceptable evidence, in City's sole judgment, that such failure was due to strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Contractor's reasonable control and not due to any act by Contractor.

**15. Notices.** Any notices, consents, requests, demands, bills, invoices, reports or other communications which either party may desire to give to the other party under this Agreement must be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by reputable document delivery service or courier service during Contractor's and City's regular business hours, or (c) five business days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the party to be notified as set forth below:

If to City:  
Attn: Jason Lappin, Public Works Manager  
City of Covina  
125 E. College Street|  
Covina, California 91723

If to Contractor:  
Attn: Brian Doane, Principal  
Doane and Hartwig Water Systems  
Inc.  
603 Seagaze Drive, #241  
Oceanside, CA 92054

**16. Non-Discrimination and Equal Employment Opportunity.** In the performance of this Agreement, Contractor shall not discriminate against any employee, subcontractor or applicant

for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Contractor will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

**17. Prohibition of Assignment and Delegation.** Contractor shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City's prior written consent. City's consent to an assignment of rights under this Agreement shall not release Contractor from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section 17 shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section 17, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

**18. No Third Party Beneficiaries Intended.** Except as otherwise provided in Section 9, this Agreement is made solely for the benefit of the parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

**19. Waiver.** No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

**20. Exhibits. Exhibits A and B** constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, the provisions of this Agreement shall control.

**21. Entire Agreement.** This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the parties. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty except those expressly set forth in this Agreement.

**22. Amendment of Agreement.** This Agreement may be amended only by a writing signed by both parties. The City Manager is authorized to sign an amendment to this Agreement on the

City Council's behalf and without the City Council's prior approval to make the following non-substantive modifications to the Agreement: (a) name changes; (b) extensions of time; (c) non-monetary changes in the scope of work; and (d) termination of the Agreement.

**23. Headings.** The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the parties to this Agreement.

**24. Word Usage.** Unless the context clearly requires otherwise, (a) the words "shall," "will" and "agrees" are mandatory and "may" is permissive; (b) "or" is not exclusive; and (c) "includes" or "including" are not limiting.

**25. Time of the Essence.** Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.

**26. Governing Law and Choice of Forum.** This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a municipal, superior or federal court with geographic jurisdiction over the City of Covina.

**27. Attorneys' Fees.** In any litigation or other proceeding by which one party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party shall be awarded reasonable attorneys' fees together with any costs and expenses, to resolve the dispute and to enforce the final judgment.

**28. Severability.** If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

**29. Authority to Execute Agreement.** The person or persons executing this Agreement on behalf of Contractor warrants and represents that he or she has the authority to execute this Agreement on behalf of the Contractor and has the authority to bind Contractor to the performance of its obligations hereunder.

*[SIGNATURE PAGE FOLLOWS]*

The parties, through their duly authorized representatives, are signing this Agreement on the date stated in the introductory clause.

City:

City of Covina,  
a California municipal corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Name: Sharon F. Clark  
Title: Chief Deputy City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Name: Candice K. Lee  
Title: City Attorney

Contractor:

Doane and Hartwig Water Systems, Inc.,  
a California corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*(Two signatures of corporate officers required for corporations under Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)*

**EXHIBIT A  
PROPOSAL**

## Submersible Mixer Sales Proposal

To: Jason Lappin  
Project: City of Covina-Rancho La Merced Tank  
Tank Details: 1.0 MG  
Offer Date: September 27, 2016  
Offer Valid: 90 Days

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Authorized Sales Representative:  
Brian Doane  
**D&H Water Systems**  
603 Seagaze Dr.  
Oceanside, CA 92054  
T: (949) 637-0705



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PAX Water Technologies is pleased to provide a proposal for a PWM400 mixer for the 1.0 MG Tank, Rancho La Merced. Our pricing, equipment specifications, and purchasing terms and conditions are attached. Standard lead time is 2-4 weeks from the receipt of the purchase order. Equipment can be shipped UPS or common carrier to the tank site or receiving yard directly and installed in less than a day.

If the tank will be drained during installation, the Utility or contractor can perform the "wet-side" mixer installation as well as the dry-side. If the equipment will be installed while the tank is full, two options are available: 1) installation by a local dive inspection company (your local sales rep can provide that contact), or 2) including a bale handle/chain attachment which will allow the mixer unit to be lowered to a position directly below the hatch. If the hatch is located to the side of the tank, the blend time may be approximately 20% longer than if the mixer is placed in the center of the tank.

Equipment start-up can be provided by PAX or the local PAX representative. PAX will provide installation check-list and start-up forms.

If you have any questions or comments, please contact me by email or cell phone.

Best Regards,

**Holda Crocker**  
WESTERN REGIONAL MANAGER  
CELL 541-680-0014  
EMAIL [hcrocker@paxwater.com](mailto:hcrocker@paxwater.com)

### Scope of Supply

Scope of Supply - Equipment	Included
Mixer Wet Assembly (PWM400-160-T)	Yes
SCADA-enabled Control Center (PCC405)	Yes
PAX Mixer Operation & Maintenance Manual	Yes

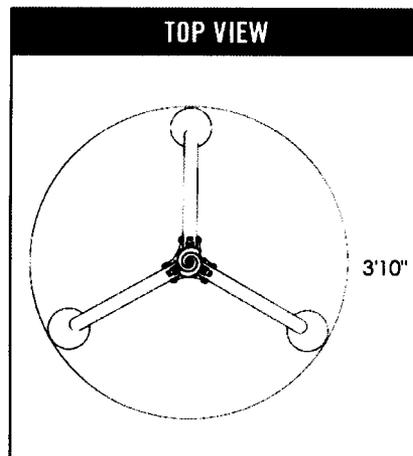
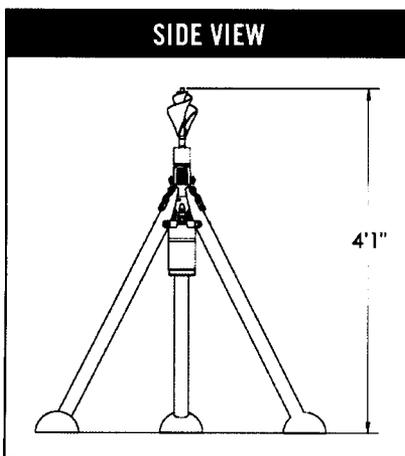
### Pricing

<b>Project Costs</b>		
Item	Units	Total Cost
PAX Water Mixer (PWM400-70-T)	1	\$32,800.00
Shipping & Handling	1	\$400.00
Long Bail Handle and Chain	1	\$900.00
Installation of Mixer in Tank (Diver)	1	\$1,500.00
Start-up & Operator Training (by PAX or local rep) <sup>1</sup>	1	\$0
Electrical Work by Cico Electrical Contractors See attached Addendum A	1	\$7,920.00
Tax @ 9% (Installation and Shipping Not Taxed)	1	\$3,033.00
<b>Total Project Costs</b>	<b>1</b>	<b>\$46,553.00</b>

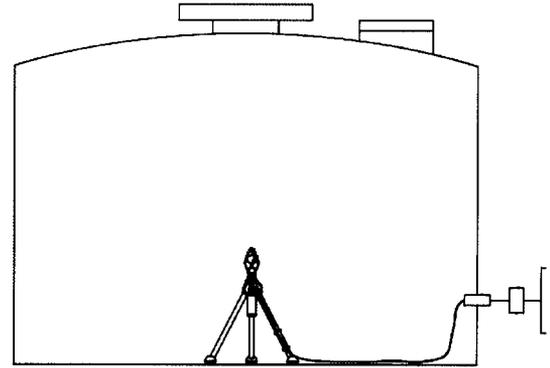
1. Start-up and operator training can be provided by PAX or PAX representative.  
 PAX will provide start-up checklist and forms. Only one training is typically required per utility.
2. If Utility is tax exempt they must submit a Tax Exempt certificate to PAX Water Technologies.

## PWM400 Product Specifications

The PAX Water Mixer is an active, submersible mixing system for cost-effective management of drinking water quality in storage tanks and reservoirs. The mixer installs easily without service disruptions or tank modifications, and mixes on-demand to rapidly eliminate stratification, uniformly distribute disinfectants and prevent conditions favorable to nitrification. Efficient and effective mixing of large volumes is made possible by the patented impeller's characteristic axial jet which establishes a stable flow structure throughout the storage volume.



<b>MIXER SPECIFICATIONS</b>	
Power Supply Requirement	120/240 VAC, 50/60 Hz, 15 amp circuit
Customer Supplied Power Switch	3R, fused, safety disconnect switch
Motor Type	115-230 VAC, water-filled, water-lubricated
RPM	1200
Nominal Power Draw	0.345 kVA (345 watts)
Impeller Specifications	316 stainless steel 8.3" (21.1 cm) tall x 4.5" (11.4 cm) diameter
Footprint Diameter	3' 10" (1.17 m)
Height	4' 1" (1.24 m)
Weight: Mixer Assembly	53 lbs (24 kg)
Weight: Control Center	29.5 lbs (13.4 kg)
Material: Control Center	Powder-coated carbon steel, 3R enclosure
Material: Stand	316 stainless steel
Material: Motor Seals	Chlorine/chloramine-resistant NBR rubber
Material: Feet	Chlorine/chloramine-resistant EPDM rubber



Wiring	NSF 61 & UL-listed submersible pump cable 14 AWG (2.1 mm <sup>2</sup> ) XLPE
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**PAX Mixer Control Center Power Requirements (grid power)**

120 VAC, 15 amp circuit located within 75 feet of control center

**Safety Switch Requirements**

A NEMA 3R or better “Safety Disconnect Switch” installed by customer and located within 6 feet of the mixer Control Center.

**Standards, Environmental & Temperature Specifications**

Control Center Temperature Ranges

Operating temperature\*: -22°F to 129°F (-30°C to 54°C)

Storage temperature: -40°F to 155°F (-40°C to 70°C)

\*outside ambient temperature

*Figure 1: Typical mixer application – mixer is centered in water tank*

**Motor Specifications**

Water-filled, water-lubricated, maintenance-free brushless AC motor, carbon/ceramic thrust bearing construction. No electronics inside motor housing.

**Maintenance / Existing Customer Replacement Cost:**

No recommended maintenance, other than inspecting the unit whenever a tank is taken down for routine cleaning. The PWM400 comes with a standard 5 year warranty. Beyond the warranty period, PAX Water offers to replace the mixer with a refurbished unit at a significantly reduced cost in return for the existing mixer. This effort by PAX R&D is an attempt to better understand any wear characteristics of mixers in the field so we can continue to manufacture the highest quality solutions.

**SCADA Addition**

The PAX SCADA system can connect to existing systems through hard-wire connections, or a robust line of sight wireless connection if trenching and conduit runs are not feasible.

<b>SCADA Specifications</b>	
Input to board (dry contact)	Mixer On/Off
Output 1 (dry contact)	Mixer operating at required RPM
Output 2 (dry contact)	Mixer requires attention
Nominal power draw	2 watts

## **Purchasing Terms and Conditions**

All products sold by PAX Water Technologies, Inc. ("Seller") are sold in accordance with, and subject to, the following terms & conditions:

### **TERMS OF PURCHASE ORDER ACCEPTANCE AND COMPLETE AGREEMENT.**

Buyer's order for the Product is hereby accepted by Seller pursuant to the terms and conditions set forth herein, which constitute the complete agreement between the parties. This Agreement may not be altered or modified except in writing duly executed by both parties. Except as set forth herein, the parties agree there are no other contracts or agreements between them, oral or written, with respect to the Product sold hereunder (including any made or implied from past dealings or discussions). No additional or different terms and conditions stated in or attached to Buyer's communications to Seller, including but not limited to Buyer's purchase orders, are applicable to this transaction in any way, and are hereby rejected and shall not be considered as Buyer's exceptions to these terms and conditions. Trade custom, trade usage and past performance are hereby superseded and shall not be used to interpret these terms and conditions.

### **SHIPPING AND INSTALLATION DATES.**

Shipping and installation dates are estimates and are not guaranteed. Seller will use commercially reasonable efforts to make shipments and installations as scheduled. The completion of the order is subject to acts of God or public enemy, fires, severe weather, delays caused by governments (including government priority, preference or allocation), delays of suppliers in furnishing materials or services, and any causes beyond Seller's control.

### **PRICES.**

Unless expressly stated and agreed to in writing by Seller, all quoted prices do not include sales, use, excise, VAT or similar taxes or duties, if any. Buyer shall pay these taxes directly if the law permits or will reimburse Seller if Seller is required to collect and pay them. If applicable, Buyer will

provide certificates of tax exemption in advance, or will provide evidence of tax payment upon request. All payments are due in US Dollars unless otherwise agreed by the Seller in writing.

**TITLE AND RISK OF LOSS.**

Title to and risk of loss for the Product shall pass to Buyer when Product is shipped from a designated PAX facility (Incoterm Ex works), unless otherwise expressly agreed to in writing by an authorized officer of Seller.

**PAYMENT.**

Payment terms are net thirty (30) days from date of invoice subject to approved credit and Seller's credit terms. Where credit is not established or at Seller's reasonable discretion, Seller reserves the right to require payment or the issuance of an irrevocable letter of credit prior to shipment or installation. Any amounts not paid when due shall bear interest at the lesser rate of (i) 1 1/2% per month or (ii) at the highest rate permitted by law; from the date of shipment until paid. Seller may also refuse to sell to any person or replace or service any Product until all prior overdue accounts are paid in full.

**MANUFACTURE.**

Seller reserves the right to discontinue the manufacture of, or to change or modify the design or construction of products sold, without incurring any obligation to Buyer.

**WARRANTY.**

For the period of time beginning with shipment to Buyer and ending on the time periods listed below, the Product is warranted to be substantially free from defects in material and workmanship and to conform to Seller's specifications applicable to the Product –

- **Five (5) years** on all supplied parts with the original sale.
- One hundred and twenty (120) days on labor on installations completed by PAX Water Technologies, Inc. or approved third party installation contractors.

Warranty does not cover damage due to: (i) lightning, flood or other acts of nature, or failure of or inappropriate application of peripheral devices including lightning or surge protectors; (ii) negligence of Buyer or any third party; (iii) vandalism or any other misuse or mistreatment of the product; or (iv) installation by non-licensed contractor. Lightning protection is recommended in areas historically prone to lightning AND is the responsibility of the Buyer for proper installation in accordance with local, state, and national code requirements.

No warranty is given for products or components manufactured by companies not affiliated by ownership with Seller, or for products which have been subject to misuse, corrosion, or which have been disassembled, moved, tampered, modified or repaired by persons not authorized by Seller. Seller must receive immediate written notice of any defect. Seller's liability is limited solely to the repair or replacement of any Product, including replacing any defective parts therein or, at Seller's option, refunding to Buyer the purchase price allocable to the nonconforming Product. Seller reserves the right to provide new or reconditioned warranty replacement product(s). The product(s) will warranted for the remainder of the original warranty or for ninety (90) day from date of install whichever is greater. Any product(s) replaced under warranty must be returned, at Seller's option, to the Seller's designated location. Prior authorization is required before returning product(s) as Seller

will not accept any shipment for which prior authorization has not first been obtained. If Seller determines fault has been caused by improper maintenance or use, or by abnormal conditions of operation, Seller may bill repairs at Seller's normal rates.

EXCEPT AS EXPRESSLY SET FORTH HEREIN, SELLER DISCLAIMS ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, SUCH AS WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE. SELLER DISCLAIMS ALL WARRANTIES REGARDING ANY ANCILLARY SERVICES RENDERED, IF APPLICABLE.

#### **CONFIDENTIALITY.**

Buyer agrees that all drawings, prints and other technical material that Seller provides to Buyer, whether prepared by Seller or by third parties under contract to Seller, may contain data that embody trade secrets and confidential know-how of commercial value to Seller or third parties. Buyer agrees (a) to keep such information confidential; (b) that it will not disclose such information to any other person, corporate division or entity; (c) will not use such information except in connection with the products supplied hereunder; and (d) will not sell, lease, loan or permit any other person, corporate division or entity to use such information for any purpose, without Seller's prior written consent. Nothing herein shall restrict the use of information available to the general public. Further, shall not create derivative works, nor shall it attempt to disassemble, decipher, reverse engineer, or otherwise determine the Product.

#### **PATENT INDEMNITY.**

If a product manufactured by Seller and furnished to Buyer becomes or, in Seller's opinion, may become the subject of any claim, suit or proceeding for infringement of any United States patent, Seller may at its option and expense (i) obtain for Buyer the right to use, lease or sell the product, (ii) replace the product, (iii) modify the product, or (iv) remove the product and refund the purchase price paid by Buyer less a reasonable amount for use or obsolescence. Seller will not be liable for any infringement arising from the combination of products. Seller's total liability to Buyer will not, under any circumstances exceed the purchase price paid for the allegedly infringing product. Buyer agrees, at its expense, to protect and defend Seller against any claim of patent infringement arising from compliance with Buyer's designs, specifications or instructions and to hold Seller harmless from damages, costs and expenses attributable to any such claim.

#### **INDEMNITY & INSURANCE.**

Buyer agrees to defend, indemnify and hold the Seller (and its agents, representatives, employees, officers, related companies, affiliates, successors and assigns, and customers) harmless from all claims, demands, actions, damages, and liabilities (including attorney's fees and consequential and incidental damages) arising out of any injury (including death) to any person or damage to any property in any way connected with any act or omission of Buyer, its agents, employees, or subcontractors.

#### **LIMITATION OF DAMAGES.**

IN NO EVENT SHALL SELLER BE LIABLE, IN CONTRACT, TORT, STRICT LIABILITY, OR UNDER ANY OTHER LEGAL THEORY, FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL AND/OR PUNITIVE DAMAGES OR FOR LOSS OF PROFIT, REVENUE OR DATA, REGARDLESS OF WHETHER IT WAS INFORMED ABOUT THE POSSIBILITY OF SUCH DAMAGES, AND IN NO EVENT SHALL SELLER'S TOTAL LIABILITY EXCEED AN AMOUNT EQUAL TO THE SALES PRICE.

**FORCE MAJEURE.**

Seller shall be excused for delays in delivery or performance where such delay is due to acts of God, acts of Buyer not within its rights, actors of civil or military authority, fires, strikes, floods, epidemics, war, riot or other similar causes beyond Seller's control which Seller could not have reasonably foreseen.

**ASSIGNMENT.**

These terms and conditions may not be assigned by Buyer without the prior written consent of Seller. Any such assignment without Seller's prior written consent shall be void.

**SOLVENCY.**

Buyer's order represents that Buyer is solvent and able to pay for the Product. If Buyer fails to make payment when due or makes an assignment for the benefit of creditors or if bankruptcy or insolvency proceedings are instituted by or against Buyer, Buyer will be deemed to be in default and Seller will have the right to terminate its obligations by written notice to Buyer, but such termination will not affect Buyer's obligation to pay for products delivered and works in progress.

**U.S. EXPORT CONTROL REGULATIONS.**

All products sold by Seller to Buyer are subject to the export control laws of the United States and Buyer agrees not to divert or resell any such products contrary to such laws.

**WAIVER.**

No failure or delay by Seller in exercising any right hereunder will operate as a waiver thereof nor will any single or partial exercise of any right hereunder preclude further exercise of the same.

**JURISDICTION AND DISPUTES.**

These terms and conditions shall be governed by the laws of the state of California, USA, without regard to conflict of law provisions. Unless otherwise agreed by both parties, disputes related to the sale of products hereunder shall be resolved by the courts located in California and the parties hereby consent to such jurisdiction, agree to accept service process by mail, and hereby waive any jurisdiction or venue defenses otherwise available.

**VALIDITY OF PROVISIONS.**

In the event any provision or portion of any provision of these terms and conditions shall be held invalid, void or otherwise unenforceable, such holding shall not affect the remaining part or portions of that provision, or any other provision hereof.

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Addendum A

The following is the scope of supply for labor, material, and equipment to perform the Electrical work at the Rancho La Merced tank located at 2081 Rancho La Merced Dr., Covina, CA.

- Utilize (E) Pull box at Tank with (E) 2" conduit from pull box to Dirt area
- Install ¾" Ocal conduit from new below ground Pull box to Electrical Panel Conduit to be installed on block wall
- Erect Strut frame for Pax Controller at water tank
- Hand dig approximately 10' from New PVC pull box on block wall to Electrical Panel
- Install galvanized rigid conduit up tank to hatch
- Install new 20 amp Circuit Breaker at Existing Electrical Panel
- Install new Control cabling and Power cabling
- Daily Cleanup of trade related debris
- Work to be performed during regular business hours Monday-Friday 6:00-2:30 P.M.

**EXHIBIT B**  
**CALIFORNIA LABOR CODE COMPLIANCE**  
**(Labor Code §§ 1720 et seq., 1813, 1860, 1861, 3700)**

If this Agreement calls for services that, in whole or in part, constitute “public works” as defined in the California Labor Code, then:

1. This Agreement is subject to the provisions of Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code relating to public works and the awarding public agency (“City”) and Contractor agrees to be bound by all the provisions thereof as though set forth in full herein.
2. Contractor shall be registered with the Department of Industrial Relations (“DIR”) in accordance with California Labor Code Section 1725.5 and has provided proof of registration to City prior to the Effective Date of this Agreement.
3. Contractor shall comply with the provisions of California Labor Code Sections 1771, 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The applicable prevailing wage determination(s) may be obtained at (<http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>), are on file with City, and are available to any interested party upon request. Contractor shall, as a penalty to City, forfeit not more than two-hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for the work or craft in which the worker is employed for any public work done under this Agreement by Contractor or by any subcontractor.
4. Pursuant to California Labor Code Section 1771.4, Contractor’s services are subject to compliance monitoring and enforcement by the Department of Industrial Relations. Contractor shall post job site notices as prescribed by DIR regulations and agrees to furnish the records specified in California Labor Code Section 1776 directly to the Labor Commissioner in the manner prescribed by California Labor Code Section 1771.4(a)(3) and (c)(2).
5. Contractor shall comply with the provisions of California Labor Code Section 1776 which, among other things, require Contractor and each subcontractor to: (1) keep accurate payroll records, (2) certify and make such payroll records available for inspection as provided by Section 1776, and (3) inform City of the location of the records. Contractor is responsible for compliance with Section 1776 by itself and all of its subcontractors.
6. Contractor shall comply with the provisions of California Labor Code Section 1777.5 concerning the employment of apprentices on public works projects, and further agrees that Contractor is responsible for compliance with Section 1777.5 by itself and all of its subcontractors.

7. Contractor shall comply with the provisions of California Labor Code Section 1813 concerning penalties for workers who work excess hours. Contractor shall, as a penalty to City, forfeit twenty-five dollars (\$25) for each worker employed in the execution of this Agreement by Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the California Labor Code.
8. California Labor Code Sections 1860 and 3700 provide that every contractor will be required to secure the payment of compensation to its employees. In accordance with the provisions of California Labor Code Section 1861, Contractor hereby certifies as follows:

“I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Agreement.”

Date \_\_\_\_\_ Signature \_\_\_\_\_

**RESOLUTION NO. 16-7538**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, TO AMEND THE FISCAL YEAR 2017-2021 CAPITAL IMPROVEMENT PROGRAM AND THE FISCAL YEAR 2017 CAPITAL IMPROVEMENT PROGRAM BUDGET TO REFLECT AN APPROPRIATION OF \$17,604 FROM AVAILABLE WATER CAPITAL IMPROVEMENT FUND BALANCE TO INCREASE FUNDING FOR THE RANCHO LA MERCED RESERVOIR PAX WATER TECHNOLOGIES MIXER PROJECT AND INCREASE THE FISCAL YEAR WATER CAPITAL IMPROVEMENT BUDGET (ACCOUNT NO. (6011-5080-55410-W1707) IN THE AMOUNT OF \$17,604 AND TO APPROVE SUCH PROCUREMENT**

**WHEREAS**, the City of Covina is a municipal corporation duly organized and existing pursuant to the Constitution and laws of the State of California (“City”); and

**WHEREAS**, on July 19, 2016, the City Council adopted Resolution No. 16-7504 approving the Fiscal Year 2017-2021 Capital Improvement Program and the Fiscal Year 2017 Capital Improvement Budget; and

**WHEREAS**, the approved Operating Budget and Capital Improvement Program budget are in accordance with all applicable ordinances of the City and all applicable statutes of the State; and

**WHEREAS**, the reallocation of the appropriations between departmental activities may be made by the City Manager and amendments (increases/decreases) to the adopted 2017 Capital Improvement Program budget shall be by approval and Resolution of the City Council; and

**WHEREAS**, the approved 2017-2021 Capital Improvement Program and the Fiscal Year 2017 Operating Budget and Capital Improvement Program Budget includes \$35,000 for the Rancho La Merced Reservoir PAX Water Technologies Mixer project; and

**WHEREAS**, the need to enhance the water quality at Rancho La Merced Reservoir is necessary and recommended by the State Water Resources Control Board, Division of Drinking Water; and

**WHEREAS**, several years ago, the City selected the PAX Water Technologies Mixer as its standard equipment based on its performance in comparison with other mixing technologies and has equipped five of its reservoirs with this technology, including the four reservoirs at the Charter Oak site and Rancho Simi Reservoir; and

**WHEREAS**, the City’s standardization with the PAX Water Technologies Mixer has provided satisfactory performance and allows City personnel familiarity with mechanical operations and provides efficiency with ordering parts and inventory. Additionally, PAX Mixers are compatible with the City’s Supervisory Control and Data Acquisition (SCADA) system; and

**WHEREAS**, the purchase and installation of a PAX Water Technologies Mixer is an industry best management practice to create a powerful vortex flow pattern inside water storage tanks to circulate the entire volume, top to bottom, and eliminate thermal stratification. The addition of a mixer to the reservoir will mitigate conditions favorable to residual loss, disinfection byproducts, and nitrification; and

**WHEREAS**, mixing technology is also crucial, as it enables the use of a Residual Control System (RCS) at the reservoir site by circulating chemicals evenly throughout the tank. RCS is an automated disinfectant boosting system that gives operators the ability to set and maintain residual levels in water storage tanks and key locations within the distribution system; and

**WHEREAS**, PAX Water Mixing Technology combined with RCS technology is a proven methodology that has been used by several local municipalities to mitigate symptoms of nitrification in their water systems; and

**WHEREAS**, Doane and Hartwig Water Systems, Inc., is the sole distributor of the PAX Water Technologies Mixer in Southern California; and

**WHEREAS**, Covina Municipal Code Section 2.20.080 (Bidding – Required – Exceptions), Subsection B, allows procurement by noncompetitive proposals when the supply, service, or equipment is available from only one source, which is the case with the PAX Water Technologies Mixer provided by Doane and Hartwig Water Systems, Inc., for the Rancho La Merced Reservoir; and

**WHEREAS**, Covina Municipal Code Section 2.20.175 (Purchase - Professional and specialized services) recognizes that some professional services are so specialized that procurement of such services by competitive means is not necessary or in the City's best interest. In this case, the PAX Water Technologies Mixer is the City's standard mixer and can only be supplied by Doane and Hartwig Water Systems, Inc. Doane and Hartwig Water Systems, Inc. has demonstrated its competence and specialized experience in installing such mixing technology in other City reservoirs; and

**WHEREAS**, the City of Covina wishes to allocate additional funding for the completion of the Rancho La Merced Reservoir PAX Water Technologies Mixer project.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** Amend the Fiscal Year 2017-2021 Capital Improvement Program and the Fiscal Year 2017 Capital Improvement Program budget as follows: Increase funding for the Rancho La Merced Reservoir PAX Water Technologies Mixer project by \$17,604. Appropriate \$17,604 from available Water Capital Improvement Fund balance to the Rancho La Merced Reservoir PAX Water Technologies Mixer project (account no. 6011-5080-55410-W1707).

**SECTION 2.** Authorize the purchase of the PAX Water Technologies Mixer for the Rancho La Merced Reservoir as described in the Recitals, above, in this Resolution.

**SECTION 3.** The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

**APPROVED** and **PASSED** this 4th day of October, 2016.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7538 was duly adopted by the City Council of the City of Covina at a regular meeting held on the \_\_\_ day of \_\_\_\_\_, 20\_\_, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:

Dated:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk



# CITY OF COVINA

## AGENDA REPORT

ITEM NO. CB 1

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**MEETING DATE:** October 4, 2016

**TITLE:** Covina Senior and Community Center Project – Designation of Kelby Park and the Covina Woman’s Club as Possible Site Alternatives for Placement of New Center, Adoption of **Resolution No. 16-7533** Authorizing Application for Grant Funds from Los Angeles County Regional Park and Open Space District for Fifth Supervisorial District Competitive Excess Funding, and First Amendment to Agreement between City of Covina and Gonzalez Goodale Architects to Provide Planning, Programming, Architectural, and Engineering services for Initial Phase of Covina Senior and Community Center Project

**PRESENTED BY:** Siobhan Foster, Director of Public Works

**RECOMMENDATION:**

- 1) Direct City staff to pursue the placement of the Covina Senior and Community Center in Kelby Park and at the site of the Covina Woman’s Club;
- 2) Adopt Resolution No. 16-7533 authorizing the application for \$1.9 million in grant funds from the Los Angeles County Regional Park and Open Space District for Fifth Supervisorial District Competitive Excess Funding for the Covina Senior and Community Center Project; and
- 3) Approve and authorize the Interim City Manager to execute on the City Council’s behalf, in substantial form, the attached First Amendment to the Agreement between the City of Covina and Gonzalez Goodale Architects to (1) extend the term of the agreement through June 30, 2017, (2) amend the scope of work to (a) reflect the placement of the Covina Senior and Community Center at a location to be designated by the City Council and (b) prepare a General Building and Site Analysis of the Covina Woman’s Club, (3) increase the total compensation by \$20,000 to a not-to-exceed amount of \$120,000, and (4) include provisions required for compliancy with federal law and Community Development Block Grant (CDBG) requirements, subject to the City Attorney’s review and approval as to form.

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**BACKGROUND:**

On September 15, 2015, the City Council received and filed the Joslyn Center update, authorized the City Manager to issue a Request for Proposal (RFP) to provide community and internal outreach to ascertain facility-user needs and Department of Parks and Recreation

programming needs, in addition to obtaining City Council input in the design process for the Covina Senior and Community Center Project, and directed the Departments of Parks and Recreation and Human Resources to identify temporary locations to accommodate Joslyn Center programming requirements and initiate negotiations with property owners.

On November 10, 2015, the Department of Public Works issued the RFP to Provide Planning, Programming, Architectural, and Engineering Services for the Initial Phase of the Covina Senior and Community Center Project. Consulting services for the initial phase of the Project include completion of user and programmatic needs assessments, community and internal engagement, site evaluation and recommendation, visioning and conceptual designs, cost estimates, and project timelines.

The City issued the RFP to 18 firms with significant expertise in the design of municipal senior centers and recreational facilities and proven track records with both design-build and design-bid-build project delivery models. The RFP was also posted on the City's website. By 4:00 p.m. on December 3, 2015, the City of Covina City Clerk's Office had received responses from seven firms.

A review committee consisting of Lisa Evans, Parks & Recreation Manager, Siobhan Foster, Director of Public Works, David Gilbertson, City Engineer, Amy Hall-McGrade, Director of Parks & Recreation, and Brian Lee, Director of Community Development, independently evaluated the seven proposals received by the City. Proposal review focused on the evaluation criteria outlined in the RFP:

1. Project Staffing and Organization (10 points);
2. Community and Internal Engagement (30 points);
3. Design of Senior Centers and Recreational Facilities (30 points);
4. Specific management approach (20 points); and
5. Project Schedule (10 points).

The review committee rated the proposals based on the above criteria. Gonzalez Goodale Architects was the top rated proposer. Following the proposal evaluation, the review committee interviewed the four top rated firms on December 17, 2015. The purpose of the interviews was to meet key personnel from each firm and gain a better understanding of how each of the firms would work and fit with the community and City staff. The interviews were not scored and reaffirmed the top rating of Gonzalez Goodale Architects.

On January 19, 2016, the City Council authorized the City Manager to execute a Professional Services Agreement with Gonzalez Goodale Architects to Provide Planning, Programming, Architectural, and Engineering Services for the Initial Phase of the Covina Senior and Community Center Project in an amount not-to-exceed \$100,000; adopted Resolution No. 16-7454 appropriating \$500,000 in available Special General Fund – Rule 20A Swap balance for the Initial Phase of the Covina Senior and Community Center Project, topographic survey and soils geologic analysis, and seed money for subsequent phases of the project; and directed City staff to pursue placement of the Covina Senior and Community Center in Covina Park.

On January 19, 2016, the City Council, in a separate action, adopted Resolution No. 16-7452, authorizing the allocation of the Forty Second Year CDBG funds for FY 2016-2017. This action includes \$416,188 in funding for the Covina Senior and Community Center Project – Phase II. Funds will be released by Los Angeles County Community Development Commission once the design phase is complete.

Subsequently, on February 19, 2016, the City Council adopted Resolution No. 16-7463, authorizing the termination of the Forty-First Year CDBG Project 600525-15, Economic Development, and approving the new Senior Center construction project (Phase I). This action approved \$202,309 in funding for the design phase of the project, effective through June 30, 2017.

At the City Council Study Session on February 16, 2016, representatives from Gonzalez Goodale Architects updated the City Council on the initial Client Team Meeting held with City staff on January 26, 2016 and reviewed a working draft of the Community Participation Workshop #1 presentation, scheduled for February 22, 2016, from 9:00 a.m. to 11:00 a.m. at the Joslyn Center. During the Study Session, Gonzalez Goodale Architects also reviewed and received feedback from the City Council on the following:

1. Draft Project Guiding Principles;
2. The facility program; and
3. Initial site utilization/location studies.

On February 22, 2016, the City and Gonzalez Goodale Architects hosted Community Workshop #1. Approximately 100 persons attended the workshop. Following the presentation of the items listed above, attendees offered numerous comments, largely focused on the concern of the possible placement of the new facility in Covina Park.

On February 23, 2016, Amy Hall-McGrade, Parks & Recreation Director and department staff engaged users of the Joslyn Center to gain a thorough understanding of their needs and expectations for the Covina Senior and Community Center. Joslyn Center users expressed the desire for windows, fresh air, and access to outside spaces, wide hallways, large restrooms, a design that fosters intergenerational exposure, and possible space for weight equipment and billiards, among other items.

At the City Council Study Session on March 1, 2016, City staff and Gonzalez Goodale representatives presented an update on the following:

1. Community engagement efforts;
2. Concept of increasing open space in Covina Park should the facility be placed there by eliminating/consolidating obsolete uses and moving softball activities to a refurbished Kelby Park;
3. How the City plans to address current parking deficiency and provide sufficient parking to support the new facility, if placed in Covina Park; and
4. Comparative architectural vernaculars consistent with Adams Park neighborhood that could be reflected in the new facility, should it be placed in Covina Park.

Extensive public comment was received at the March 1, 2016 City Council Study Session. The majority of the input expressed dissatisfaction with the possible placement of the Covina Senior and Community Center in Covina Park and suggested possible alternative sites, including the Covina Woman's Club and other parcels. Public comments of a similar nature were made at the March 1, 2016 City Council Meeting.

On March 21, 2016, the City held Community Workshop #2, from 7:00 p.m. to 9:00 p.m., at the Recreation Hall in Covina Park. Multiple City department directors presented information on project chronology, site location alternatives, project funding, the draft space program for the new facility, and answered questions from the community. The majority of the City's presentation focused on the systematic assessment of eight possible sites for placement of the Covina Senior and Community Center, including (in alphabetical order):

1. Badillo Street/Downtown (135 E. Badillo Street);
2. Brunswick Bowling Alley (1060 W. San Bernardino Avenue);
3. Civic Center/State Building (233 N. Second Avenue);
4. Covina Park (303 S. Fourth Avenue);
5. Covina Woman's Club (128 S. San Jose Avenue);
6. Hollenbeck Park (1250 N. Hollenbeck Avenue);
7. Kelby Park (815 N. Barranca Avenue); and
8. K-Mart (1162 N. Citrus Avenue).

Uniform criteria used to assess each of the possible site locations, included (in alphabetical order):

1. Adjacent land uses;
2. Economic impacts;
3. Environmental review (CEQA);
4. Location;
5. Lot size;
6. Other site consideration;
7. Parking;
8. Project funding;
9. Property ownership; and
10. Traffic safety.

Approximately 100 residents attended the workshop with many participating in the public comment period. Residents expressed concern with the possible placement of the facility in Covina Park, provided input on the alternative sites presented, and conveyed the need to move the project ahead swiftly regardless of site location.

On April 5, 2016, the City Council received an update on the eight site location alternatives for the Covina Senior and Community Center listed above, each evaluated based on the criteria listed above. Following public input and discussion, the City Council unanimously moved to exclude four site locations from ongoing Covina Senior and Community Center project consideration:

1. Badillo Street/Downtown;
2. Brunswick Bowling Alley;
3. Covina Park; and
4. K-Mart.

On April 5, 2016, the City Council also directed staff to explore and exhaust all options, with both public and private property owners in Successor Agency Project Area One. This specific project area includes approximately \$4.8 million funding opportunity in the Successor Agency. The City Manager temporarily placed the agreement with Gonzalez Goodale Architects on hold, pending site selection by the City Council. At that time, Gonzalez Goodale Architects had completed approximately 20% of the Scope of Services. Key remaining services include site evaluation and recommendation, conceptual designs, cost estimates, and timelines.

Since April 5, 2016, City staff has diligently explored options for siting the Covina Senior and Community Center in Successor Agency Project Area One and further refined the assessment of the site alternatives previously identified. This due diligence included exploration of available parcels and potential public/private partnerships in Successor Agency Project Area One.

On September 7 and September 14, 2016, the Interim City Manager submitted the attached \$1.9 million funding requests to Los Angeles County for the Covina Senior and Community Center project, at the request of Michael D. Antonovich, Los Angeles County Board of Supervisors, Fifth District. The letter requests \$1.0 million in new funding plus the reallocation of two previously approved grants in the amount of \$900,000, bringing the City of Covina's total funding request to \$1.9 million.

Given the limited time available to formally submit the funding request to the Board of Supervisors for final approval prior to the departure of Supervisor Antonovich in November, the City Manager identified Kelby Park as the site location for the Covina Senior and Community Center. The County indicated that a specific site had to be included in the City's funding request. Since the City owns and controls the Kelby Park site, City staff determined the best alternative was to identify Kelby Park as the location for the new center in the City's application.

If it is subsequently determined that another location is the preferred alternative, the City would request an amendment to its application for the new location. The Supervisor's Office indicated that an amendment is possible, but there are no guarantees, since we do not know who will be the new Supervisor for the Fifth District and whether that individual would support a revision to the location.

At the September 20, 2016, City Council Study Session, City staff presented a comprehensive assessment of four recommended site alternatives, including (in alphabetical order):

1. Covina iTec;
2. Covina Woman's Club;
3. Inter-Community Hospital partnership; and
4. Kelby Park.

City staff also outlined potential deal points associated with a partnership with the Covina Woman's Club and provided updates on the agreement with Gonzalez Goodale Architects, available project funding, and financing options. Following the presentation, the City Council and members of the public provided input on the site location alternatives presented by City staff. All parties emphasized the imperativeness of moving this critical project ahead as expeditiously as possible.

#### **DISCUSSION:**

Based on the input received from the City Council and members of the public at the September 20, 2016 City Council Study Session and the desire to move the Covina Senior and Community Center project ahead swiftly, City staff is recommending that the City Council authorize three actions this evening.

##### **1. Site Location Alternatives**

Authorizing City staff to concurrently pursue the placement of the Covina Senior and Community Center in Kelby Park and at the site of the Covina Woman's Club, will allow important efforts to occur simultaneously and ultimately assist the City Council in making a final site determination. With respect to Kelby Park, City staff would be able to continue working with Los Angeles County to secure \$1.9 million in grant funds from the Fifth Supervisorial District. The City may subsequently be able to request an amendment to its application, if a different site location is selected by the City Council.

Concurrently, the City would also be able to ascertain whether the remodel and expansion of the Covina Woman's Club is a logistical and economically feasible option. By conducting a

Building and Site Analysis of the existing Covina Woman’s Club, the City can determine what upgrades and renovations are necessary to meet current fire/life/safety, Americans with Disability Act (ADA) accessibility, environmental/green building, and other code requirements and achieve a level of improvement that could be reasonably expected to satisfy the space and functional needs of the Covina Senior and Community Center. This review would include information on architectural, structural (including seismic), and mechanical, electrical, and plumbing conditions with recommendations.

Should the review of the Covina Woman’s Club be favorable, the City Council will have valuable information about this site alternative when selecting a final location for the Covina Senior and Community Center. Additionally, should the City Council ultimately select a different site, the City may consider partnering with the Covina Woman’s Club in a different manner, such as acquiring the facility for use as a community events center.

While pursuing the placement of the Covina Senior and Community Center in Kelby Park and at the site of the Covina Woman’s Club, City staff would have additional time to continue exploring public/private partnerships that may allow placement within Successor Agency Project Area One. This will ensure the City Council has the most up-to-date information regarding this option when selecting a final site for the placement of the Covina Senior and Community Center.

2. Resolution No. 16-7533

On September 21, 2016, the Los Angeles County Regional Park and Open Space District informed the City of Covina of the need to enter into a Project Agreement with Los Angeles County for the requested \$1.9 million of funding for the Covina Senior and Community Center project. Adoption of Resolution No. 16-7533 authorizes the City Manager or designee to submit a funding application to the District, execute the Project Agreement sent by the District for authorizing signature within 30 days, and conduct negotiations and submit documents related to the completion of the project. Resolution No. 16-7533 also approves the requisite Youth Employment Plan. The nature of the construction requires that all work be performed by skilled laborers; therefore, this project will not be appropriate for the employment of youth.

3. First Amendment to Agreement between the City of Covina and Gonzalez Goodale Architects

As mentioned previously, the Agreement between the City of Covina and Gonzalez Goodale Architects approved by the City Council on January 19, 2016, following the completion of the RFP process, was temporarily placed on hold by the City Manager in April 2016, pending site selection by the City Council. At this juncture, it is necessary to extend the term of the Agreement through June 30, 2017 and amend the Scope of Services to indicate that Gonzalez Goodale Architects work will occur “at a site to be designated by the City Council.” This will allow the architect to immediately resume work upon site selection by the City Council.

Additionally, the proposed First Amendment expands the Scope of Services to include the General Building and Site Analysis of the Covina Woman’s Club and the associated \$20,000 increase in the Agreement’s compensation, from \$100,000 to \$120,000, for the assessment of the Covina Woman’s Club. The timeframe for completion of the General Building and Site Analysis is six weeks.

The project is being funded in part with federal funds. The Departments of Community Development and Public Works will work with the City Attorney’s Office to make necessary revisions to the Agreement to comply with federal law, per the CDBG requirements, by adding specific references in the Agreement to Section 3, Equal Opportunity; records retention; and specific anti-discrimination laws.

The General Building and Site Analysis will be based on a visual, on-site review of the facility and available documents and facility drawings provided by the City. The purpose is twofold:

1. To generally assess the current condition of the facility and determine what upgrades and renovations that might be necessary to meet current fire/life/safety, ADA accessibility, environmental/green building and other code requirements; and
2. To achieve a level of improvement that could be reasonably expected to satisfy the space and functional needs of a proposed Senior/Community Center.

The final report will include, in narrative, outline form, information on architectural, structural (including seismic), and mechanical/electrical/plumbing conditions with recommendations.

The culmination of these concurrent activities should provide the City Council with critical information necessary to make a formal site selection for placement of the Covina Senior and Community Center.

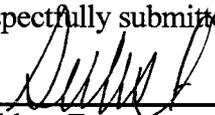
**FISCAL IMPACT:**

The fiscal impact associated with the proposed First Amendment to the Agreement between the City of Covina and Gonzalez Goodale Architects is \$20,000 for the expansion of the Scope of Services to include the General Building and Site Analysis of the Covina Woman’s Club. Sufficient funding for the analysis is available in the Covina Senior and Community Center project budget (account nos. 4600-3400-55100-P1601 and 2100-4950-SC15-P1601).

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA) and is exempt per Section 15061 (b) (3). The project is covered by the General Rule that CEQA applies to projects that have the potential for causing a significant effect on the environment. The consideration of possible sites for the placement of the Covina Senior and Community Center will not result in any significant effect on the environment. Once a project site is selected, an Initial Study will be conducted to determine the level of environment assessment required for the project.

Respectfully submitted,



Siobhan Foster  
Director of Public Works

**ATTACHMENTS:**

Attachment A: City of Covina Agenda Report, Item NB 2, January 19, 2016 (only with Attachment A)

Attachment B: City of Covina Funding Request, Letter to Kathryn Barger, Chief of Staff to Michael D. Antonovich, Los Angeles County Board of Supervisors, Fifth District, September 7, 2016, and Letter to Albert Ablaza, Program Manager, Los Angeles County Park and Open Space District, September 14, 2016

Attachment C: City of Covina Study Session Report, NB 2, September 20, 2016 (without attachments)

Attachment D: Resolution No. 16-7533

Attachment E: First Amendment to the Agreement between the City of Covina and Gonzalez Goodale Architects



# CITY OF COVINA

## AGENDA REPORT

ITEM NO. NB 2

**MEETING DATE:** January 19, 2016

**TITLE:** Covina Senior Center Project – Proposed Professional Services Agreement with Gonzalez Goodale Architects to Provide Planning, Programming, Architectural, and Engineering Services for the Initial Phase of the Covina Senior Center Project, Boundary and Topographic Survey and Soils and Geologic Analysis, and Selection of Park Location for Facility Placement

**PRESENTED BY:** Siobhan Foster, Director of Public Works  
Amy Hall-McGrade, Director of Parks & Recreation  
Brian Lee, Director of Community Development  
John Michicoff, Interim Finance Director

**RECOMMENDATION:**

- 1) Authorize the City Manager to execute the attached Professional Services Agreement with Gonzalez Goodale Architects to Provide Planning, Programming, Architectural, and Engineering Services for the Initial Phase of the Covina Senior Center Project in an amount not-to-exceed \$100,000;
- 2) Adopt **Resolution No. 16-7454** appropriating \$500,000 in available Special General Fund – Rule 20A Swap balance (account no. 1060-0000-59140) to the fiscal year 2015-16 budget and allocating the funds to Capital Improvements (Parks and Recreation) – Park Facilities – Building & Structures – Covina Senior Center (account no. 4600-3400-55100-P-1601) for the Initial Phase of the Covina Senior Center Project, topographic survey and soils and geologic analysis, and seed money for subsequent phases of the project; and
- 3) Direct City staff to pursue placement of the Covina Senior Center in Covina Park.

**BACKGROUND:**

On September 15, 2015, the City Council received and filed the Joslyn Center Facility Update, authorized the City Manager to issue a Request for Proposals (RFP) for community and internal outreach to ascertain facility-user needs and Parks & Recreation Department programming needs, including the City Council, and directed staff to identify temporary locations to accommodate senior programming requirements as an interim measure and initiate negotiations with property owners.

**DISCUSSION:**

On November 10, 2015, the Department of Public Works issued the attached RFP to Provide Planning, Programming, Architectural and Engineering Services for the Initial Phase of the

**Covina Senior Center Project.** Consulting services for the initial phase of the Project include completion of user and programmatic needs assessments, community and internal engagement, site evaluation and recommendation, visioning and conceptual designs, cost estimates, and project timelines. These services are essential elements of a public facility project, whether using a design-build or design-bid-build project delivery model and will help facilitate smooth processes in either methodology.

The City's primary goals in connection with this RFP are:

- A. Identification of user and programmatic needs for the new facility and the development of visioning and conceptual designs, project budgets, and timelines informed by the input received during the community and internal engagement process in an expedited fashion (on-time or ahead of schedule); and**
- B. Establishment and maintenance of good relationships with stakeholders through a community and internal engagement process that emphasizes communication, open dialogue, and cooperative decision making.**

The City issued the RFP to 18 firms with significant expertise in the design of municipal senior centers and recreational facilities and proven track records with both design-build and design-bid-build project delivery models. The RFP was also posted on the City's website. By 4:00 p.m. on December 3, 2015, the City of Covina City Clerk's Office had received responses from seven firms.

A review committee consisting of Lisa Evans, Parks & Recreation Manager, Siobhan Foster, Director of Public Works, David Gilbertson, City Engineer, Amy Hall-McGrade, Director of Parks & Recreation, and Brian Lee, Director of Community Development, evaluated the seven proposals received by the City. Proposal review focused on the following criteria, as outlined in the RFP:

- A. Project Staffing and Organization (10 points).** Does the Letter to the Selection Committee provide the rationale for team selection and highlight the strengths of the proposer's proposed team? Proposal shall demonstrate qualifications based on the proposer's overall professional and practical experience and key personnel.
- B. Community and Internal Engagement (30 points).** Specific experience of the proposer's firm and key personnel in effective completion of community and internal engagement processes, including user and programmatic needs assessments. Proposal shall demonstrate the proposer's successful completion of up to three (3) community and internal engagement processes of similar size and scope in California within the last eight (8) years.
- C. Design of Senior Centers and Recreational Facilities (30 points).** Specific experience of proposer's firm and key personnel in design of senior centers and/or recreational facilities (provide references). Proposal shall demonstrate design of up to three (3) public projects of comparable complexity, including senior centers, recreation centers, community centers, or similar public projects in California within the last eight (8) years.
- D. Specific management approach (20 points).** Has the proposer described its Project Understanding and Approach, including its ability to perform and complete the services required under this RFP on time and in a cost-effective manner with experienced personnel? Proposal shall clearly outline a project-specific Community and Internal

Engagement Plan, including the completion of user and programmatic needs assessments.

- E. Project Schedule (10 points). Has the proposer presented a thorough and expedient schedule for performance of the Scope of Services required under this RFP? Proposals shall clearly outline a project-specific schedule that meets or exceeds the 100 to 120 day completion schedule (on or before May 18, 2016), as marked by the acceptance of the final conceptual Covina Senior Center plan and site plan by the City.

The review committee rated the proposals based on the above criteria. The following table summarizes the proposal rankings.

Table 1 – Summary of Proposal Ratings (*firms listed in alphabetical order*)

Firm	Staffing (50 pts)	Engage (150 pts)	Design (150 pts)	Approach (100 pts)	Schedule (50 pts)	Total (500 pts)	Rank
Gonzalez Goodale Architects	43	146	144	96	46	475	1
Gwynne Pugh Urban Studio	41	130	128	82	43	424	4
Martinez Architects, Inc.	37	99	122	77	38	373	5
NAC Architecture	46	132	111	95	49	433	2
SVA Architects, Inc.	43	124	139	86	36	428	3
TR Design Group Inc.	35	102	102	84	42	365	6
WMM Associates	29	45	35	40	5	154	7

Following the proposal evaluation, the review committee interviewed the four top rated firms on December 17, 2015. The purpose of the interviews was to meet key personnel from each firm and gain a better understanding of how each of the firms would work and fit with the community and City staff. The interviews were not scored and reaffirmed the proposal ratings outlined above.

The review committee subsequently opened the cost proposal submitted by Gonzales Goodale Architects (GGA) and entered negotiations with the firm. GGA has extensive experience with the design of municipal senior centers and recreational facilities and both design-build and design-bid-build project delivery models. The attached Professional Services Agreement (PSA) reflects the outcome of successful negotiations between the City and GGA. GGA is prepared to begin providing services to the City upon contract approval by the City Council and subsequent contract execution.

Time is of the essence with respect to the completion of this phase of the Project. With the pending closure and demolition of the existing Joslyn Center and the relocation of senior recreation programming to Valleydale Park Community Center, the need to complete this phase of the Project thoroughly and expediently is critical. The desired timeframe for completion of the awarded contract is within 100 to 120 calendar days (on or before May 18, 2016) from the date of the issuance of the Notice to Proceed, tentatively scheduled for January 20, 2016.

Attachment D contains the Covina Senior Center Project and Tasks submitted by GGA and illustrates the tasks and timeline associated with the completion of the Project by May 18, 2016. Specific tasks include:

- Task 1: Site evaluation/programmatic needs assessment
- Task 2: Community outreach and public participation
- Task 3: Conceptual plans
- Task 4: Project specific website support and progress reports
- Task 5: Project timeline and schedule management

The Project includes an elaborate program of community and internal engagement to determine the needs and vision of facility users, programming staff, and other interested parties, including the City Council. GGA will then reflect the gathered input in the conceptual designs. The goals of this process are to:

- A. Participation. Generate utmost participation of facility users, the Joslyn Center Senior Advisory Committee, programming staff, and other interested parties, including the Covina City Council;
- B. Collaboration. Collaborative idea generation with focus on identification of operational and spatial characteristics (e.g., layout that allows visibility of activities, generates a desirable social feeling, warm and inviting) worthy of inclusion into design program, desired physical spaces (anticipated uses and utilization) such as main entry, lounge, patio, multipurpose room, warming kitchen, and rooms for arts and crafts, exercise/sports, and games, and support needs (e.g., specialty design features, accessibility, circulation, noise reduction, green development, temperature controls, media capability); and
- C. Consensus. Achievement of consensus on desired building program.

GGA is uniquely qualified to provide the requested services to Covina, having recently competed and/or currently performing community engagement and executive architect roles in senior center and recreational facility projects throughout the region utilizing design-build, design-bid-build, and other innovative project delivery models.

GGA and design-build partner Pankow Builders are currently constructing the \$5 million, 8,500 SF Calabasas Senior Community Center. This project is comparable to the Covina project in terms of budget, size, and extensive community engagement process utilized to develop the layout and design. Construction is expected to be completed in summer 2016. GGA is also qualified to proceed and is designing a new middle school for Los Angeles Unified School District with design-builder partner Kemp Bros. Construction. Final selection of design build teams is pending.

Comparable design-bid-build projects that GGA has been involved with include the Westlake Village Senior Community, Rowland Heights Community Center (for County of Los Angeles Community Development Commission), Simi Valley Senior Center, Diamond Bar Community and Senior Center, and Monrovia Public Library and Park. As executive architect for the Monrovia Library project, GGA advocated for use of a construction management at risk approach, which brought the contractor in to consult during the design phase and resulted in the project being delivered under budget.

Currently, GGA and partner Pankow Builders are in the design phase for a \$15 million student center at the California Institute of Technology (Caltech). This project is utilizing Integrated Project Delivery (IPD). IPD represents a return to the "master builder" concept where the entire building team including the owner, architect, general contractor, building engineers, fabricators, and subcontractors work collaboratively throughout the construction process.

#### Boundary and Topographic Survey and Soils and Geologic Analysis

To support the development of the conceptual site plan by GGA and facilitate the design and construction phases of the Covina Senior Center Project, the preparation of a boundary and topographic survey and completion of a soils and geologic analysis is necessary at this time. The estimated cost of these services is \$30,000.

The boundary and topographic survey will consist of:

- Boundary analysis to establish current property lines;
- Topographic survey to establish 1-foot contour intervals, including precise location of all existing structures and improvements, finish surface and finish grade elevations, and trees; and
- Location of all existing utilities, such as water, electric and gas services, fire hydrants, manholes, valves, light standards, etc.

The soils and geologic analysis will include:

- Obtaining soil borings to determine subsurface strata and design characteristics of underlying soils; and
- Preparation of report outlining proposed recommendations for soil compaction, design strengths, over-excavation, etc.

Once funding is available, the Department of Public Works will solicit proposals for the boundary and topographic survey and soils and geologic analysis from qualified members of the pre-qualified on-call engineering bench, as approved by the City Council on January 20, 2015. The firm(s) will be procured for the specific project(s) in accordance with Covina Municipal Code requirements.

Location of New Covina Senior Center

As the City prepares to embark on the Initial Phase of the Covina Senior Center Project, it is imperative to reaffirm the City’s commitment to delivering this critical project in an inclusive and timely manner to the residents of our community. As such, one consideration that must be explored at this time is determining the most advantageous site for placement and construction of the Covina Senior Center.

The September 15, 2015, Joslyn Center Facility Update presented to the City Council conveyed staff’s intent to demolish the existing Joslyn Center located in Kelby Park and construct the new Covina Senior Center in a to-be-determined location within Kelby Park based on the outcomes of a comprehensive site assessment process.

The intent to site the new facility within Kelby Park, which was reflected in the RFP for the Initial Phase of the Covina Senior Center Project, was based primarily on funding availability and the likelihood of being able to reprogram \$900,000 in grant funding previously allocated to the City by Los Angeles County for Joslyn Center (\$650,000) and Kelby Park (\$250,000). A secondary consideration was the familiarity and affinity of Joslyn Center users to Kelby Park site. As of September 15, 2015, the possible funding sources for the estimated \$6.0 million project were as follows:

Table 2 – Possible Funding Sources for Design and Construction of Covina Senior Center (as of 9/15/15)

Possible Funding Source	Amount
Cities Excess Funds available to Fifth Supervisorial District pursuant to Los Angeles County Safe Neighborhood Parks Proposition of 1996 for Joslyn Senior Citizen’s Center Improvement Project	\$650,000
Cities Excess Funds available to Fifth Supervisorial District pursuant to Los Angeles County Safe Neighborhood Parks Proposition of 1996 for Joslyn Center ADA Beautification Improvement Project,	\$250,000
City Funds (e.g., Kahler Russell Park Gym remaining funds, Quimby Fees, Joslyn Foundation Donation Fund)	\$500,000 to \$700,000

Possible Funding Source	Amount
Community Development Block Grant (CDBG)	\$200,000 to \$400,000
<b>Total</b>	<b>\$1,600,000 to \$2,000,000</b>

The remaining estimated project funding of \$4.0 to \$4.4 million would have to come from additional grant funding and/or through financing. It should be noted that the adoption of Resolution No. 16-7443 by the City Council on January 5, 2016, which appropriated \$556,000 from the Quimby Fees Fund to the Banna Park Open Space Purchase Fund for land acquisition associated with the future development of 1.97 acre park, reduces the available funding outlined above, as conceptually presented to the City Council on September 15, 2015, by \$556,000.

Recently, City staff has identified that Successor Agency Project Area One has approximately \$4,073,000 in funding available for projects within the boundaries of the project area from the 2004 Public Service Bond Funds issued by the Covina Redevelopment Agency (CRA). These funds could possibly be used as a funding source for the Covina Senior Center Project if the project is constructed within Project Area One and meets various other requirements.

The \$4,073,000 in bond proceeds coupled with the anticipated reprogramming of \$900,000 in County grant funds and proposed allocation of \$600,000 in CDBG monies almost entirely funds the anticipated \$6.0 million project. Additional proceeds from the 2004 Public Service Bond Funds (\$421,000) and a previous 2002 bond issuance (\$618,000) may be available from the Department of Parks & Recreation. Only \$12,000 of these funds has been spent to date with approximately \$227,000 slated for bandshell, pool deck, and building upgrades at Covina Park, leaving \$800,000 in previously appropriated funding to the Covina Park Health and Safety Renovation Project available. The following depicts the possible available funding for the estimated \$6.0 million Covina Senior Center Project should it be constructed in Project Area One:

Table 3 – Possible Funding Sources for Design and Construction of Covina Senior Center in Project Area One (as of 1/19/16)

Possible Funding Source	Amount
2004 Public Service Bond Funds	\$4,073,000
Unexpended 2004 and 2002 Public Service Bond Funds (Covina Park Health & Safety Renovation Project)	\$800,000
Cities Excess Funds available to Fifth Supervisorial District pursuant to Los Angeles County Safe Neighborhood Parks Proposition of 1996 for Joslyn Senior Citizen's Center Improvement Project	\$650,000
Cities Excess Funds available to Fifth Supervisorial District pursuant to Los Angeles County Safe Neighborhood Parks Proposition of 1996 for Joslyn Center ADA Beautification Improvement Project	\$250,000
Special General Fund – Rule 20A Swap	\$500,000
Community Development Block Grant (CDBG)	\$600,000
<b>Total</b>	<b>\$6,873,000</b>

The Covina Senior Center Project is a significant public improvement for the public's benefit. As the majority of Covina Park is located within Project Area One, an interdepartmental staff team evaluated the feasibility of constructing the Covina Senior Center in Covina Park rather than Kelby Park and identified the following benefits:

- Funding of up to \$6,873,000 may be immediately available which would allow the critical project to proceed without delay;
- Create synergy and shared development opportunities with other projects in the downtown area; all of which would work collectively to speed the redevelopment of the downtown

- core, enhancing aesthetics, safety, and economic vitality of this key locale;
- Proximity to and partnerships with Citrus Valley Inter-Community Hospital;
- Addition of positive energy and vibrancy to downtown area, especially during daytime hours;
- Opportunity to redesign and refurbish the entire Kelby Park site to maximize active recreational and open space benefits to the community, including the possible development of a lighted multi-purpose field and practice area that may facilitate the transfer of softball from Covina Park to Kelby Park and expansion of organized Citywide sports activities;
- Chance to address existing parking needs for Covina Park to lessen impacts of overflow parking on adjacent residential neighborhood; and
- At approximately ten acres in size, Covina Park is large enough to accommodate Covina Senior Center construction and the continuation of unique park activities, such as the aquatics program and performances in the bandshell.

The two most significant challenges anticipated with the construction of the Covina Senior Center at Covina Park include parking and neighborhood compatibility. Based on a preliminary conversation with Inter-Valley Community Hospital, potential interest by other land owners, and creative land use approaches, there are viable options for public/private partnerships and other alternatives to provide parking for the new facility, as well as, accommodate existing demand. Additionally, if the Covina Senior Center is sited at Covina Park, the intent would be to rapidly redesign/refurbish Kelby Park, creating an opportunity to move some existing Covina Park programming to Kelby Park.

The continuation of activities at Covina Park and construction staging during the Project may also be challenges. The interdepartmental staff team is confident that through effective communication with residents, businesses, and stakeholders, exploration of shared development opportunities, and accelerating enhancements to Kelby Park through a funding partnership with Los Angeles County and possible use of CDBG funding, the challenges outlined above can be overcome.

A component of the Scope of Services for the proposed PSA with GGA includes the performance of a site evaluation. While the RFP contemplated the performance of this activity at Kelby Park, GGA is willing to perform the assessment at Covina Park at the same contractual cost, terms, and conditions. This task requires GGA to make a recommendation as to where within the specified park, the Covina Senior Center should be located and to provide supporting information for the recommended location.

Site master planning involves a complex host of concerns, which is why it is a distinct phase of an architectural project. These concerns include issues of neighborhood and community reactions, identity and presence of the new facility, quantity and placement of parking, geometry of the site versus building program, orientation, and sustainable strategies.

Based on the benefits of siting the new Covina Senior Center at Covina Park, especially funding availability, and the willingness of GGA to perform the requisite site assessment at Covina Park instead of Kelby Park, the City Council is being requested to direct staff to pursue placement of the Covina Senior Center in Covina Park.

**FISCAL IMPACT:**

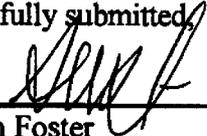
The fiscal impact associated with the proposed contract with GGA to provide planning, programming, architectural, and engineering services for the Initial Phase of the Covina Senior Center Project is an amount not-to-exceed \$100,000, whether the facility is sited in Kelby Park or Covina Park. The estimated cost of the boundary and topographic survey and soils and geologic analysis to support the Covina Senior Center Project is \$30,000. Additional funding of \$370,000 for seed money for subsequent phases of the project is also being sought at this time. The approval of a

\$500,000 appropriation from available Special General Fund – Rule 20A Swap balance (account no. 1060-0000-59140) to the fiscal year 2015-16 budget and allocating the funds to Capital Improvements (Parks and Recreation) – Park Facilities – Building & Structures – Covina Senior Center (account no. 4600- 3400-55100-P-1601) is necessary at this time.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA) and is exempt per Section 15061 (b) (3). The project is covered by the General Rule that CEQA applies to projects that have the potential for causing a significant effect on the environment. The Initial Phase of the Covina Senior Center Project consists of the provision of professional services (planning, programming, architectural, and engineering services) and will not result in any significant effect on the environment.

Respectfully submitted,



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Siobhan Foster  
Director of Public Works

**ATTACHMENTS:**

Attachment A: Professional Services Agreement with Gonzalez Goodale Architects

Attachment B: RFP to Provide Planning, Programming, Architectural, and Engineering Services for the Initial Phase of the Covina Senior Center Project (including addendums)

Attachment C: Proposals Received in Response to RFP to Provide Planning, Programming, Architectural, and Engineering Services for the Initial Phase of the Covina Senior Center Project (on file in City of Covina City Clerk's Office)

Attachment D: Covina Senior Center Project Schedule and Tasks

Attachment E: Joslyn Center Facility Update, Item NB 2, September 15, 2015

Attachment F: City of Covina Redevelopment Project Areas Map

Attachment G: Resolution No. 16-7454

**CITY OF COVINA  
PROFESSIONAL SERVICES AGREEMENT**

**1. PARTIES AND DATE.**

This Agreement is made and entered into this 19th day of January, 2016 by and between the City of Covina, a municipal corporation organized under the laws of the State of California with its principal place of business at 125 East College Street, Covina, California 91723 (“City”) and Gonzalez/Goodale Architects, a California Sub-Chapter S Corporation with its principal place of business at 135 West Green Street, Suite 200, Pasadena, California 91105 (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

**2. RECITALS.**

**2.1 Consultant.**

Consultant desires to perform and assume responsibility for the provision of certain professional services required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing planning, programming, architectural and engineering services to public clients, is licensed in the State of California, and is familiar with the plans of City.

**2.2 Project**

City desires to engage Consultant to render such services for the Covina Senior Center Project (“Project”) as set forth in this Agreement.

**3. TERMS.**

**3.1 Scope of Services and Term.**

**3.1.1 General Scope of Services.** Consultant promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional planning, programming, architectural and engineering consulting services necessary for the Project (“Services”). The Services are more particularly described in Exhibit “A” attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules, and regulations.

**3.1.2 Term.** The term of this Agreement shall be from January 20, 2016 to June 30, 2016, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Services.

### **3.2 Responsibilities of Consultant.**

**3.2.1 Control and Payment of Subordinates; Independent Contractor.** The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

**3.2.2 Schedule of Services.** Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, City shall respond to Consultant's submittals in a timely manner. Upon request of City, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

**3.2.3 Conformance to Applicable Requirements.** All work prepared by Consultant shall be subject to the approval of City.

**3.2.4 Substitution of Key Personnel.** Consultant has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Consultant cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the City. The key personnel for performance of this Agreement are as follows: David L. Goodale, Design Principal, Armando L. Gonzalez, Quality Assurance Principal, Harry R. Drake, Code Analysis/Accessibility Specialist, Jake Shirvanyan, Project Manager, Orlando Moreno, Civil Engineer, Brandow & Johnston, Inc., and Mark Beall, Landscape Architect, Mark Beall & Associates.

**3.2.5 City's Representative.** The City hereby designates the City Manager, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all

purposes under this Contract. Consultant shall not accept direction or orders from any person other than the City's Representative or his or her designee.

**3.2.6 Consultant's Representative.** Consultant hereby designates Armando L. Gonzalez, Principal, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

**3.2.7 Coordination of Services.** Consultant agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

**3.2.8 Standard of Care; Performance of Employees.** Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City Business License, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

**3.2.9 Laws and Regulations; Employee/Labor Certifications.** Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold City, its officials, directors, officers, employees, and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

**3.2.9.1 Employment Eligibility; Consultant.** By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Consultant. Consultant also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement. Consultant shall avoid any violation of any such law during the term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Consultant shall maintain records of each such verification, and shall make them available to the City or its representatives for inspection and copy at any time during normal business hours. The City shall not be responsible for any costs or expenses related to Consultant's compliance with the requirements provided for in Section 3.2.10 or any of its sub-sections.

**3.2.9.2 Employment Eligibility; Subcontractors, Consultants, Sub-subcontractors and Subconsultants.** To the same extent and under the same conditions as Consultant, Consultant shall require all of its subcontractors, consultants, sub-subcontractors and subconsultants performing any work relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 3.2.10.1.

**3.2.9.3 Employment Eligibility; Failure to Comply.** Each person executing this Agreement on behalf of Consultant verifies that they are a duly authorized officer of Consultant, and understands that any of the following shall be grounds for the City to terminate the Agreement for cause: (1) failure of Consultant or its subcontractors, consultants, sub-subcontractors or subconsultants to meet any of the requirements provided for in Sections 3.2.10.1 or 3.2.10.2; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Consultant under Section 3.2.10.2); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

**3.2.9.4 Labor Certification.** By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

**3.2.9.5 Equal Opportunity Employment.** Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority

Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.2.9.6 Air Quality. To the extent applicable, Consultant must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the South Coast Air Quality Management District (SCAQMD) and/or California Air Resources Board (CARB). Although the SCAQMD and CARB limits and requirements are more broad, Consultant shall specifically be aware of their application to "portable equipment", which definition is considered by SCAQMD and CARB to include any item of equipment with a fuel-powered engine. Consultant shall indemnify City against any fines or penalties imposed by SCAQMD, CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Consultant, its subconsultants, or others for whom Consultant is responsible under its indemnity obligations provided for in this Agreement.

3.2.10 Insurance.

3.2.10.1 Time for Compliance. Consultant shall not commence Services under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this Section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the City that the subconsultant has secured all insurance required under this Section.

3.2.10.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subconsultants. Consultant shall also require all of its subconsultants to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

A. Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. The policy shall not contain any exclusion contrary to the Agreement, including but not limited to endorsements or provisions limiting coverage for (1) contractual liability (including but not limited to ISO CG 24 26 or 21 29); or (2) cross liability for claims or suits by one insured against another.

B. Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident

for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease. Defense costs shall be paid in addition to the limits.

C. Notices; Cancellation or Reduction of Coverage. At least fifteen (15) days prior to the expiration of any such policy, evidence showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or materially reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, the City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by the City will be promptly reimbursed by Consultant or the City may withhold amounts sufficient to pay premium from Consultant payments. In the alternative, the City may suspend or terminate this Agreement.

3.2.10.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$2,000,000 per claim, and shall be endorsed to include contractual liability. Defense costs shall be paid in addition to the limits.

3.2.10.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

A. General Liability. The general liability policy shall include or be endorsed (amended) to state that: (1) using ISO CG forms 20 10 and 20 37, or endorsements providing the exact same coverage, the City of Covina, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insured with respect to the Services or ongoing and completed operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work; and (2) using ISO form 20 01, or endorsements providing the exact same coverage, the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any excess insurance shall contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of the City, before the City's own primary insurance or self-insurance shall be called upon to protect it as a named insured. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way. Notwithstanding the minimum limits set forth in Section 3.2.11.2(B), any available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Section 3.2.11.4(A).

B. Automobile Liability. The automobile liability policy shall include or be endorsed (amended) to state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way. Notwithstanding the minimum limits set forth in Section 3.2.11.2(B), any available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Section 3.2.11.4(B).

C. Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

D. All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days (10 days for nonpayment of premium) prior written notice by certified mail, return receipt requested, has been given to the City; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents, and volunteers. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officials, officers, employees, agents and volunteers, or any other additional insureds.

3.2.10.5 Separation of Insureds; No Special Limitations; Waiver of Subrogation. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents, and volunteers. All policies shall waive any right of subrogation of the insurer against the City, its officials, officers, employees, agents, and volunteers, or any other additional insureds, or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, its officials, officers, employees, agents, and volunteers, or any other additional insureds, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

3.2.10.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Consultant shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its directors, officials, officers, employees, agents, and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

3.2.10.7 Subconsultant Insurance Requirements. Consultant shall not allow any subconsultants to commence work on any subcontract relating to the work under the Agreement until they have provided evidence satisfactory to the City that they have secured all insurance required under this Section. If requested by Consultant, the City may approve different scopes or minimum limits of insurance for particular subconsultants. The Consultant and the City shall be named as additional insureds on all subconsultants' policies of Commercial General Liability using ISO form 20 38, or coverage at least as broad.

3.2.10.8 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the City.

3.2.10.9 Verification of Coverage. Consultant shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the City if requested. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.10.10 Reporting of Claims. Consultant shall report to the City, in addition to Consultant's insurer, any and all insurance claims submitted by Consultant in connection with the Services under this Agreement.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subconsultants, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.12 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.2.12.1 Compliance with Water Quality Laws, Ordinances and Regulations. Consultant shall keep itself and all subcontractors, staff, and employees fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by the performance of the Services including, without limitation, all applicable provisions of the City's ordinances regulating water quality and storm water; the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq.*); the California Porter-Cologne Water Quality Control Act (Water Code § 13000 *et seq.*); and any and all regulations, policies, or permits issued pursuant to any such authority. Consultant shall additionally comply with the lawful requirements of the City, and any other municipality, drainage district, or other local agency with jurisdiction over the location where the Services are to be conducted, regulating water quality and storm water discharges.

3.2.12.2 Standard of Care. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the work assigned to them without impacting water quality in violation of the laws, regulations and policies described in Sections 3.2.14 of this Agreement. Consultant further warrants that it, its employees and subcontractors have or will receive adequate training, as determined by the City, regarding these requirements as they may relate to the Services, and will provide the City with documentation of training acceptable to the City on request.

3.2.12.3 Liability for Non-compliance.

(A) Indemnity: Failure to comply with laws, regulations, and ordinances listed in Section 3.2.14 of this Agreement is a violation of federal and state law. Notwithstanding any other indemnity contained in this Agreement, Consultant agrees to indemnify and hold harmless the City, its officials, officers, agents, employees and authorized volunteers from and against any and all claims, demands, losses or liabilities of any kind or nature which the City, its officials, officers, agents, employees and authorized volunteers may sustain or incur for noncompliance with the laws, regulations, and ordinances listed above, arising out of or in connection with the Services, except for liability resulting from the sole established negligence, willful misconduct or active negligence of the City, its officials, officers, agents, employees or authorized volunteers.

(B) Defense: City reserves the right to defend any enforcement action or civil action brought against the City for Consultant's failure to comply with any applicable water quality law, regulation, or policy. Consultant hereby agrees to be bound by, and to reimburse the City for the costs associated with, any settlement reached between the City and the relevant enforcement entity.

(C) Damages: City may seek damages from Consultant for delay in completing the Services caused by Consultant's failure to comply with the laws, regulations and policies described in Section 3.2.14 of this Agreement, or any other relevant water quality law, regulation, or policy.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed \$100,000 without written approval of City Manager. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from City's Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.3.6 Registration. Effective March 1, 2015, if the Services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such Services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements.

### 3.4 Termination of Agreement.

3.4.1 Grounds for Termination. City may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to City, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.4.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.4.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

### 3.5 Ownership of Materials and Confidentiality.

3.5.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). All Documents & Data shall be and remain the property of City, and shall not be used in whole or in substantial part by Consultant on other projects without the City's express written permission. Within thirty (30) days following the completion, suspension, abandonment or termination of this Agreement, Consultant shall provide to City reproducible copies of all Documents & Data, in a form and amount required by City. City reserves the right to select the method of document reproduction and to establish where the reproduction will be accomplished. The reproduction expense shall be borne by City at the actual cost of duplication. In the event of a dispute regarding the amount of compensation to which the Consultant is entitled under the termination provisions of this Agreement, Consultant shall provide all Documents & Data to City upon payment of the undisputed amount. Consultant shall have no right to retain or fail to provide to City any such documents pending resolution of the dispute. In addition, Consultant shall retain copies of all Documents & Data on file for a minimum of fifteen (15) years following completion of the Project, and shall make copies available to City upon the payment of actual reasonable duplication costs. Before destroying the Documents & Data following this retention period, Consultant shall make a reasonable effort to notify City and provide City with the opportunity to obtain the documents.

3.5.2 Subconsultants. Consultant shall require all subconsultants to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or its subconsultants, or those provided to Consultant by the City.

3.5.3 Right to Use. City shall not be limited in any way in its use or reuse of the Documents and Data or any part of them at any time for purposes of this Project or another project, provided that any such use not within the purposes intended by this Agreement or on a project other than this Project without employing the services of Consultant shall be at City's sole risk. If City uses or reuses the Documents & Data on any project other than this Project, it shall remove the Consultant's seal from the Documents & Data and indemnify and hold harmless Consultant and its officers, directors, agents and employees from claims arising out of the negligent use or re-use of the Documents & Data on such other project. Consultant shall be responsible and liable for its Documents & Data, pursuant to the terms of this Agreement, only with respect to the condition of the Documents & Data at the time they are provided to the City upon completion, suspension, abandonment or termination. Consultant shall not be responsible or liable for any revisions to the Documents & Data made by any party other than Consultant, a party for whom the Consultant is legally responsible or liable, or anyone approved by the Consultant.

3.5.4 Indemnification. Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by City of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.5.5 Confidentiality. All Documents & Data, either created by or provided to Consultant in connection with the performance of this Agreement, shall be held confidential by Consultant. All Documents & Data shall not, without the prior written consent of City, be used or reproduced by Consultant for any purposes other than the performance of the Services. Consultant shall not disclose, cause or facilitate the disclosure of the Documents & Data to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant that is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

### 3.6 General Provisions.

3.6.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

**Consultant:**

Gonzalez Goodale Architects  
135 West Green Street, Suite 200  
Pasadena, California 91105  
Attn: Armando L. Gonzalez, Principal

**City:**

City of Covina  
125 E. College St.  
Covina, CA 91723  
Attn: Siobhan Foster, Director of Public Works

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

**3.6.2 Indemnification.**

**3.6.2.1 Scope of Indemnity.** To the fullest extent permitted by law, Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

**3.6.2.2 Additional Indemnity Obligations.** Consultant shall defend, with Counsel of City's choosing and at Consultant's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 3.6.2.1 that may be brought or instituted against City or its directors, officials, officers, employees, volunteers and agents. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against City or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse City for the cost of any settlement paid by City or its directors, officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Consultant shall reimburse City and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall survive expiration or

termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials officers, employees, agents, or volunteers.

3.6.3 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in Los Angeles County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against the City.

3.6.4 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.6.5 City's Right to Employ Other Consultants. City reserves right to employ other consultants in connection with this Project.

3.6.6 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.6.7 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecatees or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.6.8 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.6.9 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.6.10 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit,

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

3.6.11 No Third Party Beneficiaries. Except to the extent expressly provided for in Section 3.6.7, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.6.12 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.6.13 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subconsultants to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.6.14 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.6.15 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.6.16 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.6.17 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6.18 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

[SIGNATURES ON NEXT PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF COVINA  
AND GONZALEZ/GOODALE ARCHITECTS**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the 19th day of January, 2016.

City:

City of Covina,  
a California municipal corporation

Contractor:

Gonzalez/Goodale Architects,  
a California Sub-Chapter S Corporation

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

Name: Andrea M. Miller  
Title: City Manager

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

Name: \_\_\_\_\_  
Title:  Chairman  President  
 Vice President

Attest:

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

Name: Sharon F. Clark  
Title: Chief Deputy City Clerk

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

Name: \_\_\_\_\_  
Title:  Secretary  Asst. Secretary  
 Chief Finance Officer  Asst. Treasurer

Approved as to Form:

[Two signatures required for corporations pursuant to California Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.]

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

Name: Candice K. Lee  
Title: City Attorney

**EXHIBIT "A"**  
**SCOPE OF SERVICES**

**Exhibit "A" -  
Scope of Services**

**1. General**

The selected consultant will be required to provide planning, programming, architectural, and engineering services for the initial phase of the Covina Senior Center Project, which will result in the design and construction of a new Senior Center at the Kelby Park or Covina Park site. The Senior Center will also serve as a recreation center in the evenings and on weekends. The services comprising the initial phase of the Project include user and programmatic needs assessments, community and internal engagement, visioning and conceptual design, site evaluation and recommendation, and development of cost estimates and project timelines. The Project's schematic design and design development, final design, construction document services, bidding services, construction administration, and construction phases are not part of the Scope of Services for this RFP.

The steps outlined above constitute the initial phase of the Project and will facilitate future Project phases, including schematic design and design development, final design, construction document services, bidding services, construction administration, and construction.

The City's primary goals in connection with this RFP and the Project are:

- A. Identification of user and programmatic needs for the new facility and development of visioning and conceptual designs and project budgets informed by the input received during the community and internal engagement process in an expedited fashion (on-time or ahead of schedule); and
- B. Establishment and maintenance of good relationships with stakeholders through a community and internal engagement process that emphasizes communication, open dialogue, and cooperative decision making.

**2. Planning, Programming, and Conceptual Design (Phase 1) – Services and Deliverables**

The initial phase of the Project will include program planning, development, and the preparation of multiple concept designs and budgets. During this phase, the consultant will complete the following tasks and prepare and submit to the Department of Public Works the deliverables listed below. All such deliverables are subject to review and approval by

the Department of Public Works and the consultant's pricing should assume that revisions may be required to these documents to address concerns raised by the Department of Public Works and/or other project stakeholders.

- A. Develop and execute a program of community and internal engagement to determine the needs and vision of facility users, programming staff, and other interested parties, including the Covina City Council, and reflect the gathered input in the conceptual design(s). The goals of this process is to:
- i. Participation – generate utmost participation of facility users, the Joslyn Center Senior Advisory Committee, programming staff, and other interested parties, including the Covina City Council;
  - ii. Collaboration – collaborative idea generation with focus on identification of operational and spatial characteristics (e.g., layout that allows visibility of activities, generates a desirable social feeling, warm and inviting) worthy of inclusion into design program, desired physical spaces (anticipated uses and utilization) such as main entry, lounge, patio, multipurpose room, warming kitchen, and rooms for arts and crafts, exercise/sports, and games, and support needs (e.g., specialty design features, accessibility, circulation, noise reduction, green development, temperature controls, media capability); and
  - iii. Consensus – achievement of consensus on desired building program.

Potential methods to achieve the community and internal engagement goals could include coordination of site visits to "model" municipal senior centers in the region (e.g., Irwindale, Rancho Cucamonga, Simi Valley, Thousand Oaks) to observe operational and spatial characteristics worthy of note for inclusion into the design program, stakeholder interviews, public workshops, user groups meetings held during regularly scheduled activities, brief surveys, use of social media, and so on.

The consultant will submit a preliminary Community and Internal Engagement Plan as part of its proposal. Within five (5) business days of the Notice to Proceed, the consultant will submit to the City for approval a final Community and Internal Engagement Plan. The Plan shall include, at a minimum:

- i. A detailed explanation of strategy, approach, and staffing for attainment of community and internal engagement goals outlined above, including a schedule of user and programmatic needs assessment meetings, stakeholder interviews,

...and the opportunity to ...  
...listing of potential stakeholders, productive issues, and other participants;

...a detailed explanation of the ...

**internal meetings, community meetings, workshops, and/or charrettes, plus a listing of potential stakeholders, prospective users, and other participants;**

- ii. A detailed explanation of the types of strategies the consultant proposes and the justification for each. This should include meetings, workshops, stakeholder interviews, charrettes, written communication, media outlets, social media, websites, and/or other strategies;**
- iii. The Plan should demonstrate a results oriented strategy that not only notifies residents through its community outreach component, but garners useful input from the community and internal stakeholders through its community and internal engagement component; and**
- iv. Within thirty (30) calendar days of the Notice to Proceed, any social media and/or websites shall be functional (live).**

**The program of community and internal engagement will entail meeting preparation, presentation, facilitation, and documentation of all events/comments and methods used.**

**The consultant will submit a preliminary Project Schedule as part of its proposal. Within five (5) business days of the Notice to Proceed, the consultant will submit to the City for approval a final Project Schedule.**

**B. Meet with Multi-Departmental Project Team (City Manager's Office and Community Development, Human Resources/Risk Management, Parks, Public Works, and Parks and Recreation Departments) to kick-off initial phase of Project. Hold meeting within five (5) business days of the Notice to Proceed. The purpose of this meeting will be to review the initial phase project scope, schedule, goals, and expectations for the initial Project phase, as well as, Community and Internal Engagement Plan and Project Schedule with project completion no later than May 18, 2016. The consultant will also collect and present any data available for the Project and Covina senior residents, including, but not limited to, previously completed studies, current survey data, aerial photography, GIS data, etc. The consultant shall complete a Meeting Summary from this meeting and distribute to meeting attendees for review.**

**C. Document distribution services – develop and maintain contact, mailing and e-mail distribution lists of facility users, community and internal stakeholders and other interested parties for the duration of this Project phase. Copies of Project**

documents (e.g., meeting minutes, handouts, PowerPoint presentations, design documents) shall be forwarded via e-mail in PDF format to distribution list members. The consultant shall also coordinate the posting of documents to the City's website after each meeting or other project milestone.

- D. User and programmatic needs assessment – conduct interviews and collect information from user groups, programming staff, and stakeholders regarding equipment, personnel operational needs, and program requirements. User groups, programming staff, and stakeholders include, but are not limited to:
  - i. Covina City Council
  - ii. City Departments (City Manager's Office, Community Development, Fire, Human Resources/Risk Management, Parks & Recreation, Police, and Public Works)
  - iii. Joslyn Center Senior Advisory Committee
  - iv. Senior users of Joslyn Center
  - v. Recreational users of Joslyn Center
  
- E. Site evaluation – assuming a new Covina Senior Center can be placed anywhere on the Kelby Park or Covina Park site, assess and make recommendation as to where the new Covina Senior Center should be located. Provide supporting information for recommended location. If existing open space is displaced, include ideas on how the site should be reconfigured to include both the facility and an equivalent amount of usable open space.
  
- F. Prepare preliminary program evaluation and space requirement report and recommend minimum requirements for the facility, including:
  - i. General space allocations (conversion of program requirements to net area required)
  - ii. Human, vehicular, and material flow patterns
  - iii. Special facilities and equipment (e.g., Senior Center shall meet or exceed all ADA accessibility guidelines, individual ADA toilets and toilet stalls shall be of sufficient size to permit a companion to assist a disabled patron, features to address safety concerns surrounding this population)
  - iv. Optional space requirements
  - v. Identify security criteria
  - vi. Define energy and environmental requirements
  - vii. Recommend and incorporate approved sustainable design guideline principles in design of the facility

- G. Draft conceptual Covina Senior Center plans – concept plans are required to identify components of the proposed senior center that are consistent with the findings of the community and internal engagement processes, user and programmatic needs assessments, and to provide the City with preliminary cost estimates and project schedules. Based on input obtained during the program of community and internal engagement, the consultant will work to determine the recreational, social, and cultural programmatic needs (indoor and outdoor activity spaces, functional requirements, inter-related spaces, specific amenities) of the Covina Senior Center and the operational and spatial needs and requirements for the various recreational, social, and cultural programmatic needs and desires identified. These spatial requirements will serve as the basis for determining the size, space programming, and facilities needed for the Covina Senior Center.**
- H. Develop three (3) conceptual plans (color renderings) of proposed layouts (floor plans) and site plans accurately depicting entryways, parking areas, and landscape buffers with associated cost estimates and project schedules for the Covina Senior Center that provide alternatives to addressing the programmatic, recreational, social, and cultural needs. Provide conceptual plans to the Multi-Departmental Project Team for review and comment. The consultant will make appropriate modifications based on comments received from the Multi-Departmental Project Team prior to presenting the concept(s) to the City Council and the community.**
- I. Conduct a Community Workshop to present the plan alternatives to the public. The purpose of the meeting will be to determine which conceptual plan the community would prefer. It is envisioned that the community may prefer elements from each of the different plans. The Consultant will document comments for inclusion in the final conceptual Covina Senior Center and site plan and provide a report of the findings.**
- J. Draft final conceptual Covina Senior Center plan – The consultant will develop a draft final conceptual plan and site plan (color rendering) and associated cost estimate and project schedule informed by the comments obtained through the community and internal engagement processes. The consultant will submit the draft final conceptual plan, cost estimate, and project schedule to the Multi-Departmental Project Team for review before presenting it to the City Council and the public. The consultant will make appropriate modifications prior to presenting the concepts to the City Council and the public.**
- K. Present final draft conceptual Covina Senior Center Plan and site plan (color rendering) and cost estimate to the City Council at a noticed City Council Study**

**Session. The community will be invited to attend. The consultant will collect input from the City Council and community and make refinements based on the comments received.**

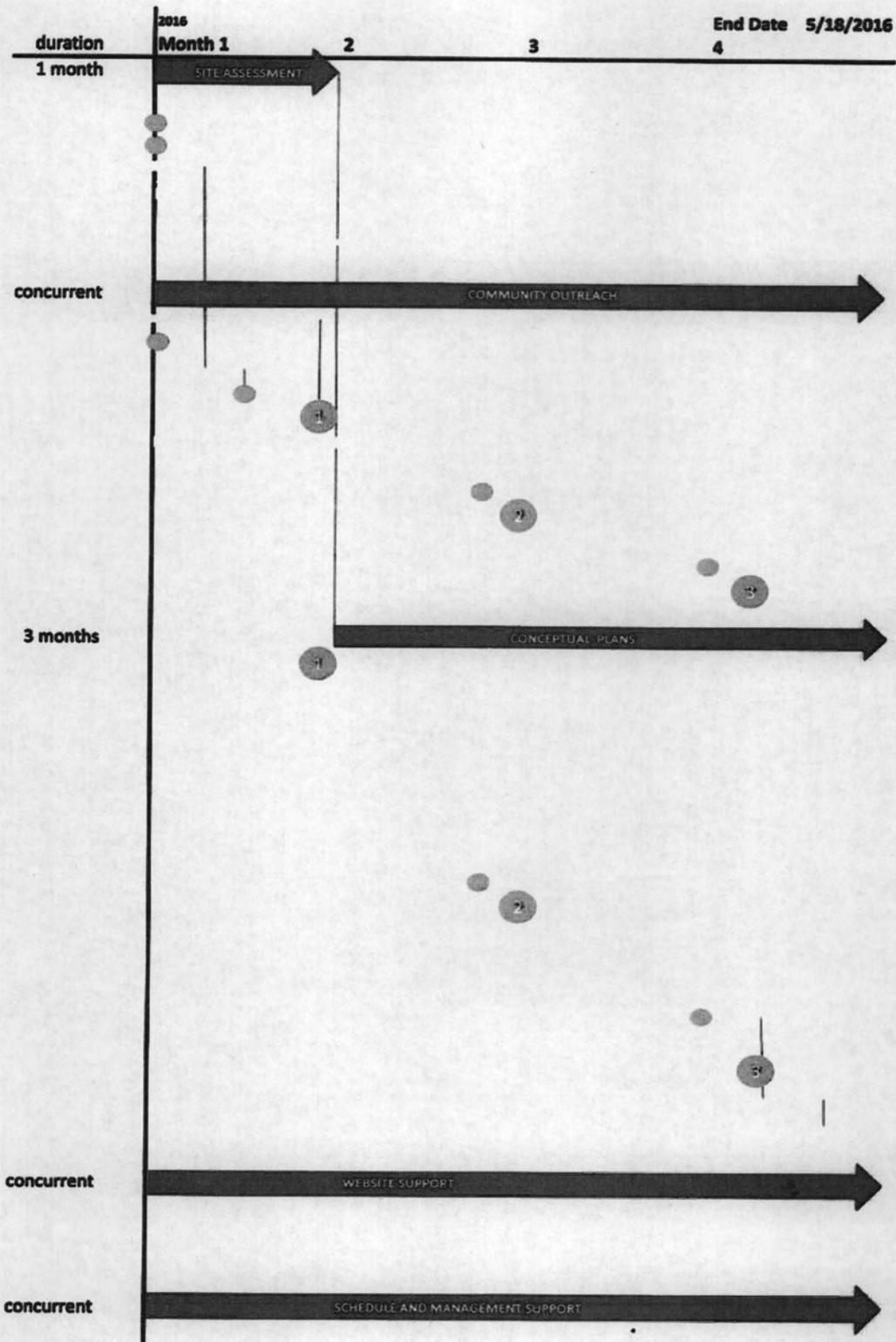
- L. The consultant will develop an Executive Summary Document of the community planning process and final conceptual Covina Senior Center plan. It is envisioned that this document will be a full-color 11 x 17 document that will summarize the process, identified needs, and costs. The consultant will provide the City with digital files of the executive summary and all files used throughout the process. This document and final conceptual plan will become the basis for subsequent phases of the project including, but not limited to, schematic design and design development, final design, construction document services, bidding services, construction administration, and construction.**

**EXHIBIT "B"**  
**SCHEDULE OF SERVICES**

## Scope of Services and Preliminary Project Schedule

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<b>Task 1</b>	<b>SITE EVALUATION/PROGRAMMATIC NEEDS ASSESSMENT</b>
Task 1.1	Review existing documents and relevant background materials relating to the project
Task 1.2	<b>Site Visit:</b> Team site tour to gain comprehensive understanding of site opportunities and constraints
Task 1.3	<b>Meet/Interview relevant City staff and project representatives</b> regarding physical site conditions and personnel operations
Task 1.4	User and programmatic needs assessment – conduct interviews and collect information from various stakeholder groups
Task 1.5	Preliminary Code research (ADA, Fire Life Safety, Vehicular Circulation, Parking)
Task 1.6	Research and define general space allocations, circulation, systems, security, potential sustainability options
Task 1.7	Summarize findings, Prepare Site Evaluation, Opportunities Constraints, and Program Report
<b>Task 2</b>	<b>COMMUNITY OUTREACH AND PUBLIC PARTICIPATION</b>
Task 2.1	Develop Community outreach strategy and Internal Engagement Plan and Final Project Schedule
Task 2.2	<b>Multi-departmental project team kick off meeting:</b> review project scope, schedule, goals, and expectations, identify key senior stakeholders
Task 2.3	Develop meeting materials and collateral (agendas, minutes, etc) and coordinate site visit(s)
Task 2.4	Site Visits to model municipal senior centers in surrounding area (following stakeholder interviews)
Task 2.5	<b>Community Workshop #1</b> kick-off to review site visits, refine the purpose, function and scope of the project. Guiding Principles
Task 2.6	Document distribution services
Task 2.7	Develop Conceptual Plan Options, See Task 3 Conceptual Plan 3.1-3.8
Task 2.8	<b>Multi-departmental Project Team Meeting -</b> Review and confirm concept plan options, select option to continue to draft Conceptual Plan
Task 2.9	<b>Community Workshop #2 -</b> Review and confirm concept plan options, select option to continue to draft Conceptual Plan
Task 2.10	Refine conceptual plan based on community input, See Task 3 Conceptual Plan 3.9-3.11
Task 2.11	<b>Multi-departmental Project Team Meeting:</b> Review final draft concept plan and estimate
Task 2.12	<b>City Council Presentation (Community Workshop #3)</b> Presentation of Final Conceptual Plan
<b>Task 3</b>	<b>CONCEPTUAL PLANS</b>
	Stakeholder Workshop #1, See Task 2.5 above
Task 3.1	Synthesize site analysis and stakeholder program data;
Task 3.2	Diagram spacial and functional adjacencies
Task 3.3	Incorporate space standards for all interior and exterior functions
Task 3.4	Diagram site circulation and parking options
Task 3.5	Research and coordinate building system and landscape requirements with engineering consultants and facility maintenance department staff;
Task 3.7	Prepare conceptual plan options (3) showing layouts and detailed requirements, including floor plan and site plan.
Task 3.8	Prepare conceptual estimate of probable cost for 3 options
	Incorporate staff comments and prepare for Community Workshop
	Community Workshop #2, See Task 2.9 above
Task 3.9	Refine conceptual site plan and develop massing diagrams as relates to broader site considerations, views, adjacencies, site topography and phasing
Task 3.10	Refine estimate of probable cost for preferred site plan option
Task 3.11	Develop implementation strategy and potential phasing
Task 3.12	Incorporate staff comments and prepare for City Council Presentation
Task 3.13	Develop Final Site Plan (color rendering)
	City Council Presentation, See Task 2.12 above
Task 3.14	Incorporate City Council and Community input and refinements
Task 3.15	Develop Executive Summary Document (11x17), including refined rendering, Submittal date no later than May 18, 2016
<b>Task 4</b>	<b>PROJECT SPECIFIC WEBSITE SUPPORT AND PROGRESS REPORTS</b>
Task 4.1	Develop Website implementation strategy and schedule in conjunction with City staff
Task 4.2	Generate and coordinate content with City prior and following public workshops
Task 4.3	Generate and coordinate content for monthly updates on City web server
<b>Task 5</b>	<b>PROJECT TIMELINE AND SCHEDULE MANAGEMENT</b>
Task 5.1	Project management and scheduling updates



**EXHIBIT "C"**  
**COMPENSATION**

PROPOSED WORK PLAN

TASKS	DURATIONS	PROPOSED WORK EFFORTS					CONSULTANTS		ROUNDED PHASE SUBTOTALS
		GONZALEZ GOODALE				Cov G&J	Lansing Staff		
		ROLE	DP	GAP	PM			ASST	
<b>TASK 1 SITE EVALUATION/FACILITY PROGRAMMING</b>	1.0 months	\$0,000					\$0,700	\$1,000	\$17,000
1) Review existing documents and relevant background materials relating to the project			4	2		2			
2) Site Visit: Team site tour to gain comprehensive understanding of site opportunities and constraints			0	3		3			
3) Meet/Interview relevant City staff and project representatives regarding physical site conditions and personnel operations				see below, task 2.2					
4) Facility Programming - conduct interviews and collect information from various stakeholder groups			5			5			
5) Preliminary Code research (ADA, Fire Life Safety, Vehicular Circulation, Parking)			0			6			
6) Research and define general space allocations, site circulation, systems, security, potential sustainability options			8			4			
7) Summarize findings, Prepare Site Evaluation, Opportunities Constraints, and Program Report			16	4		4			
		hours	40	9	0	24	18		
<b>TASK 2 COMMUNITY OUTREACH AND PUBLIC PARTICIPATION</b>	concurrent	\$77,000					\$1,000	\$0	\$19,000
1) Develop Community outreach strategy and Internal Engagement Plan and Final Project Schedule			0			6			
2) Multi-departmental project team kick off meeting: review project scope, schedule, goals, and expectations. Identify key senior stakeholders			12	4	4	4			
3) Develop meeting materials and collateral (agenda, minutes, etc) and coordinate site visit(s)			2			2			
4) Site Visits to model municipal senior centers in surrounding area (following stakeholder interviews)			8	8					
5) Community Workshop #1 kick-off to review site visits, refine the purpose, function and scope of the project. Guiding Principles			12	4	4	4			
6) Document distribution and management			2			2			
7) Develop Conceptual Plan Options, See Task 3 Conceptual Plan 3.1-3.3			0			4			
8) Multi-departmental Project Team Meeting - Confirm concept plan options, select option to cost run to draft Conceptual Plan			0	4		4			
9) Community Workshop #2 - Review and confirm concept plan options, select option to continue to draft Conceptual Plan			0	4	4				
10) Refine conceptual plan based on community input, See Task 3 Conceptual Plan 3.6-3.7			0			4			
11) Multi-departmental Project Team Meeting: Review final draft concept plan and estimate			0	4		4			
12) City Council Presentation (Community Workshop #3) Presentation of Final Conceptual Plan			0	4	4				
		hours	76	32	16	26	6		
<b>TASK 3 CONCEPTUAL PLANS</b>	3.0 months	\$48,000					\$0,000	\$0,000	\$20,000
1) Community Workshop #1				see above, task 2.5					
2) Synthesize site analysis and stakeholder program data;			20	8		8	12		
3) Diagram spatial and functional adjacencies			8	4			4		
4) Incorporate space standards for all interior and exterior functions			12	8			4		
5) Diagram site circulation and parking options			12			4	8		
6) Research and coordinate building system and landscape requirements with engineering consultants			12			4	8		
7) Prepare conceptual plan options (3) showing layouts and detailed requirements, including floor plan and site plan.			30	8		4	24		
8) Prepare conceptual estimate of probable cost for 3 options			12	4			8		
9) Incorporate staff comments and prepare for Community Workshop			22	2		4	16		
10) Community Workshop #2				see above, task 2.9					
11) Refine conceptual site plan and develop massing diagram re: broader site considerations, views, adjacencies, site topography and phasing.			20	4		4	20		
12) Refine estimate of probable cost for preferred site plan option			16				16		
13) Develop implementation strategy and potential phasing			8	2		4	8		
14) Incorporate staff comments and prepare for City Council Presentation			22	2		8	12		

PROPOSED WORK PLAN

DURATIONS	GONZALEZ GOODALE					CONSULTANTS		ROUNDED PHASE SUBTOTALS	
	ROLE	DP	QAP	PM	AD2	Civ Eng	Landscape Eng		
	HOURS								
16 Develop Final Site Plan (color rendering)		4		24					
16 City Council Presentation		see above, task 2.12							
17 Incorporate City Council and Community input and requirements		2		4	16				
18 Develop Executive Summary Document [11x17], including refined rendering. Submittal date no later than May 15, 2016		4			24				
	HOURS	300	0	0	60	772			
<b>TASK 4 PROJECT SPECIFIC WEBSITE SUPPORT AND PROGRESS REPORTS</b>									
1 Develop Website implementation strategy and schedule in conjunction with City staff	concurrent	4			4			\$4,000	
2 Generate and coordinate content with City prior and following public workshops		10			0	4			
3 Generate and coordinate content for monthly updates on City web server		12			8	4			
	HOURS	30	0	0	12	8			
<b>TASK 6 PROJECT TIMELINE AND SCHEDULE MANAGEMENT</b>									
1 Project management and scheduling updates	concurrent							\$3,000	
	HOURS	12			12				
	HOURS	12	0	0	12	0			
<b>TOTAL COST</b>		\$76,670	400	0	16	147	95	\$76,700	
		Total hours						\$7,000	\$83,700

project-related expenses (printing, plotting, reproduction of documents, etc. for in-house only) \$3,000

**NOTES and ASSUMPTIONS:**  
 1 DP = Design Principal, QAP = Quality Assurance Principal, PM = Project Manager, AD2 = Arch. Designer 2  
 2 Civil Engineering services are limited to on-site improvements.

**HOURLY RATES  
JANUARY 1, 2016**

**GONZALEZ GOODALE ARCHITECTS**

Principal	\$270.00
Senior Project Manager	\$200.00
Project Manager	\$180.00
Project Designer	\$180.00
Project Architect	\$180.00
Senior Concept Designer	\$170.00
Interior Designer	\$150.00
Project Captain	\$150.00
Architectural Designer 2	\$120.00
Architectural Designer 1	\$ 95.00
Architectural Intern	\$ 85.00
Administrative	\$ 80.00

*This schedule is valid for the year 2016. Rates subject to change annually.*

*Hourly rates are inclusive of base salaries together with mandatory and customary benefits including employment taxes, group health insurance, holidays, vacation, and similar benefits.*



125 East College Street • Covina, CA 91723-2199

September 7, 2016

**Kathryn Barger**  
Chief of Staff to Michael D. Antonovich  
Los Angeles County Board of Supervisors, Fifth District  
500 West Temple Street, Room 869  
Los Angeles, California 90012

Dear Ms. Barger:

On behalf of the City of Covina, I wish to provide you with an update on the proposed Covina Senior and Community Center project and formalize the City's request for \$1.0 million in funding for this critical initiative through Supervisor Antonovich and the Fifth District.

As you are aware from previous conversations with City Manager Andrea Miller, the City closed the Joslyn Senior Center in January 2016 due to substandard conditions and initiated the process of community engagement, site selection, design, and construction of a new state-of-the-art replacement senior and community center. The initial concept was to construct the new facility in Covina Park, which would allow the City to use available Successor Agency funding for a majority of the project cost.

In April 2016, primarily due to community opposition to the proposed placement of the Covina Senior and Community Center in Covina Park, the City Council directed staff to identify an alternative site location for the facility. Ideally the site would be located such that the City could use the available Successor Agency funding for the project. The City has concluded that the most appropriate site for the new Senior Center would be at the current location, Kelby Park. Although this location would not be eligible for Successor Agency funding, the City believes it would provide the best opportunity to proceed with preparation of conceptual designs, cost estimates, plans and specifications and ultimate construction in the timeliest manner. Staff will be discussing this project with the City Council at a study session on September 20, 2016.

Given the need to move this critical initiative ahead swiftly for our community members who rely on the center, the City wishes to formally request \$1.0 million in funding for this critical initiative through Supervisor Antonovich and the Fifth District. Funding in this amount coupled with the ability to utilize the two existing Cities Excess Funds Grants totaling \$900,000 at Kelby Park will be instrumental to the timely completion of this project.

Please let me know if you have any questions or require additional information. Thank you in advance for your consideration and the Fifth District's ongoing support of our community.

Sincerely,

**CITY OF COVINA**

A handwritten signature in black ink that reads "Don Penman". The signature is written in a cursive, slightly slanted style.

**Don Penman**  
**Interim City Manager**

**Copy: Sussy Nemer, Field Deputy, Los Angeles County Board of Supervisors, Fifth District**  
**Siobhan Foster, Director of Public Works**  
**Amy Hall-McGrade, Director of Parks & Recreation**  
**Angel Carrillo, Assistant to the City Manager**



125 East College Street • Covina, CA 91723-2199

September 14, 2016

Albert Ablaza  
Program Manager  
Los Angeles County Regional Park and Open Space District  
510 South Vermont Avenue, Room 230  
Los Angeles, California 90020-1975

Re: City of Covina Senior and Community Center Funding Request

Dear Mr. Ablaza:

On behalf of the City of Covina, I wish to respond to your September 13, 2016 request for information regarding the proposed Covina Senior and Community Center project. The information is needed for your letter to the Los Angeles County Board of Supervisors.

Project Name: Covina Senior and Community Center

Project Description/Scope: The City of Covina is designing and constructing the Covina Senior and Community Center at the Kelby Park site, located at 815 North Barranca Avenue. The envisioned 16,000 to 18,000 square foot Covina Senior and Community Center, acting as the heart of a vibrant citywide program for active senior residents and providing general recreation programming on evenings and weekends, will replace the existing 12,000 square-foot Joslyn Center, which has been vacated and will be demolished.

Senior programming will occur weekdays at the Covina Senior and Community Center and include a daily congregate meal program and exercise, arts, and enrichment classes. General recreation programming will occur on weeknights and on Saturdays, including exercise, arts, and enrichment classes. Special events and one-day classes will also be held at the center.

The Project Guiding Principles are attached for your reference and include the following:

1. Maximize use of the facility by designing spaces for multi-use and flexible sizing;
2. Design building to accommodate emerging and growing programs, both by interior flexibility and by planning for future expansion potentials, as due diligence for all public buildings;

3. The Senior and Community Center should be conceived, programmed, and planned in a way that encourages inter-generational exposure and interaction;
4. In order to encourage interaction among building and park users, maximize transparency and flow between indoors and outdoors and between program activities and circulation.
5. Design to maximize maintenance, durability, and sustainability; and
6. Maximize the suffusion of daylight throughout the Center.

**Total Estimated Project Cost:** While the estimated project cost of the Covina Senior and Community Center will be determined during the initial design phase of the project, wherein Gonzalez Goodale Architects will develop conceptual designs, cost estimates, and project timelines, following the completion of user and programmatic needs assessments, community and internal engagement, site evaluation, and recommendation, a rough order of magnitude project cost estimate is approximately \$6.5 million.

**Name of All Funding Sources and Amounts:**

Funding Source	Amount
Cities Excess Funds available to Fifth Supervisorial District pursuant to LA County Safe Neighborhood Parks Proposition of 1996 for Joslyn Senior Citizen's Center Improvement Project	\$650,000
Cities Excess Funds available to Fifth Supervisorial District pursuant to LA County Safe Neighborhood Parks Proposition of 1996 for Joslyn Center ADA Beautification Improvement Project	\$250,000
Community Development Block Grant (CDBG)	\$600,000
<i>New/Tentative</i> – Fifth Supervisorial District Grant	\$1,000,000
<b>Total</b>	<b>\$2,500,000</b>

**CEQA Status of Project:** a CEQA assessment has not yet been performed. The assessment will be completed once the conceptual building plan has been developed. The potential CEQA determination could be anywhere from a Categorical Exemption to a Negative Declaration.

**Map/Site Plan:** attached is the Preliminary Site Analysis prepared by Gonzalez Goodale Architects. The Analysis depicts three possible placements of the Covina Senior and Community Center on the Kelby Park site and summarizes the possible benefits and debits of each placement. Also, attached is an aerial photograph of the Kelby Park site.

**Timeline:**

The City is in the process of re-commencing design work and seeking to identify full project funding. The City is committed to moving this critical project ahead as expediently as possible.

In closing, I thank you for your assistance with this important initiative. Please contact me at (626) 384-5410 or [dpenman@covinaca.gov](mailto:dpenman@covinaca.gov), if you have any questions or require additional information.

Sincerely,

**CITY OF COVINA**

A handwritten signature in black ink that reads "Don Penman". The signature is written in a cursive style with a large, prominent "D" and "P".

Don Penman  
Interim City Manager

Attachments: Covina Senior and Community Center Guiding Principles  
Kelby Park Preliminary Site Analysis  
Kelby Park Aerial Photo

## Project Guiding Principles

1. Maximize use of the facility by designing spaces for **multi-use and flexible sizing**.
2. Design building to accommodate emerging and growing programs, both by **interior flexibility and by planning for future expansion potentials**, as due diligence for all public buildings - should the community desire it.
3. The Senior & Community Center should be conceived, programmed, and planned in a way that **encourages inter-generational exposure and interaction**.
4. In order to encourage interaction among building and park users, **maximize transparency and flow** between indoors and outdoors and between program activities and circulation.
5. There should be a **single, easily supervised entry**, and a clear organization of circulation and exiting.
6. The Center's **architecture should harmonize contextually** with the existing park buildings, with the surrounding residential neighborhood, and with the historic context of Covina's downtown.
7. The placement and planning for the Center should **integrate with and protect the resources of the park**.
8. Design to maximize **maintenance, durability, and sustainability**.
9. Maximize the **suffusion of daylight** throughout the Center.
10. **Acoustical performance** should allow for senior sensitivities both within spaces and between spaces.

## Preliminary Site Analysis

Site master planning involves a complex host of concerns, which is why it is, appropriately a distinct phase of an architectural project. These concerns include issues of neighborhood and community reactions, identity and presence of the new facility, quantity and placement of parking, geometry of the site versus building program, orientation and sustainable strategies, etc.

Because of this complexity and the need to go through a studied process, we can only offer the most broad observations at this proposal phase.

To structure these observations, we've simply divided that site into thirds - (see below)

1. *Southwest Zone (current Senior Center location)*
2. *North Zone (frontal to Barranca)*
3. *Southeast Zone (also frontal to Barranca).*

To the right, we provide some initial possible benefits and debits of locating the new facility respectively in each zone. Especially strong benefits or debits are noted in *italic bold*.



### 1. Southwest Zone

#### Possible Benefits

**Grandfathering:** The facility is 'grandfathered' in the current location and would provide no new residential disruptions other than the construction process.

**Park Use:** Retaining the current location would also preserve the park in its current form and uses to the extent that this is of high community value.

#### Possible Debts

**Construction Activity:** Construction will be mildly disruptive to adjacent neighbors to the north and west.

**Identity:** The distant setback of the building from Barranca and having to park in front is not appropriate for an important public/civic building. (This could be mitigated by parking behind and pulling the building forward while still setting back in the park).

**Site Geometry:** The narrow site may or may not be appropriate to the building program developed.

### 2. North Zone

#### Possible Benefits

**Site Geometry:** This area of the park allow a generous rectilinear site within which to achieve building and discreet parking.

**Identity 1:** Being able to express the new Senior Center more frontally to Barranca is a distinct advantage to establishing a welcoming civic presence for the new building.

**Park Use:** The park would tend to be re-configured along the south in a very linear east/west direction, with some residual open space at the center of the site. This may or may not be of benefit depending on park programming.

#### Possible Debts

**Construction Activity:** Construction will be mildly disruptive to adjacent neighbors to the north.

**Identity 2:** Further, if we look at the overall community, there is a definite shift from commercial to residential at Hurst Street (going north to south). If the new facility's character is civic / commercial, it may be a debit for it to be sited so far north.

**Long Term Community Impact:** Having a new building adjacent may or may not be well-received by neighbors at the intersection of Cypress and Barranca.

### 3. Southeast Zone

#### Possible Benefits

**Site Geometry:** This area of the park allow a generous rectilinear site within which to achieve building and discreet parking.

**Identity:** This siting for the building would provide the strongest presence and identity. It would have a presence on Barranca, and yet be sited back from the Cypress / Barranca intersection, allowing a gracious approach from the north. The approach from the south would also be good because of the set back utility building south of the park.

**Construction Activity:** This site would have the least impact on residential neighbors.

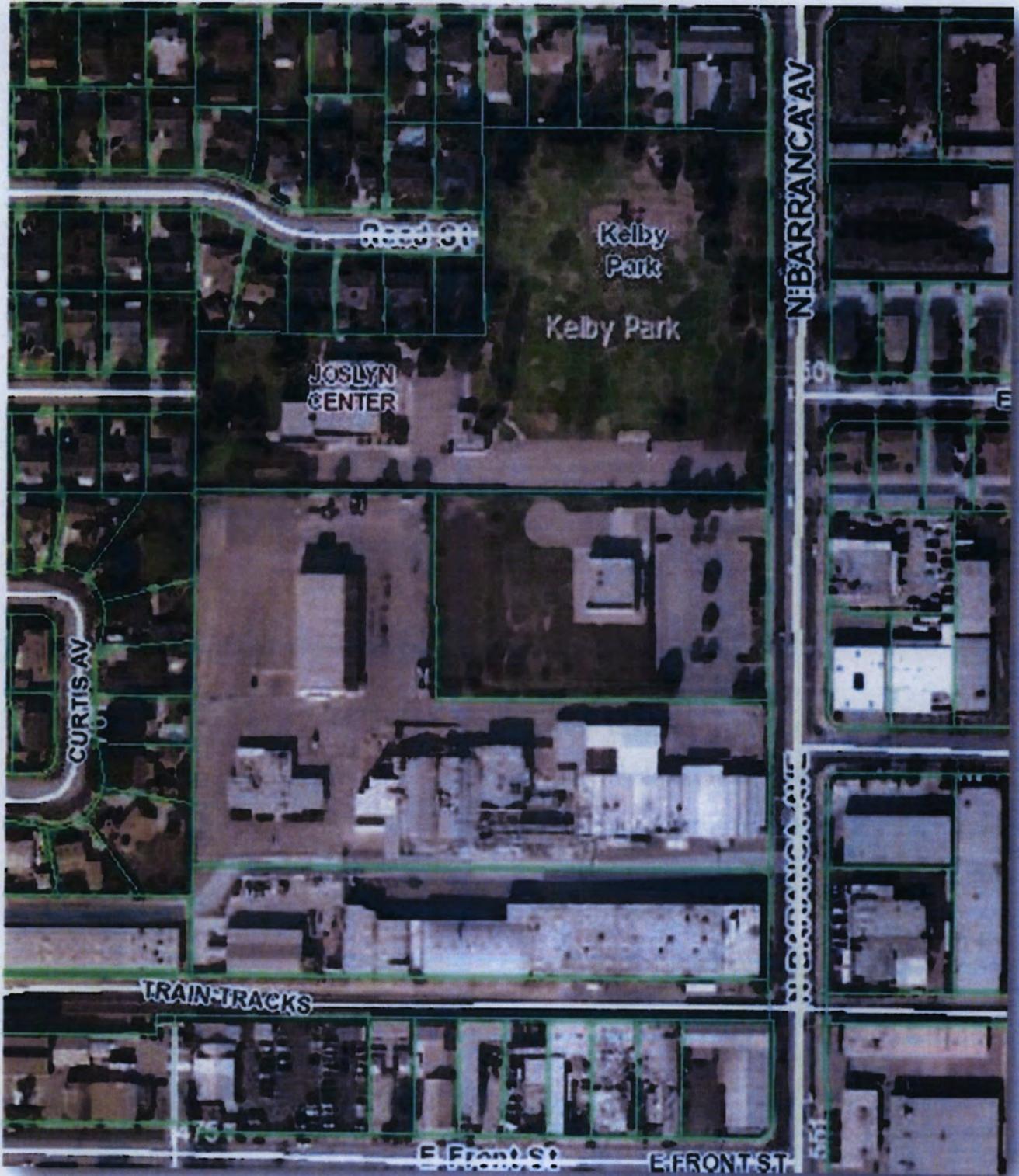
**Long Term Community Impact:** This location would have the least impact on residential neighbors.

#### Possible Debts

**Park Use:** This siting, unless sensitively handled, could result in a bifurcation of the park, with the north zone separated from the southwest zone by the Senior Center site.

**Building Profile/Activity:** This site would have the least impact on residential neighbors.

# Kelby Park





# CITY OF COVINA

## STUDY SESSION REPORT

**MEETING DATE:** September 20, 2016

**TITLE:** Covina Senior and Community Center Update

**PRESENTED BY:** Don Penman, Interim City Manager 

**RECOMMENDATION:** Review and provide input on site location alternatives being evaluated by City staff.

### BACKGROUND:

On April 5, 2016, the City Council received an update on site location alternatives for the Covina Senior and Community Center, including (in alphabetical order):

1. Badillo Street/Downtown (135 E. Badillo Street);
2. Brunswick Bowling Alley (1060 W. San Bernardino Avenue);
3. Civic Center/State Building (233 N. Second Avenue);
4. Covina Park (303 S. Fourth Avenue);
5. Covina Woman's Club (128 S. San Jose Avenue);
6. Hollenbeck Park (1250 N. Hollenbeck Avenue);
7. Kelby Park (815 N. Barranca Avenue); and
8. K-Mart (1162 N. Citrus Avenue).

City staff presented an assessment of each of the site location alternatives using uniform criteria, including (in alphabetical order):

1. Adjacent land uses;
2. Economic impacts;
3. Environmental review (CEQA);
4. Location;
5. Lot size;
6. Other site considerations;
7. Parking;
8. Project funding;
9. Property ownership; and
10. Traffic safety.

Following public input and discussion, the City Council unanimously moved to exclude the following site locations from ongoing Senior and Community Center project consideration:

1. Badillo Street/Downtown
2. Brunswick Bowling Alley
3. Covina Park
4. K-Mart

The City Council also directed staff to explore and exhaust all options, with both public and private property owners in Successor Agency Project Area One. This specific project area includes approximately \$4.8 million funding opportunity in the Successor Agency.

**DISCUSSION:**

Since April 5, 2016, City staff has diligently explored options for siting the Covina Senior and Community Center in Project Area One and further refined the assessment of the site alternatives previously identified. The attached presentation prepared for the Study Session provides an update on site location alternatives and sets the stage for City Council review and input on the alternatives being evaluated by City staff. The site alternatives are (in alphabetical order):

1. Covina iTec
2. Covina Woman’s Club
3. Inter-Community Hospital partnership
4. Kelby Park

Once the City Council identifies a site for the Covina Senior and Community Center, the Department of Public Works will seek City Council consideration of an extension and modification to the scope of services, if needed, for the contract with Gonzalez Goodale Architects for the initial phase of the project. The current scope of work includes user and programmatic needs assessments, site evaluation and recommendation, conceptual designs, cost estimates, and timelines.

Should the City Council elect to pursue placement of the facility at the Covina Woman’s Club, for instance, a building analysis would be required. This would analyze current building conditions and how they relate to a building addition, including building, fire, and accessibility code requirements, building systems enhancements/replacements, and seismic and structural safety. Similarly, if the Covina iTec site is selected, the architect would need to undertake conceptual site planning to determine how to fit the building on site and meet parking requirements.

**FISCAL IMPACT:**

The fiscal impact associated with the Covina Senior and Community Center will be determined during the initial phase of the Covina Senior and Community Center Project, wherein Gonzalez Goodale Architects will develop conceptual designs, cost estimates, and project timelines, following the completion of user and programmatic needs assessments, community and internal engagement, site evaluation, and recommendation. If the project is sited outside of Successor Project Area One, an estimated \$2.5 million in project funding is available, consisting of \$600,000 in Community Development Block Grant (CDBG) and \$1.9 million in Los Angeles County Grant funds.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA) and is exempt per Section 15061 (b) (3). The project is covered by the General Rule that CEQA applies to projects that have the potential for causing a significant effect on the environment. The consideration of possible sites for the placement of the Covina Senior and Community Center will not result in any significant effect on the environment. Once a project site is selected, an Initial Study will be conducted to determine the level of environment assessment required for the project.

Respectfully submitted,

*Don Penman*

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Don Penman  
Interim City Manager

**ATTACHMENT:**

**Attachment A: Covina Senior and Community Center Update, September 20, 2016 Presentation**

**RESOLUTION NO. 16-7533**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, APPROVING THE APPLICATION FOR GRANT FUNDS FROM THE LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT FOR THE FIFTH SUPERVISORIAL DISTRICT COMPETITIVE EXCESS FUNDING FOR THE COVINA SENIOR AND COMMUNITY CENTER PROJECT P-1601 AND APPROVE THE ADOPTION OF A YOUTH EMPLOYMENT PLAN**

**WHEREAS**, the people of the County of Los Angeles on November 3, 1992 and on November 5, 1996, enacted Los Angeles County Proposition A, Safe Neighborhood Parks, Gang Prevention, Tree-Planting, Senior and Youth Recreation, Beach and Wildlife Protection (the Propositions), which among other uses, provides funds to public agencies and nonprofit organizations in the County for the purpose of acquiring and/or development facilities and open space for public recreation; and

**WHEREAS**, the Propositions also created the Los Angeles County Regional Park and Open Space District (the District) to administer said funds; and

**WHEREAS**, the District has set forth the necessary procedures governing application for grant funds under the Propositions; and

**WHEREAS**, the City of Covina is requesting grant funds for the design and construction of the Covina Senior and Community Center project at the Kelby Park site, located at 815 North Barranca Avenue. The envisioned 16,000 to 18,000 square foot Covina Senior and Community Center, acting as the heart of a vibrant citywide program for active senior residents and providing general recreation programming on evenings and weekends, will replace the existing 12,000 square-foot Joslyn Center, which has been vacated and will be demolished; and

**WHEREAS**, the District's procedures require the City of Covina to certify, by resolution, the approval of the application before submission of said application(s) to the District; and

**WHEREAS**, said application contains assurances that the City of Covina must comply with; and

**WHEREAS**, the City of Covina certifies, through this resolution, that the application is approved for submission to the District; and

**WHEREAS**, the City of Covina will enter into an Agreement with the District to provide funds for acquisition and development projects; and

**WHEREAS**, the District's procedures require the adoption of a Youth Employment Plan for development projects by the governing body of the agency.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** Approves the filing of an application with the Los Angeles County Regional Park and Open Space District for Funds for the above project; and

**SECTION 2.** Certifies that the City of Covina understands the assurances and certification in the application form; and

**SECTION 3.** Certifies that the City of Covina has, or will have, sufficient funds to operate and maintain the project in perpetuity; and

**SECTION 4.** Certifies that the City of Covina will sign and return, within 30 days, both copies of the project agreement sent by the District for authorizing signature; and

**SECTION 5.** Approves the adoption of a Youth Employment Plan for the project (see attached); and

**SECTION 6.** Appoints the City Manager, or designee, to conduct all negotiations and to execute and submit all documents including, but not limited to, applications, agreements, amendments, payment requests and so forth, which may be necessary for the completion of the aforementioned project.

**SECTION 7.** The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

**SECTION 8.** The City Clerk is hereby directed to forward a copy of this resolution to Mr. Albert Ablaza, Program Manager, Los Angeles County Regional Park and Open Space District, 510 South Vermont Avenue, Room 230, Los Angeles, California 90020-1975.

**APPROVED and PASSED** this 4<sup>th</sup> day of October, 2016.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7533 was duly adopted by the City Council of the City of Covina at a regular meeting held on the \_\_\_ day of \_\_\_\_\_, 20 \_\_, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:

Dated:

---

SHARON F. CLARK, Chief Deputy City Clerk

Project Description

The City of Covina is designing and constructing the Covina Senior and Community Center at the Kelby Park site, located at 815 North Barranca Avenue. The envisioned 16,000 to 18,000 square foot Covina Senior and Community Center, acting as the heart of a vibrant citywide program for active senior residents and providing general recreation programming on evenings and weekends, will replace the existing 12,000 square-foot Joslyn Center, which has been vacated and will be demolished.

Senior programming will occur weekdays at the Covina Senior and Community Center and include a daily congregate meal program and exercise, arts, and enrichment classes. General recreation programming will occur on weeknights and on Saturdays, including exercise, arts, and enrichment classes. Special events and one-day classes will also be held at the center.

The Project Guiding Principles include, but are not limited to, the following:

1. Maximize use of the facility by designing spaces for multi-use and flexible sizing;
2. Design building to accommodate emerging and growing programs, both by interior flexibility and by planning for future expansion potentials, as due diligence for all public buildings;
3. The Senior and Community Center should be conceived, programmed, and planned in a way that encourages inter-generational exposure and interaction;
4. In order to encourage interaction among building and park users, maximize transparency and flow between indoors and outdoors and between program activities and circulation;
5. Design to maximize maintenance, durability, and sustainability; and
6. Maximize the suffusion of daylight throughout the Center.

The nature of the construction requires that all work be performed by skilled laborers; therefore, this project will not be appropriate for the employment of youth.

Tasks that may be performed by youth: None

Estimated cost of youth employment: None

Method of employing youth: None



**FIRST AMENDMENT TO AGREEMENT BETWEEN THE CITY OF COVINA AND  
GONZALEZ/GOODALE ARCHITECTS  
COVINA SENIOR AND COMMUNITY CENTER PROJECT**

THIS FIRST AMENDMENT is made and entered into as of September 20, 2016 by and between the City of Covina, a California municipal corporation (hereinafter referred to as "City"), and Gonzalez/Goodale Architects, a California Sub-Chapter S Corporation (hereinafter referred to as "Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. This First Amendment is made with the respect to the following facts and purposes:
  - a. On January 19, 2016, the City and Consultant entered into that certain Professional Services Agreement to render such services for the Covina Senior and Community Center Project ("Project") as set forth in this Agreement in the amount of \$100,000.
  - b. The parties now desire to increase the compensation amount to a new total agreement amount of not to exceed one hundred twenty thousand dollars (\$120,000) for the term of the agreement, amend scope of work, extend the term of the agreement to June 30, 2017, and to amend the Agreement as set forth in this Amendment.
2. Section 3.3.1 of the Agreement entitled "COMPENSATION" is hereby amended to read as follows:

"Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed \$120,000 without written approval of City Manager. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement."
3. Section 3.1.2 of the Agreement entitled "TERM" is hereby amended to read as follows:

"The term of this Agreement shall be from the Effective Date through June, 30, 2017, unless sooner terminated as provided in Section 13 of this Agreement."
4. Exhibit "A" to the Agreement is hereby amended by adding thereto the items set forth on Attachment "A" to this Amendment, which is attached hereto and incorporated herein as though set forth in full.
5. Except for the changes specifically set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

The parties, through their duly authorized representatives, are signing this First Amendment on the date stated in the introductory clause.

City:

City of Covina,  
a California municipal corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

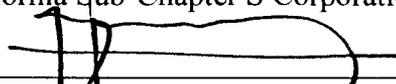
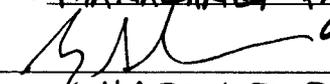
By: \_\_\_\_\_  
Name: Sharon F. Clark  
Title: Chief Deputy City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Name: Candice K. Lee  
Title: City Attorney

Consultant:

Gonzalez/Goodale Architects,  
a California Sub-Chapter S Corporation

By:  \_\_\_\_\_  
Name: ALI BARAKAT, AIA  
Title: MANAGING PARTNER  
By:  \_\_\_\_\_ C-25504  
Name: HARRY R. DRAKE, AIA  
Title: PRINCIPAL C-14869

*(Two signatures of corporate officers required for corporations under Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)*

## **ATTACHMENT A**

Attached hereto and incorporated herein is the additional scope of work to be added to Exhibit A and associated cost as provided by the Consultant.

ATTACHMENT A

## **Exhibit “A” - Scope of Services**

### **1. General**

The selected consultant will be required to provide planning, programming, architectural, and engineering services for the initial phase of the Covina Senior Center Project, which will result in the design and construction of a new Senior Center at a site to be designated by the City Council. The Senior Center will also serve as a recreation center in the evenings and on weekends. The services comprising the initial phase of the Project include user and programmatic needs assessments, community and internal engagement, visioning and conceptual design, site evaluation and recommendation, and development of cost estimates and project timelines. The Project’s schematic design and design development, final design, construction document services, bidding services, construction administration, and construction phases are not part of the Scope of Services for this RFP.

The steps outlined above constitute the initial phase of the Project and will facilitate future Project phases, including schematic design and design development, final design, construction document services, bidding services, construction administration, and construction.

The City’s primary goals in connection with this RFP and the Project are:

- A. Identification of user and programmatic needs for the new facility and development of visioning and conceptual designs and project budgets informed by the input received during the community and internal engagement process in an expedited fashion (on-time or ahead of schedule); and
- B. Establishment and maintenance of good relationships with stakeholders through a community and internal engagement process that emphasizes communication, open dialogue, and cooperative decision making.

### **2. Planning, Programming, and Conceptual Design (Phase 1) – Services and Deliverables**

The initial phase of the Project will include program planning, development, and the preparation of multiple concept designs and budgets. During this phase, the consultant will complete the following tasks and prepare and submit to the Department of Public Works the deliverables listed below. All such deliverables are subject to review and approval by the Department of Public Works and the consultant’s pricing should assume that revisions may be required to these documents to address concerns raised by the Department of Public Works and/or other project stakeholders.

A. Develop and execute a program of community and internal engagement to determine the needs and vision of facility users, programming staff, and other interested parties, including the Covina City Council, and reflect the gathered input in the conceptual design(s). The goals of this process is to:

- i. Participation – generate utmost participation of facility users, the Joslyn Center Senior Advisory Committee, programming staff, and other interested parties, including the Covina City Council;
- ii. Collaboration – collaborative idea generation with focus on identification of operational and spatial characteristics (e.g., layout that allows visibility of activities, generates a desirable social feeling, warm and inviting) worthy of inclusion into design program, desired physical spaces (anticipated uses and utilization) such as main entry, lounge, patio, multipurpose room, warming kitchen, and rooms for arts and crafts, exercise/sports, and games, and support needs (e.g., specialty design features, accessibility, circulation, noise reduction, green development, temperature controls, media capability); and
- iii. Consensus – achievement of consensus on desired building program.

Potential methods to achieve the community and internal engagement goals could include coordination of site visits to “model” municipal senior centers in the region (e.g., Irwindale, Rancho Cucamonga, Simi Valley, Thousand Oaks) to observe operational and spatial characteristics worthy of note for inclusion into the design program, stakeholder interviews, public workshops, user groups meetings held during regularly scheduled activities, brief surveys, use of social media, and so on.

The consultant will submit a preliminary Community and Internal Engagement Plan as part of its proposal. Within five (5) business days of the Notice to Proceed, the consultant will submit to the City for approval a final Community and Internal Engagement Plan. The Plan shall include, at a minimum:

- i. A detailed explanation of strategy, approach, and staffing for attainment of community and internal engagement goals outlined above, including a schedule of user and programmatic needs assessment meetings, stakeholder interviews, internal meetings, community meetings, workshops, and/or charrettes, plus a listing of potential stakeholders, prospective users, and other participants;
- ii. A detailed explanation of the types of strategies the consultant proposes and the justification for each. This should include meetings, workshops, stakeholder interviews, charrettes, written communication, media outlets, social media, websites, and/or other strategies;

- iii. The Plan should demonstrate a results oriented strategy that not only notifies residents through its community outreach component, but garners useful input from the community and internal stakeholders through its community and internal engagement component; and
- iv. Within thirty (30) calendar days of the Notice to Proceed, any social media and/or websites shall be functional (live).

The program of community and internal engagement will entail meeting preparation, presentation, facilitation, and documentation of all events/comments and methods used.

The consultant will submit a preliminary Project Schedule as part of its proposal. Within five (5) business days of the Notice to Proceed, the consultant will submit to the City for approval a final Project Schedule.

- B. Meet with Multi-Departmental Project Team (City Manager’s Office and Community Development, Human Resources/Risk Management, Parks, Public Works, and Parks and Recreation Departments) to kick-off initial phase of Project. Hold meeting within five (5) business days of the Notice to Proceed. The purpose of this meeting will be to review the initial phase project scope, schedule, goals, and expectations for the initial Project phase, as well as, Community and Internal Engagement Plan and Project Schedule with project completion no later than May 18, 2016. The consultant will also collect and present any data available for the Project and Covina senior residents, including, but not limited to, previously completed studies, current survey data, aerial photography, GIS data, etc. The consultant shall complete a Meeting Summary from this meeting and distribute to meeting attendees for review.
- C. Document distribution services – develop and maintain contact, mailing and e-mail distribution lists of facility users, community and internal stakeholders and other interested parties for the duration of this Project phase. Copies of Project documents (e.g., meeting minutes, handouts, PowerPoint presentations, design documents) shall be forwarded via e-mail in PDF format to distribution list members. The consultant shall also coordinate the posting of documents to the City’s website after each meeting or other project milestone.
- D. User and programmatic needs assessment – conduct interviews and collect information from user groups, programming staff, and stakeholders regarding equipment, personnel operational needs, and program requirements. User groups, programming staff, and stakeholders include, but are not limited to:
  - i. Covina City Council

- ii. City Departments (City Manager’s Office, Community Development, Fire, Human Resources/Risk Management, Parks & Recreation, Police, and Public Works)
  - iii. Joslyn Center Senior Advisory Committee
  - iv. Senior users of Joslyn Center
  - v. Recreational users of Joslyn Center
- E. Site evaluation – assuming a new Covina Senior Center can be placed anywhere on the site to be designated by the City Council, assess and make recommendation as to where the new Covina Senior Center should be located. Provide supporting information for recommended location. If existing open space is displaced, include ideas on how the site should be reconfigured to include both the facility and an equivalent amount of usable open space.
- F. Prepare preliminary program evaluation and space requirement report and recommend minimum requirements for the facility, including:
- i. General space allocations (conversion of program requirements to net area required)
  - ii. Human, vehicular, and material flow patterns
  - iii. Special facilities and equipment (e.g., Senior Center shall meet or exceed all ADA accessibility guidelines, individual ADA toilets and toilet stalls shall be of sufficient size to permit a companion to assist a disabled patron, features to address safety concerns surrounding this population)
  - iv. Optional space requirements
  - v. Identify security criteria
  - vi. Define energy and environmental requirements
  - vii. Recommend and incorporate approved sustainable design guideline principles in design of the facility
- G. Draft conceptual Covina Senior Center plans – concept plans are required to identify components of the proposed senior center that are consistent with the findings of the community and internal engagement processes, user and programmatic needs assessments, and to provide the City with preliminary cost estimates and project schedules. Based on input obtained during the program of community and internal engagement, the consultant will work to determine the recreational, social, and cultural programmatic needs (indoor and outdoor activity spaces, functional requirements, inter-related spaces, specific amenities) of the Covina Senior Center and the operational and spatial needs and requirements for the various recreational, social, and cultural programmatic needs and desires identified. These spatial requirements will serve as the basis for determining the size, space programming, and facilities needed for the Covina Senior Center.
- H. Develop three (3) conceptual plans (color renderings) of proposed layouts (floor plans) and site plans accurately depicting entryways, parking areas, and landscape buffers with associated cost estimates and project schedules for the Covina Senior Center that provide

alternatives to addressing the programmatic, recreational, social, and cultural needs. Provide conceptual plans to the Multi-Departmental Project Team for review and comment. The consultant will make appropriate modifications based on comments received from the Multi-Departmental Project Team prior to presenting the concept(s) to the City Council and the community.

- I. Conduct a Community Workshop to present the plan alternatives to the public. The purpose of the meeting will be to determine which conceptual plan the community would prefer. It is envisioned that the community may prefer elements from each of the different plans. The Consultant will document comments for inclusion in the final conceptual Covina Senior Center and site plan and provide a report of the findings.
- J. Draft final conceptual Covina Senior Center plan – The consultant will develop a draft final conceptual plan and site plan (color rendering) and associated cost estimate and project schedule informed by the comments obtained through the community and internal engagement processes. The consultant will submit the draft final conceptual plan, cost estimate, and project schedule to the Multi-Departmental Project Team for review before presenting it to the City Council and the public. The consultant will make appropriate modifications prior to presenting the concepts to the City Council and the public.
- K. Present final draft conceptual Covina Senior Center Plan and site plan (color rendering) and cost estimate to the City Council at a noticed City Council Study Session. The community will be invited to attend. The consultant will collect input from the City Council and community and make refinements based on the comments received.
- L. The consultant will develop an Executive Summary Document of the community planning process and final conceptual Covina Senior Center plan. It is envisioned that this document will be a full-color 11 x 17 document that will summarize the process, identified needs, and costs. The consultant will provide the City with digital files of the executive summary and all files used throughout the process. This document and final conceptual plan will become the basis for subsequent phases of the project including, but not limited to, schematic design and design development, final design, construction document services, bidding services, construction administration, and construction.

### **3. Covina Woman’s Club – General Building and Site Analysis**

The Consultant will undertake a general building and site analysis of the existing Covina Woman's Club and prepare a written report of their findings. The analysis will be based on a visual, on site review of the facility and available documents and facility drawings provided by the City. The purpose is to twofold:

- A. To generally assess the current condition of the facility and determine what upgrades and renovations that might be necessary to meet current fire/life/safety, ADA accessibility, environmental/green building and other code requirements.
- B. To achieve a level of improvement that could be reasonably expected to satisfy the space and functional needs of a proposed Senior/Community Center.

The final report will include, in narrative, outline form, information on Architectural, Structural (including seismic), and Mechanical/Electrical/Plumbing conditions with recommendations.

The timeframe for completion of the General Building and Site Analysis is six weeks.

The fixed lump sum fee for the completion of the General Building and Site Analysis is \$20,000.

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# CITY OF COVINA AGENDA REPORT

ITEM NO. CB 2

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**MEETING DATE:** October 4, 2016

**TITLE:** Consideration of Resolutions Amending the Composition of the Finance Advisory Commission and Amending Policies Related to the City's Advisory Boards and Commissions

**PRESENTED BY:** Sharon Clark, Chief Deputy City Clerk/Records Management Director

**RECOMMENDATION:** 1) **Adopt Resolution No. 16-7531** amending policies related to the City's Advisory Boards and Commission to change the composition of the Finance Advisory Commission and rescinding Resolution No. 16-7505; and 2) **Adopt Resolution No. 16-7532** amending the Bylaws of the Finance Advisory Commission to change the composition of the Commission from five to seven members.

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**BACKGROUND:**

On August 16, 2016, the City Council adopted Resolution No. 16-7505 amending policies related to the City's advisory boards and commissions, and corresponding Resolution No. 16-7507 amending the Bylaws of the Finance Advisory Commission, both of which set the composition of the Commission at five members.

**DISCUSSION:**

At its meeting of September 20, 2016, Council directed staff to bring an agenda item returning the composition of the Finance Advisory Commission to seven members. Proposed Resolution No. 16-7531 amends the City's Boards and Commission policies, and proposed Resolution No. 16-7532 provides the necessary change to the Bylaws of the Finance Advisory Commission to effect Council's direction.

**FISCAL IMPACT:**

None.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

None.

Respectfully submitted,

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Sharon F. Clark  
Chief Deputy City Clerk

**ATTACHMENTS:**

Attachment A: Resolution No. 16-7531

Attachment B: Resolution No. 16-7532

**RESOLUTION NO. 16-7531**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, AMENDING POLICIES RELATED TO THE CITY'S ADVISORY BOARDS AND COMMISSIONS, AND RESCINDING RESOLUTION NO. 16-7505**

**WHEREAS**, the City of Covina has a strong tradition of community participation, one of which is through service on a board, commission, or committee;

**WHEREAS**, on August 16, 2016, the City Council adopted Resolution No. 16-7505 establishing policies for the advisory bodies of the City; and

**WHEREAS**, on September 20, 2016, the City Council directed staff to amend the composition of the Finance Advisory Commission from five to seven members;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The rules, procedures, and policies for City advisory boards, commissions and committees as outlined in Resolution No. 16-7505 are hereby repealed and deleted in their entirety.

**SECTION 2.** The City Council of the City of Covina hereby adopts the following statement entitled, "Appointment to Boards and Commissions" attached hereto as Exhibit A, as the governing policies for City advisory boards, commissions and committees.

**SECTION 3.** All previously-adopted resolutions or parts of resolutions in conflict herewith are hereby repealed.

**SECTION 4.** The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

**SECTION 5.** The City Clerk is hereby directed to include Exhibit A of this resolution in the City's Administrative Policy Manual.

**APPROVED and PASSED** this 4th day of October, 2016.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

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SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

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CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7531 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 4<sup>th</sup> day of October, 2016, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:

Dated:

---

SHARON F. CLARK, Chief Deputy City Clerk

**CITY OF COVINA**

**Appointment to Boards, Commissions, and Committees Policy**

**PURPOSE:**

Public involvement is crucial to the City’s decision-making process, and appointed advisory bodies are an important and valued part of City government. There are particular areas of decision-making which benefit from the advice and counsel of qualified residents. By advising the City Council and staff, bringing new ideas to the table, and representing all of the diverse elements of our community, advisory bodies assist the City Council in making the best, most informed decisions possible, for the benefit of the entire Covina community. The Covina Municipal Code provides for the establishment of advisory bodies including commissions, committees, and boards to advise the City Council and provide ongoing citizen input into policies and issues affecting the Covina community.

The purpose of this Policy is to outline those Council policies pertaining to the City’s Boards and Commissions and set forth a structure that encourages meaningful involvement by the community in decision-making. Boards and commissions are created by the City Council for the following general purposes:

- Gather facts and focus attention on specific matters within their area of responsibility, advise the City Council on policy issues, and recommend actions and alternatives for City Council consideration.
- Provide a forum and opportunity for broad community participation in the identification and prioritization of issues.
- Facilitate reconciliation of contradictory viewpoints among interested parties.
- Assist in balancing community desires with municipal responsibility and resources.
- Recommend to the City Council specific policy-related issues for possible Council study and action.

Additionally, each board and commission has specific assignments or areas of responsibility as established by this Policy.

Committees may be created by resolution of the City Council, as needed, to study specific issues or matters that are limited in scope. The length of the assignment would be shorter in duration than the standing, or ongoing, commissions and boards. Ad hoc committees may be established to facilitate the study of Council-directed or staff-requested initiatives. These committees would be project-specific and would function only for the duration of the project.

Boards and commissions are not responsible for administrative/operational matters of the City nor the implementation of Council policy, except as requested by the city manager or his/her designated staff.

Approved by City Council:	Revision No.: 1
Reference: Resolution No. 16-7531	Page 1 of 12
Prepared by: Sharon Clark, Chief Deputy City Clerk	

**SECTION 1. COMMISSIONS AND BOARDS.**

The City Council hereby establishes six Council-appointed commissions and boards:

**(A) Finance Advisory Commission** – Advises the City Council on finance-related policies and issues, including the annual operating and capital improvement program, and reviews, evaluates, and monitors Community Development Block Grant (CDBG) programs.

**(B) Library Board of Trustees** – Solicits the views of the community and advises the Director about the policies and operations that promote the efficiency of the Library. The Board may make and enforce all rules, regulations and bylaws necessary for the administration, government, and protection of the Library under its management, and all property belonging thereto.

**(C) Parking Place Commission** – Serves as an advisor and makes recommendations to the City Council in matters pertaining to acquiring, maintaining, operating and administering the off-street parking facilities for downtown Covina. The boundaries of Vehicle Parking District No. 1 are the purview of the Commission.

**(D) Parks and Recreation Commission** – Advises the City Council on matters pertaining to the community service needs of the citizens of Covina relating to cultural and historical activities/programs and special events, facilities and park maintenance, public recreational services, senior services, and youth services. The Commission will be expected to be visionaries, be open minded to meet the ever-changing interests of the diverse, multicultural community, be actively open to receive input from individuals and community organizations, and participate in the development of facilities, programs and services that accommodate the needs of the community.

**(E) Planning Commission** – Conducts hearings related to variances, conditional use permits, and zoning regulations; reviews the General Plan; and conducts other studies as required or authorized.

**(F) Traffic Advisory Commission** – Serves as an advisor and makes recommendations to the City Council in matters pertaining to the operation and management of the City’s transportation system and provides a public forum for citizen input on the City’s transportation system. Board may discuss, analyze, evaluate and make recommendations to the City Council on short and long-range measures to enhance the City’s transportation system.

In addition, the City Council acknowledges the following existing boards which are currently under review:

**(G) Personnel Advisory Board** – Meets only upon occasion of certain grievances filed by employees of the City. Closed sessions may be held to consider the appointment or dismissal of a public employee, or to hear complaints or charges brought against an employee by another person or employee, unless the employee requests that the matter be conducted publicly.

Approved by City Council:	Revision No.: 1
Reference: Resolution No. 16-7531	Page 2 of 12
Prepared by: Sharon Clark, Chief Deputy City Clerk	

Exhibit A

**(H) Youth Accountability Board** – Enriches the community through intervention into the behavior and activities of first-time juvenile offenders who have committed a minor offense.

**SECTION 2. ELIGIBILITY AND MEMBERSHIP.**

**(A) Compensation** – Commission or board members serve without compensation, unless provided for by resolution of the City Council.

**(B) City Employment Prohibited** – Commission or board members shall not hold any paid office or employment in the City Government, except as provided herein.

**(C) Spouses, Household Members, and Relatives** – Individuals shall not be eligible to serve on a commission or board, if the individual has a spouse, household member living under the same roof, or has a parent, step-parent, grandparent, child, sister, brother, niece, nephew, uncle, or aunt of the individual or of the individual's spouse that is currently serving as a member of the City Council, or employed as the city manager, assistant city manager, assistant to the city manager, city attorney, department director, assistant director, or the equivalent thereof, for the City of Covina.

**(D) Concurrent Service** – Members of commissions or boards listed herein may serve on more than one commission or board at the same time, except in the case where a conflict arises.

**(E) Specific Membership Requirements**

1. Finance Advisory Commission – This seven-member commission acts in an advisory capacity to the City Council in matters pertaining to the City's finances, reviews and makes recommendations on finance-related policies and issues, including the annual operating and capital improvement program, and reviews, evaluates, and monitors Community Development Block Grant (CDBG) programs. Membership in this Commission is open to local business people and property owners in the City, and the city treasurer.

2. Library Board of Trustees – Formed pursuant to Chapter 2.44 of the Covina City Code Section. This five-member board acts in an advisory capacity to the City Council on library related issues. Each member shall be a resident of the City and have been a resident for at least one year prior to appointment.

3. Parking Place Commission – This five-member commission acts in an advisory capacity to the City Council in matters pertaining to the public parking areas. Generally, members shall be a resident of the City, and priority for membership will be given to residents.

4. Parks and Recreation Commission – This five-member commission acts in an advisory capacity to the City Council in matters and services pertaining to parks, open space, playgrounds, entertainment, other cultural and recreational activities. Generally, members shall be a resident of the City, and priority for membership will be given to residents.

Approved by City Council:	Revision No.: 1
Reference: Resolution No. 16-7531	Page 3 of 12
Prepared by: Sharon Clark, Chief Deputy City Clerk	

Exhibit A

5. Planning Commission – Formed pursuant to Chapter 2.28 of the Covina City Code, this five-member commission acts in an advisory capacity to the City Council and has some decision-making authority on land use and development of the City. Generally, members shall be a resident of the City, and priority for membership will be given to residents.

6. Traffic Advisory Commission – This five-member commission acts in an advisory capacity to the City Council concerning policies affecting the City’s transportation system. Generally, members shall be a resident of the City, and priority for membership will be given to residents.

7. Personnel Advisory Board – This board consists of five members who must be residents of the city and cannot hold a salaried position with the city. Duties are established by Covina Municipal Code Section 2.36.040; however, the scope of the assignment is limited by the Personnel Rules, under which the Board shall hear appeals of Type II Grievances resulting from disciplinary actions including, but not limited to, suspension, demotion or termination.

8. Youth Accountability Board – Consists of six members who must be dedicated to enriching the community through intervention into the behavior and activities of first-time Juvenile offenders who have committed a minor offense. Highly desirable applicants will either reside or work in Covina and be graduates of the Covina Police Department Citizens’ Academy. Board members are subject to a thorough background investigation and will be required to sign a confidentiality notice pertaining to all juvenile matters heard by the Board.

**SECTION 3. RECRUITMENT, APPOINTMENT AND SELECTION.**

**(A) Appointment**

1. Appointment to a commission or board is an honor and a responsibility. It signifies the City Council’s confidence in the member’s wisdom and judgment and places upon the member the duty to prepare for and attend meetings and consistently work toward and vote in a manner that promotes the public interest. Members are not selected to represent a business, area of the community, school, or organization. Each member, and the commission or board, as a whole, is concerned with the general public good. Where personal interest conflicts with the general welfare of the public, the latter must prevail.

2. When a vacancy exists, applications will be received by the City Clerk’s Office and provided to the City Council for consideration.

3. Prior to appointment, prospective members may be interviewed by the entire city Council at a study session meeting pursuant to the Ralph M. Brown Act which requires that all discussions and deliberations by the City Council regarding appointments or confirmation of appointments are to take place in public at regular or special meetings of the body.

4. At a regular or special meeting, the City Council will make appointments through a formal balloting process; except that when the number of vacancies is equal to or less than the

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Exhibit A

number of qualified applicants for the position(s), the Council may choose to waive the formal balloting procedure.

5. Members shall be appointed for a term of four years expiring on June 30; except for members of the Library Board of Trustees whose terms shall be for three years, and the Youth Accountability Board whose terms shall be for two years.

**(B) Oath of Office**

Each board and commission member, before entering upon the discharge of the duties of his/her office, shall receive the City’s Code of Conduct, Resolution No. 09-6748, and take, subscribe to, and file with the city clerk the following oath or affirmation:

“I do solemnly swear (or affirm, as the case may be) that I will support the Constitution of the United States and the Constitution of the State of California, and that I will faithfully discharge the duties of the office of (here inserting the name of office) according to the best of my ability.”

Each board and commission member shall have the opportunity to receive a ceremonial Oath of Office at a regularly-scheduled City Council meeting.

**(C) Vacancies and Recruitment**

Through the Office of the City Manager and City Clerk, efforts will be made to fill board or commission vacancies as soon as practical. Upon notification of a vacancy, whether planned or unplanned, staff shall inform Council of the status of recruitment efforts to fill the vacancy.

**(D) Training, Conferences and Disclosure Obligations**

1. Training shall be provided to all board and commission members by the City, including an orientation session for new members. Training shall be delivered as deemed necessary by the Council and/or city manager and may include topics germane to a specific board or commission and/or training generic to all boards and commissions (e.g. ethics training or “how to run a meeting” for board and commission chairs).

2. Conferences are conducted periodically by outside groups to assist members of commissions and boards in meeting their respective responsibilities more effectively. The City’s interests are often served by participation in the educational and training programs offered at the conferences. Each member of City boards and commissions may attend related training and/or conferences, provided that the conference subject matter pertains directly to the function of the board and commission and that funds for this purpose have been budgeted. Members are also responsible for attending training required pursuant to State law.

3. Designated boards and commissions are subject to conflict of interest provisions of the Political Reform Act and must file Statements of Economic Interests. Statements must be filed within 30 days of taking office and thereafter annually, as well as upon leaving office.

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**SECTION 4. OFFICERS.**

**(A) Selection of Chair and Vice Chair**

Each board and commission shall, at the first regular meeting in July of each year, or during the next regularly-scheduled meeting if a July meeting is not otherwise necessary, elect one of its members as presiding officer, to serve commencing after the end of the meeting. The selection of chair and vice chair shall be the last item on the agenda at the scheduled meeting.

**(B) Chair and Vice-Chair – Roles and Responsibilities**

1. Chair – Presides at meetings of the commission or board, and follows Brown Act requirements for conducting meetings and coordinates the scheduling of special meetings or cancellation of a meeting with the staff liaison.
2. Vice-Chair – Serves as the presiding officer in the absence of the chair.

**SECTION 5. MEETINGS, ATTENDANCE AND QUORUMS.**

**(A) Meetings**

1. Each commission and board shall be scheduled to meet regularly on a day and time determined by the commission or board and approved by the City Council.

2. As a matter of policy, it serves the public interest to have the greatest possible public access to commission meetings. Meeting locations shall be selected according to the following guidelines:

- Meeting rooms should be of a size adequate to allow for public participation.
- Commissions should meet in a location permitting recurring usage of that location to the greatest extent possible.
- Boards and commissions should preferably meet in the Council Chamber or another facility with adequate parking, interior space, lighting and accessibility to promote involvement.

3. All board and commission meetings, including special meetings, shall be open to the public and held in a manner provided for in the Ralph M. Brown Act, California Government Code section 54590, as it may from time to time be amended.

4. All board and commission meetings shall operate under Parliamentary Procedure. Should this policy and Parliamentary Procedure conflict, this policy shall take precedence.

5. A majority of the members of the board or commission shall constitute a quorum for the transaction of business.

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**(B) Attendance**

1. Regular attendance at the board or commission meeting is critical. A quorum, or majority, of the members is required to conduct business, and unexcused or repeated absence from meetings adversely affects the work of the group and inconveniences the other members. The boards and commissions need the benefit of every member’s expertise and judgment in formulating recommendations to the Council.

2. Each member of a City board and commission is expected to attend all regularly-scheduled meetings, and as many special meetings as possible. When a board or commission member knows in advance that he/she will be absent from a meeting, the member shall give advance notice to the chair and/or staff liaison.

3. The board/commission chair shall, in consultation with the staff liaison, propose that each absence be “excused” or “unexcused”. Each board or commission shall then determine by general consent (or, failing to achieve general consent, by majority vote) their members’ absences from regularly-scheduled meetings as excused or unexcused and shall include that record in official meeting minutes. Absences from special meetings shall be recorded but shall not be classified as “excused” or “unexcused”.

a. Excused Absences – excused absences include work-related conflicts, illness or other medical reasons, and personal conflicts including scheduled vacations when notice is provided in advance. Generally, failure to inform the chair or staff liaison prior to the meeting shall result in an unexcused absence unless extenuating circumstances prevent advance notice.

4. Unexcused absences from three consecutive regularly-scheduled meetings, or from more than 25% of all regularly scheduled meetings over any twelve consecutive month period, shall result in that member’s seat being declared vacant. Any declaration of vacancy based on unexcused absence from more than 25% of all regularly scheduled meetings over any consecutive 12-month period shall be appealable to the City Council.

5. Board and Commission members are responsible for monitoring their own attendance records. The staff liaison shall record the attendance of board and commission members in a uniform manner in the meeting minutes and prepare for the City Council semi-annual reports of all the City’s boards and commissions showing the attendance of each member at both regular and special meetings during the past 12 months. The percent of regularly-scheduled meetings attended shall only be shown for board and commission members having been in office at least six months.

6. Council shall take into consideration board and commission member attendance records, including tardiness, when evaluating the overall performance of board and commission members.

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**(C) Quorum**

Boards and commissions have a quorum present when a majority of their total membership is present. "Total membership" means the number of members indicated in Section 3 of this Resolution.

**(D) Majority and Abstentions**

Commissions and/or Board motions shall be approved by a majority of legal votes cast. Members who fail to vote are presumed to have waived the exercise of their right and to have consented to allow the will of the organization to be expressed by those voting. The tabulation of a vote is based on the number of members present and voting. Abstentions are not counted, since a member who abstains voluntarily relinquishes his or her vote, and is not counted in the results.

**SECTION 6. GENERAL AND SPECIFIC DUTIES.**

Aside from obligations related to attendance and training noted elsewhere in this policy, the general and specific duties for all commission and board members are:

**(A) General Duties**

1. Gather facts and focus attention on specific matters within their area of responsibility.
2. Advise the City Council on policy issues, make recommendations, and propose alternatives for City Council consideration.
3. Provide a forum and opportunity for broad community participation in the public process.
4. Facilitate reconciliation of contradictory viewpoints among interested parties.
5. Assist in balancing community desires with municipal responsibility and available resources.
6. Recommend to the City Council specific policy-related issues for possible Council study and action.

**(B) Specific Duties**

1. Finance Advisory Commission
  - a. Reviews and analyses financial and investment information including the annual operating and capital improvement program.

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- b. Advises the City Council on finance-related policies and issues.
- c. Reviews, evaluates, and monitors Community Development Block Grant (CDBG) programs, and makes recommendations to the City Council on the allocation of funding.

2. Library Board of Trustees

- a. Review and make recommendations on the Library Sub-Element of the General Plan.
- b. Assess community conditions which affect Library goals and policies and encourage efficiency in operations.
- c. Review and make recommendations regarding grant applications and funding allocations.

3. Parking Place Commission

- a. Advises and makes recommendations to the City Council in matters pertaining to acquiring, maintaining, operating and administering the off-street parking facilities for downtown Covina.

4. Parks and Recreation Commission

- a. Advise the City Council on matters pertaining to recreation services, cultural activities and special events, senior services, youth services, human relations, and historical preservation.
- b. Foster, enhance, and recognize volunteer opportunities for people of all ages within the community.
- c. Provide input to the Planning Commission and City Council on matters pertaining to the design and features of parks, community centers, and senior centers that affect the provision of recreation and related services.
- d. Review, analyze and recommend programs and activities directed toward enhancing the recreation, social, and senior service opportunities available to all persons in our community.
- e. Review, analyze and recommend programs and activities that enhance communication and relationships between residents, private and public agencies, local institutions, and businesses in our community.

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5. Planning Commission

- a. Prepare, adopt and recommend to the City Council a comprehensive, long-term plan for the physical development of the City, which shall be known as the city of Covina General Plan.
- b. Prepare, adopt and recommend to the City Council plans based on the General Plan and drafts of such regulations, programs and legislation as may, in its judgment, be required for the systematic execution of the General Plan.
- c. Act on the advisory agency of the City Council in connection with the administration of the State Map Act.
- d. Hear and decide applications for variances, unclassified use permits, tentative tract and parcel maps, as well as precise plans of design in accordance with adopted rules and procedures.
- e. Investigate, hear and recommend to the City Council plans for the improvement and beautification of the City, including such matters relating to changes of zoning regulation and district.
- f. Administrate the Historic Preservation duties outlined in Chapter 17.81 of the Covina Municipal Code.
- g. Perform all other duties as may be imposed by law or the City Council.

6. Traffic Advisory Commission

- a. Study data and statistics, make reports, hold hearings, and make recommendations to the City Council on matters relating to traffic safety in the City.
- b. Review and make recommendations on Federal, State and regional policy proposals related to bicycles, pedestrians, traffic safety, and mobility.
- c. Review and make recommendations on the applicable sections of the General Plan.

7. Personnel Advisory Board

- a. As provided by ordinance and the rules, to hear written appeals submitted by any person in the competitive service relative to any disciplinary action, dismissal, demotion, or alleged violation of this ordinance of the personnel rules and to certify its findings and recommendations as provided in this ordinance.

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b. In an investigation or hearing conducted by the Board, it shall have the power to examine witnesses under oath and compel their attendance or production of evidence by subpoenas issued in the name of the city and attested to by the City Clerk. Each member of the Board shall have the power to administer oaths to witnesses.

c. When requested by the Council or the city administrator, the Personnel Advisory Board shall hold hearings and make recommendations on any matter of personnel administration, within the limits of a request of the city council or the city administrator.

8. Youth Accountability Board

a. Attend bi-monthly meetings during evening hours at the Covina Police Department to review cases referred to the Youth Accountability Board Program.

b. Meet with juvenile offenders and their parents.

c. Draft and present "accountability contracts" designed to address the juvenile's behavior and any other issues to parent(s) and juvenile for agreement.

d. Review accountability contracts to monitor progress and ensure compliance of participants.

**(C) Additional Duties**

Additional duties may be conferred upon specific boards and/or commissions by the City Council. These shall be memorialized via the City Charter or by revision to this policy.

**SECTION 7. ADMINISTRATION.**

**(A) Staff Liaison** – The City Manager shall appoint a staff liaison to support each board and commission. The staff liaison to each board and commission shall serve as the secretary for the commission and is responsible for maintaining the record of resolutions, findings, determinations, and minutes as required.

**(B) Communications** – In addition to their role as advisors to the Council, boards and commissions function as a communication link between the community and the City, explaining City programs and recommendations, advocating established City policy and services, as well as providing a channel for citizen expression.

**(C) Annual Reports** – In order for the City Council to oversee the progress, accomplishments and challenges, each board and commission shall submit annually to the City Council a report that includes, at a minimum, the board/commission's meeting dates, attendance sheets, a summary of the board/commission's accomplishments in the past 12 months and goals for the next 12 months,. Annually, the Council will conduct a joint meeting to discuss the annual report and the board/commission's progress and challenges in meeting its goals and objectives.

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**(D)** Joint Meetings – Council shall consider joint study sessions with boards and commissions as warranted.

**(E)** Recognition – An annual event to recognize the service of all board and commission members, as well as citizens serving on special Council ad-hoc committees, shall be coordinated through the Office of the City Manager. Outgoing board and commission members who have served their full term shall receive a certificate of appreciation and a small memento of appreciation.

**(G)** Resignation/Completion of Term – When a board or commission member resigns from his or her seat, the member shall notify the City Council in writing (email, fax or letter), with copies to the staff liaison, city clerk and city manager, indicating the effective date and the reason(s) for resignation.

**(H)** Removal

A person appointed by the City Council to any board or commission shall continue to serve as a member thereof except when:

1. The person’s term of office expires and a different person has been appointed.
2. The person voluntarily resigns.
3. The person has exceeded the maximum number of unexcused absences and the position has been vacated.
4. The person has been removed from office by the City Council.

A majority vote of the City Council may remove any member of a board or commission for any reason including, but not limited to, conduct unbecoming a public official, violating the City’s conflict of interest ordinance or failing to comply with statutory requirements such as the filing requirements under the Political Reform Act. Conduct unbecoming a public official includes the kind of conduct that any reasonable board/commission member would know is incompatible or inimical to public service, would indicate a lack of fitness to perform the functions of a Commissioner or would discredit or cause embarrassment to the City.

Any member of the City Council may initiate a person’s removal from a board or commission by requesting at a regular City Council meeting that consideration of the person’s removal be placed on the Council’s agenda at a regular or special meeting for discussion and potential action. The City Clerk shall notify the person affected of the time and place of the meeting. When the item is on the City Council agenda, the City Council may, by majority vote, remove the person from a board or commission.

**SECTION 9. BYLAWS.**

Boards and commissions may craft additional bylaw provisions specific to the group, including establishing regular meeting dates, times and locations, as long as the bylaws do not conflict with Sections 1 through 8 above. Any bylaw provisions and revisions thereto must be approved by the City Council.

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**RESOLUTION NO. 16-7532**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, AMENDING THE COMPOSITION OF THE FINANCE ADVISORY COMMISSION AND AMENDING THE BY-LAWS THEREOF**

**WHEREAS**, the Finance Advisory Committee was established and bylaws adopted per Resolution 14-7236, adopted June 3, 2014; and

**WHEREAS**, the bylaws of said Committee were amended per Resolution 14-7274 on August 19, 2014; and

**WHEREAS**, on April 9, 2016, the City Council adopted Resolution No. 16-7480 adopting policies related to the advisory bodies of the City, renaming the Finance Advisory Committee as the Finance Advisory Commission; and changing the composition thereof from seven to five members; and

**WHEREAS**, on August 16, 2016, the City Council adopted Resolution No. 16-7507 completing the change in the composition of members from seven to five by amending the Bylaws of the Finance Advisory Commission;

**WHEREAS**, on September 20, 2016, the City Council directed that the composition of the Finance Advisory Commission be changed from five members to seven members;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The composition of the Finance Advisory Commission is hereby changed from five to seven members.

**SECTION 2.** The Bylaws of the Finance Advisory Commission are hereby amended accordingly as reflected in the attached Exhibit A and incorporated herein by this reference.

**SECTION 3.** The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

**APPROVED** and **PASSED** this 16<sup>th</sup> day of August, 2016.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

---

SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

---

CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7532 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 4<sup>th</sup> day of October, 2016, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:

Dated:

---

SHARON F. CLARK, Chief Deputy City Clerk

**FINANCE ADVISORY COMMISSION BYLAWS**

**I. PURPOSE**

- A. To advise and make recommendations to the City Council on finance-related policies and financial stability issues as defined in these Bylaws.
- B. To review, evaluate, and monitor Community Development Block Grant (CDBG) programs as part of the City's mandated Citizen Participation Plan.

**II. ORGANIZATION**

A. Composition

1. The Finance Advisory Commission (hereinafter Commission) shall consist of seven members appointed by the City Council.
2. Those eligible to apply are local business people and property owners in the City, and the city treasurer.

B. Terms of Office

1. Initially, three Members shall serve until June 30, 2016 with the remaining seats serving until June 30, 2018. Thereafter, members shall serve four-year staggered terms expiring at the end of June.
2. Pursuant to Government Code Section 36506, all members shall serve at the pleasure of the City Council.

C. Qualifications

1. Applicants must have an interest in serving the financial needs of the City as well as the development of the CDBG program including serving low and moderate income residents and blighted neighborhoods.
2. Eligibility shall be as established by Resolution No. 16-7531.

D. Attendance

1. The policies as set forth in Resolution No. 16-7531 shall govern attendance, absence, and removal of commission members.
2. Pursuant to Government Code Section 36506, any member of the Commission may be removed at any time and without cause by a majority vote of the City Council.

E. Appointments to Fill Vacancies

1. The policies as set forth in Resolution No. 16-7531 shall govern appointments to the Commission.

F. Compensation and Reporting

1. Members of the Commission shall serve without compensation for their service on the Commission.
2. Members will be required to file annual statements of economic interest (FPPC Form 700) and complete ethics training every two years in accordance with the California Government Code (AB 1234).

### **III. DUTIES**

- A. Reviews and analyzes financial and investment information including the annual operating and capital improvement program.
- B. Advises the City Council on finance-related policies and issues.
- C. Reviews, evaluates, and monitors Community Development Block Grant (CDBG) programs, and makes recommendations to the City Council on the allocation of funding.
- D. The Commission will operate in compliance with all federal, state and local laws, including but not limited to, the City of Covina Municipal Code, and other applicable Ordinances and Resolutions adopted by the City Council.

### **IV. OFFICERS**

#### **A. Designation of Officers**

- 1. At the initial meeting and at the first regular meeting in July of each year, or during the next regularly-scheduled meeting if a July meeting is not otherwise necessary, the Commission shall elect a Chair and Vice-Chair from among its membership. The selection of chair and vice-chair shall be the last item on the agenda at the schedule meeting.
- 2. The Chair and Vice-Chair shall serve at the pleasure of the Commission and may be removed at any time and without cause by a majority vote of the Commission membership.
- 3. The Chair and Vice-Chair shall serve terms of one year commencing upon their appointment and concluding on the election of their successors.
- 4. Special elections shall be held when necessary due to mid-year officer vacancies.

#### **B. Duty of Officers**

- 2. The Chair shall preside over all Commission meetings, follows the Brown Act requirements for conducting meetings and coordinates the scheduling of special meetings or cancellation of a meeting with the staff liaison. The Vice-Chair shall serve as the presiding officer in the absence of the chair.

### **V. MEETINGS**

- A. Annual Meeting: The Commission shall hold an annual meeting on the second Wednesday in the month of July at 7:00 pm, during which Officers shall be selected, or at another date and time in July agreed upon by the Commission. Other business may also be transacted during this meeting. Meetings shall be held in the Council Chamber or another facility with adequate parking, interior space, lighting and accessibility to promote involvement.
- B. Regular Meetings: The Commission shall also meet on the second Wednesday of the months of September, November, January, March and May at 7:00pm, or at another date and time agreed upon by the Commission, which will facilitate the attendance and input of the public. Meetings shall be held in the Council Chamber or another

facility with adequate parking, interior space, lighting and accessibility to promote involvement.

- C. Special Meetings: Special meetings may be called at any time by the Chair in coordination with the staff liaison.
- D. All meetings shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with California Government Code Section 54950) and shall be open to the public.
- E. Four Commission members shall constitute a quorum. Each Commission member shall be entitled to one vote. Recommendation of new policies or programs to City Council requires an affirmative vote from the majority of the members present.
- F. The latest edition of Robert's Rules of Order shall constitute the parliamentary guidelines for transaction of the Commission's business. Where there is a conflict between Robert's Rules of Order and the Bylaws, the Bylaws shall have precedence. Failure to strictly follow Robert's Rules of Order shall not invalidate any action of the Commission.

#### **VI. STAFF SUPPORT**

- A. The Finance Director and Finance Department staff, as directed and determined by the Finance Director, shall provide staff support to the Commission to include:
  - 1. Agenda preparation and posting.
  - 2. Respond to requests for information by the Commission.
  - 3. Provide technical assistance and advice to the Commission.
  - 4. Take minutes and coordinate preparation and dissemination of materials.
  - 5. Perform follow-up activity as requested consistent with the direction of the Commission.
- B. In the event of a request for research by the Commission that the Finance Director determines not to be within the approved tasks or duties of the Commission, or that requires a dedication of staff time that is not available within the requirements of day-to-day operations, the Finance Director shall confer with the City Manager. The City Manager shall decide whether the staff support shall be provided in that instance. The Commission may appeal the City Manager's decision to the City Council.

#### **VII. AMENDMENTS**

These Bylaws may be amended by a four-fifths vote of the entire Commission membership at a regular meeting, provided that the amendments are also approved by majority vote of the City Council.

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# CITY OF COVINA AGENDA REPORT

ITEM NO. CB 3

**MEETING DATE:** October 4, 2016

**TITLE:** Consideration of Appointments to the Finance Advisory Commission.

**PRESENTED BY:** Sharon Clark, Chief Deputy City Clerk/Records Management Director

**RECOMMENDATION:** Reappoint Mark Cook, Diane Fonseca, and Tom Melendrez to the Finance Advisory Commission for full terms ending June 30, 2020.

**BACKGROUND:**

On September 20, 2016, the City Council directed staff to bring an agenda item amending the composition of the Finance Advisory Commission from five to seven members before appointments were made relative to three terms on the Commission which expired June 30, 2016.

**DISCUSSION:**

With the adoption of Resolution No. 16-7531 amending policies related to the City’s Advisory Boards and Commissions, and Resolution No. 16-7532 amending the Bylaws of the Finance Advisory Commission (Agenda Item: Continued Business CB 2) at the October 4, 2016, Council meeting, the requested change is completed.

As of September 26, 2016, the following have requested consideration for appointment:

**FINANCE ADVISORY COMMISSION – 1 Vacancy**  
*(Council appoints to a four-year term)*

CURRENT MEMBER	INCUMBENTS (Interested in Re-Appointment)	NEW APPLICANTS
Mark Cook (full term expired 6/30/16)	Mark Cook Diane Fonseca Tom Melendrez	None
Diane Fonseca (full term expired 6/30/16)		
Tom Melendrez (full term expired 6/30/16)		

As the number of applicants is equal to the number of vacancies, it is recommended that Mark Cook, Diane Fonseca, and Tom Melendrez be reappointed to the Finance Advisory Commission for full terms ending June 30, 2020.

**FISCAL IMPACT:**

None.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

None.

Respectfully submitted,

*Sharon F. Clark*

Sharon F. Clark

Chief Deputy City Clerk

**ATTACHMENT:**

Attachment A: Applications



Board, Commission and Committee Member C

Instructions: Complete this application and return it to the City Clerk, Covina, CA 91723. If you have any questions, please call the City Clerk. Please TYPE or PRINT clearly in ink.

st,

Board, Commission or Committee: Finance Advisory Committee

Is this an application for re-appointment? Yes X No

First Name: Mark Last Name: Cook

Home Address: Covina, CA 91724

Home Phone Number: Cell Phone Number:

Email:

Business Name: Taco Bell #367 Occupation:

Business Address: 301 N. Citrus Covina Business Phone: 626-968-3213

Why do you wish to serve the City? because I care

What experience or education have you had relative to this field? Business degree and 30+ years in business

What other City Boards, Commissions, or Committees have you served?

To what civic service organizations do you belong? None

How did you become interested in this field? I was hog tied into it

Will you be able to attend all Board, Commission, or Committee meetings? Yes X No

Are you willing to file a State financial disclosure statement as required? Yes X No

Are you willing to complete the AB1234 Ethics Training as required? Yes X No

(If NO to any of the above, please explain):

Applications are screened on the basis of information submitted and may be subject to a Livescan as part of the application process.

Mark Cook

9/1/16

Signature of Applicant

Date



City of Covina

Board, Commission and Committee Member Candidate Application

Instructions: Complete this application and return it to the City Clerk's Office, 125 E. College Street, Covina, CA 91723. If you have any questions, please call the City Clerk's Office at (626)384-5430. Please TYPE or PRINT clearly in ink.

16 AUG 15 AM 10:58

Board, Commission or Committee: Finance

Is this an application for re-appointment? Yes [checked] No

First Name: DIANE Last Name: FONSECA

Home Address: COVINA 91722

Home Phone Number: Cell Phone Number:

Email:

Business Name: Retired Occupation:

Business Address: Business Phone:

Why do you wish to serve the City? I love my city

What experience or education have you had relative to this field? Owned my own business

What other City Boards, Commissions, or Committees have you served? - closing the Redevelopment

To what civic service organizations do you belong? Soroptimist Intl. of Covina - West Covina, AMBASSADOR COVINA Chamber of Commerce

How did you become interested in this field? I was asked to be on this committee last time

Will you be able to attend all Board, Commission, or Committee meetings? Yes [checked] No UNLESS I AM OUT OF TOWN

Are you willing to file a State financial disclosure statement as required? Yes [checked] No

Are you willing to complete the AB1234 Ethics Training as required? Yes [checked] No

(If NO to any of the above, please explain):

Applications are screened on the basis of information submitted and may be subject to a Livescan as part of the application process.

Diane E. Fonseca

8-15-2016

Signature of Applicant

Date



City of Covina

Board, Commission and Committee Member Candidate Application

Instructions: Complete this application and return it to the City Clerk's Office, 125 E. College Street, Covina, CA 91723. If you have any questions, please call the City Clerk Office at (626)384-5430. Please TYPE or PRINT clearly in ink.

Board, Commission or Committee: FINANCE ADVISORY COMMISSION / COAG

Is this an application for re-appointment? Yes X No

First Name: TOM

Last Name: MELENDREZ

Home Address:

Home Phone Number:

Cell Phone Number:

Email:

Business Name: RETIRED

Occupation: FORMER CITY ENGINEER

Business Address:

Business Phone:

Why do you wish to serve the City? I AM INTERESTED IN ASSISTING THE CITY WITH ITS FISCAL ISSUES BY REVIEWING ITS BUDGETS AND PROGRAMS TO SEE IF I CAN OFFER SUGGESTIONS AND OPTIONS TO IMPROVE ITS FINANCIAL PICTURE

What experience or education have you had relative to this field? I HAVE WORKED FOR (7) SEVEN CITIES AND PREPARED AND MANAGED MAINTENANCE AND CAPITAL IMPROVEMENT BUDGETS FOR PUBLIC WORKS AND ENGINEERING DEPARTMENTS.

What other City Boards, Commissions, or Committees have you served?

I CURRENTLY SERVE ON THE TRAFFIC ADVISORY COMMITTEE

To what civic service organizations do you belong?

NONE

How did you become interested in this field?

Will you be able to attend all Board, Commission, or Committee meetings?

Yes X No

Are you willing to file a State financial disclosure statement as required?

Yes X No

Are you willing to complete the AB1234 Ethics Training as required?

Yes X No

(If NO to any of the above, please explain):

RECEIVED  
CITY CLERK'S OFFICE  
16 AUG 15 AM 11:51

Applications are screened on the basis of information submitted and may be subject to a Livescan as part of the application process.

Tom Melendrez

8/15/16

Signature of Applicant

Date

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# CITY OF COVINA

## AGENDA REPORT

ITEM NO. NB 1

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**MEETING DATE:** October 4, 2016

**TITLE:** Professional Services Agreement with HdL Software, LLC (HdL) for Business License Management and Compliance Services

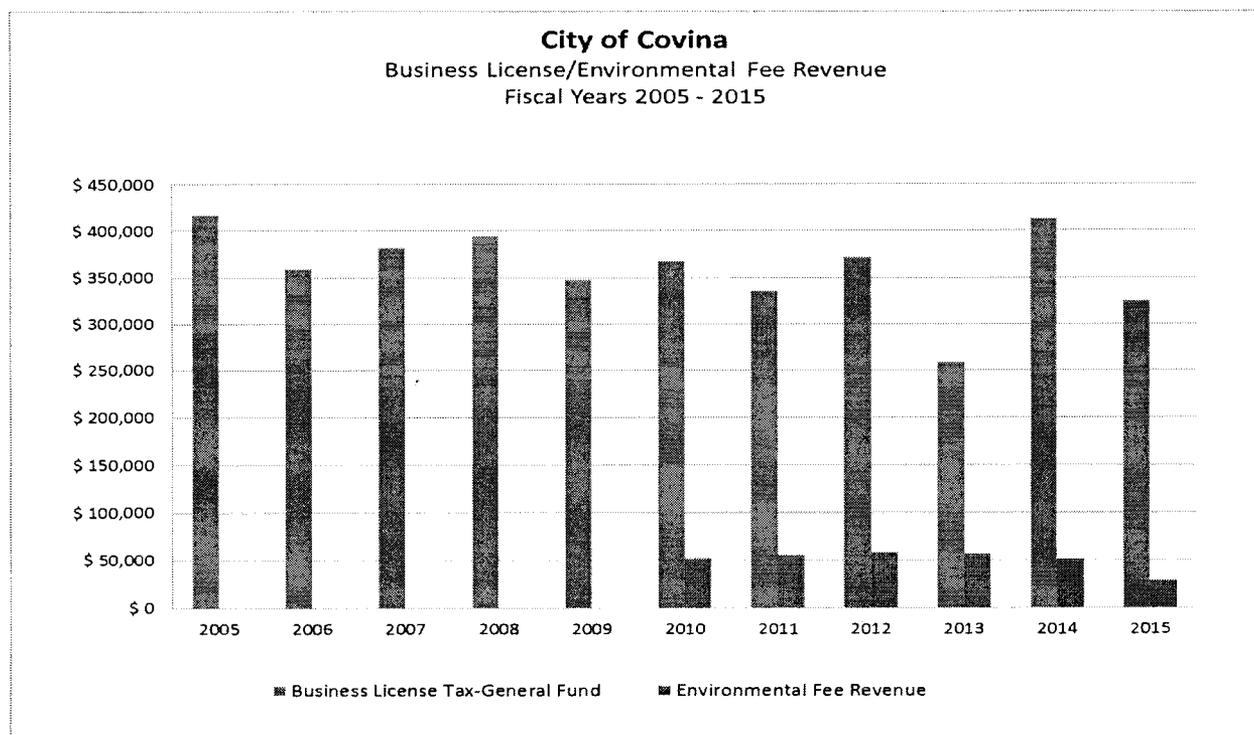
**PRESENTED BY:** Anita Agramonte, Finance Director

**RECOMMENDATION:** Award Professional Services Agreement (PSA) to HdL Software, LLC (HdL) for Business License Management and Compliance Services along with Consulting Services for a Business Tax Analysis and Ordinance Review, Authorize the Interim City Manager to execute the PSA, and adopt Resolution No. 16-7534 appropriating \$71,500 for this agreement

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### BACKGROUND:

Business licensing is governed by Chapter 5.04 of the Covina Municipal Code. Section 5.04.060 of this chapter states that it is unlawful for any person to transact or carry on any business, trade, profession, calling or occupation in the City of Covina without first having procured a license from the City to do so and paying the tax prescribed. The City collects and processes approximately 5500 current and active business license accounts totaling approximately \$250,000 to \$415,000 in annual general fund revenues and an additional approximately \$50,000 in environmental fees as illustrated below.



The business license program’s primary function is to enforce city-wide compliance and ensure that business licenses are maintained and renewed annually. This function was performed by a Business License Technician and a part-time Account Clerk II with additional enforcement assistance from the Code Enforcement division of the Community Development Department. However, due to the elimination of the Business License Technician position in July 2015 and staffing shortages in Code Enforcement, the administration, processing, collections and enforcement of business licenses has proven to be very challenging to conduct in-house.

The City currently utilizes MUNIS software to manage the business license process from initial applications, to annual renewals, and including environmental fee collections. This system is tedious to use for this purpose since it was not designed to consolidate multiple types of fees into a single billing (business licenses and environmental fees). Therefore two bills are generated and staff is tasked with merging both bills to be mailed together to ensure collection of both fees. Additionally, under the current configuration, the MUNIS software does not facilitate the collections process with second and third reminder notices to businesses that have not renewed their license in a timely manner.

**DISCUSSION:**

In order to protect the City's business license revenue, maintain high levels of customer service, and ensure equitable practices for the business community it is critical to supplement staff’s activities with a consultant that specializes in municipal operations and revenue enhancement services. Staff recommends that the City outsource the business license process using a turnkey approach. This will improve the efficiency in the administration and collection of the City's business license taxes and environmental fees and will help to increase overall taxpayer compliance. The end result will be an increase in business license compliance along with increased business license revenues and cost savings to the City. Currently the business community is able to process business license transactions only at City Hall or via U.S. Mail. By outsourcing this service, the City would be able to add on-line assistance and processing and extended Friday hours for telephone support in addition to continued assistance at City Hall.

According to section 2.20.175 of the Covina Municipal Code, the “purchase of professional and specialized services by persons, firms, companies or corporations shall be made on the basis of demonstrated competence and experience of the service provider and on the professional qualifications necessary for the satisfactory performance of the service required. The purchasing supervisor shall attempt to obtain information relating to prices and availability of such professional or specialized services from different sources prior to making the purchase; however, neither formal nor informal bidding shall be required prior to the purchase of professional or specialized services. (Ord. 03-1897 & 2, 2003.)

Staff has requested informal proposals from two firms known in the industry to provide this type of service, HdL Software, LLC and Muni Services, LLC. The proposals are summarized below:

	<b>HdL Software, LLC</b>	<b>Muni Services, LLC</b>
<b>Operation Management Service</b>	\$ 13 per account processed	\$12 per license issued (discounted to \$10 per license if City signs agreement by 10/31/16)
<b>Enhanced Approvals Processing (Optional)</b>	\$4 per application	Not Offered
<b>Project Startup Fee</b>	Not to exceed \$5,500	Up to \$15,000 (waived if City signs agreement by 10/31/16)
<b>Compliance Service (Discovery/Audit)</b>	35% of Revenues Collected	40% of revenues collected (35% if used in conjunction with Administration Services)
<b>Code Review Project (Optional)</b>	\$7,500 (50% discount as part of operations management service bundle)	Hourly rates based on job classification ranging from \$75 to \$300 per hour

Upon reviewing both proposals and evaluating web demonstrations of the solutions proposed by both firms, the services offered by HdL were identified as a preferred solution to deliver the specialized skillset to address the needs of our city and our business community. HdL's approach is more community oriented, linking seamlessly to the City's web site, and displaying the look and feel that our community is accustomed to. HdL's solution is customizable to Covina's business license structure and can incorporate the needs of all departments in managing the workflow and approval process, as well as a more user friendly application for the business community. Although, HdL's fees are slightly higher than those of Muni Services, their value added community approach and departmental functionality outweigh the added cost.

HdL developed California's first computerized sales tax management program and was responsible for securing legislation (AB 1611) that allowed independent verification of state allocations. The firm's services for revenue management and economic data analysis are currently being utilized by over 380 agencies in six states.

HdL's business licensing solutions are built on a solid foundation of finance expertise and a deep understanding of the needs of California business licensing operations. HdL's first business license system was designed by Nancy Hicks, an experienced finance director, municipal leader, and past president of the California Society of Municipal Finance Officers. Since that moment over 20 years ago, HdL has collaborated with the leaders of over 200 California municipalities; providing full service business license solutions including software systems, fee studies, code reviews, business process consulting, compliance services, serving on staffing oral boards, and more. This experience is utilized in HdL's current licensing solution, HdL Prime. HdL has a long standing relationship with the City of Covina providing both Property Tax Management Services and Sales and Use Tax Management Services, giving them a unique understanding of our City and our community.

#### Operations Management Solution

HdL provides a custom crafted solution for improving revenues and efficiencies while maintaining the high level of customer service taxpayers have come to expect from the City. HdL's team of Certified Revenue Officers, Auditors, Field Inspectors and Tax Specialists work diligently to ensure the business community receives the highest level of service while monitoring and maintaining the City's tax base.

This specialized service has been successful in generating additional tax revenues by identifying unregistered and underreporting businesses. Under the recommended solution, HdL will provide the following services:

- Business license account and renewal processing;
- Auditing of renewals and tax liabilities;
- On-line services including reporting, application, renewal, and payment processing;
- Business support services;
- Collection services;
- Budget and forecasting support;

The cost for these services is a flat processing fee of \$13 per account.

#### Enhanced Approvals Processing

HdL offers a variety of options for facilitating the City's other regulatory requirements such as

zoning approvals, home occupation permits, etc. Using an online access portal, HdL is able to ensure prerequisites to licensure are met by tracking and following up on approvals required by other departments. When new businesses apply, approving departments are notified via email and presented with the appropriate forms and information needed to complete their approval. Once approvals are marked as completed in the online system, business licenses are sent to the business. The Enhanced Approvals process allows for one of HdL's new business concierge staff to manage the entire process, or for City staff to participate in and/or manage the approvals tracking process. This service is optional and would cost \$4 for each new business license that is processed utilizing this service.

### Compliance Management Solution

The most enhancing component of HdL's service is the Compliance Management program. This program is specifically designed to identify, register and collect from business entities that are not in compliance with the City's Municipal Code. The Compliance Management program utilizes various government and private databases to identify non-compliant businesses within the City's jurisdiction. HdL will work closely with the City to ensure that everything from the language used in notification letters to its collection practices meet the City's strict guidelines and philosophy in dealing with the business community.

Utilizing data provided by the City, HdL's team builds an enhanced listing of entities subject to taxation in the City. These entities are electronically matched to existing City files using advanced data algorithms, allowing HdL staff to identify which entities are compliant and which entities require follow up. Experienced field crews, equipped with the most advanced tools available (mobile mapping/GPS systems, tablet computers pre-loaded with various City and state-wide databases, etc.) will canvass commercial areas of the City to develop and enhance the leads identified in the Enhanced Data Portfolio. Field surveys provide additional inventories of active businesses as well as onsite verification of data pulled from other sources.

Key components of HdL's compliance program will include the following services:

- Identify non-compliant entities through cross matching of City tax registry with HdL business inventory;
- Notify businesses and attempt to obtain registration along with relevant documentation;
- Invoice businesses for total amount of business license tax and penalties identified for current and applicable prior periods;
- Conduct site inspections and physical canvassing of the City's commercial areas;
- Identify potential under-reporting businesses and conduct financial audits;
- Educate businesses on proper reporting practices; and
- Provide dispute resolution procedures.

HdL Companies will provide compliance management services for a one-time fee of 35%. This one-time fee applies to all new monies received for taxes, penalties, interest and fines received by the City as a result of discovery and audit work performed by HdL. HdL's compliance efforts typically identify an additional 15-25% of the current year revenues in the first 12-18 months. That number is generally towards the higher scale when combined with operations management.

The following are examples of cities that have engaged HdL to perform compliance management services and the revenue increase associated with the program:

- City of Adelanto – 20%
- City of Fairfield – 18%

- City of Upland- 25%

### Amnesty Program

HdL offers a compliance program that aims to increase compliance using an education based approach to ensure the business community is aware of reporting procedures and eliminates potential future compliance issues. When desired by the City, HdL recommends a focused amnesty program that allows for a customized time period for each business found to be noncompliant.

Once a business has been identified as being non-compliant, HdL assists the business with their filing and explains the business license process. When presented with their tax bill, the business is offered an abatement of their penalty as long as the balance due is paid within 15 days of their notice. This provides them a total of 45 days' notice that they actually owe the City business license tax. HdL then offers a variety of payment options including mail, phone, and web based services to allow for payment. At the City's direction, HdL can also offer payment plans for businesses that request extensions. Businesses that fail to meet the criteria for the amnesty, and still dispute their penalty or tax, are handled through the standard waiver request process. This process allows for City staff to review disputes on a case by case basis and make a determination based on the information provided by the taxpayer and HdL.

### Consulting Services

Additionally, HdL will provide one-time optional consulting services to assist the City in exploring options regarding modifications to the current business license tax structure and updating the Municipal Code. The full cost for this service is \$15,000, however a 50% discount is granted if this is done in conjunction with the implementation of Operations Management Services. The cost of \$7,500 will be deducted from the business license revenue upon completion of the project.

HdL's key staff has extensive local government experience, having previously held positions in city management, finance, planning, economic development or revenue collection. The HdL team includes several experienced business license tax department supervisors, certified revenue officers (CROs), and prior California Municipal Revenue and Tax Association (CMRTA) board members. HdL is a Corporate Partner of the League of California Cities and California State Association of Counties, and works extensively with the County Auditor's Association of California, California Society of Municipal Finance Officers (CSMFO) and CMRTA on anticipation and planning of programs to strengthen local government revenues. HdL's intimate understanding of local government needs coupled with our extensive databases and advanced methodology provides for the most relevant, productive, and responsive revenue solutions, software systems, and customer service.

### Summary

In order to improve the overall efficiency of Business License processing, increase revenues while reducing costs, and effectively enforce the Business License Municipal Code, staff recommends that the City Council approve the Agreement with HdL Companies to provide the City with business license operations management and compliance services. This partnership will result in:

- Increased compliance and equality for the business community;
- Increased business license revenues;
- A variety of enhanced service options focused on providing outstanding services to our community

Entering into this agreement will not affect current staffing levels. The part-time Account Clerk II will

continue to assist the business community and provide business license support at City Hall.

Alternatives

In order to have a viable Business Licensing program, the City Council may alternately opt to reinstate the Business License Technician position.

**FISCAL IMPACT:**

The fully benefited annual cost of the Business License Technician position ranges from \$65,808 to \$81,896. The City's current process includes annual software costs of approximately \$10,915 and estimated postage, printing and paper costs of approximately \$4,000 which results in a minimum annual cost of \$80,723 to \$96,811. HdL charges a \$13 per account processing fee which would cost the City \$71,331 based on the 5,487 business licenses that were processed in FY 2015-16. Should we choose to utilize the Enhanced Approvals Processing services at a cost of \$4 per new license processed, based on the 224 new licenses that were processed in FY 2015-16 for in town businesses, this would result in an additional cost of \$896. An additional one time startup fee, not to exceed \$5,500, is required for the migration of the City's MUNIS business license database to HdL's Prime licensing platform.

A budget appropriation in the amount of \$71,500 in the Finance Department's Consulting Services account number 1010-0500-51005 is necessary for this agreement for the processing of approximately 5,500 business licenses. All other costs, including the one-time startup fee, the optional consulting services and the compliance services will be deducted from revenues generated by the consultant. Projections for additional revenues resulting from the compliance portion of this agreement will be included in the FY 2016-17 budget.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

None.

Respectfully submitted,



Anita Agramonte  
Finance Director

**ATTACHMENTS:**

Attachment A: Professional Service Agreement with HdL Software, LLC

Attachment B: Resolution No. 16-7534

## PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is dated September 20, 2016 (“Effective Date”) and is between the City of Covina, a California municipal corporation (“City”) and HdL Software, a limited partnership, limited liability company (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

### RECITALS

A. City desires to utilize the services of Consultant as an independent contractor to provide business license operations management.

B. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

C. City desires to retain Consultant and Consultant desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

The parties therefore agree as follows:

**1. Term of Agreement.** The term of this Agreement shall be from the Effective Date through June 30, 2021, unless sooner terminated as provided in Section 13 of this Agreement. The City may, upon mutual agreement, extend the contract for five (5) additional one year terms. In no event shall the contract be extended beyond June 30, 2026.

**2. Compensation.**

A. Compensation. As full compensation for Consultant’s services provided under this Agreement, City shall pay Consultant in accordance with the Approved Fee Schedule, attached hereto as **Exhibit A**. Any terms in Exhibit A, other than the payment rates and schedule of payment, are null and void.

B. Expenses. The amount set forth in paragraph A shall include reimbursement for all actual and necessary expenditures reasonably incurred in the performance of this Agreement.

C. Additional Services. City shall not allow any claims for additional services performed by Consultant, unless the City Council and the Consultant Representative authorize the additional services in writing prior to Consultant’s performance of the additional services or inurrence of additional expenses. Any additional services or expenses authorized by the City Council shall be compensated at the rates set forth in **Exhibit A**, or, if not specified, at a rate mutually agreed to by the parties. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

### **3. Consultant's Services.**

A. Scope of Services. Consultant shall perform the services described in the Scope of Services, attached as **Exhibit B**. City may request, in writing, changes in the scope of services to be performed. Any changes mutually agreed upon by the parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the "City Representative"). For the purposes of this Agreement, the Consultant Representative shall be George Bonnin, Marketing and Sales Manager (the "Consultant Representative"). The Consultant Representative shall directly manage Consultant's services under this Agreement. Consultant shall not change the Consultant Representative without City's prior written consent.

C. Time for Performance. Consultant shall commence the services on the Effective Date and shall perform all services by the deadline established by the City Representative or, if no deadline is established, with reasonable diligence.

D. Standard of Performance. Consultant shall perform all services under this Agreement in accordance with the standard of care generally exercised by like professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Consultant has, or will secure at its own expense, all personnel required to perform the services required under this Agreement. All of the services required under this Agreement shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services.

F. Compliance with Laws. The Consultant shall keep itself informed of all local, state and federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such ordinances, laws and regulations. The City and its agents shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

G. Permits and Licenses. Consultant shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

### **4. Method of Payment.**

A. Invoices. Consultant shall submit to City an invoice, on a monthly basis or less frequently, for actual services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period, hourly rates charged, if applicable, and the amount due. If City disputes any of Consultant's fees, it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

B. Payment. City shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth in Section 2 of this Agreement. City shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Consultant. For all reimbursements authorized by this Agreement, Consultant shall provide receipts on all reimbursable expenses in excess of Fifty Dollars (\$50) in such form as approved by the Finance Director.

C. Audit of Records. Consultant shall make all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this agreement available during Consultant's regular working hours to City for review and audit by City.

**5. Ownership of Documents.** Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the services to be performed ("written products") pursuant to this Agreement shall become the sole property of the City without restriction or limitation upon its use and may be used, reused, disseminated or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files containing data generated for the work, Consultant shall make available to the City, upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files. Consultant may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Consultant.

Proprietary Information of Consultant. As used in this Section 6, the term "proprietary information" means any information that relates to Consultant's computer or data processing programs; data processing applications, routines, subroutines, techniques or systems; or business processes. City shall hold in confidence and shall not disclose to any other party any of Consultant's proprietary information in connection with this Agreement, or otherwise learned or obtained by City in connection with this Agreement, unless disclosure is required under federal or state law, including without limitation the Freedom of Information Act or the Public Records Request Act. Consultant shall retain ownership and rights to all proprietary information. The obligations imposed by this Section 6 shall survive any expiration or termination of this Agreement.

**6. Independent Contractor.**

A. Consultant is, and shall at all times remain as to City, a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of City.

B. No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the

Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

**7. Confidentiality.** All data, documents, discussion, or other information (collectively “data”) developed or received by Consultant or provided for performance of this Agreement are deemed confidential. Consultant shall keep all data confidential and shall not disclose any data to any person or entity without City’s prior written consent. City shall grant such consent if disclosure is legally required. Consultant shall return all data to City upon the expiration or termination of this Agreement. Consultant’s covenant under this Section 7 shall survive the expiration or termination of this Agreement.

**8. Conflicts of Interest.** Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant’s services under this Agreement, including the Political Reform Act (Gov. Code, § 81000 *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the City Representative’s prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this Section 8 into any subcontract that Consultant executes in connection with the performance of this Agreement.

**9. Indemnification.**

A. Indemnities for Third Party Claims.

1) To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively “Indemnitees”), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys or other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively “Liabilities”), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees’ active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liability with counsel of the

Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and indemnify and hold City harmless from any and all taxes, assessments, penalties and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this Subparagraph A. 2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section 9 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties.

B. Workers' Compensation Acts not Limiting. Consultant's indemnifications and obligations under this Section 9, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. The indemnities in this Section 9 shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. Consultant's indemnifications and obligations under this Section 9 shall survive the expiration or termination of this Agreement.

## 10. Insurance.

A. Minimum Scope and Limits of Insurance. Consultant shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of Two Million Dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of Two Million Dollars (\$2,000,000) per project or location. If Consultant is a limited liability company, the commercial general liability coverage shall be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of Two Million Dollars (\$2,000,000) per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of services under this Agreement, Consultant shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under Subparagraph A. 1) of this Section 10.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000) per accident for bodily injury or disease. If Consultant has no employees while performing services under this Agreement, workers' compensation policy is not required, but Consultant shall provide an executed declaration that it has no employees.

4) Professional Liability Insurance [or Errors and Omissions Insurance] with minimum limits of Two Million Dollars (\$2,000,000) per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Section 10 shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self insurance shall not be considered to comply with the insurance requirements under this Section 10.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming the City, its officers, employees, agents and volunteers as additional insureds.

D. Primary and Non-Contributing. The insurance policies required under this Section 10 shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Section 10 shall not prohibit Consultant and Consultant's employees, agents or subcontractors

from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be approved by City. At City's option, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant shall not cancel, reduce or otherwise modify the insurance policies required by this Section 10 during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail thirty (30) calendar days' prior written notice to City. If any insurance policy required under this Section 10 is canceled or reduced in coverage or limits, Consultant shall, within two (2) business days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section 10 in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements under this Section 10, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of services under this Agreement, Consultant shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section 10. The endorsements are subject to City's approval. Consultant may provide complete, certified copies of all required insurance policies to City. Consultant shall maintain current endorsements on file with City's Risk Manager. Consultant shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall furnish such proof at least two (2) weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify City under Section 9 of this Agreement.

K. Subcontractor Insurance Requirements. Consultant shall require each of its subcontractors that perform services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section 10.

**11. Mutual Cooperation.**

A. City's Cooperation. City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for Consultant's proper performance of the services required under this Agreement.

B. Consultant's Cooperation. In the event any claim or action is brought against the City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance that City requires.

**12. Records and Inspections.** Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of five (5) years. Consultant shall, without charge, provide City with access to the records during normal business hours. City may examine and audit the records and make transcripts therefrom, and inspect all program data, documents, proceedings and activities.

**13. Termination or Suspension of Agreement.**

A. Right to Terminate or Suspend. City may terminate or suspend this Agreement at any time, at will, for any reason or no reason, after giving written notice to Consultant at least seven (7) calendar days before the termination or suspension is to be effective. Consultant may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least sixty (60) calendar days before the termination is to be effective.

B. Obligations upon Termination. Consultant shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Consultant, City shall pay Consultant based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

**14. Force Majeure.** Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

**15. Notices.** Any notices, consents, requests, demands, bills, invoices, reports or other communications which either party may desire to give to the other party under this Agreement must be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by reputable document delivery service or courier service during Consultant's and City's regular business hours, or (c) five business days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the party to be notified as set forth below:

If to City:  
Attn: Anita Agremonte  
City of Covina  
125 E. College Street  
Covina, California 91723

If to Consultant:  
HdL Software  
1340 Valley Vista Drive  
Diamond Bar, CA 91765

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**16. Non-Discrimination and Equal Employment Opportunity.** In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

**17. Prohibition of Assignment and Delegation.** Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City's prior written consent. City's consent to an assignment of rights under this Agreement shall not release Consultant from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section 17 shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section 17, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

**18. No Third Party Beneficiaries Intended.** Except as otherwise provided in Section 9, this Agreement is made solely for the benefit of the parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

**19. Waiver.** No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

**20. Exhibits.** Exhibits A, B, C and D constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between

a provision of this Agreement and a provision of any exhibit, the provisions of this Agreement shall control.

**21. Entire Agreement.** This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the parties. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty except those expressly set forth in this Agreement.

**22. Amendment of Agreement.** This Agreement may be amended only by a writing signed by both parties. The City Manager is authorized to sign an amendment to this Agreement on the City Council's behalf and without the City Council's prior approval to make the following non-substantive modifications to the Agreement: (a) name changes; (b) extensions of time; (c) non-monetary changes in the scope of work; and (d) termination of the Agreement.

**23. Headings.** The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the parties to this Agreement.

**24. Word Usage.** Unless the context clearly requires otherwise, (a) the words "shall," "will" and "agrees" are mandatory and "may" is permissive; (b) "or" is not exclusive; and (c) "includes" or "including" are not limiting.

**25. Time of the Essence.** Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.

**26. Governing Law and Choice of Forum.** This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a municipal, superior or federal court with geographic jurisdiction over the City of Covina.

**27. Attorneys' Fees.** In any litigation or other proceeding by which on party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party shall be awarded reasonable attorneys' fees together with any costs and expenses, to resolve the dispute and to enforce the final judgment.

**28. Severability.** If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the

remaining provisions of this Agreement shall not be affected and continue in full force and effect.

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

[SIGNATURE PAGE FOLLOWS]

The parties, through their duly authorized representatives, are signing this Agreement on the date stated in the introductory clause.

City:

City of Covina,  
a California municipal corporation

Consultant:

HdL Software,  
a Limited Liability Company

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

Name: Robert Gray

Title: President

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

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

Name: Sharon F. Clark

Title: Chief Deputy City Clerk

*(Two signatures of corporate officers required for corporations under Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)*

APPROVED AS TO FORM:

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

Name: Candice K. Lee

Title: City Attorney

**EXHIBIT A**  
**APPROVED FEE SCHEDULE**

**1. Business Tax Operations Management Services**

- 1.1. **Compensation** - HdL's compensation for performing Operations Management Services related to business license is a fee of \$13.00 per processed account and shall require a one-time, not to exceed \$5,500 project startup fee. City will be invoiced monthly or quarterly for activity during the prior period. For the purpose of compensation calculation, processed account means any account for which renewals/returns are processed or which were sent a renewal notice.
- 1.2. **Enhanced Approval Processing** - In the event that the processing of a new business license requires enhanced approval processing, an additional charge of \$4.00 per new business license record shall apply.
- 1.3. **Code Review** – (Optional) Analysis of the current business license ordinance and the City's tax registration database \$7,500.00
- 1.4. **CPI Adjustment** – Fees for Operations Management Services are adjusted at the beginning of each calendar year by the change in the Consumer Price Index – West Urban (CPI-WU) as reported by the Bureau of Labor Statistics. Each annual adjustment will not be less than two percent (2%) or greater than ten percent (10%).
- 1.5. **Travel Expenses** – Travel and lodging expenses are billed at cost and apply to all meetings; including process, pre-installation, installation, training, and support. HdL is dedicated to conserving public funds, and ensures any travel costs are indeed required and reasonable.

**2. Local Tax Compliance Services**

- 2.1. **Discovery** – HdL's fee for performing discovery services shall be a contingency fee of 35% of the revenues received as a result of the service. This fee applies to monies received for the current tax/license period and any other prior period collected, including monies received for taxes, penalties, interest, and fees.
  - 2.1.1. **City Discovery Discount** – HdL's fee for following up on accounts that are identified and confirmed as non-compliant by the City shall be a contingency fee of 25% of the revenues received as a result of the service. This fee also applies to delinquent business license tax accounts referred by the City as failing to make payment or properly renew an existing license.
- 2.2. **Audit** – HdL's fee for performing Audit services shall be a contingency fee of 35% of the revenues received as a result of the service. This fee applies to monies received for the current tax/license period and any other prior period collected, including monies received for taxes, penalties, interest, and fees.
- 2.3. **Collection** – HdL's fee for performing collections services shall be a contingency fee of 25% of the revenues received as a result of the service. This fee applies to monies received for the current tax/license period and any other prior period collected, including monies received for taxes, penalties, interest, and fees.
- 2.4. **Option to waive tax recovery** – City may, at its discretion, elect to waive or reduce the tax recovery for a business. Should the City elect to waive all or a portion of the deficiency identified by HdL, HdL shall be entitled to compensation in the amount of one half (1/2) of the compensation HdL would have otherwise earned on the waived/reduced amount. Deficiencies which are uncollectable due to insolvency or dissolution of the customer, or for deficiencies which are otherwise incapable of collection (e.g. statute of limitations or other legal defense) shall not be considered a voluntary election to waive by the City, and thus HdL would not be entitled to compensation for these amounts.
- 2.5. **Travel Expenses** – Travel and lodging expenses are billed at cost and apply to all meetings; including process, pre-installation, installation, training, and support. HdL is dedicated to conserving public funds, and ensures any travel costs are indeed required and reasonable.

**3. Payment**

HdL will provide detailed invoices for all work completed. Payment will be received through the monthly net remittance process. In the event a standalone invoice is requested, City will submit payment to HdL within 30 days of receiving the invoice.

## EXHIBIT B SCOPE OF SERVICES

### 1. Business Tax Operations Management

- 1.1. **Tax Registration Database Management** – HdL will transfer the City’s existing databases as they relate to business license into HdL’s internal administration tools. HdL will maintain the data and provide copies of data or reports at the City’s request. City will not be required to use or maintain any software in house for managing the business license registry.
- 1.2. **Renewal Processing** – Send active business license accounts a renewal notice within 30 days of the renewal period end date. Accounts will receive all applicable forms necessary to complete the renewal process.
- 1.3. **New Account Processing** – HdL will process any new business license applications and complete the new account registration process in a timely fashion.
- 1.4. **Payment Posting/Processing** – HdL will process all payments for new and renewal accounts. License accounts will be updated with payment information and revenues will be remitted to the City net banking and related processing fees on no less than a monthly basis.
- 1.5. **Business Support Center** – HdL will provide businesses with multiple support options for registering, renewing, making payments and for general inquiries. Businesses will have access to our license specialists Monday through Friday, 8:00am to 5:00pm Pacific, via phone, mail, e-mail, fax, and the Business Support Center On-Line.
- 1.6. **On-Line Filing & Payment Processing** – HdL will make available options for businesses to visit a website, linked to the City’s website, to submit online transactions.

### 2. Local Tax Compliance Services – HdL will ensure a level playing field for the business community and maximize revenues to the City. Discovery services will be conducted to identify and register businesses which are subject to licensure or taxation. Audit services will identify under reported tax liability for business and lodging providers. Collections Services will collect known debt from businesses that did not pay in full during the registration or renewal process. The scope of work to be performed will be mutually agreed upon by HdL and City prior to implementation.

- 2.1. **Discovery** – Discovery services are designed to identify entities subject to licensure/taxation that are not currently registered or otherwise non-compliant.
  - 2.1.1. **Lead Identification** – Develop a list of entities subject to licensure/taxation within the City.
  - 2.1.2. **Exception Resolution** – Compare the list to City registration databases to remove properly registered businesses and identify and remove other potential exceptions.
  - 2.1.3. **Compliance Communication Process** – Initiate contact with confirmed entities through a series of City approved communication methods. HdL will make every effort to simplify the process for taxpayers, utilizing a variety of mediums for communication including mail, telephone, email, and web-site access. Potential non-compliant entities are notified of their options to comply or dispute their non-compliant status. HdL offers extended office hours for support via our Business Support Center available to taxpayers 8:00am – 5:00pm Monday - Friday.
  - 2.1.4. **Document Submission / Processing** – Review Taxpayer submissions such as applications for completion and accuracy prior to processing. Collect additional documentation such as a home occupation permit and forward to other City departments either as a pre-requisite or as a courtesy for the taxpayer and other departments. All submissions are filed and stored electronically and made available to the City upon request.
  - 2.1.5. **Invoicing** – Once application has been approved, invoice entity indicating detailed tax calculations and balances owed. Taxpayers are given the opportunity to pay their balances via mail, online, and other methods. HdL will provide Taxpayers continued access to the Business Support Center for any questions or disputes arising from the invoice process.

- 2.1.6. **Remittance** – Upon collection of all requirements including payment, application and other prerequisites, HdL will prepare a remittance package including payment documentation as well as copies of all taxpayer correspondence and relevant information. Remittances are done on no less than a monthly basis. Remittances packages done electronically via the HdL electronic remittance process will include Applications and other relevant information an electronic format. Revenues received are deposited into an HdL trust account and funds are distributed to the City in one payment net HdL’s fees.
- 2.2. **Audit** – Audit services are designed to identify businesses that are registered but not properly reporting or paying the correct amounts. Services to be performed may include:
  - 2.2.1. Identify potential underreporting and/or misclassified businesses by comparing City records with HdL business inventories.
  - 2.2.2. Review/audit entities mutually agreed to by City and HdL that are identified as potential underreporting businesses or other entities requiring review.
  - 2.2.3. Submit audit summaries to City staff and meet with staff to review and discuss further actions.
  - 2.2.4. Educate businesses on proper reporting practices.
  - 2.2.5. Invoice and collect identified deficiencies.
- 2.3. **City’s responsibilities**
  - 2.3.1. Data – City will provide its relevant business databases, such as the business license registry (registrations and payments), and any other information necessary for the compliance process or to facilitate HdL’s invoicing of services, to HdL according to a schedule acceptable to both HdL and the City. City agrees to provide the data as long as this Agreement is active, and thereafter for so long as HdL’s right to invoice for services rendered continues.
  - 2.3.2. City agrees to use reasonable and diligent efforts to collect, or to assist HdL in the collection of, deficiencies identified by HdL pursuant to this Agreement.

**EXHIBIT C  
PROJECT TIMELINE**

Project timeline and details will be determined by City's designated Project Manager and HdL Project Manager at the first project meeting at a mutually agreed to date and time.

**EXHIBIT D**  
**CALIFORNIA LABOR CODE COMPLIANCE**  
**(Labor Code §§ 1720 et seq., 1813, 1860, 1861, 3700)**

If this Agreement calls for services that, in whole or in part, constitute “public works” as defined in the California Labor Code, then:

1. This Agreement is subject to the provisions of Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code relating to public works and the awarding public agency (“City”) and Consultant agrees to be bound by all the provisions thereof as though set forth in full herein.
2. Consultant shall be registered with the Department of Industrial Relations (“DIR”) in accordance with California Labor Code Section 1725.5 and has provided proof of registration to City prior to the Effective Date of this Agreement.
3. Consultant shall comply with the provisions of California Labor Code Sections 1771, 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The applicable prevailing wage determination(s) may be obtained at (<http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>), are on file with City, and are available to any interested party upon request. Consultant shall, as a penalty to City, forfeit not more than two-hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for the work or craft in which the worker is employed for any public work done under this Agreement by Consultant or by any subcontractor.
4. Pursuant to California Labor Code Section 1771.4, Consultant’s services are subject to compliance monitoring and enforcement by the Department of Industrial Relations. Consultant shall post job site notices as prescribed by DIR regulations and agrees to furnish the records specified in California Labor Code Section 1776 directly to the Labor Commissioner in the manner prescribed by California Labor Code Section 1771.4(a)(3) and (c)(2).
5. Consultant shall comply with the provisions of California Labor Code Section 1776 which, among other things, require Consultant and each subcontractor to: (1) keep accurate payroll records, (2) certify and make such payroll records available for inspection as provided by Section 1776, and (3) inform City of the location of the records. Consultant is responsible for compliance with Section 1776 by itself and all of its subcontractors.
6. Consultant shall comply with the provisions of California Labor Code Section 1777.5 concerning the employment of apprentices on public works projects, and further agrees that Consultant is responsible for compliance with Section 1777.5 by itself and all of its subcontractors.

7. Consultant shall comply with the provisions of California Labor Code Section 1813 concerning penalties for workers who work excess hours. Consultant shall, as a penalty to City, forfeit twenty-five dollars (\$25) for each worker employed in the execution of this Agreement by Consultant or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the California Labor Code.
8. California Labor Code Sections 1860 and 3700 provide that every contractor will be required to secure the payment of compensation to its employees. In accordance with the provisions of California Labor Code Section 1861, Consultant hereby certifies as follows:

“I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Agreement.”

Date \_\_\_\_\_ Signature \_\_\_\_\_

**RESOLUTION NO. 16-7534**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, TO APPROPRIATE \$71,500 OF THE 2016-2017 BUDGET FOR BUSINESS LICENSE MANAGEMENT AND COMPLIANCE SERVICES**

**WHEREAS**, the City of Covina is a municipal corporation duly organized and existing pursuant to the Constitution and laws of the State of California (“City”); and

**WHEREAS**, the budget for the City of Covina for fiscal year commencing July 1, 2016 and ending June 30, 2017 was approved on July 19, 2016; and

**WHEREAS**, the approved budget is in accordance with all applicable ordinances of the City and all applicable statutes of the State; and

**WHEREAS**, the reallocation of the appropriations between departmental activities may be made by the City Manager, amendments (increases/decreases) to the Budget shall be by approval and Resolution of the City Council; and

**WHEREAS**, the City desires to supplement business license staff’s activities with a turnkey approach by outsourcing business license management and compliance services to a consultant specializing in municipal operations and revenue enhancement services

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** Amend the Fiscal Year 2016-2017 City of Covina Operating Budget as follows: appropriate \$71,500 from the General Fund balance to Account No. 1010-0500-51005 for management and compliance services for approximately 5,500 business license applications.

**SECTION 2.** The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

**APPROVED** and **PASSED** this 4<sup>th</sup> day of October, 2016.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

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SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

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CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7517 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 4th day of October, 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Dated:

---

SHARON F. CLARK, Chief Deputy City Clerk

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# CITY OF COVINA

## AGENDA REPORT

ITEM NO. NB2

- 
- MEETING DATE:** October 4, 2016
- TITLE:** Consideration of Resolutions relating to Covina's General Municipal Election to be held on March 7, 2017, including Placing a Measure Extending the City's Utility Users Tax on the March 2017 Ballot.
- PRESENTED BY:** Sharon Clark, Chief Deputy City Clerk/Records Management Director  
Anita Agramonte, Finance Director  
Candice K. Lee, City Attorney
- RECOMMENDATION:** 1) Adopt **Resolution No. 16-7526** calling for the holding of a General Municipal Election on Tuesday, March 7, 2017; 2) Adopt **Resolution No. 16-7527** requesting the Board of Supervisors of the County of Los Angeles to administer, manage and oversee the Election; 3) Adopt **Resolution No. 16-7536** requesting the Board of Supervisors to render specified services relating to the Election; 4) Adopt **Resolution No. 16-7528** adopting regulations for candidates' statements, and 5) Adopt **Resolution No. 16-7529** ordering that an ordinance to extend the City's existing utility users tax (Option 1 or Option 2) be submitted to the voters at the General Municipal Election to be held March 7, 2016, directing the City Attorney to prepare an impartial analysis of the measure, setting priorities for filing a written argument relating to the measure and providing for rebuttal arguments relating to the measure.
- 

### **BACKGROUND:**

#### **General Municipal Election**

In accordance with Section 1301 of the California Elections Code, Covina's General Municipal Elections are held on the first Tuesday after the first Monday in March of each odd-numbered year. The next regularly-scheduled General Municipal Election date will be March 7, 2017, for the election of three councilmembers, city clerk, and city treasurer for the full term of four years. In addition, on August 16, 2016, the City Council directed that staff prepare two options for putting a Utility Users Tax ("UUT") measure on the same ballot: one option with another 10 year expiration date for the Tax, and second without an expiration date, for Council consideration.

#### **Ballot Measure**

The UUT was originally implemented in 1992 with the adoption of Ordinance 92-1780. The UUT is charged on telephone, electricity, natural gas and water services. Over the years, there

have been changes to the ordinance including rate increases, rate decreases, extensions, amendments and a sunset. The UUT rate has fluctuated between 5.5% and 8.25% over the years, and is currently set at 6%.

In 1999, in accordance with Proposition 218, voters approved extending the tax for ten years. In 2004, Ordinance No. 04-1899 was adopted and amended Chapter 3.14 of the Covina Municipal Code (CMC) to clear up ambiguous language and clarify the existing regulations with respect to imposition and collection of the UUT. This ordinance also established a more clear definition of the telephone users tax. In 2008, voters again approved an extension of the UUT setting a new sunset date in March 2019.

On December 15, 2015, the City Council held a joint study session with Finance Advisory Committee (FAC). During that meeting, Council and FAC discussed several aspects of the existing UUT that will sunset on March 16, 2019. Direction was given to the FAC to meet and discuss the various alternatives available to the City. On December 21, 2015, the FAC met and discussed the potential impact on the General Fund and loss of service should the City lose \$5.0 million in revenue annually. The FAC unanimously agreed to recommend to the City Council that an effort be made to extend the UUT. At the March 30, 2016 FAC meeting, the committee directed staff to put the UUT on the agenda for the next meeting so the issue could be discussed. The FAC's desire for Council consideration of the UUT was reiterated at the last FAC meeting on August 9, 2016. A joint workshop of the City Council and the FAC was held on August 16, 2016 and staff was directed to prepare the necessary resolutions and ordinances to place a measure on the March 2017 ballot asking the voters to extend the UUT past the existing expiration date of 2019.

## **DISCUSSION:**

### **General Municipal Election**

In preparation for this election, it is necessary for the City Council to adopt resolutions calling the General Municipal Election (Attachment A), requesting specified election services from the County of Los Angeles (Attachments B and C), adopting regulations for candidates' statements (Attachment D), and, if it is the Council's pleasure, ordering that an ordinance to extend the UUT (Option 1 or 2) be submitted to the voters, along with directing the City Attorney to prepare an impartial analysis, setting priorities for filing a written argument regarding the City measure and providing for the filing of rebuttal arguments for City measures (Attachment E). The wording on Resolution No. 16-7527 Section 2 regarding ballot measure language will be revised as needed to correspond with Council's selection of Ordinance Option 1 or 2.

On September 9, 2016, staff began to receive communications from the Los Angeles County Registrar-Recorder/County Clerk (RRCC) regarding an opportunity to consolidate with the County in a proposed countywide special election in March 2017, and requested a cost estimate. On September 23, 2016, the RRCC provided a cost estimate of \$56,367 for consolidation, less than half the cost currently budgeted for a stand-alone election. Because the special election has not yet been called, the City was asked to adopt a resolution requesting that the County "administer, manage and oversee" Covina's General Municipal Election, and include a section indicating that if there is a County measure, then the request would convert to a request for consolidation.

In addition, on September 22, 2016, staff received an email from the City's election consultant, Martin & Chapman Company, indicating that if the cities/districts the County has asked to consolidate with the County do so for the March 2017 election, Martin & Chapman Company would be out of business by the end of the 2016. If this occurs, the City will have no choice but to request consolidation with the County as there is no other full-service election supplier available.

Based on these late-breaking developments and the potential for a great savings on election costs, staff recommends that Council call the General Municipal Election asking the County to administer/consolidate the Election in the manner requested. Council could also direct staff to proceed with a stand-alone election, understanding that the City may still be forced into consolidation at a very late hour.

**Ballot Measure**

The UUT generates approximately \$5.0 million in General Fund revenues annually to be utilized for general City services including Police, Fire, Public Works, Parks, Library and Recreation, as well as General Administration services. The UUT represents about 15% of total General Fund revenues. Resolution No. 16-7529 (Attachment E) is provided for Council consideration with two options: Option 1, in which the ordinance wording continues the past practice of including a sunset date for the tax, which is ten years beyond the existing 2019 sunset date – or 2029; and Option 2, which repeals the existing language of the UUT ordinance that includes a sunset date, so that the UUT will not expire and will not require future renewals by the voters.

For Resolution No. 16-7529, Section 4B, Council may designate up to two Councilmembers to prepare and submit a ballot argument in favor of the measure. Thereafter, arguments for and against the measure must be received by the City Clerk no later than 14 days after adoption of Resolution No. 16-7529. Rebuttals to arguments must be received no later than 10 days after the deadline for arguments, advanced to the next business day when the deadline falls on a day City Hall is closed. Priority for arguments will be given per California Elections Code Section 9287.

**FISCAL IMPACT OF THE GENERAL MUNICIPAL ELECTION:**

The adopted Budget for Fiscal Year 2016-17 contains funding in the amount of \$125,070 for a stand-alone election (Account No. 1010-0600). Depending upon the County’s final costs and whether it puts a county measure on the ballot, administration by/consolidation with the County could potentially save the City as much as \$66,000, as well as significant savings in staff time. If the County does not include a county measure, the savings would be decreased, but still less than the cost for a stand-alone election. The City would have minimal costs associated with the publication of notices, nomination materials, and other election incidentals.

**FISCAL IMPACT OF THE UUT MEASURE:**

The UUT currently generates approximately \$5.0 million annually, which equates to 15% of the City’s General Fund revenues. If this tax is not extended past 2019 (allowed to lapse or is not extended via the ballot), significant cuts to all city services, including public safety, will be needed to continue operating with a balanced budget.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

None required.

Respectfully submitted,

Sharon F. Clark  
Sharon F. Clark  
Chief Deputy City Clerk

\_\_\_\_\_  
Anita Agramonte  
Finance Director

\_\_\_\_\_  
Candice K. Lee  
City Attorney

**ATTACHMENTS:**

- Attachment A: Resolution No. 16-7526
- Attachment B: Resolution No. 16-7427
- Attachment C: Resolution No. 16-7536
- Attachment D: Resolution No. 16-7528
- Attachment E: Resolution No. 16-7529, Option 1 and Option 2

**RESOLUTION NO. 16-7526**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, MARCH 7, 2017, FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES**

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

**SECTION 1.** That pursuant to the requirements of the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Covina, California, on Tuesday, March 7, 2017, a General Municipal Election for the purpose of electing three Members of the City Council, a City Clerk, and a City Treasurer for the full term of four years, and such other matters as the City Council may determine to submit to the voters.

**SECTION 2.** That the ballots to be used at the election shall be in form and content as required by law.

**SECTION 3.** That the City Clerk is authorized, instructed and directed to coordinate with the County of Los Angeles Registrar-Recorder/County Clerk to procure and furnish 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.

**SECTION 4.** That 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, pursuant to Election Code § 10242, except as provided in § 14401 of the Elections Code of the State of California.

**SECTION 5.** That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

**SECTION 6.** That 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.

**SECTION 7.** That in the event of a tie vote (if any two or more persons receive an equal and the highest number of votes for an office) as certified by the County of Los Angeles Registrar-Recorder/County Clerk, the City Council, in accordance with Election Code § 15651(a), shall set a date and time and place and summon the candidates who have received the tie votes to appear and will determine the tie by lot.

**SECTION 8.** That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

**SECTION 9.** The City Council authorizes the City Clerk to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill.

**PASSED, APPROVED AND ADOPTED** this 4<sup>th</sup> day of October, 2016.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7526 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 4<sup>th</sup> day of October, 2016, by the following vote:

AYES: COUNCIL MEMBERS:  
NOES: COUNCIL MEMBERS:  
ABSTAIN: COUNCIL MEMBERS:  
ABSENT: COUNCIL MEMBERS:

Dated:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

**RESOLUTION NO. 16-7527**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO DIRECT THE REGISTRAR-RECORDER/COUNTY CLERK'S OFFICE TO ADMINISTER, MANAGE AND OVERSEE THE CITY OF COVINA'S GENERAL MUNICIPAL ELECTION TO BE HELD ON MARCH 7, 2017**

**WHEREAS**, a General Municipal Election is to be held in the City of Covina, California, on March 7, 2017; and

**WHEREAS**, in the course of conduct of the election it is necessary for the City to request services of the County; and

**WHEREAS**, all necessary expenses in performing these services shall be paid by the City of Covina;

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

**SECTION 1.** That pursuant to the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Covina, California, on Tuesday, March 7, 2017, a General Municipal Election for the purpose of electing three Members of the City Council, a City Clerk, and a City Treasurer for the full term of four years.

**SECTION 2.** That the City Council also has ordered a measure to appear on the ballot as follows:

To continue to provide about \$5 million annually to preserve essential City services like Police, Fire, Parks, Library, Recreation and Public Works and other local programs and general services, shall an ordinance be adopted to extend the City of Covina's current 6% utility users tax on telephone, gas, electricity and water services to March of 2029, without raising the rate of the tax or taxing any additional utility services?	<b>YES</b>
	<b>NO</b>

**SECTION 3.** That the proposed complete text of the measure submitted to the voters is attached as Exhibit A. The proposed measure extends an existing 6% tax on electricity, telephone, gas and water services to be collected by providers and remitted to the City, as detailed in the ballot question above and the Municipal Code.

**SECTION 4.** That the vote requirement for the measure to pass is a majority (50%+1) of the votes cast.

**SECTION 5.** The City Council further requests that the Board of Supervisors of the County of Los Angeles ("Board of Supervisors") direct the Registrar-Recorder/County Clerk for the County of Los Angeles ("County Registrar") to administer, manage and oversee all facets of the City of Covina's March 7, 2017, General Municipal Election and further direct the County Registrar to perform all necessary functions, services and tasks related to the complete and

successful conduct of the election; the administration and management of the candidate nomination and filing process; the provisions of all election materials and equipment; the hiring, training and supervision of poll workers and other election personnel; the printing and distribution of ballot materials; the translation of ballot materials in Spanish or such other languages as may later be required by law or court order; the collection of submitted ballots; the tallying of votes; canvassing and the certification of elections results.

**SECTION 6.** If the County calls a countywide Special Election for March 7, 2017, this request for the County's administration of Covina's General Municipal Election of March 7, 2017, the Covina City Council hereby converts this request to a request for the County to consolidate Covina's General Municipal Election with the countywide Special Election of March 7, 2017.

**SECTION 7.** The foregoing notwithstanding, County Registrar's services shall not include final declaration of the results by the City Council pursuant to Elections Code sections 10262 through 10265.

**SECTION 8.** The candidate filing process shall occur in the City of Covina for convenience of residents between the dates of November 14, 2016, and December 12, 2016, and shall be conducted by the City Clerk with the support of the County Registrar-Recorder.

**SECTION 9.** The polls shall be open at 7:00 a.m. on the day of the election and shall remain open continuously from that time until 8:00 p.m. of the same day when the polls shall be closed, except as provided in Section 14401 of the California Elections Code.

**SECTION 10.** Any compensation afforded to precinct board members and other poll workers pursuant to Elections Code § 12310 shall be in keeping with the rates set forth by the Registrar-Recorder for the County of Los Angeles.

**SECTION 11.** In all particulars not otherwise specifically provided in this Resolution, the Election shall be held and conducted as provided by law for the holding of municipal elections.

**SECTION 12.** Pursuant to Elections Code section 10002, the City shall reimburse the County Registrar of the County of Los Angeles for costs incurred in providing all of the services, tasks, equipment, materials and personnel required by the County Registrar to administer and conduct the City of Covina's General Municipal Elections of March 7, 2017, upon receipt of a bill stating the amount due as determined by the County Registrar or upon such payment terms and conditions as may otherwise be set forth by the County Registrar or the Board of Supervisors. The City Manager and City Clerk are authorized to enter into such contracts as are necessary for the administration of the election.

**SECTION 13.** This Resolution shall conclusively provide evidence that notice of the time and place of holding the City of Covina's General Municipal Election for Tuesday, March 7, 2017, has been given by the City Council and the City Clerk is authorized, instructed and directed to cause further additional notice of the election for Tuesday, March 7, 2017 (including the publication of such notices printed in English and Spanish languages) to be given at the time and in the form and manner required by law.

**SECTION 14.** This Resolution shall rescind, supersede and take the place of all provisions of all previous and existing Resolutions, orders and policies of the City pertaining to the subject matter to the extent that they conflict with this Resolution.

**SECTION 15.** The City Council directs the City Clerk to file a certified copy of this Resolution with the County Registrar and the Board of Supervisors.

**SECTION 16.** That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**PASSED, APPROVED AND ADOPTED** this 4<sup>th</sup> day of October, 2016.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7527 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 4<sup>th</sup> day of October, 2016, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:

Dated:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

**RESOLUTION NO. 16-7536**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO RENDER SPECIFIED SERVICES TO THE CITY RELATING TO THE CONDUCT OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, MARCH 7, 2017**

**WHEREAS**, a General Municipal Election is to be held in the City of Covina, California, on Tuesday, March 7, 2017; and

**WHEREAS**, in the course of conduct of the Election it is necessary for the City to request services of the County; and

**WHEREAS**, all necessary expenses in performing these services shall be paid by the City of Covina;

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

**SECTION 1.** That pursuant to the provisions of § 10002 of the Elections Code of the State of California, this City Council requests the Board of Supervisors of the County to permit the County Election Department to prepare and furnish the following for use in conducting the election:

1. A listing of county precincts with number of registered voters in each, so city may consolidate election precincts into city voting precincts, and maps of the voting precincts;
2. A list of polling places and poll workers the county uses for their elections;
3. The computer record of the names and addresses of all eligible registered voters in the City in order that the City's consultant may:
  - a. Produce labels for vote-by-mail voters;
  - b. Produce labels for sample ballot pamphlets;
  - c. Print Rosters of Voters and Street Indexes;
4. Voter signature verification services as needed;
5. Make available to the City election equipment and assistance as needed according to state law.

**SECTION 2.** That the City shall reimburse the County for services performed when the work is completed and upon presentation to the City of a properly-approved bill.

**SECTION 3.** That the City Clerk is directed to forward without delay to the Board of Supervisors and to the County Election Department, each a certified copy of this resolution.

**SECTION 4.** The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

**APPROVED** and **PASSED** this 4<sup>th</sup> day of October, 2016.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7536 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 4<sup>th</sup> day of October, 2016, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:

Dated:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

**RESOLUTION NO. 16-7528**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO CANDIDATES STATEMENTS SUBMITTED TO THE VOTERS AT AN ELECTION TO BE HELD ON TUESDAY, MARCH 7, 2017**

**WHEREAS**, §13307 of the Elections Code of the State of California provides that the governing body of any local agency adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs of the candidate's statement;

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

**SECTION 1. GENERAL PROVISIONS.** That pursuant to §13307 of the Elections Code of the State of California, each candidate for elective office to be voted for at an Election to be held in the City of Covina on March 7, 2017, may prepare a candidate's statement on an appropriate form provided by the City Clerk. The statement may include the name, age and occupation of the candidate and a brief description of no more than 200 words of the candidate's education and qualifications expressed by the candidate himself or herself. The statement shall not include party affiliation of the candidate, nor membership or activity in partisan political organizations. The statement shall be filed in typewritten form in the office of the City Clerk at the time the candidate's nomination papers are filed. The statement may be withdrawn, but not changed, during the period for filing nomination papers and until 5:00 p.m. of the next working day after the close of the nomination period.

**SECTION 2. FOREIGN LANGUAGE POLICY.**

- A. Pursuant to the Federal Voting Rights Act, candidates' statements will be translated into all languages required by the County of Los Angeles. The County is required to translate candidates' statements into the following languages: Spanish.
- B. The County will mail separate sample ballots and candidates statements in Spanish to only those voters who are on the county voter file as having requested a sample ballot in a particular language. The County will make the sample ballots and candidates statements in the required languages available at all polling places, on the County's website, and in the Election Official's office.

**SECTION 3. PAYMENT.**

A. Translations:

- 1. The candidate shall be required to pay for the cost of translating the candidate's statement into any required foreign language as specified in (A) and/or (B) of Section 2 above pursuant to Federal and/or State law.
- 2. The candidate shall be required to pay for the cost of translating the candidate's statement into any foreign language that is not required as specified in (A) and/or (B) of Section 2 above, pursuant to Federal and/or State law, but is requested as an option by the candidate.

**B. Printing:**

1. The candidate shall be required to pay for the cost of printing the candidate's statement in English in the main voter pamphlet.
2. The candidate shall be required to pay for the cost of printing the candidate's statement in a foreign language required in (A) of Section 2 above, in the main voter pamphlet.
3. The candidate shall be required to pay for the cost of printing the candidate's statement in a foreign language requested by the candidate per (B) of Section 2 above, in the main voter pamphlet.
4. The candidate shall be required to pay for the cost of printing the candidate's statement in a foreign language required by (A) of Section 2 above, in the facsimile voter pamphlet.

The City Clerk shall estimate the total cost of printing, handling, translating, and mailing the candidates' statements filed pursuant to this section, including costs incurred as a result of complying with the Voting Rights Act of 1965 (as amended), and require each candidate filing a statement to pay in advance to the local agency his or her estimated pro rata share as a condition of having his or her statement included in the voter's pamphlet. In the event the estimated payment is required, the estimate is just an approximation of the actual cost that varies from one election to another election and may be significantly more or less than the estimate, depending on the actual number of candidates filing statements. Accordingly, the clerk is not bound by the estimate and may, on a pro rata basis, bill the candidate for additional actual expense or refund any excess paid depending on the final actual cost. In the event of underpayment, the clerk may require the candidate to pay the balance of the cost incurred. In the event of overpayment, the clerk shall prorate the excess amount among the candidates and refund the excess amount paid within 30 days of the election.

**SECTION 4. MISCELLANEOUS.**

- A) All translations shall be provided by professionally-certified translators.
- B) The City Clerk shall comply with all recommendations and standards set forth by the California Secretary of State regarding occupational designations and other matters relating to elections.

**SECTION 5. ADDITIONAL MATERIALS.** No candidate will be permitted to include additional materials in the sample ballot package.

**SECTION 6.** That the City Clerk shall provide each candidate or the candidate's representative a copy of this Resolution at the time nominating petitions are issued.

**SECTION 7.** That all previous resolutions establishing council policy on payment for candidates statements are repealed.

**SECTION 8.** That this resolution shall apply only to the election to be held on March 7, 2017, and shall then be repealed.

**SECTION 9.** That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**PASSED, APPROVED AND ADOPTED** this 4<sup>th</sup> day of October, 2016.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7528 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 4<sup>th</sup> day of October, 2016, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:

Dated:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

**RESOLUTION NO. 16 -7529**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA ORDERING THAT AN ORDINANCE TO EXTEND THE CITY'S EXISTING UTILITY USERS TAX BE SUBMITTED TO THE VOTERS AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON MARCH 7, 2017, DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE MEASURE, SETTING PRIORITIES FOR FILING A WRITTEN ARGUMENT RELATING TO THE BALLOT MEASURE, AND PROVIDING FOR REBUTTAL ARGUMENTS RELATING TO THE BALLOT MEASURE**

**THE CITY COUNCIL OF THE CITY OF COVINA DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council has previously called the City's General Municipal Election, to be held on Tuesday, March 7, 2017, for the purpose of electing members of the City Council, through the adoption of Resolution Nos. 16-7526, 16-7527 and 16-7536 (collectively "the 2017 Election Resolutions").

**SECTION 2.** Pursuant to California Elections Code Sections 9222, the City Council hereby orders that an ordinance also be submitted to the voters of the City at the General Municipal Election for the purpose of considering an extension of the City's existing utility users tax. The full text of Ordinance No. 17-\_\_\_\_ to be submitted to the voters is attached to this Resolution as Exhibit A and shall be printed in the voter pamphlet. The measure to be submitted to the voters shall appear on the ballot as follows:

City of COVINA	
To continue to provide about \$5 million annually to preserve essential City services like Police, Fire, Parks, Library, Recreation and Public Works and other local programs and general services, shall an ordinance be adopted to extend the City of Covina's current 6% utility users tax on telephone, gas, electricity and water services to March of 2029, without raising the rate of the tax or taxing any additional utility services?	YES
	NO

**SECTION 3.** The proposed ordinance extends an existing voter-approved general tax as defined in Article XIIC of the California Constitution, and shall not take effect unless and until approved by a vote of at least a majority of the voters voting on the question at the election.

**SECTION 4.** The proposed ordinance shall be submitted to the voters for approval in compliance with the 2017 Election Resolutions previously adopted by the City Council, with the addition of the following:

- A. The City Attorney is hereby directed to prepare an impartial analysis of the measure pursuant to Elections Code Section 9280.
- B. The City Council hereby designates **Council Member(s)** to prepare and submit a ballot argument in favor of the measure pursuant to Elections Code

Section 9282 and further authorizes rebuttal arguments, for this measure only, to be submitted pursuant to, and consistent with the requirements of, Elections Code Section 9285.

- C. In all particulars not recited in this Resolution and the 2017 Election Resolutions previously adopted by the City Council, said election for the ballot measure described in Section 2 shall be held and conducted as provided by general law for holding municipal elections.

**SECTION 5.** The City Clerk shall certify to the passage and adoption of this resolution.

**PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Covina this 4<sup>th</sup> day of October, 2016.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7529 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 4<sup>th</sup> day of October, 2016, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:

Dated:

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SHARON F. CLARK, Chief Deputy City Clerk

**EXHIBIT A**

ORDINANCE NO. 17-\_\_\_\_\_

[see attached]

**ORDINANCE NO. 17-\_\_\_**

**AN ORDINANCE OF THE PEOPLE OF THE CITY OF COVINA EXTENDING  
THE EXISTING UTILITY USERS TAX FOR A PERIOD OF TEN ADDITIONAL YEARS**

THE PEOPLE OF THE CITY OF COVINA DO HEREBY ORDAIN AS FOLLOWS:

**Section 1. Amendment.** Section 3.14.260 of the Covina Municipal Code is hereby amended to read as follows:

"3.14.260. **Sunset of Tax.** The tax imposed by this chapter shall automatically be terminated, without further action by the City Council, or the electors of the City, on March 16, 2029. As part of the yearly budget process, the City Council shall conduct an annual review of the tax to determine potential downward adjustment. After March 16, 2029, the tax imposed by this chapter can only be continued or re-established by at least a majority vote of the City Council following required public hearings and a majority vote of Covina voters pursuant to California Propositions 62 and 218."

**Section 2. Effective Date.** This ordinance is subject to a vote of the citizens of Covina and shall take effect, if approved by a majority of the voters voting at such election, ten (10) days following the date the election result is declared by the City Council, pursuant to Elections Code Section 9217. This ordinance does not increase the City's current utility users tax.

**Section 3. Severability.** If any section, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this ordinance. The People of the City of Covina hereby declare that they would have adopted this ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

**Section 4. Certification /Summary.** Following the City Clerk's certification that the citizens of Covina have approved this Ordinance, he or she shall cause the same to be entered in the book of original ordinances of said City; and shall cause the same, or a summary thereof, to be published as required by law.

I hereby certify that the foregoing ordinance was adopted by the people of the City of Covina at the regular municipal election held on March 7, 2017.

\_\_\_\_\_  
Mayor

ATTEST:

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

ORDINANCE NO. 17-\_\_\_

**AN ORDINANCE OF THE PEOPLE OF THE CITY OF COVINA  
EXTENDING THE EXISTING UTILITY USERS TAX**

THE PEOPLE OF THE CITY OF COVINA DO HEREBY ORDAIN AS FOLLOWS:

**Section 1. Extension.** Section 3.14.260 of the Covina Municipal Code is hereby repealed.

**Section 2. Effective Date.** This ordinance is subject to a vote of the citizens of Covina and shall take effect, if approved by a majority of the voters voting at such election, ten (10) days following the date the election result is declared by the City Council, pursuant to Elections Code Section 9217. This ordinance does not increase the City’s utility users tax.

**Section 3. Severability.** If any section, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this ordinance. The People of the City of Covina hereby declare that they would have adopted this ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

**Section 4. Certification /Summary.** Following the City Clerk's certification that the citizens of Covina have approved this Ordinance, he or she shall cause the same to be entered in the book of original ordinances of said City; and shall cause the same, or a summary thereof, to be published as required by law.

I hereby certify that the foregoing ordinance was adopted by the people of the City of Covina at the regular municipal election held on March 7, 2017.

\_\_\_\_\_  
Mayor

ATTEST:

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

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# CITY OF COVINA

## AGENDA REPORT

ITEM NO. NB 3

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**MEETING DATE:** October 4, 2016

**TITLE:** **Resolution No. 16-7537;** Budget Resolution to Appropriate \$12,600 of the 2016-2017 Budget for Emergency Asbestos and Lead Paint Survey Services and Litigation Guarantee Fees for the Abatement of a Dangerous Building - Update on Fire-Damaged Property at 345 S. Citrus Avenue

**PRESENTED BY:** Brian K. Lee, Director of Community Development

**RECOMMENDATION:** Approve City Council Resolution No. 16-7537 and provide additional direction as appropriate.

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### **BACKGROUND:**

On September 1, 2016, the City issued a Notice and Order to Abate Dangerous Building (“Notice”) for fire damaged property located at 345 S. Citrus Avenue. The property is a former Dodge automobile dealership which has been vacant. The Notice provides a 45-day time period for the property owner to secure a demolition permit. The 45-day time period expires on October 15, 2016.

### **DISCUSSION:**

During the 45-day Notice period, the City is obligated to allow the property owner to perform the work necessary to secure a demolition permit. Once the 45-day Notice period expires, then the City can initiate action to demolish the fire damaged building(s), pursuant to obtaining a court order.

However, the lapse of the 45-day Notice period doesn’t mean the City would be able to move onto the property and start demolition on the following day. In order to initiate that action, a court order would need to be obtained that would allow the City to start the work necessary to obtain a demolition contractor to perform the work. The demolition contractor selection process requires the solicitation of bids and similar administrative work prior to a demolition contractor actually moving onto the property to start the demolition work.

However, there are steps that could be undertaken during the 45-day Notice period. These steps would be required as part of the demolition process, specifically, hiring of a specialized contractor to perform the asbestos and lead paint survey work. Also, obtaining a Litigation Guarantee could also be accomplished. It is estimated the asbestos and lead paint survey work cost may range from approximately \$6,000.00 to \$10,000.00. It is also estimated that the cost of a Litigation Guarantee in the amount of \$1,000,000.00 amount would cost approximately \$2,600.00.

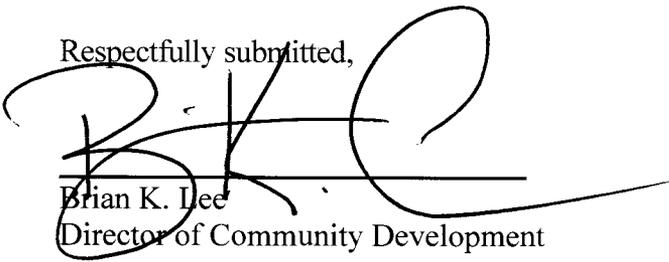
**FISCAL IMPACT:**

If the City Council authorizes City staff to proceed with initiating the Asbestos/Lead Paint survey and the Litigation Guarantee, the result would be an unbudgeted expenditure of approximately \$8,600.00 - \$12,600.00. Therefore, the City Council would need to approve Resolution No. 16-7537 to appropriate \$12,600.00 from unrestricted reserves for this purpose.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

This status report does not require a CEQA assessment.

Respectfully submitted,



Brian K. Lee  
Director of Community Development

**ATTACHMENTS:**

Attachment A – City Council Resolution No. 16-7537

**RESOLUTION NO. 16-7537**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, TO APPROPRIATE \$12,600 OF THE 2016-2017 BUDGET FOR EMERGENCY ASBESTOS AND LEAD PAINT SURVEY SERVICES AND LITIGATION GUARANTEE FEES FOR THE ABATEMENT OF A DANGEROUS BUILDING**

**WHEREAS**, the City of Covina is a municipal corporation duly organized and existing pursuant to the Constitution and laws of the State of California (“City”); and

**WHEREAS**, the budget for the City of Covina for fiscal year commencing July 1, 2016 and ending June 30, 2017 was approved on July 19, 2016; and

**WHEREAS**, the approved budget is in accordance with all applicable ordinances of the City and all applicable statutes of the State; and

**WHEREAS**, the reallocation of the appropriations between departmental activities may be made by the City Manager, amendments (increases/decreases) to the Budget shall be by approval and Resolution of the City Council; and

**WHEREAS**, the City desires to conduct an emergency asbestos and lead paint survey as well as obtain a litigation guarantee for the abatement of a dangerous building in order to ensure the timely elimination of an unsafe building condition on a highly visible and accessible property in Covina.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** Amend the Fiscal Year 2016-2017 City of Covina Operating Budget as follows: appropriate \$12,600 from the General Fund balance to Account No. 1010-4200-51005 in order to conduct an emergency asbestos and lead paint survey as well as obtain a litigation guarantee for the abatement of a dangerous building in order to ensure the timely elimination of an unsafe building condition on a highly visible and accessible property in Covina.

**SECTION 2.** The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

**APPROVED and PASSED** this 4<sup>th</sup> day of October, 2016.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. 16-7537 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 4th day of October, 2016, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:

Dated:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk



# CITY OF COVINA

## AGENDA REPORT

ITEM NO. NB 4

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**MEETING DATE:** October 4, 2016

**TITLE:** Request to Reorganize Community Development Department Staffing Structure

**PRESENTED BY:** Danielle Tellez, Director of Human Resources  
Brian Lee, Community Development Director

**RECOMMENDATION:** That the City Council approve the Staffing Reorganization in the Community Development Department

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**BACKGROUND:** The current approved personnel budget for full time regular positions in the Community Development Department - Planning Division includes one (1) City Planner, one (1) Assistant Planner, and one (1) Planning Aide. Typically speaking, in the suite of professional planning positions, an Assistant Planner and Planning Aide are identified as entry-level professional positions; with the Planning Aide as one level above an intern position. As such, the Assistant Planner is expected to perform their tasks under significant supervision and with only very modest expectations for exercising independent professional judgement.

Additionally, both the Assistant Planner and Planning Aide positions are typically viewed as journey level positions wherein incumbents are learning the trade. The Assistant Planner typically has one (1) year or more of actual professional planning experience. Therefore, in a small planning department with a high volume of customer interaction, such as in the case of the City of Covina, high volumes of development applications and complex and sensitive land use proposals, having an experience and professional knowledge gap of the breadth between the City Planner position and the Assistant Planner positions does not serve the community well.

**DISCUSSION:** The both the Assistant Planner and Planning Aide positions recently became vacant due to incumbents separating from employment with the City of Covina. These vacancies present the City with an opportunity to re-evaluate the staffing structure within the Planning Division and reorganize in order to meet the needs of the department and the community. The proposed staff reorganization would transition the Assistant Planner position into a higher level Associate Planner position. The Associate Planner is essentially a journeyman-level professional planning position expected to possess three (3) to five (5) years of professional planning experience. The Associate Planner is expected to be proficient at land use and development analysis, the CEQA process and possess the ability to exercise independent professional judgement. As such, an Associate Planner position would elevate the level of professional expertise and knowledge for a position that has a significant amount of interaction with the public as well as high expectations for work output in regards to development project processing.

In order to facilitate the higher level of professional staffing, it is proposed that the current Planning Aide position be transitioned into two (2) part-time Planning Aide positions (without benefits). The savings from not providing a benefit package to the Planning Aide position would be applied to the personnel cost increase of the Associate Planner salary in order to bring it up to the salary level commensurate with the

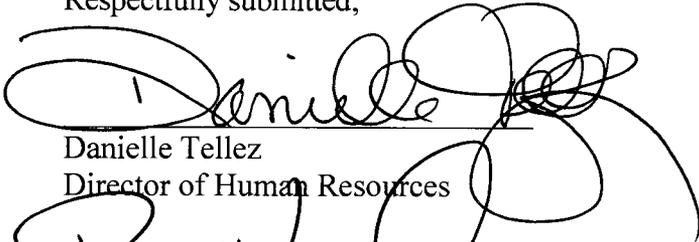
position. The two (2) part-time Planning Aides would retain their current salary structure and would work approximately 20 hours per week.

In addition to the benefit of providing an Associate Planner position into the Community Development Department's staff compliment, the two (2) additional part-time Planning Aide positions would be able to assist with the current customer service and other staffing demands.

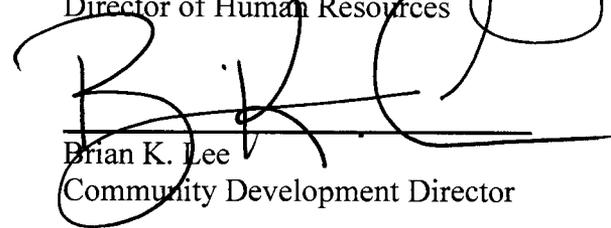
**FISCAL IMPACT:** This staffing change will result in an estimated personnel cost savings of approximately \$15,000 for the remaining nine (9) months of FY16/17.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):** N/A

Respectfully submitted,



Danielle Tellez  
Director of Human Resources



Brian K. Lee  
Community Development Director

**ATTACHMENTS:**