



City of Covina/Covina Redevelopment
Agency/Covina Public Finance
Authority/Covina Housing Authority

Mayor John King – Mayor Pro Tem Kevin Stapleton
Council Members Walt Allen, III – Peggy Delach – Bob Low

REGULAR MEETING AGENDA

125 E. College Street, Covina, California

Council Chamber of City Hall

Tuesday, October 4, 2011

6:30 p.m.

- **The City Council/Redevelopment Agency/Public Finance Authority/Housing 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 Council/Agency/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's Office at (626) 384-5430. Services such as American Sign Language interpreters, a reader during the meeting, large print copies of the agenda and assisted listening devices are available. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.
- 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 North 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 www.covinaca.gov.
- Pursuant to Government Code Section 54954.2, no matter shall be acted upon by the City Council/Redevelopment Agency/Public Finance Authority/Covina Housing 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 **October 4, 2011**, meeting was posted on **September 29, 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.

October 4, 2011

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

CALL TO ORDER

ROLL CALL

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

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/Covina Housing Authority will adjourn to Closed Session for the following:

CLOSED SESSION

- A. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Negotiations to include both price and terms:
Property: Northeast Corner San Bernardino Rd. and Park Ave. (APN: 8430-024-012)
Negotiating parties: Hassen Development
Agency negotiator: Robert Neiuber, Community Development /CRA Deputy Director

RECESS

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

CALL TO ORDER

ROLL CALL

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

PLEDGE OF ALLEGIANCE

Led by Council Member Allen

INVOCATION

Led by Covina Police Chaplain Jerry Gunderson

PRESENTATIONS

None

PUBLIC COMMENTS

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

COUNCIL/AGENCY/AUTHORITY COMMENTS

Council/Agency/Authority Members wishing to make any announcements of public interest or to request that specific items be added to future City Council/Redevelopment Agency/Public Finance Authority/Housing 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/Housing 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 approve the minutes of the September 6, 2011 regular meeting of the City Council/Redevelopment Agency/Public Finance Authority/Housing Authority.
- CC 2.** City Council to adopt **City Resolution No. 11-7013**, authorizing budget adjustments for Fiscal Year 2010-2011.
- CC 3.** City Council to approve the request by Parent Institute for Quality Education for exemption from the City's business license tax for calendar year 2011.
- CC 4.** City Council to approve revisions of the Economic Development Loan/Grant Policy for participants of the Community Development Block Grant (CDBG) Economic Development Program.
- CC 5.** City Council to renew a Professional Services Agreement between the City of Covina and David Turch and Associates to provide Federal Advocacy Services.

- CC 6.** City Council to renew a Professional Services Agreement between Rice, Englander and Associates to provide State Advocacy Services.
- CC 7.** Redevelopment Agency to adopt **Agency Resolution No. 11-693**, authorizing budget adjustments for Fiscal Year 2010-2011.
- CC 8.** Housing Authority to receive and file the Covina Housing Authority Annual Report.

CONTINUED BUSINESS

- CB 1.** City Council to introduce and waive further reading of **Ordinance No. 11-2002**, amending Title 10 of the Covina Municipal Code pertaining to Vehicle and Traffic Regulations.

Staff Recommendation:

- a) That the City Council introduce and waive further reading of **Ordinance No. 11-2002**, amending Title 10 of the Covina Municipal Code pertaining to Vehicle and Traffic Regulations.

ADJOURNMENT

The Covina City Council/Redevelopment Agency/Covina Public Finance Authority/Covina Housing Authority will adjourn to its next regular meeting, **Tuesday, October 18, 2011** at 6:30 p.m. for closed session and at 7:30 p.m. for open session in the Council Chamber of City Hall, 125 East College Street, Covina, California, 91723.



MINUTES OF THE SEPTEMBER 6, 2011 REGULAR MEETING OF THE COVINA CITY COUNCIL/COVINA REDEVELOPMENT AGENCY/COVINA PUBLIC FINANCE AUTHORITY/COVINA HOUSING AUTHORITY HELD IN THE COUNCIL CHAMBER OF CITY HALL, 125 EAST COLLEGE STREET, COVINA, CALIFORNIA

CALL TO ORDER

Mayor King called the City Council/Redevelopment Agency/Public Finance Authority/Housing Authority meeting to order at 6:34 p.m. City Attorney Marco Martinez announced the closed session items listed on the meeting agenda. There was no public comment.

ROLL CALL

Council Members Present: ALLEN, DELACH, KING, LOW, STAPLETON

Council Members Absent: NONE

Elected Members Present: MANNING

Staff Members Present: City Manager, City Attorney, Police Chief, Fire Battalion Chief, Human Resources Director, Public Works Director, Community Development Director/CRA Deputy Director, Finance Director, Parks and Recreation/Library Director Police Captain, Sr. Management Analyst and City Planner

AGENDA POSTING DECLARATION

The Deputy City Clerk of the City of Covina hereby declares that the agenda for the August 16, 2011 regular City Council/Redevelopment Agency/Public Finance Authority/Housing Authority meeting was posted on August 11, 2011 near the front entrance of City Hall, 125 East College Street, Covina, in accordance with §54954.2(a) of the California Government Code.

CONVENED THE MEETING AND RECESSED TO CLOSED SESSION

- A. G.C. §54956.9(a) - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Name of case: Leah Diane Sanders v. City of Covina: Case No. KCO59172
- B. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Negotiations to include both price and terms:
Property: Northeast corner San Bernardino Rd. and Park Ave. (APN 8430-024-012)
Negotiating parties: Hassen Development
Agency negotiator: Robert Neiuber, Community Development Director/CRA Deputy Director
- C. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Negotiations to include both price and terms of a back-up offer:
Property: Southwest corner San Bernardino Rd. and Hollenbeck Ave. (APN 8432-023-012)
Negotiating parties: The Curtis Company
Agency negotiator: Robert Neiuber, Community Development Director/CRA Deputy Director

CONVENE THE MEETING

The City Council/Redevelopment Agency/Public Finance Authority/Housing Authority meeting reconvened at 7:33 p.m.

City Attorney Marco Martinez reported City/Agency/Authority met in closed session to discuss the items listed on the agenda with all members present. City Attorney Marco Martinez reported that there was no reportable action related to closed session items A through C.

PLEDGE OF ALLEGIANCE

Council Member Low led the pledge of allegiance.

INVOCATION

Covina Police Chaplain, Dr. Patricia Venegas, lead the invocation.

PRESENTATIONS

Mayor King invited Dora Gomez of Covina Assembly of God Church to the lectern and presented her with a recognition for the Back-2-School Blast held on August 17, 2011. Ms. Gomez expressed appreciation to the organizations that donated items and volunteers that donated their time to the successful event.

Mayor King invited George Chadwick to the lectern to recognize him for his years of services as a Covina Planning Commissioner. Mr. Chadwick thanked his family, City Council, Planning Commissioners and City staff for their support.

PUBLIC COMMENTS

None.

COUNCIL/AGENCY/AUTHORITY COMMENTS

Mayor Pro Tem Stapleton expressed his appreciation to George Chadwick for his service as Planning Commissioner. Mayor Pro Tem Stapleton referenced the 9/11 ten-year anniversary and proposed the courtyard area of City Hall have something to memorialize the event. He made the recommendation to watch the television documentary, 'Rebuilding Ground Zero,' which chronicles the construction of the New York memorial site.

Council Member Allen reminded residents to attend the Yellow Ribbon Car Show on Saturday, September 10, 2011 at Covina Park and about the Dare to Care Cut-a-Thon, to benefit Citrus Valley Hospice, event on Saturday, September 17, 2011. For additional information, call (626) 814-2479 or www.cvhf.org.

Council Member Delach reminded everyone about the fundraiser at the Covina Center for the Performing Arts, "Building the Dream" – a tribute to the victims of 9/11 and celebration of rebuilding to benefit Habitat of Humanity on Sunday, September 11, 2011 from 2:00 p.m. to 6:00 p.m. For additional information, call (909) 596-7098.

Mayor King announced the Covina Yellow Ribbon Second Annual 9/11 car show, paying tribute to the men and women serving abroad, on Saturday, September 10, 2011 from 2:00 p.m. to 6:00 p.m. at Covina Park.

Mayor King announced Mr. Ed Bielucke and the Daewoo Car Club of America are displaying 9/11 items at the Covina Public Library until September 30, 2011.

Mayor King announced the Habitat for Humanity tribute concert and celebration would be at the Covina Center for the Performing Arts on Sunday, September 11, 2011. The \$25 donation includes entertainment, food and silent auction.

Mayor King announced the Covina First Presbyterian Church, Christ First Baptist Church, Covina United Methodist and Covina Assembly of God would hold a combined service honoring the fallen of 9/11.

Mayor King complimented Chief Raney and his staff on the handling of citizens at a recent checkpoint in the City.

CITY MANAGER COMMENTS

No comments.

CONSENT CALENDAR

On a motion made by Mayor Pro Tem Stapleton, seconded by Council Member Delach, the City Council/Redevelopment Agency/Public Finance Authority/Housing Authority approved Consent Calendar items CC1, CC4, CC5 and CC7. **Motion carried 5-0, with Council Member Low abstaining on CC1.** Consent Calendar items CC2, CC3 and CC6, were removed from the agenda for further discussion and consideration.

CC 1. City Council approved the minutes of the August 16, 2011 regular meeting of the City Council/Redevelopment Agency/Public Finance Authority/Housing Authority.

CC 2. City Council approved the minutes of the August 25, 2011 special meeting of the City Council/Redevelopment Agency/Public Finance Authority/Housing Authority.

Council Member Low noted for the record that the minutes for the special meeting held August 25, 2011, should be adjourned in memory of Larry Smith.

On a motion made by Mayor Pro Tem Stapleton, seconded by Council Member Allen, the City Council/Redevelopment Agency/Public Finance Authority/Housing Authority approved Consent Calendar item CC2 as corrected. **Motion carried 3-0, with Mayor King and Council Member Delach abstaining.**

CC 3. City Council approved the minutes of the August 25, 2011 adjourned regular meeting of the City Council/Redevelopment Agency/Public Finance Authority/Housing Authority.

Council Member Low noted for the record that the minutes for the special meeting held August 25, 2011, should be adjourned in memory of Larry Smith.

On a motion made by Mayor Pro Tem Stapleton, seconded by Council Member Allen, the City Council/Redevelopment Agency/Public Finance Authority/Housing Authority approved Consent Calendar item CC3 as corrected. **Motion carried 3-0, with Mayor King and Council Member Delach abstaining.**

- CC 4. City Council received notification of the Covina Irrigation Company Annual Stockholders Meeting, confirmation of Board Nominees; and Designation of Proxy and Alternate Proxy.
- CC 5. City Council adopted **City Resolution No. 11-7000**, designating certain officials as individuals authorized to execute applications and documents.
- CC 6. City Council approved Public Works Personnel Adjustments.

Council Member Low stated he has a concern and noted that his water bill is fifty-percent higher than his other utility bills and believes water prices are out of line. He feels this is no time to expand the bureaucracy of the water division and that we should learn to live within our resource.

Mayor King inquired, and Public Works Director Steven Henley confirmed, this report does not hire new staff members; it only changes the classification of two current positions with costs being split between the water, sewer and street fund.

Mayor King requested a plan of action report for low income and senior water utility customers within the next 45 days.

Following a brief discussion and on a motion made by Council Member Delach, seconded by Mayor Pro Tem Stapleton, the City Council/Redevelopment Agency/Public Finance Authority/Housing Authority approved Consent Calendar item CC6. **Motion carried 4-1, with Council Member Low voting no.**

- CC 7. City Council awarded Bid for Resurfacing Residential Streets at Various Locations – Project No. P-1116 to Gentry Brothers, Incorporated; and adopt **City Resolution No. 11-7002**, appropriating \$340,000 in Measure R funds to the current fiscal year budget and allocating those funds to Account No. 2410-2200-00-55310 for expenditure.

PUBLIC HEARING

PH 1. Public hearing was before City Council/Redevelopment Agency to consider adopting resolutions authorizing annexation of territory to City of Covina Community Facilities District No. 2007-1 (Public Services) (Annexation No. 5), and to call and hold a special election (Citrus Walk).

At 8:23 p.m., Mayor King opened the public hearing and invited comments from persons in the audience. There were no speakers.

Notice of the public hearing was given in accordance with law.

Mayor King inquired and City Clerk Manning responded that no written protests have been received from the landowners within the annexation area, therefore, a majority protest does not exist.

At 8:24 p.m., the City Council/Redevelopment Agency/Public Finance Authority/Public Housing Authority took a five-minute recess. The meeting reconvened at 8:27 p.m. and continued the public hearing. There were no speakers.

At 8:28 p.m., Mayor King closed the public hearing.

Mayor King stated at this time because a majority protest does not exist, it is appropriate for the City Council to consider said resolutions regarding the annexation of territory and to call a special election within the annexation area.

On a motion made by Mayor Pro Tem Stapleton, seconded by Council Member Delach, the City Council adopted **City Resolution No. 11-7003**, authorizing the annexation of territory to Community Facilities District No. 2007-1 (Annexation No. 5), and authorizing the levy of special tax and submitting the levy of tax to the qualified electors; and adopted **City Resolution No. 11-7004**, calling a special election and submitting to the voters of Annexation No. 5 of City of Covina Community Facilities District No. 2007-1 (Public Services), propositions regarding the annual levy of special taxes within Annexation No. 5 to finance public services, and the establishment of an appropriations limits. **Motion carried 5-0.**

Mayor King inquired and City Clerk Manning confirmed she had received the ballots from the landowners in the annexation area. Mayor King requested City Clerk Manning to proceed to canvass the ballots.

City Clerk Manning reported the canvass on Proposition A was as follows: **three votes were cast in support** of the proposition and zero votes were cast in opposition to the proposition. Therefore, **Proposition A, was approved with a 100% vote in favor.**

City Clerk Manning reported the canvass on Proposition B was as follows: **three votes were cast in support** of the proposition and zero votes were cast in opposition to the proposition. Therefore, **Proposition B, was approved with a 100% vote in favor.**

On a motion made by Mayor Pro Tem Stapleton, seconded by Council Member Delach, the City Council adopted **City Resolution No. 11-7005**, making certain findings, certifying the results of an election and adding property to Community Facilities District No. 2007-1 (Public Services), Annexation No. 5. **Motion carried 5-0.**

CONTINUED BUSINESS

CB 1. City Council to hold second reading to consider adoption of **Ordinance No. 11-1999**, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina.

At 8:32 p.m., Council Member Low recused himself from the item and left the dais as his property is within 50 feet of Project Area 1.

City Attorney Marco Martinez reported staff would like to request to continue the item until such time that the California Supreme Court rules on the California Redevelopment Agency (CRA) lawsuit in January 2012.

On a motion made by Mayor Pro Tem Stapleton, seconded by Council Member Delach, to continue the adoption of **Ordinance No. 11-1999**, to the meeting of January 17, 2012. **Motion carried 4-0, with Council Member Low abstaining.**

At 8:33 p.m., Council Member Low returned to the dais.

- CB 2.** City Council to hold second reading and adopt **Ordinance No. 11-2000**, amending Chapters 8.08 and 8.09 of the Covina Municipal Code pertaining to mandatory solid waste service within the City, regulating person performing special waste materials collection within the City, and updating certain terms, definitions and procedures to implement and enhance the City's solid waste operations.

Council Member Low inquired if contractors of property owners, such as a tree trimmer, must use Athens to haul away trimmings, to which Public Works Director Steve Henley responded that trash is considered trash only when placed in resident trash receptacles.

Following a brief discussion and on a motion made by Council Member Allen, seconded by Council Member Delach, the City Council adopted **Ordinance No. 11-2000**, amending Chapters 8.08 and 8.09 of the Covina Municipal Code. **Motion carried 5-0.**

- CB 3.** City Council to hold second reading and adopt **Ordinance No. 11-2001**, revising a schedule of fees for vehicle parking in municipal parking lots.

On a motion made by Mayor Pro Tem Stapleton, seconded by Council Member Allen, the City Council adopted **Ordinance No. 11-2001**, revising a schedule of fees for vehicle parking in municipal parking lots within the City of Covina. **Motion carried 5-0.**

NEW BUSINESS

- NB 1.** City Council to introduce and waive further reading of **Ordinance No. 11-2002**; Amending Title 10 of the Covina Municipal Code pertaining to Vehicle and Traffic Regulations.

Mayor Pro Tem Stapleton requested additional time to review the proposed ordinance.

On a motion made by Mayor Pro Tem Stapleton, seconded by Council Member Delach, the City Council continued first reading of **Ordinance No. 11-2002**, to the September 20, 2011 meeting. **Motion carried 5-0.**

NB 2. City Council to seek input and discussion regarding resolutions that are to be voted on at the 2011 League of California Cities Annual Conference.

Council Member Allen recommended the following:

Support:

1. Resolution supporting alternative methods of meeting public notice requirements and to advocate for revisions to the government code recognizing alternative methods as a means to meet notice requirements.
2. Resolution relating to tort reform.
3. Resolution related to raising public awareness about the imminent health and safety concerns for bullied children.
4. Resolution supporting the Prison Rape Elimination Act (PREA) of 2003.

Oppose:

5. Resolution calling for the replacement of the death penalty with the sentence of life imprisonment without the possibility of parole.

Abstain:

6. Resolution in honor of the City of Bell.

Following a brief discussion, and on a motion made by Council Member Delach, seconded by Mayor Pro Tem Stapleton, the City Council confirmed the recommendations to support resolutions 1-4, oppose resolution 5 and abstain on resolution 6 at the 2011 League of California Cities Annual Conference. **Motion carried 5-0.**

NB 3. City Council/Redevelopment Agency to adopt **City Resolution No. 11-6995** and **Agency Resolution No. 11-688**, adopting Investment Policies for Fiscal Year 2011-2012.

Finance Director Dilu De Alwis reported on the changes incorporated into the City's investment policy, which include language regarding credit risk, interest rate risk and to extend limiting the exposure of poor credit in order protect our investments.

Mayor Pro Tem Stapleton stated he had concerns regarding mortgaged-backed securities and would oppose considering that part of the portfolio. He would endorse conservative investments.

Mark Creger, Bond Logistics Chief Investment Officer, confirmed that the City does not currently have any mortgaged-backed securities in the portfolio.

Following a brief discussion, City Council recommended the removal of Section 8.1.2 entitled, Mortgaged-backed securities, from the investment policy.

On a motion made by Mayor King, seconded by Mayor Pro Tem Stapleton, the City Council/Redevelopment Agency adopted **City Resolution No. 11-6995** and **Agency Resolution No. 11-688**, adopting Investment Policies for Fiscal Year 2011-2012, as amended. **Motion carried 5-0.**

ADJOURNMENT

At 9:09 p.m., Mayor King adjourned the Covina City Council/Redevelopment Agency/Covina Public Finance Authority/Covina Housing Authority in honor of City Clerk Kay Manning's birthday and in honor of all the victim families of 9/11 to the regular meeting to be held on **Tuesday, September 20, 2011**, at 6:30 p.m. for closed session and 7:30 p.m. for open session in the Council Chamber of City Hall, 125 East College Street, Covina, California, 91723.

Catherine M. LaCroix
Deputy City Clerk/Agency/Authority Secretary

Approved this 4th day of October, 2011.

John C. King, Mayor/Chairperson

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: October 4, 2011

ITEM NO.: CC 2

STAFF SOURCE: Dilu de Alwis, Finance Director
Steven Smith, Management Analyst

ITEM TITLE: Resolution Authorizing Budget Adjustments for Fiscal Year 2010-2011

STAFF RECOMMENDATION

Adopt **Resolution No. 11-7013** authorizing budget adjustments for Fiscal Year 2010-2011.

FISCAL IMPACT

The fiscal impact to each fund is detailed in Exhibit A. There is sufficient fund balance in each fund to cover the adjustments and there is no impact to the General Fund.

BACKGROUND

Annually, the City adopts a budget including revenue and expenditures. The appropriation is amended by prior-year carryovers and changes authorized by the City Council during the fiscal year. The audit for the issuance of financial statements includes a budgetary comparison of revenues and expenditures for the City and the Agency. Particular attention is paid to accounts where there is a disparity between the original budget and actual activity recorded during the year. The proposed adjustments will balance actual activity with budgeted amounts and prevent an audit finding during the annual audit.

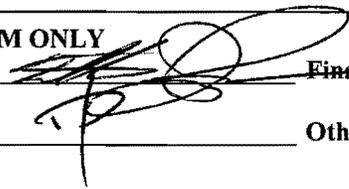
In regards to the Water Fund, the budget overage is largely due to unbudgeted depreciation expenses, which is recognized on an annual basis and historically has not been a budgeted item. The increase in the Worker's Compensation Fund is due to an unbudgeted transfer to the General Fund. This was to reduce the reserve balance in that fund, due to a change in requirements based on our most recent actuarial. The depreciation expense in the Water Fund and transfers in the Worker's Compensation Fund are accounting entries and are not an indication of an overage in spending. However, a budget adjustment is still needed to bring the budget in line with recorded expenditures.

RELEVANCE TO STRATEGIC PLAN:

None.

EXHIBITS

- A) Schedule of budget adjustments
- B) Resolution No. 11-7013

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: _____	Other: _____

Fund #	Fund Description	Adjustment
2105	CDBG-R	95,444
2130	Supplemental Housing - McGill	79,340
2179	Cultural Arts Commission	679
2180	Library Equipment Reserve	1,105
2188	Community Improvement	1,556
2200	LLEB Grant	11,735
2210	Red Light Camera Fund	447
2212	JAG-ARRA	16,152
2215	Other Federal Grants	39,402
2222	Federal Narcotics Seizure	1,376
2227	Local Narcotics Seizure	3,666
2246	Supplemental Law Enforcement Grant	59,149
2285	COPS Grants	14,608
2290	Traffic Safety Fund	672
2530	Used Oil Block Grant	9,427
2740	Community Facilities District	4,875
2813	Online Homework Help	5,500
2890	Public Education in Government	15,636
2927	Police Explorer Donation Fund	613
2958	Teen Program Fundraising	590
2960	Parks & Recreation Donation Fund	176
2965	Youth Sports Donation Fund	8,266
2966	Youth Sports Equipment Donation Fund	555
2968	Senior Fundraising Fund	1,374
2969	Grandmother's Club	2,263
2970	Library Donation	52
4206	Air Quality Improvement Tree Grant	10,533
4301	Transit Center	237,050
4307	Bicycle-Pedestrian Fund	19,930
4309	State Transit Improvement Fund	282
4311	Foothill Transit Grant	6,445
4314	Hazard Elimination Safety Fund	1,814
6010	Water Utility	1,676,953
7360	Worker's Compensation Fund	178,000
		<u>2,505,665</u>

RESOLUTION NO. 11-7013

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
COVINA, CALIFORNIA, AUTHORIZING BUDGET
ADJUSTMENTS FOR FISCAL YEAR 2009-2010**

WHEREAS, on June 15, 2010, the City Council of the City of Covina adopted Resolution No. 10-6848, approving a spending plan and authorizing a budget appropriation of the City Council; and

WHEREAS, certain programs included in the FY10-11 budget will have expenditures which vary from the adjusted budget; and

WHEREAS, the City Council desires that the FY10-11 budget be adjusted for each of these programs to assure budgetary compliance; and

WHEREAS, the cost center adjustments are reported in Exhibit A of this resolution; and

NOW, THEREFORE, the City Council of the City of Covina does hereby resolve that certain budget adjustments (listed in Exhibit A) in the City of Covina Fiscal Year 2010-2011 Budget are adopted and the City Manager is authorized to implement the same.

PASSED, APPROVED AND ADOPTED this 4th day in October, 2011.

John C. King, Mayor

ATTEST:

Kay Manning
City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: October 18, 2011

ITEM NO.: CC3

STAFF SOURCE: Dilu De Alwis, Finance Director
Tanya Nguyen, Account Clerk

ITEM TITLE: Approval of request by Parent Institute For Quality Education for exemption from the City's business license tax, Calendar year 2011. The organization is located at 957 N. Grand Ave., Covina, CA 91724.

STAFF RECOMMENDATION

Approve Parent Institute For Quality Education business license tax exemption request since the organization has complied with the Covina Municipal Code exemption requirements.

FISCAL IMPACT

Forfeit business license tax of \$52 (account: 1010-0000-00-40500) and processing fee of \$30 (account: 1010-0500-00-43022).

BACKGROUND

Nonprofit organizations are exempt from paying the City's business license tax if the organization submits an application for the exemption and they provide proof of their nonprofit status (Covina Municipal Code Sections 5.04.100 through 5.04.140). Upon presentation of the required information, the City Council shall direct the City's Finance Director to issue the business license to the nonprofit organization without charging the normal tax (CMC 5.04.130).

Parent Institute For Quality Education is a nonprofit public benefit corporation which provides training and other educational services to parents to enable them to participate more fully in the schooling of their children and to promote quality education.

Parent Institute For Quality Education is seeking exemption from the City's business license tax in order to conduct the charitable business of the organization. The organization has met all of the requirements for exemption of the business license tax contained in Sections 5.04.100 – 5.04.140.

EXHIBITS

- A. Application for Fee Exempt Business License – on file in the Finance Department.
- B. Articles Of Incorporation – on file in the Finance Department.
- C. Internal Revenue Tax Exempt Ruling – on file in the Finance Department.

REVIEW TEAM ONLY

City Attorney:



Finance Director:



City Manager:

Other:

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: October 4, 2011

ITEM NO.: CC 4

STAFF SOURCE: Robert Neiuber, Director of Community Development
Nuala Gasser, Senior Redevelopment Manager

ITEM TITLE Revision of the Economic Development Loan/Grant Policy for the Economic Development Program funded through Community Development Block Grant funds

STAFF RECOMMENDATION

Approve revisions of the Economic Development Loan/Grant Policy for participants of the Community Development Block Grant (CDBG) Economic Development Program

FISCAL IMPACT

None.

BACKGROUND

The Economic Development Policy was first adopted by City Council on September 7, 1999. The Council has adopted various revisions throughout the years in order to keep up with the requirements as specified by the U.S. Department of Housing and Urban Development, Office of Community Planning and Development and the Los Angeles County Community Development Commission. The City Council also added revisions specific to Covina that place additional requirements on businesses wishing to participate in the program.

To address inquiries by the business community, staff is bringing forward several provisions which are particular to the City Policy regarding the eligibility of the applicant business and the types of businesses to be eligible for funding.

Eligibility of Business Applicant

Currently, Section XI of the Policy sets a ten year period to be established between the 1) initial granting of funds and the provision of a new grant (the "interim period") which applies to the business, regardless of owner, and 2) any new business where the owner received grant funding as owner of another business in the prior ten years. This is a City policy which was established in order to ensure a greater diversity of businesses receiving funds.

Under the Policy, the limit on funding is \$100,000. It is suggested by staff that the interim period be modified to five years for businesses that have not reached the cap. Under this revision, a business which did not feel it needed the full amount at a point in time, or did not qualify for the greater amount, but later found that they needed, and qualified for, additional support, would be eligible under the Policy.

In the current economic climate, it is recommended that the modified interim period of five years also apply to the ability of the business to apply if the business changes owners.

The Policy currently applies the ten year interim waiting requirement to any new business where the owner received grant funding as the owner of another business in the City. It is suggested that this requirement be eliminated. The purpose of the grant is to create jobs for low to moderate income persons. When a new business proposes to create jobs, the eligibility may currently be limited by this provision in the Policy.

Types of Businesses Eligible for Funding

The Policy restricts the granting of job creation funds to certain types of businesses: new retail/commercial, quality food establishments, art gallery and supplies, entertainment-related, high-tech industrial, and medical and dental uses. It is suggested that the medical and dental uses be expanded to include job creation in the following categories:

1. Veterinarian hospitals
2. State licensed physical therapist rehabilitation centers

RELEVANCE TO THE STRATEGIC PLAN

This action will assist the City to reach the goal of enhancing financial stability, as the loan/grants assist local businesses to expand and become a viable partner in the community and to provide employment in the city.

EXHIBITS

- A. Revised Economic Development Policy
- B. Language modified in existing Economic Development Policy (underlined and strikethrough)

REVIEW TEAM ONLY	
City Attorney: _____	Finance Director: _____
City Manager: _____	Other: _____

CITY OF COVINA
ECONOMIC DEVELOPMENT LOAN/GRANT POLICY

I. INTRODUCTION

This written policy is intended as a guide in making credit decisions regarding applications for economic development projects for the City of Covina (City). This policy is written to allow flexibility as credit needs change. It should be used as a tool to provide some consistency for project selection. Projects will be considered for funding on a case-by-case basis, until available funding is exhausted. Only those projects falling within the scope of the guidelines will be considered for funding. Participant shall be the successful applicant, determined by City Council.

II. PURPOSE

This policy provides financial assistance to support the Economic Development Strategic Plan adopted by the Agency Board and City Council at the November 4, 1997, meeting and general economic development within the City. The Plan is structured to promote Covina as a positive place for quality business, promote business retention and attraction to enhance local economic growth, and ensure that government regulations promote a favorable business climate.

Community Development Block Grant (CDBG) funds will support business development likely to increase levels of employment for low- and moderate-income residents of Covina.

This loan program is not to be equated with a loan program available through banking or financial institutions. As a public lender, we incur more risk and accept less return than the private lender as the source of funds is interested as much in the social benefits as return on and preservation of capital. The return to Covina is multiple: increased investment, jobs and business activity and thus increased tax revenues.

III. CITY RESPONSIBILITY

City is providing funds through the Community Development Block Program for the use of the participant within the scope of the requirements of the United States Department of Housing and Urban Development. Participant and all third parties shall rely upon its or their own judgment with respect to development of the project and any review, exercise of judgment or information supplied to participant or to any third party by City in connection with any such matter is for the public purpose of carrying out this Policy.

IV. FEDERAL AND COUNTY REQUIREMENTS

The City, as a member of the Los Angeles County Urban County, and as a recipient in the Community Development Block Grant (CDBG) program, funded by the U.S. Department of Housing and Urban Development, Office of Community Planning and Development, will require that Participant comply with all standard CDBG regulations and Participant will agree to so comply. The Agreements to be executed between City and Participant will specifically incorporate the federal and county requirements. In the event of any conflict between the program parameters outlined in this policy and federal and county requirements, the provisions of the federal and county requirements shall control. After the City has disbursed the grant to Participant, participant may not terminate the Agreements.

CITY OF COVINA
ECONOMIC DEVELOPMENT LOAN/GRANT POLICY

V. PROHIBITION AGAINST CHANGE IN OWNERSHIP MANAGEMENT AND CONTROL OF PARTICIPANT

The qualifications and identity of Participant in this program are of particular concern to City. It is because of those qualifications and identity that City will enter into an Agreement with Participant. No voluntary or involuntary successor in interest of Participant shall acquire any rights or powers under this program except as expressly set forth within executed documents under this program. A change in ownership, management and control shall be subject to the approval of City, but such approval shall not be unreasonably withheld.

Participant shall not assign all or any part of any Agreements or Notes under this program without the prior written approval of City, which approval shall not be unreasonably withheld.

VI. JOB CREATION REQUIREMENT

A. Number of Jobs to be Created

Participants in this program agree to create one permanent full-time equivalent job for low- to moderate-income persons per \$25,000 loaned/granted. Participants who are awarded these funds that have been loaned/granted will be forgiven after one year of participation and compliance with the program, as outlined in Subsection D. In meeting this requirement, we will be more in-line with the Housing and Urban Development Department requirements. Participant shall comply with the terms and conditions of Subsection VI-F below for creation of permanent jobs during the term of the program.

B. Created Jobs Defined

If a CDBG loan or grant is awarded, it will be based on job creation for low- to moderate-income persons. For purposes of being considered a created job, a job must be a new job (full or part-time) for the person, or the CDBG assistance must enable an existing income-producing "sideline" activity to become the person's principal occupation. In counting jobs, the following policies apply:

1. Part-time jobs must be converted to full-time equivalents.
2. Only permanent jobs count--temporary jobs may not be included.
3. Seasonal jobs may be counted only if the season is long enough for the job to be considered as the employee's principal occupation.
4. All permanent jobs created by the activity must be counted even if the activity has multiple sources of funding.
5. Jobs indirectly created by an assisted activity (i.e., trickle-down jobs) may not be counted.

To qualify, the person hired must be from a low- to moderate-income **household**. To qualify as low- to moderate-income, information must be obtained on family size and income so it is evident that family income does not exceed the low- to moderate-income limit.

CITY OF COVINA
ECONOMIC DEVELOPMENT LOAN/GRANT POLICY

C. Participation Period Required

The required period of time for program compliance and fund forgiveness/repayment is contingent upon the amount loaned/granted. The following schedule applies:

<u>Amount of Loan/Grant</u>	<u>Forgiveness/Reporting Period</u>
\$25,000 and up.	1 year

D. Full-Time Equivalent (FTE) Defined

For the purposes of this program, Full-Time Equivalent (FTE) is defined as forty (40) hours of paid full-time work in a seven-day period.

In the medical and dental fields, the industry practice defines full-time positions as 32 to 36 hours of work in a seven-day period. Therefore, the only exception to the forty hour definition of FTE position requirement will be for positions created in the medical and dental fields, when the written personnel policy of the participating business states clearly the number of hours that constitutes full-time positions as 32 hours or more.

E. Job Count Start Date

Job count start date will be based on an event which occurs after the execution of the Agreement document. The start date will vary depending on the structure of the financing for each particular economic development project. In the case where the business is a new business, the job count start date will be the date of opening of the business. If the economic development funds are used for rehabilitation of an existing project, the date of notice of completion will be the job count start date.

F. 51% Requirement

Fifty-one percent of all jobs created must be held by low- to moderate-income persons, as defined by the Department of Housing and Urban Development.

G. Pro-rated Credit for Partial Compliance

For the one year of participation in the program, if a participating business fails to meet the job creation requirement in a single month, the business will not be forgiven that monthly pro-ration of the loan, and will be responsible for repayment of that portion to the City.

H. Event of Default

If the job creation requirements are not reached, the Agreement will be terminated and the balance of the loan that has not been forgiven will be called as due.

I. Reporting Requirement

The participating business is responsible for providing a quarterly report to the CDBG Division of the Covina Community Development Department which documents jobs created by employee

CITY OF COVINA
ECONOMIC DEVELOPMENT LOAN/GRANT POLICY

name, job title, hours worked per week, and hourly rate, for qualifying employees. The Quarterly Report will be filed each quarter for the one year under the loan/grant.

J. Displacement

When activities funded through CDBG cause displacement of residents and/or businesses, Federal displacement regulations apply.

VII. GEOGRAPHIC LOCATION/TARGET AREAS

Economic development loans/grants will be limited geographically to the City of Covina.

VIII. TYPE OF PROJECT

Funding priority will be recommended for projects that meet the overall design scope and criteria for the location, create jobs for low- to moderate-income persons, expand economic opportunities and generate sales tax. The following project types will be considered for economic development project funding:

- A. New Retail/Commercial**
 - 1) Appliance
 - 2) Vehicle
 - 3) Furniture
 - 4) Clothing and shoes
 - 5) Electronic/computer
 - 6) Kitchen equipment
 - 7) Gift stores
 - 8) Health and Sporting Goods stores
 - 9) Book and Entertainment stores
 - 10) Musical Instruments and sound equipment stores
 - 11) Upscale grocery and import stores
 - 12) Boutique Day Spa
- B. Quality food establishments**
 - 1) Dinner houses/restaurants
 - 2) Upscale fast food
- C. Art gallery and supplies**
- D. Entertainment-related activities**
 - 1) Movie theaters
 - 2) Concert venues
 - 3) Theatre
- E. High-tech industrial uses**
 - 1) Aerospace-related
 - 2) Computer
 - 3) Bio-Tech
- F. Medical and Dental uses**
 - 1) Professional offices
 - a. Physicians
 - b. Dentists
 - 2) Full Service Medical Hospitals

CITY OF COVINA
ECONOMIC DEVELOPMENT LOAN/GRANT POLICY

- 3) Medical clinics
- 4) Veterinarian hospitals
- 5) State licensed physical therapist rehabilitation centers

IX. LEVELS OF AUTHORITY

A. City Council

The City Council will provide general parameters of loan and project eligibility, degree of risk that is acceptable, pricing of services granted, and general oversight of the application portfolio. The City Council will approve all recommendations and/or revisions to this policy.

B. Loan Committee

The loan committee will be comprised of the Finance Manager and the Community Development Director or their designees. The City Manager will have final review of Loan Committee recommendations, prior to submittal to City Council. The Committee will approve or decline applications submitted by Administrator on behalf of the business entity with regard to new loan/grants, payment deferrals, substitution or release of collateral, waiver or release of covenants/amendments to loan documents. The Committee will also approve or decline any exceptions to the general loan policy, and make any recommendations for changes in policy to the City Council.

C. Program Administrator

The Program Administrator will market, solicit, review, and process potential borrowers' applications for credit. Will decline or refer out to some other agency any applicant who clearly does not qualify under eligibility standards as set forth by the City Council. The Administrator will recommend new credit, payment deferrals, release or substitution of collateral, waivers/amendments to loan covenants and exceptions to loan policy to the Loan Committee.

X. FUNDING LEVELS

Funding assistance of \$25,000 to \$100,000 per project will be awarded.

XI. FUNDING AVAILABILITY

The Economic Development Program is funded on a fiscal year basis. City of Covina fiscal year begins on July 1 and ends on June 30 of the following year. Limited funds are available in each fiscal year when the program is funded.

The purpose of the economic development assistance is to help for-profit businesses to meet a financing gap and to become independent, self-sustaining and successful. Funding preference will be given to first-time applicants. After the initial approval and granting of funds, a period of ten years shall elapse between the date of the CDBG Economic Development award and any subsequent application for consideration of CDBG economic development financial award which is deemed necessary for the economic health and/or expansion of the business, when the participating business receives the full amount of funding under this Policy.

In cases where a business did not initially receive the full amount of funding available under this Policy, a five year interim period is established between the initial granting of funds and a new

CITY OF COVINA
ECONOMIC DEVELOPMENT LOAN/GRANT POLICY

application. The new application may be processed, up to the aggregate full amount available under the Policy, for qualifying businesses.

In cases where a business received a loan/grant, meets the program requirements and is subsequently sold, an interim period of five years is established between the time of the original award and a new application, if the new owner wishes to apply for assistance.

Any business receiving a City of Covina Economic Development Loan/Grant shall disclose the information and details of the loan/grant upon sale or transfer of the business to any subsequent owner.

Exceptions to the five and ten-year interim periods would include cases of involuntary relocation through no fault of the business, or other emergencies.

XII. APPLICATION PERIOD

A. Submittal

Applications will be accepted on a continuous basis.

B. Processing

Applications will be processed when funds are available.

XIII. APPLICATION PROCEDURE

All grants and loans are subject to analysis to determine risk. Loans/grants will be awarded only to projects, which demonstrate that the service provided is commensurate with the risks incurred. In return for the public moneys provided, the businesses will generate increased investment, jobs, business activity, and thus increased tax revenues.

Loans funded through this program are business loans, not consumer loans.

A. General Credit Criteria

The business loan/grant applications will be analyzed for the following criteria, based on criteria specified by the U.S. Department of Housing and Urban Development, Office of Community Planning and Development, and by the Small Business Administration

- 1) Ability to repay in case of default or termination of business.
- 2) Balance Sheet Analysis
Balance sheet must be sound before the loan/grant is made.
- 3) Historical earnings and cash flow records, from verifiable sources as determined by the loan committee, to ensure sufficient repayment of all requested credit, and to provide the owner(s) with a reasonable level of personal income to satisfy personal obligations. Typically, a borrower will have been profitable during the most recently completed year and will maintain a cash flow coverage ratio of 1:1 (defined as earnings before debt service, interest and taxes divided by debt service), with sufficient collateral. The ratio would be 2:1 without collateral. If partial collateral is pledged, the ratio may be prorated downward.

CITY OF COVINA
ECONOMIC DEVELOPMENT LOAN/GRANT POLICY

- 4) Collateral
Collateral, when available in any form, may be requested by the Loan Committee. Collateral will be pledged commensurate with the amount of requested credit, as well as a security interest in newly purchased assets, or those purchased with loan/grant funds. If the project cannot repay the loan/grant from cash flow, the City will collect payment by liquidating the asset and satisfying the specific lien securing the property. A letter of credit or bond may be accepted in lieu of collateral.

- 5) Commitment
Personal and corporate guarantees may be required. The borrower should sign personally for the loan/grant, and should be prepared to take out a minimum salary until the business is established.

- 6) Management experience
The management team must have experience in all areas of running the business: sales, finance, operations, personnel, etc. The management team includes the principals, directors, senior management and consultants.

The management team should have direct experience in these areas or have comparable business skills which can be transferred.

- 7) Business Plan
The business plan will help identify worthy ventures. The monthly cash flow statement for the first year is especially important.

- 8) Character
The owners and management should have favorable credit histories, a reputation for treating customers fairly, no bankruptcy in the past five years, and a clean criminal record. Good character will be determined by credit reports, payment history with verified vendors, personal interview, or other means as determined. The entrepreneur must be someone who learns quickly, is results-oriented and who will not accept failure.

- 9) Niche
It is difficult for a small firm to compete with much larger companies on price. The entrepreneur must be committed to customer service; or the business must serve a market niche or offer a unique product or service.

All of the above criteria are important, and the absence of any one may be sufficient to deny a loan/grant request.

B. Undesirable Credit Applications/Borrowers/Guarantors

Using the guidelines for the Small Business Administration and the Department of Housing and Urban Development, the following are undesirable without mitigating circumstances acceptable to the Loan Committee:

- 1) Applications for funding that would substantially reduce the amount of non-Federal support for the activity available in other recognized, reasonable loan programs available in the target areas;

CITY OF COVINA
ECONOMIC DEVELOPMENT LOAN/GRANT POLICY

- 2) Requests for credit to repay existing creditors
- 3) Funds used to repay debt to applicant owner(s), partners, stockholders
- 4) Requests for funding from new start-up businesses not associated with a franchise chain.
- 5) Requests for funding for businesses which do not meet the criteria specified in Section IV A through E.
- 6) Non-profit organizations, as designated by Charter/Bylaws, unless designated as approved Community Based Development Organizations (CBDO)
- 7) Lack of profitable operations, as demonstrated by sources acceptable to Loan Committee
- 8) Loan/grants to restricted membership or discriminatory groups/organizations.
- 9) Loan/grants to uses with complete access restrictions based on age.
- 10) Lack of sufficient equity/highly leveraged situations as determined by Loan Committee.
- 11) Personal or business bankruptcy, or prior business failure without sufficient, documented information to mitigate, as determined by Loan Committee;
- 12) Poor personal or business credit as evidenced by many derogatory items including public record items, tax liens, judgments, or excessive existing credit as determined by Loan Committee;
- 13) Undocumented aliens;
- 14) Felony convictions, dishonorable discharge or "Bad Conduct" discharge from military service (each situation will be independently evaluated);
- 15) Business active in any unlawful activity

C. Exceptions to Loan/grant Policy

If a project does not fall within the guidelines listed above, but is of such special character and will complement the area in which location is proposed, the City Council may consider the project for funding.

XIV. PRICING AND TERMS

Considerations of loan/grant product pricing extended to borrowers will be based on a rate equal to the rate earned by the City's investment in the California Local Agency Investment Fund (LAIF) as determined on a monthly basis, but in no event to exceed 10 per cent (10%) per annum. Interest which accrues and is unpaid shall be added to principal on a monthly basis and thereafter bear interest as if it were part of principal. Principal and all accrued and unpaid interest shall be due and payable not later than the terms specified in the Note. Additional terms extended to borrowers will be based on the amount of risk involved.

CITY OF COVINA
ECONOMIC DEVELOPMENT LOAN/GRANT POLICY

XV. COLLATERAL

While collateral is not a mandatory requirement, it is intended that any available collateral from the borrower and/or guarantor(s) will be required, as well as a first lien position on any assets purchased with any loan/grant funds. Junior liens on real property will be required at the discretion of the Loan Committee. However, it will be the policy that all collateral required for loan approval will be of material value. Caution will be used whenever taking a junior lien position on collateral where there is a substantial senior lien. It will be a determination of the Loan Committee whether to waive a collateral position when available.

Titled motor vehicles, when taken as collateral, must show the City as mortgagee/lienholder on the certificate of title, and held in safekeeping by the Community Development Director or designee.

In all cases, a UCC-1 and security agreement will be taken against all business assets.

XVI. CESSATION OF BUSINESS

If Participant should cease business at the site, participant shall repay its obligations to City as provided in the Note which shall be executed when Agreement is signed. The term "cease business" shall mean when the site is no longer used as the principal place of business for Participant's business. Participant shall give City written notice not less than thirty (30) days prior to cessation of business. If Participant should cease business at the site, Participant shall pay to the City, in cash, within fifteen (15) days of the Participant's receipt of written notification from the City of the balance due on the Note.

XVII. GUARANTORS

The City will generally follow the rules of the Small Business Administration as to qualification of guarantors:

- A. Active Management with any ownership equity in borrower must guaranty
- B. Shareholders/owners of 20% or more equity in borrower must guaranty regardless of active involvement in management

Guarantees may be secured or unsecured as determined by the Loan Committee.

XVIII. PROBLEM CREDITS

While it is the intent of this policy to be sensitive to the borrowers financial needs, and the intent to match any repayment schedule to the borrower's ability to repay, it is inevitable that there will be delinquencies and defaults. It is the responsibility of the Administrator of the program to monitor all loan payments, especially those that are in arrears. It will be the stated policy that upon determination of a "problem credit" the City will pursue any and all remedies allowed by Regulation or Law in a professional, aggressive, and consistent manner until some resolution is reached.

XIX. ACTION OCCURRENCES

The following occurrences will warrant action on the part of the Administrator and/or City Council.

CITY OF COVINA
ECONOMIC DEVELOPMENT LOAN/GRANT POLICY

- A. Delinquent payment – whenever the terms of the Promissory Note are not being met in a timely manner (delinquent by more than 30 days);
- B. Violation of Loan Covenants – whenever the terms of the Loan Agreement are not being met in a timely fashion. The severity and immediacy of action is dependent on the type of breach; some covenants are more serious and lead to a default, while others less severe can sometimes be tolerated at the discretion of the Administrator.
- C. Receipt of bankruptcy notice;
- D. Filing of a “Notice of Default” by another lienholder on real property;
- E. Legal Service, such as Writs of Attachment, Tax Liens, Subpoenas for records;
- F. Death of debtor or guarantor;
- G. Notice of significant legal action against borrower/guarantor;
- H. Returned mail from borrower’s address by Post Office;
- I. “Skip Trace” inquiry from another creditor.

XX. COLLECTION ACTION

It is important to be clear and specific about any breach of the Note, Loan Agreement, or any of the above mentioned occurrences. The circumstances of a particular situation will often dictate the method to use in taking corrective action. Telephone contact with the borrower/guarantor is the most expedient and cost effective; however, some cases demand more formal notification such as “Demand Letters”, Legal Action, and Foreclosure. Personal site visits and conversations with the borrower are warranted at the discretion of the Administrator.

XXI. NON-ACCRUAL LOAN STATUS

Credits will be moved to a non-accrual status at the 90-day delinquency point unless otherwise directed by the City Council. At this point, many of the above-mentioned “Action Steps” should have been started; a collection plan, if applicable, should be in process at this point. Rewriting the entire Note in an effort to provide relief to the borrower should be considered after a detailed analysis of the financial condition of the borrower and his/her prospects for timely payments in the future. In any case, the Loan Committee and/or the City Council must approve a re-structured Note.

XXII. COLLATERAL APPRAISALS

Collateral taken as security for any type of credit should be appraised if it has any significant value. In most cases, real property will be the collateral that is most needed for a third party appraisal (the City will accept “drive-by” and short-form appraisals). Since the City is not under the scrutiny of Federal and State Banking Regulators, there is more flexibility as to the extent of any appraisal and in which circumstances. It is the stated policy that some form of valuation be used to determine the equity of any collateral taken by the City, remembering that the cost and time of obtaining such appraisals may have an adverse affect on the borrower considering the size of the credit involved. The Loan Committee shall use its discretion in all collateral matters, unless otherwise dictated by the City Council.

CITY OF COVINA
ECONOMIC DEVELOPMENT LOAN/GRANT POLICY

XXIII. FINANCIAL INFORMATION REQUIRED

It will be the policy of the City to require financial statements from each applicant in the form of a balance sheet and income statement for any and all fiscal year-ends since inception of the business (up to 3 years), and within the past 90 days of application date. Current personal financial statements for each business owner and personal and business federal tax returns for the prior three years are required, including all supporting schedules and statements. The City will obtain the written permission of the applicant to verify any and all tax returns with the Internal Revenue Service for accuracy (IRS Form 4506). Month-to-month projections covering any interim period until year-end, plus one full fiscal year is required, including the assumptions that the projections were based upon. Additional information will be requested at the discretion of the Administrator with direction from the Loan Committee and/or City Council:

All borrowers will be required as a covenant in the Loan Agreement to provide ongoing financial information as follows:

- A. Fiscal Year End balance sheet and income statement within 90 days of each year end;
- B. More frequent statements such as Accounts Receivable Agings, work in progress reports, or any other documents requested by the Loan Committee to assist the borrower in the monitoring of the credit.
- C. Payroll reports showing employee status, on a quarterly basis.

XXIV. FINANCIAL INQUIRIES

The City will not provide responses to inquiries regarding credit status of program participants.

XXV. INSURANCE

All collateral taken as security for any credit must be insured appropriately as determined by the Loan Committee; evidence of that coverage must be provided showing the City as "Additional Insured," "Loss Payee," or "Mortgagee," whichever is appropriate for the collateral insured. The lapse of any insurance will create a default on the Loan Agreement, and must be remedied immediately by the borrower. If necessary, the City will obtain appropriate insurance to protect its collateral and debit the premium to the borrower.

Additionally, in the case where real estate collateral is taken, a PIRT of short form title policy will be required.

CITY OF COVINA
ECONOMIC DEVELOPMENT LOAN/GRANT POLICY

TABLE OF CONTENTS

I.	INTRODUCTION _____	1
II.	PURPOSE 1 _____	
III.	CITY RESPONSIBILITY _____	1
IV.	FEDERAL AND COUNTY REQUIREMENTS _____	1
V.	PROHIBITION AGAINST CHANGE IN OWNERSHIP MANAGEMENT AND CONTROL OF PARTICIPANT _____	2
VI.	JOB CREATION REQUIREMENT _____	2
A.	Number of Jobs to be Created _____	2
B.	Created Jobs Defined _____	2
C.	Participation Period Required _____	3
D.	Full-Time Equivalent (FTE) Defined _____	3
E.	Job Count Start Date _____	3
F.	51% Requirement _____	3
G.	Pro-rated Credit for Partial Compliance _____	3
H.	Event of Default _____	3
I.	Reporting Requirement _____	3
J.	Displacement _____	4
VII.	GEOGRAPHIC LOCATION/TARGET AREAS _____	4
VIII.	TYPE OF PROJECT _____	4
IX.	LEVELS OF AUTHORITY _____	5
A.	City Council _____	5
B.	Loan Committee _____	5
C.	Program Administrator _____	5
X.	FUNDING LEVELS _____	5
XI.	FUNDING AVAILABILITY _____	5
XII.	APPLICATION PERIOD _____	6
A.	Submittal _____	6
B.	Processing _____	6
XIII.	APPLICATION PROCEDURE _____	6
A.	General Credit Criteria _____	6

CITY OF COVINA
ECONOMIC DEVELOPMENT LOAN/GRANT POLICY

B. Undesirable Credit Applications/Borrowers/Guarantors	7
C. Exceptions to Loan/grant Policy	8
XIV. PRICING AND TERMS	8
XV. COLLATERAL	9
XVI. CESSATION OF BUSINESS	9
XVII. GUARANTORS	9
XVIII. PROBLEM CREDITS	9
XIX. ACTION OCCURRENCES	9
XX. COLLECTION ACTION	10
XXI. NON-ACCRUAL LOAN STATUS	10
XXII. COLLATERAL APPRAISALS	10
XXIII. FINANCIAL INFORMATION REQUIRED	11
XXIV. FINANCIAL INQUIRIES	11
XXV. INSURANCE	11

s/cra/private/cdbg/ec dev/policy/rev #6

10-04-2011

EXHIBIT B

**PROPOSED CHANGES TO THE ECONOMIC DEVELOPMENT
LOAN/GRANT POLICY**

**CITY OF COVINA
ECONOMIC DEVELOPMENT LOAN/GRANT POLICY**

name, job title, hours worked per week, and hourly rate, for qualifying employees. The Quarterly Report will be filed each quarter for the one year under the loan/grant.

J. Displacement

When activities funded through CDBG cause displacement of residents and/or businesses, Federal displacement regulations apply.

VII. GEOGRAPHIC LOCATION/TARGET AREAS

Economic development loans/grants will be limited geographically to the City of Covina.

VIII. TYPE OF PROJECT

Funding priority will be recommended for projects that meet the overall design scope and criteria for the location, create jobs for low- to moderate-income persons, expand economic opportunities and generate sales tax. The following project types will be considered for economic development project funding:

- A. New Retail/Commercial**
 - 1) Appliance
 - 2) Vehicle
 - 3) Furniture
 - 4) Clothing and shoes
 - 5) Electronic/computer
 - 6) Kitchen equipment
 - 7) Gift stores
 - 8) Health and Sporting Goods stores
 - 9) Book and Entertainment stores
 - 10) Musical Instruments and sound equipment stores
 - 11) Upscale grocery and import stores
 - 12) Boutique Day Spa
- B. Quality food establishments**
 - 1) Dinner houses/restaurants
 - 2) Upscale fast food
- C. Art gallery and supplies**
- D. Entertainment-related activities**
 - 1) Movie theaters
 - 2) Concert venues
 - 3) Theatre
- E. High-tech industrial uses**
 - 1) Aerospace-related
 - 2) Computer
 - 3) Bio-Tech
- F. Medical and Dental uses**
 - 1) Professional offices
 - a. Physicians
 - b. Dentists
 - 2) Full Service Medical Hospitals

**CITY OF COVINA
ECONOMIC DEVELOPMENT LOAN/GRANT POLICY**

- 3) Medical clinics
- 4) Veterinarian hospitals
- 5) State licensed physical therapist rehabilitation centers

IX. LEVELS OF AUTHORITY

A. City Council

The City Council will provide general parameters of loan and project eligibility, degree of risk that is acceptable, pricing of services granted, and general oversight of the application portfolio. The City Council will approve all recommendations and/or revisions to this policy.

B. Loan Committee

The loan committee will be comprised of the Finance Manager and the Community Development Director or their designees. The City Manager will have final review of Loan Committee recommendations, prior to submittal to City Council. The Committee will approve or decline applications submitted by Administrator on behalf of the business entity with regard to new loan/grants, payment deferrals, substitution or release of collateral, waiver or release of covenants/amendments to loan documents. The Committee will also approve or decline any exceptions to the general loan policy, and make any recommendations for changes in policy to the City Council.

C. Program Administrator

The Program Administrator will market, solicit, review, and process potential borrowers' applications for credit. Will decline or refer out to some other agency any applicant who clearly does not qualify under eligibility standards as set forth by the City Council. The Administrator will recommend new credit, payment deferrals, release or substitution of collateral, waivers/amendments to loan covenants and exceptions to loan policy to the Loan Committee.

X. FUNDING LEVELS

Funding assistance of \$25,000 to \$100,000 per project will be awarded.

XI. FUNDING AVAILABILITY

The Economic Development Program is funded on a fiscal year basis. City of Covina fiscal year begins on July 1 and ends on June 30 of the following year. Limited funds are available in each fiscal year when the program is funded.

The purpose of the economic development assistance is to help for-profit businesses to meet a financing gap and to become independent, self-sustaining and successful. Funding preference will be given to first-time applicants. After the initial approval and granting of funds, a period of ten years shall elapse between the date of the CDBG Economic Development award and any subsequent application for consideration of CDBG economic development financial award which is deemed necessary for the economic health and/or expansion of the business, when the participating business receives the full amount of funding under this Policy.

**CITY OF COVINA
ECONOMIC DEVELOPMENT LOAN/GRANT POLICY**

In cases where a business did not initially receive the full amount of funding available under this Policy, a five year interim period is established between the initial granting of funds and a new application. The new application may be processed, up to the aggregate full amount available under the Policy, for qualifying businesses. The interim period shall apply to:

1. ~~The business owned at the time of the first application, whether the owner is the original owner or a subsequent owner.~~
2. ~~Any additional business in which the owner/partner/member/officer of the original business has a proprietary and/or financial interest.~~

In cases where a business received a loan/grant, meets the program requirements and is subsequently sold, an interim period of five years is established between the time of the original award and a new application, if the new owner wishes to apply for assistance.

Any business receiving a City of Covina Economic Development Loan/Grant shall disclose the information and details of the loan/grant upon sale or transfer of the business to any subsequent owner.

Exceptions to the five and ten-year interim periods would include cases of involuntary relocation through no fault of the business, or other emergencies.

XII. APPLICATION PERIOD

A. Submittal

Applications will be accepted on a continuous basis.

B. Processing

Applications will be processed when funds are available.

XIII. APPLICATION PROCEDURE

All grants and loans are subject to analysis to determine risk. Loans/grants will be awarded only to projects, which demonstrate that the service provided is commensurate with the risks incurred. In return for the public moneys provided, the businesses will generate increased investment, jobs, business activity, and thus increased tax revenues.

Loans funded through this program are business loans, not consumer loans.

A. General Credit Criteria

The business loan/grant applications will be analyzed for the following criteria, based on criteria specified by the U.S. Department of Housing and Urban Development, Office of Community Planning and Development, and by the Small Business Administration

- 1) Ability to repay in case of default or termination of business.
- 2) Balance Sheet Analysis

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: October 4, 2011

ITEM NO.: CC 5

STAFF SOURCE: Daryl Parrish, City Manager *DP*

ITEM TITLE: Renewal of the Professional Services Agreement between the City of Covina and David Turch and Associates to provide Federal Advocacy Services

STAFF RECOMMENDATION

Approve the Professional Services Agreement between the City of Covina and David Turch and Associates to provide Federal Advocacy Services.

FISCAL IMPACT

The annual cost for this service is \$4000 per month or \$48,000 per fiscal year. If approved this agreement would be funded from Account # 1010-0300-00-51005.

BACKGROUND

Recently and for the most part because of the sagging economy local governments including cities and counties have been strapped for funds. At the same time the State of California has been experiencing acute financial problems as has been demonstrated by its raid on local funds, its delaying of funding for important transportation related projects and its suspension of grant funds and programs for the benefit of parks, recreation and open space. Also with the possible elimination of Redevelopment, or the proposed raid on Redevelopment as designated by the Alternative Voluntary Redevelopment Program being considered, local governments face the possibility of losing one of the few remaining tools and the associated funding available to perform meaningful economic development in communities and to eradicate blight and create and preserve jobs. While it is more difficult to justify the expenditure of funds, especially general funds, under the present economic circumstances, when the expenditure of such funds can be a demonstrated investment and can be leveraged in such a way where for each dollar spent many dollars are returned to the community then the said expenditure does indeed make sense. Also it can be said that to achieve funding that is to be returned to the community during times such as these becomes even more critical. Attached to this report as Exhibit D is a list of 12 projects the City of Covina prepared for our Federal Advocate to be entered into the appropriations process for Federal Fiscal Year 2010. From those 12 projects Covina at that time received an appropriation for \$375,000 for the Library Seismic Retrofit Project. Unfortunately due to deliberations in Congress with regards to the "appropriateness" of the appropriations process (also known as "earmarks") as it relates to the use of taxpayer dollars Congress decided to suspend all appropriations awards throughout the United States including Covina's award for the Library Seismic Retrofit Project.

My experience has taught that in order to effectively compete for Federal funds under either of these programs, which can be substantial, you must have competent and aggressive representation “on the ground” in Washington D.C. One thing for certain is that agencies who do not have effective representation on the Federal Funding front will receive zero or nominal amounts of Federal funding. With the current suspension of the appropriations process it is important to have a Federal Advocate that provides us with information and guidance regarding where Federal Grant funds and other Federal funds may be available and to provide us access to many of the Federal Departments and other resources that can be contacted to make Covina more competitive in receiving Federal funds for important projects and programs.

David Turch and Associates has longstanding experience in working with Members of Congress from both political parties in the House and the Senate and particularly with those members on the Appropriations Committees. Turch has established a track record for securing funding under various different pieces of federal legislation over the years including SAFETEA-LU, TEA21, and ISTEA and they have delivered on funding requests that benefit its local agency clients from the various Federal Agencies including Transportation, Flood Control/Water Regulatory, Economic Development, Justice\Homeland Security, Defense and others. Examples of the types of projects that Turch has assisted its clients in securing Federal funding for include funding for the construction of Freeway Interchanges and HOV lanes, funding for an electric shuttle bus, funding for perchlorate remediation and wellhead treatment for potable water systems, storm drain systems, watershed improvement projects, mobile recreation programs, senior center and teen center funding, gymnasium construction, law enforcement technology upgrades, radio and communications systems upgrades, etc.

David Turch and Associates serves many cities in the Southern California area including Glendale, Beaumont, Colton, Palmdale, Burbank, Chino, Montclair, Rialto, Temecula, Norco, Ontario, Redondo Beach, La Canada Flintridge, Lawndale, Banning and agencies such as Metrolink, The Riverside Transit Agency, The San Bernardino Association of Governments, The Riverside County Transportation Commission, The LA Metropolitan Transportation Authority and the Ventura County Transportation Commission. The suggested initial term for this agreement is from October 1, 2009 through June 30, 2011 or a period of twenty months.

EXHIBITS

Exhibit A: Professional Services Agreement to Provide Federal Advocacy Services between the City of Covina and David Turch and Associates

Exhibit B: Proposal to Provide Federal Advocacy Services for the City of Covina California submitted by David Turch and Associates

Exhibit C: Letter from David Turch and Associates

Exhibit D: Legislative Year 2010 Program Appropriations Goals

**CITY OF COVINA
PROFESSIONAL SERVICES AGREEMENT**

1. PARTIES AND DATE.

This Agreement is made and entered into this 4th day of October 2011 by and between the City of Covina, a municipal corporation organized under the laws of the State of California with its principal place of business at 125 East College Street, Covina, California 91723 (“City”) and DAVID TURCH AND ASSOCIATES, a sole proprietorship with its principal place of business at 517 2nd Street, Northeast, Washington, D.C. (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it has demonstrated competence and experience in providing government relations services to public clients, is licensed in the State of California, and is familiar with the plans of the City.

2.2 Project

City desires to engage Consultant to render such services for the Federal Advocacy Services project (“Project”) as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional government relations services necessary for the Project (“Services”). All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules, and regulations.

3.1.2 Term. The term of this Agreement shall be from October 1, 2011 to June 30, 2012, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Services.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of City.

3.2.3 Substitution of Key Personnel. Consultant has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Consultant cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the City. The key personnel for performance of this Agreement are as follows: DAVID TURCH.

3.2.4 City's Representative. The City hereby designates Daryl Parrish, City Manager, or his designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.5 Consultant's Representative. Consultant hereby DAVID TURCH, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.6 Coordination of Services. Consultant agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.7 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City Business License, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.8 Laws and Regulations; Employee/Labor Certifications. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold City, its officials, directors, officers, employees, and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.9 Insurance.

3.2.9.1 Time for Compliance. Consultant shall not commence Work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the City that the subconsultant has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Agreement for cause.

3.2.9.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subconsultants. Consultant shall also require all of its subconsultants to procure and maintain the same insurance

for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$2,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

3.2.9.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

(A) General Liability. The general liability policy shall include or be endorsed (amended) to state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insured with respect to the Work or operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(B) Automobile Liability. The automobile liability policy shall include or be endorsed (amended) to state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents, and volunteers.

3.2.9.4 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents, and volunteers.

3.2.9.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Consultant shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its directors, officials, officers, employees, agents, and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

3.2.9.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the City.

3.2.9.7 Verification of Coverage. Consultant shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the City if requested. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.10 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subconsultants, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or

injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.11 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed four thousand dollars (\$4,000.00) without written approval of City. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from City's Representative.

3.3.5 Reserved.

3.4 Termination of Agreement.

3.4.1 Grounds for Termination. City may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to City, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.4.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.4.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5 Ownership of Materials and Confidentiality.

3.5.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement (“Documents & Data”). All Documents & Data shall be and remain the property of City, and shall not be used in whole or in substantial part by Consultant on other projects without the City's express written permission. Within thirty (30) days following the completion, suspension, abandonment or termination of this Agreement, Consultant shall provide to City reproducible copies of all Documents & Data, in a form and amount required by City. City reserves the right to select the method of document reproduction and to establish where the reproduction will be accomplished. The reproduction expense shall be borne by City at the actual cost of duplication. In the event of a dispute regarding the amount of compensation to which the Consultant is entitled under the termination provisions of this Agreement, Consultant shall provide all Documents & Data to City upon payment of the undisputed amount. Consultant shall have no right to retain or fail to provide to City any such documents pending resolution of the dispute. In addition, Consultant shall retain copies of all Documents & Data on file for a minimum of fifteen (15) years following completion of the Project, and shall make copies available to City upon the payment of actual reasonable duplication costs. Before destroying the Documents & Data following this retention period, Consultant shall make a reasonable effort to notify City and provide City with the opportunity to obtain the documents.

3.5.2 Subconsultants. Consultant shall require all subconsultants to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or its subconsultants, or those provided to Consultant by the City.

3.5.3 Right to Use. City shall not be limited in any way in its use or reuse of the Documents and Data or any part of them at any time for purposes of this Project or another project, provided that any such use not within the purposes intended by this Agreement or on a

project other than this Project without employing the services of Consultant shall be at City's sole risk. If City uses or reuses the Documents & Data on any project other than this Project, it shall remove the Consultant's seal from the Documents & Data and indemnify and hold harmless Consultant and its officers, directors, agents and employees from claims arising out of the negligent use or re-use of the Documents & Data on such other project. Consultant shall be responsible and liable for its Documents & Data, pursuant to the terms of this Agreement, only with respect to the condition of the Documents & Data at the time they are provided to the City upon completion, suspension, abandonment or termination. Consultant shall not be responsible or liable for any revisions to the Documents & Data made by any party other than Consultant, a party for whom the Consultant is legally responsible or liable, or anyone approved by the Consultant.

3.5.4 Indemnification. Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by City of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.5.5 Confidentiality. All Documents & Data, either created by or provided to Consultant in connection with the performance of this Agreement, shall be held confidential by Consultant. All Documents & Data shall not, without the prior written consent of City, be used or reproduced by Consultant for any purposes other than the performance of the Services. Consultant shall not disclose, cause or facilitate the disclosure of the Documents & Data to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant that is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

3.6 General Provisions.

3.6.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant:

David Turch and Associates
517 2nd Street, Northeast
Washington, D.C., 20002
Phone: (202) 543-3744
Fax: (202) 543-3509
Attn: Chief Operating Officer

City:

City of Covina
125 E. College St.
Covina, CA 91723
Phone (626) 384-5410
Fax: (626) 384-5420
Attn: Daryl Parrish, City Manager

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.6.2 Indemnification.

3.6.2.1 Scope of Indemnity. To the fullest extent permitted by law, Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

3.6.2.2 Additional Indemnity Obligations. Consultant shall defend, with Counsel of City's choosing and at Consultant's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 3.5.6.1 that may be brought or instituted against City or its directors, officials, officers, employees, volunteers and agents. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against City or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse City for the cost of any settlement paid by City or its directors, officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Consultant shall reimburse City and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials officers, employees, agents, or volunteers.

3.6.3 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in San Bernardino County. In addition to any and all contract requirements pertaining to notices of and requests for

compensation or payment for extra work, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against the City.

3.6.4 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.6.5 City's Right to Employ Other Consultants. City reserves right to employ other consultants in connection with this Project.

3.6.6 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.6.7 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.6.8 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.6.9 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.6.10 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.6.11 No Third Party Beneficiaries. Except to the extent expressly provided for in Section 3.6.7, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.6.12 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.6.13 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subconsultants to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.6.14 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.6.15 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.6.16 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.6.17 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6.18 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

[SIGNATURES ON NEXT PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF COVINA
AND DAVID TURCH AND ASSOCIATES**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the _____ day of October, 2011.

CITY OF COVINA

By: _____
Daryl Parrish
City Manager

Attest: _____
Kay Manning
City Clerk

**DAVID TURCH AND ASSOCIATES
a Sole Proprietorship**

By: _____
Signature

Name (Print)

Title (Print)

By: _____
Signature

Name (Print)

Title (Print)

EXHIBIT "B"

Proposal from David Turch and Associates

To be distributed on the dais

EXHIBIT "C"

LETTER FROM DAVID TURCH AND ASSOCIATES

David Turch and Associates

June 30, 2011

Mr. Daryl Parrish
City of Covina
125 East College Street
Covina, California 91723-2199

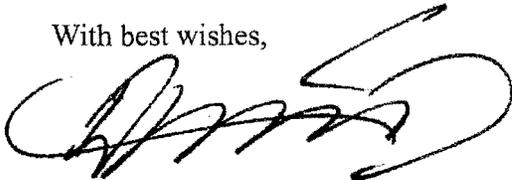
Dear Daryl,

As a follow-up to our conversation when I was in California, we would like to renew our federal advocacy contract with the City of Covina which expires on June 30, 2011.

It has been a pleasure to work with the City over the past several years. We look forward to a continued successful relationship.

Please advise how we should proceed and feel free to contact me if you have any questions or need additional information.

With best wishes,

A handwritten signature in black ink, appearing to read 'David Turch', with a large, stylized flourish at the end.

David N. M. Turch

EXHIBIT "D"

LEGISLATIVE YEAR 2010 PROGRAM APPROPRIATION GOALS

**City of Covina
Legislative Year 2010 Program
Appropriation Goals**

Subject to City Council adoption of the following appropriations goals, the City Council and staff in conjunction with our Federal Advocates shall pursue these Federal funding priorities.

CAD/RMS System

The Covina Police Department's **Computer Aided Dispatch and Records Management System** is antiquated and lacks interoperability, rendering it a closed and isolated system. With no significant upgrades since 1997 and a limited number of staffed police dispatchers and records clerks, the police department and its citizens would benefit from a newer system that supports regional interfacing and data sharing. The newer Computer Aided Dispatch and Records Management System will improve overall efficiency providing an open platform and the ability to interface with on-line crime reporting. Finally, the upgrade will allow for timely and accurate crime analysis required to place patrol officers in the geographical areas that represent the highest probability of criminal activity. The total cost of the system is approximately \$1,000,000.

Community Resource Vehicle (Emergency Operations Center EOC Back-up)

The Covina Police Department has experienced a need to respond quickly and efficiently to critical incidents and natural disasters. A **Community Resource Vehicle** would offer the citizens of Covina a mobile and practical solution to such calamities. The vehicle would also include the ability to operate as a mobile Emergency Operations Center, equipped with effective communication systems between fire and police on a regional level. The total cost of the vehicle is approximately \$500,000.

Optical Imaging System

An **Optical Disk Imaging System** provides more efficient storage and retrieval of information. Documents are scanned into the computer system and then stored on optical disk. This process eliminates the need to maintain a large volume of original records that take up storage space. Our current

system has had two upgrades, one in 1993 and the second in 1995 and by today' standards would be considered "Old Technology". The software is not expeditious and the hardware is outdated. Replacement parts are more expensive since the hardware is outdated. The purchase of new equipment will bring us into current technology. A newer system can be designed to work with an existing and/or improved Records Management System. It is also possible that a new system will interface with patrol car computers, evidence software, and on-line reporting. New equipment can also improve storage and retrieval at the City Clerks Office. The total cost of the system is approximately \$350,000.

Police Department Technology and Tactical Equipment Enhancements

The Covina Police Department is an active member of Area D, a mutual aid group comprised of several local law enforcement agencies. Our Special Response Team trains monthly for many different scenarios in the event of a regional mutual aid activation. It is critical that they have the tactical tools and equipment necessary to handle the types of crimes many agencies are encountering. Tactical equipment such as M-4 rifles, tactical entry ballistic vests, tactical ballistic helmets, hostage negotiation equipment, night vision goggles, and covert camera equipment would greatly enhance these types of operations. The estimated cost of this tactical equipment is approximately \$250,000.

Emergency Generators for City Emergency Operations Center (EOC), Corporate Yard Fueling Stations and Sewer Lift Stations

For the purchase and installation of emergency generators at the Covina Police Station that meets current air quality management district regulations, at the City Corporate Yard which operates as the city's back-up emergency operations center (EOC) and houses fueling stations, emergency response equipment and fabrication shops and to also purchase units that would provide emergency electrical power to water pumping stations and sewer lift stations. The level of funding needed to acquire and install these needed sources of emergency power generation is \$800,000.

Citrus Avenue Gateway Renovation Project

Renovation of the Citrus Avenue corridor from the southerly city limit to Badillo Street to include the rehabilitation of the existing roadway,

installation of decorative median islands, pedestrian enhancements and streetscape. The necessary level of funding for this important downtown renovation project is \$800,000.

Intermodal Facilities Improvements

Funding to design and construct LEED Certified restroom facilities for the City's existing Intermodal Facility (the Metrolink Commuter Rail Station). The estimated cost to construct environmentally compliant restroom facilities at this heavily used facility is approximately \$400,000.

Kahler Russell Park Community/Interpretive Center Project

The Creation of an interpretative/sports center will provide space for historical and ecological displays, educational signage and interpretive nature exhibits. The importance of water and water savings will be on display throughout the center. The community will also be equipped with a gymnasium that can be used for leisure lifestyle classes, educational classes, educational classes, group workshops, indoor sports and special events. The city has an available local match for this project in the amount of \$877,000 from various grant awards. The level of Federal funding need to move this important project forward is approximately \$950,000.

Historic Downtown Building Structural Integrity Project

To assist property owners in Covina with the cost of engineering reports and assessments needed prior to being able to perform a seismic retrofit of their buildings.

Library Seismic Retrofit Project

The Covina Public Library is a vibrant resource for the community. The library provides a place for residents to obtain access to books, reference materials and the internet. It is also a place where stories are told, songs are sung and musical instruments are played and authors and painters proudly present their masterpieces to our citizens. The Covina Public Library built in 1962 would be well served by being retrofitted to bring the building more into compliance with current building codes and to make it better withstand any potential seismic activity. The estimated cost of this project is \$500,000. The Library facility could also benefit from an add-on to create

additional space to accommodate the expanded use that has occurred as the community has grown over the years. Any additional space would be used to accommodate existing Library programming.

Library Resources

The City of Covina is proud to have and operate a viable public library for the citizens of the community and residents of the surrounding unincorporated areas of Covina. Because of recent budgetary constraints and economic trends library books and other library resources have been not been replaced or augmented at the levels desired. The City is in great need of the financial resources to replace books and library resources on an annual basis.

Historic Document Preservation & Conversion to Electronic Media

The city has several historic books and documents that range from 40 to in excess of 100 years old. These paper and ink documents are subject to deterioration due to climatic conditions from which they need to be protected. This project includes a request for capital improvement funds to provide a space in which to protect such documents and alter climatic conditions so they are protected and preserved for future generations. Furthermore the project includes the acquisition of an electronic data conversion system capable of converting older historic documents into a modern digital format.

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: October 4, 2011

ITEM NO.: CC 6

STAFF SOURCE: Daryl Parrish, City Manager *DP*

ITEM TITLE: Renewal of the Professional Services Agreement between the City of Covina and Rice, Englander and Associates to provide State of California Advocacy Services

STAFF RECOMMENDATION

Approve the Professional Services Agreement between the City of Covina and Rice, Englander and Associates to provide State of California Advocacy Services.

FISCAL IMPACT

The annual cost for this service is \$3000 per month or \$36,000 per fiscal year. If approved this agreement would be funded from Account # 1010-0300-00-51005.

BACKGROUND

The State of California has been experiencing acute financial and budgetary problems at least since the onset of the “great recession” and during other recent economic down cycles as well as has been demonstrated by its numerous raids on and shifts of local funds, its delaying of funding for important transportation related projects and its suspension of grant funds and programs for the benefit of parks, recreation and open space. Also the proposed elimination of Redevelopment, or the proposed raid on Redevelopment as designated by the “Alternative Voluntary Redevelopment Program” being considered, is a product of the State of California budget and legislative process and local governments face the possibility of losing one of the few remaining tools and the associated funding available to perform meaningful economic development in communities and to eradicate blight and create and preserve jobs as a result of it. This is why it is important to have an advocate for the City of Covina “on the ground” in Sacramento to provide the City with up to date information with regards to legislation that potentially affects the city either positively or negatively and provides us with the intelligence necessary to actively engage in the process and drive legislation to the best of our ability to achieve the best possible results for the City of Covina. A State Advocate such as Rice, Englander and Associates could also assist with the drafting and presenting of new legislation that could potentially benefit the City of Covina should that need arise.

The City of Covina hired Rice, Englander and Associates and has worked closely with one of its principals, Tony Rice early this calendar year under the City Manager’s Authority to represent us during this particularly challenging budget year for the State of California. During this time we have been provided with regular periodic updates on the many bills going through the legislative process that either affect local governments and/or the City of Covina, we have been prepped for

**CITY OF COVINA
PROFESSIONAL SERVICES AGREEMENT**

1. PARTIES AND DATE.

This Agreement is made and entered into this 4th day of October, 2011 by and between the City of Covina, a municipal corporation organized under the laws of the State of California with its principal place of business at 125 East College Street, Covina, California 91723 (“City”) and Rice/Englander Knabe & Allen, a partnership with its principal place of business at 801 S. Figueroa St., Suite 1050, Los Angeles, CA 90017 (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing information to City staff and City Council regarding activities occurring at the State Capital as they relate to the City of Covina, is licensed in the State of California, and is familiar with the plans of City.

2.2 Project

City desires to engage Consultant to render such services for the Information on State Activities as they Relate to the City of Covina project (“Project”) as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional consulting services necessary for the Project (“Services”). The Services are more particularly described in Exhibit “A” attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules, and regulations.

3.1.2 Term. The term of this Agreement shall be from October 4, 2011 to October 31, 2012, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Services.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, City shall respond to Consultant's submittals in a timely manner. Upon request of City, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of City.

3.2.4 Substitution of Key Personnel. Consultant has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Consultant cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the City. The key personnel for performance of this Agreement are as follows: TONY RICE.

3.2.5 City's Representative. The City hereby designates Daryl Parrish, City Manager or his designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates TONY RICE, or his designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City Business License, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Period of Performance and Liquidated Damages. Consultant shall perform and complete all Services under this Agreement within the term set forth in Section 3.1.2 above ("Performance Time"). Consultant shall also perform the Services in strict accordance with any completion schedule or Project milestones described in Exhibits "A" or "B" attached hereto, or which may be separately agreed upon in writing by the City and Consultant ("Performance Milestones"). Consultant agrees that if the Services are not completed within the aforementioned Performance Time and/or pursuant to any such Project Milestones developed pursuant to provisions of this Agreement, it is understood, acknowledged and agreed that the City will suffer damage

3.2.10 Laws and Regulations; Employee/Labor Certifications. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without

giving written notice to the City, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold City, its officials, directors, officers, employees, and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10.1 Employment Eligibility; Consultant. By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Consultant. Consultant also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement. Consultant shall avoid any violation of any such law during the term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Consultant shall maintain records of each such verification, and shall make them available to the City or its representatives for inspection and copy at any time during normal business hours. The City shall not be responsible for any costs or expenses related to Consultant's compliance with the requirements provided for in Section 3.2.10 or any of its sub-sections.

3.2.10.2 Employment Eligibility; Subcontractors, Consultants, Sub-subcontractors and Subconsultants. To the same extent and under the same conditions as Consultant, Consultant shall require all of its subcontractors, consultants, sub-subcontractors and subconsultants performing any work relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 3.2.10.1.

3.2.10.3 Employment Eligibility; Failure to Comply. Each person executing this Agreement on behalf of Consultant verifies that they are a duly authorized officer of Consultant, and understands that any of the following shall be grounds for the City to terminate the Agreement for cause: (1) failure of Consultant or its subcontractors, consultants, sub-subcontractors or subconsultants to meet any of the requirements provided for in Sections 3.2.10.1 or 3.2.10.2; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Consultant under Section 3.2.10.2); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

3.2.10.4 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.2.10.5 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.2.11 Insurance.

3.2.11.1 Time for Compliance. Consultant shall not commence Work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the City that the subconsultant has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Agreement for cause.

3.2.11.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subconsultants. Consultant shall also require all of its subconsultants to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$2,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

3.2.11.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their

profession. Such insurance shall be in an amount not less than \$1,000,000 per claim, and shall be endorsed to include contractual liability.

3.2.11.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

(A) General Liability. The general liability policy shall include or be endorsed (amended) to state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insured with respect to the Work or operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(B) Automobile Liability. The automobile liability policy shall include or be endorsed (amended) to state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents, and volunteers.

3.2.11.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents, and volunteers.

3.2.11.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Consultant shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its directors, officials, officers, employees, agents, and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

3.2.11.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the City.

3.2.11.8 Verification of Coverage. Consultant shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the City if requested. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.11.9 Reporting of Claims. Consultant shall report to the City, in addition to Consultant's insurer, any and all insurance claims submitted by Consultant in connection with the Services under this Agreement.

3.2.12 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subconsultants, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.13 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed three thousand dollar (\$3,000.00) without written approval of City Manager. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from City's Representative.

3.4 Termination of Agreement.

3.4.1 Grounds for Termination. City may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to City, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.4.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.4.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5 Ownership of Materials and Confidentiality.

3.5.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement (“Documents & Data”). All Documents & Data shall be and remain the property of City, and shall not be used in whole or in substantial part by Consultant on other projects without the City’s express written permission. Within thirty (30) days following the completion, suspension, abandonment or termination of this Agreement, Consultant shall provide to City reproducible copies of all Documents & Data, in a form and amount required by City. City reserves the right to select the method of document reproduction and to establish where the reproduction will be accomplished. The reproduction expense shall be borne by City at the actual cost of duplication. In the event of a dispute regarding the amount of compensation to which the Consultant is entitled under the termination provisions of this Agreement, Consultant shall provide all Documents & Data to City upon payment of the undisputed amount. Consultant shall have no right to retain or fail to provide to City any such documents pending resolution of the dispute. In addition, Consultant shall retain copies of all Documents & Data on file for a minimum of fifteen (15) years following completion of the Project, and shall make copies available to City upon the payment of actual reasonable duplication costs. Before destroying the Documents & Data following this retention period, Consultant shall make a reasonable effort to notify City and provide City with the opportunity to obtain the documents.

3.5.2 Subconsultants. Consultant shall require all subconsultants to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or its subconsultants, or those provided to Consultant by the City.

3.5.3 Right to Use. City shall not be limited in any way in its use or reuse of the Documents and Data or any part of them at any time for purposes of this Project or another project, provided that any such use not within the purposes intended by this Agreement or on a project other than this Project without employing the services of Consultant shall be at City’s sole risk. If City uses or reuses the Documents & Data on any project other than this Project, it shall remove the Consultant’s seal from the Documents & Data and indemnify and hold harmless Consultant and its officers, directors, agents and employees from claims arising out of the negligent use or re-use of the Documents & Data on such other project. Consultant shall be responsible and liable for its Documents & Data, pursuant to the terms of this Agreement, only with respect to the condition of the Documents & Data at the time they are provided to the City upon completion, suspension, abandonment or termination. Consultant shall not be responsible or liable for any revisions to the Documents & Data made by any party other than Consultant, a

party for whom the Consultant is legally responsible or liable, or anyone approved by the Consultant.

3.5.4 Indemnification. Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by City of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.5.5 Confidentiality. All Documents & Data, either created by or provided to Consultant in connection with the performance of this Agreement, shall be held confidential by Consultant. All Documents & Data shall not, without the prior written consent of City, be used or reproduced by Consultant for any purposes other than the performance of the Services. Consultant shall not disclose, cause or facilitate the disclosure of the Documents & Data to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant that is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

3.6 General Provisions.

3.6.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant:

Tony Rice
Englander/Rice Knabe & Allen
801 S. Figueroa St., Suite 1050
Los Angeles, CA 90017

City:

City of Covina
125 E. College St.
Covina, CA 91723
Attn: Daryl Parrish, City Manager

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.6.2 Indemnification.

3.6.2.1 Scope of Indemnity. To the fullest extent permitted by law, Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

3.6.2.2 Additional Indemnity Obligations. Consultant shall defend, with Counsel of City's choosing and at Consultant's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 3.5.6.1 that may be brought or instituted against City or its directors, officials, officers, employees, volunteers and agents. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against City or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse City for the cost of any settlement paid by City or its directors, officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Consultant shall reimburse City and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials officers, employees, agents, or volunteers.

3.6.3 Governing Law: Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in San Bernardino County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against the City.

3.6.4 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.6.5 City's Right to Employ Other Consultants. City reserves right to employ other consultants in connection with this Project.

3.6.6 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.6.7 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.6.8 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.6.9 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.6.10 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.6.11 No Third Party Beneficiaries. Except to the extent expressly provided for in Section 3.6.7, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.6.12 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.6.13 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subconsultants to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, City shall have the right to rescind this

Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.6.14 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.6.15 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.6.16 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.6.17 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6.18 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

[SIGNATURES ON NEXT PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF COVINA
AND ENGLANDER/RICE KNABE & ALLEN**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the 4th day of October, 2011.

CITY OF COVINA

By: _____
Daryl Parrish
City Manager

Attest: _____
Kay Manning
City Clerk

**ENGLANDER/RICE KNABE & ALLEN
a PARTNERSHIP**

By: _____
Signature

Name (Print)

Title (Print)

By: _____
Signature

Name (Print)

Title (Print)

EXHIBIT "B"

**See Attached Email
Communication**

Daryl Parrish

From: Daryl Parrish
Sent: Tuesday, September 27, 2011 6:27 PM
To: Daryl Parrish
Subject: FW: Update

Exhibit B

-----Original Message-----

From: Tony Rice [mailto:tony@riceenglander.com]
Sent: Wednesday, September 07, 2011 9:16 PM
To: Daryl Parrish
Subject: Update

Overview

Both the Senate and the Assembly wrapped up their day's business before 6 p.m. Both Houses are expected to go very late tomorrow.

Today also saw a more formal gamesmanship between the two Houses as both sides were upset with the other for holding bills considered of importance to each side. That was one reason for the earlier than expected evening today, as work was accomplished and better to adjourn and come back tomorrow to begin anew. Several big ticket items were considered today, but significant actions are still yet to occur before the most controversial measures are moved out of the Legislature.

AEG Stadium Bill

This measure passed the Assembly today, and is expected to be well received by the Senate before the conclusion of the Session.

New Twist In Amazon Bill...from afternoon, online LA Times:

Amazon cuts a deal with legislative leaders

Amazon has cut a deal with top legislative leaders to avoid a ballot battle over the state's insistence that the online retailer collect state sales tax on purchases by Californians.

Amazon would delay collecting taxes until September 2012, according to multiple sources directly involved in the matter. A new state law mandated that it gather the fees starting this past July. Instead, Amazon has poured \$5 million into collecting signatures for a referendum challenging the law.

Under the deal, Amazon's referendum would never make it to the ballot. It would clear the way for a special legislative maneuver to make the sales tax law impervious to challenges at the polls. If Congress acts by next summer to settle the contentious issue of how online retailers should be taxed, that decision would override Amazon's deal with California.

The sources declined to be identified because the deal has not been made public. Notably, there is no word yet from Gov. Jerry Brown, who last week rejected an olive branch from Amazon that included the offer of opening two distribution centers in the state in exchange for being allowed to start collecting the tax in 2014.

"I'm concerned about anything that would reduce revenues going forward because we're in a very uncertain economy," the governor said last week. "We need more revenues unless we're going to keep curbing schools, courts, corrections."

However, Senate Democrats and Republicans have signed off on the deal, as well as the Assembly's Democrats, the sources said.

LA RICS Bill

AB 946 (Butler/Lowenthal), the bill to help LA RICS and that passed off the Senate Floor yesterday on a 40-0 vote will be heard in the Assembly Local Government Committee tomorrow before it can be considered by the full Assembly.

AB 710 (Skinner)

This is the measure that would impose parking requirements on local governments in transit intensive areas. Local governments were successful in killing this bill last week. The primary beneficiaries of the bill (infill developers) have been working legislators hard to try and garner enough votes for passage, but thus far, the measure has continued to be bottled up.

AB 438 (Williams)

This is the measure that would limit local government's ability to contract out for library services. This bill has gone through numerous amendments and iterations. Amendments taken on September 2 carved out additional protections for libraries run by a non-profit, and from what we hear, intended to gain the support of one Senator in particular. We will know shortly if the author believes he has the votes...

AB 1220 (Alejo)

This bill was amended September 2 to reduce the length of time the bill proposes for causes of actions against a local government from 5 years to 3 years. While moving in a better direction from a local government's perspective, this is still far longer than is current law, and could cause significant delays for local governments.

The League Reports on a Major, Recent Gut and Amend....

Gut and Amend Would Prohibit Bans on Project Labor Agreements

It is – unfortunately – fairly common for legislation to be amended the last week of session in order to avoid the normal legislative process. And so is the case with SB 922, authored by Senate pro Tem Darrell Steinberg and Assembly Speaker John Pérez.

While SB 922 dealt with tuberculosis last week, this week it prohibits cities from instituting a ban on project labor agreements and bans state financial assistance for projects in charter cities that have such a ban.

This bill would set minimum standards for project labor agreements (PLAs) for public works projects and would prohibit public agencies from having a provision, initiative, or ordinance that prevents the governing body from considering a PLA on a project-by-project basis. For charter cities, SB 922 would withhold state funding for projects in charter cities that do not comply with the new standards.

PLAs are agreements that set the terms and conditions of employment. They have been used on public and private construction projects since the 1930s. Recently, they have become very controversial, particularly in public contracting. Opponents of PLAs claim that project costs increase with the use of the PLA, while proponents – typically labor unions –

argue that PLAs provide stability, efficiency, and productivity. Several cities have a PLA ban in place, or will be considering a ban in the future. Often, these charter amendments or ordinances are put before the voters for approval.

Regardless of your position on PLAs, SB 922 is a bad bill and should be opposed. This is one more example of state legislative interference in what should be a local issue.

Given that both Democratic leaders are authors of the bill, it is expected that Democrat legislators will support the bill. City officials concerned about this legislation should place phone calls to their legislators, and prepare to send veto request letters. A copy of the League's letter and sample letter is available on the League's website by typing "SB 922" in to the search box.

Redevelopment

We previously reported on the Legislature seeking some "technical clean-up" to the recently passed RDA elimination bills. While semi, kind sorta technical, there are some interesting components to the bills. The bills are getting bogged down, with several legislators thinking they had a deal and a green light on items only to have several legislators...of the same party....not be on the same page at all. The CRA issued a decent write-up on the bills this afternoon:

SENATE AND ASSEMBLY MOVE AB1X 26-27 CLEAN UP LEGISLATION; DEADLINE FRIDAY FOR ALL ACTION

The "clean up" legislative language regarding AB 1X 26-27 has been amended into AB 1X 25, AB 1X 31, SB 1X 8, and SB 1X 13. The Senate and Assembly budget committees are currently debating and voting on them. This afternoon (September 7), AB 1X 25 remains in Senate budget committee. SB 1X 13 and 8 have been moved to the Assembly Floor and AB 1X 31 is on the Senate Floor. The bills are expected to be moved to meet the Friday September 9 deadline for voting on all bills.

AB 1X 25 and SB 1X 8 as amended September 2 are identical. Their provisions include "technical, clarifying, and conforming changes" to AB 1X 26-27 as well as provisions that lessen the impact of these bills on redevelopment agencies and their cities and counties that have formed redevelopment agencies. AB 1X 31, as amended September 2, is a hardship "fix" for the City of Whittier in order to continue with the purchase and development of state surplus property. SB 1X 13, as amended September 2, provides a process for a city or county to apply for relief from the amount of the payment required by AB 1X 27, in order for their redevelopment agency to live. [Click here for a summary of these four bills.](#)

During the debate on the bills, the Department of Finance testified that it opposes any legislation related to pending litigation in the California Supreme Court. One senator questioned why they were "legislating on matters before the court."

The CRA Board of Directors agreed that CRA will not be supporting nor advancing any legislation that purports to "fix" a law that we and the League of California Cities believe is fundamentally flawed and have asked the California Supreme Court to overturn. The Board also agreed that CRA will oppose any legislation that will bring more harm to agencies and redevelopment.

OTHER LEGISLATIVE ACTION: SB 450 and AB 1275 The Legislature also included SB 450 (Lowenthal), which contains reforms to the use of housing funds, in the clean up package. SB 450 is on the Assembly Floor and could be called for a vote at any time. CRA supports SB 450 and worked with its proponents on the provisions in the bill.

SB 450 places limitations on Low- and Moderate-Income Housing Fund (LMIHF) planning and administration expenses and specifies what activities can be included. The bill's provisions include additional reporting requirements for redevelopment agencies related to its housing activities. SB 450 prohibits LMIHF expenditures for code enforcement, non-redevelopment related activities, and lobbying. The bill specifies that 75% of funds must directly assist housing for low-, very low-, or extremely low-income households and of that 75%, 25% must assist extremely low-income

households. It includes requirements for the timely development of agency-acquired property. The bill prohibits the transfer of excess surplus funds to the housing authority to avoid the sanctions associated with failure to spend excess surplus. It requires that all replacement units be provided through new construction except that an agency can provide substantially rehabilitated units on a

2-for-1 basis within a project area and a 3-for-1 basis outside the project area. Reporting requirements and penalties for noncompliance are also included in the bill.

As always, please feel free to contact us with any questions you may have.

COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY

MEETING DATE: October 4, 2011

ITEM NO.: CC 7

STAFF SOURCE: Dilu de Alwis, Finance Director
Steven Smith, Management Analyst

ITEM TITLE: Resolution Authorizing Budget Adjustments for Fiscal Year 2010-2011

STAFF RECOMMENDATION

Adopt **Resolution No. 11-693** authorizing budget adjustments for Fiscal Year 2010-2011.

FISCAL IMPACT

The fiscal impact to each fund is detailed in Exhibit A. There is sufficient fund balance in each fund to cover the adjustment.

BACKGROUND

Annually, the City adopts a budget including revenue and expenditures. The appropriation is amended by prior-year carryovers and changes authorized by the City Council during the fiscal year. The audit for the issuance of financial statements includes a budgetary comparison of revenues and expenditures for the City and the Agency. Particular attention is paid to accounts where there is a disparity between the original budget and actual activity recorded during the year. The proposed adjustments will balance actual activity with budgeted amounts and prevent an audit finding during the annual audit.

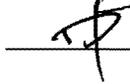
All related adjustments are required due to end-of-year accounting entries, in this instance, to recognize "Loss on Sale of Asset," related to the Agency's sale of land this year. These adjustments are not due to an overage in spending, however, a budget adjustment is still needed to bring the budget in line with recorded expenditures.

RELEVANCE TO STRATEGIC PLAN:

None.

EXHIBITS

- A) Schedule of budget adjustments
- B) Resolution No. 11-693

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

Fund #	Fund Description	Adjustment
2051	Low-Moderate Income Housing Fund - I	913,308
2053	Low-Moderate Income Housing - 2002 Bond	285,021
5011	Redevelopment Private 1	4,007,289
5021	Redevelopment Private 2	<u>241,406</u>
		5,447,024

RESOLUTION NO. 11-693

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
COVINA, CALIFORNIA, AUTHORIZING BUDGET
ADJUSTMENTS FOR FISCAL YEAR 2010-2011**

WHEREAS, on June 15, 2010, the Covina Redevelopment Agency of the City of Covina adopted Resolution No. 10-625, approving a spending plan and authorizing a budget appropriation of the Covina Redevelopment Agency; and

WHEREAS, certain programs included in the FY10-11 budget will have expenditures which vary from the adjusted budget; and

WHEREAS, the Covina Redevelopment Agency desires that the FY10-11 budget be adjusted for each of these programs to assure budgetary compliance; and

WHEREAS, the cost center adjustments are reported in Exhibit A of this resolution; and

NOW, THEREFORE, the Covina Redevelopment Agency of the City of Covina does hereby resolve that certain budget adjustments (listed in Exhibit A) in the Covina Redevelopment Agency Fiscal Year 2010-2011 Budget are adopted and the Redevelopment Director is authorized to implement the same.

PASSED, APPROVED AND ADOPTED this 4th day in October, 2011.

John C. King, Mayor

ATTEST:

Kay Manning
City Clerk

APPROVED AS TO FORM:

COVINA HOUSING AUTHORITY
AGENDA ITEM COMMENTARY

MEETING DATE: October 4, 2011

ITEM NO.: CC 8

STAFF SOURCE: Robert Neiuber, Deputy Executive Director *RN*
Nuala Gasser, Senior Redevelopment Manager *NG*

ITEM TITLE Covina Housing Authority Annual Report

STAFF RECOMMENDATION

Receive and file the Covina Housing Authority Annual Report

FISCAL IMPACT

None.

BACKGROUND

In Fiscal Year 2010-2011, the Covina Housing Authority was activated by the Covina City Council. City Resolution No. 11-6926, adopted January 25, 2011, declared that there is a need for a housing authority, declared that all members of the City Council shall be the Commissioners of the Housing Authority and designated the mayor as the Interim Chairman of the housing authority.

Health and Safety Code Sections 34328 and 34328.1 require all housing authorities to file an annual report by October 1st with the City Clerk and the State of California Department of Housing and Community Development. The report, which was filed with both offices, is attached as Exhibit A.

RELEVANCE TO THE STRATEGIC PLAN

None.

EXHIBITS

A. Covina Housing Authority Annual Report

REVIEW TEAM ONLY

City Attorney:  Finance Director: 

City Manager:  Other: _____

COVINA HOUSING AUTHORITY

ANNUAL REPORT

Health and Safety Code Sections 34328 and 34328.1 require all housing authorities to file an annual report by October 1st with the City Clerk and the Department of Housing and Community Development. The requirements of the report follow.

A. Activities for the Preceding Year

In FY 2010-2011, the Housing Authority was activated by the Covina City Council. City resolution No. 11-6926, adopted January 25, 2011, declared that there is a need for a housing authority, declared that all members of the City Council shall be the Commissioners of the Housing Authority and designated the mayor as the interim chairman of the housing authority.

On February 1, 2011, the Housing Authority adopted 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. The possible projects planned are as follows:

Projects (January 21, 2011-June 30, 2027)	Total Costs
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
Total	\$35,000,000

AB 1X 26 and AB 1X 27 will affect the Housing Authority's ability to carry out future programs.

In FY 10-11, the Housing Authority became the owner of record of the following two properties:

<u>APN</u>	<u>Description</u>	
8434-002-904	Residential Property, Covina	Property 1
8445-001-918	147-151 E. College Street, Covina	Property 2

Property 1 is an occupied residential property, occupied as transitional housing for homeless women with children; Property 2 is a commercial site with no occupants.

(1) Percentage Requirements

Not less than 20% of all units shall be available for occupancy on a priority basis to persons of low-income

Categories:

Rental Housing	100%
Homeownership Developments	N/A
Rehabilitation financing	N/A

Of the one housing unit owned by the Housing Authority, 100% is occupied by households whose gross income does not exceed the applicable limits as of January 1, 2011.

- | | |
|---|-----|
| (2) Units financed with Bonds | N/A |
| (3) Multifamily Units | N/A |
| (4) Recipients of Federal Rent Subsidies | N/A |
| (5) Increase in Income of Current Occupant | N/A |

B. Recommended Legislation

The Authority does not intend to propose any legislation at this time.

- | | |
|---------------------------------------|-----|
| C. Domestic Violence Reporting | N/A |
|---------------------------------------|-----|

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: October 4, 2011

ITEM NO.: CB 1

STAFF SOURCE: Steve Henley, Director of Public Works 
Kalieh Honish, Assistant Director of Public Works
Alex Gonzalez, Senior Management Analyst

ITEM TITLE: Introduction and Waiving of Further Reading of Ordinance No. 11-2002 Amending Title 10 of the Covina Municipal Code Pertaining to Vehicle and Traffic Regulations

STAFF RECOMMENDATION

Introduce and waive further reading of **Ordinance No. 11-2002** amending Title 10 of the Covina Municipal Code pertaining to vehicle and traffic regulations.

FISCAL IMPACT

The proposed Ordinance seeks to update and modernize the City's current vehicle and traffic regulations. The recommended action entails no fiscal impact.

BACKGROUND

Title 10 of the Covina Municipal Code, in general, establishes vehicular and traffic regulations within the city including, but not limited to, installation of official traffic control devices, assignment and regulation of parking public lot and street parking, development of loading zones, establishment of truck routes, city-specific traffic regulations, and valet parking. The vast majority of the City's regulations in this area date back to 1964; with the last major update of the overall regulations having occurred in 1979. While these regulations were sufficient at the time of their adoption, 30 years later they no longer adequately address the current-day issues related to vehicle and traffic regulation and the administration of the same.

To rectify the above-referenced situation and to bring the City's vehicle and traffic regulations up to current-day standards, staff has prepared Ordinance No. 11-2002, which is before you for consideration this evening. The proposed Ordinance updates and modernizes a variety of areas within the City's vehicle and traffic regulations. A few of the key points contained within the proposed Ordinance are as follows:

- Due to the City Engineer position becoming a part-time position the Director of Public Works is designated as the Traffic Engineer to maintain a full-time position presence.
- Authority for the installation of new traffic signals is vested in the City Council; not the Traffic Engineer.

- Legal authorities for the closure of public roadways for improvement and regulations related to their use while being improved are expanded and clarified.
- Public Works officials and employees are added to Police and Fire personnel as being authorized to direct or detour traffic and motorists are required to obey said direction.
- The repairing (except for emergencies) and washing of vehicles in the public roadway is prohibited.
- Authority for the installation of new crosswalks is vested in the City Council; not the Traffic Engineer.
- The pre-designation of potential one-way streets and alleys is eliminated.
- The pre-designation of potential through streets is eliminated.
- Owners of vehicles will be required to obtain a business license to park a vehicle for sale on a public roadway.
- The registration of bicycles and reporting of the sale or transfer of the same is eliminated.
- Recently approved parking fees are memorialized within the Ordinance to ensure that the same are codified and readily available for public review within the Municipal Code.

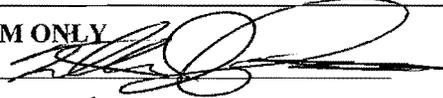
Public Works staff worked closely with representatives of the Police Department during the preparation of the proposed Ordinance and the Police Department has expressed satisfaction with the current draft. The City Attorney's office has also reviewed the Ordinance and approved its submittal for the Council's consideration.

RELEVANCE TO THE STRATEGIC PLAN

The proposed Ordinance has no direct relevance to the City's Strategic Plan

EXHIBITS

A. Ordinance No. 11-2002

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

ORDINANCE NO. 11-2002

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF COVINA, CALIFORNIA AMENDING TITLE 10 PERTAINING
TO VEHICLE AND TRAFFIC REGULATIONS**

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

Section 1: Chapter 10.04 of Title 10 of the Covina Municipal Code is hereby
amended to read as follows:

**“Chapter 10.04
DEFINITIONS**

Sections:

- 10.04.010 Definitions generally.
- 10.04.020 Definitions – Vehicle Code definitions apply when.
- 10.04.030 Alley.
- 10.04.040 Bus loading zone.
- 10.04.050 City.
- 10.04.060 City Council.
- 10.04.070 City Manager.
- 10.04.080 Commercial loading zone.
- 10.04.090 Director of Public Works.
- 10.04.100 Highway.
- 10.04.110 Holidays.
- 10.04.120 Metered space.
- 10.04.130 Metrolink lot.
- 10.04.140 Metrolink structure.
- 10.04.150 Municipal parking district lot.
- 10.04.160 Official traffic control devices.
- 10.04.170 Official traffic signals.
- 10.04.180 Operator.
- 10.04.190 Park.
- 10.04.200 Parking meter.
- 10.04.210 Parking meter zone.
- 10.04.220 Parkway.
- 10.04.230 Passenger loading zone.
- 10.04.240 Pay-by-space machine.
- 10.04.250 Pay-and-display machine.
- 10.04.260 Pedestrian.
- 10.04.270 Person.
- 10.04.280 Police officer.
- 10.04.290 Public transit parking lots.
- 10.04.300 Roadway.

- 10.04.310 Safety zone.
- 10.04.320 Section.
- 10.04.330 Sidewalk.
- 10.04.340 Stop.
- 10.04.350 Stop or stand.
- 10.04.360 Street.
- 10.04.370 Traffic.
- 10.04.380 Vehicle.

10.04.010 Definitions generally.

For the purposes of this title, the following words and phrases shall have the meanings respectively ascribed to them in this chapter.

10.04.020 Definitions – Vehicle Code definitions apply when.

Whenever any words or phrases used in this title are not defined in this chapter but are defined in the Vehicle Code of the state, such definitions are incorporated in this title and shall be deemed to apply to such words and phrases used in this title as though set forth in this chapter in full.

10.04.030 Alley.

‘Alley’ means any highway, as defined in this chapter, unnamed and having a width of less than 25 feet, and not provided with a sidewalk or sidewalks.

10.04.040 Bus loading zone.

‘Bus loading zone’ means the space adjacent to the curb or edge of a roadway if no curb exists reserved for the exclusive use of buses during the loading or unloading or passengers.

10.04.050 City.

‘City’ means the city of Covina.

10.04.060 City Council.

‘City Council’ or ‘Council’ means the city council of the city of Covina.

10.04.070 City Manager.

‘City Manager’ means the city manager of the city of Covina or designee thereof.

10.04.080 Commercial loading zone.

‘Commercial loading zone’ means that space adjacent to a curb or edge of a roadway if no curb exists reserved for the exclusive use of commercial vehicles during the loading or unloading of passengers or materials marked and designated as hereinafter provided in this title.

10.04.090 Director of Public Works.

‘Director of Public Works’ or ‘Director’ means the director of public works of the city of Covina or designee thereof.

10.04.100 Highway.

‘Highway’ means every way or place of whatever nature, publicly maintained and set apart for public travel except bridle trails and footpaths.

10.04.110 Holidays.

‘Holidays’ means the first day of January, the third Monday in February, the last Monday in May, the fourth day of July, the first Monday of September, November 11th, the fourth Thursday in November, the Friday following the fourth Thursday in November, and the twenty-fifth day of December.

10.04.120 Metered space.

‘Metered space’ means any space within a parking meter zone, regulated by a parking meter, or controlled by a pay-by-space machine or pay-and-display machine, which is duly designated for the parking of a single vehicle by lines painted or otherwise durably marked on the curb or on the surface of the street, lot or structure.

10.04.130 Metrolink lot.

‘Metrolink lot’ means the parking lot adjacent to and servicing the Covina Metrolink Station, located at 600 North Citrus Avenue, Covina, California.

10.04.140 Metrolink structure.

‘Metrolink structure’ means the Covina Metrolink parking structure, located at 559 North Citrus Avenue, Covina, California.

10.04.150 Municipal parking district lot.

‘Municipal parking district lot’ means the public parking lots owned and operated by the city of Covina Vehicle Parking District No. 1 and the publicly owned and operated parking lot adjacent to the Shoppers Lane commercial area.

10.04.160 Official traffic control devices.

‘Official traffic control devices’ means all official traffic signs, signals, markings and devices not inconsistent with this title placed or erected by authority of a public body or official having jurisdiction for the purpose of regulating, warning or guiding traffic.

10.04.170 Official traffic signals.

‘Official traffic signals’ means any device whether manually, electrically, electronically or mechanically operated, by which traffic is alternately directed to stop and proceed and which is erected by authority of a public body or official having jurisdiction.

10.04.180 Operator.

‘Operator’ means any person who is in actual physical control of a vehicle.

10.04.190 Park.

‘Park’ means to stand or leave standing any vehicle, whether occupied or not, otherwise than temporarily for the purpose of and while actually engaged in loading or unloading of passengers or materials.

10.04.200 Parking meter.

‘Parking meter’ means any mechanical or electronic device or meter not inconsistent with this title which is designed to indicate the lawful parking of a vehicle within its individual corresponding metered space upon payment of the appropriate fee by United States coins or currency, credit card, debit card, or city prepaid parking card.

10.04.210 Parking meter zone.

‘Parking meter zone’ means any public roadway, right-of-way, lot, structure or area within the city designated by the city council pursuant to CMC 10.32.111 for public parking, which parking is regulated by parking meters, pay-by-space machines, or pay-and-display machines.

10.04.220 Parkway.

‘Parkway’ means that portion of a highway other than roadway or a sidewalk.

10.04.230 Passenger loading zone.

‘Passenger loading zone’ means that space adjacent to a curb or edge of a roadway if no curb exists reserved for the exclusive use of vehicles during loading and unloading of passengers, marked and designated as hereinafter provided in this title.

10.04.240 Pay-by-space machine.

‘Pay-by-space machine’ means any mechanical, electrical or electronic device not inconsistent with this title which is designated to regulate multiple metered spaces, without the dispensing of a receipt to be posted on the vehicle, and designed to indicate the lawful parking of vehicles within said metered spaces, upon payment of the appropriate fee by United States coins or currency, credit card, debit card, or city prepaid parking card.

10.04.250 Pay-and-display machine.

‘Pay-and-display machine’ means any mechanical or electronic device not inconsistent with this title which is designed to regulate multiple metered spaces and which, upon payment of the appropriate fee by United States coins or currency, credit card, debit card, or city prepaid parking card, dispenses a receipt to be posted in a vehicle parked in an identified metered space regulated by the pay-and-display machine.

10.04.260 Pedestrian.

‘Pedestrian’ means any person afoot or who is using a means of conveyance propelled exclusively by human power other than a bicycle.

10.04.270 Person.

‘Person’ means and includes every individual, firm and corporation.

10.04.280 Police officer.

‘Police officer’ means every officer of the police department of the city of Covina.

10.04.290 Public transit parking lots.

'Public transit parking lots' are those parking lots and/or parking structures owned by the city or any other public agency that are maintained for the primary purpose of allowing users of public transportation to park their motor vehicles during those times that they utilize public transportation to travel to another location.

10.04.300 Roadway.

'Roadway' means that portion of the highway between the regularly established curb lines or, when no curbs exist, that portion improved, designated, and ordinarily used for vehicular travel and parking.

10.04.310 Safety zone.

'Safety zone' means that portion of the roadway reserved for the exclusive use of pedestrians, marked and designated as hereinafter provided in this title.

10.04.320 Section.

'Section' means a section of the ordinance codified in this title unless some other ordinance or statute is specifically mentioned.

10.04.330 Sidewalk.

'Sidewalk' means that portion of a highway between the curb lines or outer edge of traversable roadway and the adjacent property lines, other than a parkway, and delineated for pedestrian travel.

10.04.340 Stop.

'Stop,' when required, means complete cessation of movement.

10.04.350 Stop or stand.

'Stop or stand,' when prohibited, means any stopping or standing of a vehicle, whether occupied or not, except when necessary to avoid conflict with other traffic or in compliance with the directions of a police officer or official traffic control device.

10.04.360 Street.

'Street' means the same as 'Roadway'.

10.04.370 Traffic.

'Traffic' means pedestrians, ridden or herded animals, vehicles, buses or other conveyances either singularly or together while using any highway for purposes of travel.

10.04.380 Vehicle.

'Vehicle' means every device or animal by which any person or property is or may be transported or drawn upon a highway, excepting devices moved exclusively by human power or used exclusively upon rails or tracks."

Section 2: Chapter 10.08 of Title 10 of the Covina municipal code is hereby amended to read as follows:

Section 3: Section 10.12.030 of Chapter 10.12 of Title 10 of the Covina Municipal Code is hereby amended by adding thereto a new subsection C to read as follows:

“C. Employees of the public works department may direct or assist the police in directing traffic in the event of a fire or other emergency or in connection with or adjacent to infrastructure repair work being performed within the highway.”

Section 4: Section 10.12.040 of Chapter 10.12 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.12.040 Traffic direction – Obedience required.

No person shall willfully fail or refuse to comply with any lawful order of a police, fire department, or public works official when directing traffic.”

Section 5: Section 10.16.030 of Chapter 10.16 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.16.030 Obedience required.

The operator of any vehicle shall obey the instructions of any official traffic control device applicable thereto placed in accordance with this title and other traffic ordinances of the city unless otherwise directed by a police officer or other authorized official, subject to the exceptions granted the operator of an authorized emergency vehicle when responding to emergency calls.”

Section 6: Section 10.16.040 of Chapter 10.16 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.16.040 Official Traffic signals – Installation and Maintenance.

A. The traffic engineer shall install and maintain official traffic signals at those intersections and other places where the city council determines that traffic conditions are such as to require that the flow of traffic be alternately interrupted and released in order to prevent or relieve traffic congestion or to protect life or property.

B. The traffic engineer shall investigate and recommend the locations where such signals may be required by field observation, traffic counts and other traffic information as may be pertinent, and his or her determinations therefrom shall be made in accordance with those traffic engineering and safety standards and instructions set forth in the ‘Manual on Uniform Traffic Control Devices’ issued by the State Department of Transportation.

C. Whenever the traffic engineer installs and maintains an official traffic signal at any intersection, he or she shall likewise erect and maintain at such intersection street name signs visible to the primary flow of traffic unless such street name signs have previously been placed and are maintained at any such intersection.”

Section 7: Section 10.16.070 of Chapter 10.16 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.16.070 Use of distinctive roadway markings.

Whenever the State Department of Transportation designates a distinctive roadway marking which indicates no driving over such marking, the traffic engineer is authorized to designate by such markings those roadways or parts of roadways where the volume of traffic or the vertical or other curvature of the roadway renders it hazardous to drive on the left side of such markings or signs and markings. Such markings or signs and markings shall have the same effect as similar markings placed by the State Department of Transportation pursuant to provisions of the Vehicle Code of the state.”

Section 8: Chapter 10.24 of Title 10 of the Covina Municipal Code is hereby amended by deleting Section 10.24.020 therefrom in its entirety.

Section 9: Chapter 10.28 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“Chapter 10.28

ROADS UNDER CONSTRUCTION

Sections:

- 10.28.010 Closing of roadways during improvement work authorized when.
- 10.28.020 Signs required when roadways closed.
- 10.28.030 Operating vehicles on closed roadways prohibited.
- 10.28.040 Construction speed zones.
- 10.28.050 Injuring new pavement and painted markings.
- 10.28.060 Flagman where traffic control devices are inoperable.
- 10.28.070 Flagman at construction and maintenance areas.

10.28.010 Closing of roadways during improvement work authorized when.

Whenever any highway or portion thereof is under improvement, the Director of Public Works may, if he or she deems it necessary to avoid injury to or interference with such work or improvement, order such highway, or any portion thereof in length or width, closed to traffic during the course of such improvement, and the same shall remain closed to traffic until such improvement is completed or the Director orders the highway reopened.

10.28.020 Signs required when roadways closed.

Whenever any highway or portion thereof shall be closed to traffic under the provisions of Section 10.28.010, it shall be the duty of the contractor, engineer or other person in charge of the work being performed, to conspicuously post signage, barricades, delineators and other official traffic control devices as necessary to properly close the highway or portion thereof to traffic in a manner consistent with the provisions of the state’s Manual on Uniform Traffic Control Devices.

10.28.030 Operating vehicles on closed roadways prohibited.

No person shall operate any vehicle or walk upon any portion of the highway closed to traffic pursuant to Section 10.28.010 unless otherwise instructed to do so by authorized personnel of the police department, fire department or public works department.

10.28.040 Construction speed zones.

A. Construction speed zones and a construction speed zone speed limit of 25 miles per hour are hereby established and determined to be necessary to limit the risk of injury to workers and to limit the risk of injury to persons or property traveling through said construction areas during all hours of the day or night.

B. This section shall only be enforceable when traffic is regulated through or around the area, pursuant to Section 21367 of the Vehicle Code of the state and CMC 10.16.030, and highway construction or maintenance is actually being performed in the area by workers acting in their official capacity.

10.28.050 Injuring new pavement and painted markings.

When a barrier or sign is in place warning persons not to drive over or across any newly made pavement or any pavement under construction or any freshly painted markings upon any highway, a person shall not drive over such pavement or markings.

10.28.060 Flagmen where traffic control devices are inoperative.

Whenever the Director of Public Works determines that official traffic control devices are disabled or otherwise inoperable, he or she may regulate traffic by means of any person given temporary appointment for such duty.

10.28.070 Flagmen at construction or maintenance areas.

Whenever the Director of Public Works finds that the regulation of traffic is necessary at the site of highway construction or maintenance, he or she may regulate traffic by means of persons authorized for such duty.”

Section 10: Section 10.32.020 of Chapter 10.32 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.32.020 Parking Space – Marking - Compliance.

The traffic engineer is authorized to install and maintain parking space markings to indicate parking spaces adjacent to curbs and in off-street parking lots of the city where authorized parking is permitted.

When such parking space markings are placed, subject to other and more restrictive limitations, no vehicle shall be stopped, left standing or parked other than within a single space. No person shall use off-street parking lots of the city for purposes other than the parking of motor vehicles

Section 11: Section 10.32.030 of Chapter 10.32 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.32.030 Prohibition – Parkway and Sidewalks.

No person shall stop, stand or park a vehicle within any parkway or sidewalk.”

Section 12: Section 10.32.040 of Chapter 10.32 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.32.040 Prohibition – Where no parking signs posted.

The traffic engineer shall appropriately sign or mark places where no parking shall be permitted, and when so signed or marked no person shall stop, stand or park a vehicle in such places.”

Section 13: Section 10.32.050 of Chapter 10.32 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.32.050 Prohibition – Temporary no parking or tow-away zones.

A. The chief of police or traffic engineer is authorized to erect or cause to be placed temporary no parking signs, or temporary no parking and tow-away signs, on highways, or portions thereof, when he or she determines that emergency traffic congestion is likely to result from the holding of public or private assemblages, gatherings or functions; or from highway repairs or construction; or from the movements of equipment, articles or structures of unusual size; or from the use of such highways for authorized purposes other than the normal flow of traffic.

B. When signs authorized by the provisions of this section are in place giving notice thereof, no person shall operate, park or stand any vehicle contrary to the directions and provisions of such signs.

C. Any regularly employed officer of the police department is authorized to remove or cause the removal of any vehicle from any of such places signed or marked as a temporary no parking tow-away zone to a garage or other place of safety designated or maintained by the city. Such removal shall be accomplished pursuant to Section 22651 et seq. of the Vehicle Code of the state.”

Section 14: Section 10.32.060 of Chapter 10.32 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.32.060 Prohibition – Highways.

A. The traffic engineer is authorized to erect signs indicating no stopping or parking on any highway as designated in the master plan of streets and highways.

B. When official signs are erected indicating no parking or stopping upon any highway, no person shall stand, stop or park a vehicle in any such designated place.”

Section 15: Section 10.32.070 of Chapter 10.32 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.32.070 Prohibited parking – Authorized signs or curb markings.

When authorized signs or curb markings have been determined by the traffic engineer to be necessary and are in place giving notice thereof, no operator or any vehicle shall stop, stand or park such vehicle adjacent to any such legible curb marking or sign in violation thereof.”

Section 16: Section 10.32.080 of Chapter 10.32 of Title 10 of the Covina Municipal Code is hereby amended to read as follows”

“10.32.080 Municipal parking district lots – Time limit parking.

A. Notwithstanding any other part of this chapter, an operator of a motor vehicle shall not stop, stand, or park a motor vehicle within a municipal parking district lot for longer than four (4) hours in any twenty-four (24) hour time period unless a valid parking permit is properly affixed or displayed upon said vehicle.

B. The parking time limits specified in subsection “A” of this section shall only be effective between the hours of 8:00 a.m. and 8:00 p.m.; Saturdays, Sundays and holidays excluded.”

Section 17: Section 10.32.111 of Chapter 10.32 of Title 10 is hereby amended to read as follows:

“10.32.111 Parking meter zones designated.

The following areas within the city are designated as parking meter zones:

- A. The Town Center Specific Plan area;
- B. Covina Vehicle Parking District No. 1;
- C. The Shoppers Lane Parking Improvement Area; and
- D. Any future areas that may be designated by the city council by ordinance.”

Section 18: Subsection A of Section 10.32.114 of Chapter 10.32 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

A. When a vehicle is parked in any metered space, the operator of the vehicle shall, immediately after entering the metered space, deposit or cause to be deposited in the meter or machine controlling the space the proper United States coins or currency, credit card, debit card, or city prepaid card in the amount required by CMC 10.32.113(B) for the metered space. With respect to a parking meter or pay-by-space machine, the operator of the vehicle, after making the proper deposit, shall also immediately set in operation the timing mechanism, if any, in accordance with the posted directions of operation. With respect to a pay-and-display machine, the operator of the vehicle shall immediately cause the parking receipt provided by the machine to be placed face up on the driver’s-side dashboard of the vehicle.”

Section 19: Subsection B of Section 10.32.116 of Chapter 10.32 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

B. No person shall deposit in a parking meter, pay-by-space machine or pay-and-display machine any coins, currency, credit card, debit card, or city prepaid card, for the purpose

of extending the parking time period of a vehicle beyond the posted maximum time allowed for parking.”

Section 20: Section 10.32.140 of Chapter 10.32 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.32.140 Parking vehicles for sale or rent.

No person shall sell, rent, offer for sale or rent, give away, solicit the sale or rental of, or expose for sale or rent any vehicle upon any highway without first having obtained a business license to do so. Said business license shall be properly displayed on the vehicle at all times while such vehicle is offered for sale or rent while parked upon any highway.”

Section 21: Section 10.32.141 of Chapter 10.32 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.32.141 Offering vehicles for sale or rent from off-street parking facilities prohibited.

When signs not less than 17 inches by 22 inches in size with lettering not less than one inch in height have been erected on any off-street parking facility, whether privately or publicly owned, or adjacent to the driveways providing access thereto, giving notice of the prohibition contained in this section, it shall be unlawful for any person to park (as that term is defined in CMC 10.04.190) any motor vehicle upon any off-street parking facility, whether publicly or privately owned, for the purpose of selling, renting or offering the vehicle for sale or rent.

If a sign containing the words “for sale”, “for rent” or words of similar import is displayed on or within a motor vehicle parked upon an off-street parking facility, whether publicly or privately owned, it shall be presumed that the registered owner has parked the vehicle for the purpose of selling it or offering it for sale or rent.

Notice of violation of the provisions of this section shall be issued and prosecuted in accordance with Section 40200 et seq. of the Vehicle Code.”

Section 22: Section 10.32.160 of Chapter 10.32 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.32.160 Parking between curb and adjacent property line.

A person shall not park any motor vehicle between any curb and the adjacent property line except at those locations where the traffic engineer determines that such parking will not constitute a traffic hazard or public nuisance.”

Section 23: Section 10.32.180 of Chapter 10.32 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.32.180 All-night parking prohibited.

No person shall stop, stand or park a vehicle on any highway or in any off-street parking lot of the city for a period of time longer than 30 minutes between the hours of 2:00 a.m. and 4:00 a.m. of any day, excepting therefrom those streets abutting RD residential zone (multifamily) property, permissibly developed under prior zoning and building standards, where off-street parking no longer conforms to the provisions of CMC Title 17 (Zoning) and a ratio of 0.5 or less parking stalls per bedroom unit exists with a resultant acute shortage of off-street parking spaces. Also excepting therefrom those alleys that are not in conflict with traffic circulation. The city council finds that the following streets are exempt from the above restriction:

- A. That portion of Prospero Drive from a point 663 feet north of the centerline of Badillo Street to a point 1,530 feet north of the centerline of Badillo Street;
- B. That portion of Ruddock Street from Prospero Drive to the cul-de-sac east of the intersection with Vecino Drive;
- C. That portion of Italia Street from Prospero Drive to Vecino Drive;
- D. That portion of Vecino Drive between Italia Street and Ruddock Street;
- E. That portion of the north side of Cypress Street, starting 524 feet west of the centerline of Azusa Avenue and continuing for 415 feet;
- F. That north-south alley located 165 feet east of the centerline of Glendora Avenue south of Colver Place.”

Section 24: Subsection B of Section 10.32.185 of Chapter 10.32 of Title 10 of the Covina Municipal Code is hereby amended and new subsections C, D, E and F are hereby added to read as follows:

“B. Municipal Parking District Lots All-Night Parking Exemptions. The provisions of CMC 10.32.180 shall not apply to persons that properly display a valid monthly municipal parking district permit.”

“C. Metrolink Lot: All-Night Parking Exemptions. The provisions of CMC 10.32.180 shall not apply to persons that properly display a valid monthly Metrolink Lot parking permit.

“D. Metrolink Structure: All-Night Parking Exemptions. The provisions of CMC 10.32.180 shall not apply to persons that properly display either a valid monthly Metrolink Structure parking permit or a valid overnight Metrolink Structure parking permit.

E. Civic Center Parking Structure: All-Night Parking Exemptions. The provisions of CMC 10.32.180 shall not apply to persons that properly display either a valid monthly or overnight parking permit for the Covina Civic Center Parking Structure at 124 E. College Street.

F. Notwithstanding the foregoing, neither a recreational vehicle nor a commercial vehicle as that term is defined in California Vehicle Code Section 260(a) or 15210(b) may be parked overnight in any off-street public parking lot or public transit parking lot.”

Section 25: Chapter 10.32 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.32.230 Schedule of fees – Vehicle parking in overnight parking lots and zones.

A. The schedule of fees for vehicle parking in metered zones, municipal parking lots, or overnight parking zones is hereby established at those locations and rates set forth in this section as follows:

Fee or Service Name/Description	Fee
Municipal Lot – Monthly Permit (all lots 24 hrs. per day)	\$20.00
Civic Center Parking Structure – Daily after first 4 hours	\$2.00
Civic Center Parking Structure – Overnight	\$3.00
Metrolink East Lot – Monthly Parking Pass – Covina Resident	\$20.00
Metrolink East Lot – Monthly Parking Pass – Non-Covina Resident	\$45.00
Metrolink West Parking Structure – Daily	\$2.00
Metrolink West Parking Structure – Monthly Parking Pass – Covina Resident	\$10.00
Metrolink West Parking Structure – Monthly Parking Pass – Non-Covina Resident	\$20.00
Metrolink West Parking Structure – Overnight	\$3.00
Daily On-Street Overnight Parking Permit	\$3.00
On-Street Quarterly Overnight Parking Permit Initial Application	\$25.00
Quarterly On-Street Overnight Parking Permit	\$17.00
Vehicle Booting Fee	\$195.00

B. This schedule of fees may be amended from time to time by ordinance of the City Council.”

Section 26: Chapter 10.32 of Title 10 of the Covina Municipal Code is hereby amended by adding thereto Sections 10.32.240 through 10.32.300 to read as follows:

“10.32.240 Trailers or semitrailers – Parking requirements.

A. A person shall not park any trailer or semitrailer upon any highway or public place unless the trailer or semitrailer is at all times while so parked attached to a vehicle capable of moving the trailer or semitrailer in a normal manner upon the highway or public place.

B. This section shall not apply to trailers or semitrailers in the process of being loaded or unloaded, nor shall it apply to any trailer or semitrailer which is disabled in such a manner and to such an extent that it is impossible to avoid stopping and temporarily leaving the disabled trailer or semitrailer on that portion of the highway or public place ordinarily used for vehicular parking.

10.32.250 Vehicles transporting hazardous materials – Parking restrictions.

A. For purposes of this section:

1. A motor vehicle is attended when the person in charge of the vehicle is on the vehicle, awake, and not in a sleeper berth, or is within 100 feet of the vehicle and has it within his or her unobstructed field of view.

2. A qualified representative of a motor carrier is a person who:

a. Has been designated by the carrier to attend the vehicle;

b. Is aware of the nature of the hazardous material or substance contained in the vehicle he or she attends;

c. Has been instructed on the procedures he or she must follow in emergencies concerning hazardous materials or substances contained in the vehicle he or she attends;

d. Is authorized to move the vehicle and has the means and ability to do so.

B. A vehicle transporting a hazardous material or substance as identified in Title 49 of the Code of Federal Regulations must be attended at all times by its driver or qualified representative of the motor carrier that operates it, and shall not be parked on any highway, highway shoulder or public place, or within five feet of the traveled portion thereof, within a residential zone, or within 1,000 feet of any school, hospital or water utility reservoir site, or within 300 feet of any bridge, except for brief periods of time when mechanical or equipment failure or malfunction of the vehicle, or the necessities of operation require the vehicle to be parked and make it impractical to park the vehicle in any other place.

C. Repair, maintenance, refuse, utility, pest extermination and pesticide vehicles, fuel delivery vehicles, and vehicles delivering life support and health commodities, while servicing residential areas, schools or hospitals, are exempt from the provisions of subsection B of this section. Additionally, such exempt vehicles need not be attended while the drivers are performing duties that are evident and necessary as the operator of the vehicle or the provider of service.

D. The rules of this section do not relieve the driver from any obligation imposed by federal, state or local laws relating to the transportation of hazardous materials or explosives, motor carrier safety regulations, or the placement of warning signs or devices when a motor vehicle is stopped on a public highway.

10.32.260 Blocking highway or private street.

A person shall not park any vehicle, whether attended or unattended, upon any highway or upon any private street which is open to the public, whether bordered by curbs or not, unless not less than twelve feet of the width of the paved or improved or main traveled portion of such highway or private street opposite such parked vehicle is left clear and unobstructed for the free passage of other vehicles.

10.32.270 Blocking driveways on private streets.

A. A person shall not park any vehicle in front of a driveway on a roadway or private street which is open to the public.

B. This section does not authorize any action prohibited by Section 22500 of the Vehicle Code or by any other state law.

10.32.280 Double parking prohibited.

A. A person shall not park any vehicle on the roadway side of a vehicle which is stopped, parking or standing on a roadway or private street at the curb or edge of the roadway.

B. This section does not authorize any action prohibited by Section 22500 of the Vehicle Code or any other state law.

10.32.290 Angle parking.

Whenever the traffic engineer finds that the width of a highway and traffic conditions are such that the parking of vehicles at an angle to the curb instead of parallel to the curb will not impede traffic, and that there is need for the additional parking space which parking at an angle will provide, the traffic engineer shall indicate at what angle traffic conditions make it desirable that vehicles should be parked by placing parallel white lines on the surface of the roadway. On such portions of such highways, whether such lines were painted before or after the effective date of this ordinance codified in this chapter, an operator shall not stop, stand or park any vehicle except between, at the angle indicated by, and parallel to both such adjacent white lines, with the nearest wheel not more than one foot from the curb.

10.32.300 Removal of ignition key when parking.

A. Every operator who parks a vehicle upon any highway or public place shall first lock the ignition, remove the key therefrom and take such key with him or her, unless a licensed operator remains in such motor vehicle, in which case such licensed operator before leaving such vehicle shall first lock the ignition, remove the key therefrom, and take such key with him or her.

B. The provisions of this section shall not apply to any operator of a vehicle owned by a public utility or public agency while necessarily in use in the construction, installation, or repair of any public utility or public way or to the operator of any emergency vehicle.”

Section 27: Section 10.36.010 of Chapter 10.36 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.36.010 Loading zones – Establishment - Marking.

A. The traffic engineer is authorized to determine and to mark loading zones as follows:

1. At any place in the town center zone;
2. Elsewhere in front of the entrance to any place of business or in front of any hall or place used for the purpose of public assembly.

B. In no event shall more than one-half of the total curb length in any block be reserved for loading zone purposes.

C. Commercial loading zones shall be indicated by a yellow paint line stenciled with black letters stating “Commercial Loading Only” upon the top or side of all curbs within such zones.

D. Passenger loading zones shall be indicated by a white line stenciled with black letters stating “Passenger Loading Only” upon the top of all curbs in such zones. Taxicab parking zones shall be indicated by a white line stenciled with black letters stating “For Taxicabs Only” upon the top or side of all curbs in such zones.

E. Bus loading zones shall be indicated by a red line stenciled with white letters stating “No Standing” together with the words “Bus Loading Zone” upon the top or side of all curbs in such zones.”

Section 28: Section 10.36.020 of Chapter 10.36 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.36.020 Curb, pavement and wheel block markings.

A. The traffic engineer is authorized, subject to the provisions and limitations of this title, to place, and when required herein shall place, the following curb, pavement or wheel block markings to indicate parking or standing regulations, and such curb, pavement or wheel block markings shall have the meaning as herein set forth:

1. Red means no stopping, standing or parking at any time except as permitted by the Vehicle Code of the state, and except that a bus may stop in a red zone marked or signed as a bus loading zone;

2. Yellow means no stopping, standing or parking at any time for any purpose other than the loading or unloading of passengers or materials; provided that the loading or unloading of passengers shall not consume more than three minutes nor the loading or unloading of materials more than 20 minutes;

3. White means no stopping, standing or parking for any purpose other than loading or unloading passengers which shall not exceed three minutes;

4. Green means no standing or parking for longer than 20 minutes at any time;

5. Blue accompanied by the signage and markings required by the Vehicle Code of the state means reserved parking for disabled persons.

B. When the traffic engineer, as authorized under this title, has caused curb, pavement or wheel block markings to be placed, no person shall stop, stand or park a vehicle adjacent to any such curb, pavement or wheel block marking in violation of any of the provisions of this section.”

Section 29: Section 10.36.040 of Chapter 10.36 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.36.040 Commercial Loading zones – Use restrictions.

No person shall stop, stand or park a vehicle in any commercial loading zone for any purpose other than for loading or unloading passengers or material for such time as is permitted in CMC 10.36.030.

Section 30: Section 10.36.070 of Chapter 10.36 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.36.070 Bus Loading zones.

A. The traffic engineer is authorized to establish bus loading zones opposite curb space for the loading or unloading of buses or common carriers of passengers and to determine the location thereof subject to the directives and limitations set forth in this section.

B. "Bus," as used in this section, means any motorbus, motor coach or trackless trolley coach used as a common carrier of passengers.

C. No bus loading zone shall exceed 80 feet in length, except that when satisfactory evidence has been presented to the traffic engineer he may extend bus loading zones not to exceed a total length of 125 feet.

D. Bus loading zones shall normally be established on the far side of an intersection.

E. No bus loading zone shall be established opposite and to the right of a safety zone.

F. No person shall stop, stand or park any vehicle except a bus in a bus loading zone."

Section 31: Section 10.36.080 of Chapter 10.36 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

"10.36.080 Taxicab parking zones.

A. The traffic engineer is authorized to establish taxicab parking zones.

B. No person shall stop, stand or park any vehicle except a taxicab in a taxicab parking zone."

Section 32: Section 10.40.010 of Chapter 10.40 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

"10.40.010 Cleaning of sidewalks required.

No person shall fail, refuse or neglect to keep the sidewalk adjacent to his or her house, place of business, or premises in a clean and neat condition, free of trash, graffiti or offensive material of any kind or nature."

Section 33: Section 10.40.050 of Chapter 10.40 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

"10.40.050 Driving on sidewalk.

The operator of a vehicle shall not drive within any sidewalk area or any parkway except to cross the same at a permanent or temporary driveway."

Section 34: Section 10.40.080 of Chapter 10.40 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

"10.40.080 Littering on highway.

No person shall throw, place, deposit or dump, or cause to be placed, deposited or dumped upon any highway or sidewalk, any bottle, can, garbage, rubbish or any substance likely to injure or damage traffic using the highway or sidewalk.”

Section 35: Section 10.40.110 of Chapter 10.40 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.40.110 One-way highways – Designations – Signs required.

If the city council finds that the width of a highway, the amount of traffic thereon, and the availability of other highways is such that traffic on such highway should proceed in one direction only, the Director of Public Works shall erect and maintain in a conspicuous place on such highway at the intersection of each highway intersecting such highway adequate signs bearing the words “One Way” and indicating which way.”

Section 36: Section 10.40.130 of Chapter 10.40 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.40.130 Molesting of traffic counting devices prohibited.

Unless authorized by the Director of Public Works, a person shall not move, molest, tamper with or damage in any way any traffic counting device which has been located within a city highway or adjacent thereto by authority of the Director of Public Works.”

Section 37: Chapter 10.40 of Title 10 of the Covina Municipal Code is hereby amended by adding new sections 10.40.140 and 10.40.150 thereto to read as follows:

“10.40.140 Washing vehicles in highway.

A person shall not dust, wipe, wash or otherwise clean, use or employ any method of dusting, wiping, washing or otherwise cleaning any vehicle or portion thereof while on any highway.”

“10.40.150 Repairing of vehicles on highway.

A. A person shall not repair, or make any repairs, or add or install any part or accessory to or on any vehicle while the same is upon any highway.

B. The provisions of this section do not prohibit the operator of any vehicle which is disabled while upon any highway, to such extent that it is impossible to avoid stopping, from making or causing to be made the repairs necessary to enable such vehicle to be moved from the highway.”

Section 38: Section 10.44.010 of Chapter 10.44 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.44.010 Designation.

When signs are erected giving notice thereof, the following highways or portions of highways are declared to be truck traffic routes for the movement of vehicles exceeding a maximum gross weight of three tons:

A. Arrow Highway, from the westerly city limits to the easterly city limits;

- B. Azusa Avenue, from the southerly city limits to the northerly city limits;
- C. Badillo Street, from Azusa Avenue on the west to Grand Avenue on the east;
- D. Barranca Avenue, from the southerly city limits to San Bernardino Road;
- E. Citrus Avenue, from the southerly city limits to Badillo Street and the northerly city limits to San Bernardino Road;
- F. Front Street, from Citrus Avenue on the west to Barranca Avenue on the east;
- G. Grand Avenue, from the southerly city limits to the northerly city limits;
- H. San Bernardino Road, from the westerly city limits to Grand Avenue on the east;
- I. Second Avenue, from Front Street on the north to Badillo Street on the south;
- J. Workman Street, from Citrus Avenue on the west to Barranca Avenue on the east.”

Section 39: Section 10.48.010 of Chapter 10.48 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.48.010 Crosswalk establishment.

A. The traffic engineer shall mark crosswalks at those locations which the city council has determined and found that conditions of vehicular and pedestrian traffic are such that the establishment of a marked crosswalk is warranted.

B. The traffic engineer may mark a portion of a roadway at intersections or in conjunction with channelizing islands adjacent to intersections if he or she finds such markings will reduce traffic conflicts.”

Section 40: Chapter 10.52 of Title 10 of the Covina Municipal Code is hereby amended by deleting Sections 10.52.010 through 10.52.130 therefrom in their entirety.

Section 41: Section 10.56.040 of Chapter 10.56 of Title 10 of the Covina Municipal Code is hereby amended to read as follows:

“10.56.040 Application for permit – Time of filing – Fee.

Applications for a parade permit shall be filed with the chief of police not less than 30 days nor more than 90 days before the date on which it is proposed to conduct the parade and applicants shall pay a nonrefundable fee as established from time-to-time by resolution of the city council to defray in part the cost of investigation and report. Such application shall be sworn to and shall state:

- A. The name of the person or organization wishing to conduct such parade;
- B. If the parade is proposed to be conducted for, on behalf of, or by an organization, the name, address and telephone number of the headquarters of the organization, and of the authorized and responsible head of such organization;
- C. The name, address and telephone number of the person who will be the parade chairman and who will be responsible for its conduct;
- D. The name, address and telephone number of the person or organization to whom the permit is desired to be issued;
- E. The date when such parade is to be conducted;
- F. The route to be traveled, the starting point and the termination point;

- G. The approximate number of persons, animals and vehicles which will constitute such parade; the type of animals, and a description of the vehicles;
- H. The hour when such parade will start and terminate;
- I. Whether such parade will occupy all or only a portion of the width of the highways to be traversed;
- J. The location by streets of any assembly or assembly areas for such parade;
- K. The time at which units of the parade will begin to assemble at any such assembly area or areas;
- L. The interval space to be maintained between units of such parade;
- M. If the parade is designed to be held by, and on behalf of or for, any person other than the applicant, the applicant for such permit shall file with the chief of police a communication in writing from the person proposing to hold the parade authorizing the applicant to apply for the permit on his or her behalf;
- N. Any other information the chief of police deems necessary for his or her investigation.”

Section 42: Ordinance No. 11-2001 is hereby repealed.

Section 43: Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this ordinance, or any part thereof, is for any reason held to be unconstitutional or void, such decision shall not affect the validity of the remaining portion of this ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase be declared unconstitutional or void.

Section 44: Certification. The City Clerk shall certify the passage of this ordinance and shall cause the same to be entered in the book of original ordinances of said City; shall make a minute passage and adoption thereof in the records of the meeting at which time the same is passes and adopted; and shall, within fifteen (15) days after the passage and adoption thereof, cause the same to be published as required by law, in a local weekly newspaper of general circulation and which is designated for that purpose.

ORDINANCE PASSED AND APPROVED on this _____ day of _____, 2011.

John C. King
Mayor

ATTEST:

Kay Manning
City Clerk

APPROVED AS TO FORM:

City Attorney