



City of Covina/Covina Redevelopment  
Agency/Covina Public Finance Authority  
Mayor Peggy Delach – Mayor Pro Tem John King  
Council Members Walt Allen, III – Bob Low – Kevin Stapleton

REGULAR MEETING AGENDA  
125 E. College Street, Covina, California  
Council Chambers of City Hall  
**Tuesday, February 1, 2011**

6:30 p.m.

- **The City Council/Redevelopment Agency/Public Finance Authority will meet in closed session from 6:30 p.m.-7:30 p.m.**
- As a courtesy to Council/Agency/Authority Members, staff and attendees, everyone is asked to silence all pagers, cellular telephones and any other communication devices.
- 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.
- Please provide 10 copies of any information intended for use at the City Council/Covina Redevelopment Agency/Covina Public Finance Authority meeting to the City Clerk prior to the meeting.
- **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 Department at (626) 384-5430. Services such as American Sign Language interpreters, a reader during the meeting, and/or large print copies of the agenda are available. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Assisted listening devices are now available. Please see the City Clerk before the meeting or during a break for more information.
- **DOCUMENT AVAILABILITY:** Any writings or documents provided to a majority of the Council/Agency/Authority regarding any item on this agenda will be made available for public inspection at the City Clerk counter at City Hall located at 125 E. College Street and the Reference Desk at the Covina Library located at 234 N. Second Avenue during normal business hours. In addition, such writings and documents are available in the City Clerk's office and may be posted on the City's website at <http://www.covinaca.gov/clerk/agendas.htm>.
- Pursuant to Government Code Section 54954.2, no matter shall be acted upon by the City Council/Redevelopment Agency/Public Finance Authority unless listed on agenda, which has been posted not less than 72 hours prior to 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 Deputy City Clerk of the Covina City Council hereby declares that the agenda for the **February 1, 2011**, Regular City Council meeting was posted on **January 27, 2011** near the front entrance of the City Hall, 125 East College Street, Covina, in accordance with Section 54954.2(a) of the California Government Code.

*February 1, 2011*

**CITY COUNCIL/REDEVELOPMENT AGENCY/  
COVINA PUBLIC FINANCE AUTHORITY  
JOINT MEETING—CLOSED SESSION  
6:30 p.m.**

**CALL TO ORDER**

**ROLL CALL**

Council/Agency/Authority Members Allen, Low, Stapleton, Mayor Pro Tem/Vice Chairperson King, Mayor/Chairperson Delach

**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/Redevelopment Agency/Covina Public Finance Authority will adjourn to Closed Session for the following:**

**CLOSED SESSION**

- A. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Designated Representative: Robert Neuber, Comm. Development Director  
Negotiations to include both price and term:
- Enterprise – Vacant Land south side of Puente Street at Third Avenue (APN: 8444-021-904)
  - The Olson Company – 322 North Citrus Avenue (APN: 8430-027-017)
- B. G.C. §54957 – PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: City Manager

**RECESS**

**CITY COUNCIL  
REDEVELOPMENT AGENCY/PUBLIC FINANCE AUTHORITY  
JOINT MEETING—OPEN SESSION  
7:30 p.m.**

**CALL TO ORDER**

## **ROLL CALL**

Council/Agency/Authority Members Allen, Low, Stapleton, Mayor Pro Tem/Vice Chairperson King, and Mayor/Chairperson Delach

## **PLEDGE OF ALLEGIANCE**

Led by Mayor Delach.

## **INVOCATION**

Led by Covina Police Chaplain Dave Truax.

## **PRESENTATIONS**

Recognition of the Sierra Vista Middle School teachers, staff and students for winning the Middle School Reading Competition.

Presentation by Bob Morales of the Upper San Gabriel Valley Water District.

## **PUBLIC COMMENTS**

*To address the City Council/Redevelopment Agency/Public Finance 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 City Council/Redevelopment Agency/Public Finance 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/Redevelopment Agency/Public Finance 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. City Council to adopt **Resolution No. 11-6924**, approving the Memorandum of Understanding between the City of Covina and the American Federation of State, County and Municipal Employees.

- CC 2. City Council to adopt **Resolution No. 11-6925**, amending the Fiscal Year 2010-2011 Public Works Department, Environmental Budget to reflect a change in account numbering for the Industrial Waste Program.
- CC 3. City Council/Redevelopment Agency to approve a Right of Entry Agreement with the Olson Company to perform soil remediation work on a portion of the Olson Citrus Walk project site located at 326 N. Citrus Avenue and authorize the Executive Director to execute said agreement.

### **CONTINUED PUBLIC HEARING**

CPH 1. City Council to conduct a Continued Public Hearing to consider application Conditional Use Permit 10-008, Variance 10-002 and Negative Declaration related to the wireless communication facility located at 1288 North Bonnie Cove Avenue and determine if the required findings can be justified.

Staff Recommendation:

- a) Conduct the Public Hearing and consider public testimony; and
- b) Continue the Public Hearing to the meeting of March 1, 2011.

CPH 2. City Council to conduct a Continued Public Hearing to consider application Conditional Use Permit 10-010, Variance 10-004 and Negative Declaration related to the wireless communication facility located at 1175 East Garvey Avenue and determine if the required findings can be justified.

Staff Recommendation:

- a) Conduct the Public Hearing and consider public testimony; and
- b) Continue the Public Hearing to the meeting of March 1, 2011.

### **NEW BUSINESS**

- NB 1. City Council and Redevelopment Agency to receive and file the Audit Report and Annual Financial and Compliance Report for Covina Redevelopment Agency for Fiscal Year ended June 30, 2010.
- NB 2. City Council to adopt **Resolution No. 11-6880**, in opposition to the State of California's Administration's proposal to abolish redevelopment agencies in California.
- NB 3. Covina Housing Authority to adopt **Authority Resolution 11-001**, approving the Financial Assistance and Cooperation Agreement by and between the Housing Authority, the City and the Covina Redevelopment Agency and encumbering the funds pursuant thereto.

### **ADJOURNMENT**

The Covina City Council/Redevelopment Agency/Covina Public Finance Authority will adjourn to its next regular meeting, **Tuesday, February 15, 2011** at 6:30 p.m. for closed session and at 7:30 p.m., for open session in the Council Chambers of City Hall, 125 E. College Street, Covina, California 91723.

**CITY OF COVINA**  
**AGENDA ITEM COMMENTARY**

**MEETING DATE:** February 1, 2011

**ITEM NO.:** CC1

**STAFF SOURCE:** Anthony Arroyo, Human Resources Director *WMA*

**ITEM TITLE:** Adopt Resolution No. 11-6924 Approving the Memorandum of Understanding between the City of Covina and the American Federation of State, County and Municipal Employees

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**STAFF RECOMMENDATION**

Adopt Resolution No. 11-6924 approving the Memorandum of Understanding (MOU) between the City of Covina and the American Federation of State, County and Municipal Employees (AFSCME) California District Council 36 for a period commencing July 1, 2009 through June 30, 2012.

**FISCAL IMPACT**

The fiscal impact was reported to the City Council on August 17, 2010. The financial impact will be stated again for the purposes of this staff report. The fiscal impact to the City for the 2010-11 fiscal year was a one-time payout of \$24,500, which was absorbed in this fiscal year's budget. In addition, the city will realize a savings of approximately \$78,500 due to AFSCME-represented employees paying three percent (3%) towards the employees' PERS retirement contribution. The cost for the 2011-12 fiscal year will be approximately \$43,400 to the general fund; this is a result of salary increases that were to have been paid to employees during the 2008-09 fiscal year. For the 2012-13 fiscal year, there are no additional increases to the general fund as a result of the negotiated MOU. Estimated savings for the 2011-12 and 2012-13 fiscal years are approximately \$80,000 per year. As noted in the attached draft MOU, there are no negotiated cost of living adjustments to be provided to AFSCME represented employees.

The city will realize savings of approximately \$80,000 for the 2011-12 and 2012-13 fiscal years due to all AFSCME-represented employees paying 3% of the 8% employees PERS contribution. Savings are greater than this amount when factoring in the non-sworn PAC and Unaffiliated members also paying 3% of the employees PERS contribution.

**BACKGROUND**

The City and AFSCME started negotiations for a successor MOU during the 2008-09 fiscal year. Due to a change in city administration, city staff, and AFSCME representation, negotiations resumed during the fall of the 2009 and concluded in late spring 2010. On August 17, 2010, the City Council approved the major negotiation points agreed to between the City of Covina and AFSCME. As stated in the aforementioned agenda item, the MOU would be presented to the Council for formal adoption at a later date. The reason the MOU was not presented earlier was

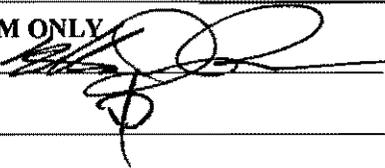
that Human Resources Staff had to recreate the entire document, which took some time. The AFSCME negotiating team met the week of January 3 to go over the negotiated items and the entire MOU. There were no further changes (i.e., clean up language) that required further discussion.

**RELEVANCE TO THE STRATEGIC PLAN**

As a result of the completed negotiations, salaries for all AFSCME employees will now reflect market trends based on survey results from 2008-09 fiscal year; this was referenced in the Strategic Plan approved by the Council in the 2009-10 fiscal year.

**EXHIBITS**

A. Resolution No. 11-6924, which includes the redline version of Resolution Exhibit A (AFSCME MOU).

|  |   |
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| <b>REVIEW TEAM ONLY</b>  |   |
| City Attorney:  | Finance Director:  |
| City Manager: _____  | Other: _____  |

**RESOLUTION NO. 11-6924**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES LOCAL COUNCIL 36 FOR THE PERIOD COMMENCING JULY 1, 2009 THROUGH JUNE 30, 2012.**

**WHEREAS**, the City Council is desirous of attracting and retaining qualified employees to the City's service through a competitive salary and benefit total compensation program; and

**WHEREAS**, representative of the city and the American Federation of State, County and Municipal Local Council 36 have met in good faith to reach an agreement on a new Memorandum of Understanding pursuant to Government Code Section 3500 et seq.; and

**WHEREAS**, said Memorandum of Understanding for the period commencing July 1, 2009 and expiring on June 30, 2012 has been ratified by a majority membership of the AFSCME-represented employees and is hereby presented to the City Council for its review and determination; and

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

**SECTION 1.** The City Council does hereby ratify and approve the Memorandum of Understanding between the City of Covina and the American Federation of State, County and Municipal Local Council 36 attached hereto as Exhibit A.

**SECTION 2.** That all resolutions or portions thereof, in conflict herewith are hereby repealed.

**SECTION 3.** That the Mayor of the City of Covina is hereby authorized, empowered and directed to execute said Memorandum of Understanding for and on behalf of the City.

**SECTION 4.** The City Clerk shall certify to the passage and adoption of this resolution and the same shall thereupon take effect and is in force.

**PASSED, APPROVED AND ADOPTED** this 1<sup>st</sup> day of February, 2011.

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Mayor

ATTEST:

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Deputy City Clerk

APPROVED AS TO FORM;

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City Attorney

**CERTIFICATION**

I, Catherine LaCroix, Deputy City Clerk of the City of Covina, hereby CERTIFY that Resolution No. 10-6888 was adopted by the Covina City Council at a regular meeting of the City Council held November 2, 2010, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Catherine LaCroix  
Deputy City Clerk

## TABLE OF CONTENTS

|   |          |
|---|----------|
| <b>1.0. PREAMBLE</b>                                  | <b>1</b> |
| <b>2.0. RECOGNITION</b>                               | <b>1</b> |
| <b>2.0.1 EMPLOYERS/CLASSIFICATIONS</b>                | <b>1</b> |
| 2.0.1.1 CLERICAL SERIES CLASSIFICATIONS               | 1        |
| 2.0.1.2 MAINTENANCE SERIES CLASSIFICATIONS            | 2        |
| 2.0.1.3 TECHNICAL SERIES CLASSIFICATIONS              | 2        |
| <b>2.0.2 NEW CLASSIFICATIONS</b>                      | <b>3</b> |
| <b>2.0.3 OLD TITLES ELIMINATED</b>                    | <b>3</b> |
| <b>2.0.4 MANAGEMENT CLASSIFICATIONS EXCLUDED</b>      | <b>3</b> |
| <b>2.0.5 INDIVIDUAL EMPLOYEE RIGHTS</b>               | <b>3</b> |
| <b>2.0.6 UNION DUES</b>                               | <b>3</b> |
| <b>3.0. EMPLOYEE DEFINITIONS</b>                      | <b>4</b> |
| <b>4.0. SCOPE AND PREVAILING RIGHTS</b>               | <b>4</b> |
| 4.0.1 BASIC AGREEMENT                                 | 4        |
| 4.0.2 DISCRIMINATION                                  | 5        |
| 4.0.3 MANAGEMENT RIGHTS RESERVED                      | 5        |
| 4.0.4 EMPLOYEE RIGHTS                                 | 6        |
| <b>5.0. SAVINGS CLAUSE</b>                            | <b>6</b> |
| 5.0.1 STATE AND FEDERAL OBLIGATIONS                   | 7        |
| 5.0.2 COURT ACTIONS/LEGISLATION                       | 7        |
| 5.0.3 BINDING   | 7        |
| 5.0.4 PRIVATE VERSUS MUNICIPAL WORK FORCE             | 7        |
| <b>6.0. FULL UNDERSTANDING, MODIFICATIONS, WAIVER</b> | <b>7</b> |
| <b>7.0. TERM AND RENEWAL OF MEMORANDUM</b>            | <b>8</b> |

Deleted: Page 1

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|               |   |           |
|---------------|---|-----------|
| <b>8.0.</b>   | <b>WORKDAYS AND HOURS</b>   | <b>8</b>  |
| <b>8.0.1</b>  | <b>WORK SCHEDULES</b>   | <b>8</b>  |
| 8.0.1.1       | 5:40 SCHEDULE   | 8         |
| 8.0.1.2       | 4:10 SCHEDULE   | 8         |
| 8.0.1.3       | 9:80 SCHEDULE   | 8         |
| <b>8.0.2</b>  | <b>PUBLIC WORKS HOURS</b>   | <b>9</b>  |
| <b>8.0.3</b>  | <b>WORK HOURS</b>   | <b>9</b>  |
| <b>8.0.4</b>  | <b>NOTIFICATION OF SCHEDULE CHANGE</b>                              | <b>9</b>  |
| <b>8.0.5</b>  | <b>SENIORITY</b>  | <b>10</b> |
| <b>8.0.6</b>  | <b>POLICE RECORDS CLERK SCHEDULE</b>                                | <b>10</b> |
| <b>9.0.</b>   | <b>REST PERIODS</b>   | <b>10</b> |
| <b>10.0.</b>  | <b>WAGE AND SALARY MATTERS</b>                                      | <b>10</b> |
| <b>10.0.1</b> | <b>SALARY ADJUSTMENT</b>  | <b>10</b> |
| <b>10.0.2</b> | <b>SPECIAL SKILL AND ASSIGNMENT PAY</b>                             | <b>11</b> |
| 10.0.2.1      | BILINGUAL SKILL PAY   | 11        |
| 10.0.2.2      | SPECIAL ASSIGNMENT - "SENIOR" POLICE RECORDS CLERK                  | 11        |
| 10.0.2.3      | STENO SKILL PAY   | 11        |
| 10.0.2.4      | WATER QUALITY INSPECTOR PAY   | 11        |
| <b>10.0.3</b> | <b>PROBATIONARY PERIOD</b>  | <b>12</b> |
| <b>10.0.4</b> | <b>ADVANCEMENT THROUGH SALARY RANGE</b>                             | <b>12</b> |
| 10.0.4.1      | PROMOTED EMPLOYEES  | 12        |
| 10.0.4.2      | SALARY UPON PROMOTION   | 12        |
| 10.0.4.3      | LONGEVITY PAY   | 12        |
| <b>10.0.5</b> | <b>STANDBY, CALL BACK AND OVERTIME PAY</b>                          | <b>13</b> |
| 10.0.5.1      | STANDBY   | 13        |
| 10.0.5.2      | CALL BACK   | 14        |
| 10.0.5.3      | OVERTIME  | 14        |
| 10.0.5.4      | COMPENSATORY TIME OFF   | 14        |
| <b>10.0.6</b> | <b>COMPENSATION FOR EMPLOYEES ACTING IN A HIGHER CLASSIFICATION</b> | <b>14</b> |
| <b>10.0.7</b> | <b>HOME USE OF THE SCADA SYSTEM</b>                                 | <b>14</b> |
| <b>11.0.</b>  | <b>FIXED AND FLOATING HOLIDAYS</b>                                  | <b>15</b> |
| <b>11.0.1</b> | <b>FIXED HOLIDAYS</b>   | <b>15</b> |
| 11.0.1.1      | FIXED HOLIDAY FALLS ON A WEEKEND                                    | 15        |
| 11.0.1.2      | WORKING ON A FIXED HOLIDAY  | 16        |

Deleted: Page 1

Formatted: Font: 11 pt

City Union

|               |  |           |
|---------------|--|-----------|
| <b>11.0.2</b> | <b>FLOATING HOLIDAYS</b>                                       | <b>16</b> |
| 11.0.2.1      | EMERGENCY USE OF FLOATING HOLIDAYS                             | 17        |
| 11.0.2.2      | FLOATING HOLIDAYS FOR NEW EMPLOYEES: ACCRUAL AND PRORATION     | 17        |
| <b>11.0.3</b> | <b>SICK, FAMILY SICK AND BEREAVMENT LEAVE</b>                  | <b>17</b> |
| 11.0.3.1      | SICK LEAVE PROVIDED  | 17        |
| 11.0.3.2      | USE OF SICK LEAVE DURING FIRST SIX MONTHS OF EMPLOYMENT        | 18        |
| 11.0.3.3      | EXPANDED USE OF SICK LEAVE                                     | 18        |
| 11.0.3.4      | EMPLOYEE USE   | 18        |
| 11.0.3.5      | EMPLOYEE'S FAMILY USE  | 18        |
| 11.0.3.6      | SICK LEAVE REPORTING   | 18        |
| 11.0.3.7      | ACCUMULATION AND PAYOFF  | 18        |
| 11.0.3.8      | HOUSEHOLD AND PERSONAL EMERGENCY LEAVE                         | 19        |
| 11.0.3.9      | BEREAVEMENT USE  | 19        |
| <b>11.0.4</b> | <b>VACATION</b>  | <b>19</b> |
| 11.0.4.1      | VACATION PROVIDED  | 19        |
| 11.0.4.2      | PAY OFF UPON TERMINATION                                       | 20        |
| 11.0.4.3      | ACCUMULATION   | 20        |
| 11.0.4.4      | PAYOFF PRIOR TO TERMINATION                                    | 20        |
| <b>11.0.5</b> | <b>MATERNITY LEAVE</b>   | <b>21</b> |
| <b>11.0.6</b> | <b>MILITARY LEAVE</b>  | <b>22</b> |
| <b>11.0.7</b> | <b>FAMILY CARE AND MEDICAL LEAVE</b>                           | <b>22</b> |
| <b>11.0.8</b> | <b>WORK FURLOUGH</b>   | <b>22</b> |
| <b>11.0.9</b> | <b>JURY DUTY AND JOB-RELATED REQUIRED COURT APPEARANCES</b>    | <b>22</b> |
| 11.0.9.1      | JURY DUTY  | 22        |
| 11.0.9.2      | NON-WORK RELATED APPEARANCE                                    | 23        |
| 11.0.9.3      | WORK-RELATED APPEARANCE  | 23        |
| <b>12.0.</b>  | <b>OTHER EMPLOYEE BENEFITS</b>                                 | <b>23</b> |
| <b>12.0.1</b> | <b>HEALTH, DENTAL LIFE, WORKER'S COMPENSATION AND LTD</b>      | <b>23</b> |
| 12.0.1.1      | HEALTH   | 23        |
| 12.0.1.2      | OPTIONAL BENEFITS  | 24        |
| 12.0.1.3      | LIFE INSURANCE   | 24        |
| 12.0.1.4      | WORKERS' COMPENSATION  | 24        |
| 12.0.1.5      | LONG TERM DISABILITY   | 25        |
| <b>12.0.2</b> | <b>RETIREMENT</b>  | <b>25</b> |
| 12.0.2.1      | SUPPLEMENTAL RETIREE BENEFIT                                   | 26        |
| <b>12.0.3</b> | <b>VOLUNTARY JOB RELATED EDUCATIONAL REIMBURSEMENT PROGRAM</b> | <b>26</b> |
| 12.0.3.1      | APPLICABILITY  | 26        |
| 12.0.3.2      | ELIGIBILITY  | 26        |
| 12.0.3.3      | QUALIFICATION AND LIMITS                                       | 27        |
| 12.0.3.4      | FUNDING  | 27        |
| 12.0.3.5      | COURSES DURING WORK HOURS                                      | 27        |
| 12.0.3.6      | LICENSES AND CERTIFICATES                                      | 27        |

Deleted: 26

Deleted: Page 1

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City Union

|               |   |           |
|---------------|---|-----------|
| <b>12.0.4</b> | <b>UNIFORM, MAINTENANCE AND CLEANING</b>  | <b>27</b> |
| 12.0.4.1      | FIELD EMPLOYEES   | 27        |
| 12.0.4.2      | POLICE DEPARTMENT PERSONNEL   | 28        |
| 12.0.4.3      | CODE ENFORCEMENT UNIFORM  | 28        |
| 12.0.4.4      | BOOT ALLOWANCE  | 28        |
| <b>12.0.5</b> | <b>AUTO MILEAGE REIMBURSEMENT</b>   | <b>29</b> |
| <b>13.0.</b>  | <b>LAY-OFF PROCEDURE</b>  | <b>29</b> |
| 13.0.1        | SENIORITY   | 29        |
| 13.0.2        | ORDER OF LAYOFF   | 29        |
| 13.0.2.1      | A PERMANENT EMPLOYEE WHO HAS NOT COMPLETED THE PROBATIONARY PERIOD IN A PROMOTED CLASS        | 29        |
| 13.0.2.2      | A PERMANENT EMPLOYEE WHO HAS COMPLETED THE PROBATIONARY PERIOD IN THE AFFECTED CLASSIFICATION | 30        |
| 13.0.3        | REINSTATEMENT TO FORMER CLASSIFICATION  | 30        |
| 13.0.4        | RE-EMPLOYMENT LIST  | 30        |
| <b>14.0.</b>  | <b>GRIEVANCE PROCEDURE</b>  | <b>31</b> |
| <b>15.0.</b>  | <b>AGENCY SHOP, UNION SECURITY AND BUSINESS DUES CHECK-OFF</b>                                | <b>31</b> |
| 15.0.1        | ACCESS TO WORK LOCATIONS  | 32        |
| 15.0.2        | USE OF CITY FACILITIES  | 33        |
| 15.0.3        | AVAILABILITY OF DATA  | 33        |
| 15.0.4        | ASSOCIATION/UNION RELEASE TIME  | 34        |
| 15.0.5        | PROFESSIONAL CONDUCT  | 34        |
| <b>16.0.</b>  | <b>RESOLUTION OF IMPASSE</b>  | <b>34</b> |
| <b>17.0.</b>  | <b>DISCONTINUATION OF THE BONUS POINTS PREFERENCE</b>   | <b>35</b> |
| <b>18.0.</b>  | <b>TERM</b>   | <b>36</b> |
| <b>19.0.</b>  | <b>SIGNATURES</b>   | <b>36</b> |
| <b>20.0.</b>  | <b>- EXHIBITS</b>   | <b>37</b> |
| <b>21.0.</b>  | <b>EXHIBIT "A" - GRIEVANCE PROCEDURE</b>  | <b>38</b> |

Deleted: 27

Deleted: 27

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City Union

**Deleted: 1.0. PREAMBLE 1¶**  
**2.0. RECOGNITION 1¶**  
**2.0.1 EMPLOYEES/CLASSIFICATIONS 1¶**  
 2.0.1.1 CLERICAL SERIES CLASSIFICATIONS 1¶  
 2.0.1.2 MAINTENANCE SERIES CLASSIFICATIONS 2¶  
 2.0.1.3 TECHNICAL SERIES CLASSIFICATIONS 2¶  
**2.0.2 NEW CLASSIFICATIONS 3¶**  
**2.0.3 OLD TITLES ELIMINATED 3¶**  
**2.0.4 MANAGEMENT CLASSIFICATIONS EXCLUDED 3¶**  
**2.0.5 INDIVIDUAL EMPLOYEE RIGHTS 3¶**  
**3.0. EMPLOYEE DEFINITIONS 3¶**  
**4.0. SCOPE AND PREVAILING RIGHTS 4¶**  
 4.0.1 BASIC AGREEMENT 4¶  
 4.0.2 DISCRIMINATION 5¶  
 4.0.3 MANAGEMENT RIGHTS RESERVED 5¶  
 4.0.4 EMPLOYEE RIGHTS 6¶  
**5.0. SAVINGS CLAUSE 6¶**  
 5.0.1 STATE AND FEDERAL OBLIGATIONS 6¶  
 5.0.2 COURT ACTIONS/LEGISLATION 7¶  
 5.0.3 BINDING 7¶  
 5.0.4 PRIVATE VERSUS MUNICIPAL WORK FORCE 7¶  
**6.0. FULL UNDERSTANDING, MODIFICATIONS, WAIVER 7¶**  
**7.0. TERM AND RENEWAL OF MEMORANDUM 8¶**  
**8.0. WORKDAYS AND HOURS 8¶**  
**8.0.1 WORK SCHEDULES 8¶**  
 8.0.1.1 5:40 SCHEDULE 8¶  
 8.0.1.2 4:10 SCHEDULE 8¶  
 8.0.1.3 9:00 SCHEDULE 8¶  
**8.0.2 PUBLIC WORKS HOURS 9¶**  
**8.0.3 WORK HOURS 9¶**  
**8.0.4 NOTIFICATION OF SCHEDULE CHANGE 9¶**  
**8.0.5 SENIORITY 9¶**  
**8.0.6 POLICE RECORDS CLERK SCHEDULE 10¶**  
**9.0. REST PERIODS 10¶**  
**10.0. WAGE AND SALARY MATTERS 10¶**  
**10.0.1 SALARY ADJUSTMENT 10¶**  
**10.0.2 SPECIAL SKILL AND ASSIGNMENT PAY 11¶**  
 10.0.2.1 BILINGUAL SKILL PAY 11¶  
 10.0.2.2 SPECIAL ASSIGNMENT - "SENIOR" POLICE RECORDS CLERK 11¶  
 10.0.2.3 STENO SKILL PAY 11¶  
 10.0.2.4 WATER QUALITY INSPECTOR PAY 11¶  
**10.0.3 PROBATIONARY PERIOD 12¶**  
**10.0.4 ADVANCEMENT THROUGH SALARY RANGE 12¶** ... [1]

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

**1.0. PREAMBLE**

This agreement has been prepared in accordance with Chapter 10, Division 4, Title 1, of the California Government Code, and Section 15 of Resolution 2783 of the City of Covina. The City of Covina, hereinafter referred to as the "City," and AFSCME Local 3325, hereinafter referred to as the "Union" have reached this Memorandum of Understanding pursuant to meeting and conferring in good faith.

**2.0. RECOGNITION**

**2.0.1 EMPLOYEES/CLASSIFICATIONS**

The City hereby acknowledges the AFSCME Local 3325 as the exclusive representative for all full-time employees serving in the competitive, merit service position classifications as set forth herein following:

**2.0.1.1 CLERICAL SERIES CLASSIFICATIONS**

Title

Account Clerk I  
Account Clerk II  
Office Assistant I  
Office Assistant II  
Planning Secretary  
Police Records Clerk  
Secretary  
Senior Secretary  
Water Consumer Representative

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

**2.0.1.2 MAINTENANCE SERIES CLASSIFICATIONS**

Title

Building Maintenance Worker  
Equipment Foreman  
Equipment Mechanic  
Equipment Operator  
General Maintenance Worker  
Park Foreman  
Park Worker  
Park Worker -- Irrigation Specialist  
Senior Equipment Mechanic  
Street Crew Leader  
Street Maintenance Foreman  
Street Worker  
Water Crew Leader  
Water Foreman  
Water Pump Operator  
Water Worker

**2.0.1.3 TECHNICAL SERIES CLASSIFICATIONS**

Title

Assistant Civil Engineer  
Assistant Planner  
Associate Civil Engineer  
Associate Planner  
Construction Inspector I  
Construction Inspector II  
Deputy Building Official  
Engineering Technician  
General Building Inspector I  
General Building Inspector II  
Library Assistant  
Neighborhood Preservation Officer  
Plan Checker  
Planning Technician  
Printing & Central Services Specialist  
Recreation Coordinator  
Senior Building Inspector  
Senior Librarian

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Code Enforcement Officer

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City Union



**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

**3.0. EMPLOYEE DEFINITIONS**

**EMPLOYEE, FULL-TIME** - means for purposes of this Memorandum of Understanding will exclude those not of permanent status of the previously listed position classifications. Permanent status does not include those on probation, of limited term (six months or less), of seasonal hire (school term or season of the year), of part-time status (working less than an average of 36 hours in a workweek).

**EMPLOYEE, CONFIDENTIAL** - means an employee who is privy to decisions of City management affecting employer-employee relations.

**EMPLOYEE, MANAGEMENT** - means:

1. Any employee having significant responsibilities for formulating and administering City policies and programs, including but not limited to the City Manager and department heads; and/or
2. Any employee having authority to exercise independent judgment to hire, transfer, suspend, lay-off, recall, promote, discharge, assign, reward or discipline other employees, or having the responsibility to direct them, or to adjust their grievances, or effectively to recommend such action if in connection with the foregoing, the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment. (For illustrative purposes, "management employee" shall be interpreted to mean those classes above Police Sergeant, Fire Captain and Foreman.)

**EMPLOYEE, PROFESSIONAL** - means employees engaged in work requiring specialized knowledge and skills attained through completion of a recognized course of instruction including, but not limited to engineers.

**4.0. SCOPE AND PREVAILING RIGHTS**

**4.0.1 BASIC AGREEMENT**

It is the intent and purpose of the Memorandum to assure positive and mutually beneficial working and economic relations between the parties hereto, to provide an orderly and peaceful means of resolving any misunderstanding or differences which may arise, and to set forth herein the basic and full agreement between the parties concerning wages, hours, and other terms and working conditions of employment.

However, non-conflicting prior practices shall continue without interruption as a prior practice, which shall be defined as a practice which has been (1) unequivocal; and (2) clearly enunciated and acted upon; and (3) readily ascertainable over a reasonable period

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

**5.0.1 STATE AND FEDERAL OBLIGATIONS**

This memorandum shall not in any way interfere with the obligation of the parties hereto comply with the State and Federal Law or of any rule, legislation, regulation or order issued by such government authority pertaining to the matters covered herein.

**5.0.2 COURT ACTIONS/LEGISLATION**

If any provision of this Memorandum or the application of the Memorandum should be rendered or declared invalid by any court action or legislation, the remaining parts or portions of this Memorandum shall remain in full force and effect.

**5.0.3 BINDING**

Except as provided in the above preceding paragraphs, the parties hereto agree this Memorandum cannot be modified, changed or altered in any way whatsoever except by compliance with Section 3504.5 of the Government Code which requires notice and meeting and conferring prior to implementation of any changes.

**5.0.4 PRIVATE VERSUS MUNICIPAL WORK FORCE**

In the event that a private company is engaged to undertake certain functions currently performed by municipal forces, the City agrees to attempt to negotiate in good faith with such private company to hire such displaced employees.

**6.0. FULL UNDERSTANDING, MODIFICATIONS, WAIVER**

It is intended that this Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

Except as specifically provided herein, it is agreed and understood that both parties voluntarily and unqualifiedly waive their rights, and agree that the other shall not be required to negotiate with respect to any subject or matter covered herein during the term of this Agreement.

Any agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall not be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved and implemented by the City Council.

The waiver of any breach, term or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

**7.0. TERM AND RENEWAL OF MEMORANDUM**

Upon ratification and execution by the City Council, this Memorandum of Understanding shall become effective July 1, 2009 for appropriate City employees on the active payroll as of the date of ratification by both parties. It shall remain in full force and effect until June 30, 2012. Furthermore, the MOU shall automatically be renewed on the same terms and conditions for consecutive one-year periods thereafter, unless no earlier than 120 days and no later than 90 days prior to the expiration of this agreement, or any extension thereof, either party give written notice to the other party of its intent to terminate or modify the agreement.

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**8.0. WORKDAYS AND HOURS**

**8.0.1 WORK SCHEDULES**

Effective January 4, 2010, employees assigned to Public Works and to City Hall shall work the alternate workweek schedule of 10 (ten) hours per day for four days per week; all other employees shall continue to work their current workweek schedule. The workday for employees appropriate to this unit shall be determined by the work schedule to which the employee is assigned and shall consist of one of the following:

**8.0.1.1 5/40 SCHEDULE**

5/40 Schedule: Five (5) eight (8) hour days within seven (7) consecutive twenty-four (24) hour periods for a total of forty (40) hours worked. A workday shall consist of an eight (8) hour day within a twenty-four hour period.

**8.0.1.2 4/10 SCHEDULE**

4/10 Schedule: Four (4) ten (10) hour days within seven (7) consecutive twenty-four (24) hour periods for a total of forty (40) hours worked. A workday shall consist of a ten (10) hour day within a twenty-four hour period.

**8.0.1.3 9/80 SCHEDULE**

9/80 Schedule: Eight (8) nine (9) hour days and one (1) eight (8) hour day within fourteen (14) consecutive twenty-four (24) hour periods for a total of two (2) forty (40) hour work periods.

The Union and the City agree to a reopener, upon either Party's request, on the subject of the 36-hour workweek, during the month of April, 2007; or, if mutually agreed, at some other time during the term of this MOU.

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

The City may change the work week to any of schedules listed above. In such occurrence, the City shall notify the union; and such implementation will not discriminate against any employee pursuant to Article 4.0.2 of this Memorandum of Understanding.

**8.0.5 SENIORITY**

Consideration will be given to employee seniority in scheduling overtime and vacations when operational considerations allow.

**8.0.6 POLICE RECORDS CLERK SCHEDULE**

The Police Records Clerk schedule shall be consistent with the scheduling practice of the Police Department shift employees.

**9.0. REST PERIODS**

A rest period of fifteen (15) minutes shall be permitted for all unit employees during each half shift, which shall be scheduled by the City's department head or designated supervisor in accordance with the operating requirements of each employee's duties, and shall be considered on-duty time. The fifteen (15) minute break shall be the total time allowed and shall include travel time to and from the assigned work area.

Employees may not combine rest periods nor may they integrate them with assigned lunch periods unless the supervisor gives approval.

**10.0. WAGE AND SALARY MATTERS**

**10.0.1 SALARY ADJUSTMENT**

Effective July 1, 2011, the salaries of the following classifications will be increased by the percentage noted. This will bring the remaining employees to the 95<sup>th</sup> percentile.

Additional increase for the following positions:

|                          |    |
|--------------------------|----|
| Assistant Civil Engineer | 5% |
| Deputy Building Official | 1% |
| Equipment Foreman        | 1% |
| Park Foreman             | 9% |
| Senior Librarian         | 7% |
| Street Crew Leader       | 8% |
| Street Foreman           | 3% |
| Water Crew Leader        | 7% |
| Water Foreman            | 3% |
| Water Pump Operator      | 1% |

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Coordinator

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**Deleted:** Equipment Mechanic Sr 5%<sup>¶</sup>  
Office Assistant II 3%<sup>¶</sup>

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**Deleted:** Park Worker 1%<sup>¶</sup>  
Park Worker - Irrigation 5%<sup>¶</sup>  
Permit Technician 3%<sup>¶</sup>  
Recreation Services Coordinator 1%<sup>¶</sup>

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

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**10.0.2 SPECIAL SKILL AND ASSIGNMENT PAY**

**10.0.2.1 BILINGUAL SKILL PAY**

Employee classifications appropriate to this unit to a minimum of two (2) certified will receive \$100.00 a month lump sum for possessing the ability to speak and understand a second language. The City in conjunction with local high school, community college or other mutually agreed upon source(s) will develop and certify such employee(s) language abilities.

The City reserves the right, as the needs of the City dictate, to certify more than two (2) employees and also reserves the right to determine from what departments and classifications these employees are selected as best suits the City's service need.

**10.0.2.2 SPECIAL ASSIGNMENT - "SENIOR" POLICE RECORDS  
CLERK**

Comment: Lupe to create job description per PFRS audit.

The singular, temporary assignment, "Senior" Police Records Clerk, will, in addition to the regular duties assigned to the class, train new employees, perform time keeping, scheduling, and update of records manual. May supervise routine matters in absence of division head. This is an assignment open to those that qualify. Incumbents serve at the pleasure of Police Management staff and may be removed from the assignment at management discretion. Compensation is five (5%) percent above base salary during term of senior assignment.

**10.0.2.3 STENO SKILL PAY**

Unit members employed as an Office Assistant I or II or Secretary who are regularly required by the City to take dictation at a rate of at least eight 80 words per minute net, shall receive an added five (5%) percent applied to their regular pay step. Said differential may be discontinued at any time when such skills are no longer required by the City.

**10.0.2.4 WATER QUALITY INSPECTOR PAY**

A singular assignment of Water Quality Inspector may be assigned to an employee holding the appropriate certification and performing Water Quality Inspection in addition to carrying out their normal duties. Compensation is five (5%) percent above base salary during the term of this assignment.

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City Union

**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

**10.0.3 PROBATIONARY PERIOD**

All employees shall be required to serve a one-year probationary period.

All promoted employees shall be required to serve a one-year probationary period.

**10.0.4 ADVANCEMENT THROUGH SALARY RANGE**

Effective upon ratification, the City shall amend the salary plan of merit increases as follows:

**Deleted:** and applicable only to those new employees hired on or after the date of ratification

Step A - upon initial employment.

Step B - upon twelve (12) months' successful completion of employment at Step A.

Step C - upon twelve (12) months' successful completion of employment at Step B.

Step D - upon twelve (12) months' successful completion of employment at Step C.

Step E - upon twelve (12) months' successful completion of employment at Step D.

Step F - after two (2) years at Step E and seven (7) years with the City of Covina and receives a "meets expectations" on the evaluation. Should employee receive anything below "meets expectations," employee will be re-evaluated within 90 days. If employee does not receive a "meets expectations", employee will be re-evaluated one (1) year after initial evaluation.

Eligible employees shall be placed in the newly created Step F retroactive to July 1, 2009.

Criteria for merit advancement through salary ranges shall be governed by the Personnel Rules.

**10.0.4.1 PROMOTED EMPLOYEES**

This section shall also apply to current employees who are promoted to a higher classification or demoted to a lower classification on or after the effective date of this M.O.U.

**10.0.4.2 SALARY UPON PROMOTION**

Such promoted employees shall receive an increase in base salary to "A" step of the salary range in the higher classification or five percent (5%) greater than base salary, whichever is greater.

**10.0.4.3 LONGEVITY PAY**

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EXHIBIT "A" to Resolution No. 11-6924 Page 12 of 46

City

Union



**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

**10.0.5.2 CALL BACK**

Employees subject to overtime eligibility and payment that are called back for necessary overtime shall receive a minimum of two (2) hours overtime pay. For time keeping purposes this provision becomes effective upon reporting to the work site and terminates at such time that the employee is ordered to cease work and return home.

**10.0.5.3 OVERTIME**

All hours worked in excess of forty (40) hours per work week, as determined by the established FLSA work period, including mandatory night meetings, shall be compensated at the time overtime rate of time and one-half, or if agreed to by both the department head and the City employee, at time and one-half compensatory time off.

Employees shall not lose the overtime premium (time and one-half) due to the use of sick time, vacation time, CTO or holidays, within the work week.

**10.0.5.4 COMPENSATORY TIME OFF**

Compensatory time may be accumulated upon prior agreement of the department head or designated supervisor. An employee may accumulate up to sixty (60) hours. There is no stipulation as to when compensatory time must be exhausted.

**10.0.6 COMPENSATION FOR EMPLOYEES ACTING IN A HIGHER CLASSIFICATION**

When circumstances warrant, an employee may be assigned to work in a higher class on an acting basis upon approval of the City Manager. When an employee has served in the acting position beyond eighty (80) consecutive hours or, if approved by the department director, prior to the consecutive eighty (80) hours, the employee shall be paid at a minimum of five percent (5%) above his/her regular pay or at "A" step of the salary range designated for the higher class of the acting position, whichever is greater, retroactive to the first day served in the acting higher class.

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An employee serving less than eighty (80) consecutive working hours in an acting higher class shall not receive increased compensation for the acting class.

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**10.0.7 HOME USE OF THE SCADA SYSTEM**

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

When a Water Pump Operator employee actually uses the SCADA computer program, without coming to the worksite, the employee shall be compensated at the applicable rate, provided that such compensation shall be in increments of no less than one-half hour.

If the employee is required to return to City facilities to fix water problems, the employee shall be eligible for Call-Back pay. Any verifiable reasonable expenses incurred as a result of using the SCADA system will be reimbursed by the City. Water Pump Operators will maintain a log for their supervisor to review regarding SCADA computer program work duping on-call status.

The Union and the City agree to meet and confer if either party has concerns that grow out of this new procedure.

**11.0. FIXED AND FLOATING HOLIDAYS**

For all classifications represented by this unit, the following days shall be established as holidays:

**11.0.1 FIXED HOLIDAYS**

New Year's Day  
Martin Luther King, Jr. Day  
President's Day  
Memorial Day  
Fourth of July  
Labor Day  
Veteran's Day  
Thanksgiving Day  
Day after Thanksgiving  
Christmas Day

**11.0.1.1 FIXED HOLIDAY FALLS ON A WEEKEND**

When the City observes fixed holidays, the employee shall observe the holidays as dictated by the following particular facts:

- 1) When a holiday falls on a scheduled workday, the holiday will be observed on that particular day. (For example, if Labor Day falls on a Monday, then Monday shall be observed at the holiday.) An exception to this provision is set forth below.
  
- 2) If a holiday falls on a Friday, where the City Hall is regularly closed, or on the Saturday following a Friday during which the City Hall is regularly close, then a floating holiday will be granted to the effected employees. (For example, November 10, 2000 is a date on which City Hall is scheduled for closure.

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

Veteran's Day falls on November 11, 2000, the following Saturday. In such case, a floating holiday will be provided to effected employees.)

- 3) If a holiday falls on a Saturday following a Friday during which City hall is scheduled to be opened, the holiday will be observed on the day prior (Friday), where City hall would otherwise have been opened.
- 4) If a holiday falls on a Sunday, the holiday will be observed on the following Monday.
- 5) The MOU provides for various City departments operating pursuant to a 4/10 or 9/80 schedule. In such cases, effected employee may have a regularly scheduled day off on, for example, a Monday. If a holiday is observed to pursuant to the above rules and regulations on such a Monday, then the employee shall receive a floating holiday in consideration for being regularly scheduled for a day off on the date that the holiday is observed.

**11.0.1.2 WORKING ON A FIXED HOLIDAY**

If an employee is required to work on any of the above holidays, they he/she may be granted pay at double time or granted a holiday on some other day during the calendar year, at such time as the department head allows the employee's absence in accordance with the department work program.

If such worked holiday is not restored by the conclusion of the calendar year the employee will be paid in lieu thereof at double their regular hourly pay rate.

**11.0.2 FLOATING HOLIDAYS**

In addition, employees shall be granted floating holiday leave, to be used without restriction as to purpose or incremental use within the calendar year. The amount of time granted to an employee for floating holiday leave is dependent on the employee's current work schedule. Employees on a 5/40 work schedule receive twenty-four (24) hours, employees on a 9/80 work schedule receive twenty-seven (27) hours, and employees on a 4/10 work schedule receive thirty (30) hours of floating holiday leave. There shall be no carry over permitted. Such floating holidays may be used only at such time after the employee has successfully completed probation or six months of service. One-half of the total allowed floating holidays shall accrue to permanent employees at the beginning of every six-month period beginning January 1 of each year. If an employee leaves the City's service after using credited holidays before they have accrued, the employee shall have said credited but not accrued floating holiday time deducted from his or her final paycheck.

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

Employees shall receive prior written permission from the employee's supervisor when requesting floating holidays. Such requests may be granted after due consideration of the employee needs, however, department service and staffing levels will have primary weight in the decision.

**11.0.2.1 EMERGENCY USE OF FLOATING HOLIDAYS**

Floating Holidays may also be used in emergency and other unforeseen circumstances. In this event the employee shall notify the Department Head or Department Head's designee prior to the time set for the beginning of the shift of his/her reporting status. If neither of the above are available, the employee shall leave a message at the department business number designated for that purpose.

**11.0.2.2 FLOATING HOLIDAYS FOR NEW EMPLOYEES; ACCRUAL AND PRORATION**

Effective January 1, 1988, and applicable to all new employees hired on or after January 1, 1988, floating holidays shall accrue prorated to such employees only upon successful completion of six (6) months of continuous employment.

**Comment:** It is my understanding that the language in this section was changed by Gregg Yost without any discussion with AFSCME. I replaced the language with what was in the past MOU

**Deleted:** Floating holidays shall accrue prorated to such employees only upon successful completion of six (6) months of continuous employment.

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New employees successfully completing six months employment between January 1 and January 31 of a given calendar year shall enjoy the full number of floating holidays enumerated herein for said calendar year.

New employees successfully completing six months employment between February 1 and August 31 of a given calendar year shall enjoy the full number of floating holidays enumerated herein for said calendar year.

New employees successfully completing six months employment between September 1 and December 31 of a given calendar year shall not enjoy any floating holidays in the given calendar year. These employees, however, will realize the full number of floating holidays beginning January 1 of the following year.

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**11.0.3 SICK, FAMILY SICK AND BEREAVEMENT LEAVE**

**11.0.3.1 SICK LEAVE PROVIDED**

All full time employees shall receive ten (10) work hours per month paid sick leave with an accumulation limit of seven hundred twenty (720) hours. Refer to Rule XI of the Personnel Rules and Regulations of the City of Covina concerning sick leave administration.

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

**11.0.3.2 USE OF SICK LEAVE DURING FIRST SIX MONTHS OF  
EMPLOYMENT**

Sick leave allowances accrue during the first six (6) months, but an employee is not permitted to take/use such time until the six months' period is successfully completed (Personnel Rule XI, Section 2).

**11.0.3.3 EXPANDED USE OF SICK LEAVE**

The expanded use of paid sick leave as detailed herein is in recognition of the discontinuation of Personal Necessity leave and will be effective January 1, 1989.

**11.0.3.4 EMPLOYEE USE**

Sick leave shall only be used for non-industrial injuries or illnesses, sick and non-sick preventative illness appointments with licensed health care professionals relating to the personal health of the employee. This applies to both medical and dental needs.

**11.0.3.5 EMPLOYEE'S FAMILY USE**

Effective January 1, 1989, sick leave may also be used for injuries or illness, sick and non-sick preventative illness appointments with licensed health care professionals for members of the employee's immediate family. Immediate family shall include an employee's spouse, domestic partner, children, grandchildren, sons-in-law, daughters-in-law, parents, grandparents, parents-in-law, brothers, sisters, brothers-in-law, and sisters-in-law. "Children" shall also include a biological, foster, or adopted child, a stepchild, a legal ward, a child of a domestic partner, or a child of a person in loco parentis. "Parent" shall include a biological, foster, or adoptive parent, a stepparent, or a legal guardian and which requires the care and attention of the employee.

**11.0.3.6 SICK LEAVE REPORTING**

All such usage as enumerated above shall be reported on the official City leave form, providing satisfactory proof of the nature and extent of the illness or injury and identification of such relative by name and relationship to justify the absence.

**11.0.3.7 ACCUMULATION AND PAYOFF**

Effective January 1, 1988, all employees hired on or after this date may accumulate up to ninety (90) work days of sick leave. Payoff at termination will be at the rate of one-half of such accumulated and unused sick leave. This provision will be forfeited in any individual case of disciplinary termination.

1. For all employees hired on or prior to December 31, 1987 and upon termination of employment, one-half of accumulated sick leave, up to a maximum of two

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

hundred (200) days, shall be compensated to the employee at his/her base hourly rate of pay. For example, an employee with two hundred (200) accumulated days would receive one-half (1/2) of the two Hundred (200) day maximum, or one hundred (100) days.

2. The above employees having been hired on or prior to December 31, 1987 and having accumulated more days than the maximum indicated above shall not suffer loss of days on the books or otherwise forfeit such days. The City, however, reserves the right to pay off any portion of such overage at the straight time hourly base rate for one-half of a maximum of two hundred (200) days.

**11.0.3.8 HOUSEHOLD AND PERSONAL EMERGENCY LEAVE**

On an annual basis, an employee can convert two (2) full days, 8, 9, or 10 hours depending on work schedule, per year of accrued sick leave for household or personal emergencies.

**11.0.3.9 BEREAVEMENT USE**

From accrued sick leave available, an employee may be granted (on each separate occasion) up to three (3) days bereavement leave with pay in the even of death to a member of the employee's immediate family. For purposes of this section an employee's immediate family shall include: an employee's spouse, domestic partner, children, grandchildren, sons-in-law, daughters-in-law, parents, grandparents, parents-in-law, brothers, sisters, brothers-in-law, and sisters-in-law. "Children" shall also include a biological, foster, or adopted child, a stepchild, a legal ward, a child of a domestic partner, or a child of a person standing in loco parentis. "Parent" shall include a biological, foster, or adoptive parent, a stepparent, or a legal guardian and significant others. An additional two (2) days leave may be granted by the department head if the funeral location is five hundred (500) miles or more (one way) away from the City of Covina.

**11.0.4 VACATION**

**11.0.4.1 VACATION PROVIDED**

For all covered employees, the time allowed annually upon completion of the specified year of service shall be:

|                      |           |
|----------------------|-----------|
| 1-5 Years Complete   | 104 hours |
| 6-10 Years Complete  | 144 hours |
| 11-15 Years Complete | 168 hours |
| 16 or more years     | 184 hours |

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City                      Union





**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

7. An employee disabled due to pregnancy, miscarriage, abortion, child birth, and recovery therefrom shall accrue seniority and other benefits in the same manner as such benefits are accrued by any other disabled employee.

**11.0.6 MILITARY LEAVE**

Military leave shall be provided for in accordance with federal and state law.

**11.0.7 FAMILY CARE AND MEDICAL LEAVE**

Employees shall be granted unpaid family care and medical leave in accordance with federal and state law and city policy.

**11.0.8 WORK FURLOUGH**

The City reserves the right to close nonessential, non-safety facilities between the Christmas and New Years holidays. This will result in employees being placed in an authorized unpaid leave status. Employees may use vacation, floating holidays, compensatory time, sick leave, or remain in an unpaid leave during this furlough period.

The City shall have the discretion to advance vacation or floating holiday time, which will be earned by the employee in the future, to those employees who request it and who do not have any current vacation, floating holiday, or compensatory time and do not wish to be in an unpaid leave status during the furlough.

The City of Covina will add December 24, 2009 to the Holiday Furlough for the 2009 calendar year only. All affected employees will use vacation, compensatory time, floating holiday or sick leave, if available, for the additional furlough day. The City shall adhere to the language stipulated above in this section for any employee who has no available paid time for December 24, 2009.

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**11.0.9 JURY DUTY AND JOB-RELATED REQUIRED COURT APPEARANCES**

**11.0.9.1 JURY DUTY**

Employees shall be granted leave with pay annually, for fifteen (15) days of jury duty service.

When appropriate, the employee shall report to duty at work and be excused in order to report to court at the scheduled time. Upon being excused from jury service for any day, an employee shall immediately contact the department head or other supervisor for assignment for the remainder of his/her regular workday. Employee will present court report of days/hours spent on jury duty for payroll purposes.

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

**11.0.9.2 NON-WORK RELATED APPEARANCE**

In the case where a legal action does not pertain to a job-related matter, leave without pay shall be granted for an appearance before a court, legislative committee, judicial or quasi-judicial body as a witness in response to a subpoena or other order by proper authority compelling his or her attendance under penalty prescribed by law. The employee may also seek approval of use of his/her earned vacation, floating holiday or other applicable leave to cover the required time off.

**11.0.9.3 WORK-RELATED APPEARANCE**

In the case where an action is job-related, upon review and approval of the employee's department head, the time required will not be subject to any need for leave and the employee will be considered on duty.

**12.0. OTHER EMPLOYEE BENEFITS**

**12.0.1 HEALTH, DENTAL LIFE, WORKER'S COMPENSATION AND LTD**

**12.0.1.1 HEALTH**

As the City is contracted with CalPERS for Medical insurance, the City shall contribute the minimum amount allowed under the Public Employee's Medical and Hospital Care Act ("PEMHCA"), per eligible employee toward the approved health care plan of the employee's choice. Every full-time active employee must be covered by a health care (medical and dental) plan approved by the City.

The Union and the City agree to a reopener, upon either Party's request, on the subject of alternatives to the present medical insurance program.

**12.0.1.2 OPTIONAL BENEFITS**

Effective July 1, 2006, the City shall contribute six hundred thirty dollars (\$630.00) per month amount per eligible employee toward an optional benefits plan. The employee may receive this amount in cash or may elect to use it for coverage for him/herself or him/her dependents for City approved benefit options, including but not limited to, dental insurance, supplemental life insurance, optical insurance, or deferred compensation plan. Any monies received in cash will be considered as taxable income.

Effective July 1, 2007 the City shall contribute six hundred fifty dollars (\$650.00) per month amount per eligible employee toward an optional benefits plan.

Effective December 1, 2009, the City shall contribute eight hundred dollars (\$800) per month per eligible employee towards an optional benefits plan.

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

The City and the Union agree to a reopener for medical, only if unaffiliated employees receive a flex benefit increase to an amount greater than what AFSCME employees receive.

**12.0.1.3 LIFE INSURANCE**

The City shall provide a fifty thousand dollar (\$50,000) Term Life Insurance policy for each employee.

Effective January 1, 2010, the City shall provide a one hundred thousand dollar (\$100,000) Term Life Insurance policy for each employee.

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**12.0.1.4 WORKERS' COMPENSATION**

The City shall provide Workers' Compensation in accordance with State Law and this MOU.

If an employee not subject to California Labor Code Section 4850 sustains a work-related injury or illness on-the-job and such injury or illness is recognized as qualifying for coverage by the self-insurance administrators, the employee shall be eligible to receive full base salary continuation for the initial period up to forty-five (45) calendar days or until the employee returns to work, whichever is earlier. In addition, the City will maintain its contribution to benefits as provided for herein (retirement, health, dental life and LTD insurances). This provision shall apply only up through the first forty-five (45) calendar days of absence from work for each separate injury or illness, including aggravations thereof.

During this initial forty-five day period, vacation, sick, earned compensatory time off (CTO) and other leaves shall not be deducted from the absent employee's accruals. Vacation and sick leave shall also continue to accrue during this time. In order for the employee to receive the above pay and benefit continuation, he or she must remit all Workers' Compensation temporary disability check to the City of Covina.

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At the end of the aforementioned forty-five day period, and provided that it is available, sick leave shall be used to augment Workers' Compensation benefits so that the employee may receive up to full base salary during the disability. Sick leave shall be charged at a rate proportionate to the percentage of said employee's salary not covered by Workers' Compensation. As long as an employee is utilizing sick leave to insure full base salary, his or her City paid benefit contributions (as provided for herein) shall be continued. At no time shall an employee receive in excess of his or her regular salary and benefits. Furthermore, employees shall not receive merit salary increases nor accrue additional vacation, sick leave, floating holidays or any other leaves after the initial forty-five (45) calendar day period until he or she returns to regular duty. The provision of this Article and Section shall supersede any contrary provisions contained within Article 11.

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

6. Information received from P.E.R.S. concerning employee benefits shall be made available to all employees in the Human Resources Office. An employee shall secure this information only on his or her own time.

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7. The City has amended its contract with P.E.R.S. to provide unused Sick Leave Credit (adopted 10-1-81) per GC Section 20965.

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8. The City has amended its contract with P.E.R.S. to provide \$600 Retired employee death benefit per GC Section 21622.

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9. Effective the first pay period of September 2010, all AFSCME-represented employees will contribute three percent (3%) towards the Employee PERS portion of the eight percent (8%).

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**12.0.2.1 SUPPLEMENTAL RETIREE BENEFIT**

As of December 31, 1996, the City began contributing \$472.00 per month per eligible retiree toward optional benefit plan until the beginning of the month the retiree reaches Medicare eligibility age. Each eligible retiree may receive this amount in cash or may elect to use it for coverage for him/herself for city-approved benefit options. Upon reaching Medicare eligibility age, an eligible retiree receives \$31.20 per month toward optional benefits. Any monies received in cash will be considered as taxable income.

Eligible retiree means any person who meets the retirement eligibility standards of the Public Employee's Retirement System and either was a current full time employee on December 31, 1996, or is a person who has ten (10) years of uninterrupted service as a full time employee with the City of Covina subsequent to December 31, 1996. An employee retiring due to job-related disabilities shall be entitled to supplemental retiree benefits.

The Union and the City agree to a reopener, upon either party's request, after July 1, 2007, to discuss Supplemental Retiree Benefits.

**12.0.3 VOLUNTARY JOB RELATED EDUCATIONAL REIMBURSEMENT PROGRAM**

**12.0.3.1 APPLICABILITY**

Employee Classifications appropriate to this unit.

**12.0.3.2 ELIGIBILITY**

Those employees named above who successfully completed their respective probationary period and who seek to improve their work skills on a voluntary basis. Employees desiring to participate in this program submit a written request to the department head

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

Shirts, pants, jackets, and hats are provided, with City identification seal for on-duty wear only. The employee is required to wear the uniform when on duty.

**12.0.4.2 POLICE DEPARTMENT PERSONNEL**

Police Records Clerk shall receive a six-hundred dollars (\$600) uniform maintenance and cleaning allowance.

Employees shall receive their uniform maintenance and cleaning allowance on the first paycheck of August each year. Employees who successfully complete twelve months of employment with the City subsequent to August 1<sup>st</sup> of each year shall receive a prorated share of their uniform allowance the following August.

Uniforms damaged in the course of duty will be repaired or replaced at no cost to the employee. Prior consent for the repair/replacement shall be obtained from the Bureau Commander.

**12.0.4.3 CODE ENFORCEMENT UNIFORM**

The City and the Union agree to meet and confer should the City intend to implement a uniform for Code Enforcement Officers.

**12.0.4.4 BOOT ALLOWANCE**

For safety purposes, the City shall require employees in certain classifications to wear suitable and appropriate safety boots appropriate to his/her specific working conditions. Employees in the following classification shall receive a two-hundred dollar (\$200) per year boot allowance:

- Building Maintenance Worker
- Code Enforcement Officer
- Construction Inspector II
- Coordinator Building and Code Enforcement
- Equipment Foreman
- Equipment Mechanic Sr
- Equipment Operator
- General Building Inspector II
- Park Foreman
- Park Worker
- Park Worker – Irrigation
- Permit Technician
- Street Crew Leader
- Street Worker
- Water Consumer Representative
- Water Crew Leader

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City Union

**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

Water Foreman  
Water Pump Operator  
Water Worker

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Boot allowance will be paid with the first pay check following July 1, of each year.

**12.0.5 AUTO MILEAGE REIMBURSEMENT**

When an employee is authorized by the supervisor to use his/her private vehicle to perform official City business, the employee will be compensated at the current IRS rate per mile allowance.

Employee's desiring to use their personal vehicles on authorized City business must provide the City's Risk Management office with evidence of personal automobile insurance coverage in such minimum limits as required by the State of California. Such evidence could include a letter from an employee's insurance agent or company or copy of such insurance policy face sheets identifying name, coverage dates, limits and vehicles coverage.

Such documents should be filed annually upon the employee's insurance renewal.

**13.0. LAY-OFF PROCEDURE**

**13.0.1 SENIORITY**

Seniority for the purpose of lay-off and the establishment of re-employment lists shall be defined as total cumulative time served in permanent and probationary status in the competitive service upon the effective date of the lay-off. Seniority shall be lost in event of resignation, discharge, retirement, or layoff for a period of more than two (2) years.

**13.0.2 ORDER OF LAYOFF**

Lay-off within a classification shall be accomplished in the following order.

1. Temporary Employee
2. Provisional Employee
3. Part-time Employee
4. Probationary Employee
5. Permanent Employee according to procedures set forth below.

**13.0.2.1 A PERMANENT EMPLOYEE WHO HAS NOT COMPLETED THE PROBATIONARY PERIOD IN A PROMOTED CLASS**

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

the employee's shall be passed over and the next employee on the list shall be notified of the vacancy. After an employee has been passed over twice in such manner, the employee's name shall be removed from the re-employment list after notification of the Recognized Employee Organization. An eligible employee shall have ten (10) working days from receipt of notice to report to work.

A courtesy (non-mandatory) copy of notice of vacancy to employees will be sent to the Recognized Employee Organization.

Notice of intent to remove a name from the re-employment list shall be sent to the Recognized Employee Organization.

**14.0. GRIEVANCE PROCEDURE**

Grievances shall be processed according to Rule XVII of the City's Personnel Rules and Regulations. However, regarding deadlines for employee responses, the employee shall have the same time as provided to the City. See exhibit A for procedures.

The Union and the City agree to a reopener, upon either Party's request, on the subject of revising the Grievance Procedure, including the Disciplinary Procedure.

**15.0. AGENCY SHOP, UNION SECURITY AND BUSINESS DUES CHECK-OFF**

Local 3325 of the American Federation of State, County and Municipal Employees, AFL-CIO is the formally recognized employee organization representing this unit and has permission to have the regular dues of its members deducted from their paychecks.

Dues deduction shall be for a specified amount and shall be made only upon the voluntary written authorization of the member. Dues deduction authorization may be canceled and the due check-off payroll discontinued at any time by the member upon voluntary written notice to the Municipal Employee Relations Officer. Dues deduction authorization or cancellation shall be made upon cards provided the Municipal Employee Relations Officer. Dues deduction may be continued only upon voluntary written authorization of the member. Employee payroll deduction authorizations shall be in uniform amounts for dues deductions.

The employee's earnings must be regularly sufficient after other legal and required deductions are made to cover the amount of the dues check-off authorized. When a member in good standing of the formally recognized employee organization is in a non-pay status for an entire pay period, no dues withholding will be made to cover that pay period from future earnings nor will the member deposit the amount with the City which would have been withheld if the member of an organization who is in a non-pay status during only a part of the period and the salary is not sufficient to cover the full

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

**15.0.2 USE OF CITY FACILITIES**

The union may, with the prior approval of the Municipal Relations Officer, be granted the use of City facilities during non-work hours for meetings of City employees of position classifications covered by this Memorandum of Understanding provided space is available, and provided further such meetings are not used for matters involved with political, religious, or commercial endeavors. Violation of these conditions by the Union will be cause for revocation of the Union right to use such City facilities.

The City reserves the right to assess the Union for reimbursement of its direct expenses incurred for the Union's use of such facilities.

The use of City equipment other than items normally used in the conduct of business meeting, such as desks, chairs, and blackboards is strictly prohibited, the presence of such equipment in approved City facilities notwithstanding.

**15.0.3 AVAILABILITY OF DATA**

The City will make available to the union such non-confidential information pertaining to employment relations as is contained in the public records of the agency, subject to the limitation and conditions set forth in this rule and Government Code Sections 6250-6260.

Such information shall be made available during regular office hours in accordance with the City's rules and procedures for making public records available and after payment of reasonable costs, where applicable.

Information which shall be made available to employee organizations includes regularly published data covering subjects under discussion. Data collected on a promise to keep its source confidential may be made available in statistical summaries, but shall not be made available in such form as to disclose the source.

Upon the Union's request, the City agrees to provide the Union a list of dues paying and AFSCME unit members.

Nothing in this rule shall be construed to require disclosure of records that are:

1. Personnel, medical and similar files, the disclosure of which would constitute an invasion of personal privacy or be contrary to merit system principles. However, AFSCME Local 3325 may have access to such information upon the presentation of written consent of the employee affected. Such request shall be made upon the City five (5) working days in advance of the desired date of access/inspection;
2. Working papers or memoranda which are not retained in the ordinary course of business or any records where the public interest served by not making the record available clearly outweighs the public interest served by disclosure of the record;

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

1. **MEDIATION (OR CONCILIATION)** Means the efforts of an impartial third person, or persons, functioning as intermediaries, to assist the parties in reaching a voluntary resolution to an impasse, through interpretation, suggestion and advice. Mediation and conciliation are interchangeable terms. All mediation proceedings shall be private. The Mediator shall make no public recommendations nor take any public position concerning the issues.
2. **A DETERMINATION BY THE COUNCIL** - after a hearing on the merits of the dispute.
3. Any other dispute resolving procedures to which the parties mutually agree or which the City Council may order.

Any party may initiate the impasse procedure by filing with the other party (or parties) affected a written request for an impasse meeting together with a statement of its position on all disputed issues. An impasse meeting may then be scheduled by the Municipal Employee Relations Officer forthwith after the date of filing of the written request for such meeting, with written notice to all parties affected. The purpose of such impasse meeting is twofold: (1) to permit a review of the position of all parties in a final effort to reach agreement on the disputed issues, and (2) if agreement is not concluded, to mutually select the specific impasse procedure to which the dispute may be submitted; in the absence of agreement between the parties on this point, the matter may be referred to the City Council.

The fees and expenses, if any, of mediators or of any other impasse procedure, shall be payable one-half by the City and one-half by the employee organization or employee organizations.

**17.0. DISCONTINUATION OF THE BONUS POINTS PREFERENCE**

Effective January 1, 1991, employees appropriate to this unit shall not be subject to the five-bonus point preference enumerated in the City of Covina Personnel Rules, Rule VII, and Section 4.

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

**18.0. TERM**

The term of this MOU shall be for three (3) years, from July 1, 2009 to June 30, 2012. The City and AFSCME understand that any changes to the salary/benefits (including, but not limited to, possible salary increases, medical benefit increases, or a two-tiered retirement system, etc.) for 2011-2012 shall be subject to negotiations to commence on March 1, 2011.

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**19.0. SIGNATURES**

It is the mutual understanding of all parties hereto that this Memorandum of Understanding is of no force or effect whatsoever unless or until the same is determined by the Covina City Council by appropriate City Council Action.

The parties hereto have caused this Memorandum of Understanding to be executed this (16<sup>th</sup>) sixteenth day of December 2008.

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AFSCME LOCAL 3325

CITY OF COVINA

\_\_\_\_\_  
Oscar Luque  
President, Local 3325

\_\_\_\_\_  
Peggy Delach  
Mayor

\_\_\_\_\_  
Earl Karch  
Negotiating

\_\_\_\_\_  
Daryl Parrish  
City Manager

\_\_\_\_\_  
Mike Gibb  
Negotiating Team

\_\_\_\_\_  
Anthony Arroyo  
Human Resources Director

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Yvette Macias-Franklin  
Negotiating Team

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Adam Acosta  
AFSCME Union Representative

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City Union



MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325

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21.0. EXHIBIT "A" - GRIEVANCE PROCEDURE

RULE XVII  
GRIEVANCE PROCEDURES

Section 1. Definition: For definition purposes, there are two types of grievances to be addressed in this section. A Type I grievance is defined as any dispute concerning the application or interpretation of any rule or policy of the City of Covina Personnel Rules and Regulations, of an existing MOU, of departmental rules and regulations, or of the practical consequences of a City rights decision on wages, hours, and other terms and conditions of employment.

A Type II grievance is defined as a dispute resulting from a disciplinary action, including but not limited to suspension, demotion, or discharge.

Section 2. Procedure to Afford the Employee Proper Consideration of a Type I Grievance:

Step I: Review with Employee Organization: When applicable, the grievant shall discuss the grievance with his/her appropriate Employee Association (Union) Advisory Committee in an effort to determine if the grievance should be pursued. If so, the committee may assist the employee in processing the grievance. The grievant has ten working days following the day the event occurred upon which to consult with his/her Employee Advisory Committee. Step I does not preclude the grievant, however, from taking his/her grievance to the next step of review.

Step 2: Informal Discussion: The grievant shall discuss the grievance with his/her immediate supervisor on an informal basis in an effort to resolve the grievance, and said grievance shall be considered waived if not so presented to the immediate supervisor within ten (10) working days following the day the event occurred upon which the grievance is based. The immediate supervisor shall respond in writing within five (5) working days following the meeting with the grievant. Failure of the immediate supervisor to respond within such time limit shall entitle the grievant to process the grievance at the next step.

Step 3: Division Head Review (First level of Review): If the grievance is not settled at step 2, the grievant may submit the grievance in writing to his/her division head within five (5) working days of the receipt of the grievance response at step 2. Failure of the grievant to serve such written notice shall constitute a waiver of the grievance. If such written notice is

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City Union

**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

served, the division head shall meet with the grievant and a written decision and statement of facts and issues shall be rendered to the grievant and representative, if any, within ten (10) working days from the date of service. Failure of the division head to respond to within such time limits shall entitle the grievant to process his/her grievance at the next level of review.

Step 4: Department Head Review (Second Level Review): If the grievance is not settled at step 3, the grievant may serve written notice of the grievance to the department head within ten (10) working days of the receipt of the Step 3 grievance response. Failure of the grievant to serve such written notice shall constitute a waiver of the grievance. If such written notice is served, the department head shall meet with the grievant, and a written decision and statement of facts and issues shall be rendered to the grievant and representative, if any, within ten (10) working days from the date of service. Failure of the department head to respond within such time limit shall entitle the grievant to process the grievance at the next level of review.

Step 5: Personnel Officer Review (Third Level Review): If the grievance is not settled at Step 4, the grievant may serve written notice of the grievance to the Personnel Officer within five (5) working days following receipt of the grievance response at step 4. Failure of the grievant to serve such written notice shall constitute a waiver of the grievance. If such notice is served, the Personnel Officer shall meet with the grievant, and a written decision and statement of facts and issues shall be rendered to the grievant and representative, if any, within ten (10) working days from the date of service. Failure of Management to respond within such time limits shall entitle the grievant to process the grievance at the next level of review.

Step 6: City Manager/Designee Review (Final Level of Review): If the grievance is not settled at Step 4, the grievant may serve written notice of the grievance to the City Manager, or his/her designee within ten (10) working days following receipt of the grievance response at Step 4. Failure of the grievant to serve such notice shall constitute a waiver of the grievance. If such notice is served, the City Manager or his/her designee shall meet with the grievant and a written decision and statement of facts and issues shall be rendered to the grievant and representative, if any, within fifteen (15) working days from the date of service. The City Manager's decision, working in conjunction with his/her designee shall be final in all Type I Grievances.

Section 3. Procedure to Afford the Employee Proper Consideration of a Type II Grievance: The procedure to be followed concerning a Type II Grievance shall be in accordance with the law as set forth in the 1975 Skelly v. State Personnel Board and subsequent related cases.

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City Union

**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

Step 1: Department Head Review (First Level Review): With respect to the Skelly process, the grievant shall have ten (10) working days in which to respond either orally or in writing to charges and intended disciplinary action. The grievant's response shall directed to his/her department head. Upon receipt of the grievant's written and/or oral response to the charges, the department head has five (5) working days to submit a written decision to the grievant and representative, if any, concerning the disciplinary action to be taken.

Step 2: Personnel Advisory Board Review (Second Level Review): If the grievance is not resolved at the department head level, the grievant may request in writing a hearing, before the Personnel Advisory Board. The written appeal to the Personnel Advisory Board must be submitted to the Employee Relations Officer within ten (10) working days after receiving the department heads written response.

- Section 4. Scope of Type I Grievance: Any regular employee in the competitive service shall have the right to file a grievance as outlined in Sections 1 – 2. Employees shall clearly define the scope of the Type I grievance upon initial filing. Additional information relevant to the identified issue or cause may be added as the grievance progresses. New issues or cause for action shall not be added to the existing grievance once it has been filed and progressed beyond Step 2 (Level 1) Department Head Review.
- Section 5. Right of Grievant to Representation: The grievant has the right to be represented by any person or attorney he/she may select during the various stages of the grievance procedure for both Type I and Type II Grievances.
- Section 6. Reprisals: Employees shall be free from reprisal for using any of the grievance procedures as indicated in the rules and regulations.
- Section 7. Judicial Review: An appeal for judicial review of any final decision pursuant to this grievance procedure shall be filed not later than the 90th day following the date on which said decision becomes final.

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City Union

**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF COVINA AND AFSCME LOCAL 3325**

**EXHIBIT "B" – CLASSIFICATION TITLES AND SALARY**

On file in Human Resources or on the "S" Drive (S:\Covina\_PUB\Personnel\_Pub\Current Salary Tables).

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CITY OF COVINA  
AFSCME SALARY SCHEDULE  
EFFECTIVE JULY 1, 2008  
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|----------|--|----|
| 1.0.     | PREAMBLE   | 1  |
| 2.0.     | RECOGNITION  | 1  |
| 2.0.1    | EMPLOYEES/CLASSIFICATIONS                          | 1  |
| 2.0.1.1  | CLERICAL SERIES CLASSIFICATIONS                    | 1  |
| 2.0.1.2  | MAINTENANCE SERIES CLASSIFICATIONS                 | 2  |
| 2.0.1.3  | TECHNICAL SERIES CLASSIFICATIONS                   | 2  |
| 2.0.2    | NEW CLASSIFICATIONS                                | 3  |
| 2.0.3    | OLD TITLES ELIMINATED                              | 3  |
| 2.0.4    | MANAGEMENT CLASSIFICATIONS EXCLUDED                | 3  |
| 2.0.5    | INDIVIDUAL EMPLOYEE RIGHTS                         | 3  |
| 3.0.     | EMPLOYEE DEFINITIONS                               | 3  |
| 4.0.     | SCOPE AND PREVAILING RIGHTS                        | 4  |
| 4.0.1    | BASIC AGREEMENT                                    | 4  |
| 4.0.2    | DISCRIMINATION                                     | 5  |
| 4.0.3    | MANAGEMENT RIGHTS RESERVED                         | 5  |
| 4.0.4    | EMPLOYEE RIGHTS                                    | 6  |
| 5.0.     | SAVINGS CLAUSE                                     | 6  |
| 5.0.1    | STATE AND FEDERAL OBLIGATIONS                      | 6  |
| 5.0.2    | COURT ACTIONS/LEGISLATION                          | 7  |
| 5.0.3    | BINDING  | 7  |
| 5.0.4    | PRIVATE VERSUS MUNICIPAL WORK FORCE                | 7  |
| 6.0.     | FULL UNDERSTANDING, MODIFICATIONS, WAIVER          | 7  |
| 7.0.     | TERM AND RENEWAL OF MEMORANDUM                     | 8  |
| 8.0.     | WORKDAYS AND HOURS                                 | 8  |
| 8.0.1    | WORK SCHEDULES                                     | 8  |
| 8.0.1.1  | 5/40 SCHEDULE                                      | 8  |
| 8.0.1.2  | 4/10 SCHEDULE                                      | 8  |
| 8.0.1.3  | 9/80 SCHEDULE                                      | 8  |
| 8.0.2    | PUBLIC WORKS HOURS                                 | 9  |
| 8.0.3    | WORK HOURS   | 9  |
| 8.0.4    | NOTIFICATION OF SCHEDULE CHANGE                    | 9  |
| 8.0.5    | SENIORITY  | 9  |
| 8.0.6    | POLICE RECORDS CLERK SCHEDULE                      | 10 |
| 9.0.     | REST PERIODS                                       | 10 |
| 10.0.    | WAGE AND SALARY MATTERS                            | 10 |
| 10.0.1   | SALARY ADJUSTMENT                                  | 10 |
| 10.0.2   | SPECIAL SKILL AND ASSIGNMENT PAY                   | 11 |
| 10.0.2.1 | BILINGUAL SKILL PAY                                | 11 |
| 10.0.2.2 | SPECIAL ASSIGNMENT - "SENIOR" POLICE RECORDS CLERK | 11 |
| 10.0.2.3 | STENO SKILL PAY                                    | 11 |
| 10.0.2.4 | WATER QUALITY INSPECTOR PAY                        | 11 |
| 10.0.3   | PROBATIONARY PERIOD                                | 12 |
| 10.0.4   | ADVANCEMENT THROUGH SALARY RANGE                   | 12 |
| 10.0.4.1 | PROMOTED EMPLOYEES                                 | 12 |
| 10.0.4.2 | SALARY UPON PROMOTION                              | 12 |
| 10.0.4.3 | LONGEVITY PAY                                      | 12 |

|          |  |    |
|----------|--|----|
| 10.0.5   | STANDBY, CALL BACK AND OVERTIME PAY                          | 13 |
| 10.0.5.1 | STANDBY  | 13 |
| 10.0.5.2 | CALL BACK  | 13 |
| 10.0.5.3 | OVERTIME   | 14 |
| 10.0.5.4 | COMPENSATORY TIME OFF  | 14 |
| 10.0.6   | COMPENSATION FOR EMPLOYEES ACTING IN A HIGHER CLASSIFICATION | 14 |
| 10.0.7   | HOME USE OF THE SCADA SYSTEM                                 | 14 |
| 11.0.    | FIXED AND FLOATING HOLIDAYS                                  | 15 |
| 11.0.1   | FIXED HOLIDAYS   | 15 |
| 11.0.1.1 | FIXED HOLIDAY FALLS ON A WEEKEND                             | 15 |
| 11.0.1.2 | WORKING ON A FIXED HOLIDAY                                   | 16 |
| 11.0.2   | FLOATING HOLIDAYS  | 16 |
| 11.0.2.1 | EMERGENCY USE OF FLOATING HOLIDAYS                           | 16 |
| 11.0.2.2 | FLOATING HOLIDAYS FOR NEW EMPLOYEES; ACCRUAL AND PRORATION   | 17 |
| 11.0.3   | SICK, FAMILY SICK AND BEREAVMENT LEAVE                       | 17 |
| 11.0.3.1 | SICK LEAVE PROVIDED  | 17 |
| 11.0.3.2 | USE OF SICK LEAVE DURING FIRST SIX MONTHS OF EMPLOYMENT      | 17 |
| 11.0.3.3 | EXPANDED USE OF SICK LEAVE                                   | 17 |
| 11.0.3.4 | EMPLOYEE USE   | 17 |
| 11.0.3.5 | EMPLOYEE'S FAMILY USE  | 17 |
| 11.0.3.6 | SICK LEAVE REPORTING   | 18 |
| 11.0.3.7 | ACCUMULATION AND PAYOFF                                      | 18 |
| 11.0.3.8 | HOUSEHOLD AND PERSONAL EMERGENCY LEAVE                       | 18 |
| 11.0.3.9 | BEREAVEMENT USE  | 18 |
| 11.0.4   | VACATION   | 19 |
| 11.0.4.1 | VACATION PROVIDED  | 19 |
| 11.0.4.2 | PAY OFF UPON TERMINATION                                     | 19 |
| 11.0.4.3 | ACCUMULATION   | 19 |
| 11.0.4.4 | PAYOFF PRIOR TO TERMINATION                                  | 20 |
| 11.0.5   | MATERNITY LEAVE  | 20 |
| 11.0.6   | MILITARY LEAVE   | 21 |
| 11.0.7   | FAMILY CARE AND MEDICAL LEAVE                                | 21 |
| 11.0.8   | WORK FURLOUGH  | 21 |
| 11.0.9   | JURY DUTY AND JOB-RELATED REQUIRED COURT APPEARANCES         | 22 |
| 11.0.9.1 | JURY DUTY  | 22 |
| 11.0.9.2 | NON-WORK RELATED APPEARANCE                                  | 22 |
| 11.0.9.3 | WORK-RELATED APPEARANCE                                      | 22 |
| 12.0.    | OTHER EMPLOYEE BENEFITS                                      | 22 |
| 12.0.1   | HEALTH, DENTAL LIFE, WORKER'S COMPENSATION AND LTD           | 22 |
| 12.0.1.1 | HEALTH   | 22 |
| 12.0.1.2 | OPTIONAL BENEFITS  | 23 |
| 12.0.1.3 | LIFE INSURANCE   | 23 |

|          |   |    |
|----------|---|----|
| 12.0.1.4 | WORKERS' COMPENSATION   | 23 |
| 12.0.1.5 | LONG TERM DISABILITY  | 24 |
| 12.0.2   | RETIREMENT  | 24 |
| 12.0.2.1 | SUPPLEMENTAL RETIREE BENEFIT  | 25 |
| 12.0.3   | VOLUNTARY JOB RELATED EDUCATIONAL REIMBURSEMENT PROGRAM                                       | 26 |
| 12.0.3.1 | APPLICABILITY   | 26 |
| 12.0.3.2 | ELIGIBILITY   | 26 |
| 12.0.3.3 | QUALIFICATION AND LIMITS  | 26 |
| 12.0.3.4 | FUNDING   | 26 |
| 12.0.3.5 | COURSES DURING WORK HOURS   | 26 |
| 12.0.3.6 | LICENSES AND CERTIFICATES   | 27 |
| 12.0.4   | UNIFORM, MAINTENANCE AND CLEANING   | 27 |
| 12.0.4.1 | FIELD EMPLOYEES   | 27 |
| 12.0.4.2 | POLICE DEPARTMENT PERSONNEL   | 27 |
| 12.0.4.3 | CODE ENFORCEMENT UNIFORM  | 27 |
| 12.0.4.4 | BOOT ALLOWANCE  | 27 |
| 12.0.5   | AUTO MILEAGE REIMBURSEMENT  | 28 |
| 13.0.    | LAY-OFF PROCEDURE   | 28 |
| 13.0.1   | SENIORITY   | 28 |
| 13.0.2   | ORDER OF LAYOFF   | 29 |
| 13.0.2.1 | A PERMANENT EMPLOYEE WHO HAS NOT COMPLETED THE PROBATIONARY PERIOD IN A PROMOTED CLASS        | 29 |
| 13.0.2.2 | A PERMANENT EMPLOYEE WHO HAS COMPLETED THE PROBATIONARY PERIOD IN THE AFFECTED CLASSIFICATION | 29 |
| 13.0.3   | REINSTATEMENT TO FORMER CLASSIFICATION  | 29 |
| 13.0.4   | RE-EMPLOYMENT LIST  | 29 |
| 14.0.    | GRIEVANCE PROCEDURE   | 30 |
| 15.0.    | UNION SECURITY AND BUSINESS DUES CHECK-OFF  | 30 |
| 15.0.1   | ACCESS TO WORK LOCATIONS  | 32 |
| 15.0.2   | USE OF CITY FACILITIES  | 32 |
| 15.0.3   | AVAILABILITY OF DATA  | 32 |
| 15.0.4   | ASSOCIATION/UNION RELEASE TIME  | 33 |
| 15.0.5   | PROFESSIONAL CONDUCT  | 34 |
| 16.0.    | RESOLUTION OF IMPASSE   | 34 |
| 17.0.    | DISCONTINUATION OF THE BONUS POINTS PREFERENCE  | 35 |
| 18.0.    | SIGNATURES  | 36 |
| 19.0.    | - EXHIBITS  | 37 |
| 20.0.    | EXHIBIT "A" - GRIEVANCE PROCEDURE   | 38 |
|          | GRIEVANCE PROCEDURES  | 38 |
| 21.0.    | EXHIBIT "B" - CLASSIFICATION TITLES AND SALARY  | 41 |

## EFFECTIVE JULY 1, 2008

|                                    |           |           |           |           |           |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|
| 1010 ACCOUNT CLERK I               | A         | B         | C         | D         | E         |
| HOURLY                             | 14.86558  | 15.61067  | 16.39212  | 17.20990  | 18.07010  |
| MONTHLY                            | 2,576.70  | 2,705.85  | 2,841.30  | 2,983.05  | 3,132.15  |
| ANNUAL                             | 30,920.40 | 32,470.20 | 34,095.60 | 35,796.60 | 37,585.80 |
| 1020 ACCOUNT CLERK II              | A         | B         | C         | D         | E         |
| HOURLY                             | 17.44010  | 18.31240  | 19.22712  | 20.18423  | 21.19587  |
| MONTHLY                            | 3,022.95  | 3,174.15  | 3,332.70  | 3,498.60  | 3,673.95  |
| ANNUAL                             | 36,275.40 | 38,089.80 | 39,992.40 | 41,983.20 | 44,087.40 |
| 1030 OFFICE ASSISTANT I            | A         | B         | C         | D         | E         |
| HOURLY                             | 13.19365  | 13.85394  | 14.54452  | 15.27144  | 16.03471  |
| MONTHLY                            | 2,286.90  | 2,401.35  | 2,521.05  | 2,647.05  | 2,779.35  |
| ANNUAL                             | 27,442.80 | 28,816.20 | 30,252.60 | 31,764.60 | 33,352.20 |
| 1040 OFFICE ASSISTANT II           | A         | B         | C         | D         | E         |
| HOURLY                             | 15.75762  | 16.54269  | 17.37138  | 18.24369  | 19.15338  |
| MONTHLY                            | 2,731.32  | 2,867.40  | 3,011.04  | 3,162.24  | 3,319.92  |
| ANNUAL                             | 32,775.84 | 34,408.80 | 36,132.48 | 37,946.88 | 39,839.04 |
| 1050 PLANNING SECRETARY            | A         | B         | C         | D         | E         |
| HOURLY                             | 19.64510  | 20.62644  | 21.65625  | 22.74058  | 23.87942  |
| MONTHLY                            | 3,405.15  | 3,575.25  | 3,753.75  | 3,941.70  | 4,139.10  |
| ANNUAL                             | 40,861.80 | 42,903.00 | 45,045.00 | 47,300.40 | 49,669.20 |
| 1060 POLICE RECORDS CLERK          | A         | B         | C         | D         | E         |
| HOURLY                             | 15.78029  | 16.56779  | 17.39769  | 18.27000  | 19.17865  |
| MONTHLY                            | 2,735.25  | 2,871.75  | 3,015.60  | 3,166.80  | 3,324.30  |
| ANNUAL                             | 32,823.00 | 34,461.00 | 36,187.20 | 38,001.60 | 39,891.60 |
| 1070 SECRETARY                     | A         | B         | C         | D         | E         |
| HOURLY                             | 17.27654  | 18.14279  | 19.05144  | 20.00250  | 21.00202  |
| MONTHLY                            | 2,994.60  | 3,144.75  | 3,302.25  | 3,467.10  | 3,640.35  |
| ANNUAL                             | 35,935.20 | 37,737.00 | 39,627.00 | 41,605.20 | 43,684.20 |
| 1080 SENIOR SECRETARY              | A         | B         | C         | D         | E         |
| HOURLY                             | 18.68798  | 19.62087  | 20.60221  | 21.63202  | 22.71635  |
| MONTHLY                            | 3,239.25  | 3,400.95  | 3,571.05  | 3,749.55  | 3,937.50  |
| ANNUAL                             | 38,871.00 | 40,811.40 | 42,852.60 | 44,994.60 | 47,250.00 |
| 2200 WATER CONSUMER REPRESENTATIVE | A         | B         | C         | D         | E         |
| HOURLY                             | 18.68798  | 19.62087  | 20.60221  | 21.63202  | 22.71635  |
| MONTHLY                            | 3,239.25  | 3,400.95  | 3,571.05  | 3,749.55  | 3,937.50  |
| ANNUAL                             | 38,871.00 | 40,811.40 | 42,852.60 | 44,994.60 | 47,250.00 |

CITY OF COVINA  
AFSCME SALARY SCHEDULE

EFFECTIVE JULY 1, 2008

|                                  |          |          |          |          |          |
|----------------------------------|----------|----------|----------|----------|----------|
| 2010 BUILDING MAINTENANCE WORKER | A        | B        | C        | D        | E        |
| HOURLY                           | 18.04788 | 18.94713 | 19.89669 | 20.89027 | 21.93415 |
| MONTHLY                          | 3,128.30 | 3,284.17 | 3,448.76 | 3,620.98 | 3,801.92 |

|                                 |         |           |           |           |           |           |
|---------------------------------|---------|-----------|-----------|-----------|-----------|-----------|
|                                 | ANNUAL  | 37,539.60 | 39,410.04 | 41,385.12 | 43,451.76 | 45,623.04 |
| 2020 EQUIPMENT FOREMAN          |         | A         | B         | C         | D         | E         |
|                                 | HOURLY  | 24.61038  | 25.84154  | 27.13615  | 28.49423  | 29.91577  |
|                                 | MONTHLY | 4,265.80  | 4,479.20  | 4,703.60  | 4,939.00  | 5,185.40  |
|                                 | ANNUAL  | 51,189.60 | 53,750.40 | 56,443.20 | 59,268.00 | 62,224.80 |
| 2030 EQUIPMENT MECHANIC         |         | A         | B         | C         | D         | E         |
|                                 | HOURLY  | 20.03885  | 21.03837  | 22.09240  | 23.19490  | 24.35798  |
|                                 | MONTHLY | 3,473.40  | 3,646.65  | 3,829.35  | 4,020.45  | 4,222.05  |
|                                 | ANNUAL  | 41,680.80 | 43,759.80 | 45,952.20 | 48,245.40 | 50,664.60 |
| 2040 EQUIPMENT OPERATOR         |         | A         | B         | C         | D         | E         |
|                                 | HOURLY  | 19.44519  | 20.42048  | 21.43817  | 22.51038  | 23.63712  |
|                                 | MONTHLY | 3,370.50  | 3,539.55  | 3,715.95  | 3,901.80  | 4,097.10  |
|                                 | ANNUAL  | 40,446.00 | 42,474.60 | 44,591.40 | 46,821.60 | 49,165.20 |
| 2070 GENERAL MAINTENANCE WORKER |         | A         | B         | C         | D         | E         |
|                                 | HOURLY  | 15.73183  | 16.51327  | 17.34317  | 18.20942  | 19.11808  |
|                                 | MONTHLY | 2,726.85  | 2,862.30  | 3,006.15  | 3,156.30  | 3,313.80  |
|                                 | ANNUAL  | 32,722.20 | 34,347.60 | 36,073.80 | 37,875.60 | 39,765.60 |
| 2080 PARK FORMAN                |         | A         | B         | C         | D         | E         |
|                                 | HOURLY  | 25.11173  | 26.36827  | 27.68192  | 29.07173  | 30.52500  |
|                                 | MONTHLY | 4,352.70  | 4,570.50  | 4,798.20  | 5,039.10  | 5,291.00  |
|                                 | ANNUAL  | 52,232.40 | 54,846.00 | 57,578.40 | 60,469.20 | 63,492.00 |
| 2090 PARK WORKER                |         | A         | B         | C         | D         | E         |
|                                 | HOURLY  | 17.42273  | 18.29112  | 19.20842  | 20.16854  | 21.17146  |
|                                 | MONTHLY | 3,019.94  | 3,170.46  | 3,329.46  | 3,495.88  | 3,669.72  |
|                                 | ANNUAL  | 36,239.28 | 38,045.52 | 39,953.52 | 41,950.56 | 44,036.64 |
| 2110 PARK WORKER - IRRIGATION   |         | A         | B         | C         | D         | E         |
|                                 | HOURLY  | 19.19712  | 20.15538  | 21.16442  | 22.21788  | 23.32846  |
|                                 | MONTHLY | 3,327.50  | 3,493.60  | 3,668.50  | 3,851.10  | 4,043.60  |
|                                 | ANNUAL  | 39,930.00 | 41,923.20 | 44,022.00 | 46,213.20 | 48,523.20 |
| 2130 SENIOR EQUIPMENT MECHANIC  |         | A         | B         | C         | D         | E         |
|                                 | HOURLY  | 23.18885  | 24.35019  | 25.56865  | 26.84423  | 28.18962  |
|                                 | MONTHLY | 4,019.40  | 4,220.70  | 4,431.90  | 4,653.00  | 4,886.20  |
|                                 | ANNUAL  | 48,232.80 | 50,648.40 | 53,182.80 | 55,836.00 | 58,634.40 |
| 2160 STREET CREW LEADER         |         | A         | B         | C         | D         | E         |
|                                 | HOURLY  | 17.80442  | 20.55519  | 21.58327  | 22.66212  | 23.79808  |
|                                 | MONTHLY | 3,086.10  | 3,562.90  | 3,741.10  | 3,928.10  | 4,125.00  |
|                                 | ANNUAL  | 37,033.20 | 42,754.80 | 44,893.20 | 47,137.20 | 49,500.00 |

CITY OF COVINA  
AFSCME SALARY SCHEDULE

EFFECTIVE JULY 1, 2008

|                    |         |           |           |           |           |           |
|--------------------|---------|-----------|-----------|-----------|-----------|-----------|
| 2180 STREET WORKER |         | A         | B         | C         | D         | E         |
|                    | HOURLY  | 17.40254  | 18.27485  | 19.18454  | 20.14408  | 21.15346  |
|                    | MONTHLY | 3,016.44  | 3,167.64  | 3,325.32  | 3,491.64  | 3,666.60  |
|                    | ANNUAL  | 36,197.28 | 38,011.68 | 39,903.84 | 41,899.68 | 43,999.20 |

|                          |           |           |           |           |           |
|--------------------------|-----------|-----------|-----------|-----------|-----------|
| 2210 WATER CREW LEADER   | A         | B         | C         | D         | E         |
| HOURLY                   | 19.97769  | 20.97404  | 22.02115  | 23.12538  | 24.28038  |
| MONTHLY                  | 3,462.80  | 3,635.50  | 3,817.00  | 4,008.40  | 4,208.60  |
| ANNUAL                   | 41,553.60 | 43,626.00 | 45,804.00 | 48,100.80 | 50,503.20 |
| 2220 WATER FORMAN        | A         | B         | C         | D         | E         |
| HOURLY                   | 25.1173   | 26.36827  | 27.68192  | 29.07173  | 30.52500  |
| MONTHLY                  | 4,352.70  | 4,570.50  | 4,798.20  | 5,039.10  | 5,291.00  |
| ANNUAL                   | 52,232.40 | 54,846.00 | 57,578.40 | 60,469.20 | 63,492.00 |
| 2230 WATER PUMP OPERATOR | A         | B         | C         | D         | E         |
| HOURLY                   | 20.37115  | 21.39288  | 22.45904  | 23.58231  | 24.76269  |
| MONTHLY                  | 3,531.00  | 3,708.10  | 3,892.90  | 4,087.60  | 4,292.20  |
| ANNUAL                   | 42,372.00 | 44,497.20 | 46,714.80 | 49,051.20 | 51,506.40 |
| 2250 WATER WORKER        | A         | B         | C         | D         | E         |
| HOURLY                   | 18.08019  | 18.98135  | 19.93327  | 20.92962  | 21.97038  |
| MONTHLY                  | 3,133.90  | 3,290.10  | 3,455.10  | 3,627.80  | 3,808.20  |
| ANNUAL                   | 37,606.80 | 39,481.20 | 41,461.20 | 43,533.60 | 45,698.40 |

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CITY OF COVINA  
AFSCME SALARY SCHEDULE

EFFECTIVE JULY 1, 2008

|   |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
| 3030 ASSISTANT CIVIL ENGINEER                   | A         | B         | C         | D         | E         |
| HOURLY  | 29.16058  | 30.62019  | 32.14962  | 33.75519  | 35.44327  |
| MONTHLY   | 5,054.50  | 5,307.50  | 5,572.60  | 5,850.90  | 6,143.50  |
| ANNUAL  | 60,654.00 | 63,690.00 | 66,871.20 | 70,210.80 | 73,722.00 |
| 3040 ASSISTANT PLANNER                          | A         | B         | C         | D         | E         |
| HOURLY  | 24.69115  | 25.92692  | 27.22327  | 28.58625  | 30.01587  |
| MONTHLY   | 4,279.80  | 4,494.00  | 4,718.70  | 4,954.95  | 5,202.75  |
| ANNUAL  | 51,357.60 | 53,928.00 | 56,624.40 | 59,459.40 | 62,433.00 |
| 3100 ASSOCIATE CIVIL ENGINEER                   | A         | B         | C         | D         | E         |
| HOURLY  | 32.31173  | 33.92308  | 35.61923  | 37.40019  | 39.27202  |
| MONTHLY   | 5,600.70  | 5,880.00  | 6,174.00  | 6,482.70  | 6,807.15  |
| ANNUAL  | 67,208.40 | 70,560.00 | 74,088.00 | 77,792.40 | 81,685.80 |
| 3050 ASSOCIATE PLANNER                          | A         | B         | C         | D         | E         |
| HOURLY  | 27.27779  | 28.64077  | 30.07644  | 31.57875  | 33.15981  |
| MONTHLY   | 4,728.15  | 4,964.40  | 5,213.25  | 5,473.65  | 5,747.70  |
| ANNUAL  | 56,737.80 | 59,572.80 | 62,559.00 | 65,683.80 | 68,972.40 |
| 3053 BUILDING / CODE ENFORCEMENT<br>COORDINATOR | A         | B         | C         | D         | E         |
| HOURLY  | 25.00385  | 26.25404  | 27.56135  | 28.94481  | 30.39173  |
| MONTHLY   | 4,334.00  | 4,550.70  | 4,777.30  | 5,017.10  | 5,267.90  |
| ANNUAL  | 52,008.00 | 54,608.40 | 57,327.60 | 60,205.20 | 63,214.80 |
| 3070 CODE ENFORCEMENT OFFICER                   | A         | B         | C         | D         | E         |
| HOURLY  | 21.69865  | 22.78298  | 23.92183  | 25.11519  | 26.37519  |
| MONTHLY   | 3,761.10  | 3,949.05  | 4,146.45  | 4,353.30  | 4,571.70  |
| ANNUAL  | 45,133.20 | 47,388.60 | 49,757.40 | 52,239.60 | 54,860.40 |
| 3081 CONSTRUCTION INSPECTOR I                   | A         | B         | C         | D         | E         |

|                                   |         |           |           |           |           |           |
|-----------------------------------|---------|-----------|-----------|-----------|-----------|-----------|
|                                   | HOURLY  | 20.75971  | 21.79558  | 22.88596  | 24.03087  | 25.23029  |
|                                   | MONTHLY | 3,598.35  | 3,777.90  | 3,966.90  | 4,165.35  | 4,373.25  |
|                                   | ANNUAL  | 43,180.20 | 45,334.80 | 47,602.80 | 49,984.20 | 52,479.00 |
| 3080 CONSTRUCTION INSPECTOR II    | A       | B         | C         | D         | E         |           |
|                                   | HOURLY  | 25.95721  | 27.25356  | 28.61654  | 30.04615  | 31.54846  |
|                                   | MONTHLY | 4,499.25  | 4,723.95  | 4,960.20  | 5,208.00  | 5,468.40  |
|                                   | ANNUAL  | 53,991.00 | 56,687.40 | 59,522.40 | 62,496.00 | 65,620.80 |
| 3120 ENGINEERING TECHNICIAN       | A       | B         | C         | D         | E         |           |
|                                   | HOURLY  | 19.64510  | 20.62644  | 21.65625  | 22.74058  | 23.87942  |
|                                   | MONTHLY | 3,405.15  | 3,575.25  | 3,753.75  | 3,941.70  | 4,139.10  |
|                                   | ANNUAL  | 40,861.80 | 42,903.00 | 45,045.00 | 47,300.40 | 49,669.20 |
| 3209 GENERAL BUILDING INSPECTOR I | A       | B         | C         | D         | E         |           |
|                                   | HOURLY  | 18.87577  | 19.82077  | 20.81423  | 21.85010  | 22.94654  |
|                                   | MONTHLY | 3,271.80  | 3,435.60  | 3,607.80  | 3,787.35  | 3,977.40  |
|                                   | ANNUAL  | 39,261.60 | 41,227.20 | 43,293.60 | 45,448.20 | 47,728.80 |

CITY OF COVINA  
AFSCME SALARY SCHEDULE

EFFECTIVE JULY 1, 2008

|   |         |           |           |           |           |           |
|---|---------|-----------|-----------|-----------|-----------|-----------|
| 3208 GENERAL BUILDING INSPECTOR             | A       | B         | C         | D         | E         |           |
|   | HOURLY  | 24.47913  | 2.70279   | 26.98702  | 28.33788  | 29.75538  |
|   | MONTHLY | 4,243.05  | 4,455.15  | 4,677.75  | 4,911.90  | 5,157.60  |
|   | ANNUAL  | 50,916.60 | 53,461.80 | 56,133.00 | 58,942.80 | 61,891.20 |
| 3140 LIBRARY ASSISTANT                      | A       | B         | C         | D         | E         |           |
|   | HOURLY  | 17.24019  | 18.10038  | 19.00904  | 20.95356  | 20.95356  |
|   | MONTHLY | 2,988.30  | 3,137.40  | 3,458.70  | 3,631.95  | 3,631.95  |
|   | ANNUAL  | 35,859.60 | 37,648.80 | 41,504.40 | 43,583.40 | 43,583.40 |
| 6141 LITERACY COORDINATOR                   | A       | B         | C         | D         | E         |           |
|   | HOURLY  | 24.41856  | 25.63615  | 26.92038  | 28.26519  | 29.68269  |
|   | MONTHLY | 4,232.55  | 4,43.60   | 4,666.20  | 4,899.30  | 5,145.00  |
|   | ANNUAL  | 50,790.60 | 53,323.20 | 55,994.40 | 58,791.60 | 61,740.00 |
| 3160 PLAN CHECKER                           | A       | B         | C         | D         | E         |           |
|   | HOURLY  | 26.47817  | 27.79875  | 29.19202  | 30.64587  | 32.17846  |
|   | MONTHLY | 4,589.55  | 4,818.45  | 5,059.95  | 5,311.95  | 5,577.60  |
|   | ANNUAL  | 55,074.60 | 57,821.40 | 60,719.40 | 63,743.40 | 66,931.20 |
| 3170 PLANNING TECHNICIAN                    | A       | B         | C         | D         | E         |           |
|   | HOURLY  | 20.23875  | 21.25038  | 22.31048  | 23.42510  | 24.60029  |
|   | MONTHLY | 3,508.05  | 3,683.40  | 3,867.15  | 4,060.35  | 4,264.05  |
|   | ANNUAL  | 42,096.60 | 44,200.80 | 46,405.80 | 48,724.20 | 51,168.60 |
| 3190 PRINTING / CENTRAL SERVICES SPECIALIST | A       | B         | C         | D         | E         |           |
|   | HOURLY  | 16.26490  | 17.07663  | 17.93077  | 18.82731  | 19.76625  |
|   | MONTHLY | 2,819.25  | 2,959.95  | 3,108.00  | 3,263.40  | 3,426.15  |
|   | ANNUAL  | 33,831.00 | 35,519.40 | 37,296.00 | 39,160.80 | 41,113.80 |
| 3200 RECREATION COORDINATOR                 | A       | B         | C         | D         | E         |           |

|                                |         |           |           |           |           |           |
|--------------------------------|---------|-----------|-----------|-----------|-----------|-----------|
|                                | HOURLY  | 18.12600  | 19.03719  | 19.98508  | 20.98800  | 22.03373  |
|                                | MONTHLY | 3,141.84  | 3,299.78  | 3,464.08  | 3,637.92  | 3,819.18  |
|                                | ANNUAL  | 37,702.08 | 39,597.36 | 41,568.96 | 43,655.04 | 45,830.16 |
| 3210 SENIOR BUILDING INSPECTOR | A       |           | B         | C         | D         | E         |
|                                | HOURLY  | 25.95721  | 27.25356  | 28.61654  | 30.04615  | 31.54846  |
|                                | MONTHLY | 4,499.25  | 4,723.95  | 4,960.20  | 5,208.00  | 5,468.40  |
|                                | ANNUAL  | 53,991.00 | 56,687.40 | 59,522.40 | 62,496.00 | 65,620.80 |
| 3230 SENIOR LIBRARIAN          | A       |           | B         | C         | D         | E         |
|                                | HOURLY  | 25.58135  | 25.58135  | 25.58135  | 25.58135  | 25.58135  |
|                                | MONTHLY | 4,434.10  | 4,434.10  | 4,434.10  | 4,434.10  | 4,434.10  |
|                                | ANNUAL  | 53,209.20 | 53,209.20 | 53,209.20 | 53,209.20 | 53,209.20 |

**CITY OF COVINA**  
**AGENDA ITEM COMMENTARY**

**MEETING DATE:** February 1, 2011

**ITEM NO.:** CC2

**STAFF SOURCE:** Steve Henley, Director of Public Works  
Kalieh Honish, Assistant Director of Public Works  
Vivian Castro, Environmental Services Manager



**ITEM TITLE:** Change to the Industrial Waste Budget Accounts

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**STAFF RECOMMENDATION**

Adopt **Resolution No. 11-6925** to amend the fiscal year 2010-2011 Public Works Department, Environmental Budget to reflect a change in account numbering for the Industrial Waste Program.

**FISCAL IMPACT**

The Industrial Waste budget accounts are included in the adopted 2010-11 budget under General Fund, 1010-5580. The budget included revenue of \$125,500 and an appropriation of \$87,950. Environmental Services is requesting an account change to 6200-5570 (Environmental Protection) to properly allocate the revenues and expenditures. The requested change will have a fiscal impact of \$37,550 to the General Fund; however, this move to track the revenue and expenditures separate from the General Fund is proper accounting practice. Staff estimates that this impact to the General Fund will be offset at year end.

**BACKGROUND**

The Industrial Waste Program, adopted April 6, 2010 under Ordinance 10-1982, expanded upon the existing 2008 requirement that all commercial, industrial and manufacturing uses are to obtain an industrial waste permit and have, at minimum, annual inspections of their facilities to ensure that deleterious effluents were not being discharged to the City's sanitary sewer system.

Environmental Services, in conjunction with the Building Department, began the process of collecting fees for the Industrial Waste applications and inspections. A general fund account with a waste management function was created in the 2010-2011 Budget for the revenue and expenditures. Now that the program has been in operation for 10 months, Environmental Services is requesting that the funds be properly allocated to Environmental's 6200 account, which includes an interdepartmental transfer of funds to the Building Department for the inspections they are conducting.

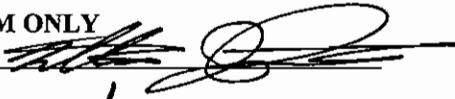
With the approval of this resolution, there is no actual increase in the budget; however, Council approval is required for transfers between funds.

**RELEVANCE TO THE STRATEGIC PLAN**

As this request is an internal change of account codes only, there is no relevance to the strategic plan.

**EXHIBITS**

A. Resolution 11-6925

|  |   |
|--|---|
| <b>REVIEW TEAM ONLY</b>  |   |
| City Attorney:  | Finance Director:  |
| City Manager:   | Other: _____  |

**RESOLUTION NO. 11-6925**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, TO AMEND THE FISCAL YEAR 2010-2011 PUBLIC WORKS DEPARTMENT, ENVIRONMENTAL BUDGET TO REFLECT A CHANGE IN ACCOUNT NUMBERING FOR THE INDUSTRIAL WASTE PROGRAM**

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, 2010 and ending June 30, 2011 was approved on June 15, 2010; 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 purpose of the Industrial Waste Program is to prevent deleterious effluents from being discharged to the City's sanitary sewer system; and

WHEREAS, the funds received for the Industrial Waste Program are for implementation of that program.

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

SECTION 1. Amend the fiscal year 2010-2011 Public Works Department, Environmental and Industrial Waste budgets as follows:

|           | <u>Fund</u>          | <u>Function</u>               |
|-----------|----------------------|-------------------------------|
| Current   | 1010 (General Fund)  | 5580 (Waste Management)       |
| Requested | 6200 (Environmental) | 5570 (New – Industrial Waste) |

SECTION 2. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED this FIRST day of FEBRUARY, 2011.

\_\_\_\_\_  
Peggy Delach, Mayor

ATTEST:

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

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

**CITY OF COVINA &  
COVINA REDEVELOPMENT AGENCY  
AGENDA ITEM COMMENTARY**

**MEETING DATE:** February 1, 2011

**ITEM NO.:** CC3

**STAFF SOURCE:** Robert Neiuber, Deputy Executive Director<sup>EN</sup>  
Lisa Brancheau, Redevelopment Manager

**ITEM TITLE:** Right of Entry Agreement with the Olson Company to perform soil remediation work on a portion of the Olson Citrus Walk project site located at 326 N. Citrus Ave. and authorizes Executive Director to execute the agreement.

---

**STAFF RECOMMENDATION**

Approve in substantially final form a Right of Entry Agreement with the Olson Company to perform soil remediation work on a portion of the project site located at 326 N. Citrus Ave. and authorize Executive Director to execute the final Agreement.

**FISCAL IMPACT**

None. Under the terms of the current Disposition and Development Agreement (DDA), if substantial remediation is required, then the parties are obliged to discuss the issue and costs.

**BACKGROUND**

Currently, the Olson Citrus Walk project site is in the process of being demolished. Concurrently, Agency staff, in conjunction with Olson Company staff are preparing and assembling the required documents necessary to close escrow and convey the project site land to The Olson Company.

Under the DDA of May 18, 2010 between the Olson Company and the Covina Redevelopment Agency, a condition that must be met prior to closing escrow on the site requires the Olson Company to provide evidence of construction financing. The Olson Company has been in the process of securing such financing and was recently notified by their lending institution City National that they must first remediate a portion of the soil located at 326 North, located on the project site, before City National will provide the acquisition and construction loan financing.

Agency staff and legal counsel analyzed the request thoroughly in order to identify any possible risk the Agency might assume. A Right of Entry Agreement in substantially final form was drafted by the Agency counsel and is appended to this commentary as Exhibit A. The Agreement does not alter any salient points of the DDA of May 18, 2010. However, it should be noted that a condition contained in the Agreement requires that The Olson Company purchase the site "As is" no matter the findings of their remediation work that they perform as a result of this Agreement.

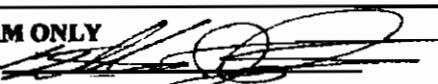
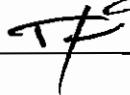
Should the Agency Board authorize the City Manager to enter into the Right of Entry Agreement, Agency staff will be sure to coordinate with J & G Industries, the demolition contractor that is currently providing at-grade demolition services, and The Olson Company in order to ensure that both are properly accommodated as they complete their construction work together on the site. In addition, The Olson Company will consult with all applicable City Departments and obtain all necessary permits prior to commencing remediation work. It is anticipated that the remediation work will take approximately one week to complete.

**RELEVANCE TO STRATEGIC PLAN**

Construction of the Olson Citrus Walk project is in keeping with the Strategic Planning Goal of Enhancing Financial Stability. The project will result in an influx of new residents and their visitors into the downtown area who will shop, dine, and relax downtown, thus furthering the revitalization of the area.

**EXHIBITS**

A. Right of Entry Agreement

|   |  |
|---|--|
| <b>REVIEW TEAM ONLY</b>   |  |
| City Attorney:  | Finance Director:  |
| City Manager:  | Other: _____   |

**TEMPORARY LICENSE AND RIGHT OF ENTRY AGREEMENT**  
(Citrus Walk)

THIS TEMPORARY LICENSE AND RIGHT OF ENTRY AGREEMENT (“**License Agreement**”) is dated \_\_\_\_\_, 20\_\_\_, and is entered into by and between the COVINA REDEVELOPMENT AGENCY, a public body, corporate and politic (“**Agency**”), and OLSON – COVINA 5, LLC, a California limited liability company (“**Licensee**”), and is entered into with respect to the facts set forth in the Recitals below. Agency and Licensee are sometimes referred to herein individually as a “**Party**” and collectively as “**Parties.**”

**RECITALS**

A. Agency and Licensee entered into that certain 2010 Disposition and Development Agreement (Citrus Walk), dated May 18, 2010 (said agreement, as previously or hereafter amended, is referred to herein as the “**DDA**”) for the purpose of developing a mixed use (retail and housing) development (“**Project**”) on several parcels of real property that the Agency either owns or desires to purchase, which are generally located at Citrus Avenue, Italia Street and School Street in the City of Covina, California and more particularly described in Exhibit “A” attached hereto and incorporated herein by this reference (“**Agency Property**”).

B. Pursuant to the DDA, the Agency is required to sell the Agency Property to Licensee in a Ready to Develop Condition, which is defined in the DDA as vacant and unimproved land with all above surface improvements, installations and alterations removed from the Agency Property prior to its sale to Licensee (collectively, the “**Agency Work**”).

C. Pursuant to the DDA, Licensee is required to, among other things, make certain improvements to the Agency Property in connection with the development of the Project, including certain grading and demolition work on the Agency Property which can be performed concurrent with the Agency Work and prior to the close of escrow for transfer of the Agency Property to Licensee pursuant to the DDA (“**Close of Escrow**”).

D. Agency desires to grant Licensee a right of entry and temporary license to allow Licensee to enter onto the Agency Property for the purpose of performing soil remediation work (the “**Work**”) on the Agency Property prior to the Close of Escrow subject to the terms set forth below.

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**TERMS**

1. Definitions. In addition to the definitions of certain words or phrases set forth in the Recitals or elsewhere in this License Agreement or the DDA, the following words or phrases shall have the meanings set forth below:

1.1 **Contractor**. The term “Contractor” refers to any person or entity that Licensee retains as the general contractor, direct trade contractor or subcontractor to conduct any part of

the Work (hereinafter defined) on the Agency Property including, but not limited to, any subcontractors of any general contractor.

1.2 **Environmental Laws.** The term “Environmental Laws” means all applicable federal, state and local laws, statutes, ordinances, rules, regulations, orders and judgments relating to the protection or clean-up of the environment, the use, treatment, storage, transportation, generation, manufacturing, processing, distribution, handling, disposal of, emission, discharge, or other release or threatened release of Hazardous Substances; the preservation or protection of waterways, groundwater, drinking water, air, wildlife, plants or other natural resources; the health and safety of persons or property; or the protection of the health and safety of employees. Environmental Laws shall include, but not be limited to: the Clean Air Act (42 U.S.C. Section 7401 *et seq.*); the Federal Water Pollution Control Act (33 U.S.C. Section 1251 *et seq.*); the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 *et seq.*); the Comprehensive Environment Response, Compensation and Liability Act of 1980 (including the Superfund Amendments and Reauthorization Act of 1986, “CERCLA”) (42 U.S.C. Section 9601 *et seq.*); the Toxic Substances Control Act (15 U.S.C. Section 2601 *et seq.*); the Occupational Safety and Health Act (29 U.S.C. Section 651); the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. Section 11001 *et seq.*); the Safe Drinking Water Act (42 U.S.C. Section 300f *et seq.*); California Health and Safety Code sections 25100 *et seq.*, sections 25249.5 *et seq.*, and sections 39000 *et seq.*; all comparable state and local laws, laws of other jurisdictions or orders and regulations; and any and all common law requirements, rules and bases of liability regulating, relating to or imposing liability or standards of conduct concerning pollution or protection of human health or the environment, as now or may at any time hereafter be in effect or as amended from time to time.

1.3 **Hazardous Substances.** The term “Hazardous Substances” means any pollutant, contaminant, waste and any toxic, carcinogenic, reactive, corrosive, ignitable, flammable or infectious chemical, chemical compound, substance, or otherwise hazardous wastes, toxic or contaminated substances or similar materials including, without limitation, any quantity of asbestos, urea formaldehyde, PCBs, radon gas, crude oil or any fraction thereof, all forms of natural gas, petroleum products, by-products or derivatives, radioactive substances, methane, hydrogen sulfide or materials, pesticides, waste waters, or sludge that are subject to regulation, control or remediation under any Environmental Laws.

1.4 **Work.** The term “Work” refers solely to the soil remediation work performed by Licensee and/or Contractor pursuant to this License Agreement on that certain portion of Agency Property located at 326 N. Citrus Avenue, Covina, California, 91723. Prior to the commencement of any Work hereunder, Licensee shall obtain such permits from the City of Covina (“City”) as may be required for the performance of such portion of the Work.

2. **Effective Date.** This License Agreement shall take effect (the “Effective Date”) on the date of the last of the following to occur: (1) the date that this License Agreement is approved and executed by the Executive Director of the Agency; (2) the date that this License Agreement is executed by the authorized representative(s) of Licensee; or (3) the date that Licensee has delivered to the Agency the evidence of insurance as required under Section 12 of this License Agreement.

3. Code of Civil Procedure Section 871.1 Waiver. Licensee acknowledges that it may be entitled to certain rights and remedies accruing under California Code of Civil Procedure section 871.1, *et seq.*, and other state and federal laws of similar effect. As material consideration to the Agency and City, the Licensee waives, relinquishes and foregoes, to the maximum legal extent and for all time, any rights or remedies accruing to it under California Code of Civil Procedure section 871.1, *et seq.*, and all other state and federal laws of similar effect with respect to the Work. The Licensee acknowledges the protections of Civil Code section 1542 relative to the waiver contained in this Section 3, which Civil Code Section reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

BY INITIALING BELOW, THE LICENSEE KNOWINGLY AND VOLUNTARILY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE WAIVERS AND RELEASES OF THIS SECTION 3 CONCERNING THE WORK.

\_\_\_\_\_  
Initials of Authorized  
Licensee Representative

4. Covenants and Agreements.

4.1 Licensee covenants and agrees that in the performance of the Work, it and all of its employees and Contractors will comply with all applicable Environmental Laws relating to any Hazardous Substances on the Agency Property.

4.2 Licensee, at its sole expense, will obtain and comply with any governmental approvals and/or permits required for the performance of the Work.

4.3 Licensee covenants and agrees that in performing the Work on the Agency Property, it will use reasonable efforts not to interfere with the access of adjacent landowners or adjacent tenants to their property, or the operations of adjacent landowners or tenants upon their property.

4.4 Licensee shall be responsible for the payment of any possessory interest or ad valorem taxes that may be imposed on Licensee's interests under this License Agreement.

4.5 Licensee shall ensure that none of its employees, agents, representatives, Contractors, or invitees shall loiter about the Agency Property after working hours. Licensee shall further ensure that the Agency Property is used by Licensee solely for purposes related to the Work.

4.6 Licensee shall not place any Hazardous Substances on the Agency Property.

4.7 If Licensee discovers any Hazardous Substances on the Agency Property, Licensee covenants and agrees that it shall notify Agency of such discovery as soon as possible,

but in all cases within not more than seven (7) calendar days following the date of discovery by Licensee of such Hazardous Substances. Licensee, at its sole cost and expense, shall be responsible for the immediate remedy, repair and remediation of such Hazardous Substances and any damage or harm caused by it, or, shall offer to pay Agency the reasonable cost to remediate such Hazardous Substances and any damage or harm caused by it. Agency shall have the sole and absolute right to accept or reject Licensee's offer to pay the reasonable cost of such remedy, repair and remediation.

4.7.1 If the cost of remedy, repair and remediation of such Hazardous Substances and any damage or harm caused by it exceed Twenty Thousand Dollars (\$20,000), Licensee may request that the Agency meet and confer with regard to the additional cost. If the Agency rejects such offer to meet and confer, or the Parties meet and confer but are unable to agree as to how such remedy, repair and remediation cost shall be divided, Licensee shall continue to be solely responsible for the cost of such remedy, repair and remediation.

5. Indemnity. Licensee hereby agrees, at its sole cost and expense, to indemnify, protect, hold harmless and defend the Agency and City from and against any and all claims, demands, damages, losses, liabilities, obligations, penalties, fines, actions, causes of action, judgments, suits, proceedings, costs, disbursements and expenses including, without limitation, fees, disbursements and costs of attorneys, environmental consultants and experts of any nature whatsoever (collectively, "Losses") that may, at any time, be imposed upon, incurred or suffered by, or asserted or awarded against, the Agency or City directly or indirectly relating to the Work or this License Agreement from:

5.1 Any violation of Environmental Laws or other matter arising from or related to Licensee's use of the Agency Property;

5.2 The failure of Licensee, Contractor, or their agents to perform the Work in accordance with Environmental Laws;

5.3 The failure of Licensee, Contractor, or their agents to perform the Work substantially in accordance with the approved plans and permits, as may be necessary or required by any governmental agency regarding the Work;

5.4 Any investigation, inquiry, order, hearing, action or other proceeding by or before any governmental agency in connection with the violation of any Environmental Laws or the ordinances and regulations of the City by Licensee, Contractor, or their agents resulting from their failure to perform the Work in accordance with any Environmental Laws, the ordinances and regulations of the City or the approved plans and permits;

5.5 Any claim for injury or death to persons, or loss or damage to personal property at or adjacent to the Agency Property accruing or arising from the activities or actions of Licensee on the Agency Property and/or related to performance of the Work at or on the Agency Property.

All obligations of Licensee under Sections 5.1, 5.2, 5.3, 5.4, or 5.5 of this License Agreement are payable immediately upon a determination by the appropriate governmental agency that such obligations are due. The Licensee's obligation to defend the Agency and City as part of the indemnity obligations under this Section 5 shall commence at the outset of each

claim for Losses and continue until such claim is completely resolved. Any amount due and payable under this License Agreement to the Agency and/or City by Licensee that is not paid within thirty (30) days after it is due, will bear interest from the date it is due at the rate of ten percent (10%) per annum. In no event shall Licensee be obligated to indemnify the Agency or City for any Losses in the nature of speculative, consequential or punitive damages in connection with or arising from this License Agreement. The indemnity given by Licensee in this Section 5 will survive the expiration or earlier termination of this License Agreement.

Notwithstanding any other condition of this License Agreement to the contrary, Licensee does not assume any liability obligations with respect to Losses caused by the negligent or willful misconduct of the Agency, the City, or their contractors, subcontractors, agents, representatives, or employees.

6. License to Enter Agency Property.

6.1 Subject to the terms and conditions of this License Agreement, as of the Effective Date, the Agency hereby licenses, permits and authorizes Licensee, Contractor, and their employees and agents to enter the Agency Property for the sole purpose of performing the Work in accordance with the terms of this License Agreement.

6.2 The Executive Director of Agency shall have the right to order the suspension of any Work on the Agency Property by delivery of written notice to Licensee (each, a “**Notice of Suspension**”) in the event that the Executive Director reasonably determines that Licensee has failed to substantially comply with its material obligations under this License Agreement. The Notice of Suspension shall: (i) set forth the specific reason for suspension; (ii) permit Licensee not less than five (5) business days to cure such failure prior to the effective date of the suspension; (iii) indicate the number of days during which the suspension is to be in effect; and (iv) indicate measures that Licensee must implement in order to correct or lift the suspension. Nothing in this Section 6.2 shall be deemed to limit the right of the Agency to terminate this License Agreement in accordance with its rights under Section 9 below.

6.3 LICENSEE ACCEPTS THE AGENCY PROPERTY IN ITS “AS IS” CONDITION, WITH ALL FAULTS. Licensee acknowledges and agrees that Licensee is entering the Agency Property under this License Agreement based on Licensee’s own investigations and knowledge of the Agency Property and that, except as otherwise specifically stated in this License Agreement, neither Agency, nor the City, nor any agent of either the Agency or City, has made any representation or warranty whatsoever, express or implied, with regard to the physical condition of the Agency Property or the suitability of the Agency Property for any particular purpose or use, including, without limitation, any representations or warranties regarding the applicability or non-applicability of any laws, the soil or subsoil, surface or subsurface conditions, topography, possible Hazardous Substances contamination, fill, drainage, access to public roads, availability of utilities, existence of underground storage tanks, applicability of or compliance with any Environmental Laws or any other matter of any nature whatsoever. THE AGENCY AND CITY ARE NOT INDIVIDUALLY OR COLLECTIVELY RESPONSIBLE FOR DAMAGE TO OR LOSS BY THEFT OF LICENSEE’S PROPERTY LOCATED IN OR ON THE AGENCY PROPERTY.

6.3.1 Licensee further covenants and agrees that Licensee shall purchase the Agency Property from the Agency pursuant to the DDA in the Agency Property's "AS IS" CONDITION, WITH ALL FAULTS, including any Hazardous Substances that may be discovered on the Agency Property.

6.4 Licensee shall perform the Work in an efficient and workmanlike manner. Any and all property, items and materials brought onto the Agency Property by Licensee pursuant to this License Agreement including, without limitation, any and all equipment and materials, shall be and remain the personal property of Licensee.

7. Unpermitted Events. Licensee shall not cause or permit any Hazardous Substances to be stored, released or discharged on, in, under or about the Agency Property in connection with the Work in any manner as to violate any Environmental Laws, or in any manner as to require remediation or removal thereof under any Environmental Laws, including, without limitation, contamination of foreign soil placed or stored on the Agency Property and leaks and discharges from trucks, equipment and operations of or by Licensee or Contractor on the Agency Property. Solely for purposes of this Section 7, the storage, use, release or discharge of Hazardous Substances that violates the preceding sentence shall be referred to as an "**Unpermitted Event.**" If Licensee discovers an Unpermitted Event, then Licensee shall immediately remedy, repair and remediate any damage or harm caused by such Unpermitted Event, at Licensee's sole cost and expense, and shall notify the Agency of such Unpermitted Event on Agency Property as soon as possible, but in all cases within not more than seven (7) calendar days following the date of discovery by Licensee of such Unpermitted Event.

8. Restoration of Agency Property. On or before the Termination Date of this License Agreement pursuant to Section 9 below, Licensee, at its sole cost and expense, shall have removed all personal property, equipment, improvements, soil and debris brought onto or added to the Agency Property by Licensee, its employees, agents, or Contractor, or any other persons by or through Licensee, except for any soil, if any, brought onto the Agency Property as a part of its grading in accordance with the approved plans therefor.

9. Termination. This License Agreement shall terminate upon the earliest to occur of the following (the "**Termination Date**"):

9.1 Written notice by Licensee to Agency terminating this License Agreement;

9.2 Written notice by Agency to Licensee in accordance with its rights under Section 13.6 (in which event, the obligations under Section 8 shall be performed and completed within thirty (30) days after the Termination Date);

9.3 Close of Escrow.

10. Survival of Provisions. The rights and obligations of the Parties, or their successors or assigns, to this License Agreement pursuant to Sections 3, 5, and 8 shall survive the expiration or termination of this License Agreement.

11. Access to the Agency Property During Term of License. Subject to the Agency and City's compliance with all safety requirements and following receipt of reasonable advance

written notice from the Agency or City, as applicable, during reasonable business hours, Licensee shall allow Agency and City access to the Agency Property for inspection of the Agency Property and the Work to ensure compliance with this License Agreement and any government agency approvals and permits, and for reasonable testing for the presence of Hazardous Substances, and for reasonable monitoring of compliance by Licensee with Environmental Laws, during the performance of the Work. Agency and City, as applicable, shall conduct any inspection, monitoring or testing in a manner that minimizes interference with the Work.

## 12. Insurance.

12.1 Licensee or Contractor shall maintain or cause their contractors to maintain appropriate insurance coverage for all Work conducted pursuant to this License Agreement and will cause the Agency and City to be named as additional insureds or loss payees, as applicable, under all such policies. Prior to entering onto the Agency Property and commencement of any Work, Licensee or Contractor shall submit and/or cause to be submitted to the Agency and City reasonably acceptable evidence of the following insurance coverage on behalf of Licensee or Contractor or their contractors: (i) all statutorily required workers' compensation coverage; (ii) comprehensive or commercial general liability (bodily injury and property damage) coverage, including the following supplementary coverages: (a) contractual liability to cover liability assumed under this License Agreement; (b) product and completed operations liability insurance; (c) broad form property damage liability insurance with coverage limits of not less than \$1,000,000 combined single limit per occurrence and naming the Agency and City as additional insureds; and (iii) automobile bodily injury and property damage liability insurance with a minimum coverage limits of \$250,000 per person/\$500,000 per occurrence for bodily injury and \$100,000 per occurrence for property damage, covering owned, non-owned and hired vehicles used in the performance of the Work and naming the Agency and City as additional insureds. Licensee or Contractors' insurance, as the case may be, shall be primary coverage and any insurance or self-insurance maintained by the Agency or City shall not be contributory.

12.2 The above insurance shall include a requirement that the insurer provide both Agency and City with not less than thirty (30) days prior written notice of the effective date of any cancellation or material change of the insurance. The workers' compensation insurance specified above shall contain a waiver of subrogation against the Agency and City and an assignment of statutory lien, if applicable. The comprehensive general liability and automobile insurance specified above shall name the Agency and City as additional insureds with respect to operations performed under this License Agreement. Any physical damage insurance carried by Licensee or Contractor on construction equipment, tools, temporary structures and supplies owned or used by said contractors shall provide a waiver of subrogation against the Agency and City.

12.3 If Hazardous Substances are discovered on the Agency Property by Licensee as set forth in Section 4.7, Licensee shall obtain any additional insurance coverage as required by Agency prior to commencing any remedy, repair and remediation of such Hazardous Substances and any damage or harm caused by it.

13. General Provisions.

13.1 **Notice to the Parties.** For the purpose of this License Agreement, communications and notices among the parties shall be in writing and shall be deemed to have been given when actually delivered if given by personal delivery or transmitted by overnight courier service, or if mailed, when deposited in the United States Mail, First Class, postage prepaid, return receipt requested and delivered to or addressed as follows:

|                  |  |
|------------------|--|
| To the Licensee: | Olson Land Projects, LLC<br>c/o The Olson Company<br>3010 Old Ranch Parkway, Suite 100<br>Seal Beach, California 90740<br>Attn: Todd Olson and Eric Everhart<br>Telephone: (562) 370-2217<br>Facsimile: (562) 598-9535 |
| With a copy to:  | Olson Land Projects, LLC<br>c/o The Olson Company<br>3010 Old Ranch Parkway, Suite 100<br>Seal Beach, California 90740<br>Attn: Katherine Chandler, Esq.<br>Telephone: (562) 596-4770<br>Facsimile: (562) 596-4703     |
| With a copy to:  | McKenna Long & Aldridge LLP<br>300 South Grand Avenue, Suite 1400<br>Los Angeles, CA 90071<br>Attn: Dennis S. Roy, Esq.<br>Telephone: (213) 687-2100<br>Facsimile: (213) 687-2149                                      |
| To the Agency:   | Covina Redevelopment Agency<br>125 E. College Street<br>Covina, California 91723   |
| With a copy to:  | Elizabeth Hull, Esq.<br>Best Best & Krieger LLP<br>5 Park Plaza, Suite 1500<br>Irvine, California 92614  |

13.2 **All Costs Associated with Work Shall be Paid by Licensee.** As between Licensee and Agency, all costs incurred in connection with performance of any item of the Work shall be the sole responsibility of and be paid by Licensee, with no right of reimbursement from Agency. If any claim or lien is recorded or asserted against the Agency Property, or any portion thereof, or against the Agency for materials supplied or labor or professional services performed directly or indirectly for Licensee or Contractor relating to the Work, Licensee shall satisfy and discharge such lien, at the sole cost and expense of Licensee, within thirty (30) calendar days

following receipt of notice by Licensee of the existence or assertion of such claim or lien. If Licensee disputes the claim or lien and elects not to satisfy and discharge the claim or lien, as required in this Section 13.2, then Licensee shall, within thirty (30) calendar days following receipt of notice by Licensee of the existence or assertion of such claim or lien, either: (i) if the claim or lien pertains to Agency Property, (a) file with the Agency a payment bond issued by a California-admitted surety that runs to the benefit of the Agency in the amount of one hundred twenty five percent (125%) of the aggregate amount of the claim or lien stated by the party asserting such claim or lien, conditioned for the payment of any sum that the claimant may recover on the claim or lien, together with any litigation costs incurred in enforcing such claim or lien, or (b) post with the Agency cash collateral or other security reasonably acceptable to the Agency for payment of such claim or lien; and/or (ii) cause the recordation of a release bond issued by a California-admitted surety in connection with such lien or claim.

**13.3 Protection of Agency and City.** NOTICE IS HEREBY GIVEN THAT THE AGENCY SHALL NOT BE LIABLE FOR ANY LABOR OR MATERIALS FURNISHED OR TO BE FURNISHED TO LICENSEE OR ITS CONTRACTOR(S) UPON CREDIT AND THAT NO MECHANIC'S OR OTHER LIEN FOR ANY LABOR OR MATERIALS SHALL ATTACH TO OR AFFECT THE AGENCY PROPERTY. NOTHING IN THIS LICENSE AGREEMENT SHALL BE DEEMED OR CONSTRUED IN ANY WAY TO CONSTITUTE AGENCY'S CONSENT OR REQUEST, EXPRESS OR IMPLIED, BY INFERENCE OR OTHERWISE, TO ANY CONTRACTOR, SUBCONTRACTOR, LABORER, EQUIPMENT OR MATERIAL SUPPLIER FOR THE PERFORMANCE OF ANY LABOR OR THE FURNISHING OF ANY MATERIALS OR EQUIPMENT FOR ANY CONSTRUCTION, NOR AS GIVING LICENSEE ANY RIGHT, POWER OR AUTHORITY TO CONTRACT FOR, OR PERMIT THE RENDERING OF, ANY SERVICES, OR THE FURNISHING OF ANY MATERIALS THAT WOULD GIVE RISE TO THE FILING OF ANY LIENS AGAINST THE AGENCY PROPERTY. LICENSEE SHALL INDEMNIFY AGENCY AGAINST ANY CONSTRUCTION UNDERTAKEN BY LICENSEE OR ANYONE CLAIMING THROUGH LICENSEE, AND AGAINST ALL PROHIBITED LIENS.

**13.4 No Liens Against Public Property.** LICENSEE ACKNOWLEDGES AND AGREES THAT ON THE EFFECTIVE DATE THE AGENCY PROPERTY IS OWNED BY AGENCY, WHICH IS A PUBLIC ENTITY, AND THAT THE AGENCY PROPERTY IS NOT SUBJECT TO THE IMPOSITION OF MECHANIC'S LIENS OR ANY OTHER LIENS IN FAVOR OF PROVIDERS OF LABOR, MATERIAL OR SERVICES ON OR TO THE AGENCY PROPERTY. LICENSEE FURTHER AGREES TO INFORM EACH OF THE PROVIDERS OF LABOR, MATERIAL OR SERVICES ON OR TO THE AGENCY PROPERTY OF SUCH FACT AND THAT NEITHER AGENCY NOR THE AGENCY PROPERTY IS RESPONSIBLE FOR PAYMENT OF ANY CLAIMS BY ANY SUCH PROVIDERS OF LABOR, MATERIAL OR SERVICES. AGENCY SHALL HAVE THE RIGHT AT ALL REASONABLE TIMES TO POST AND KEEP POSTED ON THE AGENCY PROPERTY ANY NOTICES THAT AGENCY MAY DEEM NECESSARY FOR THE PROTECTION OF AGENCY OR THE AGENCY PROPERTY FROM MECHANIC'S LIENS OR OTHER CLAIMS.

**13.5 Conflicts/Disputes.** If a conflict arises between applicable regulations relating to the Work, the most stringent regulatory requirement shall control. In the event there is a

disagreement in connection with the interpretation of the requirements of any regulations, then the Agency and Licensee will promptly endeavor in good faith to resolve such disagreement. If no resolution can be reached within five (5) business days following notice of such disagreement, then the interpretation of the Agency (exercised in good faith consistent with a reasonable interpretation of industry standards) shall apply. Except for the matters to be addressed as set forth above, if a dispute arises between the Parties, the Parties hereto agree to use the following procedure to resolve such dispute, prior to pursuing other legal remedies:

13.5.1 A meeting shall be held promptly between the Parties that will be attended by individuals with decision-making authority (to the extent reasonably possible), who will attempt in good faith to negotiate a resolution of the dispute.

13.5.2 If the Parties are unsuccessful in resolving the dispute under Section 13.5.1, they may:

(a) agree to submit the matter to mediation, binding judicial reference, or a private adjudicator (if all Parties so agree); or

(b) initiate litigation following advance written notice to the other Parties of not less than forty-five (45) days.

13.5.3 If any Party should bring a legal action against the other to enforce the terms of this License Agreement, the prevailing Party shall be entitled to recover reasonable attorneys' fees and costs, as determined by a court of competent jurisdiction in said proceeding.

13.6 **Default.** If a Party fails to fulfill any material obligation of this License Agreement, the other Party may give written notice to that Party of such failure, and in the event that Party fails to remedy such failure within thirty (30) calendar days following receipt of such notice, the notifying Party may terminate this License Agreement by a second written notice and/or pursue whatever other legal or equitable remedies are available.

13.7 **Governing Law.** The Parties acknowledge that this License Agreement has been negotiated and entered into in the City of Covina, California. The Parties hereto expressly agree that this License Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California. Further, the Parties to this License Agreement hereby agree that any legal actions arising from this License Agreement shall be filed in California Superior Court in the County of Los Angeles, or the appropriate federal court with jurisdiction in such county.

13.8 **Partial Invalidity.** If any term, provision, or portion of this License Agreement or the application thereof to any person or circumstance is found to be invalid or unenforceable, the remainder of this License Agreement shall not be affected thereby, and each such term and provision of this License Agreement shall be valid and enforced to the fullest extent permitted by law.

13.9 **No Intent to Create Third Party Beneficiaries.** The Parties intend that the rights and obligations under this License Agreement shall benefit and burden only the Parties hereto, and do not intend to create any rights in, or right of action to or for the use or benefit of

any third party, including any governmental agency, who is not one of the Parties to this License Agreement.

13.10 **Waivers.** No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of the time for performance of any obligations or acts to be performed herein shall be deemed to be an extension of the time for performance of any other obligations or acts to be performed under this License Agreement.

13.11 **Entire Agreement.** This License Agreement (including all exhibits attached hereto and referred to herein) is the final expression of, and contains the entire agreement between, the Parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto, with the exception of the DDA. In the event of any conflict between this License Agreement and the DDA, the DDA shall control. This License Agreement may not be modified, changed, supplemented, or terminated, nor may any obligation hereunder be waived, except by written instrument signed by the Party to be charged or by its agent duly authorized in writing. The Parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the Parties hereto.

13.12 **Construction.** Headings at the beginning of each section and subsection are solely for the convenience of the Parties and are not a part of this License Agreement. Whenever required by the context of this License Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. This License Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if all Parties had prepared the same. Unless otherwise indicated, all references to Sections as contained herein are to Sections of this License Agreement. All exhibits and attachments referred to in this License Agreement are incorporated herein by this reference. If the date on which any action is required to be performed under the terms of this License Agreement is not a business day, the action shall be taken on the next succeeding business day.

13.13 **No Admission.** This License Agreement shall not constitute, and no action taken pursuant to this License Agreement shall constitute, any admission of fact, liability, causation, responsibility or fault, or proportionate share thereof, by any person with respect to the matters referred to herein, including, without limitation, the presence of any Hazardous Substances or other substances or chemicals in the soil or groundwater anywhere in, on, under, at, or about the Agency Property. This License Agreement shall not be offered into evidence or used by any Party in any administrative, judicial or alternative dispute resolution proceeding for any purpose, except in connection with an action to enforce the terms of this License Agreement or for damages or other relief for a claim of breach of this License Agreement.

13.14 **Counterparts.** This License Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall constitute a single instrument. This License Agreement may be executed by facsimile or electronic signatures, and each counterpart, when taken together, shall be deemed an original.

**[Signatures on the Following Page]**

**SIGNATURE PAGE TO TEMPORARY LICENSE AND RIGHT OF ENTRY  
AGREEMENT  
(Citrus Walk)**

**COVINA REDEVELOPMENT AGENCY,  
a public agency, corporate and politic**

**OLSON – COVINA 5, LLC,  
a California limited liability company**

By: \_\_\_\_\_  
Executive Director

By: In-Town Communities, LLC,  
a California limited liability company,  
Its Member

Attest:

By: \_\_\_\_\_  
Agency Secretary

By: Olson Urban Housing, LLC,  
a Delaware limited liability company,  
Its Member

APPROVED AS TO FORM:

BEST BEST & KRIEGER LLP

By: In Town Living, Inc.,  
a Delaware corporation,  
Its Managing Member

By: \_\_\_\_\_  
Agency Counsel

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

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

**Exhibit "A"**

**Legal Description of Agency Property**

**AGENCY PARCELS**

APN: 8430-027-906 legally described as:

LOTS 23 AND 24 IN BLOCK 3 OF THE RICHMOND TRACT NO. 1, ADDITION TO THE TOWN OF COVINA, IN THE CITY OF COVINA, COUNTY OF LOS ANGELES AND STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 70, PAGES 67 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

THAT EAST WEST ONE HALF OF THAT CERTAIN UNNAMED ALLEY LYING CONTIGUOUS WITH SAID LAND ON THE EAST WEST, WHICH WOULD PASS TO SAID LAND BY OPERATION OF LAW IN THE EVENT SAID ALLEY IS DULY ABANDONED BY THE CITY OF COVINA.

APN: 8430-027-023

LOTS 25, 26 AND 27 IN BLOCK 3 OF THE RICHMOND TRACT NO. 1, ADDITION TO THE CITY OF COVINA, IN THE CITY OF COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 70 PAGE 67 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

THAT EAST WEST ONE HALF OF THAT CERTAIN UNNAMED ALLEY LYING CONTIGUOUS WITH SAID LAND ON THE EAST WEST, WHICH WOULD PASS TO SAID LAND BY OPERATION OF LAW IN THE EVENT SAID ALLEY IS DULY ABANDONED BY THE CITY OF COVINA.

APN: 8430-027-010 legally described as

LOT 28 IN BLOCK 3 OF THE RICHMOND TRACT, ADDITION TO THE TOWN OF COVINA, IN THE CITY OF COVINA, AS PER MAP RECORDED IN BOOK 1 PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

THAT EAST WEST ONE HALF OF THAT CERTAIN UNNAMED ALLEY LYING CONTIGUOUS WITH SAID LAND ON THE WEST, WHICH WOULD PASS TO SAID LAND BY OPERATION OF LAW IN THE EVENT SAID ALLEY IS DULY ABANDONED BY THE CITY OF COVINA.

APN: 8430-027-011 legally described as:

LOT 29 IN BLOCK 3 OF THE RICHMOND TRACT, ADDITION TO THE TOWN OF COVINA, IN THE CITY OF COVINA, AS PER MAP RECORDED IN BOOK 1 PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Exhibit A

APN 8430-027-009 legally described as:

LOT 17 IN BLOCK 3 OF THE RICHMOND TRACT NO. 1, ADDITION TO THE TOWN OF COVINA, IN THE CITY OF COVINA, COUNTY OF LOS ANGELES AND STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 70, PAGES 65, OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

THAT EAST WEST ONE HALF OF THAT CERTAIN UNNAMED ALLEY LYING CONTIGUOUS WITH SAID LAND ON THE EAST WEST, WHICH WOULD PASS TO SAID LAND BY OPERATION OF LAW IN THE EVENT SAID ALLEY IS DULY ABANDONED BY THE CITY OF COVINA.

APN: 8430-027-017 – previously known as the Yeager Site, legally described as:

LOTS 18, 19, 20 AND 21 IN BLOCK 3 OF RICHMOND TRACT NO. 1, ADDITION TO THE TOWN OF COVINA, IN THE CITY OF COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 70 PAGE 67 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

THAT EAST WEST ONE HALF OF THAT CERTAIN UNNAMED ALLEY LYING CONTIGUOUS WITH SAID LAND ON THE EAST WEST, WHICH WOULD PASS TO SAID LAND BY OPERATION OF LAW IN THE EVENT SAID ALLEY IS DULY ABANDONED BY THE CITY OF COVINA.

APN: 8430-027-018

LOT 22 IN BLOCK 3 OF THE RICHMOND TRACT NO. 1, ADDITION TO THE TOWN OF COVINA, IN THE CITY OF COVINA, COUNTY OF LOS ANGELES AND STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 70 PAGES 67 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

THAT EAST WEST ONE HALF OF THAT CERTAIN UNNAMED ALLEY LYING CONTIGUOUS WITH SAID LAND ON THE EAST WEST, WHICH WOULD PASS TO SAID LAND BY OPERATION OF LAW IN THE EVENT SAID ALLEY IS DULY ABANDONED BY THE CITY OF COVINA.

APN: 8430-027-903, 904 & 905 – previously known as the City Parcel and legally described as:

LOTS 30, 31 AND 32 IN BLOCK 3 OF THE RICHMOND TRACT NO. 1 ADDITION TO THE TOWN OF COVINA, IN THE CITY OF COVINA, COUNTY OF LOS ANGELES AND STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 70 PAGES 67 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Exhibit A

APN: 8430-027-900 School District Site, legally described as:

LOTS 15 AND 16 IN BLOCK 3 OF THE RICHMOND TRACT ADDITION TO THE TOWN OF COVINA, IN THE CITY OF COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1 PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

SCHOOL STREET VACATION PARCEL

BEING ALL OF THAT PORTION OF SCHOOL STREET AS SHOWN ON THE MAP OF THE RICHMOND TRACT NO. 1 FILED IN BOOK 70, PAGE 67, A PORTION OF SCHOOL STREET AS SHOWN ON THE MAP OF THE RICHMOND TRACT FILED IN BOOK 19, PAGE 12 AND A PORTION OF LOT 4 OF BLOCK 2 OF MAP OF THE PHILLIPS TRACT RANCHO LA PUENTE FILED IN BOOK 9 PAGE 3 ALL OF MISCELLANEOUS RECORD MAPS OF THE RECORDS OF THE LOS ANGELES COUNTY, STATE OF CALIFORNIA.

COMMENCING AT THE NORTHWEST CORNER OF LOT 18 OF THE MAP OF THE RICHMOND TRACT NO. 1; THENCE ALONG THE SOUTH LINE OF SCHOOL STREET 50.00 FEET WIDE AS SHOWN ON SAID MAP SOUTH 89°18'00" EAST 7.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTH LINE SOUTH 89°18'00"EAST 263.00 FEET; THENCE LEAVING SAID SOUTH LINE NORTH 50.00 FEET; THENCE PARALLEL AND PERPENDICULAR TO SAID SOUTH LINE NORTH 89°18'00" WEST 263.00 FEET; THENCE LEAVING SAID LINE SOUTH 50.00 FEET TO THE SOUTH LINE OF SCHOOL STREET AND THE TRUE POINT OF BEGINNING.

SAID EASEMENT CONTAINING 13,125 SQ. FT. (0.30 ACRES) OF LAND MORE OR LESS.

ALLEY VACATION PARCEL

BEING A PORTION OF THE ALLEY AS SHOWN THE MAP OF THE RICHMOND TRACT NO. 1 ADDITION TO THE TOWN OF COVINA LYING WITHIN THE CITY OF COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS SHOWN ON THE MAP FILED IN BOOK 70, PAGE 67 OF MISCELLANEOUS RECORD MAPS OF THE RECORDS OF LOS ANGELES COUNTY, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF LOT 27 OF THE MAP; THENCE ALONG THE SOUTH LINE OF SAID LOT 27 SOUTH 89°18'00" EAST 107.00 FEET TO THE SOUTHEAST CORNER OF SAID LOT 27 AND THE TRUE POINT OF BEGINNING;

THENCE ALONG THE EASTERLY OF LOTS 27-18 OF SAID MAP NORTH 253.45 FEET TO THE NORTHEAST CORNER OF LOT 18 OF SAID MAP.

THENCE LEAVING SAID EASTERLY LINE SOUTH 89°18'00" EAST 13.00 FEET TO THE EASTERLY LINE OF SAID MAP.

Exhibit A

THENCE ALONG SAID EASTERLY LINE SOUTH 253.45 FEET; THENCE LEAVING SAID LINE NORTH 89°18'00" WEST 13.00 FEET TO THE POINT OF BEGINNING.

SAID EASEMENT CONTAINING 3,294 SQ. FT. (0.08 ACRES) OF LAND MORE OR LESS.

LOT LINE ADJUSTMENT PARCEL

FOUR FOOT WIDE PARCEL AS SHOWN ON EXHIBIT A, ATTACHMENT 1

INGRESS AND EGRESS EASEMENT

FIVE FOOT WIDE EASEMENT AREA

Exhibit A

**CITY OF COVINA**  
**AGENDA ITEM COMMENTARY**

**MEETING DATE:** February 1, 2011

**ITEM NO.:** CPH1

**STAFF SOURCE:** Robert Neiuber, Director of Community Development *pn*

**ITEM TITLE:** Consider application Conditional Use Permit 10-008, Variance 10-002 and Negative Declaration related to the wireless communication facility located at 1288 N. Bonnie Cove Avenue and determine if the required findings can be justified.

---

**STAFF RECOMMENDATION**

- A. Open the Public Hearing and consider public testimony; and
- B. Continue the Public Hearing to the meeting of March 1, 2011

**FISCAL IMPACT**

None.

**BACKGROUND**

The applicant is requesting that this item be continued to March 1, 2011, to allow further time to confirm and develop design alternatives and present them to the community. Staff recommends that the City Council consider their request and continue the public hearing to March 1, 2011.

**RELEVANCE TO THE STRATEGIC PLAN**

None.

**EXHIBITS**

None.

|  |   |
|--|---|
| <b>REVIEW TEAM ONLY</b>  |   |
| City Attorney:  | Finance Director:  |
| City Manager:   | Other: _____  |

**CITY OF COVINA**  
**AGENDA ITEM COMMENTARY**

**MEETING DATE:** February 1, 2011

**ITEM NO.:** CPH2

**STAFF SOURCE:** Robert Neiuber, Director of Community Development 

**ITEM TITLE:** Consider application Conditional Use Permit 10-010, Variance 10-004 and Negative Declaration related to the wireless communication facility located at 1175 East Garvey Avenue and determine if the required findings can be justified.

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**STAFF RECOMMENDATION**

- A. Open the Public Hearing and consider public testimony; and
- B. Continue the Public Hearing to the meeting of March 1, 2011

**FISCAL IMPACT**

None.

**BACKGROUND**

The applicant is requesting that this item be continued to March 1, 2011, to allow further time to confirm and develop design alternatives and present them to the community. Staff recommends that the City Council consider their request and continue the public hearing to March 1, 2011.

**RELEVANCE TO THE STRATEGIC PLAN**

None.

**EXHIBITS**

None.

|  |   |
|--|---|
| <b>REVIEW TEAM ONLY</b>  |   |
| City Attorney:  | Finance Director:  |
| City Manager:   | Other: _____  |

**CITY OF COVINA AND  
COVINA REDEVELOPMENT AGENCY  
AGENDA ITEM COMMENTARY**

**MEETING DATE:** February 1, 2011

**ITEM NO.:** NB1

**STAFF SOURCE:** Dilu de Alwis, Finance Director   
Robert Neiuber, Director of Community Development

**ITEM TITLE:** Audit Report for Fiscal Year Ended June 30, 2010.

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**STAFF RECOMMENDATION**

It is recommended that the City Council and the Covina Redevelopment Agency Board receive and file the Audit Report and the Annual Financial and Compliance Report for Covina Redevelopment Agency for Fiscal Year Ended June 30, 2010.

**FISCAL IMPACT**

None

**BACKGROUND**

City Audit;

The audit of the City's financial statements for the 2009-10 fiscal year has been completed. The independent auditor, Macias Gini & O'Connell LLP., rendered an unqualified opinion on the Comprehensive Annual Financial Report (CAFR).

The Statement of Net Assets shows total City net assets of \$150.3 million of which \$105.3 million is invested (net of related debt) in capital assets. The following is a comparison of the reported net asset equity and fund balance accounting equity:

|                                 | <u>Thousands of Dollars</u> |                  |                   |
|---------------------------------|-----------------------------|------------------|-------------------|
|                                 | <u>Net</u>                  | <u>Fund</u>      |                   |
|                                 | <u>Assets</u>               | <u>Balance</u>   | <u>Difference</u> |
| Governmental activities/funds   | \$ 123,993                  | \$ 67,035        | \$ 56,958         |
| Business-type/proprietary funds | 21,151                      | 21,151           | -                 |
| Total equity                    | <u>\$ 145,144</u>           | <u>\$ 88,186</u> | <u>\$ 56,958</u>  |

The differences are primarily attributed to the full accrual method of accounting for governmental activities versus modified accrual for governmental funds. Full accrual recognizes the long-term (capital assets and long-term debt) financial position of the City in comparison to the short-term financial position of modified accrual.

The Statement of Activities shows total City revenues of \$50.8 million of which \$22.5 million is related to program revenues. Total expenses are \$55.9 million (including \$6.5 million of depreciation) which resulted in a decrease in net assets of \$5.2 million.

The following is a comparison of the reported change in net asset equity and fund balance accounting change in equity:

|                                | Thousands of Dollars |                   |                 |
|--------------------------------|----------------------|-------------------|-----------------|
|                                | Change in            |                   |                 |
|                                | Net<br>Assets        | Fund<br>Balance   | Difference      |
| Governmental activities/funds  | \$ (6,641)           | \$ (10,400)       | \$ 3,759        |
| Business-type/proprietary func | 1,492                | 1,492             | -               |
| Change in equity               | <u>\$ (5,149)</u>    | <u>\$ (8,908)</u> | <u>\$ 3,759</u> |

The differences are primarily attributed to the full accrual method of accounting for governmental activities versus modified accrual for governmental funds.

### Summary of General Fund

For fiscal year 2009-2010, General Fund revenues and transfers were \$28,560,189 in comparison to \$27,769,681 of the previous year. The increase in revenues is attributed to a one-time transfer in from the Central Equipment Fund of \$1,000,000, as well as a sharp decline in retail sales activity (sales tax revenue) as well as decreased investment earnings.

General Fund expenditures and transfers (charges to appropriations) were \$35,442,030 in comparison to \$30,778,107 of the previous year. The increase in expenditures and transfers is attributed primarily to a one-time transfer out of \$5,393,000 to the Worker's Compensation and General Liability Internal Service Funds.

The fund balance of the General Fund decreased from \$17,490,330 to \$10,608,489. This reduction is primarily due to the requirement of moving \$5,393,000 from the General Fund to the Workers Compensation and General Liability Fund residing in the Internal Service Fund. The General Fund balance includes a commitment for emergency reserves of \$6,282,619, which represents the 20% minimum operating expenses-reserve established by the budget policy.

Unassigned fund balance is available for future appropriations, contingencies and/or emergencies. The adopted budget policy provides \$5.195 million of the undesignated fund balance for nonrecurring appropriations and/or capital projects.

Additional information on the special revenue, enterprise, debt service and capital projects funds are included in specific sections of the CAFR. The report is divided into three major sections:

1. Introductory Section This section includes the City Manager's and Finance Director's transmittal letter, certificate of achievement for excellence in financial reporting, certificate of award in outstanding financial reporting, organizational chart, and a list of principal officials.
2. Financial Section This section includes the auditors' opinion, Management's Discussion and Analysis, basic financial statements, notes to the financial statements, required supplementary information, and supplemental information.
3. Statistical Section This section includes selected financial and demographic information, generally presented on a multiyear basis.

Independent Auditor's Report, Communication to financial oversight body and independent auditors' report on appropriation limit worksheet will be provided under separate cover.

**Agency Audit;**

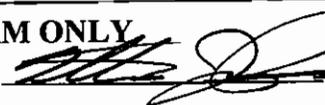
The firm of Macias, Gini and O'Connell has completed the Financial and Compliance Audit for fiscal year 2009-10 for the Agency as required by Section 33080.1 of the Health and Safety Code of the State of California in accordance with the State guidelines. The firm has expressed its independent opinion that the Agency has complied with laws, regulations and administrative requirements as contained in the guidelines for compliance audits of California Redevelopment Agencies of the State of California for the fiscal year ended June 30, 2010.

**RELEVANCE TO THE STRATEGIC PLAN:**

Receiving an unqualified opinion from the auditors contributes to maintaining/enhancing financial stability.

**EXHIBITS:**

- A. Comprehensive Annual Financial Report (on file in the City Clerk's office)
- B. Annual Financial and Compliance Report, June 30, 2010 (on file with City Clerk)

|  |   |
|--|---|
| <b>REVIEW TEAM ONLY</b>  |   |
| City Attorney:  | Finance Director:  |
| City Manager:   | Other: _____  |

**CITY OF COVINA**  
**AGENDA ITEM COMMENTARY**

**MEETING DATE:** February 1, 2011

**ITEM NO.:** NB2

**STAFF SOURCE:** Daryl Parrish, City Manager  $\phi$   
Robert Neiuber, Director of Community Development *RN*  
Dilu De Alwis, Director of Finance  $\odot$

**ITEM TITLE:** City Council to consider adoption of a resolution in opposition to the State of California's proposal to abolish redevelopment agencies in California.

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**STAFF RECOMMENDATION**

City Council to adopt **Resolution No. 11-6880** in opposition to the State of California's Administration's proposal to abolish redevelopment agencies in California.

**FISCAL IMPACT**

Elimination of the redevelopment agency will take approximately \$83 million in funding from the City over the next seventeen years. The recommended action does not have a fiscal impact by itself.

**BACKGROUND**

As part of his January budget proposal for FY 2011-12, Governor Brown has proposed the elimination of more than 400 redevelopment agencies statewide, and the redirection of the property tax increment currently directed to these agencies. It is anticipated that the Governor's proposal will not affect any projects that are already under contract with redevelopment agencies; however, there would be no dedicated State-level funding for new redevelopment projects. The budget proposal goes against the vote of 61% of voters in November 2010 who elected to stop State raids of local government funds, and violates multiple state and federal constitutional provisions.

While the state propounds that capturing this money will help meet their budget shortfalls, the State Controller's Office reports that more than \$87 billion in redevelopment funds are contractually bound and must be repaid before revenues are available for any other purpose. The State Department of Finance's own budget documents states that there will be zero state savings in out years from shutting down redevelopment.

Eliminating redevelopment will take away one of the few tools that local governments have to comply with state requirements for more compact urban development supported by transit-oriented development, housing, jobs and infrastructure, and will destroy the development of affordable housing in California. Redevelopment agencies are the second largest funder of affordable housing, behind only the federal government, responsible for over 98,000 units of affordable housing since 1983. In addition, redevelopment activities support 304,000 jobs annually, and contributes over \$40 billion annually to California's economy in the generation of goods and services.

The resolution attached as Exhibit A opposes the state's proposal to eliminate redevelopment agencies.

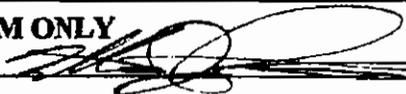
**RELEVANCE TO THE STRATEGIC PLAN**

Opposing the elimination of redevelopment, and maintaining local control over economic development and housing funds, contributes to the City's objective of enhancing financial stability.

**EXHIBITS**

A. Resolution No. 11-6880

**REVIEW TEAM ONLY**

City Attorney: 

Finance Director: 

City Manager: 

Other: \_\_\_\_\_

**EXHIBIT A**

**RESOLUTION 11-6880**

**A RESOLUTION OF THE COVINA CITY COUNCIL IN  
OPPOSITION TO THE STATE OF CALIFORNIA'S  
ADMINISTRATION'S PROPOSAL TO ABOLISH  
REDEVELOPMENT AGENCIES IN CALIFORNIA**

WHEREAS, as part of its 2011-12 budget proposal, the Governor has proposed permanently abolishing California's more than 400 local redevelopment agencies; and

WHEREAS, this proposal represents more of the same misguided and illegal State budget raids of local government funds that voters have repeatedly sought to end, most recently in November 2010 when an overwhelming 61% of voters elected to stop State raids of local government funds, including redevelopment funds; and

WHEREAS, this proposal will bring very little financial benefit to the State. According to the State Controller's Office, redevelopment agencies have more than \$87 billion in bond and other contractual obligations that legally must be repaid before revenues are available to any other purpose. In fact, according to the State Department of Finance's own budget documents, there will be zero State savings in out years from shutting down redevelopment; and

WHEREAS, this proposal will destroy local economic development, including hundreds of thousands of jobs and billions of dollars in local economic activity throughout California. In fact, in the City of Covina, abolishing redevelopment will jeopardize over Twelve Million Dollars in current projects, including the Citrus Walk mixed-use project in the Downtown, the new Vocational Training Facility, a joint project between the local school district and the Agency, and planned infrastructure and facility projects.

WHEREAS, throughout California, redevelopment activities support 304,000 jobs annually, including 170,600 construction jobs, contribute over \$40 billion annually to California's economy in the generation of goods and services, and generate more than \$2 billion in state and local taxes in a typical year; and

WHEREAS, eliminating redevelopment will take away one of the few tools local governments have to comply with state requirements to plan for more compact urban development supported by transit-oriented development, housing, jobs and infrastructure; and

WHEREAS, eliminating redevelopment will destroy the development of affordable housing in California. Redevelopment agencies are the second largest funder of affordable housing, behind only the federal government, responsible for over 98,000 units of affordable housing since 1993; and

WHEREAS, shutting down redevelopment agencies is a violation of multiple State and Federal constitutional provisions.

THEREFORE, BE IT RESOLVED BY THE CITY OF COVINA AS FOLLOWS:

SECTION 1. The City of Covina formally opposes the Administration's proposal to abolish redevelopment in California.

SECTION 2. That the City of Covina authorizes its council and city staff to communicate its opposition to this proposal to the Governor, the Legislature, business groups, and citizens.

**PASSED AND ADOPTED** this 1st day of February, 2011.

---

Mayor  
Peggy Delach

ATTEST:

---

City Clerk

APPROVED AS TO FORM:

---

City Attorney

I, Catherine LaCroix, Deputy City Clerk of the Covina City Council, hereby CERTIFY that Resolution No. 11-6880 was adopted by the City Council of the City of Covina at a regular meeting of the City Council held February 1, 2011, and was approved and passed by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

---

Catherine LaCroix  
Deputy City Clerk

# **COVINA HOUSING AUTHORITY** **AGENDA ITEM COMMENTARY**

**MEETING DATE:** February 1, 2011

**ITEM NO.: NB. 3**

**STAFF SOURCE:** Daryl Parrish, Executive Director  $\Phi$   
Robert Neiuber, Director of Community Development *RN*  
Elizabeth Hull, Agency and Housing Authority Attorney

**ITEM TITLE:** Consideration of an Agreement for Services between the Covina Housing Authority and the City of Covina and Covina Redevelopment Agency.

---

## **STAFF RECOMMENDATION**

Housing Authority to adopt **Resolution No. 11-001** approving the Financial Assistance and Cooperation Agreement by and between the Housing Authority, the City, and the Agency and encumbering funds pursuant thereto.

## **FISCAL IMPACT**

It is anticipated that in the event that a budget measure is adopted as substantially proposed by the Governor, initial funding for the housing authority would be provided from any fund balance in the LMI Housing Fund. However, the recommended action does not have a fiscal impact by itself.

## **BACKGROUND**

At the special meeting held January 25, 2011, the Covina City Council adopted Resolution 11-6926, Item NB 1, declaring that there is a need for a Housing Authority in the City, declaring that the members of the City Council shall be the Commissioners of the Housing Authority, and designating the Mayor as the first Interim Chairman of the Housing Authority.

The Covina Housing Authority (CHA) has been established by the City Council in order to plan, perform and assist in meeting the housing needs of the low- and moderate-income residents and to meet the specialized housing needs of senior citizens and disabled persons in the City of Covina. The CHA will implement the affordable housing goals, policies and objectives of the City's Housing Element. The City is the only member of the CHA.

Staff recommends that the Housing Authority Commissioners consider authorizing the Interim Chairman to enter into a Financial Assistance and Cooperation Agreement (Agreement), attached as Exhibit A, with the City of Covina (City) and Covina Redevelopment Agency (Agency) to provide services and funding to the CHA in order for the CHA to carry out its mission, including employees, facilities and other services of the City that the CHA needs. The funding request will come to the City as part of the annual budget process.

Redevelopment housing set-aside will be the main source of revenue in the City's CHA fund, which funds the CHA's projects and required City support services. As such, the CHA is the entity that will accomplish the Agency's affordable housing production goals laid out in the

State-mandated Affordable Housing Compliance Plan Five-Year Implementation Plan, the most recent of which is for the period FY July 1, 2009 through June 30, 2014. To date, the Agency has been active in negotiating and partnering with affordable housing developers in the construction of new units or rehabilitation of existing units, a process that could take from three to five years from conception to completion. Due to the nature of the development process, the Agency has several projects in various stages of development, as shown in Exhibit B.

If Governor Jerry Brown's recently proposed budget is passed, the Housing Authority's ability to receive housing set-aside from the Redevelopment Agency may be severely limited. The Agreement will create a contractual obligation for the use of housing set-aside, memorializing the Agency's ability to fund the CHA's activities and support services. Through the Agreement, existing Low and Moderate Income Housing funds and all future funds authorized under the law are pledged. It is estimated that this amount is approximately Thirty Five Million Dollars (\$35,000,000) as calculated through Fiscal Year 2026-2027.

**RELEVANCE TO THE STRATEGIC PLAN**

Execution of an Agreement for Services to meet financial obligations and to provide needed housing services in the community contributes to the City strategic plan objective of enhancing financial stability.

**EXHIBITS**

- A. Agreement for Services
- B. Covina Housing Projects
- C. Resolution No. 11-001

|  |   |
|--|---|
| <b>REVIEW TEAM ONLY</b>  |   |
| City Attorney:  | Finance Director:  |
| City Manager:   | Other: _____  |

**EXHIBIT A**

**FINANCIAL ASSISTANCE AND COOPERATION AGREEMENT**

**by and between**

**THE COVINA HOUSING AUTHORITY,  
a public body corporate and politic**

**and**

**THE COVINA REDEVELOPMENT AGENCY,  
a public body corporate and politic**

**and**

**THE CITY OF COVINA  
a California Municipal Corporation**

**1. PARTIES AND DATE.**

This Financial Assistance and Cooperation Agreement ("Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 2011, for reference purposes only by and among the Covina Housing Authority, a public body, corporate and politic ("Authority"), the Covina Redevelopment Agency, a public body, corporate and politic ("Agency") and the City of Covina, a California municipal corporation ("City"). This Agreement will not become effective until (i) the date on which it has been approved by the Agency's governing body, the Authority's governing body, and the City Council, and executed by the appropriate authorities of the Agency, the Authority, and the City ("Effective Date").

**2. RECITALS.**

2.1 Pursuant to authority granted to it by the Housing Authorities Law (Health & Saf. Code, § 34200 *et seq.*), the Authority is currently in the process of assembling real property for the development of affordable housing for families of low and moderate income within the City of Covina ("Project").

2.2 Under the provisions of the California Community Redevelopment Law (Health and Saf. Code, § 33000 *et seq.*) ("CRL"), the Agency is required to set aside 20% of its general property tax increment allocation to be used for the purposes of increasing, providing and preserving the community supply of low and moderate income housing available at affordable housing costs to persons and families of low and moderate income.

2.3 Pursuant to the provisions of California Health and Safety Code section 33334.3, such funds that must be set aside by the Agency for the purposes of increasing, providing and preserving the supply of low and moderate income housing shall be held in a separate low and moderate income housing fund until used ("Low and Moderate Income Housing Fund").

2.4 Pursuant to section 33220 of the Health and Safety Code, contained in the CRL, the Agency is authorized to enter into cooperative agreements for the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment projects located within the area in which it is authorized to act. One such project is the provision of affordable housing for families of low and moderate income within the City of Covina.

2.5 The Agency desires to provide and the Authority desires to receive financial assistance and cooperation for the purposes of the Project in exchange for the mutual covenants and conditions as set forth herein.

2.6 Pursuant to the requirements of State law, the City is required to provide affordable housing within its boundaries in accordance with its Regional Housing Needs Assessment obligation imposed by the California Department of Housing and Community Development. Both the Agency and the Authority are instrumental in assisting the City in meeting these affordable housing

obligations. Thus, the City desires to provide all necessary assistance to the Authority in meeting its goals and obligations with the Project.

Now, therefore, in consideration of the mutual promises set forth herein and the foregoing recitals which are hereby made a part of this Agreement, the Agency, the Authority, and the City hereby agree as follows:

### **3. FINANCIAL ASSISTANCE; PLEDGE.**

3.1 Financial Assistance. The Agency shall provide financial assistance ("Financial Assistance") to the Authority for the purposes of the planning, undertaking, construction, or operation of the Project. Such Financial Assistance may include, but shall not be limited to, the following:

- (i) reimbursement to the Authority for any of the Authority's actual costs and expenses of the planning, undertaking, construction, or operation of the Project;
- (ii) direct payment to the Authority for costs and expenses of the planning, undertaking, construction, or operation of the Project; and
- (iii) direct payment to third parties on behalf of the Authority for any costs and expenses of the planning, undertaking, construction, or operation of the Project; and
- (iv) the commitment of existing funds within the Agency's Low and Moderate Income Housing Fund and all future funds authorized under the law to be received for housing purposes.

3.2 Planning and Undertaking. For purposes of this Agreement, the term "the planning, undertaking, construction, or operation" shall include, but not be limited to, the following:

- (i) the acquisition and assemblage of real property, the provision of relocation assistance and payments or settlements in lieu thereof pursuant to California Relocation Assistance Law (Gov. Code, § 7260 *et seq*) and its implementing state regulations (25 Cal. Code Regs., § 6000 *et seq*) and the federal Uniform Relocation Assistance and Real Property Acquisition Act (42 U.S.C., § 4601-4655) and its implementing federal guidelines (49 C.F.R., Part 24);
- (ii) any financial assistance that might legally be provided to developers, owners, tenants, business owners, any public agency, or any other third parties by the Agency in order to accomplish the development of the Project, including, without limitation, any loan, subsidy, fee-offset or other similar assistance;
- (iii) the planning, construction or installation, of any on-site or off-site or improvements required for the development of the Project;
- (iv) the design of the Project;
- (v) insuring the Project site or any portion thereof; and
- (vi) initiating or defending any litigation or administrative proceeding regarding the Project.

### 3.3 Method of Reimbursement.

3.3.1 Provided the Authority is not in default under this Agreement, the Agency shall pay to the Authority the Financial Assistance, as those funds are or become available from the Agency's Low and Moderate Income Housing Fund, which shall be used for the sole purpose of providing Financial Assistance to Authority for development of the Project pursuant to section 3 hereof. The amount of Financial Assistance shall only be limited by current law.

3.3.2 From time to time as deemed necessary or convenient by the Authority in its reasonable discretion, the Authority may submit a request for payment ("Payment Request"), in writing, to the Agency requesting payment of any or all costs or expenses permitted to be paid or reimbursed pursuant to this Agreement and not yet the subject of a prior Payment Request. The Agency shall review the Payment Request and pay such costs and expenses as requested by the Authority.

3.3.3 The Agency's obligation to tender the payments hereunder shall be contingent upon the Agency's receipt and approval, which shall not be unreasonably withheld or delayed, of the following:

- (i) The Payment Request, which shall include a request for payment, a description of the work performed or to be performed, material supplied or to be supplied or the cost incurred or due;
- (ii) Any bills, invoices, vouchers, statements, contracts and any other documents, which shall be attached to the Payment Request, evidencing the amount due to be paid hereunder;
- (iii) Conditional waivers and releases of mechanics' liens, stop notice claims or other lien claim rights; and
- (iv) Any other document, requirement, evidence or information in the Authority's possession or under the Authority's control that Agency may reasonably request.

The Authority acknowledges that this approval process may result in a delay of the payment and the Authority consents to such reasonable delay. The Agency shall exercise due diligence in reviewing any such materials and approving payment of all, or any portion of, the Financial Assistance. The Agency may, at its cost, cause an inspection of the Project and a verification of the work completed.

3.3.4 Pledge of Affordable Housing Funds. Agency, by its execution of this Agreement, pledges for the payment of the Financial Assistance hereunder of such Affordable Housing Funds in accordance with Health and Safety Code section 33671.5 to secure to the

Authority the payment of the Financial Assistance; such pledge being subordinate to any pledge previously made by Agency to secure repayment of any existing Agency bonds, or the pledge to secure any bond refunding or defeasing repayment of any existing Agency bonds, or the pledge of Affordable Housing Funds to satisfy any other prior obligation of the Agency; or any administrative expense or salaries of the Agency directly relating to the administration of the Affordable Housing Funds. The obligations of Agency under this section 3 constitute an indebtedness of Agency for the purposes of carrying out its Redevelopment Plan, which indebtedness is payable out of taxes that are levied by or for the benefit of taxing agencies in the Project Area and which are allocated to the Agency pursuant to Health and Safety Code section 33670(b). Agency's obligations under this section 3 are prior and senior to any Agency bonded indebtedness or other indebtedness or form of obligation incurred after the Effective Date of this Agreement (other than any indebtedness incurred to refund or defease any existing Agency bonds); provided, however, that Agency's obligations under this section 3 may, with the written consent of the Authority, through its Executive Director, be subordinated to future Agency bonded indebtedness. Authority may not unreasonably withhold, delay, or condition its consent to any such request for subordination.

3.4 Discharge of Agency's Obligations. The Agency's obligation to provide Financial Assistance pursuant to this Agreement shall be forgiven, discharged and excused upon the occurrence of Authority's default of this Agreement; or

3.5 Limitation on Agency's Monetary Liability. The Agency's obligation to pay any monetary damages arising from the Agency's default under this Agreement shall be strictly limited to monies available in the Agency's Low and Moderate Income Housing Fund. Under no set of circumstances shall the Agency's general fund or other accounts become liable for damages in the event of the breach of Agency's obligations under this Agreement or in the event of any injury, loss or damage to any person or property relating to the Authority's development of the Project. All of Agency's obligations under this Agreement shall be funded only out of the Agency's Low and Moderate Income Housing Fund.

#### **4. INDEMNIFICATION**

##### **4.1 Indemnification.**

4.1.1 Authority shall defend, indemnify and hold Agency, its elected officials, officers, employees, and agents free and harmless from any and all liability from loss, damage, or injury to or death of persons or property in any manner arising out of or incident to Authority's performance of this Agreement, including without limitation all consequential damages, attorneys' fees and court costs resulting from the negligence of Authority or Authority's agents in the performance of this Agreement. Authority's obligations pursuant to this section 4.1.1 shall not extend to any liability to the extent such liability arises from the willful misconduct or negligence of the Agency, its elected officials, officers, employees and/or agents.

4.1.2 The Agency shall defend, indemnify and hold Authority, its elected officials, officers, employees, and agents free and harmless from any and all liability from loss, damage, or injury to or death or persons or property in any manner arising out of or incident to the Agency's performance of this Agreement, including without limitation all consequential damages, attorneys' fees and court costs, including without limitation all consequential damages, attorneys' fees and court costs resulting from the negligence of the Agency or the Agency's agents in the performance of this Agreement. The Agency's obligations pursuant to this section 4.1.2 shall not extend to any liability to the extent such liability arises from the willful misconduct or negligence of Authority, its elected officials, officers, employees and/or agents.

## 5. MISCELLANEOUS PROVISIONS

5.1 Defaults - General. Subject to the extensions of time set forth herein, failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. The party who fails or delays must immediately commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence, and during any period of curing shall not be in default. The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this Agreement, any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such right or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

5.2 Attorneys' Fees. In the event any action is commenced to enforce or interpret any term or condition of this Agreement, in addition to costs and any other relief, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

5.3 Notice. Any notice or other delivery required or desired to be sent pursuant to this Agreement shall be addressed as follows:

Agency

Covina Redevelopment Agency  
125 E. College Steet, Covina, CA  
Covina, CA 91723

Authority

Covina Housing Authority  
125 E. College Steet, Covina, CA  
Covina, CA 91723

Attention: Executive Director

Attention: Executive Director

City

City of Covina  
125 E. College Street, Covina, CA  
Covina, CA 91723  
Attention: City Manager

Any party may change its address by written notice to the other party.

5.4 Entire Agreement. This Agreement contains the entire agreement of the parties hereto with respect to the matters contained herein.

5.5 Assignment. This Agreement shall not be assigned without the written consent of the parties hereto, any assignment without such written consent shall be void and ineffective. The written notice shall become effective four months following its delivery to the Agency, provided that the Agency shall not be responsible for any misdirected written notices under this section 5.5.

5.6 Time of Essence. Time is of the essence for this Agreement.

5.7 Applicable Law; Venue. The laws of the State of California shall govern the interpretation and enforcement of this Agreement without regard to conflicts of laws principles. Any legal action or proceeding concerning this Agreement shall be filed and prosecuted in the appropriate California state court in the County of Los Angeles, California. Each party hereto irrevocably consents to the personal jurisdiction of that court. The parties each hereby expressly waive the benefit of any provision of federal or state law or judicial decision providing for the filing, removal, or change of venue to any other court or jurisdiction, including, without implied limitation, federal district court, due to any diversity of citizenship between the parties, due to the fact that either or both of the parties is a party to such action or proceeding or due to the fact that a federal question or federal right is involved or alleged to be involved. Without limiting the generality of the foregoing, the parties each specifically waive any rights provided to it pursuant to California Code of Civil Procedure section 394. The parties acknowledges that the provisions of this paragraph are material consideration to the parties' entry into this Agreement, in that the parties will avoid the potential cost, expense and inconvenience of litigating in a distant forum.

5.8 Acceptance of Service of Process. In the event that any legal action is commenced by Authority against the Agency, service of process on the Agency shall be made by personal service upon the Executive Director of the Agency, or in such other manner as may be provided by law. In the event that any legal action is commenced by the Agency against Authority, service of process on Authority shall be made by personal service upon an officer of Authority and shall be valid whether made within or without the State of California, or in such manner as may be provided by law.

5.9 Rights and Remedies Are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

5.10 Specific Performance. If either party defaults with regard to any of the provisions of this Agreement, the non-defaulting party shall serve written notice of such default upon the defaulting party. If the default is not commenced to be cured within thirty (30) days after service of the notice of default and is not cured promptly in a continuous and diligent manner within a reasonable period of time after commencement, the non-defaulting party, at its option, may thereafter (but not before) commence an action for specific performance of the terms of this Agreement pertaining to such default. The remedies and procedures set forth in this section 5.10 are in addition to, and may be exercised cumulatively with or independently of, the parties' rights and remedies under any other section of this Agreement.

5.11 Conflicts of Interest. No member, official or employee of the Agency or the Authority shall have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is, directly or indirectly, interested. Authority warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

5.12 Nonliability of Authority and Agency Officials and Employees. No member, official, employee, attorney or consultant of the Agency shall be personally liable to Authority, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to Authority or to its successor, or on any obligations under the terms of this Agreement. No member, official, employee, attorney or consultant of the Authority shall be personally liable to Agency, or any successor in interest, in the event of any default or breach by the Authority or for any amount which may become due to Agency or to its successor, or on any obligations under the terms of this Agreement.

5.13 Enforced Delay; Extension of Time of Performance. In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, delays of any contractor, subcontractor or supplier, acts of the other party, acts or failure to act of the Authority or any other public or governmental agency or entity (except that acts or failures to act by a party shall not excuse performance by that party and except in cases where such act or failure

to act is allowed or required by law), or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time the party claiming such extension gives notice to the other party, provided notice by the party claiming such extension is sent to the other party within thirty (30) days of knowledge of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the Agency and Authority.

5.14 Inspection of Books and Records. The Agency has the right at all reasonable times to inspect the books and records of Authority pertaining to the Project as pertinent to the purposes of this Agreement.

5.15 Consents and Approvals. Except as otherwise expressly provided by a specific provision of this Agreement, consents and approvals required of the Agency or Authority shall not be unreasonably withheld or delayed.

5.16 Severability. In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

5.17 Further Execution of Documents. The parties hereto agree to execute and file and to join in the execution and filing of any and all agreements, consents or other documents reasonably necessary to effect the consummation of the transaction contemplated hereby, as either party may reasonably require.

5.18 Interpretation. The agreements contained herein shall not be construed in favor of or against either party but shall be construed as if all parties prepared this Agreement. The masculine and neuter genders, the singular number and the present tense shall be deemed to include the feminine gender, the plural number and past and future tenses, respectively, where the context so requires.

5.19 No Third Party Beneficiaries. Notwithstanding any other provision of this Agreement to the contrary, nothing herein is intended to create any third party beneficiaries to this Agreement, and no person or entity other than the Agency and the Authority, and the permitted successors and assigns of either of them, shall be authorized to enforce the provisions of this Agreement.

5.20 Agreement Subject to Validation Action. This Agreement constitutes a contract imposing various indebtedness and obligations upon the Parties. As such, this Agreement is subject to Government Code section 53511 and Code of Civil Procedure sections 860 through 870, providing for legal actions to determine the validity of contracts imposing indebtedness and obligations upon public agencies, when such obligations and indebtedness are related to the essential powers and purposes of such agencies.

5.21 Entire Agreement; Execution. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersede all negotiations or previous agreements between the parties with respect to all or any part of the Project. This Agreement may be executed in duplicate originals, each of which is deemed to be an original.

5.22 Waivers and Amendments; Administration. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Agency or Authority, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and Authority. This Agreement and any provisions hereof may be amended and otherwise administered by the Executive Directors of the Agency and the Authority, respectively, and such amendment or administration shall not require the consent of either governing body of either the Authority or the Agency or any tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under a deed of trust, or any other person or entity having an interest in the Project, except as otherwise expressly provided in this Agreement.

**[signatures on following page]**

**SIGNATURE PAGE TO  
FINANCIAL ASSISTANCE AND COOPERATION AGREEMENT  
CIVIC CENTER SOUTH**

COVINA HOUSING AUTHORITY,  
a public body, corporate and politic

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

ATTEST:

\_\_\_\_\_  
Authority Secretary

APPROVED AS TO LEGAL FORM  
BEST, BEST & KRIEGER, LLP

By: \_\_\_\_\_  
Authority Counsel

COVINA REDEVELOPMENT AGENCY,  
a public body, corporate and politic

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

ATTEST:

\_\_\_\_\_  
Agency Secretary

APPROVED AS TO LEGAL FORM  
BEST, BEST & KRIEGER, LLP

By: \_\_\_\_\_  
Agency Counsel

CITY OF COVINA,  
a California municipal corporation

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

ATTEST:

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

APPROVED AS TO LEGAL FORM  
BEST, BEST & KRIEGER, LLP

By: \_\_\_\_\_  
City Attorney

**EXHIBIT B****COVINA HOUSING PROJECTS**

| <b>Projects (January 21, 2011-June 30, 2027)</b> | <b>Total Costs</b>  |
|--|---------------------|
| McGill Transitional House                        | \$500,000           |
| Wings Transitional Housing                       | \$250,000           |
| Rental Subsidy Program                           | \$900,000           |
| Rehabilitation and Preservation Programs         | \$2,000,000         |
| 200 W. Rowland Rehabilitation                    | \$2,500,000         |
| YWCA Transitional Housing Improvements           | \$350,000           |
| Vintage Walk Phase 2                             | \$120,000           |
| 135 E. Badillo                                   | \$50,000            |
| Citrus Walk Project                              | \$932,000           |
| New Housing Initiatives                          |                     |
| Downtown Sites                                   | \$12,000,000        |
| Scattered Multi-Family Rehab sites               | \$4,298,000         |
| Scattered SF affordable sites                    | \$4,000,000         |
| 436 E. Cypress                                   | \$100,000           |
| Program Administration                           | \$7,000,000         |
|  |                     |
| <b>Total</b>                                     | <b>\$35,000,000</b> |
|  |                     |

**RESOLUTION NO. 11-001**

**A RESOLUTION OF THE COVINA HOUSING  
AUTHORITY APPROVING THE FINANCIAL  
ASSISTANCE AND COOPERATION AGREEMENT BY  
AND BETWEEN THE HOUSING AUTHORITY, THE CITY,  
AND THE AGENCY AND ENCUMBERING FUNDS  
PURSUANT THERETO**

WHEREAS, pursuant to Housing Authority Law (Health and Safety Code Section 34200 et seq.), the City of Covina ("City") has activated the Covina Housing Authority ("CHA"); and

WHEREAS, pursuant to the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) the Redevelopment Agency of the City of Covina ("Agency") receives its Low and Moderate Income Housing Funds ("LMIHF") for the preserving, producing, and rehabilitation of Low and Moderate Income Housing; and

WHEREAS, pursuant to the CRL, the Agency is authorized to enter into cooperative agreements for the purpose of increasing, providing and preserving the supply of low and moderate income housing; and

WHEREAS, the City is required to provide affordable housing within its boundaries in accordance with its Regional Housing Needs Assessment ("RHNA") obligation imposed by the California Department of Housing and Community Development.

WHEREAS, the Agency, City and HA desire to enter into the Financial Assistance and Cooperation Agreement to provide the Agency's LMIHF to the HA for the development of affordable housing consistent with the CHA's mission, the Agency's requirements under the CRL and the City's requirements under the RHNA obligation.

**NOW, THEREFORE, THE COVINA HOUSING AUTHORITY DOES HEREBY  
RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:**

Section 1. The Covina Housing Authority approves the Financial Assistance and Cooperation Agreement by and between the City, Agency and HA and direct the City Manager/Executive Director to execute the Agreement and take all necessary actions to implement the purpose and intent of this resolution.

Section 2. Pursuant to Title 14, California Code of Regulations Section 15378, this action is not a Project under California Environmental Quality Act as it is merely the creation of a government funding mechanism or other government fiscal activity which does not involve the commitment to a specific project which may result in a potentially significant physical impact on the environment.

PASSED, APPROVED AND ADOPTED this 1st day of February 2011, by the following vote, to wit:

\_\_\_\_\_  
PEGGY DELACH  
INTERIM CHAIRMAN

ATTEST:

\_\_\_\_\_  
CATHERINE LACROIX  
HA SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
MARCO MARTINEZ  
COUNSEL

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS  
CITY OF COVINA                )

I, Catherine LaCroix, Secretary to the Covina Redevelopment Agency, do hereby certify that the foregoing Resolution No. 11-6928/11-656 was duly passed and adopted at a special meeting of the Covina Redevelopment Agency on the 25th day of January, 2011 by the following vote, to wit:

AYES:            AGENCY MEMBERS:  
NOES:            AGENCY MEMBERS:  
ABSENT:         AGENCY MEMBERS:  
ABSTAIN:        AGENCY MEMBERS:

\_\_\_\_\_  
CATHERINE LACROIX  
AGENCY SECRETARY