



REGULAR CITY COUNCIL CLOSED SESSION MEETING AGENDA

**South Pasadena City Council / Redevelopment Successor Agency /
Public Financing Authority / Housing Authority
City Manager's Conference Room, Second Floor, 1414 Mission Street
Wednesday, May 7, 2014 6:30 p.m.**

City Council

Marina Khubesrian, M.D., Mayor / Agency Chair / Authority Chair
Robert S. Joe, Mayor Pro Tem / Agency Vice Chair / Authority Vice Chair

Councilmembers / Agency Members / Authority Members
Michael A. Cacciotti; Diana Mahmud; Richard D. Schneider, M.D.

Sergio Gonzalez, City Manager / Agency Executive Director / Authority Executive Director
Evelyn G. Zneimer, City Clerk / Agency Secretary / Authority Secretary
Yvette Hall, Chief Deputy City Clerk / Chief Deputy Agency Secretary / Chief Deputy Authority Secretary
Richard L. Adams II, City Attorney / Agency Counsel / Authority Counsel

*Council will convene in open session at 6:30 p.m.
The public may comment on closed session items prior to the Council recessing to closed session.*

Closed Session Agenda	Description
1. Roll call	Mayor Khubesrian, Councilmembers Cacciotti, Joe, Mahmud, Schneider
2. Public comments	Public comments on Closed Session items only
3. Labor Negotiations	Pursuant to Government Code Section 54957.6 Conference with Labor Negotiators regarding labor negotiations with the following Employee organizations: Firefighters' Association (FFA); Police Officers' Association (POA); Public Service Employees' Association (PSEA); PSEA- Part Time Unit; Unrepresented Employees: City Manager; Management Employees City negotiators: City Manager Sergio Gonzalez, Assistant City Manager Hilary Straus, Finance Director David Batt, Assistant Finance Director Pearl Lieu, City Attorney Richard L. Adams II and Legal Counsel Adrianna Guzman
4. Personnel Item	Pursuant to Government Code Section 54957 (b) (1) Performance Evaluation of City Manager

Accommodations



Meeting facilities are accessible to persons with disabilities. If you need special assistance to participate in this meeting, please contact the City Clerk's Office at (626) 403-7230. Hearing assistive devices are available in the Council Chambers. Notification at least 72 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

For those submitting letters or other documents relating to items on the agenda: materials received after 4:00 p.m. on the day prior to the Council meeting may not be reviewed by the City Council.

I declare under penalty of perjury that I posted this notice of agenda on the bulletin board in the courtyard of the City Hall at 1414 Mission Street, South Pasadena, CA 91030, as required by law.

05/01/2014
Date

Desiree Jimenez, Deputy City Clerk

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REGULAR CITY COUNCIL MEETING AGENDA

**South Pasadena City Council / Redevelopment Successor Agency /
Public Financing Authority / Housing Authority**
Amedee O. "Dick" Richards, Jr., Council Chambers, 1424 Mission Street
Wednesday, May 7, 2014 7:30 p.m.

City Council

Marina Khubesrian, M.D., Mayor / Agency Chair / Authority Chair
Robert S. Joe, Mayor Pro Tem / Agency Vice Chair / Authority Vice Chair

Councilmembers / Agency Members / Authority Members
Michael A. Cacciotti; Diana Mahmud; Richard D. Schneider, M.D.

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Richard L. Adams II, City Attorney / Agency Counsel / Authority Counsel

*In order to address the Council, please complete a Public Comment Card.
Time allotted per speaker: 3 minutes.
No agenda item may be taken after 11:00 p.m.*

Presentations and Announcements

Roll call, Invocation* (Councilmember Schneider)

Pledge of Allegiance Daisy Troop #9331

**In permitting a nonsectarian invocation, the City does not intend to proselytize, advance, or disparage any faith or belief. Neither the City nor the City Council endorses any particular belief or form of invocation.*

1. Closed Session announcements — a Closed Session agenda has been posted separately
2. Presentation by Paul Leon, SP appointee to the Metro Gold Line Foothill Extension Construction Authority and Mayor of Ontario, to provide update on the Gold Line Extension
3. Presentation of Certificates of Appreciation to outgoing Youth Commissioners Matthew Chen, Emily Figueroa, and Ryan Nakakura
4. Presentation of Proclamation declaring May 2014, as "Preservation Month" in the City of South Pasadena
5. Councilmembers' comments (3 minutes each)
6. City Manager communications
7. Reordering of and Additions to the Agenda₃

Opportunity to Comment on Consent Calendar

In order to address the Council, please complete a Public Comment Card. Time allotted per speaker: 3 minutes. Items listed under the consent calendar are considered by the City Manager to be routine in nature and will be enacted by one motion unless an audience member or Councilmember requests otherwise, in which case the item will be removed for separate consideration. Any motion relating to an ordinance or a resolution shall also waive the reading of the ordinance or resolution and include its introduction or adoption as appropriate.

Consent Calendar

8. Approval of the minutes of the Special Study Session City Council Meeting of April 23, 2014, Special City Council Meeting of April 23, 2014, and Special Closed Session Meeting of April 30 2014
9. Approval of prepaid warrants in the amount of \$430,144.32, General City Warrants in the amount of \$456,630.85 and payroll in the amount of \$391,505.71
10. Second reading and adoption of an ordinance amending the South Pasadena Zoning Code regarding setbacks requirements for detached garages and carports
11. Second reading and adoption of an ordinance amending Chapter 35 of the South Pasadena Municipal Code to add water shortage plans and water conservation provisions
12. Second reading and adoption of an ordinance regarding prohibiting single-use plastic carryout bags and incorporation by reference the Los Angeles County Environmental Impact Report and Statement of Overriding Consideration
13. Award FY 2013-14 CDBG Sidewalk Replacement Project

Public Comments and Suggestions

Time reserved for those in the audience who wish to address the City Council. The audience should be aware that the Council may not discuss details or vote on non-agenda items. Your concerns may be referred to staff or placed on a future agenda. Please note: Public input will also be taken during all agenda items. In order to address the Council, please complete a Public Comment Card. Time allotted per speaker: 3 minutes

Action/Discussion

14. Approval of City of South Pasadena's insurance placements with the California State Association of Counties Excess Insurance Authority (CSAC-EIA) and resolution delegating authority to the City Manager or Designee to act on behalf of the City
15. Resolution establishing a Council Policy regarding liability claims handling and settlement authority
16. Approval of agreement with Carl Warren and Company for liability claims administration
17. Direction regarding proposed budget expenditures for Fiscal Year 2014-15
18. Approval of a resolution, job description, and a salary scale update for classifications within the Unrepresented Management Group

Adjournment

**FUTURE CITY COUNCIL MEETINGS
 (OPEN SESSION)**

Wednesday, May 21, 2014	Regular City Council Meeting	Council Chambers	7:30 p.m.
Wednesday, June 4, 2014	Regular City Council Meeting	Council Chambers	7:30 p.m.
Wednesday, June 18, 2014	Regular City Council Meeting	Council Chambers	7:30 p.m.

**PUBLIC ACCESS TO CITY COUNCIL MEETING AGENDA PACKETS, DOCUMENTS DISTRIBUTED BEFORE A MEETING,
 AND BROADCASTING OF CITY COUNCIL MEETINGS**

Prior to meetings, agenda packets are available at the following locations:

- South Pasadena Public Library, 1100 Oxley Street;
- City Clerk's Office, 1414 Mission Street; and on the
- web at: www.southpasadenaca.gov/citycouncilmeetings

Individuals can be placed on an email notification list to receive forthcoming agendas by calling the City Clerk's Office at 626-403-7230. Any disclosable public records related to an open session item appearing on a regular meeting agenda and distributed by the City of South Pasadena to all or a majority of the legislative body fewer than 72 hours prior to that meeting are available for public inspection at the City Clerk's Office, located at City Hall, 2nd floor, 1414 Mission Street prior to the meeting. During the meeting, these documents will be included as part of the "Counter Copy" of the agenda packet kept in the Amedee O. "Dick" Richards, Jr., Council Chambers at 1424 Mission Street. Documents distributed during the meeting will be available following the meeting at the City Clerk's Office. For those submitting letters or other documents relating to items on the agenda: materials received after 4:00 p.m. on the day prior to the Council meeting may not be reviewed by the City Council.

Regular meetings are broadcast live on Time-Warner Cable Channel 19 and AT&T Channel 99 and are replayed for at least 24 hours following the meeting. Meetings are also streamed live via the Internet from the City website at www.southpasadenaca.gov. Six months of archived meetings, indexed by agenda item, are also available. A DVD of regularly scheduled meetings is available for checkout at the South Pasadena Public Library. DVD and audio CD copies of meetings can be purchased from the City Clerk's Office.

Accommodations



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05/01/2014
 Date Desiree Jimenez
 Desiree Jimenez, Deputy City Clerk

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THE CITY OF SOUTH PASADENA EXPRESSES

APPRECIATION



Matthew Chen

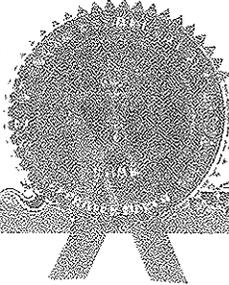
Youth Commission
2011 - 2014

In appreciation for over two years of volunteer service and dedicated commitment to youth development and engagement as a member of the South Pasadena Youth Commission

Dated this 7th day of May, 2014

Marina Khubesian, M.D., Mayor

Evelyn G. Zneimer, City Clerk



THE CITY OF SOUTH PASADENA EXPRESSES

APPRECIATION



Emily Figueroa

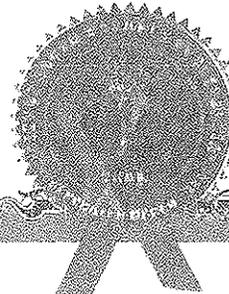
Youth Commission
2011 - 2014

In appreciation for over two years of volunteer service and dedicated commitment to youth development and engagement as a member of the South Pasadena Youth Commission

Dated this 7th day of May, 2014

Marina Khubesian, M.D., Mayor

Evelyn G. Zneimer, City Clerk



THE CITY OF SOUTH PASADENA EXPRESSES

APPRECIATION



Ryan Nakakura

Youth Commission

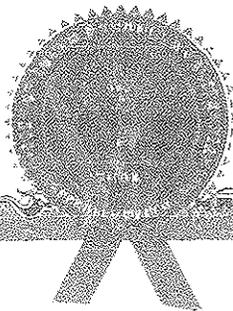
2010 - 2014

In appreciation for over three years of volunteer service and dedicated commitment to youth development and engagement as a member of the South Pasadena Youth Commission

Dated this 7th day of May, 2014

Marina Khubesrian, M.D., Mayor

Evelyn G. Zneimer, City Clerk



CITY OF SOUTH PASADENA
PROCLAMATION



Declaring the month of May 2014, as
"Preservation Month"
in the City of South Pasadena

WHEREAS, the month of May is National Preservation Month; and

WHEREAS, the Historic Preservation Element of the South Pasadena General Plan includes goals, policies and implementation strategies to ensure continued appreciation and protection of the City's rich legacy of substantially intact historic buildings, residential neighborhoods and commercial districts; and

WHEREAS, these resources are worth protecting and are key to the economic future of the City; and

WHEREAS, it is this legacy and the tradition-minded, small-town atmosphere that has preserved and perpetuated a quality of life that has kept so many long-time residents in the community and continues to attract new residents to our community; and

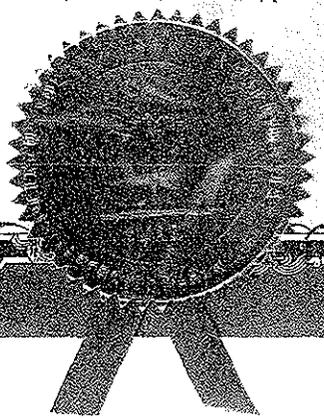
WHEREAS, South Pasadena's adoption of a strong Historic Preservation Element to the General Plan, strong Cultural Heritage Ordinance, and participation in the Mills Act State Historic Preservation Property Tax Incentive Program has earned South Pasadena recognition and benefits from the State Office of Historic Preservation as a Certified Local Government; and

WHEREAS, this stellar record in preserving the City's historic legacy has merited the coveted "A" ratings conferred by the Los Angeles Conservancy in their evaluations of preservation programs in 89 Los Angeles County municipalities.

NOW, THEREFORE, I, Marina Khubesrian, M.D., Mayor on behalf of the City Council of the City of South Pasadena, California, does hereby proclaim the month of May 2014, as "Preservation Month" in the City of South Pasadena.

Marina Khubesrian, M.D., Mayor

May 7, 2014
Date



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**MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL/REDEVELOPMENT SUCCESSOR AGENCY
PUBLIC FINANCING AUTHORITY/HOUSING AUTHORITY
OF THE CITY OF SOUTH PASADENA CONVENED
THIS 23rd DAY OF APRIL 2014, AT 6:15 P.M.
AMEDEE O. "DICK" RICHARDS, JR., COUNCIL CHAMBERS
1424 MISSION STREET**

1. ROLL CALL

Mayor Khubesrian convened the Special Meeting of the South Pasadena City Council/Redevelopment Successor Agency (Agency)/Public Financing Authority (Authority)/Housing Authority (Authority) at 6:25 p.m.

Present were City Councilmembers/Agency/Authority Members Cacciotti, Mahmud, and Schneider; Mayor Pro Tem/Agency/Authority Vice Chair Joe; and Mayor/Agency/Authority Chair Khubesrian.

Absent: None.

Other Officials and staff present: City Manager/Agency/Authority Executive Director Gonzalez; Assistant City Manager Straus; City Attorney/Agency/Authority Counsel Adams; Police Captain Wheelless; Fire Chief Frawley; Public Works Director Toor; Planning and Building Director Watkins; Finance Director Batt; Assistant Finance Director Lieu; Community Services Director Pautsch; Deputy Public Works Director Furukawa; and Chief Deputy City Clerk Hall.

2. PUBLIC COMMENTS

Mayor Khubesrian opened the Public Comments section.

Janet Braun, Chair, Public Safety Commission (PSC), commented regarding the City of South Pasadena's (City) lack of a dedicated Emergency Operations Center (EOC). Chair Braun stated the PSC's goal is to ensure the City has an appropriate EOC. She indicated the City of Monterey Park recently received a grant for \$500,000. She described the equipment and square footage requirements for an EOC. She indicated the cost for an EOC would be approximately \$200,000 to \$300,000. Chair Braun stated the PSC is

requesting a reserve of \$50,000 to \$75,000 per year, for four years, to properly fund an EOC.

Gina Phelps, Chair, Senior Citizen (SC) Commission, stated the SC Commission's goal was to identify homebound, isolated seniors, and disabled persons in the City in order to determine needed resources. She indicated the SC Commission has been working with staff to reach the SC Commission's goal. She stated a registry will be created and volunteers will assist with home and emergency visits. Chair Phelps stated in order to reach their goal, financial assistance is needed. She requested a full-time secretary to assist with administrative duties and funding for operating expenses.

Mayor Khubesrian closed the Public Comments section.

3. DISCUSSION AND DIRECTION REGARDING THE FY 2014-15 CITY BUDGET

City Manager Gonzalez presented the FY 2014-15 City Budget as part of a PowerPoint presentation. He summarized the City's accomplishments and highlighted each department's accomplishments for the current year. He stated the goal for the study session was to review the City's current financial position, discuss and receive direction regarding street improvement projects, supplemental requests, and personnel requests. He indicated that a draft budget was anticipated to be brought back at the May 21, 2014, City Council Meeting for direction and to provide additional public comment. He indicated the budget would receive final approval at the June 4, 2014, City Council Meeting.

In response to Councilmember Cacciotti's question, City Manager Gonzalez provided clarification regarding the Renewable Energy Sources General Fund Designated Reserves.

In response to Mayor Pro Tem Joe's question, Public Works Director Toor stated the proposed Street Capital Improvement Projects only consist of street projects. Public Works Director Toor indicated the Public Works Department tries to repair curbs and gutters, and other related driveways, as part of the street projects. He stated there are funds set aside for sidewalk repairs and upgrades.

In response to Councilmember Cacciotti's question, City Manager Gonzalez explained that \$110,000 in legal fees were related to the South Pasadena Police Officers' Association lawsuit and impasse.

City Manager Gonzalez reviewed the FY 2014-15 Budget Summary as follows:

- Proposed \$2,000,000 Street Improvements
- Proposed \$1,578,100 in Supplemental Requests (\$855,000 funded from General Fund, \$50,000 funded from undesignated reserve, and \$673,100 from other funds)
- Current Reserve Levels:
 - Overall Reserve Level = \$12.95 million (54%)
 - Undesignated Reserve Level = \$10.3 million (43%)

City Manager Gonzalez highlighted the recommended supplemental funds and responded to Councilmembers' questions.

Councilmember Mahmud inquired how much additional sidewalk work could be completed with \$120,000.

Public Works Director Toor explained that there was no standard measure for each location. He stated staff typically utilized the process of identifying the scope of work and obtaining bids. He stated the cost is dependent on the location and what aspects are involved. Public Works Director Toor noted the average cost for sidewalks was \$10 to \$15 per square foot and \$40 to \$60 per square foot for curb and gutter.

Councilmember Cacciotti requested a comprehensive assessment of the condition and cost to repair the City's streets.

City Manager Gonzalez continued his review of the recommended supplemental funds and responded to Councilmembers' questions.

In response to Councilmember Cacciotti's question, City Manager Gonzalez explained the Police Department's request to purchase two police patrol vehicles was a routine request for replacement.

Captain Wheelless explained that two Dodge vehicles are proposed to be replaced due to high maintenance costs. She stated it would be more cost effective to replace the vehicles.

Councilmember Cacciotti commented that every department needs to convert to alternative fuel vehicles.

In response to Mayor Pro Tem Joe's question, City Manager Gonzalez explained that Special Funds are designated for special expenditures.

Councilmember Cacciotti recommended that staff contact the Offices of Assemblymember Holden and Senator Liu for assistance with Caltrans to lease a location for a community garden.

Councilmember Mahmud requested additional information be provided for the Supplemental Requests.

Public Works Director Toor provided an overview of the completed Capital Improvement Projects, Capital Improvement Projects in progress, and proposed FY 2014-15 Street Projects, and responded to Councilmembers' questions.

Councilmember Schneider requested the status of Monterey Road.

Discussion followed among the City Councilmembers and staff regarding improvements to Monterey Road.

By consensus, the City Council requested that Monterey Road be added to the list of proposed street projects for policy direction.

Mayor Khubesrian invited comments from the public. No one wished to be heard and she closed the Public Comments section.

Councilmember Mahmud requested an estimate for the complete repair of El Centro Street.

Councilmember Cacciotti requested a comprehensive review of the FY 2014-15 Budget by department.

Mayor Khubesrian requested a detailed FY 2014-15 Budget review be agendized for the May 7, 2014, City Council Meeting.

City Manager Gonzalez confirmed that a comprehensive FY 2014-15 Budget review would be placed on the May 7, 2014, City Council Meeting agenda.

ADJOURNMENT

Mayor Khubesrian adjourned the Special Meeting of the South Pasadena City Council/Redevelopment Successor Agency/Public Financing Authority/ Housing Authority at 7:30 p.m.

Evelyn G. Zneimer
City Clerk

Marina Khubesrian, M.D.
Mayor

Minutes approved by the South Pasadena City Council on May 7, 2014.

SUBJECT TO REVISION: UNAPPROVED UNTIL RATIFIED BY COUNCIL



**MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL/REDEVELOPMENT SUCCESSOR AGENCY
PUBLIC FINANCING AUTHORITY/HOUSING AUTHORITY
OF THE CITY OF SOUTH PASADENA CONVENED
THIS 23RD DAY OF APRIL 2014, AT 7:30 P.M.
AMEDEE O. "DICK" RICHARDS, JR., COUNCIL CHAMBERS
1424 MISSION STREET**

ROLL CALL

Mayor Khubesrian convened the Special Meeting of the South Pasadena City Council/Redevelopment Successor Agency (Agency)/Public Financing Authority (Authority)/Housing Authority (Authority) at 7:45 p.m.

Chief Deputy City Clerk Hall called the roll. Present were City Councilmembers/Agency/Authority Members Cacciotti, Mahmud, and Schneider; Mayor Pro Tem/Agency/Authority Vice Chair Joe; and Mayor/Agency/Authority Chair Khubesrian.

Absent: None.

Other Officials and Staff present: City Manager/Agency/Authority Executive Director Gonzalez; City Attorney/Agency/Authority Counsel Adams; Assistant City Manager Straus; Fire Chief Frawley; Finance Director Batt; Public Works Director Toor; Planning and Building Director Watkins; Community Services Director Pautsch; Water Conservation Analyst Figoni; Grants Analyst Perkosky; and Chief Deputy City Clerk Hall.

INVOCATION

Councilmember Mahmud presented the invocation.

PLEDGE OF ALLEGIANCE

Councilmember Mahmud led the Pledge of Allegiance.

- 1. FIRE DEPARTMENT PROMOTIONAL BADGE PINNING CEREMONY OF PAUL RIDDLE, DEPUTY FIRE CHIEF; CHRIS SZENCZI, CAPTAIN; ERIC**
SUBJECT TO REVISION: UNAPPROVED UNTIL RATIFIED BY COUNCIL

**ZANTENSON, CAPTAIN; KRIS SAXON, CAPTAIN; AND CLIFF SNIDER,
ENGINEER**

Fire Chief Frawley pinned promotional badges on Paul Riddle, Deputy Fire Chief; Chris Szenczi, Captain; Eric Zantenson, Captain; Kris Saxon, Captain; Cliff Snider, Engineer; and Mike Larkin, Engineer.

**2. PRESENTATION OF A PROCLAMATION DECLARING APRIL 2014, AS
“DMV/DONATE LIFE CALIFORNIA MONTH” IN THE CITY OF SOUTH
PASADENA**

Mayor Khubesrian presented a Proclamation declaring April 2014, as “DMV/Donate Life California Month” in the City of South Pasadena (City) to Monica O’Brien and Alejandro Parajon, Donate Life Ambassadors.

**4. PRESENTATION OF A CERTIFICATE OF RECOGNITION TO MAYOR
MARINA KHUBESRIAN, M.D., FOR BEING NAMED AS A RECIPIENT OF
THE 2014 WOMEN OF DISTINCTION AWARD IN THE 27TH
CONGRESSIONAL DISTRICT**

Agenda Item No. 4 was reordered and presented at this time.

Mayor Pro Tem Joe presented a Certificate of Recognition to Mayor Khubesrian for being named a recipient of the 2014 Women of Distinction Award in the 27th Congressional District. He noted that Congresswoman Judy Chu presented Mayor Khubesrian with the Award at a ceremony held on Saturday, April 12, 2014.

**3. PRESENTATION OF A PROCLAMATION DECLARING MAY 4-10, 2014,
AS “BE KIND TO ANIMALS WEEK” IN THE CITY OF SOUTH PASADENA**

Mayor Khubesrian presented a Proclamation declaring May 4 through 10, 2014, as “Be Kind to Animals Week” in the City of South Pasadena to Elizabeth Cavanaugh, Chair, Animal Commission.

Mayor Khubesrian requested the Animal Commission consider a watering station for animals at the 2014 4th of July Parade.

5. COUNCILMEMBERS’ COMMENTS (3 MINUTES EACH)

Mayor Pro Tem Joe announced the Spring Eggstravaganza event held on April 19, 2014, at Garfield Park, and displayed PowerPoint slides. He reported on the current Planning and Building permit figures.

Councilmember Mahmud reported that she attended the San Gabriel Valley Council of Governments’ Transportation Committee Meeting where a presentation was made on the

topic of Metro's short range transportation plan. Councilmember Mahmud noted that comments were due in 30 days. She also announced the Eclectic Music Festival to be held on Saturday, May 3, 2014, at 3:00 p.m., at various locations around the City.

Councilmember Schneider commented on the DMV/Donate Life Program and encouraged everyone to sign up.

Councilmember Cacciotti thanked Police Chief Miller and the Police Department for participating in the Baker to Vegas Run and displayed a photograph of the recent event. He announced the ribbon cutting event for the opening of the compressed natural gas station slow fill at the Arroyo. Councilmember requested staff review the following items: 1) Connect bike lane on York Avenue; 2) Review Santa Barbara Municipal Code regarding vehicle idling and draft ordinance, seconded by Councilmember Mahmud; 3) Refer Garfield Park underground utilities project to Parks and Recreation Commission, seconded by Mayor Khubesian; and 4) Review the Draft Caltrans Freight Mobility Plan. Councilmember Cacciotti displayed a flyer on the overhead projector regarding the Electric Lawn Mower Exchange Program, sponsored by the South Coast Air Quality Management District (AQMD) and the California Air Resources Board. He indicated that residents could trade in their old, operable, gas-powered lawn mower and replace it with a high-performance electric mower. He displayed an electric lawn mower and provided a demonstration on how it works.

Mayor Khubesian provided an update on the massage establishment ordinance. She stated that a press conference was held this morning in Sacramento to introduce a bill that allows Cities to regulate massage establishments. She participated in an interview with NBC News regarding the massage establishment ordinance. She reported that Metro's SR-710 Environmental Impact Report (EIR)/Environmental Impact Statement (EIS) has been delayed. She announced the following events: 1) South Pasadena Arts Council, lead by Howard Spector, is hosting "Lab Series" health videos on Wednesday, April 28, 2014 at 7:30 p.m., at the Lorie Hendricks Gallery, 1504 Mission Street; 2) Pasadena Showcase House of Design Tour, Pasadena, Tuesdays through Saturdays now through May 11, 2014; 3) Blue lights display at City Hall courtyard to bring awareness to Autism; and 4) Autism Speaks Fundraiser and Walk, Saturday, April 26, 2014. She noted the recent train grade crossing issue was not due to a Southern California Edison power failure.

6. CITY MANAGER COMMUNICATIONS

City Manager Gonzalez announced that the SR-710 EIR/EIS was delayed due to the need to update Southern California Association of Governments' traffic model. He provided an update on the City's efforts to address emergency response in the event of a power failure of the train grade crossings and will bring back a formal report.

7. REORDERING OF AND ADDITIONS TO THE AGENDA

None.

CONSENT CALENDAR

Councilmember Cacciotti requested that Item Nos. 12 and 13 be removed from the Consent Calendar for separate consideration.

MOTION: M/S Cacciotti/Mahmud to approve Consent Calendar Item Nos. 8, 9, 10, 11, 14, and 15; and including Prepaid Warrants #182894-182943 in the amount of \$683,660.78, General City Warrants #182944-183078 in the amount of \$755,324.14, and Payroll 04-11-14 in the amount of \$400,171.43 totaling \$1,839,156.35; and seated as the Successor Agency to the Community Redevelopment Agency, approve Redevelopment Successor Agency warrants for \$7,852.00 (included in above total). By roll call vote, the motion passed unanimously. Absent: None.

The Consent Calendar consisted of the following items:

- 8. APPROVAL OF THE MINUTES OF THE SPECIAL CITY COUNCIL MEETING OF APRIL 9, 2014**
- 9. APPROVAL OF PREPAID WARRANTS IN THE AMOUNT OF \$683,660.78, GENERAL CITY WARRANTS IN THE AMOUNT OF \$755,324.14 AND PAYROLL IN THE AMOUNT OF \$400,171.43**
- 10. MONTHLY INVESTMENT REPORTS FOR FEBRUARY 2014**
- 11. APPROVAL OF RESOLUTION NO. 7344 AUTHORIZING THE CITY MANAGER TO EXECUTE THE COOPERATION AGREEMENT FOR THE 2015-17 QUALIFICATION PERIOD WITH THE LOS ANGELES COUNTY COMMUNITY DEVELOPMENT COMMISSION FOR COMMUNITY DEVELOPMENT BLOCK GRANTS**
- 14. AWARD OF CONTRACT TO UNIVERSAL COATINGS INC. IN THE AMOUNT OF \$96,000 FOR THE CITY HALL AND MAINTENANCE YARD ROOF COATING PROJECT**
- 15. REQUEST FROM THE SOUTH PASADENA CHAMBER OF COMMERCE FOR THE CITY TO CO-SPONSOR AND WAIVE THE ASSOCIATED CITY FEES FOR THE ECLECTIC MUSIC FESTIVAL & ART WALK EVENT ON SATURDAY, MAY 3, 2014**

ITEMS PULLED FROM THE CONSENT CALENDAR FOR SEPARATE CONSIDERATION

- 12. REJECTION OF BIDS FOR LANDSCAPE MAINTENANCE SERVICES**

SUBJECT TO REVISION: UNAPPROVED UNTIL RATIFIED BY COUNCIL

In response to Councilmember Cacciotti's questions, Public Works Director Toor provided an update on the environmentally responsible methods of landscaping maintenance requested of the contractors.

Councilmember Cacciotti requested that staff meet with him and AQMD to explore environmentally responsible landscaping methods.

Councilmember Cacciotti requested a list of chemicals used at City parks.

MOTION: M/S Cacciotti/Schneider to reject all bids received for landscape maintenance services and direct staff to readvertise the project. By roll call vote, the motion passed unanimously. Absent: None.

13. ACCEPTANCE OF PROJECT COMPLETION AND AUTHORIZATION TO FILE A NOTICE OF COMPLETION FOR COMPRESSED NATURAL GAS (CNG) FAST-FILL UPGRADE PROJECT, AND AUTHORIZATION TO RELEASE RETENTION PAYMENT IN THE AMOUNT OF \$12,593 TO ALLSUP CORPORATION

In response to Councilmember Cacciotti's question, Public Works Director Toor explained the Project Cost Summary on page 93 of the City Council Meeting Agenda Packet.

Councilmember Cacciotti requested reallocation of the funds back to the reserves for the energy efficiency fund.

MOTION: M/S Cacciotti/Mahmud to approve acceptance of the project improvements as complete and authorize the issuance of a Notice of Completion for the project; and authorize payment of the retention to Allsup Corporation in the amount of \$12,593.

PUBLIC COMMENTS

Mayor Khubesrian opened the Public Comments section of the meeting.

Lela Bisner, Board Member, South Pasadena Beautiful, invited the City Council to attend the 44th Annual Garden Tour and Plant Swap on Sunday, April 27, 2014, from 1:00 p.m. to 4:00 p.m.

Steven Lawrence, Board Member, South Pasadena Beautiful, commented that details of the Garden Tour and Plant Swap could be researched online with the keywords "South Pasadena Garden Tour."

There being no additional speakers, Mayor Khubesrian closed the Public Comments section.

ACTION/DISCUSSION

SUBJECT TO REVISION: UNAPPROVED UNTIL RATIFIED BY COUNCIL

16. FIRST READING AND INTRODUCTION OF AN ORDINANCE REGARDING PROHIBITING SINGLE-USE PLASTIC CARRYOUT BAGS AND INCORPORATION BY REFERENCE THE LOS ANGELES COUNTY ENVIRONMENTAL IMPACT REPORT AND STATEMENT OF OVERRIDING CONSIDERATION

Water Conservation Analyst Figoni summarized the staff report as part of a PowerPoint presentation, and responded to Councilmembers' questions.

Mayor Khubesian opened the Public Comments section.

There being no speakers, Mayor Khubesian closed the Public Comments section.

Chief Deputy City Clerk Hall presented and read by title AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, AMENDING CHAPTER 16 (GARBAGE AND WASTE) OF THE SOUTH PASADENA MUNICIPAL CODE WITH THE ADDITION OF AN ARTICLE III (SINGLE-USE PLASTIC CARRYOUT BAGS) TO BAN THE USE OF SINGLE-USE PLASTIC BAGS AT LARGE GROCERY STORES, PHARMACIES AND CONVENIENCE STORES AND ADOPTION BY REFERENCE THE LOS ANGELES COUNTY ENVIRONMENTAL IMPACT REPORT.

MOTION: M/S Mahmud/Cacciotti to approve a first reading and introduction of AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, AMENDING CHAPTER 16 (GARBAGE AND WASTE) OF THE SOUTH PASADENA MUNICIPAL CODE WITH THE ADDITION OF AN ARTICLE III (SINGLE-USE PLASTIC CARRYOUT BAGS) TO BAN THE USE OF SINGLE-USE PLASTIC BAGS AT LARGE GROCERY STORES, PHARMACIES AND CONVENIENCE STORES AND ADOPTION BY REFERENCE THE LOS ANGELES COUNTY ENVIRONMENTAL IMPACT REPORT and incorporate by reference the Los Angeles County Environmental Impact Report (EIR) and Statement of Overriding Consideration for an Ordinance Prohibiting Single-Use Plastic Carryout Bags, which is on file with the City Clerk's Office. The motion passed by the following roll call vote:

AYES: Cacciotti, Joe, Mahmud, Schneider, and Mayor Khubesian

NOES: None

ABSENT: None

ABSTAIN: None

17. DIRECTION REGARDING A RESOLUTION OF INTENT TO AMEND THE ZONING CODE TO REVISE THE PROCEDURE TO CALL UP DECISIONS FOR REVIEW OR TO LENGTHEN THE APPEAL PERIOD

Planning and Building Director Watkins presented the staff report and responded to Councilmembers' questions.

Mayor Khubesrian opened the Public Comments section.

There being no speakers, Mayor Khubesrian closed the Public Comments section.

MOTION: M/S Khubesrian/Mahmud to adopt the Resolution of Intent to Amend the Zoning Code as follows: 1) To retain the 15-day appeal period; 2) Allow one or two Council members or one or two Planning Commissioners to file a written request with the City Clerk to call up a decision for review; 3) The filing of this request would stay the decision at that point pending the appeals hearing; and 4) The request would not need to be placed on an agenda for a vote. By roll call vote, the motion passed unanimously. Absent: None.

PUBLIC COMMENTS

Mayor Khubesrian opened the Public Comments section. There was no one from the public wishing to speak on the Closed Session agenda item. Mayor Khubesrian closed the Public Comments section.

RECESS TO CLOSED SESSION IN CITY HALL, CITY MANAGER'S CONFERENCE ROOM, SECOND FLOOR, 1414 MISSION STREET

At 9:08 p.m., the Special City Council Meeting was recessed into Closed Session.

The City Council left the Amedee O. "Dick" Richards, Jr., Council Chambers, 1424 Mission Street, and entered City Hall, City Manager's Conference Room, Second Floor, 1414 Mission Street, to conduct the Closed Session meeting.

CLOSED SESSION

18. CONFERENCE WITH LEGAL COUNSEL – PENDING AND POTENTIAL LITIGATION

PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(1)

NAME OF CASE: CITY OF SOUTH PASADENA ET AL V. FEDERAL HIGHWAY ADMINISTRATION: CA DEPARTMENT OF TRANSPORTATION ET AL. [UNITED STATES DISTRICT COURT CV 98-6996] – PROPOSED SR-710 FREEWAY EXTENSION

SUBJECT TO REVISION: UNAPPROVED UNTIL RATIFIED BY COUNCIL

City Attorney Adams read the Closed Session title into the record.

The City Council convened into Closed Session.

**19. CLOSED SESSION ANNOUNCEMENTS – CITY HALL, CITY MANAGER’S
CONFERENCE ROOM, SECOND FLOOR, 1414 MISSION ST.**

City Attorney Adams announced that Special Counsel advised the City Council and there was no reportable action taken regarding the Closed Session item.

ADJOURNMENT

Mayor Khubesrian adjourned the Special Meeting of the South Pasadena City Council/Redevelopment Successor Agency/Public Financing Authority/ Housing Authority at 9:43 p.m.

Evelyn G. Zneimer
City Clerk

Marina Khubesrian, M.D.
Mayor

Minutes approved by the South Pasadena City Council on May 7, 2014.



**MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL/REDEVELOPMENT SUCCESSOR AGENCY
PUBLIC FINANCING AUTHORITY/HOUSING AUTHORITY
OF THE CITY OF SOUTH PASADENA CONVENED
THIS 30th DAY OF APRIL 2014, AT 8:00 A.M.
CITY MANAGER'S CONFERENCE ROOM, SECOND FLOOR
1414 MISSION STREET**

1. ROLL CALL

Mayor Khubesrian convened the Special Meeting of the South Pasadena City Council/Redevelopment Successor Agency (Agency)/Public Financing Authority (Authority)/Housing Authority (Authority) at 8:16 a.m.

Present were City Councilmembers/Agency/Authority Members Cacciotti, and Mahmud; Mayor Pro Tem/Agency/Authority Vice Chair Joe; and Mayor/Agency/Authority Chair Khubesrian. Pursuant to Government Code Section 54953(b), City Councilmember/Agency/Authority Member Schneider participated via teleconference from St. Francis Medical Center, Department of Pathology, 3630 E. Imperial Hwy, 2nd Floor, Room #2208, Lynwood, CA, 90262, and notice was properly posted as required by law.

Absent: None.

Other Officials and staff present: City Manager/Agency/Authority Executive Director Gonzalez and Assistant City Manager Straus.

2. PUBLIC COMMENTS

Mayor Khubesrian opened the Public Comments section. There was no one from the public wishing to speak on the Closed Session agenda item. Mayor Khubesrian closed the Public Comments section.

**3. CLOSED SESSION
PUBLIC EMPLOYEE APPOINTMENT
PURSUANT TO GOVERNMENT CODE SECTION 54957
TITLE: CITY ATTORNEY**

City Manager Gonzalez read the Closed Session title into the record.

The City Council convened into Closed Session.

4. OPEN SESSION

The meeting reconvened in Open Session with all Councilmembers in attendance, including Councilmember Schneider via teleconference location.

City Manager Gonzalez advised that there was no reportable action taken regarding the Closed Session item.

ADJOURNMENT

Mayor Khubesrian adjourned the Special Meeting of the South Pasadena City Council/Redevelopment Successor Agency/Public Financing Authority/ Housing Authority at 9:10 a.m.

Evelyn G. Zneimer
City Clerk

Marina Khubesrian, M.D.
Mayor

Minutes approved by the South Pasadena City Council on May 7, 2014.

City of South Pasadena/ Redevelopment Successor Agency/ Public Financing Authority Agenda Report

*Marina Klubesrian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member*

*Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer*

COUNCIL AGENDA: May 7, 2014
TO: Honorable Mayor and City Council
VIA: Sergio Gonzalez, City Manager *JH*
FROM: David Batt, Finance Director *DB*
SUBJECT: **Approval of Prepaid Warrants in the Amount of \$430,144.32,
General City Warrants in the Amount of \$456,630.85 and Payroll
in the Amount of \$391,505.71**

Recommendation

It is recommended that the City Council approve the Warrants as presented.

Fiscal Impact

Prepaid Warrants:

Warrant # 183079 – 183134 \$ 430,144.32

General City Warrants:

Warrant # 183135 – 183269 \$ 456,630.85

Payroll 04-25-14 \$ 391,505.71

Total \$ 1,278,280.88

Commission Review and Recommendation

This matter was not reviewed by a Commission.

Legal Review

The City Attorney has not reviewed this item.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website.

Approval of Warrants
May 7, 2014
Page 2 of 2

Attachments:

1. Warrant Summary
2. Prepaid Warrant List
3. General City Warrant List
4. Payroll 04-25-14
5. Redevelopment Successor Agency Check Summary Total

ATTACHMENT 1
Warrant Summary

City of South Pasadena
Demand/Warrant Register
Recap by fund

Fund No.	Date 05.07.14 Amounts			
	Prepaid	Written	Payroll	
General Fund	101	96,180.36	299,380.98	222,047.07
Facilities & Equip.Cap. Fund	105			
MTA Pedestrian Improvement	201			
Local Transit Return "A"	205	1,470.02	2,833.25	4,706.35
Local Transit Return "C"	207	622.44		5,672.64
Blue Line Betterments Grant/Metro	209			
Sewer Fund	210	1,547.07	154.45	13,101.27
CTCTraffic Improvement	211			
Street Lighting Fund	215	14,617.25	4,491.25	6,225.71
Public,Education & Govt Fund	217			
Clean Air Act Fund	218	36,437.40		
Business Improvement Tax	220	24,100.00	22.50	
Gold Line Mitigation Fund	223			
Mission Meridian Public Garage	226			
Housing Authority Fund	228			
State Gas Tax	230	1,353.90	11,507.95	16,239.24
County Park Bond Fund	232		1,475.05	
Measure R	233			
MSRC Grant Fund	238		119,633.50	
Bike & Pedestrian Paths	245			
SGVCOG Grant Fund	247			
ARRA Grant Fund	250			
Capital Growth Fund	255			
CDBG	260		75.00	
Asset Forfeiture	270			
Police Grants - State	272			
Police Subventions-CLEEP	273			
Homeland Security Grant	274			
Park Impact Fees	275			
Public Library Fund Grant	280			
99 Pasadena Ave.	290			
Arroyo Seco Golf Course	295			
Sewer Capital Projects Fund	310			
Water Fund	500	9,091.49	17,056.92	55,111.41
Public Financing Authority	550			
Payroll Clearing Fund	700	239,676.22		61,643.56
Employee Special Event Fund	900			
Redev.Oblig.Retirement Fund	927			
Column Totals		425,096.15	456,630.85	384,747.25
City Report Totals			1,266,474.25	

Recap by fund

Fund No.	Amounts		
	Prepaid	Written	Payroll
RSA	227	5,048.17	6,758.46
Column Totals		5,048.17	6,758.46
RSA Report Totals		11,806.63	
Grand Report Total		1,278,280.88	

ATTACHMENT 2
Prepaid Warrant List

Albanes, Kerim

Inv. R47519			
04/23/14	Refund Partial Double Booked P	101-0000-0000-5270-005	55.00
Ck. 04/25/14 183111	Total		55.00

Ameritas

Inv. P/R/E 4/20/14			
04/22/14	Vision Ins May-14	700-0000-0000-2268-000	2,750.12
Ck. 04/24/14 183094	Total		2,750.12

Arecano Inc.

Inv. 041614-1			
04/17/14	Finance Director Svcs 4/1-15/1	210-6010-6501-8170-000	613.20
04/17/14	Finance Director Svcs 4/1-15/1	500-3010-3012-8170-000	1,533.00
04/17/14	Finance Director Svcs 4/1-15/1	227-7200-7210-8170-000	1,839.60
04/16/14	Finance Director Svcs 4/1-15/1	101-3010-3011-8170-000	2,146.20
Ck. 04/17/14 183079	Total		6,132.00

AT&T --Cingular Wireless

Inv. 287014917916X04			
04/08/14	City IPAD's 3/9-4/8/14	101-1020-1021-8150-000	20.46
04/08/14	City IPAD's 3/9-4/8/14	101-2010-2011-8150-000	20.46
04/08/14	City IPAD's 3/9-4/8/14	101-4010-4011-8150-000	20.46
04/08/14	City IPAD's 3/9-4/8/14	101-5010-5011-8150-000	20.46
04/08/14	City IPAD's 3/9-4/8/14	101-8010-8011-8150-000	20.46
04/08/14	City IPAD's 3/9-4/8/14	101-8030-8031-8150-000	20.46
04/08/14	City IPAD's 3/9-4/8/14	500-6010-6710-8150-000	40.83
04/08/14	City IPAD's 3/9-4/8/14	101-7010-7101-8150-000	45.92
04/08/14	City IPAD's 3/9-4/8/14	101-6010-6011-8150-000	50.5
04/08/14	City IPAD's 3/9-4/8/14	101-1010-1011-8150-000	111.8
Ck. 04/25/14 183112	Total		372.27

CA Franchise Tax Board

Inv. P/R/E 4/20/14			
04/22/14	Garnishment	700-0000-0000-2264-000	313.06
Ck. 04/24/14 183095	Total		313.06

Ca. State Disbursement Unit

Inv. P/R/E 4/20/14			
04/22/14	Garnishment	700-0000-0000-2264-000	400.50
Ck. 04/24/14 183096	Total		400.50

Ca. State Disbursement Unit

Inv. P/R/E 4/20/14			
04/22/14	Garnishment	101-0000-0000-2910-200	211.15
Ck. 04/24/14 183097	Total		211.15

CAL PERS 457 PLAN

Inv. P/R/E 4/20/14			
04/22/14	Deferred Comp	700-0000-0000-2260-000	2,576.75
Ck. 04/24/14 183098	Total		2,576.75

Casas, Diana

Inv. R47445			
04/18/14	Refund Cancelled Class	101-0000-0000-5270-002	76.00
Ck. 04/25/14 183113	Total		76.00

Castruita, Christopher

Inv. 4/8-10/14			
04/23/14	Reimb. CAPIO Conf Hotel & Meal	101-2010-2011-8090-000	308.19

...	04/25/14 183114	Total		308.19
Chan, Anthony				
	Inv. P/R/E 4/20/14			
	04/22/14	Movie Detail 4/14/14	101-0000-0000-2910-200	700.00
	Inv. P/R/E 4/20/14A			
	04/22/14	Coverage 4/7/14	101-4010-4011-7000-000	312.90
	Inv. P/R/E 4/20/14B			
	04/22/14	Coverage 4/12/14	101-4010-4011-7000-000	375.48
	Inv. P/R/E 4/20/14C			
	04/22/14	Coverage 4/16/14	101-4010-4011-7000-000	344.19
	Inv. P/R/E 4/20/14D			
	04/22/14	Coverage 4/20/14	101-4010-4011-7000-000	187.74
	Inv. P/R/E 4/20/14E			
	04/22/14	Coverage 4/20/14	101-4010-4011-7000-000	375.48
Ck.	04/24/14 183099	Total		2,295.79
City of South Pasadena PD Pett				
	Inv. 4/24/14			
	04/24/14	Reimb. Petty Cash	101-4010-4011-8100-000	6.00
	04/24/14	Reimb. Petty Cash	101-4010-4011-8020-000	115.73
Ck.	04/25/14 183115	Total		121.73
City of Temple City				
	Inv. 5/21/14			
	04/25/14	CSMFO Lunch Mtg-David Batt & P	101-3010-3011-8090-000	80.00
Ck.	04/25/14 183116	Total		80.00
ek, Michael				
	Inv. P/R/E 4/20/14			
	04/22/14	Movie Detail 4/10/14	101-0000-0000-2910-200	980.00
	Inv. P/R/E 4/20/14A			
	04/22/14	Movie Detail 4/11/14	101-0000-0000-2910-200	560.00
	Inv. P/R/E 4/20/14B			
	04/22/14	Movie Detail 4/16/14	101-0000-0000-2910-200	630.00
Ck.	04/24/14 183100	Total		2,170.00
Delta Dental				
	Inv. P/R/E 4/20/14			
	04/22/14	Dental Ins May-14	700-0000-0000-2267-000	11,086.79
Ck.	04/24/14 183101	Total		11,086.79
Division of the State Architec				
	Inv. 1/1-3/31/14			
	04/16/14	Disability Access Education Fe	101-0000-0000-4405-000	231.30
Ck.	04/17/14 183080	Total		231.30
Dr. Detail Ph.D				
	Inv. 00009			
	03/04/14	Carpet Cleaning in PD Dept.	101-4010-4011-8120-000	395.00
Ck.	04/25/14 183117	Total		395.00
E. D. D.				
	Inv. P/R/E 4/20/14			
	04/22/14	State w/h Tax	700-0000-0000-2220-000	14,958.60
Ck.	04/24/14 183102	Total		14,958.60
ex Advantage				
	Inv. 80659			
	04/15/14	Admistration Cost	101-3010-3041-7131-000	72.00

Inv. P/R/E 4/20/14			
04/22/14	Retiree Health Reimbursement 5	101-3010-3041-7131-000	529.84
Ck. 04/24/14 183103	Total		601.84

Galpin Motors

Inv. 1126306			
04/15/14	Ford Fusion Energi SE	218-2010-2270-8540-000	36,437.40
Ck. 04/17/14 183081	Total		36,437.40

Giron, Aaron

Inv. P/R/E 4/20/14			
04/22/14	Movie Detail 4/16/14	101-0000-0000-2910-200	700.00
Inv. P/R/E 4/20/14A			
04/22/14	Movie Detail 4/10/14	101-0000-0000-2910-200	347.35
Ck. 04/24/14 183104	Total		1,047.35

Hadizadeh, Afifeh

Inv. R47444			
04/18/14	Refund Cancelled Class	101-0000-0000-5270-002	76.00
Ck. 04/25/14 183118	Total		76.00

Harnager, Anne

Inv. R47443			
04/15/14	Refund Cancelled Class	101-0000-0000-5270-002	76.00
Ck. 04/25/14 183119	Total		76.00

Home Depot Credit Services

Inv. 1574156			
03/19/14	Supplies	101-8030-8032-8120-000	129.
Inv. 2573958			
03/18/14	Supplies	101-8030-8032-8120-000	181.18
Inv. 3020242			
03/17/14	Supplies	101-6010-6601-8120-000	498.94
Inv. 3020244			
03/17/14	Supplies	101-6010-6601-8120-000	110.56
Inv. 3972076			
03/17/14	Supplies	101-8030-8031-8120-000	542.82
Inv. 4972930			
03/26/14	Supplies	500-6010-6711-8020-000	62.85
Inv. 5142833			
03/25/14	Supplies	101-6010-6601-8120-000	24.78
Inv. 5543051			
03/25/14	Supplies	101-6010-6601-8020-000	158.70
Inv. 7092575			
03/03/14	Supplies	101-6010-6601-8020-000	275.05
Inv. 9565421			
03/21/14	Supplies	101-6010-6601-8120-000	37.03
Ck. 04/25/14 183120	Total		2,021.62

ICMA

Inv. P/R/E 4/20/14			
04/22/14	Deferred Comp	700-0000-0000-2260-000	4,198.48
Ck. 04/24/14 183105	Total		4,198.48

Ignite Entertainment

Inv. 020			
04/10/14	Inhouse Field Trip Entertainme	101-8030-8032-8020-000	275.00
Ck. 04/25/14 183121	Total		275.

usG Life Ins. & Annuity Co.

Inv. P/R/E 4/20/14			
04/22/14	Deferred Comp	700-0000-0000-2260-000	2,773.53
Ck. 04/24/14 183106	Total		2,773.53

Jimenez, Desiree

Inv. 4/16/14			
04/16/14	Reimb. PA System Rolling Cart	101-1020-1021-8020-000	40.30
Ck. 04/17/14 183082	Total		40.30

L.A.C. Dept. of Public Works

Inv. 4/17/2014			
04/17/14	Connection Fee to LAC Flood Co	500-9000-9241-9241-000	1,046.00
Ck. 04/25/14 183122	Total		1,046.00

L.A.C. DHS

Inv. 2014			
04/21/14	EMT Recertification-Bergstrom	101-5010-5011-8200-000	174.00
Inv. 2014 A			
04/21/14	EMT Recertification-Saxon & Ri	101-5010-5011-8200-000	174.00
Ck. 04/25/14 183123	Total		348.00

Lake, Kevin

Inv. R47446			
04/18/14	Refund Cancelled Class	101-0000-0000-5270-002	125.00
Ck. 04/25/14 183124	Total		125.00

w Offices of Jones & Mayer

Inv. 67451			
03/13/14	Legal Svcs-1827 Bushnell 3/14	101-2010-2501-8160-000	3,034.00
Inv. 67452			
03/13/14	Legal Svcs-619 Camino Verde 3/	101-2010-2501-8160-000	6,593.00
Inv. 67453			
03/13/14	Legal Svcs-Angela Carleton 3/1	101-2010-2501-8160-000	592.00
Inv. 67454			
03/13/14	Legal Svcs-Downtown Project 3/	227-7200-7210-8160-000	2,701.00
Inv. 67455			
03/13/14	Legal Svcs-General Litigation	101-2010-2501-8160-000	2,793.50
Inv. 67456			
03/13/14	Legal Svcs-Retainer Paralegal	101-2010-2501-8160-000	170.00
Inv. 67457			
03/13/14	Legal Svcs-Retainer 3/14	101-2010-2501-8160-000	23,484.50
Inv. 67458			
03/13/14	Legal Svcs-Riner Scivally 3/14	101-2010-2501-8160-000	55.50
Inv. 67459			
03/13/14	Legal Svcs-Suc. Agency 3/14	227-7200-7210-8160-000	185.00
Ck. 04/17/14 183083	Total		39,608.50

LDI Color ToolBox

Inv. 192768 1			
04/04/14	Copier Maint. & Overages 4/1-5	101-2010-2011-8300-000	124.76
04/04/14	Copier Maint. & Overages 4/1-5	101-1020-1021-8300-000	124.77
04/04/14	Copier Maint. & Overages 4/1-5	101-6010-6011-8300-000	124.77
Ck. 04/17/14 183084	Total		374.30

Lecea, Crystal

Inv. R47205			
04/15/14	Refund Double Booked Park Rsvp	101-0000-0000-5270-005	55.00
Ck. 04/17/14 183085	Total		55.00

Master Landscape & Maintenance

Inv. R0369050			
04/16/14	Refund Deposit	101-0000-0000-2970-001	1,000.00
Ck. 04/17/14 183086	Total		1,000.00

Miller, Cherry

Inv. R47448			
04/18/14	Refund Cancelled Class	101-0000-0000-5270-002	76.00
Ck. 04/25/14 183125	Total		76.00

Neff, Michael

Inv. 4/16/14			
04/16/14	Reimb. 911 Dispatcher Week Sup	101-4010-4011-8020-000	115.89
Ck. 04/17/14 183087	Total		115.89

Nettech Computers Inc

Inv. 017980			
01/29/14	Replacement Back Up Batteries	101-8010-8011-8020-000	113.10
Ck. 04/17/14 183088	Total		113.10

Ono, Patricia

Inv. R47447			
04/18/14	Refund Cancelled Class	101-0000-0000-5270-002	144.00
Ck. 04/25/14 183126	Total		144.00

Perez, Christopher A.

Inv. P/R/E 4/20/14			
04/22/14	Movie Detail 4/16/14	101-0000-0000-2910-200	700.00
Ck. 04/24/14 183107	Total		700.00

Pers Health Insurance

Inv. P/R/E 4/20/14			
04/22/14	Health Ins May-14	227-7200-7210-7131-000	322.57
04/22/14	Health Ins May-14	207-2010-2260-7131-000	622.44
04/22/14	Health Ins May-14	205-2010-2210-7131-000	776.91
04/22/14	Health Ins May-14	210-6010-6501-7131-000	904.12
04/22/14	Health Ins May-14	215-6010-6310-7131-000	1,235.79
04/22/14	Health Ins May-14	230-6010-6116-7131-000	1,353.90
04/22/14	Health Ins May-14	500-6010-6710-7131-000	2,194.42
04/22/14	Health Ins May-14	500-6010-6711-7131-000	2,194.42
04/22/14	Health Ins May-14	101-3010-3041-7131-000	35,828.57
04/22/14	Health Ins May-14	700-0000-0000-2262-000	101,336.32
Ck. 04/24/14 183108	Total		146,769.46

Pers Retirement

Inv. P/R/E 4/20/14			
04/22/14	Retirement Svc Period 4/7-4/20	700-0000-0000-2240-000	99,276.07
Ck. 04/24/14 183109	Total		99,276.07

PETTY CASH - Recreation

Inv. 4/23/14			
04/23/14	Reimb. Petty Cash	101-8030-8031-8020-000	19.06
04/23/14	Reimb. Petty Cash	101-8030-8032-8090-000	39.98
04/23/14	Reimb. Petty Cash	101-8030-8032-8020-000	223.76
04/23/14	Reimb. Petty Cash	101-8030-8032-8264-000	344.55
Ck. 04/25/14 183127	Total		627.35

Platinum Plus Busn. Card

Inv. 5088 C			
03/04/14	TAP Card Reload-MTA	101-2010-2011-8090-000	20.00

Inv. 5088 D				
03/04/14	CM & Councilmember Lunch Mtg-P	101-1010-1011-8090-000		65.05
Inv. 5088 E				
03/05/14	CM, Mayor & Economic Lunch Mtg	101-1010-1011-8090-000		72.35
Inv. 5088 F				
03/06/14	5 City Alliance Lunch Mtg-Cano	101-2010-2021-8090-000		132.98
Inv. 5088 G				
03/06/14	CM & Mayor Flight SB731Change-	101-2010-2011-8090-000		28.00
Inv. 5088 H				
03/06/14	CM & Mayor Flight SB731Change-	101-1010-1011-8090-000		28.00
Inv. 5088 I				
03/09/14	CM & Mayor Dinner SB731 -Lucca	101-1010-1011-8090-000		94.66
Inv. 5088 A				
03/03/14	CM & Mayor Flight SB731-Southw	101-2010-2011-8090-000		384.00
Inv. 5088 B				
03/03/14	CM & Mayor Flight SB731-Southw	101-1010-1011-8090-000		384.00
Inv. 5088 J				
03/09/14	CM & Mayor Taxi SB731 -SITOA	101-1010-1011-8090-000		19.80
Inv. 5088 K				
03/09/14	CM & Mayor Taxi SB731 -SITOA	101-2010-2011-8090-000		19.80
Inv. 5088 L				
03/10/14	CM & Mayor Taxi SB731 -TaxiPas	101-2010-2011-8090-000		25.65
Inv. 5088 M				
03/10/14	CM & Mayor Taxi SB731 -TaxiPas	101-1010-1011-8090-000		25.65
Inv. 5088 N				
03/10/14	CM Lunch SB731-Dos Coyotes	101-2010-2011-8090-000		10.99
Inv. 5088 O				
03/10/14	Mayor Lunch SB731-Jack Urban E	101-1010-1011-8090-000		15.53
Inv. 5088 P				
03/10/14	Parking @ Burbank Airport-Bob	101-2010-2011-8090-000		46.00
Inv. 5088 Q				
03/11/14	CM Hotel SB731-Hyatt Hotel	101-2010-2011-8090-000		178.40
Inv. 5088 R				
03/11/14	Mayor Hotel SB731-Hyatt Hote	101-1010-1011-8090-000		178.40
Ck. 04/17/14 183089	Total			1,729.26

S.P.Chamber of Commerce

Inv. 4728				
03/14/14	BIT 4th Qrt Allocation FY 13-1	220-2010-2301-8185-000		24,100.00
Ck. 04/25/14 183128	Total			24,100.00

Siriani, Christine

Inv. R47449				
04/18/14	Refund Cancelled Class	101-0000-0000-5270-002		76.00
Ck. 04/25/14 183129	Total			76.00

So. CA Edison Co.

Inv. 3-002-4472-77				
03/28/14	2/25-3/27/14	101-8010-8011-8140-000		2,385.85
Inv. 3-002-4472-78				
03/28/14	2/25-3/27/14	101-8030-8021-8140-000		749.40
Inv. 3-003-3929-47				
03/28/14	2/25-3/27/14	500-6010-6711-8140-000		115.18
Inv. 3-003-6653-57				
03/28/14	2/25-3/27/14	101-6010-6410-8140-000		497.54
Inv. 3-008-8091-11				
04/09/14	3/1-4/1/14	215-6010-6201-8140-000		3,355.42
Inv. 3-008-8091-12				
04/09/14	3/1-4/1/14	215-6010-6115-8140-000		751.87
Inv. 3-008-8091-13				
04/09/14	2/18/12-3/1/14	215-6010-6201-8140-000		(253.53)

04/09/14	3/1-4/1/14	215-6010-6201-8140-000	7,865.
Inv. 3-008-8091-14			
04/09/14	3/1-4/1/14	215-6010-6201-8140-000	11.63
Inv. 3-008-8091-16			
04/09/14	3/6-4/7/14	215-6010-6201-8140-000	128.85
Inv. 3-008-8091-17			
04/09/14	3/6-4/7/14	215-6010-6201-8140-000	60.12
Inv. 3-008-8091-18			
04/09/14	3/6-4/7/14	215-6010-6201-8140-000	53.31
Inv. 3-008-8091-19			
04/09/14	3/6-4/7/14	215-6010-6201-8140-000	44.08
Inv. 3-008-8091-20			
04/09/14	3/6-4/7/14	215-6010-6201-8140-000	67.52
Inv. 3-008-8091-21			
04/09/14	3/6-4/7/14	215-6010-6201-8140-000	74.01
Inv. 3-008-8091-22			
04/09/14	3/6-4/7/14	215-6010-6201-8140-000	47.25
Inv. 3-008-8091-23			
04/09/14	3/6-4/7/14	215-6010-6201-8140-000	73.94
Inv. 3-008-8091-24			
04/09/14	3/6-4/7/14	215-6010-6201-8140-000	69.64
Inv. 3-008-8436-55			
04/09/14	3/6-4/7/14	215-6010-6201-8140-000	126.51
Inv. 3-011-4089-57			
03/28/14	2/25-3/27/14	215-6010-6115-8140-000	49.84
Inv. 3-022-6897-72			
03/28/14	2/25-3/27/14	215-6010-6115-8140-000	25.64
Inv. 3-022-6898-28			
03/28/14	2/25-3/27/14	215-6010-6115-8140-000	27.45
Inv. 3-023-6580-86			
03/28/14	2/25-3/27/14	215-6010-6201-8140-000	28.75
Inv. 3-023-7462-29			
03/28/14	2/25-3/27/14	215-6010-6115-8140-000	176.72
Inv. 3-023-7844-31			
03/28/14	2/25-3/27/14	215-6010-6115-8140-000	26.06
Inv. 3-023-8283-79			
03/28/14	2/25-3/27/14	215-6010-6115-8140-000	30.98
Inv. 3-025-4910-19			
04/09/14	3/6-4/7/14	215-6010-6115-8140-000	114.63
Inv. 3-026-3223-65			
03/28/14	2/25-3/27/14	215-6010-6115-8140-000	37.08
Inv. 3-026-6343-40			
04/09/14	3/6-4/7/14	215-6010-6115-8140-000	34.97
Inv. 3-028-7013-82			
03/28/14	2/25-3/27/14	101-6010-6410-8140-000	98.05
Inv. 3-028-7594-32			
03/28/14	2/25-3/27/14	500-6010-6711-8152-000	1,322.68
Inv. 3-029-2458-05			
03/28/14	2/25-3/27/14	101-8030-8031-8140-000	59.87
Inv. 3-032-0513-93			
03/28/14	2/25-3/27/14	215-6010-6115-8140-000	55.00
Inv. 3-032-2521-62			
03/28/14	2/25-3/27/14	215-6010-6201-8140-000	85.90
Inv. 3-032-4192-98			
03/28/14	2/25-3/27/14	215-6010-6201-8140-000	81.20
Inv. 3-033-3452-62			
03/28/14	2/25-3/27/14	500-6010-6710-8140-000	524.80
Inv. 3-035-3494-19			
03/28/14	2/25-3/27/14	215-6010-6115-8140-000	51.00
Inv. 3-035-6502-21			
03/28/14	2/25-3/27/14	101-6010-6601-8140-000	196.00

Inv. 3-037-6075-39				
03/28/14	2/25-3/27/14		215-6010-6115-8140-000	80.51
Ck. 04/17/14 183090	Total			19,330.83
So. Cal. Gas Co.				
Inv. 196-493-8529-1				
04/04/14	Natural Gas Fuel 3/1-4/1/14		500-6010-6710-8020-000	22.20
04/04/14	Natural Gas Fuel 3/1-4/1/14		210-6010-6501-8020-000	29.75
04/04/14	Natural Gas Fuel 3/1-4/1/14		205-8030-8025-8105-000	693.11
Ck. 04/25/14 183130	Total			745.06
Straus, Hilary				
Inv. 4/23/14				
04/23/14	Reimb. Business Lunch Expense		101-2010-2011-8090-000	59.79
Ck. 04/25/14 183131	Total			59.79
Target Specialty Products				
Inv. 5/6/14				
04/09/14	Turf & Field Day -R.Vargas & G		101-6010-6410-8200-000	98.00
Ck. 04/17/14 183091	Total			98.00
Time Warner Cable				
Inv. 008 0012179				
04/16/14	PD Cable 4/16-5/15/14		101-4010-4011-8110-000	17.76
Ck. 04/17/14 183092	Total			17.76
Inv. 008 0251967				
04/22/14	1102 Oxley St. 4/22-5/21/14		101-8030-8021-8110-000	174.11
Inv. 008 0269985				
04/17/14	City Hall - 2nd Modem 4/17-5/1		101-3010-3032-8150-000	142.93
Ck. 04/25/14 183132	Total			317.04
TruGreen Landcare-West				
Inv. R0369051				
04/16/14	Refund Deposit		101-0000-0000-2970-001	1,000.00
Ck. 04/25/14 183133	Total			1,000.00
United Way				
Inv. P/R/E 4/20/14				
04/22/14	Payroll Deduction		700-0000-0000-2258-000	6.00
Ck. 04/24/14 183110	Total			6.00
Verizon Wireless				
Inv. 9722080647				
03/19/14	Scada System 2/20-3/19/14		500-6010-6711-8020-000	35.11
Inv. 9722527901				
03/26/14	City IPAD's 2/27-3/26/14		101-3010-3011-8150-000	38.01
03/26/14	City IPAD's 2/27-3/26/14		101-2010-2011-8150-000	76.02
Ck. 04/17/14 183093	Total			149.14
Wilds, Atsuko				
Inv. R47520				
04/23/14	Refund Partial Double Booked P		101-0000-0000-5270-005	55.00
Ck. 04/25/14 183134	Total			55.00
Total				430,144.32

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ATTACHMENT 3
General City Warrant List

Adamson Police Products

Inv. 134367				
03/28/14	PD Finger Print Supplies	101-4010-4011-8020-000		389.22
Inv. 134571				
03/31/14	PD Powder Gloves	101-4010-4011-8020-000		604.62
Ck. 05/07/14 183135	Total			993.84

Albright Lighting Plastics LLC

Inv. 26239				
04/11/14	Street Lights - Decrative Head	215-6010-6201-8020-000		290.52
Ck. 05/07/14 183136	Total			290.52

Alegria, Gloria

Inv. R46946				
04/18/14	Refund Dropped Tennis Class	101-0000-0000-5270-002		45.00
Ck. 05/07/14 183137	Total			45.00

Alhambra Car Wash

Inv. 3/2014				
04/07/14	PD Car Washes 3/14	101-4010-4011-8100-000		175.00
Ck. 05/07/14 183138	Total			175.00

Alhambra Chrysler Jeep Dodge I

Inv. 176757				
01/29/14	PD Vehicle Maint. Unit#0432	101-4010-4011-8100-000		199.95
Ck. 05/07/14 183139	Total			199.95

Alhambra Hospital Med Ctr

Inv. 4/7/14				
04/07/14	FD Medical Supplies	101-5010-5011-8025-000		255.00
Ck. 05/07/14 183140	Total			255.02

All Star Fire Equipment, Inc.

Inv. 172817				
04/10/14	FD Safety Equipment	101-5010-5011-8134-000		154.02
Inv. 172847				
04/16/14	FD Safety Equipment	101-5010-5011-8134-000		65.67
Ck. 05/07/14 183141	Total			219.69

Alliant Insurance Svcs, Inc.

Inv. 1/1-3/31/14				
04/23/14	Special Events Reporting 1/1-3	101-0000-0000-2970-001		1,671.00
Ck. 05/07/14 183142	Total			1,671.00

Allsup Corp.

Inv. 13-60-1				
04/02/14	Design/Construction CNG Upgrad	101-9000-9307-9307-000		119,633.50
04/02/14	Design/Construction CNG Upgrad	238-9000-9307-9307-000		119,633.50
Ck. 05/07/14 183143	Total			239,267.00

Alva, Cecila

Inv. R47207				
04/15/14	Refund Youth House Deposit 4/1	101-0000-0000-2920-000		250.00
Ck. 05/07/14 183144	Total			250.00

American Library Ass'n.

Inv. 0012880				
04/14/14	Membership-Steven Fjeldsted	101-8010-8011-8060-000		133.00
Ck. 05/07/14 183145	Total			133.00

Andrews, Loretta

Inv. 4/4-5/23/14			
04/18/14	Instructor Hawaiian Dance Clas	101-8030-8032-8267-000	130.00
Ck. 05/07/14 183146	Total		130.00

Antrim's Security Co., Inc.

Inv. 45716			
04/10/14	Replacement Master Locks & Doo	101-6010-6601-8020-000	401.12
Ck. 05/07/14 183147	Total		401.12

Aramark Uniform Services

Inv. 528643234			
04/03/14	Uniform Svc w/4/3/14	215-6010-6310-8132-000	15.85
04/03/14	Uniform Svc w/4/3/14	500-6010-6711-8132-000	15.88
04/03/14	Uniform Svc w/4/3/14	500-6010-6710-8132-000	15.88
04/03/14	Uniform Svc w/4/3/14	230-6010-6116-8132-000	15.88
04/03/14	Uniform Svc w/4/3/14	101-6010-6601-8132-000	15.88
04/03/14	Uniform Svc w/4/3/14	215-6010-6201-8132-000	15.88
04/03/14	Uniform Svc w/4/3/14	210-6010-6501-8132-000	67.11
Inv. 528676464			
04/17/14	Uniform Svc w/4/17/14	215-6010-6310-8132-000	15.85
04/17/14	Uniform Svc w/4/17/14	500-6010-6711-8132-000	15.88
04/17/14	Uniform Svc w/4/17/14	500-6010-6710-8132-000	15.88
04/17/14	Uniform Svc w/4/17/14	230-6010-6116-8132-000	15.88
04/17/14	Uniform Svc w/4/17/14	210-6010-6501-8132-000	15.88
04/17/14	Uniform Svc w/4/17/14	101-6010-6601-8132-000	15.88
04/17/14	Uniform Svc w/4/17/14	215-6010-6201-8132-000	15.88
Ck. 05/07/14 183148	Total		273.49

ARC

Inv. 7444125			
04/01/14	2145 Hanscom Dr. Copies	101-7010-7101-8050-000	13.95
Inv. 7450462			
04/07/14	Slip Line Improvement Project	101-6010-6011-8050-000	14.00
Inv. 7455638			
04/10/14	Foothill, Mission & San Pasqua	101-6010-6011-8050-000	172.35
Inv. 7458333			
04/14/14	Orange Grove Copies	101-6010-6011-8050-000	306.68
Inv. 7466362			
04/18/14	Storm Drain Copies	101-6010-6011-8050-000	13.95
Inv. 7469029			
04/21/14	Hawthorne St. Project Copies	101-6010-6011-8050-000	372.30
Inv. 7469041			
04/21/14	Orange Grove St. Project Copie	101-6010-6011-8050-000	280.77
Ck. 05/07/14 183149	Total		1,174.00

Armstrong Lock & Safe Co.

Inv. 64239			
04/10/11	Citywide Lock Duplication	101-6010-6601-8020-000	135.38
Ck. 05/07/14 183150	Total		135.38

AT&T --Cingular Wireless

Inv. 829350178X04162			
04/08/14	PD Cell Phones 3/9-4/8/14	101-4010-4011-8150-000	485.41
Inv. 992893782X04162			
04/08/14	PD IPADS 3/9-4/8/14	101-4010-4011-8150-000	5.47
Ck. 05/07/14 183151	Total		490.88

Audio Editions

Inv. 1499462			
04/14/14	Library Books on Cassette & CD	101-8010-8011-8080-000	963.81

Ck. 05/07/14 183152	Total		963.
Baker & Taylor Books			
Inv. 3019467492			
04/10/14	Library Books & Materials	101-8010-8011-8080-000	54.43
Inv. 4010816551			
03/13/14	Library Books & Materials	101-8010-8011-8080-000	37.47
Inv. 4010827967			
03/26/14	Library Books & Materials	101-8010-8011-8080-000	1,741.60
Inv. 4010829973			
03/26/14	Library Books & Materials	101-8010-8011-8080-000	827.37
Inv. 4010832349			
03/28/14	Library Books & Materials	101-8010-8011-8080-000	496.55
Inv. 4010834985			
04/01/14	Library Books & Materials	101-8010-8011-8080-000	572.24
Inv. 4010838843			
04/04/14	Library Books & Materials	101-8010-8011-8080-000	2,012.41
Inv. 4010842376			
04/09/14	Library Books & Materials	101-8010-8011-8080-000	629.51
Inv. 4010843123			
04/07/14	Library Books & Materials	101-8010-8011-8080-000	138.45
Inv. 4010844564			
04/09/14	Library Books & Materials	101-8010-8011-8080-000	768.57
Inv. 4010847080			
04/10/14	Library Books & Materials	101-8010-8011-8080-000	274.42
Inv. 4010847089			
04/14/14	Library Books & Materials	101-8010-8011-8080-000	751.73
Inv. 4010848356			
04/11/14	Library Books & Materials	101-8010-8011-8080-000	578.07
Ck. 05/07/14 183153	Total		8,882.
Baker & Taylor Entertainment			
Inv. T03522270			
04/04/14	Library CD's, DVD's & Material	101-8010-8011-8080-000	36.71
Inv. T03914500			
04/04/14	Library CD's, DVD's & Material	101-8010-8011-8080-000	20.42
Ck. 05/07/14 183154	Total		57.13
Bob Wondries Ford			
Inv. 466354			
04/15/14	Vehicle Maint Unit#635	215-6010-6201-8100-000	207.71
04/15/14	Vehicle Maint Unit#635	101-6010-6601-8100-000	1,996.13
Inv. 466978			
04/18/14	Vehicle Maint Unit#612	101-6010-6601-8020-000	442.09
Ck. 05/07/14 183155	Total		2,645.93
Boyd, Cindy A.			
Inv. 4/16-30/14			
04/24/14	Instructor Manners Class	101-8030-8032-8267-000	260.00
Ck. 05/07/14 183156	Total		260.00
CA Linen Services			
Inv. 1013704			
04/14/14	FD Dept Supplies	101-5010-5011-8020-000	113.48
Inv. 1015878			
04/21/14	FD Dept Supplies	101-5010-5011-8020-000	116.50
Ck. 05/07/14 183157	Total		229.98
CA Maintenance & Environmental			
Inv. 18958			
03/26/14	Fuel Tank Repairs	101-2010-2011-8100-000	4.46

03/26/14	Fuel Tank Repairs	101-6010-6011-8100-000	4.46
03/26/14	Fuel Tank Repairs	101-7010-7101-8100-000	4.46
03/26/14	Fuel Tank Repairs	101-5010-5011-8100-000	17.85
03/26/14	Fuel Tank Repairs	101-4010-4011-8100-000	191.81
Inv. 18965			
03/26/14	Underground Svcs Tanks	101-6010-6601-8020-000	223.04
Ck. 05/07/14 183158	Total		446.08
Caltronics Business Systems			
Inv. 1507964			
03/20/14	Toner Shipping	101-4010-4011-8110-000	15.00
Inv. 1522841			
04/10/14	Toner Shipping	101-8010-8011-8110-000	15.00
Ck. 05/07/14 183159	Total		30.00
Cantu Graphics			
Inv. 3649			
12/30/13	RFP Meeting Copies	101-8030-8031-8050-000	156.52
Inv. 3850			
04/25/14	Sr. Center May & June Newslett	101-8030-8021-8050-000	534.95
Ck. 05/07/14 183160	Total		691.47
Catering Systems Inc.			
Inv. 3081			
04/14/14	Sr. Center Meals w/4/7-11/14	101-8030-8021-8180-000	1,187.12
Inv. 3088			
04/22/14	Sr. Center Meals w/ 4/14-18/14	101-8030-8021-8180-000	1,178.76
Inv. 3096			
04/27/14	Sr. Center Meals w/ 4/21-25/14	101-8030-8021-8180-000	1,254.00
Ck. 05/07/14 183161	Total		3,619.88
CBE Los Angeles			
Inv. 1559259			
12/20/13	Copier Overages 11/20-12/19/13	101-5010-5011-8170-000	87.24
Ck. 05/07/14 183162	Total		87.24
Chang, Alfred			
Inv. R47208			
04/15/14	Refund Dropped Class	101-0000-0000-5270-002	90.00
Ck. 05/07/14 183163	Total		90.00
City of Glendale			
Inv. GLN000005799			
04/01/14	ICIS Roamer Fees 4/2014-6/2014	101-4010-4011-8180-000	1,275.00
Ck. 05/07/14 183164	Total		1,275.00
Clean Energy			
Inv. CE11583163			
04/04/14	CNG Unit# 1111 Transportation	101-4010-4011-8100-000	271.57
Ck. 05/07/14 183165	Total		271.57
Clean Source Inc.			
Inv. 2827296-00			
04/17/14	Janitorial Supplies	101-8010-8011-8120-000	432.66
Ck. 05/07/14 183166	Total		432.66
ok Fire Extinguisher Co			
Inv. 923007			
02/21/14	Fire Hydrant Svcs	101-6010-6601-8020-000	50.00

Inv. 923008				
02/21/14	Fire Hydrant Svcs		101-6010-6601-8020-000	1,054.12
Ck. 05/07/14 183167	Total			1,104.12
CoreLogic Information Solution				
Inv. 81125154				
03/31/14	RealQuest.com Svcs 3/14		101-7010-7101-8020-000	153.67
Ck. 05/07/14 183168	Total			153.67
Creative Bus Sales				
Inv. 5053260				
04/23/14	Transit Vehicle Repairs		205-8030-8025-8100-000	96.40
Ck. 05/07/14 183169	Total			96.40
Crown Coffee & Refreshment Svc				
Inv. 25135				
04/18/14	Recreation A/C Water Cooler		101-8030-8032-8020-000	45.78
Inv. 25183				
04/18/14	PD Coffee & Supplies		101-4010-4011-8020-000	203.25
Inv. 25184				
04/18/14	Sr. Center Coffee & Supplies		101-8030-8021-8020-000	147.35
Ck. 05/07/14 183170	Total			396.38
D & S Printing				
Inv. 8423				
04/04/14	PW Envelopes		101-6010-6011-8050-000	256.15
Inv. 8451				
04/15/14	2014 Health Fair Flyers & Post		101-8030-8021-8050-000	494.86
Inv. 8457				
04/17/14	Recreation Envelopes		101-8030-8032-8000-000	272.00
Inv. 8460				
04/18/14	Inspection Cards		101-7010-7101-8050-000	521.02
Inv. 8461				
04/23/14	Bldg Permits & Re-roofing Perm		101-7010-7101-8050-000	534.10
Ck. 05/07/14 183171	Total			2,078.63
Datamatic Inc.				
Inv. CA0000025690				
04/24/14	Meter Reading Maint. 6/14		500-3010-3012-8110-000	126.53
04/24/14	Meter Reading Maint. 6/14		500-6010-6710-8110-000	126.53
Ck. 05/07/14 183172	Total			253.06
Dell Marketing L.P.				
Inv. XJCXTN1T1				
03/28/14	ACM Laptop A/V Adapter		101-2010-2011-8110-000	53.42
Ck. 05/07/14 183173	Total			53.42
Demco				
Inv. 5260219				
04/07/14	Technical Svcs Supplies		101-8010-8011-8020-000	245.90
Ck. 05/07/14 183174	Total			245.90
Dept of Justice				
Inv. 027937				
04/02/14	Applicant Fingerprinting Svcs		101-4010-4011-8020-000	192.00
Ck. 05/07/14 183175	Total			192.00
Discreet Protection Services				
Inv. 5150410				
04/10/14	Background Investigation Svcs		101-4010-4011-8170-000	635.00

Inv. 5150411				
04/10/14	Background Investigation Svcs	101-4010-4011-8170-000		635.00
Inv. 5150412				
04/11/14	Background Investigation Svcs	101-4010-4011-8170-000		635.00
Ck. 05/07/14 183176	Total			1,905.00
Dr. Detail PhD				
Inv. 00010				
04/15/14	Carpet Cleaning Svcs 4/15/14	101-8010-8011-8120-000		170.00
Inv. 00011				
04/22/14	Carpet Cleaning Svcs 4/22/14	101-8010-8011-8120-000		75.00
Ck. 05/07/14 183177	Total			245.00
E.C.Construction				
Inv. 15568				
12/31/13	Street Improvement Project	101-9000-9394-9394-000		29,170.13
Ck. 05/07/14 183178	Total			29,170.13
Entenmann-Rovin				
Inv. 0098387				
04/07/14	Deputy FD Chief Riddle Badge	101-5010-5011-8020-000		175.62
Inv. 0098464				
04/09/14	FD Dept Personnel Hat Badges	101-5010-5011-8020-000		636.13
Ck. 05/07/14 183179	Total			811.75
Escobedo, Laura				
Inv. R05554				
04/21/14	Refund Lost & Paid Library Mat	101-0000-0000-5260-003		17.00
05/07/14 183180	Total			17.00
Eurofins Eaton Analytical				
Inv. L0161658				
04/08/14	Water Quality Testing	500-6010-6711-8170-000		127.00
Inv. L0161850				
04/08/14	Water Quality Testing	500-6010-6711-8170-000		127.00
Inv. L0162267				
04/10/14	Water Quality Testing	500-6010-6711-8170-000		85.00
Inv. L0162268				
04/10/14	Water Quality Testing	500-6010-6711-8170-000		170.00
Inv. L0162273				
04/10/14	Water Quality Testing	500-6010-6711-8170-000		20.00
Inv. L0162513				
04/11/14	Water Quality Testing	500-6010-6711-8170-000		30.00
Ck. 05/07/14 183181	Total			559.00
Federal Express				
Inv. 2-604-77827				
03/28/14	Overnight Shipping-Robert Guer	101-4010-4011-8010-000		17.99
Inv. 2-611-35038				
04/04/14	Overnight Shipping-Anisa Spots	101-2010-2011-8010-000		25.60
Inv. 2-618-74288				
04/11/14	Overnight Shipping-Galls	101-4010-4011-8010-000		13.17
Ck. 05/07/14 183182	Total			56.76
First Choice Services				
Inv. 442174				
03/26/14	City Hall Coffee & Supplies	101-2010-2011-8020-000		106.52
Inv. 446354				
04/23/14	City Hall Coffee & Supplies	101-2010-2011-8020-000		116.99

Ck. 05/07/14 183183	Total		223.
Garda CL West Inc.			
Inv. 242-191314			
03/31/14	Armored Car Svcs 3/6/14 Excess	101-3010-3011-8020-000	52.41
Ck. 05/07/14 183184	Total		52.41
GE Capital			
Inv. 60563564			
04/13/14	Copier Lease	101-8030-8021-8300-000	99.19
04/13/14	Copier Lease	101-8030-8031-8300-000	99.19
04/13/14	Copier Lease	101-8030-8032-8300-000	99.19
04/13/14	Copier Lease	205-8030-8025-8300-000	99.19
Ck. 05/07/14 183185	Total		396.76
George L.Throop Co.			
Inv. 176316			
03/10/14	Concrete	500-6010-6710-8020-000	305.13
Inv. 176507			
03/26/14	Park Supplies	215-6010-6310-8020-000	117.49
Inv. 176511			
03/26/14	Concrete	230-6010-6116-8020-000	462.69
Inv. 176652			
04/09/14	Concrete	230-6010-6116-8020-000	1,220.79
Inv. 176653			
04/09/14	WD-40 & Lubricant	230-6010-6116-8020-000	93.17
Inv. 176686			
04/11/14	Concrete	230-6010-6116-8020-000	119.63
Ck. 05/07/14 183186	Total		2,318.7
Glendale Memorial Occupational			
Inv. 4018-25299			
04/18/14	Drug Screenings	101-2010-2013-8170-000	360.00
Ck. 05/07/14 183187	Total		360.00
Go Films			
Inv. Mitsubishi Job			
04/11/14	Refund Filming Deposit	101-0000-0000-2915-200	140.00
Ck. 05/07/14 183188	Total		140.00
Golden Bell Products, Inc.			
Inv. 14708			
03/25/14	Golden Bio Blocks & Odor Contr	232-6010-6417-8020-000	463.25
Inv. 14711			
03/25/14	Lift Station Degreaser	232-6010-6417-8020-000	457.80
Ck. 05/07/14 183189	Total		921.05
Gonzalez, Blanca			
Inv. R05486			
04/14/14	Refund Lost & Paid Library Mat	101-0000-0000-5260-003	25.00
Ck. 05/07/14 183190	Total		25.00
Great Match Consulting			
Inv. 1690002766			
03/18/14	Temp Worker w/e 3/16/14	101-9000-9287-9287-000	1,811.04
Inv. 1690002767			
03/18/14	Temp Worker w/e 3/16/14	101-9000-9287-9287-000	740.80
Inv. 1690002785			
04/08/14	Temp Worker w/e 4/6/14	101-9000-9287-9287-000	4,033.60

Inv. 1690002786			
04/08/14	Temp Worker w/e 4/6/14	101-9000-9287-9287-000	905.52
Inv. 1690002791			
04/16/14	Temp Worker w/e 4/13/14	101-9000-9287-9287-000	4,198.32
Inv. 1690002792			
04/16/14	Temp Worker w/e 4/13/14	101-9000-9287-9287-000	740.88
Ck. 05/07/14 183191	Total		12,430.32

Greg's Automotive Services

Inv. 8338			
04/03/14	Vehicle Maint Unit#223	215-6010-6310-8100-000	176.55
Ck. 05/07/14 183192	Total		176.55

Haynes Building Services LLC

Inv. 3544			
04/08/14	Citywide Janitorial Svcs 4/14	232-6010-6417-8180-000	554.00
04/08/14	Citywide Janitorial Svcs 4/14	101-6010-6601-8180-000	8,055.00
Ck. 05/07/14 183193	Total		8,609.00

Hi Quality Auto Body Inc.

Inv. 8116			
03/27/14	Repair PD Cheif Vehicle Unit#0	101-4010-4011-8100-000	3,499.89
Ck. 05/07/14 183194	Total		3,499.89

Hi-Way Safety Inc

Inv. 15041			
03/12/14	Street Signs	230-6010-6116-8020-000	199.47
Inv. 15042			
03/12/14	Street Signs	230-6010-6116-8020-000	462.16
Ck. 05/07/14 183195	Total		661.63

Hollywood Outdoor Movies

Inv. 458			
02/10/14	Outdoor Movie Package Park 5/1	101-8030-8032-8020-000	411.00
02/10/14	Outdoor Movie Package Park 5/1	101-8030-8032-8264-000	1,500.00
Ck. 05/07/14 183196	Total		1,911.00

Horizon Coach Lines LA

Inv. 84678			
04/15/14	Sr.Center Excursion Sunnyland	205-8030-8025-8180-000	1,092.38
Ck. 05/07/14 183197	Total		1,092.38

Inter-Con Security Systems Inc

Inv. 418530			
04/07/14	PD Parking Enforcing Svcs 3/14	101-4010-4011-8180-000	7,688.44
Ck. 05/07/14 183198	Total		7,688.44

Jack's Auto Repair

Inv. 13801			
03/31/14	Oil Change Unit#0805	101-4010-4011-8100-000	102.43
Inv. 13802			
03/31/14	Oil Change Unit#0704	101-4010-4011-8100-000	101.17
Inv. 13806			
04/09/14	Replace Alternator & Radiator	101-4010-4011-8100-000	746.15
Inv. 13807			
04/08/14	Oil Change Unit#1405	101-4010-4011-8100-000	64.55
Inv. 13810			
04/09/14	Oil Change Unit#0822	101-4010-4011-8100-000	65.42
Inv. 13815			
04/16/14	Replace AC Hose Suction Unit#0	101-4010-4011-8100-000	309.13

Inv. 13822				
04/16/14	Replace Battery Unit#0213	101-4010-4011-8100-000		182.14
Inv. 13827				
04/23/14	Oil Change on CNG Unit#9704	101-4010-4011-8100-000		57.03
Inv. 13829				
04/23/14	Replace Battery Unit#1111	101-4010-4011-8100-000		182.14
Inv. 13837				
04/23/14	Replace AC Hose Suction Unit#0	101-4010-4011-8100-000		272.58
Inv. 13839				
04/23/14	Oil Change Unit#0702	101-4010-4011-8100-000		81.20
Ck. 05/07/14 183199	Total			2,163.94
Jaubeerth, Pamela				
Inv. R47517				
04/22/14	Refund WMB Deposit 4/19/14	101-0000-0000-2920-000		500.00
Ck. 05/07/14 183200	Total			500.00
Jones Coffee Roasters				
Inv. 34229				
04/14/14	FD Coffee & Supplies	101-5010-5011-8020-000		131.25
Ck. 05/07/14 183201	Total			131.25
JW Heating & Air Inc.				
Inv. R0369912				
04/24/14	Refund Duplicate Busn License	101-0000-0000-4405-000		1.00
04/24/14	Refund Duplicate Busn License	220-0000-0000-5412-000		22.50
04/24/14	Refund Duplicate Busn License	101-0000-0000-4400-000		60.00
Ck. 05/07/14 183202	Total			83.50
Kim, Fannie				
Inv. R47450				
04/18/14	Refund Dropped Classes	101-0000-0000-5270-002		178.00
Ck. 05/07/14 183203	Total			178.00
Kim, Grace				
Inv. R46945				
04/18/14	Refund Dropped Class	101-0000-0000-5270-002		45.00
Ck. 05/07/14 183204	Total			45.00
Kosmont Companies				
Inv. 0009				
04/14/14	Downtown Revitalization Projec	101-0000-0000-2990-013		1,104.77
Ck. 05/07/14 183205	Total			1,104.77
L.A.C. M. T. A.				
Inv. 800058271				
04/15/14	MTA Passes 3/14	101-0000-0000-5270-004		75.00
04/15/14	MTA Passes 3/14	205-0000-0000-5500-000		602.00
04/15/14	MTA Passes 3/14	205-2010-2210-8250-000		602.00
Ck. 05/07/14 183206	Total			1,279.00
L3 Communications Mobile-Visio				
Inv. 0210398				
03/24/14	Diagnostic Charge	101-4010-4011-8110-000		152.61
Ck. 05/07/14 183207	Total			152.61
Lawn Mower Corner				
Inv. 92876				
04/03/14	Water Distribution Supplies	500-6010-6710-8020-000		86.01

Ck. 05/07/14 183208	Total		86.01
Life-Assist Inc.			
Inv. 670820			
03/31/14	FD Medical Supplies	101-5010-5011-8025-000	59.41
Inv. 671251			
04/03/14	FD Medical Supplies	101-5010-5011-8025-000	589.26
Inv. 671316			
04/03/14	FD Medical Supplies	101-5010-5011-8025-000	0.26
Ck. 05/07/14 183209	Total		648.93
M3			
Inv. 26045-0			
04/22/14	Reception Desk Bridge w/Flush	101-8030-8031-8020-000	476.33
Ck. 05/07/14 183210	Total		476.33
Melchiorre, Mark			
Inv. 4/7-6/6/14			
04/10/14	Instructor Qigong Class	101-8030-8032-8267-000	24.00
Ck. 05/07/14 183211	Total		24.00
Mission Framing			
Inv. 4/16/14			
04/16/14	Frame Certificate "The Childre	101-8010-8011-8257-000	100.00
Ck. 05/07/14 183212	Total		100.00
Ninyo & Moore			
Inv. 179296			
03/31/14	Material Testing-Wilson Reserv	500-9000-9265-9265-000	5,055.25
Ck. 05/07/14 183213	Total		5,055.25
O' Reilly Automotive Inc.			
Inv. 3213-295426			
04/03/14	Water Dept. Supplies	500-6010-6710-8100-000	100.11
Ck. 05/07/14 183214	Total		100.11
Office Solutions			
Inv. I-00596909			
03/26/14	PD Office Supplies	101-4010-4011-8000-000	888.47
Inv. I-00596912			
03/26/14	PD Office Supplies	101-4010-4011-8000-000	499.49
Inv. I-00597719			
03/27/14	PD Office Supplies	101-4010-4011-8000-000	135.68
Inv. I-00599481			
??????	PD Office Supplies	101-4010-4011-8000-000	63.55
Inv. I-00601436			
04/04/14	PD Office Supplies	101-4010-4011-8000-000	76.54
Inv. I-00601934			
04/07/14	PD Office Supplies	101-4010-4011-8000-000	2,242.68
Inv. I-00603307			
04/09/14	PD Office Supplies	101-4010-4011-8000-000	270.49
Inv. I-00605922			
04/15/14	PD Office Supplies	101-4010-4011-8000-000	273.74
Inv. I-00606333			
04/16/14	PD Office Supplies	101-4010-4011-8000-000	785.89
Inv. I-00606350			
04/16/14	PD Office Supplies	101-4010-4011-8000-000	904.70
Inv. I-00606366			
04/16/14	PD Office Supplies	101-4010-4011-8000-000	355.10
Inv. PCR-136919			
04/17/14	PD Office Supplies CREDIT	101-4010-4011-8000-000	(616.94)

Inv. PCR-136923			
04/17/14	PD Office Supplies CREDIT	101-4010-4011-8000-000	(904.70)
Ck. 05/07/14 183215	Total		4,974.69

Olympic Staffing Services

Inv. 177408			
04/09/14	Temp Employee w/e 4/6/14	101-3010-3011-8170-000	243.00
04/09/14	Temp Employee w/e 4/6/14	500-3010-3012-8170-000	729.00
Inv. 177535			
04/16/14	Temp Employee w/e 4/13/14	101-3010-3011-8170-000	236.25
04/16/14	Temp Employee w/e 4/13/14	500-3010-3012-8170-000	708.75
Inv. 177672			
04/23/14	Temp Employee w/e 4/20/14	101-3010-3011-8170-000	243.00
04/23/14	Temp Employee w/e 4/20/14	500-3010-3012-8170-000	729.00
Ck. 05/07/14 183216	Total		2,889.00

Orange County Sheriff's Dept

Inv. 6/2/14			
04/25/14	PD Training-PA Catalina Valdez	101-4010-4011-8210-000	15.00
Inv. 6/2/14 A			
04/25/14	PD Training-PA Stephanie Barri	101-4010-4011-8210-000	15.00
Ck. 05/07/14 183217	Total		30.00

Osz Technologies

Inv. 9633			
03/31/14	General Computer Support 3/16-	101-3010-3032-8170-000	197.50
Inv. 9634			
03/31/14	General Computer Support 3/16-	101-3010-3032-8170-000	74.07
Inv. 9635			
03/31/14	General Computer Support 3/16-	101-4010-4011-8170-000	5,357.2
Inv. 9636			
03/31/14	General Computer Support 3/16-	101-3010-3032-8170-000	148.13
Inv. 9637			
03/31/14	General Computer Support 3/16-	101-3010-3032-8170-000	617.19
Inv. 9638			
03/31/14	General Computer Support 3/16-	101-3010-3032-8170-000	1,654.07
Inv. 9653			
04/15/14	General Computer Support 4/1-1	101-3010-3032-8170-000	839.38
Inv. 9654			
04/15/14	General Computer Support 4/1-1	101-3010-3032-8170-000	395.01
Inv. 9655			
04/15/14	General Computer Support 4/1-1	101-4010-4011-8170-000	2,740.33
Inv. 9656			
04/15/14	General Computer Support 4/1-1	101-3010-3032-8170-000	395.00
Inv. 9657			
04/15/14	General Computer Support 4/1-1	101-3010-3032-8170-000	246.88
Inv. 9658			
04/15/14	General Computer Support 4/1-1	101-3010-3032-8170-000	172.82
Inv. 9659			
04/15/14	General Computer Support 4/1-1	101-3010-3032-8170-000	987.51
Inv. 9660			
04/15/14	General Computer Support 4/1-1	101-3010-3032-8170-000	2,765.01
Ck. 05/07/14 183218	Total		16,590.10

Pasadena Embroidery & Silkscre

Inv. 4721			
03/14/14	Yard Supervisor's Polo Shirts	230-6010-6116-8132-000	53.18
03/14/14	Yard Supervisor's Polo Shirts	210-6010-6501-8132-000	53.1
03/14/14	Yard Supervisor's Polo Shirts	500-6010-6710-8132-000	98.2
Ck. 05/07/14 183219	Total		204.72

Pasadena Star News			
Inv. 76420691			
04/02/14	Newspaper till 11/11/14	101-5010-5011-8080-000	152.10
Ck. 05/07/14 183220	Total		152.10
PCR Services Corp			
Inv. 14-1285			
04/21/14	HistorianReportConsultingSvcs2	101-7010-7101-8170-000	1,273.30
Ck. 05/07/14 183221	Total		1,273.30
Personal Court Reporters Inc.			
Inv. 33039			
04/18/14	Transcribing Svcs SP CC Mtg 4/	101-7010-7101-8170-000	464.00
Ck. 05/07/14 183222	Total		464.00
Pet Waste Eliminator			
Inv. 3824219			
04/11/14	Doggie Bags	101-0000-0000-2700-000	(171.36)
04/11/14	Doggie Bags	101-6010-6410-8020-000	2,075.36
Ck. 05/07/14 183223	Total		1,904.00
Phoenix Group Information Syst			
Inv. 032014184			
04/11/14	PD Citation/Permit Processing	101-0000-0000-4460-000	421.10
04/11/14	PD Citation/Permit Processing	101-0000-0000-4610-000	1,592.95
Ck. 05/07/14 183224	Total		2,014.05
Pitney Bowes Global Fin. Svc L			
Inv. 7141427-AP14			
04/13/14	Postage Meter Lease 4/14	101-8030-8032-8010-000	64.13
04/13/14	Postage Meter Lease 4/14	205-8030-8025-8010-000	64.13
04/13/14	Postage Meter Lease 4/14	101-8030-8031-8010-000	64.13
04/13/14	Postage Meter Lease 4/14	101-8030-8021-8300-000	64.14
Ck. 05/07/14 183225	Total		256.53
Pitney Bowes-Reserve Account			
Inv. 34133033			
04/03/14	Reimb. Postage Meter	101-8030-8031-8010-000	1.44
04/03/14	Reimb. Postage Meter	101-2010-2021-8010-000	1.44
04/03/14	Reimb. Postage Meter	101-1010-1011-8010-000	4.01
04/03/14	Reimb. Postage Meter	101-6010-6011-8010-000	6.18
04/03/14	Reimb. Postage Meter	101-2010-2011-8010-000	8.75
04/03/14	Reimb. Postage Meter	101-5010-5011-8010-000	10.00
04/03/14	Reimb. Postage Meter	101-1020-1021-8010-000	21.95
04/03/14	Reimb. Postage Meter	101-7010-7101-8010-000	35.00
04/03/14	Reimb. Postage Meter	101-4010-4011-8010-000	97.82
04/03/14	Reimb. Postage Meter	101-3010-3011-8010-000	239.13
Ck. 05/07/14 183226	Total		425.72
Plumbing Wholesale Outlet Inc			
Inv. 238581			
04/17/14	City Hall Cooling Tower Suppli	101-6010-6601-8020-000	102.78
Ck. 05/07/14 183227	Total		102.78
Post Alarm Systems			
Inv. 685027			
04/07/14	Camp Med Monitoring System 5/1	101-8030-8032-8180-000	42.95
.. 05/07/14 183228	Total		42.95

Provision First Aid and Safety

Inv. 06-10183				
04/11/14	PD First Aid Kit Supplies	101-4010-4011-8020-000		101.64
Inv. 06-10184				
04/11/14	Library First Aid Kit Supplies	101-8010-8011-8020-000		142.90
Inv. 06-10185				
04/11/14	Yard First Aid Kit Supplies	101-6010-6410-8000-000		18.26
04/11/14	Yard First Aid Kit Supplies	500-6010-6711-8000-000		18.26
04/11/14	Yard First Aid Kit Supplies	210-6010-6501-8000-000		18.27
04/11/14	Yard First Aid Kit Supplies	230-6010-6116-8000-000		18.27
04/11/14	Yard First Aid Kit Supplies	101-6010-6601-8000-000		18.27
04/11/14	Yard First Aid Kit Supplies	500-6010-6710-8000-000		18.27
Ck. 05/07/14 183229	Total			354.14

Public Safety Training Consult

Inv. 5/30/14				
04/24/14	PD Training-PA Kaminski	101-4010-4011-8200-000		30.00
Ck. 05/07/14 183230	Total			30.00

Quality & Technique Flooring

Inv. 4/4/14				
04/04/14	Install PD Dept. Carpet Replac	101-6010-6601-8020-000		200.00
Ck. 05/07/14 183231	Total			200.00

Quinn Company

Inv. W0810162242				
04/10/14	Backhoe Repairs	230-6010-6116-8540-000		791.60
Ck. 05/07/14 183232	Total			791.60

Rangel, Jeaneen

Inv. R47452				
04/18/14	Refund Partial Tennis Class	101-0000-0000-5270-002		83.34
Ck. 05/07/14 183233	Total			83.34

Red Supply Inc

Inv. 1088719				
04/17/14	City Hall Cooling Tower Maint.	101-6010-6601-8020-000		73.51
Ck. 05/07/14 183234	Total			73.51

Red Wing Shoe Store

Inv. 15000002494				
03/16/14	Ryan Garcia Safety Boots	230-6010-6116-8134-000		212.86
Ck. 05/07/14 183235	Total			212.86

Registrar-Recorder/County Cler

Inv. 13-14 CDBG				
04/24/14	Notice of Exemption-Sidewalk R	260-9000-9264-9264-000		75.00
Ck. 05/07/14 183236	Total			75.00

Richards, Watson & Gershon

Inv. 195445				
04/15/14	Legal Svcs -Nansen Claim	101-2010-2501-8160-000		480.00
Ck. 05/07/14 183237	Total			480.00

Riddle, Paul

Inv. Spring 2014				
04/21/14	Reimb. Fire Mgmt 2 E Class	101-5010-5011-8200-000		250.00
Ck. 05/07/14 183238	Total			250.00

Deadline Products Inc. USA				
Inv. 10554				
04/07/14	Barricades & Stop Signs	230-6010-6116-8020-000		4,268.30
Ck. 05/07/14 183239	Total			4,268.30
Rodarte, Georgette				
Inv. R47521				
04/23/14	Refund Summer Camp	101-0000-0000-5270-001		125.00
Ck. 05/07/14 183240	Total			125.00
Romo, Neida				
Inv. R47206				
04/15/14	Refund WMB Deposit 4/12/14	101-0000-0000-2920-000		500.00
Ck. 05/07/14 183241	Total			500.00
S.P.Review				
Inv. 2003				
03/27/14	Public Notice Doggy Day Event	101-8030-8032-8264-000		96.00
Inv. 2076				
04/17/14	Public Notice-1338 Gates Place	101-7010-7101-8040-000		56.00
Inv. 2077				
04/17/14	Public Notice-Massage Moratori	101-1020-1021-8040-000		384.00
Ck. 05/07/14 183242	Total			536.00
San Gabriel Valley Medical Cen				
Inv. 726428				
03/16/14	Blood Alcohol w/Drawal-Orlando	101-4010-4011-8170-000		48.00
Inv. 726751				
03/22/14	Blood Alcohol w/Drawal-Adam Ra	101-4010-4011-8170-000		48.00
Ck. 05/07/14 183243	Total			96.00
San Marino Security System				
Inv. 00083466				
04/01/14	Backup Alarm @ Bilike/Raymond	500-6010-6711-8020-000		228.00
Ck. 05/07/14 183244	Total			228.00
Scholastic Library Publishing				
Inv. 11427865				
03/18/14	America the Beautiful Books	101-8010-8011-8080-000		736.84
Ck. 05/07/14 183245	Total			736.84
Security Design Systems, Inc.				
Inv. 191929				
04/01/14	PD Maint.Camera Access & Contr	101-4010-4011-8110-000		65.18
Inv. 191930				
04/01/14	PD Maint.Camera Access & Contr	101-4010-4011-8110-000		30.00
Inv. 191931				
04/01/14	PD Maint.Camera Access & Contr	101-4010-4011-8110-000		145.00
Inv. 191932				
04/01/14	PD Maint.Camera Access & Contr	101-4010-4011-8110-000		113.00
Ck. 05/07/14 183246	Total			353.18
Showcases				
Inv. 278137				
03/14/14	CD Cases	101-0000-0000-2700-000		(33.75)
03/14/14	CD Cases	101-8010-8011-8020-000		438.75
Ck. 05/07/14 183247	Total			405.00

Siemens Industry Inc.

Inv. 400120942			
04/02/14	Traffic Signal Maintenance 2/1	215-6010-6115-8180-000	2,096.72
Inv. 400121358			
04/02/14	Traffic Signal Call Outs 2/14	215-6010-6115-8180-000	1,099.51
Ck. 05/07/14 183248	Total		3,196.23

So. CA Municipal Athletic Fed

Inv. 1890			
12/05/13	Membership-Sheila Pautsch	101-8030-8031-8060-000	245.00
Inv. 2122			
01/27/14	Membership-Lucy Hakobian	101-8030-8031-8060-000	70.00
Ck. 05/07/14 183249	Total		315.00

South Coast A.Q.M.D

Inv. 2697809			
04/01/14	Boiler Hot Water Heater Single	101-6010-6601-8020-000	317.07
Inv. 2699010			
04/01/14	Flat Fee FY 13-14 Emissions	101-6010-6601-8020-000	117.87
Ck. 05/07/14 183250	Total		434.94

St. George's Medical Clinic

Inv. 85302			
03/30/14	Medical Questionnaire-Juan Sal	101-4010-4011-8170-000	50.00
Inv. 88669			
03/30/14	Medical Questionnaire-Craig Ph	101-4010-4011-8170-000	50.00
Inv. 90001			
03/30/14	Medical Questionnaire-Anthony	101-4010-4011-8170-000	50.00
Inv. 93239			
03/24/14	Medical Exam-Nathalie Wilcox	101-2010-2013-8170-000	175.
Inv. 93410			
03/24/14	Medical Exam-Matthew Peterson	101-2010-2013-8170-000	1,430.00
Inv. 93418			
03/24/14	Medical Exam-Jared Burton	101-2010-2013-8170-000	35.00
Inv. 93436			
03/24/14	Medical Exam-Angie Macias-Mend	101-2010-2013-8170-000	35.00
Inv. 93440			
03/24/14	Medical Exam-Melanie Frick	101-2010-2013-8170-000	35.00
Inv. 93515			
03/30/14	Medical Questionnaire-Avick Ma	101-4010-4011-8170-000	50.00
Inv. 93527			
03/30/14	Medical Questionnaire-Ryan Ber	101-4010-4011-8170-000	50.00
Inv. 93587			
03/24/14	Medical Exam-Tarita Taylor	101-2010-2013-8170-000	35.00
Inv. 93755			
03/30/14	Medical Questionnaire-Michael	101-4010-4011-8170-000	50.00
Inv. 93806			
03/30/14	Medical Questionnaire-Jeff Hol	101-4010-4011-8170-000	50.00
Inv. 93857			
03/30/14	Medical Exam-Emily Yu	101-2010-2013-8170-000	35.00
Inv. 93876			
03/30/14	Medical Questionnaire-Louie Sp	101-4010-4011-8170-000	50.00
Inv. 93913			
03/30/14	Medical Questionnaire-William	101-4010-4011-8170-000	50.00
Inv. 93914			
03/30/14	Medical Questionnaire-Richard	101-4010-4011-8170-000	50.00
Inv. 93943			
03/30/14	Medical Exam-Mandip Samra	101-2010-2013-8170-000	175.00
Inv. 93944			
03/30/14	Medical Questionnaire-Thomas J	101-4010-4011-8170-000	50.00

Inv. 93956				
03/30/14	Medical Exam-Sean Ayala	101-2010-2013-8170-000		195.00
Inv. 94003				
03/30/14	Medical Questionnaire-Matthew	101-4010-4011-8170-000		50.00
Inv. 94004				
03/30/14	Medical Questionnaire-Jason Lu	101-4010-4011-8170-000		50.00
Inv. 94005				
03/30/14	Medical Questionnaire-Fernando	101-4010-4011-8170-000		50.00
Inv. 94008				
03/30/14	Medical Questionnaire-Frank Li	101-4010-4011-8170-000		50.00
Inv. 94027				
03/30/14	Medical Questionnaire-Jose Cor	101-4010-4011-8170-000		50.00
Inv. 94028				
03/30/14	Medical Questionnaire-Chris Pe	101-4010-4011-8170-000		50.00
Inv. 94030				
03/30/14	Medical Questionnaire-Brian So	101-4010-4011-8170-000		50.00
Inv. 94031				
03/30/14	Medical Questionnaire-Randy Wi	101-4010-4011-8170-000		50.00
Inv. 94035				
03/30/14	Medical Questionnaire-Deann Wh	101-4010-4011-8170-000		50.00
Ck. 05/07/14 183251	Total			3,150.00
Standard & Poor's				
Inv. 30570924				
04/01/14	Library Subscription 6/2014-6/	101-8010-8011-8030-000		1,565.15
Ck. 05/07/14 183252	Total			1,565.15
Staples Business Advantage				
Inv. 3226547875				
03/27/14	Recreation Office Supplies	101-8030-8032-8000-000		143.14
Inv. 3226547876				
03/27/14	Recreation Office Supplies	101-8030-8032-8000-000		19.61
Inv. 3227332240				
04/03/14	Recreation Office Supplies	101-8030-8032-8000-000		185.28
Inv. 3227332241				
04/03/14	Sr. Center Office Supplies	101-8030-8021-8000-000		98.85
Inv. 3227400153				
04/04/14	Library Office Supplies	101-8010-8011-8000-000		50.12
Inv. 3227400154				
04/04/14	Library Office Supplies	101-8010-8011-8000-000		72.56
Inv. 3227400155				
04/04/14	Planning/Bldg Office Supplies	101-7010-7101-8000-000		2.61
Inv. 3228116801				
04/08/14	Sr. Center Office Supplies	101-8030-8021-8000-000		199.31
Inv. 3228169163				
04/09/14	CMO Office Supplies	101-2010-2011-8000-000		192.45
Inv. 3228169165				
04/09/14	CMO Office Supplies	101-2010-2011-8000-000		9.04
Inv. 3228169166				
04/09/14	Library Office Supplies	101-8010-8011-8000-000		136.18
Inv. 3228555503				
04/12/14	Recreation Office Supplies	101-8030-8032-8000-000		60.34
Inv. 3228629348				
04/15/14	Finance Office Supplies	101-3010-3011-8000-000		138.47
Inv. 3228629353				
04/15/14	Finance Office Supplies	101-3010-3011-8000-000		15.62
Inv. 3228629354				
04/15/14	Recreation Office Supplies	101-8030-8032-8000-000		83.16
Inv. 3228629355				
04/15/14	Recreation Office Supplies	101-8030-8031-8000-000		54.77

Inv. 3228709868				
04/16/14	Recreation Office Supplies	101-8030-8032-8000-000		27.57
Inv. 3228709870				
04/16/14	Recreation Office Supplies	101-8030-8032-8000-000		16.98
Inv. 3228709871				
04/16/14	Recreation Office Supplies	101-8030-8032-8000-000		23.97
Inv. 3228761355				
04/17/14	FD Office Supplies	101-5010-5011-8000-000		304.11
Inv. 3228761356				
04/17/14	Recreation Office Supplies	101-8030-8032-8000-000		58.94
Inv. 3228761358				
04/17/14	Sr.Center Office Supplies	101-8030-8021-8000-000		18.38
04/17/14	Transit Office Supplies	205-8030-8025-8000-000		33.75
Inv. 3229162318				
04/23/14	Finance Office Supplies	101-3010-3011-8000-000		11.85
Ck. 05/07/14 183253	Total			1,957.06
Swank Motion Pictures, Inc				
Inv. 1163845				
02/25/14	Movie Licensing & DVD Rental 5	101-8030-8032-8020-000		524.00
Ck. 05/07/14 183254	Total			524.00
The Ballusionist				
Inv. 1472				
04/28/14	2014 Health Fair Balloon Dreco	101-8030-8021-8020-000		650.00
Ck. 05/07/14 183255	Total			650.00
The House of Printing, Inc.				
Inv. 147375				
04/23/14	CMO Note Cards w/ Envelopes	101-1010-1011-8020-000		913.42
Ck. 05/07/14 183256	Total			913.42
The Light House				
Inv. 0032221				
04/11/14	Street Lighting Supplies	215-6010-6201-8020-000		439.29
Ck. 05/07/14 183257	Total			439.29
Transtech Engineers Inc.				
Inv. 14041273				
04/01/14	Bldg & Safety Svcs 3/14	101-7010-7101-8180-000		29,729.99
Inv. 14041274				
04/01/14	Soils Report Review-1701 & 170	101-0000-0000-2970-001		440.00
Ck. 05/07/14 183258	Total			30,169.99
United Site Services, Inc.				
Inv. 114-1896206				
03/14/14	Portable Toilet Svc Nelson Fie	101-8030-8032-8180-000		246.12
Inv. 114-1927277				
04/01/14	Portable Toilet Svc Skate Park	101-8030-8032-8180-000		245.21
Ck. 05/07/14 183259	Total			491.33
URS Corporation				
Inv. 5827033				
03/31/14	Wilson Rsvr Replacement Projec	500-9000-9255-9255-000		6,140.00
Ck. 05/07/14 183260	Total			6,140.00
Verizon Wireless				
Inv. 9722527902				
03/26/14	PD Air Cards 2/27-3/26/14	101-4010-4011-8150-000		608.25

.. 05/07/14 183261	Total		608.23
VR Auto Repair			
Inv. 956889			
04/07/14	Change PD Tire Unit# 0213	101-4010-4011-8100-000	100.00
Inv. 956890			
04/08/14	Change PD Tire Unit# 0317	101-4010-4011-8100-000	100.00
Inv. 956891			
04/09/14	Repair PD Tire Unit# 1115	101-4010-4011-8100-000	25.00
Inv. 956892			
04/15/14	Repair PD Tire Unit# 0416	101-4010-4011-8100-000	25.00
Ck. 05/07/14 183262	Total		250.00
Vulcan Materials Co. & Affilia			
Inv. 70272877			
02/26/14	Cold Mix	500-6010-6710-8020-000	422.61
02/26/14	Cold Mix	230-6010-6116-8020-000	422.61
Inv. 70289019			
03/14/14	Street Dept. Tack	230-6010-6116-8020-000	1,608.84
Inv. 70305709			
03/28/14	Cold Mix	230-6010-6116-8020-000	283.01
03/28/14	Cold Mix	500-6010-6710-8020-000	283.01
Inv. 70312861			
04/04/14	Cold Mix	500-6010-6710-8020-000	482.78
04/04/14	Cold Mix	230-6010-6116-8020-000	482.78
Inv. 70317289			
04/09/14	Crushed Aggregate Base	500-6010-6710-8020-000	288.22
04/09/14	Crushed Aggregate Base	230-6010-6116-8020-000	288.23
Inv. 70317290			
04/09/14	Cold Mix	500-6010-6710-8020-000	488.59
04/09/14	Cold Mix	230-6010-6116-8020-000	488.60
Ck. 05/07/14 183263	Total		5,539.28
Western Graphix			
Inv. 43302			
04/11/14	City Employees & Volunteers ID	101-2010-2013-8020-000	53.45
Ck. 05/07/14 183264	Total		53.45
Wittman Enterprises LLC			
Inv. 1403059			
04/16/14	Paramedic Payment 3/14	101-0000-0000-5290-001	2,562.70
Ck. 05/07/14 183265	Total		2,562.70
Wong, Jeannie			
Inv. R47442			
04/18/14	Refund Dropped Class Fee	101-0000-0000-5270-002	75.00
Ck. 05/07/14 183266	Total		75.00
Wong, Maida			
Inv. 4/3-22/14			
04/23/14	Reimb. Mileage Expense	101-8010-8011-8070-000	62.15
Ck. 05/07/14 183267	Total		62.15
Y Tire Sales			
Inv. 114222			
04/12/14	Transit Van#77 CNG Inspection	205-8030-8025-8100-000	124.00
Inv. 114264			
04/19/14	Transit Van#77 Inspection & Pa	205-8030-8025-8100-000	119.40
Ck. 05/07/14 183268	Total		243.40

City of South P
User: mfestejo

Accounts Payable
Check Detail Report - Detail

Printed: 04/30/14 16:32

Zec, Yuet

Inv. 4/9-6/6/14			
04/16/14	Instructor Line Dance Class	101-8030-8032-8267-000	105.30
Ck. 05/07/14 183269	Total		105.30
Total			456,630.85

ATTACHMENT 4
Payroll 04-25-14

PAYROLL ACCOUNT RECONCILIATION
City of South Pasadena
for Payroll 04.25.14

Account Number	Account Name	05.07.14
101-0000-0000-1010-000	General Fund - Payroll cash	542,133.84
	Other Withholding Payables	\$ 320,086.77
<hr/>		
101-0000-0000-1010-000	Net General Fund - Payroll Cash	222,047.07
	Insurance Adjustment	-
204-0000-0000-1010-000	Traffic Improvement	
205-0000-0000-1010-000	Prop A - Payroll Cash	4,706.35
207-0000-0000-1010-000	Prop C - Payroll Cash	5,672.64
210-0000-0000-1010-000	Sewer Fund - Payroll Cash	13,101.27
211-0000-0000-1010-000	CTC Traffic Improvement	-
215-0000-0000-1010-000	Street Lighting & Landscape Assessment - PR C:	6,225.71
218-0000-0000-1010-000	Clean Air Act	
227-0000-0000-1010-000	CRA - Payroll Cash	6,758.46
229-0000-0000-1010-000	CRA Housing - Payroll Cash	
230-0000-0000-1010-000	State Gas Tax Fund - Payroll Cash	16,239.24
247-0000-0000-1010-000	SGVCOG Grant Fund	
260-0000-0000-1010-000	CDBG - Payroll Cash	
274-0000-0000-1010-000	Homeland Security Grant	
500-0000-0000-1010-000	Water Fund - Payroll Cash	55,111.41
700-0000-0000-2210-000	Internal Revenue Service	47,591.34
700-0000-0000-2230-000	Internal Revenue Service	14,052.22
Total Checks & Direct Deposits		391,505.71
Checks		21,020.12
Direct Deposits		308,842.03
I.R.S Payments		61,643.56
		<hr/>
		391,505.71
To 700		628,928.80
Other PR Payable		320,086.77
ACH Payable		308,842.03
		<hr/>

ATTACHMENT 5
Redevelopment Successor Agency Check Summary Total

Redevelopment Successor Agency Check Summary Total

Agency Warrants 05.07.14

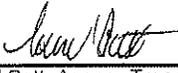
<u>Vendor</u>	<u>Invoice #</u>	<u>Check #</u>	<u>Department</u>	<u>Description</u>	<u>Amount</u>
City of South Pasadena	PIR/E 4/20/14	ACH	227.0000.0000.1010.000	Payroll PE 04.20.14	\$ 6,758.46
Arecano Inc.	041614-1	183079	227.7200.7210.8170.000	Finance Director Svcs 4/1-15/14	\$ 1,839.60
Law Offices of Jones & Mayer 67459		183083	227.7200.7210.8160.000	Legal Svcs-Suc.Agency 3/14	\$ 185.00
Law Offices of Jones & Mayer 67454		183083	227.7200.7210.8160.000	Legal Svcs-Downtown Project 3/14	\$ 2,701.00
Pers Health Insurance	PIR/E 4/20/14	183108	227.7200.7210.7131.000	Health Ins. May-14	\$ 322.57

RSA Report Total

\$ 11,806.63

Marina Khubesrian, M.D., Agency Chair

Evelyn G. Zneimer, Agency Secretary



David Batt, Agency Treasurer

City of South Pasadena/ Redevelopment Successor Agency/ Public Financing Authority Agenda Report

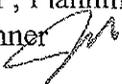
Marina Khubesrian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member

Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer

COUNCIL AGENDA: May 7, 2014

TO: Honorable Mayor and City Council

VIA: Sergio Gonzalez, City Manager 

FROM: David G. Watkins, AICP, Planning & Building Director 
John Mayer, Senior Planner 

SUBJECT: **Second Reading and Adoption of an Ordinance Amending the South Pasadena Zoning Code Regarding Setbacks Requirements for Detached Garages and Carports**

Recommendation

It is recommended that the City Council read by title only for second reading, waiving further reading, and adopt the proposed ordinance that would reduce the minimum required setbacks for detached garages and carports from five feet to two feet.

Fiscal Impact

There is no fiscal impact related to the adoption of the proposed ordinance.

Commission Review and Recommendation

This matter was reviewed by the Planning Commission. The Commission recommended that the City Council adopt the proposed Zoning Code Amendments.

Background

On March 19, 2014, the City Council conducted a first reading and introduced the ordinance. An analysis of the ordinance can be found in a staff report dated, March 19, 2014 (Attachment 2). If adopted, the ordinance will become effective in 30 days (June 6, 2014).

Legal Review

The City Attorney has reviewed this item and the ordinance.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website.

Setbacks for Detached Garages and Carports

May 7, 2014

Page 2 of 2

Attachments:

1. City Council Ordinance, Setbacks for Detached Garages and Carports
2. City Council Agenda Report dated, March 19, 2014

ATTACHMENT 1
City Council Ordinance, Setbacks
for Detached Garages and Carports

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
(AMENDING SECTION 36.350.170(C)) OF THE SOUTH
PASADENA MUNICIPAL CODE TO ALLOW REDUCED
SETBACK REQUIREMENTS FOR DETACHED GARAGES AND
CARPORTS PROVIDED CERTAIN REQUIREMENTS ARE MET**

WHEREAS, on September 18, 2002, the South Pasadena City Council (City Council) adopted Ordinance No. 2180, which extensively revised Chapter 36 (Zoning) of the South Pasadena Municipal Code (SPMC); and

WHEREAS, on September 16, 2009, the City Council adopted Ordinance No. 2190, which made clarifications to the development standards for Accessory Residential Structures and Private Residential Recreational Facilities and corrected certain typographical errors; and

WHEREAS, on October 28, 2013, the Planning Commission adopted P.C. Resolution No.13-35, which declared its intent to consider an amendment to the Zoning Code related to reduced setbacks for garages and carports, finding that the modifications may serve a benefit to the public interest, health, safety, convenience, and general welfare of the City of South Pasadena (City) by allowing property owners to comply with covered parking requirements while resulting in a more efficient site plan and better vehicle maneuverability on developed residential properties; and

WHEREAS, on February 24, 2014, the Planning Commission determined that the proposed Code amendment would not have a significant impact on the environment and that the environmental determination (Negative Declaration) adopted for the 2002 Zoning Code update encompassed the current amendments as they do not make substantive changes to the adopted Code; and

WHEREAS, on February 24, 2014, the Planning Commission, pursuant to Zoning Code section 36.620.050.A, adopted Resolution 14-08, which made a written recommendation to the City Council to approve the amendment of the Zoning Code that would allow reduced setbacks for garages and carports if certain requirements are met, namely, the amendment allows a two foot setback from the rear and side yard property lines if the garage or carport complies with certain building and safety requirements and there are specific limits on the height in residential zoning districts of the City; and

WHEREAS, on March 19, 2014, the City Council held a properly noticed public hearing introducing this ordinance for first reading.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The City Council hereby finds that the proposed Zoning Code amendment would not have a significant impact on the environment and that the environmental determination (Negative Declaration) adopted for the 2002 Zoning Code update encompasses the current amendments as they do not make substantive changes to the adopted Code.

SECTION 2. Pursuant to SPMC Section 36.620.070 (Findings and Decision), the City Council hereby finds that the proposed amendments to SPMC Section 36.350.170 is supported by a finding that the modifications may serve a benefit to the public interest, health, safety, convenience, and general welfare of the City, by allowing property owners to comply with covered parking requirements while resulting in a more efficient site plan and better vehicle maneuverability on developed residential properties.

SECTION 3. SPMC Section 36.350.170(C)(3) (Residential Uses – Accessory Residential Structures and Private Residential Recreational Facilities) of Chapter 36 (Zoning) of Article 3 (Site Planning and General Development Standards) is hereby amended to read as follows:

- C. Site layout and design standards.
1. Exterior design and materials. An accessory residential structure shall be architecturally compatible with the primary structure, and have the same architectural style and materials.
 2. Maximum floor area. The floor area of an accessory residential structure (excluding detached garages/carports) shall not exceed 200 square feet, and the aggregate area of all accessory structures (excluding detached garages/carports) on the site shall not exceed 700 square feet. When a detached garage is combined with another type of accessory residential structure (workshop, poolhouse, etc.), the area of the non-garage portion of said structure shall not exceed 200 square feet. All dimensions refer to gross floor area, which is measured from the outside surfaces of the exterior walls. All accessory structures are included in the applicable floor area ratio limit, except that the first 500 square feet of a garage or carport are exempted. Lot coverage limits also apply. All accessory structures that require a building permit are subject to Design Review and any adopted design guidelines.
 3. Setback requirements. An accessory residential structure shall comply with the setback requirements established by Article 2 (Zoning Districts, Allowable Land Uses and Permit Requirements), except that:

- a. A structure with a floor area of 120 square feet or less may be located within a required side or rear setback, but not within a front setback or in front of the front-most dwelling unit on the lot;
- b. An accessory residential structure shall be located at least five feet from a side and/or rear property line. Such structures cannot be located in the front setback or in front of the front-most dwelling unit on the lot; and
- c. A detached garage or carport shall be located at least two feet from a side and/or rear property line provided that such structure (if less than three feet from a property line) meets the following requirements :
 - 1). A detached garage shall have no openings in the exterior walls abutting the property lines,
 - 2). The structure is constructed of one-hour fire resistant materials, and
 - 3). A provision is made for all water runoff to drain onto the subject property;

A detached garage or carport shall not be located in the front of the front-most dwelling unit on the lot, except for Development that is subject to the approval of a Hillside Development Permit (SPMC Section 36.410.065). In no case shall a detached garage or carport be allowed within a front yard setback.

- d. Accessory structures shall be located at or beyond the required street-facing side yard setback for the dwelling/s, except if the Director determines that a lesser setback can be approved using the Administrative Use Permit process detailed in Subsection (C)(3)(e).
- e. Private residential recreational facilities shall be located at least five feet from a side and/or rear property line and cannot be located in the front setback or in front of the front-most dwelling unit on the lot or in the street-facing side setback of a corner lot; and
- f. A new detached garage or carport to replace a previous garage or carport that was legal nonconforming in terms of side/rear setbacks may be allowed within the required five foot setback with the approval of an Administrative Use Permit (AUP). This exemption also applies to front setbacks for hillside properties (as defined in SPMC Section 36.340.020(A)) and to street-facing side yards for corner lots. In determining whether it is impractical or unfeasible to provide a standard size garage (20 feet by 20 feet) at the required five foot side/rear setback (and/or 10-foot front setback for a hillside property, or required street-facing side yard setback for a corner lot), the Director shall consider if such a location will result in an inefficient

site plan, a development pattern that is inconsistent with surrounding development, or the loss of the property's only available private outdoor living area, and whether the following conditions exist/apply:

- (1) The property is substandard in size, less than 10,000 square feet,
- (2) The property is substandard in width, less than 50 feet wide, or
- (3) The property contains the following features:
 - (A) Protected heritage trees,
 - (B) A home listed on the City's Inventory of Historic Resources, or
 - (C) Physical features that would make it impractical or unfeasible to provide a standard size garage that observes the required setback,
- (4) The prevailing development pattern of the surrounding properties.

The exemption in subsection (C)(3)(e) shall only apply for the reconstruction of a previously existing garage or carport that was voluntarily demolished pursuant to a permit and all other necessary approvals. Replacement garages/carports shall meet (but not exceed) current minimum size requirements unless the Director determines that physical constraints (per Subsection (C)(3)(e)(3)(C) of this Section) preclude this. Involuntarily destroyed structures are subject SPMC 36.360.060 (Nonconforming Uses, Structures, and Parcels. Exemptions and Exceptions). New accessory structures that are not replacements shall conform to the required setbacks, except for those located on the street-facing side of the lot, which may be located within the required street-facing setback, subject to the approval of an AUP.

- g. A structure containing an "outdoor kitchen" shall meet all Fire Code requirements, which may include a 10-foot setback depending on the size, type, and location of the structure and/or the facilities contained therein.

SECTION 4. SPMC Section 36.350.170(C)(4), (Residential Uses – Accessory Residential Structures and Private Residential Recreational Facilities) of Chapter 36 (Zoning) of Article 3 (Site Planning and General Development Standards) is hereby amended to read as follows :

4. Height limit. An accessory residential structure shall not exceed:
 - a. Eight feet for a structure allowed within a setback in compliance with Subsection (C)(3)(a).

- b. Nine feet (at top plate height) for a new detached garage or carport if located within two to five feet from a property line. The plate height represents the top of the wall studs (or supporting pole of a carport), which intersects with the horizontal, structural member of the wall frame (or roof of a carport). Exceptions to the nine foot height limit may be allowed for the following cases:
- (1). The overall height of an accessory structure (excluding the top plate height) may rise above the nine foot height limit as it steps or slopes away from the two-foot initial setback, but shall not intercept an encroachment plane sloping inward from a point nine feet in height (beginning at the two-foot setback) and rising to a maximum of one and one-half feet for each one foot of distance starting at the two-foot setback. See Figure 1.
 - (2). For a detached garage with a flat roof, the overall height of such structure (excluding the top plate height) may rise to a maximum height of ten feet at the top of a parapet.
- c. Fifteen feet for a detached structure located at or beyond the required five foot setback, except that a detached garage (but not a carport) height of up to twenty-two feet may be allowed if the Review Authority makes a finding that the additional height is required so as to be consistent with the roof pitch of the main dwelling.
- d. No accessory residential structure shall have more than one story, except that any attic space under the roof may be used for storage only, with access permitted only by pull-down stairs. Permanent stairs are prohibited.

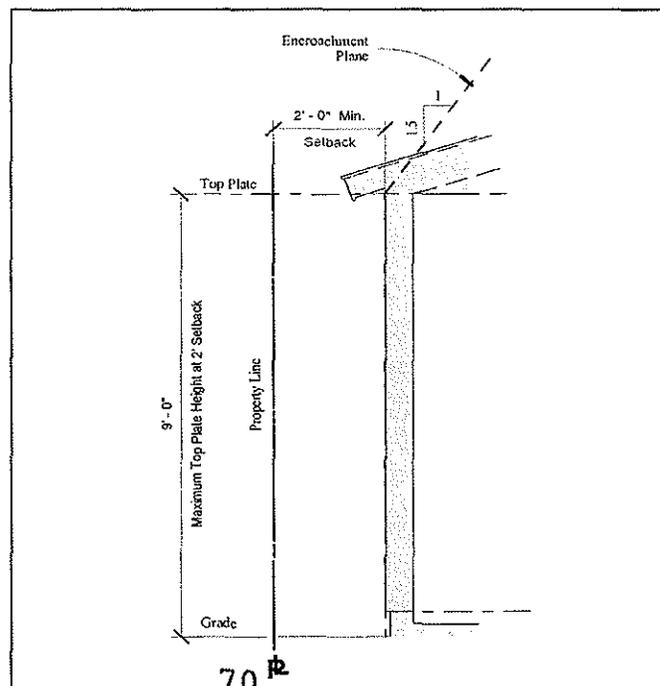


Figure 1. Encroachment Plane and Setbacks for detached garages and carports

SECTION 5. This ordinance shall take effect thirty (30) days after its final passage, and within fifteen (15) days after its passage, the City Clerk of the City of South Pasadena shall certify to the passage and adoption of this ordinance and to its approval by the Mayor and City Council and shall cause the same to be published in a newspaper in the manner required by law.

PASSED, APPROVED, AND ADOPTED on this 7th day of May, 2014.

Marina Khubesrian, M.D., Mayor

ATTEST:

APPROVED AS TO FORM:

Evelyn G. Zneimer, City Clerk
(seal)

Richard L. Adams II, City Attorney

Date: _____

I HEREBY CERTIFY the foregoing ordinance was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 7th day of May, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Evelyn G. Zneimer, City Clerk
(seal)

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ATTACHMENT 2
City Council Agenda Report
dated, March 19, 2014

**City of South Pasadena/
Redevelopment Successor Agency/
Public Financing Authority
Agenda Report**

*Marina Khubesrian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member*

*Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pla, City Treasurer*

COUNCIL AGENDA: March 19, 2014
TO: Honorable Mayor and City Council
VIA: Sergio Gonzalez, City Manager 
FROM: David G. Watkins, AICP, Planning & Building Director 
John Mayer, Senior Planner 
SUBJECT: **First Reading and Introduction of an Ordinance to Amend the South Pasadena Municipal Code Regarding Setback Requirements for Detached Garages and Carports**

Recommendation

It is recommended that the City Council read by title only for first reading, waive further reading, and introduce an ordinance (Attachment 1) that amends South Pasadena Municipal Code (SPMC) Section 36.350.170 (Accessory Residential Structures). The ordinance would reduce the minimum required setbacks for detached garages and carports from five feet to two feet. According to the proposed ordinance, structures with the reduced setbacks would need to comply with certain building and safety code requirements, and there are specific height limits.

Fiscal Impact

There is no fiscal impact related to the adoption of the proposed ordinance.

Commission Review and Recommendation

This matter reviewed by the Planning Commission (Commission) on October 28, 2013 and February 24, 2014.

The Commission adopted P.C. Resolution No. 14-08 (Attachment 2), which is a formal recommendation to adopt the proposed ordinance.

Background

The City's Zoning Code requires a five foot setback requirement for all accessory residential structures that are greater than 120 square feet such as garages, carports, storage building, gazebos, etc. Such structures are physically detached from, secondary, and considered incidental to the main house on a lot. Some architects have noted that the Zoning Code's five foot setback requirement for detached garages and carports can result in an inefficient site plan and "dead space" that cannot be used. The five foot setback requirements can place a detached garage or carport in a position with the main house where backing out of the parking space is difficult to negotiate.

The Commission considered whether the five foot setback requirement for detached garages and carports should be eliminated altogether. This would allow the greatest flexibility for the location of detached covered parking. Some commissioners had reservations about eliminating the setback altogether. A structure built at the property line would limit one's ability to maintain the structure along the property line. Architectural projections, like eaves would not be allowed because they would encroach into a neighboring property.

The Commission reviewed a survey of other San Gabriel Valley cities' requirements for detached structures. The Commission decided that a two foot setback would be reasonable and identified certain issues to be considered as part of the proposed amendment. The new setback requirement should allow the ability to maintain a detached structure on the sides facing a property line and for architectural features to project into the reduced setbacks. The Commission also wanted the ordinance to address drainage issues by diverting runoff water away from neighboring properties. The Commission requested that the ordinance impose limits to the size and massing of detached structures so that they do not loom over neighboring properties so close to the lot line.

On February 24, 2014, the Planning Commission reviewed the draft ordinance and recommended that the City Council approve it. At that meeting, the Commission requested a few minor revisions to a drawing that illustrates how to measure the height of a detached garage or carport at the new setback.

Analysis

SPMC Section 36.350.170 specifies the development standards for detached accessory structures. The proposed ordinance would revise SPMC Section 36.350.170(C)(3)(b), pertaining to setbacks and SPMC Section 36.350.170(C)(4), related to height limits.

Setbacks: Detached Structures

The current five foot setback requirement would remain for all accessory structures except detached garages and carports. A new subsection "c" will allow such structures to have a two foot setback provided that they comply with certain building and safety code requirements. Building walls that are less than three feet away from a property line shall have no openings (i.e. windows, doors, vents, etc.) for walls facing a property line. The Building Code also requires that walls are built with one-hour fire resistant materials, and provisions must be made for all water runoff to drain onto the structure's property.

In addition to the side and rear yard setback requirements, the proposed ordinance provides an opportunity to resolve an issue that has hindered the ability to upgrade covered parking requirements on developed hillside lots. The current Zoning Code does not allow accessory structures in "front of the front-most dwelling unit" on a lot. This limitation has prevented some hillside property owners from building a garage or carport on the only available land on a hillside lot, in front of the house. The proposed amendment would make an exception for projects

subject to a hillside development permit. According to the proposed ordinance, detached garages and carports may be allowed in front of a house on a hillside lot, but in no case would covered parking be allowed within the ten foot front yard setback.

Height Limits: Detached Structures

The proposed ordinance would strike paragraph "b" of SPMC Section 36.350.170(C)(4), which limits the height of all accessory residential structures to 15 feet. A new paragraph "b" would specifically outline the height limit and exceptions for garages and carports that are within two to five feet of a property line. In order to control the large appearance of a detached structure, the wall height of a garage is limited to nine feet. The wall would be measured from natural grade, up to the top plate height, which is the point where the top of a wall intersects with the roof. Additional height would be allowed above that point, provided that roof pitch slopes away from a property line and does not intercept an encroachment plane. A diagram is provided in the ordinance to illustrate the encroachment plane and how the height is measured.

The height of a flat roofed garage may rise to ten feet to allow a parapet feature above the roof. A new paragraph "c" limits all other accessory residential structures (with a setback greater than five feet) to 15 feet in height. A maximum height of 22 feet remains available for those structures if the Review Authority finds that the additional height is necessary to achieve a roof pitch that is consistent with the primary house

Legal Review

The City Attorney has reviewed this item.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* on March 6, 2014.

Attachments:

1. Proposed Ordinance
2. P.C. Resolution No. 14-08
3. Planning Commission Minutes, dated October 28, 2013 and February 24, 2014

City of South Pasadena/ Redevelopment Successor Agency/ Public Financing Authority Agenda Report

Marina Khubesrian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member

Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer

COUNCIL AGENDA: May 7, 2014

TO: Honorable Mayor and City Council

VIA: Sergio Gonzalez, City Manager *SG*

FROM: Hilary Straus, Assistant City Manager *HS*
Debby Figoni, Water Conservation Analyst *DF*

SUBJECT: **Second Reading and Adoption of an Ordinance Amending Chapter 35 of the South Pasadena Municipal Code to Add Water Shortage Plans and Water Conservation Provisions**

Recommendation

It is recommended that the City Council read by title only for second reading, waive further reading, and adopt an ordinance that amends Chapter 35, Water, of the South Pasadena Municipal Code (SPMC). The ordinance would provide direction on "Water Shortage Plans and Water Conservation Provisions" (Plan) for the City in case of drought or emergency.

Fiscal Impact

There is no fiscal impact to the water enterprise fund related to the adoption of this ordinance.

Commission Review and Recommendation

This ordinance was reviewed by the Natural Resources and Environmental Commission at the February 25, 2014 meeting. The Commission recommended the City Council adopt the accompanying ordinance.

Background

The City Council reviewed an initial draft of the proposed Plan at the February 5, 2014 City Council meeting. On March 19, 2014, the City Council conducted a first reading and introduced the ordinance (Attachment 1). If adopted, this ordinance will become effective in 30 days (June 6, 2014).

The City's water conservation measures are presently set forth in Chapter 35, Article II of the SPMC. However an amendment is necessary to permanently prohibit certain water uses, and to revise the manner in which the City addresses water conservation under water shortage conditions.

Analysis

The City of South Pasadena does not presently have an ordinance pertaining to Water Shortage Plans or Water Conservation Provisions. The proposed amendment to the SPMC will provide a detailed description of how both of these will be accomplished and implemented.

Legal Review

The City Attorney has reviewed this item.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.

Attachments:

1. Ordinance Amending Chapter 35 of South Pasadena Municipal Code to Add Water Shortage Plans and Water Conservation Provisions
2. City Council Agenda Report, March 19, 2014 (without Attachments)

ATTACHMENT 1
Ordinance Amending Chapter 35 of the South Pasadena
Municipal Code to Add Water Shortage Plans and
Water Conservation Provisions

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
AMENDING CHAPTER 35 (WATER) WITH THE ADDITION OF
ARTICLE IV (WATER CONSERVATION AND SUPPLY
SHORTAGE PLANS) AND ARTICLE V (VIOLATIONS AND
PENALTIES) AND AMENDING SECTIONS 35.13
(DISCONTINUANCE OF SERVICE –FOR FAILURE TO PAY
BILL) AND 35.14 (DISCONTINUANCE OF SERVICE –FOR
NONCOMPLIANCE WITH RULES AND REGULATIONS) OF
ARTICLE 1 OF CHAPTER 35 (WATER) AND REPEAL SECTION
35.33 (WATER WASTE) OF THE SOUTH PASADENA
MUNICIPAL CODE RELATING TO WATER CONSERVATION
AND SHORTAGE PLANS AND ENFORCEMENT**

WHEREAS, the State of California has experienced unprecedented dry conditions over the last several years; and

WHEREAS, in November 2009, the California State Legislature enacted Senate Bill X7-7 setting goal of reducing per capita urban water use goal by reducing per capita water use by at least 10% by December 31, 2015, with an ultimate goal of a 20% reduction by December 31, 2020; and

WHEREAS, on January 17, 2014, Governor Jerry Brown declared a drought emergency in the State of California; and

WHEREAS, on February 5, 2014, the City Council directed staff to prepare an ordinance to amend Chapter 35, Water, of the South Pasadena Municipal Code (SPMC) to add water shortage plans and water conservation provisions; and

WHEREAS, on February 25, 2014, the Natural Resources and Environmental Commission reviewed this ordinance and Commission recommended the City Council adopt it as presented.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The City Council hereby finds that the proposed SPMC amendment will not have a direct and significant impact on the environment, so is exempt under Section 15061(b)(3)—General Rule. The General Rule states that the

California Environmental Quality Act (CEQA) applies only to projects that have the potential for causing a significant effect on the environment.

SECTION 2. The City Council hereby amends Section 35.13 (Discontinuance of service – For failure to pay bill) of Article I (General Regulations) of Chapter 35 (Water) of the SPMC as follows:

35.13 Discontinuance of service — For failure to pay bill.

If a customer fails to pay for water service within thirty days after the date the bill is due and payable, pursuant to Section 35.12, water service may be discontinued with twenty-four-hour prior written notice delivered to the premises where the bill for water service was provided. Service will not be resumed unless a fee established by resolution of the city council is paid by the customer for the expense of turning the water off and on. The department shall resume service on weekdays during regular working hours.

SECTION 3. The City Council hereby amends Section 35.13 (Discontinuance of service – For failure to pay bill) of Article I (General Regulations) of Chapter 35 (Water) of the SPMC as follows:

35.14 Discontinuance of service — For noncompliance with rules and regulations.

Discontinuance of service for a fourth or subsequent violation of this chapter may only occur following a hearing held in accordance with SPMC Section 35.93. Any disconnected service may be restored upon application of the customer evidencing that the customer is ready, willing and able to comply with the provisions of this chapter and department rules and regulations regarding water service. Service will not be resumed unless a fee established by resolution of the city council is paid by the customer for the expense of turning the water off and on. Resumption of service shall be accomplished by the department on weekdays during regular working hours.

SECTION 4. The City Council hereby repeals SPMC Section 35.33 and replaces it with the following:

35.33 Repealed by Ordinance No. _____

SECTION 5. The City Council hereby amends Chapter 35 (Water) of the SPMC with the addition of the following Article IV (Water Conservation and Supply Shortage Plans):

ARTICLE IV. WATER CONSERVATION AND SUPPLY SHORTAGE PLANS

35.70 Policy and Purpose

The purpose of this article is to establish a water conservation and supply shortage program that will reduce water consumption within the City of South Pasadena through conservation, enable effective water supply planning, assure reasonable and beneficial use of water, prevent waste of water, and maximize the efficient use of water within the City of South Pasadena to avoid and minimize the effect and hardship of water shortage to the greatest possible extent.

35.71 Application

The provisions of this chapter apply to any person in the use of any potable water provided by the department except for the following water uses:

- A. Water necessary for water system or fire suppression system testing and maintenance, or fire suppression and other similar emergency services affecting public health and safety;
- B. Water necessary to protect public health and safety as determined in the sole discretion of the department;
- C. Any use of recycled water;
- D. The use of water by commercial nurseries and commercial growers to sustain plants, trees, shrubs, crops or other vegetation intended for resale; and
- E. Hillside areas recovering from fire. To qualify for this exemption, a customer must obtain verification from the agency requiring erosion control measures. The duration of the exemption is limited to two years, or establishment of the vegetation, whichever is the lesser time period.

35.72 Permanent Water Conservation Requirements.

The following water conservation requirements are effective at all times and are permanent. Violations of this section constitute waste and an unreasonable use of water.

A. No Washing Hard or Paved Surfaces.

Washing hard or paved surfaces, including but not limited to sidewalks, walkways, driveways, parking areas, tennis courts, patios or alleys, is prohibited except as follows: (i) where necessary to alleviate safety or sanitary hazards and then only by use of a hand-held bucket or similar container, a hand-held hose equipped with a water shut-off nozzle or device; or (ii) when using a low-volume high-pressure cleaning machine equipped to recycle any water used, or a low-volume, high-pressure water broom.

B. Runoff.

Except as permitted under the preceding paragraph, it shall be unlawful for any reason to allow water to run in such a manner so as to have water migrate onto an adjoining sidewalk, driveway, street, alley, gutter or ditch.

C. Spray Irrigation Hours.

Spray irrigation shall be scheduled between 5:00 p.m. and 9:00 a.m. Operation of the spray irrigation system outside the normal watering window is allowed for testing and system maintenance and for 30 days following installation of new plants, trees or grass if necessary to prevent the plants, trees or grass from dying.

D. No Spray Irrigation during Periods of Rain.

Spray irrigation of lawn, landscape or other vegetated area during periods of rain is prohibited.

E. Washing Vehicles.

It shall be unlawful for anyone to wash any vehicle, trailer or boat by allowing any hose to run continuously. For the purpose of this section, continuously shall mean three minutes or more. Said hose shall be equipped with a position shutoff nozzle.

F. Repair All Leaks.

Loss or escape of water through breaks, leaks or other malfunctions in the water user's plumbing or distribution system for any period of time after such escape of water should have reasonably been discovered and corrected and in no event more than seven days of receiving notice from the department is prohibited.

G. Serving Water in Restaurants.

No restaurant or other public place where food is sold, served or offered for sale shall serve drinking water to any customer unless expressly requested by the customer.

H. Restaurants Required to Use Water Conserving Dish Wash Spray Valves.

Food preparation establishments, such as restaurants, cafes and cafeterias, are prohibited from using non-water conserving dish washing spray valves.

I. Decorative Structures.

No water shall be used to clean, fill or maintain levels in decorative fountains, ponds or other similar aesthetic structures unless the structure uses a recirculating water system.

J. No Installation of Non-Recirculating equipment in Commercial Car Wash and Laundry Systems.

Installation of non-recirculating water systems is prohibited in new commercial conveyer car washes and new commercial laundry systems.

K. No Installation of Single Pass Cooling Systems.

Installation of single pass cooling systems is prohibited in buildings requesting new water service.

35.73 Water Shortage Plan Implementation.

The department shall monitor and evaluate the projected supply and demand for water by its customers. In the event of a water shortage as determined below, the city manager or his/her designee shall recommend that the city council make a determination that a water shortage exists and declare an appropriate Stage be established to permit the department to prudently supply water to its customers. Prior to implementation of a water shortage Stage as provided in this chapter, the city council shall hold a public hearing for the purposes of determining: (i) whether and to what extent a water shortage exists; and (ii) which Stage of water supply shortage is appropriate to address the water shortage. Notice of the time and place of said public hearing shall be published not less than 10 days before the hearing on the city's website and in a newspaper of general circulation within the city. The city council's determination shall be made by public notice on the city's website and in a newspaper of general circulation within the city and shall become effective immediately upon such publication. At any time during the water shortage period, the city council may discontinue any declared Stage or may implement another Stage in accordance with this chapter. Upon a finding by the city council that a water shortage no longer exists, any water shortage Stage then in effect shall terminate.

A water shortage may be declared based upon, but not limited to, the following considerations: a call for extraordinary water conservation by a wholesale water provider to the city, planned or actual disruption to water system facility components for maintenance or construction, or planned or actual interruption to sources of the city's water supply.

35.74 Stage 1: Moderate Water Supply Shortage.

- A. A Stage 1 water supply shortage exists when the city council determines, in its sole discretion, that due to drought or other water supply conditions a water supply shortage or threatened shortage exists and demand reduction is necessary to make more efficient use of water and appropriately respond to existing water conditions. Upon the declaration by the city council of a Stage 1 Moderate Water Supply Shortage, the department shall implement the mandatory Stage 1 conservation measures identified in this section.
- B. Stage 1 Water Conservation Measures: The following water conservation requirements apply during a declared Stage 1 water supply shortage:

1. Limits on Watering Days: Watering or irrigating of lawn, landscape or other vegetated area is limited to three designated days per week. This subsection does not apply to landscape irrigation zones that exclusively use low flow drip type irrigation systems where no emitter produces more than 2 gallons of water per hour. This subsection also does not apply to watering or irrigating by use of a hand-held bucket or similar container; watering for very short periods of time for the express purpose of adjusting or repairing an irrigation system; or for maintenance of vegetation, including vegetable gardens, fruit trees and shrubs, intended for consumption.
2. Obligation to Fix Leaks, Breaks or Malfunctions: All leaks, breaks or other malfunctions in the water user's plumbing or distribution system shall be repaired within 72 hours of notification by the department unless other arrangements are made with the department.
3. Stage 1 includes a recommended 10% water reduction for all customers. The 10% reduction shall be calculated on an annual consumption basis.

35.75 Stage 2: Serious Water Supply Shortage.

- A. A Stage 2 water supply shortage exists when the city council determines, in its sole discretion, that due to drought or other water supply conditions a water supply shortage or threatened shortage exists and demand reduction is necessary to make more efficient use of water and appropriately respond to existing water conditions. Upon the declaration by the city council of a Stage 2 water supply shortage, the department shall implement the mandatory Stage 2 conservation measures identified in this section.
- B. Stage 2 Water Conservation Measures: The following water conservation requirements apply during a declared Stage 2 water supply shortage:
 1. Limits on Watering Days: Watering or irrigating of lawn, landscape or other vegetated area with water is limited to two designated days per week. This subsection does not apply to landscape irrigation zones that exclusively use low flow drip type irrigation systems where no emitter produces more than 2 gallons of water per hour. This subsection also does not apply to watering or irrigating by use of a hand-held bucket or similar container; watering for very short periods of time for the express purpose of adjusting or repairing an irrigation system; or for maintenance of vegetation, including fruit trees and shrubs, intended for consumption.
 2. Obligation to Fix Leaks, Breaks or Malfunctions: All leaks, breaks or other malfunctions in the water user's plumbing or distribution system shall be repaired within 48 hours of notification by the department unless other arrangements are made with the department.
 3. Limits on Filling Ornamental Lakes or Ponds: Filling or re-filling ornamental lakes or ponds is prohibited, except to the extent needed to sustain aquatic life.

4. Stage 2 includes a recommended 20% water reduction for all customers. The 20% reduction shall be calculated on an annual consumption basis.

35.76 Stage 3: Extreme Water Supply Shortage.

- A. A Stage 3 water supply shortage exists when the city council determines, in its sole discretion, that due to drought or other water supply conditions, a water supply shortage or threatened shortage exists and demand reduction is necessary to make more efficient use of water and appropriately respond to existing water conditions. Upon the declaration by the city council of a Stage 3 water supply shortage, the department shall implement the mandatory Stage 3 conservation measures identified in this section.
- B. Stage 3 Water Conservation Measures: The following water conservation requirements apply during a declared Stage 3 water supply shortage:
 1. Limits on Watering Days: Watering or irrigating of lawn, landscape or other vegetated area is limited to one designated day per week. This subsection does not apply to the following categories of use, as determined by the department in its sole discretion:
 - i. Landscape irrigation zones that exclusively use low flow drip type irrigation systems where no emitter produces more than 2 gallons of water per hour.
 - ii. Watering or irrigating by use of a hand-held bucket or similar container.
 - iii. Watering for very short periods of time for the express purpose of adjusting or repairing an irrigation system.
 - iv. Maintenance of vegetation, including fruit trees and shrubs, intended for consumption.
 - v. Maintenance of existing landscape necessary for fire protection.
 - vi. Maintenance of existing landscape for soil erosion control.
 - vii. Maintenance of plant materials identified to be rare or essential to the well-being of protected species.
 - viii. Maintenance of landscape within active public parks and playing fields, school grounds, golf course greens, cemeteries and day care centers, provided that such irrigation does not exceed two days per week, according to a schedule established and posted by the department.
 - ix. Actively irrigated habitat restoration or environmental mitigation projects.
 2. Obligation to Fix Leaks, Breaks or Malfunctions: All leaks, breaks or other malfunctions in the water user's plumbing or distribution system shall be

repaired within 36 hours of notification by the department, unless other arrangements are made with the department.

3. Limits on Filling Ornamental Lakes or Ponds: Filling or re-filling ornamental lakes or ponds is prohibited, except to the extent needed to sustain aquatic life.
4. Stage 3 includes a recommended 30% water reduction for all customers. The 30% reduction shall be calculated on an annual consumption basis.

35.77 Stage 4: Emergency Water Supply Shortage.

- A. A Stage 4 condition exists when the city council declares a Stage 4 water supply shortage. Upon the declaration by the city council of a Stage 4 water supply shortage, the department will implement the mandatory Stage 4 conservation measures identified in this section.
- B. Stage 4 Water Conservation Measures: The following water conservation requirements apply during a declared Stage 4 water supply shortage:
 1. No Watering or Irrigating: Watering or irrigating of lawn, landscape or other vegetated area is prohibited. This restriction does not apply to the following categories of use, as determined by the department in its sole discretion:
 - i. Maintenance of vegetation, including fruit trees and shrubs, vegetation intended for consumption.
 - ii. Maintenance of existing landscape necessary for fire protection.
 - iii. Maintenance of existing landscape for soil erosion control.
 - iv. Maintenance of plant materials identified to be rare or essential to the well-being of protected species.
 - v. Maintenance of landscape within active public parks and playing fields, school grounds, golf course greens, and day care centers, provided that such irrigation does not exceed two days per week, according to a schedule established and posted by the department.
 - vi. Actively irrigated environmental mitigation projects.
 2. Obligation to Fix Leaks, Breaks or Malfunctions: All leaks, breaks or other malfunctions in the water user's plumbing or distribution system shall be repaired within 24 hours of notification by the department, unless other arrangements are made with the department.
 3. Limits on Filling Ornamental Lakes or Ponds: Filling or re-filling ornamental lakes or ponds is prohibited, except to the extent needed to sustain aquatic life.
 4. Limits on Filling Residential Swimming Pools and Spas: Refilling of more than one foot and initial filling of residential swimming pools or outdoor spas is prohibited.
 5. No New Potable Water Service: Upon declaration of a Stage 4 water supply shortage, no new potable water service will be provided, no new temporary

meters or permanent meters will be provided, and no statements of immediate ability to service or provide potable water service will be issued, except under the following circumstances:

- i. A valid, unexpired building permit has been issued for the project; or
- ii. The project is necessary to protect the public health, safety and welfare; or
- iii. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of the department.

This subsection does not preclude the resetting or turn-on of meters to provide continuation of water service or the restoration of service that has been interrupted for a period of one year or less.

35.78 Sudden Catastrophic Water Supply Shortage.

When the city manager or his designee determines that a sudden event has, or threatens to, significantly diminish the reliability or quality of the city's water supply, the city manager or his designee may declare a Catastrophic Water Supply Shortage and impose whatever emergency water allocation or conservation actions deemed necessary, in the professional judgment of the director of public works, to protect the reliability and quality of the city's water supply, until the emergency passes or city council takes other action.

SECTION 6. The City Council hereby amends Chapter 35 (Water) of the SPMC with the addition of the following Article V (Violations and Penalties):

ARTICLE V. VIOLATIONS AND PENALTIES

35.90 Violations and penalties: Residential customers and all other customers with water meters less than two inches.

- A. Violation: A customer shall be responsible for all uses of water served by the customer's water meter. Violation of any of the provisions of this chapter shall be the responsibility of the customer.
- B. Penalties: Monetary penalties imposed under this chapter shall be collected by adding the same to the customer's water bill and shall be payable at the same time and in the same manner as such bills or by such other method of collection and payment as established by the department. Penalties for failure to comply are as follows:
 1. First Violation: The department will issue a written notice of violation. Said notice shall contain, in addition to the facts of the violation, a statement of the possible penalties for each violation and a statement informing the customer of his right to a hearing on the merits of the alleged violation.

2. Second Violation: A second violation within the preceding 12 calendar months is punishable by a fine of \$100.00.
3. Third Violation: A third violation within the preceding 12 calendar months is punishable by a fine of \$200.00.
4. Fourth and Subsequent Violations: After a fourth or subsequent violation, the department may elect to impose a fine of \$500 and disconnect a customer's service, in addition to the financial surcharges provided for herein. Disconnection of service may be undertaken only after a public hearing held by the department in accordance with SPMC Section 35.93. All costs incurred to reconnect service shall be the responsibility of the customer.

35.91 Violations and penalties: Non-residential customers with water meters two inches or larger.

- A. Violation: A customer shall be responsible for all uses of water served by the customer's water meter. Violation of any of the provisions of this chapter shall be the responsibility of the customer.
- B. Penalties: Monetary penalties imposed under this chapter shall be collected by adding the same to the customer's water bill and shall be payable at the same time and in the same manner as such bills or by such other method of collection and payment as established by the department. Penalties for failure to comply are as follows:
 1. First Violation: The department will issue a written notice of violation. Said notice shall contain, in addition to the facts of the violation, a statement of the possible penalties for each violation and a statement informing the customer of his right to a hearing on the merits of the alleged violation. Notice of violation shall be sent through regular mail to the address at which the customer is billed by the department.
 2. Second Violation: A second violation within the preceding 12 calendar months is punishable by a fine of \$200.00.
 3. Third Violation: A third violation within the preceding 12 calendar months is punishable by a fine of \$400.00.
 4. Fourth and Subsequent Violations: After a fourth or subsequent violation, the department may elect to impose a fine of \$1000 and disconnect a customer's service, in addition to the financial surcharges provided for herein. Disconnection of service may be undertaken only after a public hearing held by the department in accordance with SPMC Section 35.93. All costs incurred to reconnect service shall be the responsibility of the customer.

35.92 Notice.

The department shall give notice of each violation of this chapter to the customer committing such violation as follows:

- A. For any violation of said provisions the department may give written notice of the fact of such violation to the customer personally, by posting a notice at a conspicuous place on the customer's premises, by posting a notice at a conspicuous place on the customer's premises, or by United States mail, First Class, postage prepaid, addressed to the customer's billing address.
- B. If the penalty assessed is, or includes, the termination of water service to the customer, notice of the violation shall be given in the following manner:
 - 1. By giving written notice thereof to the customer personally; or
 - 2. If the customer is absent from or unavailable at either his place of residence or his place of business, by posting a notice at a conspicuous place on the customer's premises, and sending a copy through the United States mail, First Class postage prepaid, addressed to the customer at his place of business, residence, or such other address provided by the customer for bills for water or electric service if such can be ascertained.

35.93 Right to hearing and Stay.

Any customer receiving a notice of violation shall have a right to a hearing by the city manager or his/her designee on the merits of the alleged violation upon that customer's written request to the department. Customer's written request for a hearing must be received by the department within 10 days of the date of notification of the violation or customer's right to a hearing shall be deemed waived. The customer's timely written request for a hearing shall automatically stay the imposition of penalty until the hearing officer renders a decision. No other or further stay shall be granted by the department. Any customer dissatisfied with the hearing officer's dispute determination may appeal that determination within 10 days of issuance to the Natural Resources and Environmental Commission whose decision shall become final within 15 days of its issuance unless appealed to city council. The city may issue regulations to govern the contents of the request for hearing and the manner in which such hearings may be conducted.

35.94 Reservation of rights.

The rights of the department hereunder shall be cumulative to any other right of the department to discontinue service. All monies collected pursuant to the penalty provisions of this chapter shall be deposited in the water fund.

35.95 Willful misrepresentation.

Notwithstanding any other provision of law, and in addition thereto, and not in lieu thereof, any willful misrepresentation of a material fact by any person to the department, made for the purpose of securing relief from the provisions of this chapter for any customer, is unlawful. A violation of this chapter shall be punishable by a fine not exceeding the sum of \$1000.

SECTION 7. This ordinance shall take effect thirty (30) days after its final passage and within fifteen (15) days after its passage, the City Clerk of the City of South Pasadena shall certify to the passage and adoption of this ordinance and to its approval by the Mayor and City Council and shall cause the same to be published in a newspaper in the manner required by law.

PASSED, APPROVED, AND ADOPTED on this 7th day of May, 2014.

Marina Khubesian, M.D., Mayor

ATTEST:

APPROVED AS TO FORM:

Evelyn G. Zneimer, City Clerk
(seal)

Richard L. Adams II, City Attorney

Date: _____

I HEREBY CERTIFY the foregoing ordinance was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 7th day of May, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Evelyn G. Zneimer, City Clerk
(seal)

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ATTACHMENT 2
City Council Agenda Report, March 19, 1014
without Attachments

**City of South Pasadena/
Redevelopment Successor Agency/
Public Financing Authority
Agenda Report**

*Marina Khubesrian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Malmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority M.*

*Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer*

COUNCIL AGENDA: March 19, 2014

TO: Honorable Mayor and City Council

VIA: Sergio Gonzalez, City Manager

FROM: Hilary Straus, Assistant City Manager
Debby Figoni, Water Conservation Analyst

SUBJECT: **First Reading and Introduction of an Ordinance Amending
Chapter 35 of the South Pasadena Municipal Code to Add Water
Shortage Plans and Water Conservation Provisions**

Recommendation

It is recommended that the City Council read by title only for first reading, waive further reading, and introduce an ordinance that amends Chapter 35, Water, of the South Pasadena Municipal Code (SPMC). The ordinance would provide direction on “Water Shortage Plans and Water Conservation Provisions” (Plan) for the City in case of drought or emergency.

Fiscal Impact

There is no fiscal impact to the water enterprise fund related to the adoption of this ordinance.

Commission Review and Recommendation

This ordinance was reviewed by the Natural Resources and Environmental Commission at the February 25, 2014 meeting. The Commission recommended the City Council adopt the accompanying ordinance.

Background

In November of 2009, Senate Bill X7-7 was enacted requiring all water suppliers to increase water use efficiency. For urban water conservation, the legislation set an overall goal of reducing per capita urban water use by 20% by December 31, 2020. The state will make incremental progress towards this goal by reducing per capita water use by at least 10% by December 31, 2015.

The City’s water conservation measures are presently set forth in Chapter 35, Article II of the SPMC. However an amendment is necessary to permanently prohibit certain water uses, and to revise the manner in which the City addresses water conservation under water shortage conditions.

The City Council reviewed an initial draft of the Water Shortage Plans and Water Conservation

Provisions ordinance at the February 5, 2014 City Council meeting. City Council directed staff to prepare an ordinance amending Chapter 35, Water, of the SPMC and to agendize the item to a future Council meeting.

Modification	Reason
In Stages 1, 2 and 3 of section 35.73, Water Shortage Plan Implementation, the word “designated” was added after the limited numbers of days per week to water.	For water pressure and delivery purposes and easier monitoring, specific days of the week to water will be pre-assigned, most likely based on odd and even addresses.
In Stages 1, 2 and 3 of section 35.73, Water Shortage Plan Implementation, percentages to conserve were added: Stage 1 = 10% reduction, Stage 2 = 20% reduction, and Stage 3 = 30% reduction.	Specific percentages have been assigned to three of the stages to give additional conservation guidance. Monitoring will be done on a quarterly, bi-annual or annual basis.

Analysis

The City of South Pasadena does not presently have an ordinance pertaining to Water Shortage Plans or Water Conservation Provisions. The proposed amendment to the SPMC will provide a detailed description of how both of these will be accomplished and implemented.

In addition to the water reduction goals of Senate Bill X7-7, California’s population continues to grow and the state has recently experienced several years of drought.

The purpose of the Water Shortage Plans and Water Conservation Provisions Plan is to prevent water supply shortages. But should a shortage occur, the actions articulated in the Plan minimize the impact of a water supply shortage on the City's population and economy. The Plan also helps ensure that water users who conserve water during normal-year hydrology and wet-year hydrology are not disadvantaged by the Plan during shortages.

A reliable, minimum supply of quality potable water is essential to the welfare of the people and economy of the City. The responsible management of water supplies in non-shortage conditions is wise and prudent for both water supply reliability and environmental stewardship. In addition, effective and equitable management of limited water supplies during a water supply shortage minimizes the impact on the people and economy of the City. Water conservation is an important component of California's water policy for the future, therefore, all reasonable efforts to conserve water should continue to be a high priority.

Per City Council’s direction, and approval by the Natural Resources and Environmental Commission at the February 25, 2014 meeting, staff added two changes to the initial draft ordinance.

Legal Review

The City Attorney has reviewed this item. With the proposed ordinance, the City Council will be making a finding that this ordinance will not have a significant effect on the environment (Section 1).

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.

Attachment: Water Shortage Plans and Water Conservation Provisions Ordinance

City of South Pasadena/ Redevelopment Successor Agency/ Public Financing Authority Agenda Report

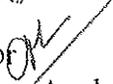
Marina Klubesrian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member

Evelyn G. Zueimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer

COUNCIL AGENDA: May 7, 2014

TO: Honorable Mayor and City Council

VIA: Sergio Gonzalez, City Manager 

FROM: Paul Toor, Public Works Director 
Debby Figoni, Water Conservation Analyst 

SUBJECT: **Second Reading and Adoption of an Ordinance Regarding Prohibiting Single-Use Plastic Carryout Bags and Incorporation by Reference the Los Angeles County Environmental Impact Report and Statement of Overriding Consideration**

Recommendation

It is recommended that the City Council:

1. Incorporate by reference the Los Angeles County Environmental Impact Report (EIR) and Statement of Overriding Consideration for an Ordinance Prohibiting Single-Use Plastic Carryout Bags, which is on file with the City Clerk's Office; and
2. Read by title only for second reading, waive further reading, and adopt an ordinance prohibiting single-use plastic carryout bags at large grocery stores, pharmacies and convenience stores, require a fee for paper bags, and promote the use of reusable bags.

Fiscal Impact

There will be minimal fiscal impact with the implementation of a plastic bag ban. Costs consist of conducting outreach and assistance to retailers, as well as tracking retailers' paper bag sales and proper enforcement. There will also be costs incurred for an outreach program to educate residents during the transition period via the distribution of free reusable canvas bags. The City will be using Los Angeles County's EIR and Statement of Overriding Consideration saving the City between \$10,000 and \$20,000.

Commission Review and Recommendation

This matter was reviewed by the Natural Resources and Environmental Commission (NREC). The Commission supports and recommends the plastic bag ban.

Background

The City Council reviewed an initial draft of the proposed plastic bag ban ordinance at the March 19, 2014 City Council meeting. On April 23, 2014, the City Council conducted a first reading and introduced the ordinance (Attachment 2). If adopted, the plastic bag ban shall become

operative four months from the date the Article first becomes effective (October 6, 2014), for Farmers' Markets and stores defined in Subsections l(1) and l(2) of Section 16.31; and six months from the date the Article first becomes effective (December 6, 2014) for stores defined in Subsection l(3) of Section 16.31.

Many local cities have successfully implemented a similar plastic bag ban, such as Pasadena, Glendale, Calabasas, Long Beach, Culver City, and Los Angeles.

Letters received for or against the Plastic Bag Ban will be compiled and e-mailed to City Council the Monday before the May 7, 2014 City Council meeting.

Analysis

A plastic bag ban will prohibit the use of plastic bags and require a charge for the use of paper bags. The intent of the ban is to accelerate a consumer shift away from single-use carryout bags to reusable bags. It also supports the City's sustainable goals of conserving energy and natural resources, reducing the volume of landfill waste, reducing litter, protecting the watershed and helping to promote a clean and sustainable environment.

The City will use the findings from the Los Angeles County's October EIR. Their EIR has been used by the vast majority of cities in Los Angeles County. A copy of this 1,462 page report, titled "Ordinances to Ban Plastic Carryout Bags in Los Angeles County – Final Environmental Report" is on file at the City Clerks' office or can be found on line at <http://dpw.lacounty.gov/epd/aboutthebag/pdf/FinalEIR.pdf>

In addition, the City will use the findings from Los Angeles County's November 2010 "Findings of Fact and Statement of Overriding Considerations Ordinance to Ban Plastic Carryout Bags in Los Angeles County". A copy of this 67 page report is on file at the City Clerks' office or can be found on line at http://dpw.lacounty.gov/epd/aboutthebag/PDF/FOFSOC_final.pdf

Based on Los Angeles County's Final EIR which was prepared for their single-use plastic bag ban, research done by the Los Angeles Department of Public Works, and a City of Santa Monica staff analysis, it has been determined that a ten cent (\$0.10) charge is a reasonable average cost of single-use paper carryout bags, is large enough to deter a significant transition to paper carryout bags, and minimizes the potential for trading one set of environmental impacts for another. This charge would allow an affected store to only recover reasonable cost of compliance with the ordinance. Imposing a ten cent (\$0.10) charge on paper bags supports uniformity within the region which helps the City's residents be prepared should they frequent stores outside the City and prevents deterring and driving away current and future nonresident customers. The ten cent (\$0.10) charge will be retained by the stores to cover their actual costs for providing recyclable paper carryout bags, a store's own educational materials or campaign encouraging the use of reusable bags, if any, and cost of compliance with the ordinance.

Second Reading and Adoption Regarding a Plastic Bag Ban
May 7, 2014
Page 3 of 3

Legal Review

The City Attorney has reviewed this item and recommended that the City Council incorporated by reference and consider the Los Angeles County's EIR and its findings of fact and statement of overriding considerations to assess the environmental impacts of the proposed ordinance.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.

Attachments:

1. Ordinance Prohibiting Single-Use Plastic Carryout Bags
2. City Council Agenda Report, April 23, 2014 (without Attachments)

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ATTACHMENT 1
Ordinance Prohibiting Single-Use Plastic Carryout
Bags

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
AMENDING CHAPTER 16 (GARBAGE AND WASTE)
OF THE SOUTH PASADENA MUNICIPAL CODE WITH
THE ADDITION OF AN ARTICLE III (SINGLE-USE PLASTIC
CARRYOUT BAGS) TO BAN THE USE OF SINGLE-USE PLASTIC
BAGS AT LARGE GROCERY STORES, PHARMACIES AND
CONVENIENCE STORES AND ADOPTION BY REFERENCE
THE LOS ANGELES COUNTY ENVIRONMENTAL
IMPACT REPORT**

WHEREAS, each year tens of millions of plastic carryout bags are consumed in the City; and

WHEREAS, plastic bags have a significant negative impact on marine life and the environment, in that they litter streets, float down waterways, and clog catch basins; and

WHEREAS, several organizations that have studied the effects of plastic litter have concluded that plastic film (including plastic bag litter) composes as much as 34 percent of the volume of total litter collected; and

WHEREAS, the prevalence of litter from plastic bags in the urban environment and the fact that less than 5 percent of plastic bags are recycled leads to increased clean-up costs for local and public agencies; and

WHEREAS, public agencies in California spend more than \$375 million each year for litter prevention, cleanup, and disposal; and

WHEREAS, on November 16, 2010, Los Angeles County (County) Board of Supervisors approved an Environmental Impact Report ("EIR") and adopted an ordinance banning plastic carryout bags from stores, while requiring stores that provide recyclable paper carryout bags to charge customers ten cents per bag to cover reasonable costs associated with the ordinance; and

WHEREAS, the County's ordinance encouraged the 88 cities within the County to adopt similar ordinances and the County's EIR specifically analyzed the possibility of the 88 incorporated cities adopting ordinances banning plastic carryout bags as encouraged by the County; and

WHEREAS, the City intends the herein ordinance to fall within the scope of the County EIR and has therefore modeled it on the County's ordinance; and

WHEREAS, prohibiting the use of plastic bags supports the sustainable goals of conserving energy and natural resources, reducing the volume of landfill waste, reducing litter, protecting the watershed, and helping promote a clean and sustainable environment.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA") and the CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et. Seq.), the County has prepared an EIR and a Statement of Overriding Consideration, which analyses the potential environmental impacts of this ordinance and is incorporated by reference herein. Pursuant to Section 15096 of the CEQA Guidelines, the City acts as a responsible agency for this ordinance. Upon its independent review of the EIR, the Statement of Overriding Consideration and all the evidence before it, the City Council finds that:

- 1) The mitigation measures outlined in the EIR avoid or substantially lessen the significant environmental effects as identified in the EIR;
- 2) The potentially cumulatively significant impacts resulting from the decomposition of paper carryout bags in landfills, as identified in the County's EIR, are deemed acceptable due to several economic and environmental overriding benefits which are set out in the County's Statement of Overriding Considerations; and
- 3) Substantial evidence in the record supports these conclusions, and can be found in the County's Statement of Overriding Considerations, the EIR, the public hearings conducted by the County, and all other evidence before the City Council.

SECTION 2. That Chapter 16 of the South Pasadena Municipal Code be amended with the addition of the following Article III (Plastic Carryout Bags):

ARTICLE III. SINGLE-USE PLASTIC CARRYOUT BAGS

16.31 Definitions.

For purposes of this Article, the following definitions shall apply:

- (a) "Customer" means any person purchasing goods from a store.
- (b) "Operator" means the person in control of, or having the responsibility for, the operation of a store, which may include, but is not limited to, the owner of the store.
- (c) "Person" means any natural person, firm, corporation, partnership, or other organization or group however organized.

(d) "City sponsored event" means any event organized or sponsored by the city of South Pasadena or any Department of the City of South Pasadena.

(e) "Farmers' Market" means a market where farmers who grow produce sell their fruits and vegetables directly to the public.

(f) "Single use plastic carryout bag" means any bag with handles, made predominantly of plastic derived from either petroleum or a biologically-based source, such as corn or other plant sources, which is provided to a customer at the point of sale. "Single use plastic carryout bag" includes compostable and biodegradable bags but does not include reusable bags, produce bags, or product bags.

(g) "Postconsumer recycled material" means a material that would otherwise be destined for solid waste disposal, having completed its intended end use and product life cycle. "Postconsumer recycled material" does not include materials and by-products generated from, and commonly reused within, an original manufacturing and fabrication process.

(h) "Produce bag" or "product bag" means any bag without handles used exclusively to carry produce, meats, or other food items to the point of sale inside a store or to prevent such food items from coming into direct contact with other purchased items.

(i) "Recyclable" means material that can be sorted, cleansed, and reconstituted using available recycling collection programs for the purpose of using the altered form in the manufacture of a new product. "Recycling" does not include burning, incinerating, converting, or otherwise thermally destroying solid waste.

(j) "Recyclable paper carryout bag" means a paper bag that meets all of the following requirements: (1) contains no old growth fiber, (2) is one hundred percent (100%) recyclable overall and contains a minimum of forty percent (40%) post-consumer recycled material; (3) is capable of composting, consistent with the timeline and specifications of the ASTM International (www.astm.org) Standard D6400; (4) is accepted for recycling in curbside programs in the City; (5) has printed on the bag the name of the manufacturer, the location (country) where the bag was manufactured, and the percentage of postconsumer recycled material used; and (6) displays the word "Recyclable" in a highly visible manner on the outside of the bag.

(k) "Reusable bag" means a bag with handles that is specifically designed and manufactured for multiple reuse and meets all of the following requirements: (1) has a minimum lifetime of 125 uses, which for purposes of this subsection, means the capability of carrying a minimum of 22 pounds 125 times over a distance of at least 175 feet; (2) has a minimum volume of 15 liters; (3) is machine washable or is made from a material that can be cleaned or disinfected; (4) does not contain lead, cadmium, or any other heavy metal in toxic amounts; (5) has printed on the bag, or on a tag that is permanently affixed to the bag, the name of the manufacturer, the location (country) where the bag was manufactured, a statement that the bag does not contain lead, cadmium, or any other heavy metal in toxic amounts, and the percentage of postconsumer recycled material used, if any; and (6) if made of plastic, is a minimum of at least 2.25 mils thick.

(l) "Store" means any of the following retail establishments located within the city:

(1) A full-line, self-service retail store with gross annual sales of two million dollars (\$2,000,000), or more, that sells a line of dry grocery, canned goods, or nonfood items and some perishable items;

(2) A store of at least 10,000 square feet of retail space that generates sales or use tax pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code) and that has a pharmacy licensed pursuant to Chapter 9 (commencing with Section 4000) of Division 2 of the Business and Professions Code; Or

(3) A drug store, pharmacy, supermarket, grocery store, convenience food store, foodmart, or other entity engaged in the retail sale of a limited line of goods that includes milk, bread, soda, and snack foods, including those stores with a Type 20 or 21 license issued by the Department of Alcoholic Beverage Control.

16.32 Single Use plastic carryout bags prohibited.

(a) No store shall provide to any customer a plastic carryout bag.

(b) No Farmers' Market fresh fruit or produce vendor shall provide to any customer a plastic carryout bag. This ordinance does not apply to Farmers' Market vendors of prepared food.

(c) This prohibition applies to bags provided for the purpose of carrying away goods from the point of sale and does not apply to produce bags or product bags.

(d) No person or store shall distribute plastic carryout bags at any city facility, any event held on City property, or at any City sponsored event, unless an exemption is approved pursuant to SPMC Section 16.36.

16.33 Permitted bags.

All stores shall provide or make available to a customer only recyclable paper carryout bags or reusable bags for the purpose of carrying away goods or other materials from the point of sale, subject to the terms of this Article. Nothing in this Article prohibits customers from using bags of any type that they bring to the store themselves or from carrying away goods that are not placed in a bag, in lieu of using bags provided by the store.

16.34 Regulation of recyclable paper carryout bags.

(a) Any store that provides a recyclable paper carryout bag to a customer must charge the customer 10 cents (\$0.10) for each bag provided, except as otherwise provided in this Article.

(b) No store shall rebate or otherwise reimburse a customer any portion of the 10 cent (\$0.10) charge required in Subsection (a), except as otherwise provided in this Article.

(c) All stores must indicate on the customer receipt the number of recyclable paper carryout bags provided and the total amount charged for the bags.

(d) All monies collected by a store under this Article will be retained by the store and may be used only for any of the following purposes: (1) costs associated with complying with the requirements of this Article, (2) actual costs of providing recyclable paper carryout bags, or (3) costs associated with a store's educational materials or education campaign encouraging the use of reusable bags, if any.

(e) All stores must keep records of the total number of recyclable paper carryout bags provided, the total amount of monies collected for providing recyclable paper carryout bags, and a summary of any efforts a store has undertaken to promote the use of reusable bags by customers in the prior year. Such records must be made available for the city to review at any time.

(f) If the reporting required in Subsection (e) is not timely submitted by a store, such store shall be subject to the fines set forth in Section 16.38.

16.35 Use of reusable bags.

(a) All stores must provide reusable bags to customers, either for sale or at no charge.

(b) Each store is strongly encouraged to educate its staff to promote reusable bags and to post signs encouraging customers to use reusable bags.

16.36 Exemptions.

(a) Recyclable paper carryout bags may be distributed to customers free of charge at Farmers' Markets.

(b) Recyclable paper carryout bags may be distributed to customers free of charge at any City facility, any event held on City property, or at any City sponsored event.

(c) All stores must provide at the point of sale, free of charge, either reusable bags or recyclable paper carryout bags or both, at the store's option, to any customer participating either in the California Special Supplemental Food Program for Women, Infants, and Children pursuant to Article 2 (commencing with Section 123275) of Chapter 1 of Part 2 of Division 106 of the Health and Safety Code or in the Supplemental Food Program pursuant to Chapter 10 (commencing with Section 15500) of Part 3 of Division 9 of the Welfare and Institutions Code.

(d) All stores required to provide plastic carryout bags as a condition of use or as required to abate a nuisance, whether such condition is imposed by the City, a court of law, and/or any other regulatory entity, shall not be in violation of this Article during the time such condition is in effect.

(e) Notwithstanding the prohibitions contained in Section 2:

(1) The city manager or his/her designee may issue an exemption from the requirements of this ordinance for a limited period upon a showing that enforcement of the ordinance would cause undue hardship upon the applicant.

(2) An exemption application shall include all information necessary for the City to make its decision, including but not limited to documentation showing factual support for the claimed exemption. The city manager or his/her designee may require the applicant to provide additional information to permit the City to determine facts regarding the exemption application.

16.37 Operative date.

This Article shall become operative four months from the date the Article first becomes effective, for Farmers' Markets and stores defined in Subsections l(1) and l(2) of Section 16.31. For stores defined in Subsection l(3) of Section 16.31, this Article shall become operative six months from the date the Article first becomes effective.

16.38 Enforcement and violation-penalty.

(a) It shall be unlawful for any person to violate the provisions of this Article. A violation of this Article shall be punishable under the administrative citation procedures set forth in Chapter 1A. The fine imposed for a particular violation shall be in the amount set forth in the administrative citation schedule established by resolution of the city council pursuant to Section 1A.6. The city manager or his/her designee has primary responsibility for enforcement of this Article.

(b) All fines collected pursuant to this Article shall be deposited in the General Fund to assist the city with its costs of implementing and enforcing the requirements of this Article.

16.39 Severability.

If any section, subsection, sentence, clause, or phrase of this ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining portions of this ordinance, or its application to any other persons or circumstance. The City Council of the city of South Pasadena hereby declares that it would have adopted this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of this ordinance would be subsequently declared invalid.

SECTION 3. This ordinance shall take effect thirty (30) days after its final passage and within fifteen (15) days after its passage, the City Clerk of the City of South Pasadena shall certify to the passage and adoption of this ordinance and to its approval by the Mayor and City Council and shall cause the same to be published in a newspaper in the manner required by law.

PASSED, APPROVED, AND ADOPTED this 7th day of May, 2014.

Marina Khubesrian, M.D., Mayor

ATTEST:

APPROVED AS TO FORM:

Evelyn G. Zneimer, City Clerk
(seal)

Richard L. Adams II, City Attorney

Date: _____

I HEREBY CERTIFY the foregoing ordinance was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 7th day of May, 2014.

AYES:

NOES:

ABSENT:

ABSTAINED:

Evelyn G. Zneimer, City Clerk
(seal)

ATTACHMENT 2
City Council Agenda Report, April 23, 1014
without Attachments

**City of South Pasadena/
Redevelopment Successor Agency/
Public Financing Authority
Agenda Report**

*Marina Khubesrian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member*

*Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer*

COUNCIL AGENDA: April 23, 2014

TO: Honorable Mayor and City Council

VIA: Sergio Gonzalez, City Manager

FROM: Paul Toor, Public Works Director
Debby Figoni, Water Conservation Analyst

SUBJECT: **First Reading and Introduction of an Ordinance Regarding Prohibiting Single-Use Plastic Carryout Bags and Incorporation by Reference the Los Angeles County Environmental Impact Report and Statement of Overriding Consideration**

Recommendation

It is recommended that the City Council:

1. Incorporate by Reference the Los Angeles County Environmental Impact Report (EIR) and Statement of Overriding Consideration for an Ordinance Prohibiting Single-Use Plastic Carryout Bags, which is on file with the City Clerk's Office; and
2. Read by title only for first reading, waive further reading, and introduce a plastic bag ban ordinance prohibiting single-use plastic carryout bags at large grocery stores, pharmacies and convenience stores, require a fee for paper bags, and promote the use of reusable bags.

Fiscal Impact

There will be minimal fiscal impact with the implementation of a plastic bag ban. Costs consist of conducting outreach and assistance to retailers, as well as tracking retailers' paper bag sales and proper enforcement. There will also be costs incurred for an outreach program to educate residents during the transition period via the distribution of free reusable canvas bags. The City will be using Los Angeles County's EIR and Statement of Overriding Consideration saving the City between \$10,000 and \$20,000.

Commission Review and Recommendation

This matter was reviewed by the Natural Resources and Environmental Commission (NREC). The Commission supports and recommends the plastic bag ban.

Background

The City Council reviewed an initial draft of the proposed plastic bag ban ordinance at the March 19, 2014 City Council meeting. City Council directed staff to prepare an ordinance for first

reading and to agendaize the item for a future Council meeting.

During the 2009-2010 Legislative Session, two Assembly Bills involving single-use plastic carryout bags were introduced. Assembly Bill (AB) 68 sought to offset the costs of single-use bag litter by requiring consumers to pay a twenty-five cent (\$0.25) fee for single-use bags distributed at large grocery stores, pharmacies, and convenience stores. AB 1998 sought to ban the distribution of single-use bags in all supermarkets and large retail stores throughout California. While neither of these passed, more actions have been taken, including present discussion of SB 270, a compromise bill that would ban single-use plastic bags and charge a fee for other bags throughout California by July 1, 2015.

AB 2449 is a statewide law addressing the recycling and reduction of plastic bag use. Enacted in 2006, AB 2449 requires all supermarkets (grocery stores with more than \$2 million in annual sales) and retail businesses of at least 10,000 square feet with a licensed pharmacy, to provide an at-store recycling program for customers. As of July 1, 2007, affected stores are required to supply at least one plastic bag collection bin in a publicly accessible spot to collect used bags for recycling. Despite its enactment, the bill has been relatively ineffective in the recycling of plastic bags at stores. In 2009, statistics by the California Department of Resources Recycling and Recovery (CalRecycle) showed statewide recycling rate for regulated plastic carryout bags at about three percent due to ineffective recycling programs. Stores place these plastic bags aside for curbside recycling and oftentimes these bags get caught in machines or blow away from recycling stations.

Each year, millions of plastic carryout bags are consumed in the City. Plastic bags have a significant negative impact on marine life and the environment. They litter streets, float down waterways, and clog catch basins. Several organizations that have studied the effects of plastic litter have concluded that plastic film (including plastic bag litter) composes as much as 34 percent of the volume of total litter collected. The prevalence of litter from plastic bags in the urban environment and the fact that less than five percent of plastic bags are recycled leads to increased clean-up costs for local and public agencies. Public agencies in California spend more than \$375 million each year for litter prevention, cleanup, and disposal. Prohibiting the use of plastic bags supports sustainability goals of by conserving energy and natural resources, reducing the volume of landfill waste, reducing litter, protecting the watershed, and helping promote a clean and sustainable environment.

Many local cities have successfully implemented a similar plastic bag ban, such as Pasadena, Glendale, Calabasas, Long Beach, Culver City, and Los Angeles.

Analysis

A plastic bag ban will prohibit the use of plastic bags and require a charge for the use of paper bags. The intent of the ban is to accelerate a consumer shift away from single-use carryout bags to reusable bags. It also supports the City's sustainable goals of conserving energy and natural

resources, reducing the volume of landfill waste, reducing litter, protecting the watershed and helping to promote a clean and sustainable environment.

Staff recommends the City Council introduce an ordinance prohibiting the use of plastic bags in the City. If approved, a second reading and adoption of the ordinance will be brought back at the May 7, 2014 City Council meeting.

If the City Council adopts this ordinance, this Article shall become operative four months from the date the Article first becomes effective, for the Farmers' Market and stores defined in Subsections 1(1) and 1(2) of Section 16.31. For stores defined in Subsection 1(3) of Section 16.31, this Article shall become operative six months from the date the Article first becomes effective. During this time, outreach will be provided to the community, including retailers and consumers, in a variety of methods (see outreach section below). Staff and the NREC have already worked with the Chamber of Commerce on an outreach plan to successfully roll out the proposed ordinance at local stores and at the Farmers' Market.

The City will use the findings from the Los Angeles County's October EIR. Their EIR has been used by the vast majority of cities in Los Angeles County. A copy of this 1,462 page report, titled "Ordinances to Ban Plastic Carryout Bags in Los Angeles County – Final Environmental Report" is on file at the City Clerks' office or can be found on line at <http://dpw.lacounty.gov/epd/aboutthebag/pdf/FinalEIR.pdf>

In addition, the City will use the findings from Los Angeles County's November 2010 "Findings of Fact and Statement of Overriding Considerations Ordinance to Ban Plastic Carryout Bags in Los Angeles County". A copy of this 67 page report is on file at the City Clerks' office or can be found on line at http://dpw.lacounty.gov/epd/aboutthebag/PDF/FOFSOC_final.pdf

Charge on Paper Bags

In order to reduce the use of single-use paper bags, the proposed ban will require that a charge be assessed on single-use paper carryout bags distributed at the point of sale at large retail stores such as grocery stores, supermarkets, convenience stores, liquor stores, pharmacies and food markets. These stores are the largest providers of single-use bags in the City and the intent of the ordinance is to accelerate a consumer shift away from single-use carryout bags to reusable bags.

Based on Los Angeles County's Final EIR which was prepared for their single-use plastic bag ban, research done by the Los Angeles Department of Public Works, and a City of Santa Monica staff analysis which examined proposed state legislation, nationwide and international experiences with plastic bags, and conducted a survey of local retailers, it has been determined that a ten cent (\$0.10) charge is a reasonable average cost of single-use paper carryout bags, is large enough to deter a significant transition to paper carryout bags, and minimizes the potential for trading one set of environmental impacts for another. This charge would allow an affected store to only recover reasonable cost of compliance with the ordinance. Imposing a ten cent

(\$0.10) charge on paper bags supports uniformity within the region which helps the City's residents be prepared should they frequent stores outside the City and prevents deterring and driving away current and future nonresident customers.

The ten cent (\$0.10) charge will be retained by the stores to cover their actual costs for providing recyclable paper carryout bags, a store's own educational materials or campaign encouraging the use of reusable bags, if any, and cost of compliance with the ordinance. The ordinance also stipulates that the material content for single-use paper bags contain a minimum of 40 percent recycled content and be 100 percent recyclable. The ordinance requires establishments to provide an annual report to the City summarizing bag revenues and program expenditures.

Public Outreach

If the ordinance is ultimately approved by the Council, City staff would initiate a four month focused public education and outreach effort to inform shoppers of the new ordinance and increase the use of reusable bags by shoppers in the City. This effort would include, at a minimum, the following:

1. Coordinating with all affected stores to make them aware of the provisions of the ordinance and encourage them to ensure their customers are informed of the ordinance in advance of the effective date. This effort will focus on the cost-effectiveness and environmental benefits of reusable bags.
2. Creating consistent messaging and informational packets for affected stores. Information packets would be made available online and include signage and decals to display at the stores and cash registers.
3. Staffing booths at the City's Farmers' Market to provide training to vendors and information to customers about the ordinance.
4. Coordinating with the Community Services Department to provide training and material to vendors holding events on City property or in City facilities.
5. Providing a certain number of reusable bags at no charge at various established City sponsored public outreach events.
6. Providing outreach in the form of flyers and articles, and providing information on the City's webpage as well as other social media outlets.

Enforcement

To ensure that the proposed ordinance does not impose any additional financial and staffing burden, enforcement will be complaint driven. The Public Health Department could also assist with enforcement responsibility by reporting any alleged violations as part of their regular inspections. Stores that fail to comply with the ordinance will initially be given a written warning notice. A fine, not exceeding \$100, will be given for the first violation, \$200 for the second violation, and \$500 for the third violation and any subsequent violations.

Legal Review

The City Attorney has reviewed this item and recommended that the City use Los Angeles

First Reading and Introduction Regarding a Plastic Bag Ban
April 23, 2014
Page 5 of 5

County's EIR and findings of fact and statement of overriding considerations ordinances to ban plastic bags in Los Angeles County. There are no fees associated with using either document.

Public Notification of Agenda Item

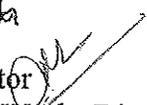
The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.

Attachment: Draft Plastic Bag Ban Ordinance

City of South Pasadena/ Redevelopment Successor Agency/ Public Financing Authority Agenda Report

Marina Khubesrian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member

Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer

COUNCIL AGENDA: May 7, 2014
TO: Honorable Mayor and City Council
VIA: Sergio Gonzalez, City Manager 
FROM: Paul Toor, P.E., Public Works Director 
Shin Furukawa, P.E., Deputy Public Works Director 
SUBJECT: **Award FY 2013-14 CDBG Sidewalk Replacement Project**

Recommendation

It is recommended that the City Council:

1. Accept a bid dated April 22, 2014 from Toro Enterprises Inc. for the construction of the FY 2013-14 Sidewalk Replacement Project;
2. Reject all other bids received; and
3. Authorize the City Manager to enter into a contract with Toro Enterprises Inc. for a not-to-exceed amount of \$106,963.80.

Fiscal Impact

This project is 100% funded through Community Development Block Grant (CDBG) funds. There are sufficient funds budgeted in account 260-9000-9264 for this project.

Commission Review and Recommendation

This matter has not been reviewed by any Commission.

Background

The project consists of reconstructing approximately 14,100 square feet of localized sidewalk repairs on portions of Diamond Ave., Leman St., Bushnell Ave., Wayne Ave., Adelaine Ave., La France Ave., and Maple St. The City received CDBG funding to repair the sidewalk. The Community Development Commission (CDC), which is the CDBG administering agency, reviewed and approved the project documents on January 30, 2014.

The City has determined this project to be categorically exempt from California Environmental Quality Act (CEQA) requirements under Section 21084 of the Public Resources Code, in accordance with Article 19, Section 15301, Class 1, Subsection (c) "existing facilities."

Analysis

Sealed bids were solicited from various construction companies, in addition to the standard advertising in compliance with the Public Contract Code in a newspaper of general circulation in the

City, and in various construction publications and online services including F.W. Dodge, Daily Construction Service, Construction Bidboard, and Contractors Information Network in April 2014.

On April 22, 2014, the City Clerk received and opened nine bids for construction. The table below summarizes the bids that were received:

Contractor	Base Bid	Additive Alternate Bid	Total
Toro Enterprises Inc., Oxnard	\$75,954.10	\$31,009.70	\$106,963.80
Grigolla & Sons, Azusa	\$81,019.15	\$33,468.85	\$114,487.90
Mora's Equipment & Construction Inc., Pico Rivera	\$81,257.55	\$36,637.00	\$117,894.55
Unique Performance Construction Inc., Anaheim	\$93,695.50	\$45,319.00	\$139,014.50
Martinez Concrete Inc., Azusa	\$122,142.42	\$49,837.24	\$171,979.66
Kalban Inc.	\$127,035.75	\$51,552.75	\$175,588.50
CPO Enterprises, Inc.	\$153,310.50	\$88,138.00	\$241,448.50
Vido Samarzich Inc., Alta Loma	\$154,845.00	\$64,865.00	\$219,710.00
Vantage Utility Services, Upland	\$168,927.75	\$71,406.75	\$240,334.50
<i>Engineer's Estimate</i>	<i>\$93,237</i>	<i>\$34,800</i>	<i>\$128,127</i>

This project included a base bid amount as well as an additive alternate bid amount. As specified in the contract documents, the low bidder is determined based on the base bid amount. Because there are sufficient funds available, it is recommended that the City Council award the base bid as well as the additive alternate bid.

Toro Enterprises Inc. was the lowest bidder on the project. Staff has checked the Contractor's references, and their work was verified to be of good quality. Similar projects were satisfactorily completed for other agencies, including the City of Burbank, the City of Santa Barbara and the City of Thousand Oaks. Toro Enterprises Inc. has also previously completed the Marmion Way Street Improvement Project in the City of South Pasadena. In addition, the Contractor's license has been verified to be currently valid and in good standing. Staff has analyzed these bids and is prepared to award the construction contract to Toro Enterprises, Inc.

If the project is awarded tonight, it is anticipated that construction will begin in June and be completed by August.

Legal Review

The City Attorney has not been asked to review this matter.

Award of FY 2013-14 CDBG Sidewalk Replacement Project
May 7, 2014
Page 3 of 3

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda on the City's web site and/or notice in the *South Pasadena Review*.

Attachments:

1. Agreement
2. Location Maps

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ATTACHMENT 1
Agreement

CONSTRUCTION CONTRACT / AGREEMENT

THIS AGREEMENT, made and entered into this 7th day of May, 2014, by and between CITY OF SOUTH PASADENA, a municipal corporation of the State of California, hereinafter referred to as "CITY" and Toro Enterprises Inc. "CONTRACTOR."

WITNESSETH:

That the CITY and the CONTRACTOR, for the consideration hereinafter named, mutually agree as follows:

1. The complete contract consists of the Contract Documents, which includes all of the following documents incorporated herein by this reference: Approved Plans and Specifications (**Project No. 601538-13**), Notice Inviting Bids, Instructions to Bidders, Information for Bidders, Contractor's Bid Proposal, Contract/Agreement, Special Provisions, Technical Provisions, the documents in the Appendix, if any, and all modifications and amendments thereto.

2. CONTRACTOR shall perform everything required to be performed, shall provide and furnish all the labor, materials, necessary tools, expendable equipment, and all utility and transportation services required for the following work of improvement: FY 2013-14 Sidewalk Replacement Project all in accordance with the Contract Documents and Contractor's Proposal dated April 22, 2014.

CONTRACTOR agrees to perform all the work and furnish all the materials at his own cost and expense necessary to construct and complete in a good and workman-like manner and to the satisfaction of the City Engineer of the CITY, the Work of Improvement in accordance with the plans, specifications, and Contract Documents (the "Specifications") therefore prepared by City's Engineering Department and adopted by the City Council.

3. CITY agrees to pay and CONTRACTOR agrees to accept in full payment for this Work of Improvement the stipulated sum of One hundred six thousand nine hundred sixty three Dollars and eighty Cents.

CITY agrees to make monthly payments and final payment in accordance with the method set forth in the Specifications.

4. CONTRACTOR agrees to commence construction of the Work of Improvement within fifteen (15) days after issuance of a Notice To Proceed, and to continue in a diligent and workman-like manner without interruption, and to complete the construction thereof within forty five (45) calendar days from the date the Notice to Proceed is issued.

5. Time is of the essence on this Contract, and it is agreed that it would be impracticable or extremely difficult to ascertain the extent of actual loss or damage which the CITY will sustain by reason of any delay in the performance of this Agreement. It is, therefore, agreed that CONTRACTOR will pay as liquidated damages to the CITY the following sum: Five Hundred

Dollars (\$500.00) for each day's delay beyond the time herein prescribed for finishing work. If liquidated damages are not paid, as designated by the CITY, the CITY may deduct the amount thereof from any money due or that may become due the CONTRACTOR under this Agreement in addition to any other remedy available to CITY. The CONTRACTOR shall not be assessed liquidated damages for any delay caused by the failure of a public utility to relocate or remove an existing utility required for the performance of this Contract.

6. The CONTRACTOR will pay, and will require all subcontractors to pay, all employees on the work of improvement a salary or wage at least equal to the prevailing salary or wage established for such work as set forth in the wage determinations for this work. Travel and subsistence pay shall be paid in accordance with Labor Code Section 1773.8. The CONTRACTOR shall forfeit to the CITY, as penalty, Fifty Dollars (\$50.00) for each calendar day or portion thereof for each worker paid (either by him or any subcontractors under him) less than the prevailing rate described above on the work provided for in this Agreement, all in accordance with Section 1775 of the Labor Code of the State of California.

7. NOTICE: All notices shall be in writing and delivered in person or sent by certified mail, postage prepaid. Notices required to be given to City shall be addressed as follows:

City of South Pasadena
Public Works Department
1414 Mission Street
South Pasadena, CA 91030-3298

Notices required to be given to Contractor shall be addressed as follows:

Toro Enterprises Inc.
P.O. Box 6285
Oxnard, CA 93031

8. In the performance of this Contract, not more than eight (8) hours shall constitute a day's work, and the CONTRACTOR shall not require more than eight (8) hours in a day from any person employed by him hereunder, except as provided in the Labor Code of the State of California. The CONTRACTOR shall adhere to Article 3, Chapter 1, Part 7 (Sections 1810, et seq.) of the Labor Code of the State of California, and it is agreed that the CONTRACTOR shall forfeit to the CITY as a penalty the sum of Fifty Dollars (\$50.00) for each worker employed in the execution of this Contract by the CONTRACTOR or any subcontractor for each calendar day during which any worker is required or permitted to labor more than eight (8) hours in violation of that article.

9. CONTRACTOR, by executing this Agreement hereby certifies:

"I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this Contract."

10. CONTRACTOR shall, prior to the execution of this Contract, furnish two bonds approved by the CITY, one in the amount of One Hundred Percent (100%) of the Contract price,

to guarantee the faithful performance of the work, and one in the amount of One Hundred Percent (100%) of the Contract price to guarantee payment of all claims for labor and materials furnished. This Contract shall not become effective until such bonds are supplied to and approved by the CITY. CONTRACTOR shall, prior to the release of the performance and payment bonds or the retention payment, furnish a warranty performance and payment bond equal to at least ten percent of the final contract price or \$1,000, whichever is greater.

11. AUDIT OR EXAMINATION

Contractor shall keep all records of funds received from the City and make them accessible for audit or examination for a period of five years after final payments are issued and other pending matters are closed. (24 CFR Part 84, Sec. 84.53)

12. CONFLICT OF INTEREST

Contractor agrees any conflict or potential conflict of interest shall be fully disclosed prior to execution of the contract and contractor shall comply with all applicable federal, state and county laws and regulations governing conflict of interest, in accordance with 24CFR Part 84, Sec. 84.42.

13. POLITICAL ACTIVITY/LOBBYING CERTIFICATION

Contractor may not conduct any activity, including any payment to any person, officer, or employee of any agency or member of Congress in connection with the awarding of any federal contract, grant, or loan, intended to influence legislation, administrative rule-making or the election of candidates for public office during time compensated for under representation that such activity is being performed as apart of the contract responsibility.

14. COUNTY LOBBY CERTIFICATION

It is understood each person/entity/firm who applies for a Community Development Commission contract, and as part of that process, shall certify that they are familiar with requirements of the Los Angeles County Code Chapter 2. 160, (Los Angeles County Ordinance 93-0031) and; all persons/entity/firms acting on behalf of the above named firm fail to comply with the provisions of the County Code.

15. NON-DISCRIMINATION

Executive order 11246 requires that during the performance of this Agreement, Contractor agrees not to discriminate against any employee or applicant for employment because of race, religion, sex, color, or national origin. Contractor shall take affirmative action to ensure that employees are treated fairly during employment, without regard to their race, religion, sex, color, or national origin. Such action shall include, but is not limited to, the following: employment upgrading, demotion or transfer, recruitment or recruitment advertising; training including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by contractor setting forth the provisions of the non-discrimination clause.

16. CIVIL RIGHTS ACT 1964

Title VI of the Civil Rights Act of 1964 provides no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

17. HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

Section 109, Title I of the Housing and Community Development Act of 1974, provides that no person shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Title.

18. PROHIBITION OF AGE DISCRIMINATION

Prohibition against discrimination on the basis of age under the Discrimination Act of 1975, or with respect to an otherwise qualified handicapped individual, as provided in Section 504 of the Rehabilitation Act of 1973, shall also apply to any such program or activity.

19. PREVAILING WAGE STATEMENT

This is a federally-assisted construction contract. Federal Labor Standards Provisions, including prevailing wage requirements of the Davis-Bacon and Related Acts will be enforced. In the event of a conflict between Federal and State wages rates, the higher of the two will prevail.

IN WITNESS WHEREOF, the said CONTRACTOR and the CITY MANAGER and CITY CLERK of the CITY have caused the names of said parties to be affixed hereto, each in triplicate, the day and year first above written.

Toro Enterprises Inc.
CONTRACTOR

BY _____

(Title)

CITY OF SOUTH PASADENA

Sergio Gonzalez, City Manager

ATTEST:

APPROVED AS TO FORM:

Evelyn G. Zneimer, City Clerk

Richard L. Adams, II, City Attorney

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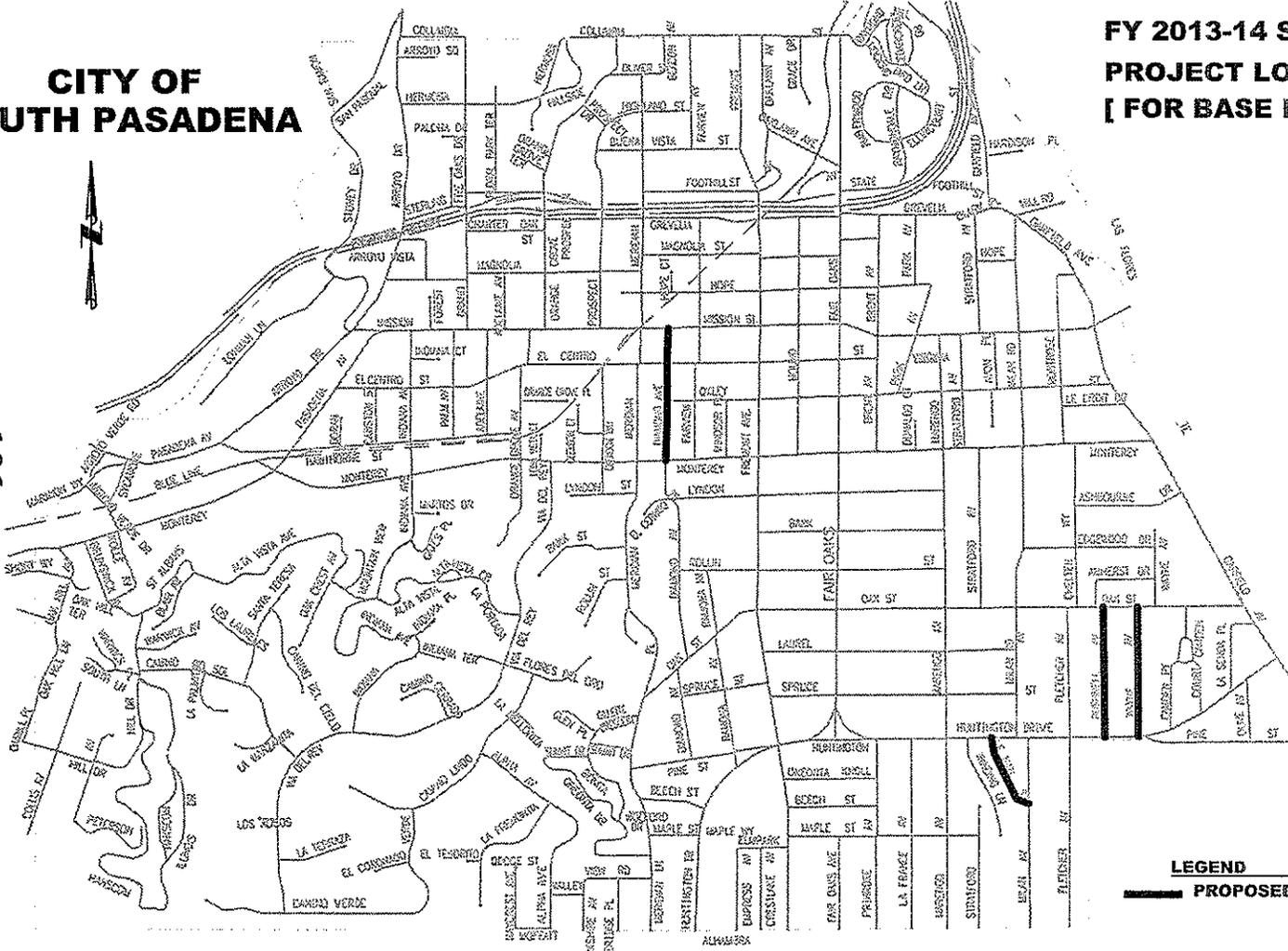
ATTACHMENT 2
Location Maps

CITY OF SOUTH PASADENA



126

FY 2013-14 SIDEWALK REPLACEMENT PROJECT LOCATION MAP [FOR BASE BID]



LEGEND

█ PROPOSED AREA OF IMPROVEMENT

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City of South Pasadena/ Redevelopment Successor Agency/ Public Financing Authority Agenda Report

*Marina Khubesian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member*

*Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer*

COUNCIL AGENDA: May 7, 2014
TO: Honorable Mayor and City Council
VIA: Sergio Gonzalez, City Manager 
FROM: Hilary Straus, Assistant City Manager 
SUBJECT: **Approval of City of South Pasadena's Insurance Placements with the California State Association of Counties Excess Insurance Authority (CSAC-EIA) and Resolution Delegating Authority to the City Manager or Designee to Act on Behalf of the City**

Recommendation

It is recommended that the City Council:

1. Approve joining the California State Association of Counties Excess Insurance Authority (CSAC-EIA) for the July 1, 2014 insurance renewal;
2. Provide direction concerning the standard limit level for general liability claims per occurrence;
3. Approve the following documents:
 - a) CSAC-EIA's Joint Powers Authority Agreement;
 - b) Liability program Memorandum of Understanding;
 - c) Primary Workers' Compensation Program Memorandum of Understanding; and
 - d) Excess Workers' Compensation Program Memorandum of Understanding.
4. Adopt a resolution to delegate authority to the City Manager or the City Manager's designee to act on behalf of the City in matters relating to its membership, including negotiations during the renewal period and execution of the attached documents.

Fiscal Impact

By joining CSAC-EIA, it is expected that the City's overall cost of Liability and Workers Compensation insurance and related expenses will be reduced from \$1,551,767 to \$1,219,750, a reduction of \$332,017 annually. This includes an allocation for additional expenses the City may expect to incur as part of the transition.

Finance Committee Review and Recommendation

This matter was reviewed extensively by the Finance Committee. On April 21, 2014, the Finance Committee voted unanimously (5-0) to recommend changing insurance pool membership to CSAC-EIA, participating in CSAC-EIA's first dollar coverage (\$0 deductible per occurrence) workers' compensation program and \$100,000 self-insured retention (SIR) (\$100,000 deductible per occurrence) general liability program. The Finance Committee's settlement authority policy

recommendation is included on the City Council agenda on May 7, 2014 with \$0-\$2,500 claims being settled by the City's third party administrator, \$2,501-\$25,000 being settled by the City Manager or City Manager's designee, and claims over \$25,000 being settled by the City Council.

Background

The City of South Pasadena is a member of the California Joint Powers Insurance Authority (CJPIA), which provides risk management, loss prevention and insurance to the City. In 2010, CJPIA changed funding models from a retrospective program to a prospective calculation, and as a result, asked members to pay a retrospective invoice. For the City of South Pasadena, this resulted in the City paying at the end of 2012 \$1,421,264.79, its retrospective deposit payment, in addition to the annual ongoing insurance related expenses. By the City paying its full invoice amount before December 31, 2012, it saved 1%, or \$14,212.65, on that outstanding balance. As part of Council's approval of making that accelerated retrospective deposit payment, it directed that a zero-based review of the City's insurance program and insurance pool options be undertaken.

The City brought on Alliant Insurance Services in early 2013 to analyze its existing insurance program, outlining the City's current membership to CJPIA, including the coverage from and cost of membership to CJPIA. Alliant's report to the Finance Committee and City Council also included a comparison of CJPIA to other insurance pools that were identified as suitable alternatives to CJPIA. As a result of this analysis, at the recommendation of the City's Finance Committee, the City Council voted unanimously on June 5, 2013, to provide a "Notice of Intent to Withdraw" letter to CJPIA and authorized staff to apply to CSAC-EIA for membership.

During FY 2013-14 the City and Finance Committee continued to review potential Insurance JPA membership with CSAC-EIA. City staff met with CSAC-EIA staff on August 20, 2013, while also interviewing potential Liability Third Party Administrators (TPA) (Carl Warren and Company, George Hills and York). City staff felt that Carl Warren would continue to best meet the needs of the City, and a professional services agreement with Carl Warren to continue managing the City's general liability claims is included on the Council agenda for May 7th.

Shortly after interviewing general liability claims third party administrators, the City filed an application for membership with CSAC-EIA, effective July 1, 2014. As part of the application to CSAC-EIA, a thorough review of the City's Loss Prevention program was completed. The review resulted in several findings that are being addressed by City Staff, but are a contingency to the City's approved membership application to CSAC-EIA. The City then interviewed Workers Compensation TPAs on April 15, 2014 (LWP, Intercare and York), which are all approved service providers within the CSAC-EIA Primary Workers Compensation program.

On April 21, 2014, the City's Finance Committee reviewed the expected Membership costs for FY 2014-15 provided by CJPIA and CSAC-EIA. The Finance Committee also extensively

reviewed the other aspects of JPA membership including Loss Prevention, Claims Administration, Settlement Authority, Transitional Costs and Staff Time. Particular attention was paid to the management of claims and the City's involvement in the City's risk and safety programs. Staff and the Finance Committee feel that a more "hands-on" management of its insurance/risk program that comes with membership with CSAC-EIA would benefit the City.

Analysis

As a result of the review provided by the Finance Committee, Alliant and Staff, the City's Liability and Workers Compensation insurance related expenses are expected to be reduced by \$332,017 annually. The review included comparative review of the Loss Prevention programs, Third Party Administrators, retention options, governance and all other aspects of insurance pool membership. Additional staff time to manage the program (i.e., review of claims with its third party administrators and more proactive planning and implementation of a loss control program) can be absorbed within the existing staff; no additional staff is needed.

Regarding the issue of establishing a standard limit per occurrence for general liability claims, the City's currently covered through CJPIA at \$50,000,000 per occurrence. However, the City's insurance broker, Alliant, pointed out that there are no great risk factors in the City (e.g., a stadium or public pier) that would warrant such a high standard limit. Therefore, CSAC pricing includes a standard limit of \$25,000,000 per occurrence. The Finance Committee decided to not take a position on the issue, deferring to the Council. However, Alliant identified that raising the limit with CSAC to \$35,000,000 per occurrence would cost about \$8,000 per year and raising it to \$50,000,000 per occurrence would cost about \$16,000 per year. Staff is seeking direction from the Council on the issue of a standard limit for general liability claims as part of this Council item.

Legal Review

The City Attorney has reviewed this item. Since the Authority is already in existence, out of necessity, the joint powers agreement with CSAC-EIA and the memorandums of understanding (MOUs) for the different classes of coverage are non-negotiable. That being said, there is nothing in any of the agreements that causes concern. The Joint Powers Agreement (JPA) agreement can be terminated by the City at the end of the term with a sixty (60) day notice as opposed to the one year termination notice requirement of the CJPIA. In addition, dispute resolution includes an opportunity to appeal to more than one level of governance, which has the potential of resolving disputes without the necessity of judicial intervention.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.

Attachments:

1. CSAC-EIA's Joint Powers Authority Agreement
2. The Liability Program Memorandum of Understanding
3. The Primary Workers Compensation Program Memorandum of Understanding
4. The Excess Workers Compensation Program Memorandum of Understanding
5. City resolution appointing the City Manager or the City Manager's designee as the primary City representative to CSAC-EIA

ATTACHMENT 1
CSAC-EIA's Joint Powers Authority Agreement



Adopted: October 5, 1979
Amended: May 12, 1980
Amended: January 23, 1987
Amended: October 7, 1988
Amended: March 1993
Amended: November 18, 1996
Amended: October 4, 2005
Amended: February 28, 2006

**JOINT POWERS AGREEMENT
CREATING THE CSAC EXCESS INSURANCE AUTHORITY**

This Agreement is executed in the State of California by and among those counties and public entities organized and existing under the Constitution of the State of California which are parties signatory to this Agreement. The CSAC Excess Insurance Authority was formed under the sponsorship of CSAC. All such counties, hereinafter called member counties, and public entities, hereinafter called member public entities, [collectively "members"] shall be listed in Appendix A, which shall be attached hereto and made a part hereof.

RECITALS

WHEREAS, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

WHEREAS, Article 16, Section 6 of the California Constitution provides that insurance pooling arrangements under joint exercise of power agreements shall not be considered the giving or lending of credit as prohibited therein; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, pursuant to California Government Code Section 990.6, the cost of insurance provided by a local public entity is a proper charge against the local public entity; and

WHEREAS, California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4 and such pooling of self-insured claims or losses is not considered insurance nor subject to regulation under the Insurance Code; and

WHEREAS, the counties and public entities executing this Agreement desire to join together for the purpose of jointly funding and/or establishing excess and other insurance programs as determined;

NOW THEREFORE, the parties agree as follows:

**ARTICLE 1
DEFINITIONS**

"**CSAC**" shall mean the County Supervisors Association of California, dba California State Association of Counties.

"**Authority**" shall mean the CSAC Excess Insurance Authority created by this Agreement.

"**Board of Directors**" or "**Board**" shall mean the governing body of the Authority.

"**Claim**" shall mean a claim made against a member arising out of an occurrence which is covered by an excess or primary insurance program of the Authority in which the member is a participant.

"**Executive Committee**" shall mean the Executive Committee of the Board of Directors of the Authority.

"**Fiscal year**" shall mean that period of twelve months which is established by the Board of Directors as the fiscal year of the Authority.

"**Government Code**" shall mean the California Government Code.

"**Insurance program**" or "**program**" shall mean a program of the Authority under which participating members are protected against designated losses, either through joint purchase of primary or excess insurance, pooling of self-insured claims or losses, purchased insurance or any other combination as determined by the Board. The Board of Directors or the Executive Committee may determine applicable criteria for determining eligibility in any insurance program, as well as establishing program policies and procedures.

"**Joint powers law**" shall mean Article 1, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code.

"**Loss**" shall mean a liability or potential liability of a member, including litigation expenses, attorneys' fees and other costs, which is covered by an insurance program of the Authority in which the member is a participant.

"**Member county**" shall mean any county which, through the membership of its supervisors in CSAC, has executed this Agreement and become a member of the Authority. "Member county" shall also include those entities or other bodies set forth in Article 3 (c).

"**Member Public Entity**" shall mean any California public entity which does not maintain a membership in CSAC, has executed this Agreement and become a member of the Authority, "Member Public Entity" shall also include those entities or other bodies set forth in Article 3(c).

"**Occurrence**" shall mean an event which is more fully defined in the memorandums of coverage and/or policies of an insurance program in which the participating county or participating public entity is a member.

"**Participating county**" shall mean any member county which has entered into a program offered by the Authority pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

"Participating public entity" shall mean any member public entity which has entered into a program offered by the Authority pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

"Self-insured retention" shall mean that portion of a loss resulting from an occurrence experienced by a member which is retained as a liability or potential liability of the member and is not subject to payment by the Authority.

"Reinsurance" shall mean insurance purchased by the Authority as part of an insurance program to cover that portion of any loss which exceeds the joint funding capacity of that program.

ARTICLE 2 PURPOSES

This Agreement is entered into by the member counties and member public entities in order to jointly develop and fund insurance programs as determined. Such programs may include, but are not limited to, the creation of joint insurance funds, including primary and excess insurance funds, the pooling of self-insured claims and losses, purchased insurance, including reinsurance, and the provision of necessary administrative services. Such administrative services may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal defense services.

ARTICLE 3 PARTIES TO AGREEMENT

(a) There shall be two classes of membership of the parties pursuant to this Agreement consisting of one class designated as Member Counties and another class designated as Member Public Entities.

(b) Each member county and member public entity, as a party to this Agreement, certifies that it intends to and does contract with all other members as parties to this Agreement and, with such other members as may later be added as parties to this Agreement pursuant to Article 19 as to all programs of which it is a participating member. Each member also certifies that the removal of any party from this Agreement, pursuant to Articles 20 or 21, shall not affect this Agreement or the member's obligations hereunder.

(c) A member for purposes of providing insurance coverage under any program of the Authority, may contract on behalf of, and shall be deemed to include:

Any public entity as defined in Government Code § 811.2 which the member requests to be added and from the time that such request is approved by the Executive Committee of the Authority.

Any nonprofit entity, including a nonprofit public benefit corporation formed pursuant to Corporations Code §§ 5111, 5120 and, 5065, which the member requests to be added and from the time that such request is approved by the Executive Committee.

(d) Any public entity or nonprofit so added shall be subject to and included under the member's SIR or deductible, and when so added, may be subject to such other terms and conditions as determined by the Executive Committee.

(e) Such public entity or nonprofit shall not be considered a separate party to this Agreement. Any public entity or nonprofit so added, shall not affect the member's representation on the Board of Directors and shall be considered part of and represented by the member for all purposes under this Agreement.

(f) The Executive Committee shall establish guidelines for approval of any public entity or nonprofit so added in accordance with Article 3(c) and (d).

(g) Should any conflict arise between the provisions of this Article and any applicable Memorandum of Coverage or other document evidencing coverage, such Memorandum of Coverage or other document evidencing coverage shall prevail.

ARTICLE 4

TERM

This Agreement shall continue in effect until terminated as provided herein.

ARTICLE 5

CREATION OF THE AUTHORITY

Pursuant to the joint powers law, there is hereby created a public entity separate and apart from the parties hereto, to be known as the CSAC Excess Insurance Authority, with such powers as are hereinafter set forth.

ARTICLE 6

POWERS OF THE AUTHORITY

The Authority shall have all of the powers common to General Law counties in California, such as Alpine County and all additional powers set forth in the joint powers law, and is hereby authorized to do all acts necessary for the exercise of said powers. Such powers include, but are not limited to, the following:

(a) To make and enter into contracts.

- (b) To incur debts, liabilities, and obligations.
 - (c) To acquire, hold, or dispose of property, contributions and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and government entities.
 - (d) To sue and be sued in its own name, and to settle any claim against it.
 - (e) To receive and use contributions and advances from members as provided in Government Code Section 6504, including contributions or advances of personnel, equipment, or property.
 - (f) To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code Section 6509.5.
 - (g) To carry out all provisions of this Agreement.
- Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

**ARTICLE 7
BOARD OF DIRECTORS**

The Authority shall be governed by the Board of Directors, which shall be composed as follows:

- a) One director from each member county, appointed by the member county board of supervisors and serving at the pleasure of that body. Each member county board of supervisors shall also appoint an alternate director who shall have the authority to attend, participate in and vote at any meeting of the Board when the director is absent. A director or alternate director shall be a county supervisor, other county official, or staff person of the member county, and upon termination of office or employment with the county, shall automatically terminate membership or alternate membership on the Board.
- b) Ten directors consisting of seven directors and three alternate directors chosen in the manner specified in the Bylaws from those participating as public entity members. A director or alternate public entity director shall be an official, or staff person of the public entity member, and upon termination of office or employment with the public entity, shall automatically terminate membership or alternate membership on the Board.
- c) Member county directors shall consist of a minimum of 80% of the eligible voting members on the Board. The public entity member directors shall be reduced accordingly to ensure at least 80% of the Board consists of county director members (By way of example, if the number of county members is reduced from the current 54 by member withdrawals to a level of 28, then county members would be at the 80% level, 28/35. If the county members go to 27, then the public entity members would lose one seat and would only have 6 votes).

Any vacancy in a county director or alternate director position shall be filled by the appointing county's board of supervisors, subject to the Provisions of this Article. Any vacancy in a public entity director position shall be filled by vote of the public entity members.

A majority of the membership of the Board shall constitute a quorum for the transaction of business. Each member of the Board shall have one vote. Except as otherwise provided in this Agreement or any other duly executed agreement of the members, all actions of the Board shall require the affirmative vote of a majority of the members; provided, that any action which is restricted in effect to one of the Authority's insurance programs, shall require the affirmative vote of a majority of those Board members who represent counties and public entities participating in that program. For purposes of an insurance program vote, to the extent there are public entity members participating in a program, the public entity Board members as a whole shall have a minimum of one vote. The public entity Board members may in no event cast more votes than would constitute 20% of the number of total county members in that program (subject to the one vote minimum). Should the number of public entity Board votes authorized herein be less than the number of public entity Board members at a duly noticed meeting, the public entity Board members shall decide among themselves which Board member shall vote. Should they be unable to decide, the President of the Authority shall determine which director(s) shall vote.

ARTICLE 8 POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall have the following powers and functions:

(a) The Board shall exercise all powers and conduct all business of the Authority, either directly or by delegation to other bodies or persons unless otherwise prohibited by this Agreement, or any other duly executed agreement of the members or by law.

(b) The Board of Directors may adopt such resolutions as deemed necessary in the exercise of those powers and duties set forth herein.

(c) The Board shall form an Executive Committee, as provided in Article 11. The Board may delegate to the Executive Committee and the Executive Committee may discharge any powers or duties of the Board except adoption of the Authority's annual budget. The powers and duties so delegated shall be specified in resolutions adopted by the Board.

(d) The Board may form, as provided in Article 12, such other committees as it deems appropriate to conduct the business of the Authority. The membership of any such other committee may consist in whole or in part of persons who are not members of the Board; provided that the Board may delegate its powers and duties only to a committee of the Board composed of a majority of Board members and/or alternate members. Any committee which is not composed of a majority of Board members and/or alternate members may function only in an advisory capacity.

(e) The Board shall elect the officers of the Authority and shall appoint or employ necessary staff in accordance with Article 13.

(f) The Board shall cause to be prepared, and shall review, modify as necessary, and adopt the annual operating budget of the Authority. Adoption of the budget may not be delegated.

(g) The Board shall develop, or cause to be developed, and shall review, modify as necessary, and adopt each insurance program of the Authority, including all provisions for reinsurance and administrative services necessary to carry out such program.

(h) The Board, directly or through the Executive Committee, shall provide for necessary services to the Authority and to members, by contract or otherwise, which may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal services.

(i) The Board shall provide general supervision and policy direction to the Chief Executive Officer.

(j) The Board shall receive and act upon reports of the committees and the Chief Executive Officer.

(k) The Board shall act upon each claim involving liability of the Authority, directly or by delegation of authority to the Executive Committee or other committee, body or person, provided, that the Board shall establish monetary limits upon any delegation of claims settlement authority, beyond which a proposed settlement must be referred to the Board for approval.

(l) The Board may require that the Authority review, audit, report upon, and make recommendations with regard to the safety or claims administration functions of any member, insofar as those functions affect the liability or potential liability of the Authority. The Board may forward any or all such recommendations to the member with a request for compliance and a statement of potential consequences for noncompliance.

(m) The Board shall receive, review and act upon periodic reports and audits of the funds of the Authority, as required under Articles 15 and 16 of this Agreement.

(n) The Board may, upon consultation with a casualty actuary, declare that any funds established for any program has a surplus of funds and determine a formula to return such surplus to the participating counties and participating public entities which have contributed to such fund.

(o) The Board shall have such other powers and duties as are reasonably necessary to carry out the purposes of the Authority.

ARTICLE 9

MEETINGS OF THE BOARD OF DIRECTORS

(a) The Board shall hold at least one regular meeting each year and shall provide for such other regular meetings and for such special meetings as it deems necessary.

(b) The Chief Executive Officer of the Authority shall provide for the keeping of minutes of regular and special meetings of the Board, and shall provide a copy of the minutes to each member of the Board at the next scheduled meeting.

(c) All meetings of the Board, the Executive Committee and such committees as established by the Board pursuant to Article 12 herein, shall be called, noticed, held and conducted in accordance with the provisions of Government Code Section 54950 et seq.

**ARTICLE 10
OFFICERS**

The Board of Directors shall elect from its membership a President and Vice President of the Board, to serve for one-year terms.

The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board and shall chair the Executive Committee.

**ARTICLE 11
EXECUTIVE COMMITTEE**

The Board of Directors shall establish an Executive Committee of the Board which shall consist of eleven members: the President and Vice President of the Board, and nine members elected by the Board from its membership.

The terms of office of the nine non-officer members shall be as provided in the Bylaws of the Authority.

The Executive Committee shall conduct the business of the Authority between meetings of the Board, exercising all those powers as provided for in Article 8, or as otherwise delegated to it by the Board.

**ARTICLE 12
COMMITTEES**

The Board of Directors may establish committees, as it deems appropriate to conduct the business of the Authority. Members of the committees shall be appointed by the Board, to serve two year terms, subject to reappointment by the Board. The members of each committee shall annually select one of their members to chair the Committee.

Each committee shall be composed of at least five members and shall have those duties as determined by the Board, or as otherwise set forth in the Bylaws.

Each committee shall meet on the call of its chair, and shall report to the Executive Committee and the Board as directed by the Board.

ARTICLE 13
STAFF

(a) **Principal Staff.** The following staff members shall be appointed by and serve at the pleasure of the Board of Directors:

(1) **Chief Executive Officer.** The Chief Executive Officer shall administer the business and activities of the Authority, subject to the general supervision and policy direction of the Board of Directors and Executive Committee; shall be responsible for all minutes, notices and records of the Authority and shall perform such other duties as are assigned by the Board and Executive Committee.

(2) **Treasurer.** The duties of the Treasurer are set forth in Article 16 of this Agreement. Pursuant to Government Code Section 6505.5, the Treasurer shall be the county treasurer of a member county of the Authority, or, pursuant to Government Code Section 6505.6, the Board may appoint one of its officers or employees to the position of Treasurer, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

(3) **Auditor.** The Auditor shall draw warrants to pay demands against the Authority when approved by the Treasurer. Pursuant to Government Code Section 6505.5, the Auditor shall be the Auditor of the county from which the Treasurer is appointed by the Board under (2) above, or, pursuant to Government Code Section 6505.6, the Board may appoint one of its officers or employees to the position of Auditor, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

(b) **Charges for Treasurer and Auditor Services.** Pursuant to Government Code Section 6505, the charges to the Authority for the services of Treasurer and Auditor shall be determined by the board of supervisors of the member county from which such staff members are appointed.

(c) **Other Staff.** The Board, Executive Committee or Chief Executive Officer shall provide for the appointment of such other staff as may be necessary for the administration of the Authority.

ARTICLE 14
DEVELOPMENT, FUNDING AND IMPLEMENTATION
OF INSURANCE PROGRAMS

(a) **Program Coverage.** Insurance programs of the Authority may provide coverage, including excess insurance coverage for:

- (1) Workers' compensation;
- (2) Comprehensive liability, including but not limited to general, personal injury, contractual, public officials errors and omissions, and incidental malpractice liability;
- (3) Comprehensive automobile liability;
- (4) Hospital malpractice liability;
- (5) Property and related programs;

and may provide any other coverages authorized by the Board of Directors. The Board shall determine, for each such program, a minimum number of participants required for program implementation and may develop specific program coverages requiring detailed agreements for implementation of the above programs.

(b) **Program and Authority Funding.** The members developing or participating in an insurance program shall fund all costs of that program, including administrative costs, as hereinafter provided. Costs of staffing and supporting the Authority, hereinafter called Authority general expenses, shall be equitably allocated among the various programs by the Board, and shall be funded by the members developing or participating in such programs in accordance with such allocations, as hereinafter provided. In addition, the Board may, in its discretion, allocate a share of such Authority general expense to those members which are not developing or participating in any program, and require those counties and public entities to fund such share through a prescribed charge.

(1) **Development Charge.** Development costs of an insurance program shall be funded by a development charge, as established by the Board of Directors. The development charge shall be paid by each participant in the program following the program's adoption by the Board. Development costs are those costs actually incurred by the Authority in developing a program for review and adoption by the Board of Directors, including but not limited to: research, feasibility studies, information and liaison work among participants, preparation and review of documents, and actuarial and risk management consulting services. The development charge may also include a share of Authority general expenses, as allocated to the program development function.

The development charge shall be billed by the Authority to all participants in the program upon establishment of the program and shall be payable in accordance with the Authority's invoice and payment policy.

Upon the conclusion of program development: any deficiency in development funds shall be billed to all participants which have paid the development charge, on a pro-rata or other equitable basis, as determined by the Board; any surplus in such funds shall be transferred into the Authority's general expense funds.

(2) **Annual Premium.** Except as provided in (3) below, all post-development costs of an insurance program shall be funded by annual premiums charged to the members participating in the program each policy year, and by interest earnings on the funds so accumulated. Such premiums shall be determined by the Board of Directors upon the basis of a cost allocation plan and rating formula developed by the Authority with the assistance of a casualty actuary, risk management consultant, or other qualified person. The premium for each participating member shall include that participant's share of expected program losses including a margin for contingencies as determined by the Board, program reinsurance costs, and program administrative costs for the year, plus that participant's share of Authority general expense allocated to the program by the Board.

(3) **Premium Surcharge**

(i) If the Authority experiences an unusually large number of losses under a program during a policy year, such that notwithstanding reinsurance coverage for large individual losses,

the joint insurance funds for the program may be exhausted before the next annual premiums are due, the Board of Directors may, upon consultation with a casualty actuary, impose premium surcharges on all participating members; or

(ii) If it is determined by the Board of Directors, upon consultation with a casualty actuary, that the joint insurance funds for a program are insufficient to pay losses, fund known estimated losses, and fund estimated losses which have been incurred but not reported, the Board of Directors may impose a surcharge on all participating members.

(iii) Premium surcharges imposed pursuant to (i) and/or (ii) above shall be in an amount which will assure adequate funds for the program to be actuarially sound; provided that the surcharge to any participating member shall not exceed an amount equal to three (3) times the member's annual premium for that year, unless otherwise determined by the Board of Directors.

Provided, however, that no premium surcharge in excess of three times the member's annual premium for that year may be assessed unless, ninety days prior to the Board of Directors taking action to determine the amount of the surcharge, the Authority notifies the governing body of each participating member in writing of its recommendations regarding its intent to assess a premium surcharge and the amount recommended to be assessed each member. The Authority shall, concurrently with the written notification, provide each participating member with a copy of the actuarial study upon which the recommended premium surcharge is based.

(iv) A member which is no longer a participating member at the time the premium surcharge is assessed, but which was a participating member during the policy year(s) for which the premium surcharge was assessed, shall pay such premium surcharges as it would have otherwise been assessed in accordance with the provisions of (i), (ii), and (iii) above.

(c) **Program Implementation and Effective Date.** Upon establishment of an insurance program by the Board of Directors, the Authority shall determine the manner of program implementation and shall give written notice to all members of such program, which shall include, but not be limited to: program participation levels, coverages and terms of coverage of the program, estimates of first year premium charges, program development costs, effective date of the program (or estimated effective date) and such other program provisions as deemed appropriate.

(d) **Late Entry Into Program.** A member which does not elect to enter an insurance program upon its implementation, pursuant to (c) above, or a county or public entity which becomes a party to this Agreement following implementation of the program, may petition the Board of Directors for late entry into the program. Such request may be granted upon a majority vote of the Board members, plus a majority vote of those board members who represent participants in the program. Alternatively, a county or public entity may petition the Executive Committee for late entry into the program, or a program committee, when authorized by an MOU governing that specific program, may approve late entry into that program. Such request may be granted upon a majority vote of the Executive Committee or program committee.

As a condition of late entry, the member shall pay the development charge for the program, as adjusted at the conclusion of the development period, but not subject to further adjustment,

and also any costs incurred by the Authority in analyzing the member's loss data and determining its annual premium as of the time of entry.

(e) **Reentry Into A Program.** Any county or public entity that is a member of an insurance program of the Authority who withdraws or is cancelled from an insurance program under Articles 21 and 22, may not reenter such insurance program for a period of three years from the effective date of withdrawal or cancellation.

ARTICLE 15 ACCOUNTS AND RECORDS

(a) **Annual Budget.** The Authority shall annually adopt an operating budget pursuant to Article 8 of this Agreement, which shall include a separate budget for each insurance program under development or adopted and implemented by the Authority.

(b) **Funds and Accounts.** The Auditor of the Authority shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board of Directors. Separate accounts shall be established and maintained for each insurance program under development or adopted and implemented by the Authority. Books and records of the Authority in the hands of the Auditor shall be open to inspection at all reasonable times by authorized representatives of members.

The Authority shall adhere to the standard of strict accountability for funds set forth in Government Code Section 6505.

(c) **Auditor's Report.** The Auditor, within one hundred and twenty (120) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each member.

(d) **Annual Audit.** Pursuant to Government Code Section 6505, the Authority shall either make or contract with a certified public accountant to make an annual fiscal year audit of all accounts and records of the Authority, conforming in all respects with the requirements of that section. A report of the audit shall be filed as a public record with each of the members and also with the county auditor of the county where the home office of the Authority is located and shall be sent to any public agency or person in California that submits a written request to the Authority. The report shall be filed within six months of the end of the fiscal year or years under examination. Costs of the audit shall be considered a general expense of the Authority.

ARTICLE 16 RESPONSIBILITIES FOR FUNDS AND PROPERTY

(a) The Treasurer shall have the custody of and disburse the Authority's funds. He or she may delegate disbursing authority to such persons as may be authorized by the Board of Directors to perform that function, subject to the requirements of (b) below.

(b) Pursuant to Government Code Section 6505.5, the Treasurer shall:

(1) Receive and acknowledge receipt for all funds of the Authority and place them in the treasury of the Treasurer to the credit of the Authority.

(2) Be responsible upon his or her official bond for the safekeeping and disbursements of all Authority funds so held by him or her.

(3) Pay any sums due from the Authority, as approved for payment by the Board of Directors or by any body or person to whom the Board has delegated approval authority, making such payments from Authority funds upon warrants drawn by the Auditor.

(4) Verify and report in writing to the Authority and to members, as of the first day of each quarter of the fiscal year, the amount of money then held for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.

(c) Pursuant to Government Code Section 6505.1, the Chief Executive Officer, the Treasurer, and such other persons as the Board of Directors may designate shall have charge of, handle, and have access to the property of the Authority.

(d) The Authority shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in the form specified by the Board of Directors, covering all officers and staff of the Authority, and all officers and staff who are authorized to have charge of, handle, and have access to property of the Authority.

ARTICLE 17 RESPONSIBILITIES OF MEMBERS

Members shall have the following responsibilities under this Agreement.

(a) The board of supervisors of each member county shall appoint a representative and one alternate representative to the Board of Directors, pursuant to Article 7.

(b) Each member shall appoint an officer or employee of the member to be responsible for the risk management function for that member and to serve as a liaison between the member and the Authority for all matters relating to risk management.

(c) Each member shall maintain an active safety program, and shall consider and act upon all recommendations of the Authority concerning the reduction of unsafe practices.

(d) Each member shall maintain its own claims and loss records in each category of liability covered by an insurance program of the Authority in which the member is a participant, and shall provide copies of such records to the Authority as directed by the Board of Directors or Executive Committee, or to such other committee as directed by the Board or Executive Committee.

(e) Each member shall pay development charges, premiums, and premium surcharges due to the Authority as required under Article 14. Penalties for late payment of such charges, premiums and/or premium surcharges shall be as determined and assessed by the Board of Directors. After withdrawal, cancellation, or termination action under Articles 20, 21, or 23, each member shall pay promptly to the Authority any additional premiums due, as determined and assessed by the Board of

Directors under Articles 22 or 23. Any costs incurred by the Authority associated with the collection of such premiums or other charges, shall be recoverable by the Authority.

(f) Each member shall provide the Authority such other information or assistance as may be necessary for the Authority to develop and implement insurance programs under this Agreement.

(g) Each member shall cooperate with and assist the Authority, and any insurer of the Authority, in all matters relating to this Agreement, and shall comply with all Bylaws, and other rules by the Board of Directors.

(h) Each member county shall maintain membership in CSAC.

(i) Each member shall have such other responsibilities as are provided elsewhere in this Agreement, and as are established by the Board of Directors in order to carry out the purposes of this Agreement.

ARTICLE 18 ADMINISTRATION OF CLAIMS

(a) Subject to subparagraph (e), each member shall be responsible for the investigation, settlement or defense, and appeal of any claim made, suit brought, or proceeding instituted against the member arising out of a loss.

(b) The Authority may develop standards for the administration of claims for each insurance program of the Authority so as to permit oversight of the administration of claims by the members.

(c) Each participating member shall give the Authority timely written notice of claims in accordance with the provisions of the Bylaws.

(d) A member shall not enter into any settlement involving liability of the Authority without the advance written consent of the Authority.

(e) The Authority, at its own election and expense, shall have the right to participate with a member in the settlement, defense, or appeal of any claim, suit or proceeding which, in the judgment of the Authority, may involve liability of the Authority.

ARTICLE 19 NEW MEMBERS

Any California public entity may become a party to this Agreement and participate in any insurance program in which it is not presently participating upon approval of the Board of Directors, by a majority vote of the members, or by majority vote of the Executive Committee.

**ARTICLE 20
WITHDRAWAL**

(a) A member may withdraw as a party to this Agreement upon thirty (30) days advance written notice to the Authority if it has never become a participant in any insurance program pursuant to Article 14, or if it has previously withdrawn from all insurance programs in which it was a participant.

(b) After becoming a participant in an insurance program, a member may withdraw from that program only at the end of a policy year for the program, and only if it gives the Authority at least sixty (60) days advance written notice of such action.

**ARTICLE 21
CANCELLATION**

(a) Notwithstanding the provisions of Article 20, the Board of Directors may:

(1) Cancel any member from this Agreement and membership in the Authority, on a majority vote of the Board members. Such action shall have the effect of canceling the member's participation in all insurance programs of the Authority as of the date that all membership is canceled.

(2) Cancel any member's participation in an insurance program of the Authority, without canceling the member's membership in the Authority or participation in other programs, on a vote of two-thirds of the Board members present and voting who represent participants in the program.

The Board shall give sixty (60) days advance written notice of the effective date of any cancellation under the foregoing provisions. Upon such effective date, the member shall be treated the same as if it had voluntarily withdrawn from this Agreement, or from the insurance program, as the case may be.

(b) A member that does not enter one or more of the insurance programs developed and implemented by the Authority within the member's first year as a member of the Authority shall be considered to have withdrawn as a party to this Agreement at the end of such period, and its membership in the Authority shall be automatically canceled as of that time, without action of the Board of Directors.

(c) A member which withdraws from all insurance programs of the Authority in which it was a participant and does not enter any program for a period of six (6) months thereafter shall be considered to have withdrawn as a party to the Agreement at the end of such period, and its membership in the Authority shall be automatically canceled as of that time, without action of the Board of Directors.

(d) A member county that terminates its membership in CSAC shall be considered to have thereby withdrawn as a party to this Agreement, and its membership in the Authority and participation in any insurance program of the Authority shall be automatically canceled as of that time, without the action of the Board of Directors.

ARTICLE 22
EFFECT OF WITHDRAWAL OR CANCELLATION

(a) If a member's participation in an insurance program of the Authority is canceled under Article 21, with or without cancellation of membership in the Authority, and such cancellation is effective before the end of the policy year for that program, the Authority shall promptly determine and return to that member the amount of any unearned premium payment from the member for the policy year, such amount to be computed on a pro-rata basis from the effective date of cancellation.

(b) Except as provided in (a) above, a member which withdraws or is canceled from this Agreement and membership in the Authority, or from any program of the Authority, shall not be entitled to the return of any premium or other payment to the Authority, or of any property contributed to the Authority. However, in the event of termination of this Agreement, such member may share in the distribution of assets of the Authority to the extent provided in Article 23 provided; however, that any withdrawn or canceled member which has been assessed a premium surcharge pursuant to Article 14 (b) (3) (ii) shall be entitled to return of said member's unused surcharge, plus interest accrued thereon, at such time as the Board of Directors declares that a surplus exists in any insurance fund for which a premium surcharge was assessed.

(c) Except as provided in (d) below, a member shall pay any premium charges which the Board of Directors determines are due from the member for losses and costs incurred during the entire coverage year in which the member was a participant in such program regardless of the date of entry into such program. Such charges may include any deficiency in a premium previously paid by the member, as determined by audit under Article 14 (b) (2); any premium surcharge assessed to the member under Article 14 (b) (3); and any additional amount of premium which the Board determines to be due from the member upon final disposition of all claims arising from losses under the program during the entire coverage year in which the member was a participant regardless of date of entry into such program. Any such premium charges shall be payable by the member in accordance with the Authority's invoice and payment policy.

(d) Those members which who have withdrawn or been canceled pursuant to Articles 20 and 21 from any program of the Authority during a coverage year shall pay any premium charges which the Board of Directors determines are due from the members for losses and costs which were incurred during the county's participation in any program.

ARTICLE 23
TERMINATION AND DISTRIBUTION OF ASSETS

(a) A three-fourths vote of the total voting membership of the Authority, consisting of member counties, acting through their boards of supervisors, and the voting Board members from the member public entities, is required to terminate this Agreement; provided, however, that this Agreement and the

Authority shall continue to exist after such election for the purpose of disposing of all claims, distributing all assets, and performing all other functions necessary to conclude the affairs of the Authority.

(b) Upon termination of this Agreement, all assets of the Authority in each insurance program shall be distributed among those members which participated in that program in proportion to their cash contributions, including premiums paid and property contributed (at market value when contributed). The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending claim or other liability covered by the program.

(c) Following termination of this Agreement, any member which was a participant in an insurance program of the Authority shall pay any additional amount of premium, determined by the Board of Directors in accordance with a loss allocation formula, which may be necessary to enable final disposition of all claims arising from losses under that program during the entire coverage year in which the member was a participant regardless of the date of entry into such program.

ARTICLE 24
LIABILITY OF BOARD OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS
AND LEGAL ADVISORS

The members of the Board of Directors, Officers, committee members and legal advisors to any Board or committees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. They shall not be liable for any mistake of judgment or any other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care, nor for loss incurred through investment of Authority funds, or failure to invest.

No Director, Officer, committee member, or legal advisor to any Board or committee shall be responsible for any action taken or omitted by any other Director, Officer, committee member, or legal advisor to any committee. No Director, Officer, committee member or legal advisor to any committee shall be required to give a bond or other security to guarantee the faithful performance of their duties pursuant to this Agreement.

The funds of the Authority shall be used to defend, indemnify and hold harmless the Authority and any Director, Officer, committee member or legal advisor to any committee for their actions taken within the scope of the authority of the Authority. Nothing herein shall limit the right of the Authority to purchase insurance to provide such coverage as is hereinabove set forth.

**ARTICLE 25
BYLAWS**

The Board may adopt Bylaws consistent with this Agreement which shall provide for the administration and management of the Authority.

**ARTICLE 26
NOTICES**

The Authority shall address notices, billings and other communications to a member as directed by the member. Each member shall provide the Authority with the address to which communications are to be sent. Members shall address notices and other communications to the Authority to the Chief Executive Officer of the Authority, at the office address of the Authority as set forth in the Bylaws.

**ARTICLE 27
AMENDMENT**

A two-thirds vote of the total voting membership of the Authority, consisting of member counties, acting through their boards of supervisors, and the voting Board members from member public entities, is required to amend this Agreement.

**ARTICLE 28
PROHIBITION AGAINST ASSIGNMENT**

No member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any member shall have any right, claim or title to any part, share, interest, fund, premium or asset of the Authority.

**ARTICLE 29
AGREEMENT COMPLETE**

This Agreement constitutes the full and complete Agreement of the parties.

ARTICLE 30
EFFECTIVE DATE OF AMENDMENTS

Any amendment of this Agreement shall become effective upon the date specified by the Board and upon approval of any Amended Agreement as required in Article 27. Approval of any amendment by the voting boards of supervisors and public entity board member's must take place no later than 30 days from the effective date specified by the Board.

ARTICLE 31
DISPUTE RESOLUTION

When a dispute arises between the Authority and a member, the following procedures are to be followed:

(a) Request for Reconsideration. The member will make a written request to the Authority for the appropriate Committee to reconsider their position, citing the arguments in favor of the member and any applicable case law that applies. The member can also, request a personal presentation to that Committee, if it so desires.

(b) Committee Appeal. The committee responsible for the program or having jurisdiction over the decision in question will review the matter and reconsider the Authority's position. This committee appeal process is an opportunity for both sides to discuss and substantiate their positions based upon legal arguments and the most complete information available. If the member requesting reconsideration is represented on the committee having jurisdiction, that committee member shall be deemed to have a conflict and shall be excluded from any vote.

(c) Executive Committee Appeal. If the member is not satisfied with the outcome of the committee appeal, the matter will be brought to the Executive Committee for reconsideration upon request of the member. If the member requesting reconsideration is represented on the Executive Committee, that Executive Committee member shall be deemed to have a conflict and shall be excluded from any vote.

(d) Arbitration. If the member is not satisfied with the outcome of the Executive Committee appeal, the next step in the appeal process is arbitration. The arbitration, whether binding or non-binding, is to be mutually agreed upon by the parties. The matter will be submitted to a mutually agreed arbitrator or panel of arbitrators for a determination. If Binding Arbitration is selected, then of course the decision of the arbitrator is final. Both sides agree to abide by the decision of the arbitrator. The cost of arbitration will be shared equally by the involved member and the Authority.

(e) Litigation. If, after following the dispute resolution procedure paragraphs a-d, either party is not satisfied with the outcome of the non-binding arbitration process, either party may consider litigation as a possible remedy to the dispute.

ARTICLE 32
FILING WITH SECRETARY OF STATE

The Chief Executive Officer of the Authority shall file a notice of this Agreement with the office of California Secretary of State within 30 days of its effective date, as required by Government Code Section 6503.5 and within 70 days of its effective date as required by Government Code Section 53051.

IN WITNESS WHEREOF, the undersigned party hereto has executed this Agreement on the date indicated below.

DATE: _____

MEMBER: _____

(Print Name of Member)

BY: _____

(Authorized signature of Member)

Seal:

APPENDIX A
JOINT POWERS AGREEMENT
CSAC EXCESS INSURANCE AUTHORITY

MEMBERS (As Of February 27, 2012)

ALAMEDA COUNTY
ALPINE COUNTY
AMADOR COUNTY
BUTTE COUNTY
CALAVERAS COUNTY
COLUSA COUNTY
CONTRA COASTA COUNTY
DEL NORTE COUNTY
EL DORADO COUNTY
FRESNO COUNTY
GLENN COUNTY
HUMBOLDT COUNTY
IMPERIAL COUNTY
INYO COUNTY
KERN COUNTY
KINGS COUNTY
LAKE COUNTY
LASSEN COUNTY
MADERA COUNTY
MARIN COUNTY
MARIPOSA COUNTY
MENDOCINO COUNTY
MERCED COUNTY
MODOC COUNTY
MONO COUNTY
MONTERERY COUNTY
NAPA COUNTY
NEVADA COUNTY
ORANGE COUNTY
PLACER COUNTY
PLUMAS COUNTY
RIVERSIDE COUNTY
SACRAMENTO COUNTY
SAN BENITO COUNTY
SAN DIEGO COUNTY
SAN JOAQUIN COUNTY
SAN LUIS OBISPO COUNTY
SANTA BARBARA COUNTY
SANTA CLARA COUNTY
SANTA CRUZ COUNTY
SHASTA COUNTY
SIERRA COUNTY
SISKIYOU COUNTY
SOLANO COUNTY
SONOMA COUNTY
STANISLAUS COUNTY
SUTTER COUNTY
TEHAMA COUNTY
TRINITY COUNTY
TULARE COUNTY
TUOLUMNE COUNTY
VENTURA COUNTY
YOLO COUNTY

YUBA COUNTY
ALAMEDA COUNTY MEDICAL CENTER
ALPINE COUNTY SUPERIOR COURT
AMADOR COUNTY SUPERIOR COURT
AMADOR TRANSIT
ANAHEIM UNION HIGH SCHOOL DISTRICT
ANTELOPE VALLEY HEALTHCARE DISTRICT
ANTELOPE VALLEY TRANSIT AUTHORITY
AUTHORITY FOR CALIF. CITIES EXCESS LIABILITY
BAY AREA HOUSING AUTHORITY RMA
BERKELEY UNIFIED SCHOOL DISTRICT
BIG INDEPENDENT CITIES EXCESS POOL
BUTTE COUNTY SUPERIOR COURT
CALAVERAS COUNTY SUPERIOR COURT
CALIFORNIA FAIR SERVICES AUTHORITY
CSAC EXCESS INSURANCE AUTHORITY
CALIF MENTAL HEALTH SERVICES AUTHORITY
CAMPBELL UNION HIGH SCHOOL DISTRICT
CAMPBELL UNION SCHOOL DISTRICT
CAPITOL AREA DEVELOPMENT AUTHORITY
CALIF ASSOC FOR PARK AND REC INDEMNITY
CASITAS MUNICIPAL WATER DISTRICT
CATALINA ISLAND MEDICAL CENTER
CENTRAL COUNTY FIRE DEPARTMENT
CENTRAL SIERRA CHILD SUPPORT AGENCY
CITY OF ALAMEDA
CITY OF ATSCADERO
CITY OF ATWATER
CITY OF BAKERSFIELD
CITY OF BELL
CITY OF BELMONT
CITY OF BERKLEY
CITY OF BUENA PARK
CITY OF BURLINGAME
CITY OF CALABASAS
CITY OF CARMEL BY THE SEA
CITY OF CATHEDRAL CITY
CITY OF CHICO
CITY OF CHULA VISTA
CITY OF CLAREMONT
CITY OF CONCORD
CITY OF COSTA MESA
CITY OF CORONA
CITY OF COVINA
CITY OF CUPERTINO
CITY OF CYPRESS
CITY OF DALY CITY
CITY OF DEL MAR
CITY OF DOWNEY
CITY OF EL CAJON
CITY OF EL CENTRO
CITY OF EL MONTE
CITY OF ELK GROVE

CITY OF ESCALON
CITY OF ESCONDIDO
CITY OF FAIRFIELD
CITY OF FOLSOM
CITY OF FONTANA
CITY OF FREMONT
CITY OF FRESNO
CITY OF GARDEN GROVE
CITY OF GOLETA
CITY OF HAWTHORNE
CITY OF HEMET
CITY OF HUNTINGTON BEACH
CITY OF IMPERIAL BEACH
CITY OF IONE
CITY OF IRVINE
CITY OF LA MESA
CITY OF LAGUNA HILLS
CITY OF LANCASTER
CITY OF LEMON GROVE
CITY OF LIVE OAK
CITY OF LIVERMORE
CITY OF LOMPOC
CITY OF LOS ALTOS
CITY OF MAYWOOD
CITY OF MERCED
CITY OF MILL VALLEY
CITY OF MILLBRAE
CITY OF MISSION VIEJO
CITY OF MONTEBELLO
CITY OF MONTEREY
CITY OF MORENO VALLEY
CITY OF MURRIETA
CITY OF NAPA
CITY OF NATIONAL CITY
CITY OF NEEDLES
CITY OF NEWPORT BEACH
CITY OF NOVATO
CITY OF OAKLAND
CITY OF OCEANSIDE
CITY OF OROVILLE
CITY OF PASO ROBLES
CITY OF PERRIS
CITY OF PLEASANTON
CITY OF POMONA
CITY OF PORT HUENEME
CITY OF RANCHO CORDOVA
CITY OF RANCHO SANTA MARGARITA
CITY OF REDDING
CITY OF REDWOOD CITY
CITY OF RIALTO
CITY OF RICHMOND
CITY OF RIDGECREST
CITY OF SACRAMENTO
CITY OF SAN BERNARDINO
CITY OF SAN BUENAVENTURA
CITY OF SAN CLEMENTE
CITY OF SAN DIEGO

CITY OF SAN JACINTO
CITY OF SANTA CLARA
CITY OF SANTA ROSA
CITY OF SIMI VALLEY
CITY OF SOLANO BEACH
CITY OF SOUTH SAN FRANCISCO
CITY OF STANTON
CITY OF STOCKTON
CITY OF SUNNYVALE
CITY OF TORRANCE
CITY OF TWENTYNINE PALMS
CITY OF VACAVILLE
CITY OF VISALIA
CITY OF WALNUT CREEK
CITY OF WEST SACRAMENTO
CITY OF WHITTIER
CITY OF YUBA CITY
COACHELLA VALLEY ASSOC. OF GOVERNMENTS
COLUSA COUNTY SUPERIOR COURT
COMM. DEVELOPMENT COMM. OF LA COUNTY
CONTRA COSTA CO. IHSS PUBLIC AUTHORITY
CONTRA COSTA COUNTY SUPERIOR COURT
CORONA NORCO UNIFIED SCHOOL DISTRICT
COUNCIL OF SAN BENITO CO. GOVERNMENTS
DEL NORTE COUNTY SUPERIOR COURT
DEL NORTE IHSS PUBLIC AUTHORITY
DUBLIN SAN RAMON SERVICES DISTRICT
EAST BAY REGIONAL PARK DISTRICT
EAST SAN GABRIEL VALLEY ROP
EL DORADO COUNTY SUPERIOR COURT
ELK GROVE UNIFIED SCHOOL DISTRICT
EVERGREEN ELEMENTARY SCHOOL DISTRICT
EXCLUSIVE RISK MGMT. AUTHORITY OF CALIF.
FIRST 5 CONTRA COSTA CHLD & FAMILIES COMM
FIRST FIVE SACRAMENTO COMMISSION
GOLD COAST TRANSIT
GOLDEN EMPIRE TRANSIT DISTRICT
GOLDEN STATE RISK MANAGEMENT AUTHORITY
GREAT BASIN UNIFIED AIR POLL CONT DISRICT
GSRMA JPA ADMINISTRATION
HI-DESERT MEMORIAL HEALTH CARE
HOUSING AUTHORITY OF THE CO. OF RIVERSIDE
HUMBOLDT IHSS PUBLIC AUTHORITY
HUNTINGTON BEACH UNION HIGH SCHOOL DIST
IMPERIAL COUNTY IHSS PUBLIC AUTHORITY
INLAND EMPIRE HEALTH PLAN
IRVINE RANCH WATER DISTRICT
KERN HEALTH SYSTEMS
KERN IHSS PA
KINGS COUNTY AREA PUBLIC TRANSIT AGENCY
KINGS WASTE & RECYCLING AUTHORITY
LAKE COUNTY SUPERIOR COURT
LAKE ELSINORE UNIFIED SCHOOL DISTRICT
LASSEN COUNTY SUPERIOR COURT
LOCAL AGENCY WC EXCESS JPA
MADERA IHSS PUBLIC AUTHORITY
MARIN COUNTY TRANSIT DISTRICT

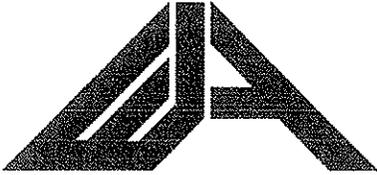
MARIN IHSS PUBLIC AUTHORITY
MERCED IHSS PUBLIC AUTHORITY
MILITARY DEPT OF THE STATE OF CALIFORNIA
MONTEREY BAY AREA SELF INSURANCE AUTH.
MONTEREY SALINAS TRANSIT AUTHORITY
MORONGO BASIN TRANSIT AUTHORITY
MOUNTAIN COMMUNITIES HEALTHCARE DIST
MT. DIABLO UNIFIED SCHOOL DISTRICT
MUNICIPAL POOLING AUTHORITY
NAPA SANITATION DISTRICT
NORTHERN CALIF CITIES SELF INSURANCE FUND
NORTHERN CALIF SPECIAL DISTRICTS INS. AUTH
OMNITRANS
ORANGE COUNTY FIRE AUTHORITY
ORANGE COUNTY SANITATION DISTRICT
ORANGE COUNTY SUPERIOR COURT
ORANGE COUNTY TRANSPORTATION
AUTHORITY (OCTA)
PASADENA UNIFIED SCHOOL DISTRICT
PASIS - SAN BERNARDINO
PASIS - SAN DIEGO
PLEASANT HILL RECREATION & PARK DISTRICT
PUBLIC AGENCY RISK SHARING AUTH OF CALIF
PUBLIC ENTITY RISK MANAGEMENT AUTHORITY
RIVERSIDE IHSS PUBLIC AUTHORITY
RIVERSIDE COUNTY SUPERIOR COURT
RIVERSIDE TRANSIT AGENCY
SACRAMENTO AREA FLOOD CONTROL AGENCY
SACRAMENTO COUNTY CONTRACTS
SACRAMENTO COUNTY IHSS PUBLIC AUTHORITY
SACRAMENTO METRO CABLE COMMISSION
SAN BENITO COUNTY SUPERIOR COURT
SAN BENITO IHSS PUBLIC AUTHORITY
SAN BERNARDINO IHSS PUBLIC AUTHORITY
SAN DIEGO COUNTY IHSS PUBLIC AUTHORITY
SAN DIEGO HOUSING COMMISSION
SAN DIEGO METRO TRANSIT SYSTEM
SAN DIEGO UNIFIED SCHOOL DISTRICT
SAN JOAQUIN IHSS PUBLIC AUTHORITY
SAN JOSE UNIFIED SCHOOL DISTRICT
SAN LUIS OBISPO COUNTY SUPERIOR COURT
SAN LUIS OBISPO REGIONAL TRANSIT AUTH.
SAN MATEO CO. SCHOOLS INSURANCE GROUP
SANTA BARBARA COUNTY SUPERIOR COURT
SANTA BARBARA METRO TRANSIT DISTRICT
SANTA CLARA CO. VECTOR CONTROL DISTRICT
SANTA CRUZ CO. FIRE AGENCIES INS. GROUP
SANTA CRUZ COUNTY SUPERIOR COURT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
SCHOOLS EXCESS LIABILITY FUND (SELF)
SCHOOLS INS. RISK MANAGEMENT AUTHORITY
SHASTA COUNTY SUPERIOR COURT
SHASTA IHSS PUBLIC AUTHORITY
SOLANO TRANSPORTATION AUTHORITY
SONOMA COUNTY AS RESPECTS THE FAIR
SONOMA CO. EMPLOYEES' RETIREMENT ASSOC.
SONOMA COUNTY SUPERIOR COURT OF CALIF.

SOUTH COUNTY AREA TRANSIT
SOUTH BAY AREA SCHOOLS INSURANCE AUTH.
SOUTHERN CALIF SCHOOLS RISK MANAGEMENT
SPECIAL DISTRICT RISK MANAGEMENT AUTH.
STANISLAUS COUNTY SUPERIOR COURT
SUTTER BUTTE FLOOD CONTROL AGENCY JPA
SUTTER IHSS PUBLIC AUTHORITY
TORRANCE UNIFIED SCHOOL DISTRICT
TOWN OF COLMA
TOWN OF YOUNTVILLE
TRANSPORTATION CORRIDOR AGENCIES
TRINDEL INSURANCE FUND
TULARE IHSS PUBLIC AUTHORITY
TUOLUMNE COUNTY SUPERIOR COURT
TURLOCK IRRIGATION DISTRICT
UC HASTINGS COLLEGE OF LAW
VAN HORN REGIONAL TREATMENT FACILITY
WEST SAN GABRIEL LIABILITY & PROPERTY JPA
WEST SAN GABRIEL WC JPA
WESTERN RIVERSIDE COUNCIL OF GOVTS
YOLO PUBLIC AGENCY RISK MGMT INS AUTH

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ATTACHMENT 2

The Liability Program Memorandum of Understanding



Adopted: March 5, 1993
Amended: October 2, 1998
Amended: October 6, 2006
Amended: March 6, 2009

MEMORANDUM OF UNDERSTANDING EXCESS LIABILITY PROGRAM

This Memorandum of Understanding is entered into by and between the CSAC Excess Insurance Authority (hereinafter referred to as the "Authority") and the participating members who are signatories to this Memorandum.

1. **JOINT POWERS AGREEMENT.** Except as otherwise provided, all terms used herein shall be as defined in Article 1 of Joint Powers Agreement Creating the Excess Insurance Authority (hereinafter referred to as "Agreement"), provisions of any applicable coverage agreement and all other provisions of the Agreement not in conflict with this Memorandum shall be applicable.

2. **ANNUAL PREMIUM.** The participating members, in accordance with the provisions of Article 14(b)(2) of the Agreement, shall be assessed an annual premium for the purpose of funding the Program. Annual premiums shall include the participating member's share of expected losses for the policy period, including incurred but not reported losses (IBNR), as well as margin for contingencies based upon a confidence level as determined by the Board of Directors of the Authority (hereinafter Board), and adjustments, if any, for a surplus or deficit from all program policy periods. In addition, the premium shall include program reinsurance costs and program administrative costs, plus the Authority's general expense allocated to the Program by the Board for the next policy period.

3. **COST ALLOCATION.** Each participating member's share of annual premium shall be determined pursuant to a cost allocation plan as described in Article 14(b)(2) of the Agreement. The Board approved cost allocation plan is attached hereto as Exhibit A and may be amended from time to time by an affirmative vote of the majority of the Board representing the members participating in the Program.

4. **DIVIDENDS AND ASSESSMENTS.** The Program shall be funded in accordance with paragraph 2 above. As a general rule, the annual premium, as determined by the Board, shall be established at a level which shall provide adequate overall funding without the need for adjustments to past policy period(s) in the form of dividends and assessments. Should the Program for any reason not be adequately funded, except as otherwise provided herein, pro-rata assessments to the participating members may be utilized to ensure the approved funding level for those policy periods individually or for a block of policy periods, in accordance with the provisions of Article 14(b)(3) of the Agreement. Pro-rata dividends shall be declared as provided herein. Dividends may also be declared as deemed appropriate by the Board.

5. **CLOSURE OF POLICY PERIODS.** Notwithstanding any other provision of this Memorandum, the following provisions are applicable:

- (a) Upon reaching ten (10) years of maturity after the end of a program period, that period shall be "closed" and there shall be no further dividends declared or assessments made with respect to those program periods, except as set forth in paragraph 6(a), below;
- (b) Notwithstanding subparagraph (a) above, the Board may take action to leave a policy period "open" even though it may otherwise qualify for closure. In addition, the last ten (10) policy periods shall always remain "open" unless the Board takes specific action to declare any of the last ten (10) policy periods closed.
- (c) Dividends and assessments, other than those set forth in paragraph 6(a) below, shall be administered to the participating members based upon the proportion of premiums paid to the Program in "open" periods only. For purposes of administering dividends and assessments pursuant to this subparagraph, all "open" policy periods shall be considered as one block. New members to the Program shall become eligible for dividends and assessments upon participating in the Program for three consecutive policy periods (not less than 24 months). Participating members who withdraw from the Program prior to the three year policy period restriction are still eligible for any assessments that arose out of the policy years they participated in the Program.

6. **DECLARATION OF DIVIDENDS.** Dividends shall be payable from the Program to a participating member in accordance with its proportionate funding to the Program during all "open" policy periods except as follows:

- (a) A dividend shall be declared at the time a program period is closed on all amounts which represent premium surcharge amounts assessed pursuant to Article 14(b)(3) of the Agreement where the funding exceeds the 80% confidence level. This dividend shall be distributed based upon each member's proportionate share of assessment paid and accrued to the policy period being closed.

7. **MEMORANDUM OF COVERAGE.** A Memorandum of Coverage shall be issued by the Authority evidencing membership in the Program and setting forth terms and conditions of coverage.

8. **CLAIMS ADMINISTRATION.** Each participating member shall comply with the Authority's Underwriting and Claims Administration Standards (including Addendum B - Liability Claims Administration Guidelines) as amended from time to time, and which are attached hereto as Exhibit B and incorporated herein.

9. **LATE PAYMENTS.** Notwithstanding any other provision to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the Executive

Committee, any member that fails to pay an invoice when due may be given a ten (10) day written notice of cancellation.

10. **RESOLUTIONS OF DISPUTES.** Any question or dispute with respect to the rights and obligations of the parties to this Memorandum regarding coverage shall be determined in accordance with the Joint Powers Agreement Article 31, Dispute Resolution.

11. **AMENDMENT.** This Memorandum may be amended by a two-thirds vote of the Board and signature on the Memorandum by the member's designated representative who shall have authority to execute this Memorandum. Should a member of the Program fail to execute any amendment to this Memorandum within the time provided by the Board, the member shall be deemed to have withdrawn as of the end of the policy period.

12. **COMPLETE AGREEMENT.** Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the members.

13. **SEVERABILITY.** Should any provision of this Memorandum be judicially determined to be void or unenforceable such determination shall not affect any remaining provision.

14. **EFFECTIVE DATE.** This Memorandum shall become effective on the effective date of coverage for the member and upon approval by the Board of any amendment, whichever is later.

15. **EXECUTION IN COUNTERPARTS.** This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

In Witness Hereof, the undersigned have executed this Memorandum as of the date set forth below:

Dated: 3/6/2009



CSAC Excess Insurance Authority

Dated: _____

Member Entity: _____



EXHIBIT A

EXCESS LIABILITY PROGRAM COST ALLOCATION PLAN

As delegated by the Board of Directors, the Executive Committee will determine the specific allocation of all costs among the members subject to the following parameters:

Actuarial Analysis

An annual actuarial analysis will be performed using loss and exposure data collected from the members. The analysis will determine the necessary funding rates at various confidence levels and using various discount assumptions. Different rates may be developed for different groups or classes of business as is deemed necessary or appropriate by the Executive Committee. At the March Board meeting, the Board of Directors will select the funding level rates and discount factors to be used based upon the actuarial analysis and recommendations from the actuary, the Underwriting Committee and the Executive Committee.

Pool Contributions

The total needed pool contribution will be determined by multiplying the rates described above by the exposure for all of the members participating in the pool. For schools, the exposure base will be the reported Average Daily Attendance (ADA). For all other members, the exposure base will be estimated payroll for the year being funded. The Executive Committee may break the pool into different layers for allocation purposes, and may apply a different loss experience modification for each layer as is deemed appropriate based on loss frequency. In general, the lower layers will be subject to greater experience modification and the higher layers will be subject to lower experience modification or no experience modification. Within the layers, the larger members will be subject to greater experience modification than the smaller members. After the experience modification has been applied for each layer, there will be a pro-rata adjustment back to the total needed pool contribution.

Reinsurance Premiums

The reinsurance premium will be determined through negotiations with the reinsurer(s) and approved by the Board upon recommendation of the Underwriting and Executive Committees. This premium will then be allocated among the members based upon their exposure (ADA or estimated payroll).

EIA Administration Fees

The total EIA Administration Fees will be determined through the annual budgeting process with an appropriate amount allocated to the Excess Liability Program. These fees will be allocated among the members as determined by the Executive Committee. In general, the basis for this allocation will be each member's percentage of the total pool contributions and reinsurance premium.

Deviation From the Standard

The Executive Committee may establish policies to deviate from the standard allocation methodology selected for each year on a case-by-case basis, if necessary. They may also elect to further delegate some or all of the decision making herein to the Underwriting Committee.

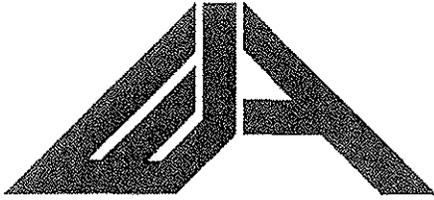


Exhibit B

Adopted: December 6, 1985
Amended: January 23, 1987
Amended: October 6, 1995
Amended: October 1, 1999
Amended: October 3, 2003
Amended: October 1, 2004
Amended: March 6, 2009

CSAC EXCESS INSURANCE AUTHORITY UNDERWRITING AND CLAIMS ADMINISTRATION STANDARDS

I. GENERAL

- A. Each Member shall appoint an official or employee of the Member to be responsible for the risk management function and to serve as a liaison between the Member and the Authority for all matters relating to risk management.
- B. Each Member shall maintain a loss prevention program and shall consider and act upon all recommendations of the Authority concerning the reduction of unsafe conditions.

II. EXCESS WORKERS' COMPENSATION PROGRAM

- A. Members of the Excess Workers' Compensation Program, except those members of the Primary Workers' Compensation Program whose responsibilities are outlined in Section IV below, shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
 - 1. The Member shall use only qualified personnel to administer its workers' compensation claims. At least one person in the claims office (whether in-house or outside administrator) shall be certified by the State of California as a qualified administrator of self-insured workers' compensation plans.
 - 2. Qualified defense counsel experienced in workers' compensation law and practice shall handle litigated claims. Members are encouraged to utilize attorneys who have the designation "Certified Workers' Compensation Specialist, the State Bar of California, Board of Legal Specialization".
 - 3. The Member shall use the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) and shall advise its claims administrator that these guidelines are utilized in the Authority's workers' compensation claims audits.
- B. The Member shall provide the Authority written notice of any potential excess workers' compensation claims in accordance with the requirements of the Authority's Bylaws. Updates on such claims shall be provided pursuant to the reporting provisions of the Authority's Workers'

Compensation Claims Administration Guidelines (Addendum A) or as requested by the Authority and/or the Authority's excess carrier.

- C. A claims administration audit utilizing the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) shall be performed once every two (2) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
1. There is an unusual fluctuation in the Member's claim experience or number of large claims, or
 2. There is a change of workers' compensation claims administration firms, or
 3. The Member is a new member of the Excess Workers' Compensation Program.

The claims audit shall be performed by a firm selected by the Authority unless an exception is approved. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.

- D. Each Member shall maintain records of claims in each category of coverage (i.e. indemnity, medical, expense) or as defined by the Authority and shall provide such records to the Authority as directed by the Board of Directors, Claims Review Committee, Underwriting Committee, or Executive Committee. Such records shall include both open and closed claims, allocated expenses, and shall not be capped by the Member's self-insured retention.
- E. The Member shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.

III. GENERAL LIABILITY PROGRAMS

- A. Members of the General Liability I or General Liability II Programs, except those members of the Primary General Liability Program whose responsibilities are outlined in Section V below, shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
1. The Member shall use only qualified personnel to administer its liability claims.

2. Qualified defense counsel experienced in tort liability law shall handle litigated claims. Members are encouraged to utilize defense counsel experienced in the subject at issue in the litigation.
 3. The Member shall use the Liability Claims Administration Guidelines (Addendum B) and shall advise its claims administrator that these guidelines are utilized in the Authority's liability claims audits.
- B. The Member shall provide the Authority written notice of any potential excess liability claim in accordance with the requirements of the Authority's Bylaws. Updates on such claims shall be provided pursuant to the reporting provisions of the Authority's Liability Claims Administration Guidelines (Addendum B) or as requested by the Authority and/or the Authority's excess carrier.
- C. A claims administration audit utilizing the Authority's Liability Claims Administration Guidelines (Addendum B) shall be performed once every three (3) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
1. There is an unusual fluctuation in the Member's claims experience or number of large claims, or
 2. There is a change of liability claims administration firms, or
 3. The Member is a new member of the General Liability I or General Liability II Program.

The claims audit shall be performed by a firm selected by the Authority unless an exception is approved. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.

- D. Each Member shall maintain records of claims in each category of coverage (i.e. bodily injury, property damage, expense) or as defined by the Authority and shall provide such records to the Authority as directed by the Board of Directors or applicable committee. Such records shall include open and closed claims, allocated expenses, and shall not be capped by the Member's self-insured retention.
- E. The Member shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.

IV. PRIMARY WORKERS' COMPENSATION PROGRAM

- A. Members of the Primary Workers' Compensation Program shall provide the third party administrator written notice of any claim in accordance with the requirements of the Authority. Members must also cooperate with the third party administrator in providing all necessary information in order for claims to be administered appropriately.
- B. The Authority shall be responsible for ensuring qualified personnel administer claims in the Primary Workers' Compensation Program and that claims are administered in accordance with the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A).
- C. The Authority shall be responsible for ensuring a claims administration audit utilizing the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) is performed once every two (2) years.
- D. The Authority shall be responsible for obtaining an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) annually.

V. PRIMARY GENERAL LIABILITY PROGRAM

- A. Members of the Primary General Liability Program shall provide the third party administrator written notice of any claim or incident in accordance with the requirements of the Authority. Members must also cooperate with the third party administrator in providing all necessary information in order for claims to be administered appropriately.
- B. The Authority shall be responsible for ensuring qualified personnel administer claims in the Primary General Liability Program and that claims are administered in accordance with the Authority's Liability Claims Administration Guidelines (Addendum B).
- C. The Authority shall be responsible for ensuring a claims administration audit utilizing the Authority's Liability Claims Administration Guidelines (Addendum B) is performed once every two (2) years.
- D. The Authority shall be responsible for obtaining an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) annually.

VI. PROPERTY PROGRAM

- A. Members of the Property Program shall maintain appropriate records including a complete list of insured locations and schedule of values pertaining to all real property. Such records shall be provided to the Authority or its brokers as requested by the Executive or Property Committees.

- B. Each Member shall perform a real property replacement valuation for all locations over \$250,000. Valuations shall be equivalent to the Marshall Swift system and shall be performed at least once every five (5) years. New members shall have an appraisal or valuation performed within one year from entry into the Program.

VII. MEDICAL MALPRACTICE PROGRAM

A. Program I

1. Members of Medical Malpractice Program I (hereinafter Program I) shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
 - a. Members of Program I shall use only qualified personnel to administer its health facility claims.
 - b. Qualified defense counsel experienced in health facility law shall handle litigated claims.
 - c. Members of Program I shall use the "Claims Reporting and Handling Guidelines" in the CSAC Excess Insurance Authority Medical Malpractice Program Operating and Guidelines Manual (hereinafter Operating and Guidelines Manual), and shall advise its claims administrator that these claims handling guidelines are utilized in the Authority's medical malpractice claims audits.
2. Members of Program I shall provide the Authority written notice of any potential excess claim or "major incident" in accordance with the requirements of the Authority and of the excess carrier as stated in the Operating and Guidelines Manual. Updates on such claims or major incidents shall be provided as requested by the Authority.
3. A claims administration audit utilizing the Authority's Claims Reporting and Handling Guidelines in the Operating and Guidelines Manual shall be performed once every three (3) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
 - a. There is an unusual fluctuation in the Member's claims experience or number of large claims, or
 - b. There is a change of health facility claims administration firms, or
 - c. The Member is a new member of the Medical Malpractice Program, or

- d. The Medical Malpractice Committee requests an audit. The claims audit shall be performed by a firm(s) selected by the Authority. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.
4. Each Member shall maintain records of claims in each category of coverage (i.e. bodily injury, property damage, expense) or as defined by the Authority and shall provide such records to the Authority as directed by the Board of Directors or applicable committee. Such records shall include open and closed claims, allocated expenses, and shall not be capped by the Member's self-insured retention.
5. Members of Program I shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.
6. The Member shall have an effective risk management program in accordance with the "Risk Management Guidelines" as stated in the Operating and Guidelines Manual.

B. Program II

1. For Medical Malpractice Program II (hereinafter Program II) Members, the Authority shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member. The Authority may contract with a third party administrator for handling of such claims.
2. The Authority shall be responsible for ensuring the third party administrator uses qualified personnel to administer Program II claims.
3. The Authority shall be responsible for ensuring qualified defense counsel experienced in health facility law shall handle litigated claims.
4. The Authority shall be responsible for ensuring a claims administration audit utilizing the Authority's Claims Reporting and Handling Guidelines in the Operating and Guidelines Manual shall be performed once every two (2) years.

The claims audit shall be performed by a firm(s) selected by the Authority. Recommendations made in the claims audit shall be

addressed by the third party administrator and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.

5. The Authority shall be responsible for obtaining an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) annually.
6. The Member shall have an effective risk management program in accordance with the "Risk Management Guidelines" as stated in the Operating and Guidelines Manual.

VIII. SANCTIONS

- A. The Authority shall provide the Member written notification of the Member's failure to meet any of the above-mentioned standards or of other concerns, which affect or could affect the Authority.
- B. The Member shall provide a written response outlining a program for corrective action within sixty (60) days of receipt of the Authority's notification.
- C. After approval by the Executive or applicable Program Committee of the Member's corrective program, the Member shall implement the approved program within ninety (90) days. The Member may request an additional sixty (60) days from the Executive or applicable Program Committee. Further requests for extensions shall be referred to the Board of Directors.
- D. Failure to comply with subsections B or C may result in cancellation of the Member from the affected Authority Program in accordance with the provisions in the Joint Powers Agreement.
- E. Notwithstanding any other provision herein, any Member may be canceled pursuant to the provision of the Joint Powers Agreement.

ADDENDUM TO EXHIBIT B



Adopted: December 6, 1985
Amended: January 23, 1987
Amended: October 6, 1995
Amended: October 1, 1999
Amended: March 2, 2007

ADDENDUM B LIABILITY CLAIMS ADMINISTRATION GUIDELINES

The following Guidelines have been adopted by the CSAC Excess Insurance Authority (hereinafter the Authority or the EIA) in accordance with Article 18(b) of the CSAC Excess Insurance Authority Joint Powers Agreement.

I. CLAIMS INVESTIGATION

- A. Factual investigation should be completed within forty-five (45) days of Member's knowledge of claim, including statements from participants and witnesses, appropriate official reports, and photos. (Answer questions who, what, where, when and why).
- B. Develop liability issues, including immunities, comparative negligence, joint tort feasons and joint and several liability. Transfer of risk is an important aspect of any claims investigation.
- C. Begin to develop information on damages:
 - 1. Property damage
 - 2. Nature and extent of injuries
 - 3. Medical costs
 - 4. Lost wages
 - 5. Dependency
 - 6. Other damages
- D. Obtain and review contracts that may be in effect relating to specific accidents, to determine whether there is any sharing or complete transfer of the risk.
 - 1. Hold-harmless indemnity agreements
 - 2. Additional insured requirements.
- E. Obtain defective products and/or other evidence, and hold it if at all possible, or at least locate where it is being held. Obtain product information for the file. Early preservation of evidence is imperative for a proper defense.

- F. Utilize experts appropriately on cases. Consideration should be given to structured settlements and Voluntary Settlement Conferences. EIA has a resource manual with the names, addresses, etc. on various experts who can be retained to investigate and testify on behalf of the Members.
- G. The EIA maintains membership in the Index Bureau.
 - 1. Report all bodily injury claims to the Index Bureau
 - 2. Follow up on Index Bureau information by sending the Inquiry Form to insurance companies reporting other injuries to the claimant. Do not hesitate to call and discuss the losses with other adjusters.

Instruction manuals, reporting forms, inquiry forms and envelopes may be obtained online at Claimsearch.iso.com, after being registered for use by the EIA.

- H. Arrange appraisals for damaged property. Do not rely on the appraisal obtained by the plaintiffs' own carriers. In some instances they may not utilize the local A.C.V. and the "computerized" appraisal figure can be inflated.

II. EXCESS REPORTING REQUIREMENTS

A. First Report

Timely report to the Excess Insurance Authority those losses with potential or existing exposure. Utilize the First Report Potential Excess Liability Claims form currently in use, available through the EIA website.

- 1. The Excess Liability Programs' reporting criteria are those criterion established and adopted by the Board and/or the Liability II committee.

B. Update Reports

The EIA should be provided copies of periodic reports in order to be kept apprised of the developments of the case. On litigated cases, defense counsel should also include the EIA on their mailing lists for copies of correspondence, reports, evaluations, interrogatory summaries, deposition summaries and medical summaries. Actual deposition transcripts, interrogatories, their answers and interim billings are not required.

On reserving and payment changes utilize the Reserve and Payment Update form currently in use, available through the EIA website.

C. Closure Reports

When a case that has been reported to the EIA is settled, dismissed or closed in any other fashion, provide the EIA with the closing documents and a completed Closure Information form currently in use, available through the EIA website.

III. TORT CLAIM REQUIREMENTS/GOVERNMENT CODE

- A. All notices (pertaining to claim insufficiency, returning late claims, claims rejections, etc.) shall be timely done in accordance with the relevant Governmental Code provisions.
- B. Appropriate Dismissal Motions should be made for failure to meet the applicable Code of Civil Procedure statutes for timely serving, conducting discovery or bringing a complaint to trial.

IV. DOCUMENTATION

- A. Accurate reserves shall be established based on facts known, within thirty (30) days of receipt of the investigative report. Legal and adjusting expenses shall be included. The following formula is recommended in establishing and updating the reserves for each file:

- 1. $(\text{Maximum Value} \times \text{Member's \% of Liability}) + \text{Expense Factor} = \text{Reserve}.$

Maximum value is the potential total amount a plaintiff could expect to receive, either through settlement or verdict, as if he/she was completely free of negligence. Maximum value should include any potential award of plaintiff's attorney fees, such as, but not limited to, cases involving Federal Civil Rights.

Percentage of liability is determined by various factors that are discovered during an investigation. Reserves should be adjusted accordingly, as facts are developed, to properly reflect the exposure. These factors include but are not limited to:

- a. The extent of plaintiff's liability
- b. The number of co-defendants and their percentage of liability
- c. The ability of the co-defendants to respond financially to any settlement or verdict.
- d. On cases occurring after June 3, 1986, Proposition 51 allows defendants to limit their liability on non-economic damages to their percentage of fault.

- e. On cases involving uninsured claimants the recovery is limited to economic damages in accordance with California Code of Civil Procedures sections 3333.3 and 3333.4 (Prop 213).
 2. The reserve shall be set at the full exposure after applying the above formula, even if it exceeds the Member's Self-Insured Retention.
- B. The file shall contain reports necessary to document the decisions made, including all demands, offers of settlement and settlement authority.
1. A complete "typed" captioned report to the file shall be placed in each file for:
 - a. Bodily Injury claims reserved above 25% of the S.I.R.
 - b. Property Damage claims reserved above 25% of the S.I.R.
 - c. All claims that meet the EIA's excess reporting requirements regardless of reserves.

Members and/or claims administrators may follow stricter guidelines.

The captioned report should include the following topical headings and subsequent entries:

1. Date of report
2. Member name
3. S.I.R level
4. Claimant(s) Information
5. Date of Loss
6. Claim Number (if used)
7. Facts of accident or occurrence
8. Witness/Participant Statement
9. Suggested reserves (see IV. A) Do they reflect exposure?
10. Assessment of liability
11. Review of damages/injuries, including medical costs, lost wages, dependency, property damage estimates, total loss evaluations, loss of use claims, and other damages
12. Index Bureau reporting
13. Addressing of coverage questions
14. Excess potential
15. Structured Settlement possibilities
16. Voluntary Settlement Conference potential
17. Subrogation potential
18. Governmental Code compliance and immunities
19. Identify future course of action
20. State next diary date
21. If litigated, identify counsel on both sides.

- 22. Offsets or liens that may need to be considered.
- C. Photos, diagrams, estimates, statements, plans, contracts, medical, law enforcement and coroner's reports (where applicable) shall be in the claims file in a timely fashion.

V. CASE SETTLEMENT FACTORS

- A. The settlement should be reasonable in light of damages, injuries and liability.
- B. Settlements should be effected in a timely manner, with consideration given to structures and/or voluntary settlement conferences.
- C. Contributions from joint tort feasons should be considered.
- D. Settlement evaluation and authority shall be documented. On cases exceeding the S.I.R., prior written authority must be obtained from the EIA.
- E. Proper releases and dismissals shall be secured.

VI. LITIGATED FILES

- A. Defense plan shall be in the file, including a projected cost analysis.
- B. Defense attorney evaluation shall be completed and in the file within sixty (60) days of assignment.
- C. The defense attorney should make proper follow-up requests for investigation.
- D. Defense costs shall be controlled by the Member and depositions and other defense expenses approved by the Member.
- E. There should be timely recommendations from defense firms regarding settlements and trial preparation.
- F. Results and total expenses shall be documented.
- G. There should be timely notification to relevant employees and other parties regarding pending litigation.

VII. SUMMARY

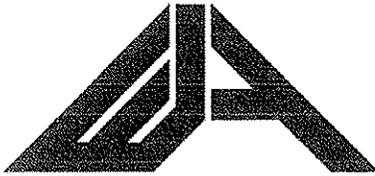
The file should be completely documented. Audits conducted by the EIA Auditor not only utilize industry standards, but also these Guidelines.

The California Unfair Claims Settlement Practices Regulations went into effect on January 15, 1993. These regulations apply to the Insurance Industry as a whole. Public Agencies (including J.P.A.'s) are not governed by these regulations. Many Members utilize outside claims administrators that must comply with these regulations in their private insurance industry work, and have already had their adjusters certified.

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ATTACHMENT 3

The Primary Workers' Compensation Program Memorandum of Understanding



Adopted: May 8, 1997
Amended: December 14, 1998
Amended: June 6, 2002
Amended: June 5, 2003
Amended: December 28, 2006

MEMORANDUM OF UNDERSTANDING PRIMARY WORKERS' COMPENSATION PROGRAM

This Memorandum of Understanding (hereinafter "Memorandum") is entered into by and between the CSAC Excess Insurance Authority (hereafter "Authority") and the participating members of the Primary Workers' Compensation Program (hereinafter "PWC"), consisting of counties and other public entities (hereinafter "Public Entity") who are signatories to this Memorandum.

1. **Joint Powers Agreement.** Except as otherwise provided herein, all terms used herein shall be as defined in Article 1 of the Joint Powers Agreement Creating the CSAC Excess Insurance Authority (hereafter "Agreement"). Provisions of any applicable coverage agreement and all other provisions of the Agreement not in conflict with this Memorandum shall be applicable.

2. **Program Committee.** There is hereby established a PWC Committee (hereinafter referred to as "Committee") comprised of nine (9) members. Except as otherwise provided herein, said Committee shall have full authority to determine all matters, except for assessments, affecting the PWC and its members, including, but not limited to, approval of new members, premium/rate setting and review of claims. The Committee has authority to settle all claims affecting the PWC, however, the Committee may delegate any or all of this authority as it deems appropriate.

The Executive Committee of the Authority shall appoint the Committee members, to be selected from members in the Program. One seat on the Committee shall be designated for a Public Entity representative appointed by the Executive Committee. If there are no Public Entity nominees from the Program membership for the Public Entity seat, the Executive Committee shall appoint the Committee member from counties participating in the PWC.

If, at any time, there are less than nine (9) members in the Program, the Executive Committee shall appoint from members in the Excess Workers' Compensation Program sufficient Committee members to constitute the Committee.

The terms of the members of the Committee shall be for two (2) years, except for the Public Entity representative whose term shall be for one (1) year. The expiration dates of the two-year appointments shall be staggered so that terms of no more than four (4) members will expire at any one time. The Committee will annually, at its first meeting of the calendar year, select its officers, consisting of a Chair and Vice-Chair.

The Committee, when necessary to fulfill the purposes of this Memorandum, shall meet on the call of the Chair of the Committee as provided in Article 12 of the Agreement and Article VI of the Bylaws of the Authority (hereinafter referred to as the "Bylaws").

A majority of the members of the Committee shall constitute a quorum for the transaction of business. Except as otherwise provided herein, all actions of the PWC Committee shall require the affirmative vote of a majority of the members of the Committee. Any meeting of the PWC Committee shall be subject to the applicable provisions of Government Code § 54950 et seq., commonly known as the "Brown Act."

3. **Premiums.** The participating members, in accordance with the provisions of Article 14 of the Agreement, shall be assessed an annual premium for the purpose of funding the PWC Program. Annual premium contributions, including administrative costs associated with the PWC shall be established by the PWC Committee.

4. **Cost Allocation.** Each member's share of annual premium shall be determined based on a rate established in accordance with the methodology outlined in the "Primary Workers' Compensation Program Methodology for Premium Rate Adjustments," attached as Exhibit A, which is incorporated herein.

5. **Dividends and Assessments.** It is the intent of this Memorandum to provide for a fully funded Program by pooling risk, purchasing aggregate stop loss coverage, and use of the Authority's Excess Workers' Compensation Program for specific stop loss coverage. It is not the expectation of the PWC that there will be pro-rata assessments to the members, however, any assessments which are deemed necessary to ensure approved funding levels shall be made in accordance with Article 14(b)(3) of the Agreement, upon the recommendation of the Committee and approval by the participating members of the Board of Directors.

6. **Closure of Policy Periods.** Workers' compensation claims for all program years, rather than individual years, shall be pooled, including portfolio of outstanding claims. Notwithstanding any other provision of this MOU, provisions of the Excess Workers' Compensation Program Memorandum of Understanding regarding closure of policy periods is incorporated herein and shall apply to this MOU.

7. **Certificate of Coverage.** The Authority shall issue a Certificate of Coverage to the members. The form of the certificate shall follow the coverage of the Authority's Excess Workers' Compensation Program Memorandum of Coverage.

8. **Claims Administration.** The Authority will be responsible for the handling of all claims affecting the PWC. The Committee will authorize the retention of the services of a claims administrator or claims administrators to provide claims services for the PWC. Members may select the claims administrator they will utilize from those authorized by the Committee. The agreements with the Third Party Administrators (TPAs) to provide claims administration services may grant rights or impose duties and obligations on the members. Copies of agreements currently in effect or subsequently entered into by the Authority will be provided to members.

The agreements between the Authority and the TPA referenced above state that the TPA is required to pay fines, penalties and/or assessments arising out of their failure to comply with various provisions of the Labor Code. Notwithstanding those agreements, members also have obligations imposed upon them by the Labor Code. A member's failure to comply with those provisions may result in the imposition of fines, penalties and/or assessments against the member by the Division of Workers' Compensation. In the event the Authority pays for any such fine, penalty and/or assessment on behalf of the member, the member shall reimburse the Authority for such payment.

9. **Application to the Program.** All applications to join the PWC will be evaluated and subject to approval by the PWC Committee and the underwriter for the aggregate stop loss coverage. Any entity which makes application to become a participating member of the PWC Program who is not already a participating member in the Authority must also be approved in accordance with the provisions of Article 19 of the Agreement.

Members joining the PWC shall be required to agree to a commitment to remain in the PWC for a period of at least three (3) years if the member does not transfer its portfolio of outstanding self-insured claims to the PWC; or five (5) years if the member transfers its portfolio of outstanding self-insured claims to the PWC.

However, any member may be released from such commitment if any of the following occur: 1) there are any changes in the terms of the aggregate stop loss reinsurance agreement; 2) the Committee approves an actuarial investment assumption less than 5.5% per annum; 3) the PWC cancels the agreement with the member's third party claims administrator; or 4) there are other structural changes to the PWC deemed significant by the Committee.

If a member joins the PWC within six (6) months of the date of inception of a policy period, that period shall be counted as one (1) full year toward the member's commitment. If a member joins the PWC six (6) months after the inception of a policy period, that period shall not be counted toward the member's commitment.

10. **Authority Responsibility.** The Authority shall be responsible for the following:
- a. obtain a Master Certificate of Consent to Self-Insure
 - b. any assessments as determined by the Division of Industrial Relations including but not limited to user funding and fraud assessments
11. **Member's Responsibility.** Members of the PWC shall be responsible for the following:
- a. obtain an Affiliate Certificate to the Authority's Certificate of Consent to Self-Insure,
 - b. maintain membership in the Authority's Excess Workers' Compensation Program, unless otherwise authorized by the Committee,

- c. maintain staff to act as a liaison with the Authority and the claims administrator,
- d. maintain an effective safety program, as set forth in the attached Exhibit B, which is incorporated herein, or as otherwise determined from time to time by the Committee.

12. **Withdrawal and/or Cancellation from the Program.** Withdrawal of a member from the PWC shall be in accordance with the provisions of Article 20 or 21 of the Agreement.

13. **Late Payments.** Notwithstanding any other provision to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the Executive Committee, any member that fails to pay an invoice when due may be given a ten (10) day written notice of cancellation.

14. **Resolution of Disputes.** Any question or dispute with respect to the rights and obligations of the parties to this Memorandum shall be determined in accordance with Article 31 of the Agreement, Dispute Resolution.

15. **Amendment.** This Memorandum may be amended by a majority vote of the PWC Committee and signature on the Memorandum by the member's designated representative who shall have authority to execute this Memorandum. Should a member of the PWC fail to execute any amendment to this Memorandum within the time provided by the PWC Committee, the member will be deemed to have withdrawn from the PWC on the next annual renewal date which is beyond any applicable commitment period.

16. **Complete Agreement.** Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the members.

17. **Severability.** Should any provision of this Memorandum be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.

18. **Effective Date.** This Memorandum shall become effective on the date of coverage for the member or upon approval by the PWC Committee of any amendment, whichever is later.

19. **Execution in Counterparts.** This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed the Memorandum as of the date set forth below.

Dated: _____

CSAC Excess Insurance Authority

Dated: _____

Member Entity



EXHIBIT A
Primary Workers' Compensation Program
Methodology for Premium Rate Adjustments

The calculation of the deposit premium will be based upon a rate per \$100 of estimated payroll for a given program year. The final premium will be based upon an adjusted rate per \$100 of actual payroll. The initial rate and subsequent adjustments to the rate will be determined based upon one of the following methods:

Rating Method

If the EIA PWC Committee determines that because of the size of the member, an individual actuarial analysis of the member's loss experience is unavailable or inappropriate, the initial rate will be based upon the "Rating Method". If the Rating Method is used, the EIA PWC Committee will, in consultation with its reinsurer, determine the initial rate to be used. The initial deposit premium will be the initial rate times estimated payroll. The deposit premium will be adjusted after the end of the first policy period based upon the same rate multiplied by actual payroll.

The rate will be adjusted in subsequent years in accordance with the "Internal Rate Smoothing Procedure" shown below except that the "indicated rates" will be the combination of all members of the PWC that are on the Rating Method. Alternatively, the PWC Committee could determine that the combination of all members under the Rating Method is too small for actuarial purposes in which case the indicated rates for all members combined may be used.

Experience Method

Initial deposit premium for the PWC, and all subsequent rate adjustments will be actuarial based on the individual members' experience. The initial deposit premium will be the member's expected discounted rate (as determined by EIA's actuary) times estimated payroll. The deposit premium will be adjusted after the end of the first policy period based upon the same rate multiplied by actual payroll. In subsequent years, deposit and final premium will be based upon the "Internal Rate Smoothing Procedure" set forth below.

Modified Experience Method

Upon consultation with the reinsurer, the EIA PWC Committee may approve application of a modification factor to the initial expected discounted rate. This modification factor will also be applied to the final rate calculated in the payroll adjustment premium described below. A member's modification factor may change in subsequent years, but will not be higher during the commitment period than the member's modification factor in the first year of the commitment.

Internal Rate Smoothing Procedure

Deposit Premium

1. Multiply indicated rates (expected, discounted, as provided by the actuary) by the estimated payroll for each member to come up with the Total Needed Deposit Premium for the year.
2. Calculate the 2-year average rate by member (avg. of expiring year's indicated rate and the indicated rate for the upcoming year).
3. Apply the 2-year average rate to the estimated payroll for each member to come up with the rated premium.
4. Adjust the rated premium on a pro-rata basis to bring it back to the Needed Deposit Premium. This will determine the deposit premium for each member.

Payroll Adjustment Premium

1. Multiply indicated rates (expected, discounted, as provided by the actuary) by the actual payroll for each member provided six months after expiration to come up with the Final Needed Premium for the year.
2. Apply the 2-year average rate calculated in step 2 above to the actual payroll for each member to come up with the final rated premium.
3. Adjust the rated premium on a pro-rata basis to bring it back to the Final Needed Premium for the year.
4. Calculate additional premium needed or return premium due by subtracting the Deposit Premium from the Final Needed Premium for each member.



EXHIBIT B
Primary Workers' Compensation Program
Minimum Loss Prevention and Safety Program Criteria

Members of the CSAC Excess Insurance Authority Primary Workers' Compensation Program shall implement and maintain programs to enhance safe work practices and prevent or control occupational injuries and illnesses and the losses associated with same. Minimum criteria for these programs shall include:

1. Dedicated staff whose written job description includes responsibility for safety and loss prevention.
2. An effective written Injury and Illness Prevention Program, which includes identification of the person or persons with responsibility and authority for implementing safety programs. The written program shall include systems for:
 - A. Communication with and training of all employees in safe work practices and policies.
 - B. Ensuring employees comply with established safe work practices and policies.
 - C. Inspection and evaluation of hazards or potential hazards.
 - D. Reporting of known or suspected hazards by individuals wishing to do so, including anonymous reporting methods.
 - E. Periodic regular - not less than quarterly - review of occupational injuries and illnesses by individuals or Committees which will focus on methods to prevent or correct unsafe conditions or practices where appropriate.
 - F. Written recommendations for the prevention or correction of unsafe conditions or work practices.
 - G. Written records which document training, policies, safety Committee meetings and actions, hazard identification and hazard abatement plans.
 - H. Methods to ensure compliance with all relevant laws for the prevention of occupational injuries and illness.

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ATTACHMENT 4

The Excess Workers' Compensation Program Memorandum of Understanding



Adopted: March 5, 1993
Amended: October 4, 1996
Amended: October 6, 2006
Amended: March 6, 2009

MEMORANDUM OF UNDERSTANDING EXCESS WORKERS' COMPENSATION PROGRAM

This Memorandum of Understanding is entered into by and between the CSAC Excess Insurance Authority (hereinafter referred to as the "Authority") and the participating members who are signatories to this Memorandum.

- 1. Joint Powers Agreement.** Except as otherwise provided herein, all terms used herein shall be as defined in Article 1 of the Joint Powers Agreement Creating the CSAC Excess Insurance Authority (hereinafter referred to as "Agreement"), and all other provisions of the Agreement not in conflict with this Memorandum shall be applicable.
- 2. Annual Premium.** The participating members, in accordance with the provisions of Article 14(b)(2) of the Agreement, shall be assessed an annual premium for the purpose of funding the Excess Workers' Compensation Program (hereinafter referred to as the "Program"). Annual premiums shall include expected losses for the policy period, including incurred but not reported losses (IBNR), as well as a margin for contingencies based upon a confidence level as determined by the Board of Directors of the Authority (hereinafter Board), and adjustments, if any, for a surplus or deficit from all program policy periods. In addition, the premium shall include program reinsurance costs and program administrative costs, plus the Authority's general expense allocated to the Program by the Board for the next policy period.
- 3. Cost Allocation.** Each participating member's share of annual premium shall be determined pursuant to a cost allocation plan as described in Article 14(b)(2) of the Agreement. The Board approved cost allocation plan is attached hereto as Exhibit A and may be amended from time to time by an affirmative vote of the majority of the Board representing the members participating in the Program.
- 4. Dividends and Assessments.** The Program shall be funded in accordance with paragraph 2 above. In general, the annual premium, as determined by the Board, will be established at a level which will provide adequate overall funding without the need for adjustments to past policy period(s) in the form of dividends and assessments. However, should the Program for any reason not be adequately funded, except as otherwise provided herein, pro-rata assessments to the participating members may be utilized to ensure the approved funding level for those policy periods individually or for a block of policy periods, in accordance with the provisions of Article 14(b)(3) of the Agreement. Pro-

rata dividends will be declared as provided herein. Dividends may also be declared as deemed appropriate by the Board.

5. **Closure of Policy Periods.** Notwithstanding any other provision of this Memorandum, the following provisions are applicable:

- (a) Upon reaching ten (10) years of maturity after the end of a program period, that period shall be "closed" and there shall be no further dividends declared or assessments made with respect to those program periods except as set forth in paragraph 6(a), below;
- (b) Notwithstanding sub-paragraph (a) above, the Board may take action to leave a policy period "open" even though it may otherwise qualify for closure. In addition, the last ten (10) policy periods shall always remain "open" unless the Board takes specific action to declare any of the last ten (10) policy periods closed.
- (c) Dividends and assessments (other than as outlined in paragraph 6(a), below) shall be administered to the participating members based upon the proportion of premiums paid to the Program in "open" periods only. For purposes of administering dividends and assessments pursuant to this sub-paragraph, all "open" policy periods shall be considered as one block. New members to the Program shall become eligible for dividends and assessments upon participating in the Program for three consecutive policy periods (not less than 24 months). Participating members who withdraw from the Program prior to the three year policy period restriction are still eligible for any assessments that arose out of the policy years they participated in the Program.

6. **Declaration of Dividends.** Dividends shall be payable from the Program to a participating member in accordance with its proportionate funding to the Program during all "open" policy periods except as follows:

- (a) A dividend shall be declared at the time a program period is closed on all amounts which represent premium surcharge amounts assessed pursuant to Article 14(b)(3) of the Agreement where the funding exceeds the 80% confidence level. This dividend shall be distributed based upon each member's proportionate share of assessment paid and accrued to the policy period being closed.

7. **Memorandum of Coverage.** A Memorandum of Coverage will be issued by the Authority evidencing membership in the Program and setting forth terms and conditions of coverage.
8. **Claims Administration.** Each participating member is required to comply with the Authority's Underwriting and Claims Administration Standards (including Addendum A - W.C. Claims Administration Guidelines) as amended from time to time, and which are attached hereto as Exhibit B and incorporated herein.
9. **Late Payments.** Notwithstanding any other provision to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the Executive Committee, any member that fails to pay an invoice when due may be given a ten (10) day written notice of cancellation.
10. **Disputes.** Any question or dispute with respect to the rights and obligations of the parties to this Memorandum regarding coverage shall be determined in accordance with the Joint Powers Agreement Article 31, Dispute Resolution.
11. **Amendment.** This Memorandum may be amended by two-thirds of the CSAC Excess Insurance Authority's Board of Directors and signature on the Memorandum by the member's designated representative who shall have authority to execute this Memorandum. Should a member of the Program fail to execute any amendment to this Memorandum within the time provided by the Board, the member will be deemed to have withdrawn as of the end of the policy period.
12. **Complete Agreement.** Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the members.
13. **Severability.** Should any provision of this Memorandum be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.
14. **Effective Date.** This Memorandum shall become effective on the effective date of coverage for the member and upon approval by the Board of any amendment, whichever is later.
15. **Execution in Counterparts.** This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum as of the date set forth below.

Dated: 3/6/2009



CSAC Excess Insurance Authority

Dated: _____

Member Entity: _____



EXHIBIT A

EXCESS WORKERS' COMPENSATION PROGRAM COST ALLOCATION PLAN

As delegated by the Board of Directors, the Executive Committee will determine the specific allocation of all costs among the members subject to the following parameters:

Actuarial Analysis

An annual actuarial analysis will be performed using loss data and payroll collected from the members. The analysis will determine the necessary funding rates at various confidence levels and using various discount assumptions. Different rates may be developed for different groups or classes of business as is deemed necessary or appropriate by the Executive Committee. At the March Board meeting, the Board of Directors will select the funding level rates and discount factors to be used based upon the actuarial analysis and recommendations from the actuary, the Underwriting Committee and the Executive Committee.

Pool Contributions

The total needed deposit pool contribution will be determined by multiplying the rates described above by the payroll for all of the members participating in the pool. Estimated payroll for the year being funded will be used. The Executive Committee may break the pool into different layers for allocation purposes, and may apply a different loss experience modification for each layer as is deemed appropriate based on loss frequency. In general, the lower layers will be subject to greater experience modification and the higher layers will be subject to lower experience modification or no experience modification. Within the layers, the larger members will be subject to greater experience modification than the smaller members. After the experience modification has been applied for each layer, there will be a pro-rata adjustment back to the total needed deposit pool contribution. This amount will be collected from the members at the beginning of the policy period. The actual payroll for the period will be determined after the completion of the policy period and an adjustment to each member's pool contribution will be made to account for the difference between the estimated and actual payroll. Additional contributions will be collected or return contributions will be refunded as appropriate.

Reinsurance Premiums

The reinsurance premium will be determined through negotiations with the reinsurer(s) and approved by the Board upon recommendation of the

Underwriting and Executive Committees. This premium will then be allocated among the members based upon their estimated payroll. Adjustments will be made based on the actual payroll upon completion of the policy period in the same manner as described in the Pool Contribution section above.

EIA Administration Fees

The total EIA Administration Fees will be determined through the annual budgeting process with an appropriate amount allocated to the Excess Workers' Compensation Program. These fees will be allocated among the members as determined by the Executive Committee. In general, the basis for this allocation will be each member's percentage of the total pool contributions and reinsurance premium.

Deviation From the Standard

The Executive Committee may establish policies to deviate from the standard allocation methodology selected for each year on a case-by-case basis, if necessary. They may also elect to further delegate some or all of the decision-making authority described herein to the Underwriting Committee.

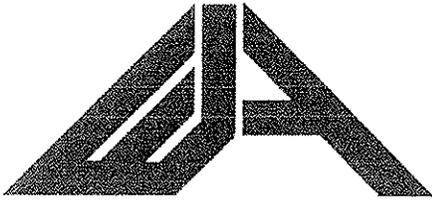


Exhibit B

Adopted: December 6, 1985
Amended: January 23, 1987
Amended: October 6, 1995
Amended: October 1, 1999
Amended: October 3, 2003
Amended: October 1, 2004
Amended: March 6, 2009

CSAC EXCESS INSURANCE AUTHORITY UNDERWRITING AND CLAIMS ADMINISTRATION STANDARDS

I. GENERAL

- A. Each Member shall appoint an official or employee of the Member to be responsible for the risk management function and to serve as a liaison between the Member and the Authority for all matters relating to risk management.
- B. Each Member shall maintain a loss prevention program and shall consider and act upon all recommendations of the Authority concerning the reduction of unsafe conditions.

II. EXCESS WORKERS' COMPENSATION PROGRAM

- A. Members of the Excess Workers' Compensation Program, except those members of the Primary Workers' Compensation Program whose responsibilities are outlined in Section IV below, shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
 - 1. The Member shall use only qualified personnel to administer its workers' compensation claims. At least one person in the claims office (whether in-house or outside administrator) shall be certified by the State of California as a qualified administrator of self-insured workers' compensation plans.
 - 2. Qualified defense counsel experienced in workers' compensation law and practice shall handle litigated claims. Members are encouraged to utilize attorneys who have the designation "Certified Workers' Compensation Specialist, the State Bar of California, Board of Legal Specialization".
 - 3. The Member shall use the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) and shall advise its claims administrator that these guidelines are utilized in the Authority's workers' compensation claims audits.
- B. The Member shall provide the Authority written notice of any potential excess workers' compensation claims in accordance with the requirements of the Authority's Bylaws. Updates on such claims shall be provided pursuant to the reporting provisions of the Authority's Workers'

Compensation Claims Administration Guidelines (Addendum A) or as requested by the Authority and/or the Authority's excess carrier.

- C. A claims administration audit utilizing the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) shall be performed once every two (2) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
1. There is an unusual fluctuation in the Member's claim experience or number of large claims, or
 2. There is a change of workers' compensation claims administration firms, or
 3. The Member is a new member of the Excess Workers' Compensation Program.

The claims audit shall be performed by a firm selected by the Authority unless an exception is approved. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.

- D. Each Member shall maintain records of claims in each category of coverage (i.e. indemnity, medical, expense) or as defined by the Authority and shall provide such records to the Authority as directed by the Board of Directors, Claims Review Committee, Underwriting Committee, or Executive Committee. Such records shall include both open and closed claims, allocated expenses, and shall not be capped by the Member's self-insured retention.
- E. The Member shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.

III. GENERAL LIABILITY PROGRAMS

- A. Members of the General Liability I or General Liability II Programs, except those members of the Primary General Liability Program whose responsibilities are outlined in Section V below, shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
1. The Member shall use only qualified personnel to administer its liability claims.

2. Qualified defense counsel experienced in tort liability law shall handle litigated claims. Members are encouraged to utilize defense counsel experienced in the subject at issue in the litigation.
 3. The Member shall use the Liability Claims Administration Guidelines (Addendum B) and shall advise its claims administrator that these guidelines are utilized in the Authority's liability claims audits.
- B. The Member shall provide the Authority written notice of any potential excess liability claim in accordance with the requirements of the Authority's Bylaws. Updates on such claims shall be provided pursuant to the reporting provisions of the Authority's Liability Claims Administration Guidelines (Addendum B) or as requested by the Authority and/or the Authority's excess carrier.
- C. A claims administration audit utilizing the Authority's Liability Claims Administration Guidelines (Addendum B) shall be performed once every three (3) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
1. There is an unusual fluctuation in the Member's claims experience or number of large claims, or
 2. There is a change of liability claims administration firms, or
 3. The Member is a new member of the General Liability I or General Liability II Program.

The claims audit shall be performed by a firm selected by the Authority unless an exception is approved. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.

- D. Each Member shall maintain records of claims in each category of coverage (i.e. bodily injury, property damage, expense) or as defined by the Authority and shall provide such records to the Authority as directed by the Board of Directors or applicable committee. Such records shall include open and closed claims, allocated expenses, and shall not be capped by the Member's self-insured retention.
- E. The Member shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.

IV. PRIMARY WORKERS' COMPENSATION PROGRAM

- A. Members of the Primary Workers' Compensation Program shall provide the third party administrator written notice of any claim in accordance with the requirements of the Authority. Members must also cooperate with the third party administrator in providing all necessary information in order for claims to be administered appropriately.
- B. The Authority shall be responsible for ensuring qualified personnel administer claims in the Primary Workers' Compensation Program and that claims are administered in accordance with the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A).
- C. The Authority shall be responsible for ensuring a claims administration audit utilizing the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) is performed once every two (2) years.
- D. The Authority shall be responsible for obtaining an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) annually.

V. PRIMARY GENERAL LIABILITY PROGRAM

- A. Members of the Primary General Liability Program shall provide the third party administrator written notice of any claim or incident in accordance with the requirements of the Authority. Members must also cooperate with the third party administrator in providing all necessary information in order for claims to be administered appropriately.
- B. The Authority shall be responsible for ensuring qualified personnel administer claims in the Primary General Liability Program and that claims are administered in accordance with the Authority's Liability Claims Administration Guidelines (Addendum B).
- C. The Authority shall be responsible for ensuring a claims administration audit utilizing the Authority's Liability Claims Administration Guidelines (Addendum B) is performed once every two (2) years.
- D. The Authority shall be responsible for obtaining an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) annually.

VI. PROPERTY PROGRAM

- A. Members of the Property Program shall maintain appropriate records including a complete list of insured locations and schedule of values pertaining to all real property. Such records shall be provided to the Authority or its brokers as requested by the Executive or Property Committees.

- B. Each Member shall perform a real property replacement valuation for all locations over \$250,000. Valuations shall be equivalent to the Marshall Swift system and shall be performed at least once every five (5) years. New members shall have an appraisal or valuation performed within one year from entry into the Program.

VII. MEDICAL MALPRACTICE PROGRAM

A. Program I

- 1. Members of Medical Malpractice Program I (hereinafter Program I) shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
 - a. Members of Program I shall use only qualified personnel to administer its health facility claims.
 - b. Qualified defense counsel experienced in health facility law shall handle litigated claims.
 - c. Members of Program I shall use the "Claims Reporting and Handling Guidelines" in the CSAC Excess Insurance Authority Medical Malpractice Program Operating and Guidelines Manual (hereinafter Operating and Guidelines Manual), and shall advise its claims administrator that these claims handling guidelines are utilized in the Authority's medical malpractice claims audits.
- 2. Members of Program I shall provide the Authority written notice of any potential excess claim or "major incident" in accordance with the requirements of the Authority and of the excess carrier as stated in the Operating and Guidelines Manual. Updates on such claims or major incidents shall be provided as requested by the Authority.
- 3. A claims administration audit utilizing the Authority's Claims Reporting and Handling Guidelines in the Operating and Guidelines Manual shall be performed once every three (3) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
 - a. There is an unusual fluctuation in the Member's claims experience or number of large claims, or
 - b. There is a change of health facility claims administration firms, or
 - c. The Member is a new member of the Medical Malpractice Program, or

- d. The Medical Malpractice Committee requests an audit. The claims audit shall be performed by a firm(s) selected by the Authority. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.
4. Each Member shall maintain records of claims in each category of coverage (i.e. bodily injury, property damage, expense) or as defined by the Authority and shall provide such records to the Authority as directed by the Board of Directors or applicable committee. Such records shall include open and closed claims, allocated expenses, and shall not be capped by the Member's self-insured retention.
5. Members of Program I shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.
6. The Member shall have an effective risk management program in accordance with the "Risk Management Guidelines" as stated in the Operating and Guidelines Manual.

B. Program II

1. For Medical Malpractice Program II (hereinafter Program II) Members, the Authority shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member. The Authority may contract with a third party administrator for handling of such claims.
2. The Authority shall be responsible for ensuring the third party administrator uses qualified personnel to administer Program II claims.
3. The Authority shall be responsible for ensuring qualified defense counsel experienced in health facility law shall handle litigated claims.
4. The Authority shall be responsible for ensuring a claims administration audit utilizing the Authority's Claims Reporting and Handling Guidelines in the Operating and Guidelines Manual shall be performed once every two (2) years.

The claims audit shall be performed by a firm(s) selected by the Authority. Recommendations made in the claims audit shall be

addressed by the third party administrator and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.

5. The Authority shall be responsible for obtaining an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) annually.
6. The Member shall have an effective risk management program in accordance with the "Risk Management Guidelines" as stated in the Operating and Guidelines Manual.

VIII. SANCTIONS

- A. The Authority shall provide the Member written notification of the Member's failure to meet any of the above-mentioned standards or of other concerns, which affect or could affect the Authority.
- B. The Member shall provide a written response outlining a program for corrective action within sixty (60) days of receipt of the Authority's notification.
- C. After approval by the Executive or applicable Program Committee of the Member's corrective program, the Member shall implement the approved program within ninety (90) days. The Member may request an additional sixty (60) days from the Executive or applicable Program Committee. Further requests for extensions shall be referred to the Board of Directors.
- D. Failure to comply with subsections B or C may result in cancellation of the Member from the affected Authority Program in accordance with the provisions in the Joint Powers Agreement.
- E. Notwithstanding any other provision herein, any Member may be canceled pursuant to the provision of the Joint Powers Agreement.

ADDENDUM TO EXHIBIT B



Adopted: December 6, 1985
Amended: March 4, 1988
Amended: October 7, 1988
Amended: October 6, 1995
Amended: October 1, 1999
Amended: June 6, 2003
Amended: March 2, 2007
Amended: July 1, 2009

ADDENDUM A WORKERS' COMPENSATION CLAIMS ADMINISTRATION GUIDELINES

The following Guidelines have been adopted by the CSAC Excess Insurance Authority (hereinafter The Authority or the EIA) in accordance with Article 18(b) of the CSAC Excess Insurance Authority Joint Powers Agreement. It is the intent of these Guidelines to comply with all applicable Labor Code and California Code of Regulations Sections. In the event that there exists a conflict between the Guidelines, the Labor Code or the Code of Regulations, the most stringent requirement shall apply.

I. CLAIM HANDLING - ADMINISTRATIVE

A. Case Load

1. On or after July 1, 2007, the claims examiner assigned to the Member shall handle a targeted caseload of 150 but not to exceed 175 indemnity claims. This caseload shall include future medical cases with every 2 future medical cases counted as 1 indemnity case.
2. Supervisory personnel should not handle a caseload, although they may handle specific issues.

B. Case Review and Documentation

1. Documentation should reflect any significant developments in the file and include a plan of action. The examiner should review the file at intervals not to exceed 45 calendar days. Future medical files should be reviewed at intervals not to exceed 90 calendar days. The supervisor shall monitor activity on indemnity files at intervals not to exceed 120 calendar days. Future medical files shall be reviewed by the supervisor at intervals not to exceed 180 calendar days. An accomplishment level of 95% shall be considered acceptable.

2. File contents shall comply with Code of Regulations Sections 10101, 10101.1 and 15400, and be kept in a neat and orderly fashion. An accomplishment level of 95% shall be considered acceptable.
3. All medical-only cases shall be reviewed for potential closure or transfer to an indemnity examiner within 90 calendar days following claim file creation. An accomplishment level of 95% shall be considered acceptable.

C. Communication

1. Telephone Inquiries

Return calls shall be made within 1 working day of the original telephone inquiry. All documentation shall reflect these efforts. An accomplishment level of 95% shall be considered acceptable.

2. Incoming Correspondence

All correspondence received shall be clearly stamped with the date of receipt. An accomplishment level of 95% shall be considered acceptable.

3. Return Correspondence

All correspondence requiring a written response shall have such response completed and transmitted within 5 working days of receipt. An accomplishment level of 95% shall be considered acceptable.

D. Fiscal Handling

1. Fiscal handling for indemnity benefits on active cases shall be balanced with appropriate file documentation on a semi-annual basis to verify that statutory benefits are paid appropriately. Balancing is defined as, "an accounting of the periods and amounts due in comparison with what was actually paid". An accomplishment level of 95% shall be considered acceptable.
2. In cases of multiple losses with the same person, payments shall be made on the appropriate claim file.

II. CLAIM CREATION

A. Three Point Contact

Three point contact shall be conducted with the injured worker, employer representative and treating physician within 3 working days of receipt of the claim by the third party administrator or self administered entity. If a nurse case manager is assigned to the claim, initial physician contact may be conducted by either the claims examiner or the nurse case manager. In the event a party is non-responsive, there should be evidence of at least three documented attempts to reach the individual. Medical-only claims shall have this three point contact requirement as well. An accomplishment level of 95% shall be considered acceptable.

B. Compensability

1. The initial compensability determination (accept claim, deny claim or delay acceptance pending the results of additional investigation) and the reasons for such a determination shall be made and documented in the file within 14 calendar days of the filing of the claim with the employer. In the event the claim is not received by the third party administrator or self administered entity within 14 calendar days of the filing of the claim with the employer, the third party administrator or self administered entity shall make the initial compensability determination within 7 calendar days of receipt of the claim. An accomplishment level of 100% shall be considered acceptable.
2. Delay of benefit letters shall be mailed in compliance with the Division of Workers' Compensation (DWC) guidelines. In the event the employer does not provide notice of lost time to the third party administrator or self administered entity timely to comply with DWC guidelines, the third party administrator or self administered entity shall mail the benefit letters within 7 calendar days of notification. An accomplishment level of 100% shall be considered acceptable.
3. The final compensability determination shall be made by the claims examiner or supervisor within 90 calendar days of employer receipt of the claim form. An accomplishment level of 100% shall be considered acceptable.

C. Reserves

1. Using the information available at claim file set up, an initial reserve shall be established at the most probable case value. An accomplishment level of 95% shall be considered acceptable.
2. The initial reserve shall be electronically posted to the claim within 14 calendar days of receipt of the claim. An accomplishment level of 95% shall be considered acceptable.

III. CLAIM HANDLING – TECHNICAL

A. Payments

1. Initial Temporary and Permanent Disability Indemnity Payment
 - a. The initial indemnity payment shall be issued to the injured worker within 14 calendar days of knowledge of the injury and disability. In the event the third party administrator or self administered entity is not notified of the injury and disability within 14 calendar days of the employer's knowledge, the third party administrator or self administered entity shall make payment within 7 calendar days of notification. Initial permanent disability payments shall be issued within 14 calendar days after the date of last payment of temporary disability. This shall not apply with salary continuation. An accomplishment level of 100% shall be considered acceptable.
 - b. The properly completed DWC Benefit Notice shall be mailed to the employee within 14 calendar days of the first day of disability. In the event the third party administrator or self administered entity is not notified of the first day of disability until after 14 calendar days, the DWC Benefit Notice shall be mailed within 7 calendar days of notification. An accomplishment level of 100% shall be considered acceptable.
 - c. Self imposed penalty shall be paid on late payments in accordance with Section III. A. 7 of this document. An accomplishment level of 100% shall be considered acceptable.
 - d. Overpayments shall be identified and reimbursed timely where appropriate. The third party administrator or self administered entity shall request reimbursement of overpaid

funds from the party that received the funds. If necessary, a credit shall be sought as part of any resolution of the claim. An accomplishment level of 95% shall be considered acceptable.

2. Subsequent Temporary and Permanent Disability Payments
 - a. Eligibility for indemnity payments subsequent to the first payment shall be verified, except for established long-term disability. An accomplishment level of 100% shall be considered acceptable.
 - b. Self imposed penalty shall be paid on late payments in accordance with Section III.A.7 of this document. An accomplishment level of 100% shall be considered acceptable.
3. Final Temporary and Permanent Disability Payments
 - a. All final indemnity payments shall be issued timely and the appropriate DWC benefit notices sent. An accomplishment level of 100% shall be considered acceptable.
 - b. Self imposed penalty shall be paid on late payments in accordance with Section III.A.7 of this document. An accomplishment level of 100% shall be considered acceptable.
4. Award Payments
 - a. Payments on undisputed Awards, Commutations, or Compromise and Releases shall be issued within 10 calendar days following receipt of the appropriate document. An accomplishment level of 95% shall be considered acceptable.
 - b. For all excess reportable claims, copies of all Awards shall be provided to the Authority at time of payment. An accomplishment level of 95% shall be considered acceptable.
5. Medical Payments
 - a. Medical treatment billings (physician, pharmacy, hospital, physiotherapist, etc.) shall be reviewed for correctness,

approved for payment and paid within 60 working days of receipt. An accomplishment level of 100% shall be considered acceptable.

- b. The medical provider must be notified in writing within 30 working days of receipt of an itemized bill if a medical bill is contested, denied or incomplete. An accomplishment level of 100% shall be considered acceptable.
- c. A bill review process should be utilized whenever possible. There should be participation in a PPO and/or MPN whenever possible.

6. Injured Worker Reimbursement Expense

- a. Reimbursements to injured workers shall be issued within 15 working days of the receipt of the claim for reimbursement. An accomplishment level of 95% shall be considered acceptable.
- b. Advance travel expense payments shall be issued to the injured worker 10 working days prior to the anticipated date of travel. An accomplishment level of 95% shall be considered acceptable.

7. Penalties

- a. Penalties shall be coded so as to be identified as a penalty payment. An accomplishment level of 100% shall be considered acceptable
- b. If the Member utilizes a third party administrator, the Member shall be advised of the assessment of any penalty for delayed payment and the reason thereof, and the administrator's plans for payment of such penalty, on a monthly basis. An accomplishment level of 95% shall be considered acceptable.
- c. If the Member utilizes a third party administrator, the Member, in their contract with the administrator, shall specify who is responsible for specific penalties.

B. Medical Treatment

1. Each Member shall have in place a Utilization Review process. An accomplishment level of 100% shall be considered acceptable.
2. Disputes regarding spine surgery shall be resolved using the process set forth in Labor Code Section 4062(b). An accomplishment level of 100% shall be considered acceptable.
3. Nurse case managers shall be utilized where appropriate. An accomplishment level of 95% shall be considered acceptable.
4. If enrolled in a Medical Provider Network, the network shall be utilized whenever appropriate.

C. Apportionment

1. Investigation into the existence of apportionment shall be documented. An accomplishment level of 100% shall be considered acceptable.
2. If potential apportionment is identified, all efforts to reduce exposure shall be pursued. An accomplishment level of 100% shall be considered acceptable.

D. Disability Management

1. The third party administrator or self administered entity shall work proactively to obtain work restrictions and/or a release to full duty on all cases. The TPA or self-administered entity shall notify a designated Member representative immediately upon receipt of temporary work restrictions or a release to full duty, and work closely with the Member to establish a return to work as soon as possible. An accomplishment level of 95% shall be considered acceptable.
2. The third party administrator or self administered entity shall notify a designated Member representative immediately upon receipt of an employee's permanent work restrictions so that the Member can determine the availability of alternative, modified or regular work. An accomplishment level of 100% shall be considered acceptable.
3. If there is no response within 20 calendar days, the third party administrator or self administered entity shall follow up with the

designated Member representative. An accomplishment level of 100% shall be considered acceptable.

4. Members shall have in place a process for complying with laws preventing disability discrimination, including Government Code Section 12926.1 which requires an interactive process with the injured worker when addressing a return to work with permanent work restrictions.
5. Third party administrators or self administered claims professional shall cooperate with members to the fullest extent, in providing medical and other information the member deems necessary for the member to meet its obligations under federal and state disability laws.

E. Vocational Rehabilitation/Supplemental Job Displacement Benefits

1. Vocational Rehabilitation – Dates of injury prior to 1/1/04: Benefits pursuant to Labor Code Section 139.5 shall be timely provided. An accomplishment level of 100% shall be considered acceptable.
2. Supplemental Job Displacement Benefits – Dates of injury 1/1/04 and after: Benefits pursuant to Labor Code Section 4658.5 shall be timely provided. An accomplishment level of 100% shall be considered acceptable.
3. The third party administrator or self administered entity shall secure the prompt conclusion of vocational rehabilitation/SJDB and settle where appropriate. An accomplishment level of 95% shall be considered acceptable.

F. Reserving

1. Reserves shall be reviewed at regular diary and at time of any significant event, e.g., surgery, P&S/MMI, return to work, etc., and adjusted accordingly. This review shall be documented in the file regardless of whether a reserve change was made. An accomplishment level of 95% shall be considered acceptable.
2. Indemnity reserves shall reflect actual temporary disability indemnity exposure with 4850 differential listed separately. An accomplishment level of 100% shall be considered acceptable.

3. Permanent disability indemnity exposure shall include life pension reserve if appropriate. An accomplishment level of 100% shall be considered acceptable.
4. Future medical claims shall be reserved in compliance with SIP regulation 15300 allowing adjustment for reductions in the approved medical fee schedule, undisputed utilization review, medically documented non-recurring treatment costs and medically documented reductions in life expectancy. An accomplishment level of 100% shall be considered acceptable.

G. Resolution of Claim

1. Within 10 working days of receiving medical information indicating that a claim can be finalized, the claims examiner shall take appropriate action to finalize the claim. An accomplishment level of 95% shall be considered acceptable.
2. Settlement value shall be documented appropriately utilizing all relevant information. An accomplishment level of 95% shall be considered acceptable.

H. Settlement Authority

1. No agreement shall be authorized involving liability, or potential liability, of the Authority without the advance written consent of the Authority. An accomplishment level of 100% shall be considered acceptable.
2. The third party administrator shall obtain the Member's authorization on all settlements or stipulations in excess of the settlement authority provided in any provision of the individual contract between the Member and the claims administrator. An accomplishment level of 100% shall be considered acceptable.

IV. LITIGATED CASES

The third party administrator or self administered entity shall establish written guidelines for the handling of litigated cases. The guidelines should, at a minimum, include the points below, which may be adopted and incorporated by reference as "the guidelines".

A. Defense of Litigated Claims

1. The third party administrator or self administered entity shall promptly initiate investigation of issues identified as material to potential litigation. The Member shall be alerted to the need for in-house investigation, or the need for a contract investigator who is acceptable to the Member. The Member shall be kept informed on the scope and results of investigations. An accomplishment level of 95% shall be considered acceptable.
2. The third party administrator or self administered entity shall, in consultation with the Member, assign defense counsel from a list approved by the Member. (Note: If a Member is a County, to comply with Government Code Section 25203, the Member's list should be approved by a two-thirds vote of the governing board.) An accomplishment level of 95% shall be considered acceptable.
3. Settlement proposals directed to the Member shall be forwarded by the third party administrator, self administered entity or defense counsel in a concise and clear written form with a reasoned recommendation. Settlement proposals shall be presented to the Member as directed so as to insure receipt in sufficient time to process the proposal. An accomplishment level of 95% shall be considered acceptable.
4. Knowledgeable Member personnel shall be involved in the preparation for medical examinations and trial, when appropriate or deemed necessary by the Member so that all material evidence and witnesses are utilized to obtain a favorable result for the defense. An accomplishment level of 95% shall be considered acceptable.
5. The third party administrator or self administered entity shall comply with any reporting requirement of the Member. An accomplishment level of 95% shall be considered acceptable.

B. Subrogation

1. In all cases where a third party (other than a Member employee or agent) is responsible for the injury to the employee, attempts to obtain information regarding the identity of the responsible party shall be made within 14 calendar days of recognition of subrogation potential. Once identified, the third party shall be contacted within 14 calendar days with notification of the Member's right to subrogation and the recovery of certain claim expenses. If the third party is a governmental entity, a claim shall be filed with the governing board

(or State Board of Control as to State entities) within 6 months of the injury or notice of the injury. An accomplishment level of 95% shall be considered acceptable.

2. Periodic contact shall be made with the responsible party and/or insurer to provide notification of the amount of the estimated recovery to which the Member shall be entitled. An accomplishment level of 95% shall be considered acceptable.
3. The file shall be monitored to determine the need to file a complaint in civil court in order to preserve the statute of limitations. An accomplishment level of 95% shall be considered acceptable.
4. If the injured worker brings a civil action against the party responsible for the injury, the claims administrator shall consult with the Member about the value of the subrogation claim and other considerations. Upon Member authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action. An accomplishment level of 95% shall be considered acceptable.
5. Whenever practical, the claims administrator shall aggressively pursue recovery in any subrogation claim. They should attempt to maximize the recovery for benefits paid, and assert a credit against the injured worker's net recovery for future benefit payments. An accomplishment level of 95% shall be considered acceptable.

V. EXCESS COVERAGE

- A. Claims meeting the definition of reportable excess workers' compensation claims as defined by the Memorandum of Coverage Conditions Section shall be reported to the Authority within 5 working days of the day on which it is known the criterion is met. Utilize the Excess Workers' Compensation First Report Form available through the EIA website. An accomplishment level of 100% shall be considered acceptable.
- B. Subsequent reports shall be transmitted to the Authority on a quarterly basis on indemnity claims and on a semi-annual basis on future medical claims sooner if claim activity warrants, or at such other intervals as requested by the Authority, in accordance with Underwriting and Claims Administration Standards. Utilize the Excess Workers' Compensation Status Report Form available through the EIA website, or a comparable form to be approved by the Authority. An accomplishment level of 95% shall be considered acceptable.

- C. Reimbursement requests should be submitted in accordance with the Authority's reporting and reimbursement procedures on a quarterly or semi-annual basis depending on claims payment activity. Utilize the Excess Workers' Compensation Claim Reporting and Reimbursement Procedures available through the EIA website. An accomplishment level of 95% shall be considered acceptable.

- D. A closing report with a copy of any settlement documents not previously sent shall be sent to the Authority. An accomplishment level of 95% shall be considered acceptable.

ATTACHMENT 5

Resolution Delegating Authority to the City Manager or City Manager's Designee to Act on Behalf of the City in CSAC-EIA Matters

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
DELEGATING AUTHORITY TO CITY MANAGER OR
CITY MANAGER'S DESIGNEE TO ACT ON BEHALF OF
THE CITY OF SOUTH PASADENA IN CALIFORNIA STATE
ASSOCIATION OF COUNTIES EXCESS INSURANCE
AUTHORITY (CSAC-EIA) MATTERS**

WHEREAS, the California State Association of Counties Excess Insurance Authority (Authority) has determined that it is necessary for each member of the Authority to delegate to the City Manager or City Manager's Designee authority to act on the member's behalf in matters relating to the member and the Authority; and

WHEREAS, except as to those actions that must be approved by the City Council, such delegation of authority is necessary in order to carry out the purposes and functions of the Authority with its members; and

WHEREAS, in order to ensure the City Manager or City Manager's Designee is delegated with authority to act on the member's behalf in matters relating to the member and the Authority, action by the member's governing body is necessary.

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

SECTION 1. Except as to actions that must be approved by the City Council, the City Manager or City Manager's Designee is hereby appointed to act in all matters relating to the member and the Authority.

SECTION 2. The City Clerk of the City of South Pasadena shall certify to the passage and adoption of this resolution and its approval by the City Council and shall cause the same to be listed in the records of the City.

PASSED, APPROVED AND ADOPTED ON this 7th day of May, 2014.

Marina Khubesrian, M.D., Mayor

ATTEST:

APPROVED AS TO FORM:

Evelyn G. Zneimer, City Clerk
(seal)

Richard L. Adams II, City Attorney

I HEREBY CERTIFY the foregoing resolution was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 7th day of May, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Evelyn G. Zneimer, City Clerk
(seal)

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City of South Pasadena/ Redevelopment Successor Agency/ Public Financing Authority Agenda Report

*Marina Khubesrian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member*

*Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer*

COUNCIL AGENDA: May 7, 2014
TO: Honorable Mayor and City Council
VIA: Sergio Gonzalez, City Manager 
FROM: Hilary Straus, Assistant City Manager 
SUBJECT: **Resolution Establishing a Council Policy Regarding Liability
Claims Handling and Settlement Authority**

Recommendation

It is recommended that the City Council adopt the attached resolution establishing a Council Policy concerning liability claims handling and settlement authority.

Fiscal Impact

There is no Fiscal Impact. The attached resolution outlines the authority given to the Third Party Administrator and City Staff and the authority retained by the City Council to settle claims.

Finance Committee Review and Recommendation

The Finance Committee recommends the accompanying Claims Settlement Policy, which includes the threshold dollar amounts/levels of authority to settle general liability claims.

Background

Through the proposed transition from the City's current risk management pool, the California Joint Powers Insurance Authority (CJPIA), to the California State Association of Counties Excess Insurance Authority (CSAC-EIA), the City would establish a Self-Insured Retention (SIR) of \$100,000 for its general liability program. The proposed settlement authority policy, accompanying this Council report, outlines the settlement authority that would be delegated to the City's General Liability Third Party Administrator (TPA) and City Staff and the authority retained by City Council.

Analysis

When an agency maintains a self-insured retention program, as is proposed for the City's general liability program moving forward, it is common for the governing policy body to delegate the administration of claims to staff and/or a third party claims administrator and establish threshold dollar amounts for approval of claims through a claims settlement policy.

It is the recommendation of the Finance Committee that the threshold dollar amounts that would involve/not involve the City Council in the settlement of claims mirror the Council-authorized

Resolution Establishing Settlement Authority for General Liability Claims

May 7, 2014

Page 2 of 2

City Manager expenditure authority threshold amount of \$25,000 (i.e., claims over \$25,000 would be approved/rejected by the City Council). It was further discussed that the threshold dollar amounts can be revisited should the Council determine that adjustments to the policy are needed in the future.

Legal Review

The City Attorney has reviewed this item and also recommends the proposed policy.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.

Attachment: Resolution Establishing a Council Policy on Liability Claims Handling and Settlement Authority

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
ESTABLISHING A COUNCIL POLICY REGARDING LIABILITY
CLAIMS HANDLING AND SETTLEMENT AUTHORITY**

WHEREAS, City of South Pasadena (City) is joining the California State Association of Counties Excess Insurance Authority (CSAC-EIA) for general liability insurance coverage; and

WHEREAS, the City intends to participate in CSAC-EIA's general liability program that includes a \$100,000 self-insured retention per occurrence; and

WHEREAS, with a self-insured retention, it is customary for the governing board to delegate settlement authority of claims to a contract third party claims administrator and/or agency staff; and

WHEREAS, as part of a settlement authority policy, such as the policy that is included in this resolution, threshold dollar amounts for settlement authority are identified by the governing board;

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

SECTION 1. A Council Policy establishing a Liability Claims Handling and Settlement Authority, Exhibit A to this resolution, is adopted.

SECTION 2. The City Clerk of the City of South Pasadena shall certify to the passage and adoption of this resolution and its approval by the City Council and shall cause the same to be listed in the records of the City.

PASSED, APPROVED AND ADOPTED ON this 7th day of May, 2014.

Marina Khubesrian, M.D., Mayor

ATTEST:

APPROVED AS TO FORM:

Evelyn G. Zneimer, City Clerk
(seal)

Richard L. Adams II, City Attorney

I HEREBY CERTIFY the foregoing resolution was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 7th day of May, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Evelyn G. Zneimer, City Clerk
(seal)

SOUTH PASADENA COUNCIL POLICY

SUBJECT: LIABILITY CLAIMS HANDLING AND SETTLEMENT AUTHORITY

Policy Statement:

All claims shall be submitted to the Claims Administrator (generally, a contract third party claims administrator selected by the City) in accordance with the provisions of (the) Claims Administration Agreement(s).

Claims will be reported, handled and settled in accordance with policies of the California State Association of Counties Excess Insurance Authority (CSAC-EIA).

The City of South Pasadena shall have the opportunity to participate in the final general liability claim settlement process as provided for by this Council Policy. The amount and actual settlement of a claim is the responsibility of the Claims Administrator, City staff or City Council as determined by this Council Policy. It shall be the policy of the City of South Pasadena to meet as necessary with its Claims Administrator staff or insurance pool officials to review all open reported claims.

It is the duty of the Claims Administrator to resolve claims as outlined in the procedure below.

Procedure:

1. General Liability claims will be reviewed monthly or more often as needed between City staff and the City's Third Party Claims Administrator.
2. A report of Large Claims will be made to the City Council as required.
3. The Third Party Claims Administrator will be responsible for all excess reporting.
4. The Claims Administrator will provide loss runs to The City, Alliant Insurance Services and the City's insurance pool, the California State Association of Counties Excess Insurance Authority (CSAC-EIA) as requested.
5. Claims Settlement Authority:
Various levels of settlement authority is hereby established by the City Council. These levels are as follows:

\$0 to \$2,500 – Third Party Claims Administrator's Authority

The Third Party Claims Administrator will have authority to settle claims up to, and including \$2,500 per occurrence.

\$2,501 to \$25,000 (Medium Claims) – City Manager's Authority

The City Manager or City Manager's Designee will have authority to authorize claims settlement up to \$25,000 per occurrence.

\$25,001 to \$100,000 (Large Claims) – City Council's Authority

The South Pasadena City Council will have authority to authorize claims settlement between \$25,000 per occurrence and \$100,000 per occurrence. The Third Party Claims Administrator will make payments to the claimant on behalf of the City as authorized by the City Council. In the event of the need for an urgent claims payment, the City Manager may authorize settlement to be later ratified by City Council.

Excess of \$100,000 – **Excess Carrier Involvement**

Claims settlement recommendations in excess of the City's Self Insured Retention shall be presented to the City and approved by City Council prior to final settlement. The excess carrier will be involved in accordance with the carrier's policy reporting and settlement requirements.

6. The Third Party Liability Claims Administrator shall have the responsibility and authority to issue checks/payment from the City's trust account.

City of South Pasadena/ Redevelopment Successor Agency/ Public Financing Authority Agenda Report

Marina Khubesrian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member

Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer

COUNCIL AGENDA: May 7, 2014
TO: Honorable Mayor and City Council
VIA: Sergio Gonzalez, City Manager *SG*
FROM: Hilary Straus, Assistant City Manager *HS*
SUBJECT: **Approval of agreement with Carl Warren and Company for Liability Claims Administration**

Recommendation

It is recommended that the City Council:

1. Approve an agreement, in substantially the form as attached, with Carl Warren and Company to provide Third Party Administration (TPA) of the City's liability claims as part of the City's move to the California State Association of Counties Excess Insurance Authority (CSAC-EIA) for insurance coverage; and
2. Authorize the City Manager to execute the aforementioned agreement on behalf of the City.

Fiscal Impact

Carl Warren and Company has proposed a rate of \$90 per hour with a not-too-exceed annual amount of \$48,000 regardless of the number and complexity of liability claims. Based on a 10 year review of the claims and expected adjusting costs, Alliant, the City's insurance broker, anticipates this cost to be less than \$30,000 annually, which is included in the fiscal impact implications of joining CSAC-EIA.

Commission Review and Recommendation

On April 21, 2014, staff recommended to the Finance Committee that, based upon interviews of three liability TPAs, the City should remain with Carl Warren and Company for the administration of liability claims should the City move to CSAC-EIA. The Finance Committee voiced no objection to that recommendation.

Background

The City is currently a member of the California Joint Powers Insurance Authority (CJPIA). CJPIA contracts with Carl Warren and Company to provide liability TPA services.

In anticipation of a possible move to CSAC-EIA and in anticipation of participating in CSAC-EIA's self-insured liability program whereby the City would need to contract directly with its liability TPA, on August 20, 2013, City staff and Alliant staff interviewed three candidate

liability TPA firms: Carl Warren and Company, George Hills and York. The staff/Alliant interview team felt that Carl Warren and Company would continue to best meet the needs of the City in the administration of liability claims moving forward.

Carl Warren and Company is one of the leading municipal TPAs, providing service to many California public agencies. It is also one of three approved TPA options within CSAC-EIA's Primary General Liability Program.

Analysis

As a member of CJPIA's first dollar coverage liability program, CJPIA contracts with Carl Warren and Company to provide Liability TPA services to the City and all other members of CJPIA.

If the City decides to move to CSAC-EIA with a \$100,000 liability retention per occurrence, the City will contract directly with its liability TPA. After interviewing three candidate liability TPA firms, it is recommended that the City remain with Carl Warren and Company.

Legal Review

The City Attorney has reviewed this item. The agreement was prepared using the latest version of the professional services agreement template prepared by the City Attorney's office. The final version of the agreement, with exhibits, was reviewed by the City Attorney's office and found to be in proper form.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.

Attachment: Professional Services Contract with Carl Warren and Company

CITY OF SOUTH PASADENA
PROFESSIONAL SERVICES AGREEMENT
WITH
CARL WARREN & COMPANY

THIS AGREEMENT ("Agreement") is made and entered into this 7th day of May, 2014 by and between the CITY OF SOUTH PASADENA, a municipal corporation ("City") and CARL WARREN & COMPANY ("Consultant").

WITNESSETH:

A. WHEREAS, the City joining the California State Association of Counties Excess Insurance Authority (CSAC-EIA) for insurance, and by participating in CSAC-EIA's self-insured retention liability program, the City will need to contract directly with a third party administrator for the management of the City's liability claims; and

B. WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to manage the City's liability claims, as more fully described herein; and

C. WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code, Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

D. WHEREAS, City and Consultant desire to contract for the specific services described in Exhibit "A" ("Scope of Services") and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

E. WHEREAS, no official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in the "Scope of Services" attached hereto and incorporated into this Agreement as Exhibit "A."

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances

in accordance with sound professional practices. It is understood that in the exercise of every aspect of its role, within the scope of work, consultant will be representing the City, and all of its actions, communications, or other work, during its employment, under this Agreement is under the direction of the City. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement.

1.3 Familiarity with Work. By execution of this Agreement, Consultant warrants that:

(1) It has thoroughly investigated and considered the work to be performed, based on all available information; and

(2) It carefully considered how the work should be performed; and

(3) It fully understands the difficulties and restrictions attending the performance of the work under this Agreement; and

(4) It has the professional and technical competency to perform the work and the production capacity to complete the work in a timely manner with respect to the scope of services.

1.4. Performance to Satisfaction of City. Consultant agrees to perform all the work to the complete satisfaction of the City and within the hereinafter specified. Consultant agrees that the services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily provided by an experienced and competent professional organization rendering the same or similar services. Evaluations of the work will be done by the City Manager or his designee. If the quality of work is not satisfactory, City in its discretion has the right to:

(a) Meet with Consultant to review the quality of the work and resolve the matters of concern;

(b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or

(c) Terminate the Agreement as hereinafter set forth.

1.5. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments,

suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.6. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code. Consultant will take affirmative action to ensure that that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation.

1.7. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

1.9. Key Personnel. It is the intent of both parties to this Agreement that Consultant shall make available the professional services of Chris Hunt, Client Relationship Manager, who shall coordinate directly with City. Any substitution of key personnel must be approved in advance by City's Representative and the Agreement shall be amended to reflect the changes.

2.0. COMPENSATION AND BILLING

2.1. Compensation. For performing and completing services Pursuant to Exhibit "A" Scope of Services, Consultant shall be compensated by City for its services as provided below.

City will pay the following to the Contractor for services performed:

Professional Fees:

Services will be provided on a time and materials basis subject to the cost information provided in Exhibit A to this Agreement. As provided in Exhibit A, Consultant's billable hourly rate shall be \$90 per hour.

Reimbursable Expenses: Reimbursable expenses shall be limited to actual expenditures of Consultant for expenses that are necessary for the proper completion of the services and shall only be payable if specifically authorized in advance by City.

2.2 Maximum Amount. As provided in Exhibit A, the maximum amount payable on an annual basis under the terms of this Agreement, including expenses, shall not exceed \$48,000. Consultant shall promptly notify the City Representative, in writing, when fees and expenses incurred under this Agreement have reached \$38,400 (80% of maximum amount allowable). Consultant shall concurrently inform the City Representative of Consultant's estimate of total expenditures required to complete its current assignments before proceeding, when the remaining work would exceed the maximum amount payable.

2.3. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal unless the City approves such additional services in writing prior to Consultant performing the additional services. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation are barred and are unenforceable.

2.4 Method of Billing. Within 10 calendar days following the end of the preceding month in which services are performed or expenses are incurred under this Agreement, Consultant shall submit an invoice to the City. Said invoice shall be based on the total of all Consultants' services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

Consultant shall submit invoices to the City at the following address:

Assistant City Manager
City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030

The invoice submitted pursuant to this paragraph shall show the:

- 1) Project name/description;
- 2) Name and hours worked by each person who performed services during the billing period;
- 3) The title/classification under which they were billed;

- 4) The hourly rate of pay;
- 5) Actual out-of-pocket expenses incurred in the performance of services; and,
- 6) Other such information as the City may reasonably require.

2.5. Records and Audits. Consultant shall maintain full and accurate records with respect to all services and matters covered under this Agreement. City shall have free access at all reasonable times to such records, and the right to examine and audit the same and to make transcripts therefrom, and to inspect all program data, documents, proceedings and activities. Consultant shall maintain an up to date list of key personnel and telephone numbers for emergency contact after normal business hours. Records of Consultant's services relating to this Agreement and funds received from City shall be maintained in accordance with generally recognized accounting principles and shall be made available to City for inspection and/or audit at mutually convenient times for a period of five (5) years from the date of performance of said services.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. Time is of the essence in the performance of services under this Agreement. The professional services to be performed pursuant to this Agreement shall commence on an agreed upon date by the City and Consultant after the execution of the agreement. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement. All services required by Consultant under this Agreement shall be completed on or before the end of the term of the Agreement.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall be effective on May 8, 2014 ("Effective Date") and shall remain in effect for five (5) years, unless earlier terminated as provided in Section 4.2 herein.

4.2. Notice of Termination. Notwithstanding the provision in paragraph 4.1 above, the City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, in its sole discretion, with thirty (30) days written notice to Consultant.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City's written notice of termination unless the termination is for cause, in which event Consultant need be compensated only to the extent required by law. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. Such payment will be subject to City's receipt of a close-out billing. In

ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, and to other documents pertaining to the services contemplated.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1 Consultant shall procure and maintain at all times during the term of this Agreement insurance as set forth in Exhibit "B" attached hereto. Proof of insurance shall consist of a Certificate of Insurance provided on IOS-CGL form No. CG 00 01 11 85 or 88 executed by Consultant's insurer and in a form approved by the City Attorney.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement, together with Exhibits "A" and "B" supersede any and all other agreements, either oral or in writing, between the parties with respect to the subject matter herein. This Agreement constitutes the entire Agreement between the parties with respect to any matter referenced herein. This Agreement may not be modified, nor may any of the terms, provisions or conditions be modified or waived or otherwise affected, except by a written amendment signed by all parties. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement. Each party to this Agreement acknowledges that no representation by any party, which is not embodied herein, nor any other agreement; statement or promise not contained in this Agreement shall be valid and binding.

6.2. Representatives. For the purposes of this Agreement, the City shall be represented by the City Manager ("City Representative"), or such other person designated in writing by the City Manager. For the purposes of this Agreement, Consultant shall be represented by Chris Hunt, Client Relationship Manager, or such other person designated in writing by the Consultant and accepted by the City Representative. Consultant shall perform the Work described herein under the direction of the City Representative, who will approve the work plan specified herein, if required, prior to Consultant commencing the Work.

The City Representative shall have the authority and responsibility to perform the following tasks:

- (a) Provide interpretation of the scope and specifications for the work to be performed;

- (b) Monitor performance of the Work to ensure compliance with the Agreement;
- (c) Inspect performance against the Scope of Services, and report compliance and/or deficiencies;
- (d) Obtain and review Monthly Statements;
- (e) Suspend work in accordance with other provisions of this Agreement;
- (f) Issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement; and
- (g) Work directly with the Consultant in the performance of this Agreement.

Consultant's Representative shall be its agent in all consultations with City during the term of this Agreement. Consultant's Representative shall attend and assist in all coordination meetings called by City.

6.3. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 72 hours after deposit in the U.S. mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

Consultant shall notify City of changes in its address. The failure to do so, if such failure prevents City from locating Consultant, shall be deemed a waiver by Consultant of the right subsequently to enforce those provisions of this Agreement that require consultation or approval of Consultant. Notwithstanding this provision, City shall make every reasonable effort to locate Consultant when matters arise relating to Consultant's rights.

All communications in connection with this Agreement, sent through the U. S. Mail, must be addressed as follows:

IF TO CONSULTANT:

Chris Hunt
 Carl Warren & Company
 PO Box 116
 Glendale, CA 91209-0116

IF TO CITY:

City Manager
 City of South Pasadena
 1414 Mission Street
 South Pasadena, CA 91030

6.4. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by

the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.5. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Los Angeles County, California. In the event of litigation in a U.S. District Court, exclusive venue shall lie in the Central District of California.

6.6. Assignment. This Agreement covers professional services of a specific and unique nature. Except as otherwise provided herein, Consultant shall not voluntarily or by operation of law assign, transfer, sublet, or encumber all or any part of its interest in this Agreement or subcontract any services to be performed without amending this Agreement and/or receiving the prior written consent of City. Any attempted unauthorized assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement.

6.7. Indemnification and Hold Harmless. Consultant assumes all risk of injury to its employees, agents, and contractors, including loss or damage to property. Consultant agrees to defend, indemnify, hold free and harmless the City, its elected officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents and employees arising out of the performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Consultant, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Consultant, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents and employees based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

6.8. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on

behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its employees are in any manner agents or employees of City. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.9 Benefits. Consultant will not be eligible for any paid benefits for federal, social security, state workers' compensation, unemployment insurance, professional insurance, medical/dental, California Public Employees Retirement System ("PERS") or fringe benefits offered by the City.

6.10. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.11. Cooperation. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

6.12. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.13. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualifies as trade secrets, as that term is defined in the California Government Code Section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.14. Release of Information. Consultant shall not make public information releases or otherwise publish information obtained or produced by it as a result of, or in connection with, the performance of services under this Agreement without the prior written authorization from the City Representative.

6.15. Conflict of Interest. Consultant and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and subconsultants shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subconsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.16. Economic Interest Statement. Consultant hereby acknowledges that pursuant to Government Code Section 87300 and the Conflict of Interest Code adopted by City hereunder, Consultant is designated in said Conflict of Interest Code and is therefore required to file an Economic Interest Statement (Form 700) with the City Clerk, for each employee providing advise under this Agreement, prior to the commencement of work.

6.17. Political Activity/Lobbying Certification. Consultant may not conduct any activity, including any payment to any person, officer, or employee of any governmental agency or body or member of Congress in connection with the awarding of any federal contract, grant, loan, intended to influence legislation, administrative rulemaking or the election of candidates for public office during time compensated under the representation that such activity is being performed as a part of this Agreement.

6.18. Licenses, Permits, and Fees. Consultant shall obtain a City of South Pasadena Business License and any and all other permits and licenses required for the services to be performed under this Agreement.

6.19. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.20. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.21. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.22. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.23. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.24. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.25. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.26. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.27. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.28. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

6.29. Taxpayer Identification Number. Consultant shall provide City with a complete Request for Taxpayer Identification Number and Certification, Form W 9, as issued by the Internal Revenue Service.

6.30. Applicable Laws, Codes, and Regulations. Consultant shall perform all services described in accordance with all applicable laws, codes and regulations required by all authorities having jurisdiction over the Services.

6.31. Change in Name, Ownership or Control. Consultant shall notify the City Representative, in writing, of any change in name, ownership or control of Consultant. Change of ownership or control of Consultant may require an amendment to the Agreement.

6.32. Covenants and Conditions. Each term and each provision of this Agreement to be performed by Consultant shall be construed to be both a covenant and a condition.

6.33. Use of City's Name. Consultant shall not publish or use any advertising, sales promotion, or publicity in matters relating to services, equipment, products, reports, and material furnished by Consultant in which City's name is used, or its identity implied without the City Representative's prior written approval.

6.34. Force Majeure. The respective duties and obligations of the parties hereunder shall be suspended while and so long as performance hereto is prevented or impeded by strikes, disturbances, riots, fire, severe weather, government action, war acts, acts of God, or any other cause similar or dissimilar to the foregoing which are beyond the control of the party from whom the affected performance was due.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

Dated: _____

THE CITY OF SOUTH PASADENA

By: _____
Sergio Gonzalez, City Manager

Dated: _____

CARL WARREN & COMPANY

By: _____
Richard McAbee, AVP

Federal ID No. 95-2917562

APPROVED AS TO FORM:

Richard L. Adams II., City Attorney



CARL WARREN & COMPANY
Claims Management and Solutions

Exhibit A

April 28, 2014

Alliant Insurance Services
100 Pine Street, 11th Floor
San Francisco, CA 94111

Attention: **Conor Boughey, Assistant Vice President**
Regarding: **City of South Pasadena**
Third Party Claims Administration Services

Dear Conor,

On behalf of the employee-owners of Carl Warren & Company, I would like to thank you for the opportunity to be considered as the Third Party Claims Administrator for City of South Pasadena, hereinafter referred to as the "City".

Carl Warren & Company is a California corporation with 12 offices throughout the state. As we celebrate our 70th anniversary and set the course for our continued growth, we reflect on what has gotten us to where we are today; strong customer focus. As an employee-owned company, each of our employees has a vested interest in our success; this is reflected in our work and we pride ourselves on being a results-oriented company.

Scope of Work

Through prompt investigations, documentation, and liability analysis, Carl Warren & Company has a reputation of achieving excellent results for the California public sector. We take pride in maintaining high standards in claims handling. All claims will be handled in accordance with both the City and Carl Warren's Best Practices. The scope of work for the City will include, but is not limited to:

- Claims Reporting
- Investigations
- File Management
- Reserving
- Claim Meetings & Status Reports
- Litigation Management
- Subrogation
- Indexing/MMSEA
- Quality Assurance
- Risk Management Information System
- Reports

Office & Account Manager

We propose that the City's program be administered out of our Glendale office and that Chris Hunt oversee the program. Chris has extensive public entity experience.



701 N. Brand Blvd., Suite 600
Glendale, CA 91203
Tel: 818-247-2206

Our Technology

Through our RMIS system, the City will have significant data analytics capabilities. We offer the City the ability to capture and analyze multiple data points and create and print a multitude of customized, purposeful, accurate and timely reports. Additionally, we have an in-house IT Department dedicated to application development and infrastructure and are available for any additional training for the City.

Quality Control

Carl Warren & Company's Quality Assurance Group (QA) completes a number of focus and data quality audits throughout the year. In addition, we encourage our clients to take an active approach in determining benchmarks for success. Understanding our client's expectations is one of the most critical fundamental tasks of our management team. As such, in initial and ongoing meetings with the City, we would expect to identify and refine the measurement tools that will be used to benchmark the ongoing success of the program and to help identify areas in need of improvement.

Our Fees

Carl Warren & Company's fees are always flexible and competitive – we believe this reflects our commitment to deliver strong, unparalleled service. We propose the following pricing model for the City:

TIME & EXPENSE PRICING	
SERVICE	COST
Service	\$90/hour
Annual Service Charges Not to Exceed	\$48,000
Mileage	IRS Rate
Incident Only Reporting*	\$50 per report
Index (per submission)**	\$18 each
MMSEA ***	\$4.85 each
Miscellaneous/Allocated Expenses****	At Cost
Photographs	\$1.00 each
Risk Management Information System (RMIS)	\$4,000 annually (access for up to 3 users)
Additional RMIS Users	\$250 each
Notes:	
* Incident reports not requiring claimant contact or investigation will be reviewed and entered into an incident report log for per incident if the client so requests.	



- ** Index includes Insurance Services Office (ISO) Claims Search and OFAC**
- *** MMSEA is the Medicare set aside filing fee.**
- **** Miscellaneous (i.e. police reports, medical records, etc.)**

We are confident that we can deliver a value-added product, consistent with the City's desire to have a customized claim program which reduces costs and improves communications and efficiency. Please contact me if you require any additional information.

Kind Regards,

Richard McAbee
Assistant Vice President & Director of Business Development
11209 N. Tatum Blvd. #130
Phoenix, Arizona 85028
Tel: 888-858-2807 x101
rmcabee@carlwarren.com

termination of this Agreement. If proof of insurance required under this Agreement is not delivered as required or if such insurance is canceled and not adequately replaced, City shall have the right but not the duty to obtain replacement insurance and to charge the Consultant for any premium due for such coverage. City has the option to deduct any such premium from the sums due to the Consultant.

Insurance is to be placed with insurers authorized and admitted to write insurance in California and with a current A.M. Best's rating of A-:VII or better. Acceptance of insurance from a carrier with a rating lower than A-:VII is subject to approval by City's Risk Manager. Consultant shall immediately advise City of any litigation that may affect these insurance policies.

Nothing in this section shall construed to as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

City of South Pasadena/ Redevelopment Successor Agency/ Public Financing Authority Agenda Report

*Marina Khubesrian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member*

*Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer*

COUNCIL AGENDA: May 7, 2014
TO: Honorable Mayor and City Council
FROM: Sergio Gonzalez, City Manager 
SUBJECT: **Direction Regarding Proposed Budget Expenditures for
Fiscal Year 2014-15**

Recommendation

It is recommended that the City Council provide direction regarding supplemental and personnel requests, street improvement program and reserve levels for Fiscal Year (FY) 2014-15.

Fiscal Impact

City Council actions will have a variety of impacts on the City's annual budget and reserve levels.

Commission Review and Recommendation

Each city Board and Commission provided input at different stages. Including, discussions during commission meetings, through participation in the "Citizens' Summit" held on January 25, 2014, input at the Strategic Planning meeting held by the City Council on February 8, 2014 and the recent budget study session held on April 23, 2014.

Background

On April 23, 2014, the City Council held a study session to go over estimated revenues and expenditures, supplemental and personnel requests and street improvement program. However, prior to bringing back a draft budget for further discussion and direction, the City Council requested staff to return as early as the next scheduled meeting with more information on supplemental requests.

Analysis

General Fund (GF) revenues for FY 2014-15 are estimated at \$24,124,778. This represents an increase of approximately five percent from FY 2013-14 due to realizing larger than expected increases in property tax revenues and a modest anticipated growth in sales tax revenues. GF expenditures for city operations in FY 2014-15 are projected to be \$20,776,590. At the April 23, 2014 budget study session, staff provided City Council with a list of supplemental requests and preliminary budget for the street improvement program. In addition, staff recommended funding for facility improvements, equipment replacement and special projects such as a partial update to the General Plan.

Summary of Funds Available and Recommended Expenditures for Discussion and Direction:

FY 2014-2015 – General Fund Operations

Anticipated Revenues	\$24,124,778	Approximately 5% increase from previous year
General Operations	\$20,776,590	Funding for city operations
Operating Balance	\$3,348,188	Anticipated fund balance
Street Improvements	\$2,000,000	Approximately \$4,384,000 in projects identified by Public Works staff and Public Works Commission
Supplemental Requests	\$855,000	Projects identified through community surveys, input from Commissions, the Citizens’ Summit, the Strategic Planning Meeting, as well as facility and operational needs identified by City Staff
Undesignated Reserves	\$50,000	Council Chambers remodel and space-planning/facility improvements

FY 2014-2015 – Special Funds

<u>Fund Type</u>	<u>Current Balance</u>	<u>Qualifying Projects Identified</u>
Facilities and Equipment	\$611,448	\$308,00
Capital Growth Fee	\$87,111	\$84,100
General Plan Fee	\$164,080	\$163,000
Park Impact Fee	\$151,799	\$55,000
AB 2766 (MSRC)	\$108,000	\$60,000
		\$645,100

FY 2014-2015 – Enterprise Fund Request (Personnel)

The finance department is proposing to eliminate a part-time position currently budgeted at \$28,000 and replace it with a full-time “Management Assistant” that would be cost-neutral to the GF since its salary would be spread across several enterprise funds in addition to GF allocation already budgeted for. The reason for the request is to increase the capacity for the Finance Department to take on more analytical work involving comprehensive reviews of major contracts including but not limited to utilities, trash and communications. In addition, the transition of water billing to an outside vendor (Global Water) has been extremely challenging and has required a lot more time from the Finance Director and Assistant Finance Director. This includes constant communication with residents reporting errors with their water bills and working with Global Water to resolve the errors but more importantly ensuring that they do not occur again. In addition, staff in the finance department assigned to business license division, is also spending more time than originally expected with walk-in customers reporting errors and/or concerns with their water bill.

Direction Regarding Fiscal Year 2014-2015 City Budget
May 7, 2014
Page 3 of 3

Staff is requesting direction on next years' budget with particular emphasis on budget allocations for the street improvement program, facility improvements, personnel requests and reserve levels.

Legal Review

The City Attorney did not review this report.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.

Attachments:

1. List of Supplemental Requests Including Background Information
2. April 23, 2014 Budget Study Session Powerpoint Presentation

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ATTACHMENT 1
List of Supplemental Requests
Including Background Information

Supplemental Requests for FY 2014-15

Department	Capital Projects Requests	Notes / Need	Cost
GENERAL FUND			
Fire	Ground level locker room	Renovation: The Fire Station is approximately 30 years old. There have been no upgrades to the locker rooms / restrooms during this time.	\$ 10,000
Fire	Upstairs restroom update	Renovation: Upgrade countertops, sink and shower fixtures, toilets	15,000
Police	Men/women basement locker room & restroom update	Renovation: mold, sewage spills	30,000
Library	Electrical work	Upgrade old wiring	30,000
Library	Basement exterior water proofing at 2 areas	Waterproofing to check infiltration of rain water	15,000
Library	2nd floor carpeting	Replace old carpeting on second floor	45,000
Library	Repaint library	Paint library building exterior only	35,000
Community Services	Garfield Park - electrical panel for event power	Install a permanent electrical panel for use during events and activities at Garfield Park such as Concerts and Doggie Day	6,000
Community Services	Garfield Park - tennis court lighting	Install energy efficient lighting to the tennis courts. Current lights are well over 20 years old.	25,000
Community Services	Orange Grove - electrical panel for event power	Install a permanent electrical panel for use during events and activities at Orange Grove Park such as the Pumpkin Patch and Relay for Life.	6,000
Community Services	Orange Grove - office kitchen sink and Camp Med sink and counter	The sink in Camp Med is a small bar sink. A larger sink is needed for cleaning dishes and preparing snacks. A new counter top is needed for the larger sink.	8,000
Community Services	Senior Center - replace damaged kitchen cabinets and sink and drain wash out to eliminate constant backups	The cabinets around the kitchen sink have water damage from many back ups. A new drain wash out will eliminate future damage to new cabinets	15,000
Community Services	War Memorial - electrical rewiring	The current wiring of the War Memorial is the original knob and tube electrical. Many light fixtures are still being electrically charged when off and are a safety concern.	60,000
Community Services	Community Garden (\$25k for garden & \$25k for pocket park, with the remaining balance from Park Impact fees)	Build a much needed Community Garden and pocket park that has been spearheaded by our residents.	50,000
Community Services	Dog Park construction	Build a highly requested dog park for the residents	150,000
Public Works	Battery backup for traffic signals *	Battery back up will switch the traffic lights to flashing Red instead of going dark during power outages substantially improving pedestrian and motorist safety	20,000
Public Works	Refurbish cooling tower for City Hall	Replace old pressure vessel which is corroding and major service for the 25 yr old unit	15,000
Public Works	Removal and Replacement Tree Program	To supplement new tree planting and replacement of aged/diseased trees improving quality of life	200,000
Public Works	Sidewalk Repair	Program to address sidewalk repairs eliminating trip hazards improving pedestrian safety & reducing liability claims	120,000
	TOTAL GENERAL FUND OPERATION		\$ 855,000
* Traffic Signal Battery Back-up System installation for 4 intersections: Monterey & Via Del Rey, Fair Oaks Ave & Oak Street, Fremont Ave & Rollin Street, Fremont Ave and Bank Street			
UNDESIGNATED RESERVE			
City Manager	Council chambers update (design)	Design for remodel to remove fixed seats to allow for different configurations in the room; ADA improvements; installation of table in eyebrow of Council dias for staff team presentations & use during study sessions and closed sessions; storage improvements; aesthetic improvements.	\$ 50,000
	TOTAL UNDESIGNATED RESERVE		\$ 50,000

OTHER FUNDS

FACILITIES AND EQUIPMENT REPLACEMENT FUND:			
Community Services	Arroyo Park - create 2 separate shelters with BBQ and benches including demo, concrete, and installation.	Replace and add an additional shelter to replace wood structure that is termite infested and has wood rot. This will bring in additional revenue	\$ 125,000
Community Services	Orange Grove - replace current shelter including demo, installation, and water fountain	Replace the existing wood structure that is termite infested and wood rot. This will bring in additional revenue.	55,000
Police	2 Patrol vehicles	2008 and 2009 Dodge Chargers; over 80,000 miles on each; maintenance expensive	88,000
City Manager	IT Computers replacement	Based upon an assessment of each workstation; replaces 17 workstations and 42 RAM updates. Unplanned purchases/replacements (\$10,000) is also budgeted for issues that arise during the year.	40,000
Total			\$ 308,000
<i>Beginning Fund Balance</i>			<i>611,448</i>
<i>Total Budgeted Expenses</i>			<i>308,000</i>
<i>Available Balance</i>			<i>303,448</i>
CAPITAL GROWTH AND GENERAL FUND DEPOSIT PAYABLE:			
Planning	General Plan Focus Update	Focused update to address deficiency caused by expiration of the General Plan's "horizon year" of 2013. New horizon year and development projections, with EIR.	\$ 84,100
Planning	General Plan Focus Update		163,000
Total			\$ 247,100
<i>Capital Growth Beginning Fund Balance</i>			<i>87,111</i>
<i>Available Balance</i>			<i>3,011</i>
<i>Deposit Payable - Genl. Plan Fees</i>			<i>164,080</i>
<i>Available Balance</i>			<i>1,080</i>
Department	Capital Projects Requests		Cost
PROJECTS WITH NO GENERAL FUND IMPACT:			
Finance	1 Management Assistant for Water billing and special projects (eliminate Professional Intern - no impact to GF)	Assist with complex contracts including utilities, trash and communications.	28,000
Public Works	Parks and tree maintenance supervisor vehicle replacement - CNG truck	1992 GMC Sonoma Pick Up; fuel inefficient	60,000
Community Services	Dog Park Design	Hire an architect to design a dog park	30,000
Total			\$ 118,000
<i>AB2766 Beginning Fund Balance</i>			<i>101,865</i>
<i>FY 2014/15 Revenue</i>			<i>30,000</i>
<i>CNG Truck Expense</i>			<i>60,000</i>
<i>Available Balance</i>			<i>71,865</i>
<i>Park Impact Fees Beginning Fund Balance</i>			<i>146,799</i>
<i>FY 2013/14 Budgeted Expenses</i>			<i>25,000</i>
<i>Dog Park Design Expense</i>			<i>30,000</i>
<i>Available Balance</i>			<i>91,799</i>

TOTAL OTHER FUNDS

673,100

NICE TO HAVE PROJECTS:			
City Manager	Council chambers update (construction)	Construction cost estimate will be determined through the design (plans, specifications & estimates (PS&E)) phase	TBD
Library	Audio visual and sound media	Library Community Room events and programming require upgrades for AV; current acoustics poor quality	75,000
	Total		\$ 75,000
PERSONNEL POSITIONS NOT RECOMMENDED:			
Fire	1 Management aide to provide administrative support to the Fire Department	The Administrative Support Staff positions are currently part time. The support staff handles emergency and non-emergency phone calls. They assist with Fire Prevention, Coordinate EMS billing and order all essential departmental supplies	63,000
Community Services	2 Management Aides for Senior Center and Recreation	These Mgt. Aid positions are currently part time. They are the face of each division and first point of contact for residents. They handle the intake of money to the division. They also serve as a supervisor of the facility when the Site Supervisor is out of the office or off	79,846

ATTACHMENT 2
April 23, 2014 Budget Study Session
Powerpoint Presentation

City of South Pasadena

FY 2014-15 BUDGET STUDY SESSION

April 23, 2014



Current Year Accomplishments

- * Designated as one of "the 24 best places to live" by Sunset Magazine
- * Walkability Score 9.5 (highest in the San Gabriel Valley)
- * Celebrated the City's 125th Anniversary



Current Year Accomplishments (Cont.)

- City Manager**
 - Formed a Five-City Alliance for the SR-710 project Draft EIR/EIS study.
- City Clerk**
 - Restructured the department with a part-time elected City Clerk & full-time Chief Deputy City Clerk.
- Community Services**
 - Planned and implemented all activities to celebrate the City's 125th Anniversary.
- Finance**
 - Established a cash flow model as part of the City's strategic plan for long-term financial planning.
- Fire**
 - Formed a Tri-City Fire Command Sharing Agreement.



Current Year Accomplishments (Cont.)

- Library**
 - Presented over 25 events on arts and cultures.
- Planning**
 - Developed zoning code amendments that facilitated economic development in the downtown and Ostrich Farm.
- Police**
 - Strengthened communication and coordination with the School District
- Public Works**
 - Completed all street rehabilitation projects funded in the last four years with no project backlog.



Budget Study Session Goals

Review City's Financial Position

Direction Regarding Proposed Street Improvements.

Direction Regarding Supplemental Requests

Direction Regarding Personnel Requests

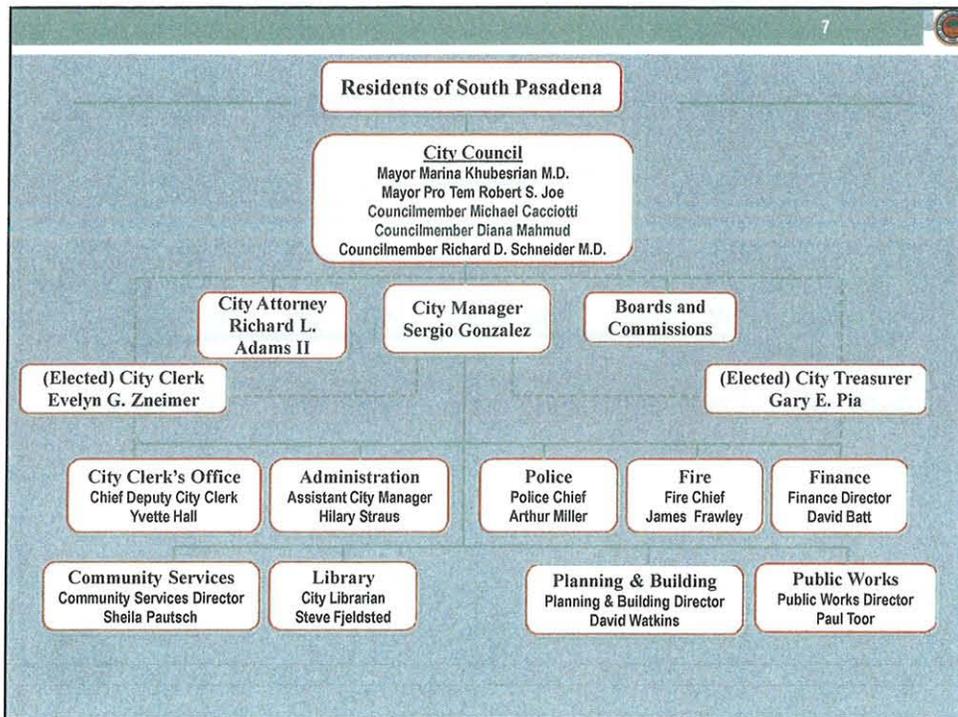


Budget Timeline

Date	Action
February 5	Mid-Year Budget presented to City Council
February 8	Strategic Planning Workshop
March 4 to March 24	Departments and City Manager begin to develop department budgets, including supplemental requests for funds
April 16	Public Budget Meeting
April 23	Budget Study Session with City Council
April 28 to May 9	City Manager and Finance finalize Proposed Budget
May 21	Proposed FY 2014-15 Operating & CIP Budget
June 4	Public Hearing and Budget Adoption

Red Date = Public Participation





8

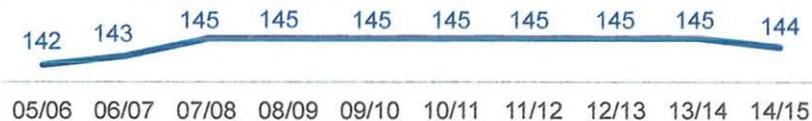
City Employees

Department	Full-Time
City Clerk's Office	3
City Manager's Office	10
Finance Department	7
Police Department	52
Fire Department	19
Public Works Department	31
Planning & Building	5
Library	10
Community Services	7
CITYWIDE	144



History of Authorized Full-Time Positions

10 Year History

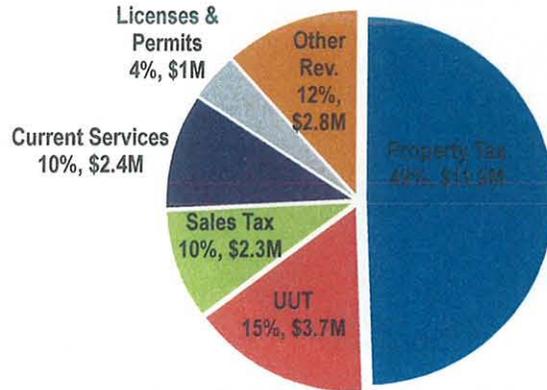


GF Revenues

	Actual 2011-12	Actual 2012-13	Budget 2013-14	Budget 2014-15
Property Taxes	10,283,297	11,074,604	10,968,710	11,915,770
Sales Taxes	1,961,143	2,207,696	2,180,410	2,277,240
UUT	3,642,824	3,562,216	3,661,040	3,719,000
Franchise Fees	814,765	810,642	760,519	763,100
License & Permits	917,568	950,256	1,035,200	985,820
Fines & Forfeitures	533,035	523,629	530,000	530,000
Use of Money & Property	448,593	456,581	379,420	386,070
Other Agencies	73,848	60,893	35,000	34,000
Current Services	2,173,921	2,208,447	2,090,625	2,415,000
All Other Revenue	1,513,969	1,223,150	1,090,948	1,098,778
Total	22,362,963	23,078,115	22,731,872	24,124,778

GF Revenues

Revenues



FY 2014-15 General Fund Budget = \$24,124,778



GF Expenditures

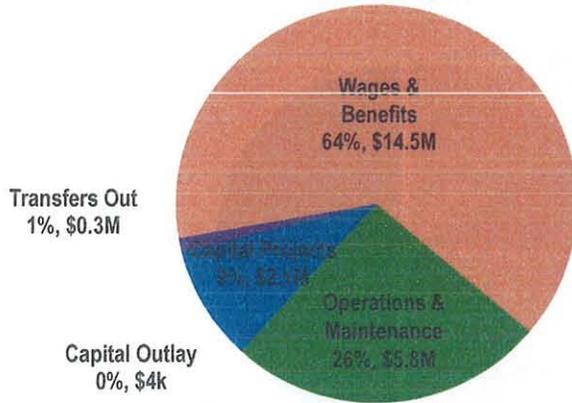
	Actual 2011-12	Actual 2012-13	Budget 2013-14	Budget 2014-15
Wages & Benefits	14,450,856	14,192,161	14,636,899	14,537,542
Operation & Maintenance	5,014,296	6,502,646	5,581,407	5,842,951
Capital Outlay	296,443	143,112	147,000	13,600
Transfer Out	0	984,062	168,371	262,497
Capital Projects	1,379,334	942,192	4,335,248	2,120,000
Total	21,140,929	22,764,174	24,868,925	22,776,590 *

* Total Expenditures do not include Supplemental Requests & Labor Negotiations.



GF Expenditures

Expenditures by Category

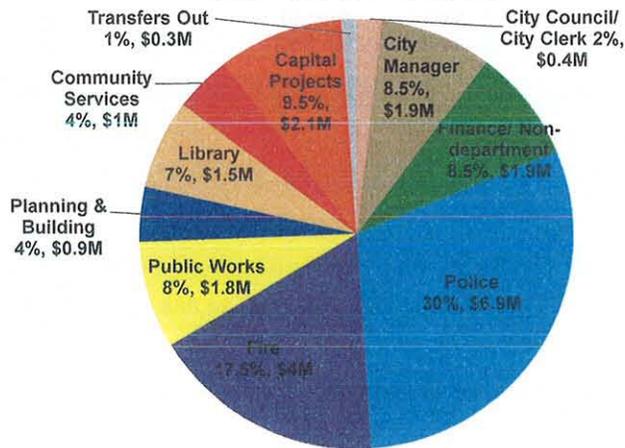


FY 2014-15 General Fund Budget = \$22,776,590



GF Expenditures

Expenditures by Department

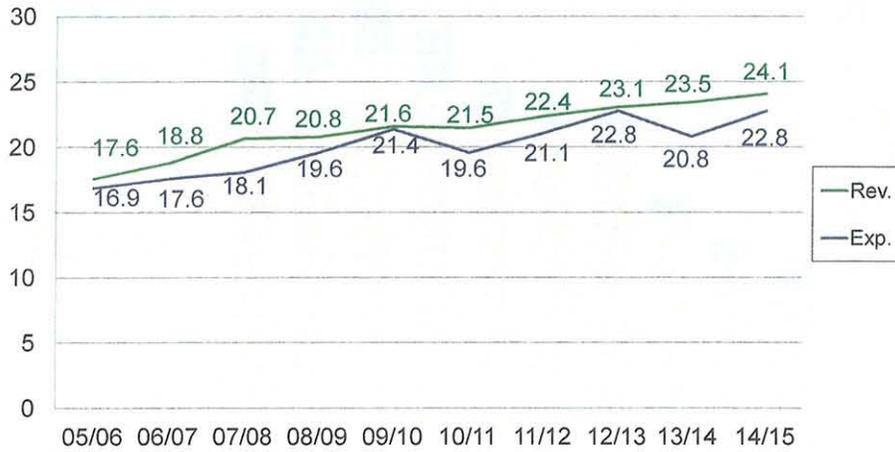


FY 2014-15 General Fund Budget = \$22,776,590



GF History

(in millions)



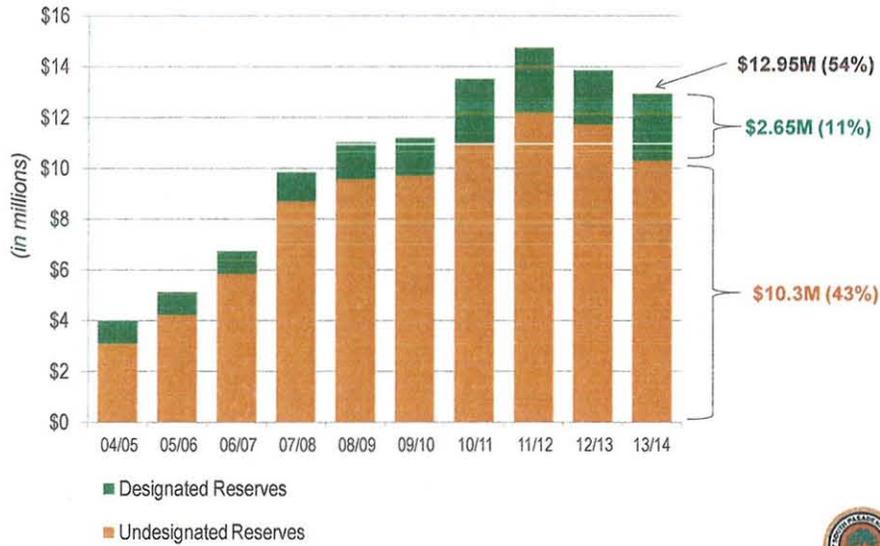
GF Designated Reserves

	FY 05-06	FY 07-08	FY 09-10	FY 11-12	FY 13-14	FY 14-15
Self-Insurance	401,000	401,000	401,000	401,000	0	0
Equipment Replacement	504,000	504,000	504,000	504,000	0	0
Arroyo Golf Course/Bike Trail	4,780	6,280	186,280	153,481	500,000	500,000
Renewable Energy Sources		250,000	250,000	250,000	300,000	60,000*
Legal Services			250,000	255,000	500,000	500,000
Retiree Benefits (Pension/Health)				1,000,000	1,000,000	1,000,000
Maint. Yard/Community Center					350,000	350,000
Total Designated	\$909,780	\$1,161,280	\$1,483,280	\$2,563,481	\$2,650,000	\$2,410,000

*Renewable Energy Sources:
 \$60,000 for additional compressor for the fast-fill station
 \$140,000 to match the fast-fill station
 \$100,000 to match the MSRC grant



GF Designated & Undesignated Reserves



Street CIP Projects History

Year	CIP Costs
2005-06	8,140
2006-07	339,560
2007-08	131,013
2008-09	609,033
2009-10	1,428,454
2010-11	487,975
2011-12	1,232,356
2012-13	851,935
Budgeted 2013-14	3,400,000
Proposed 2014-15	2,000,000



FY 2014-15 Proposed Budget

	General Fund
Total Revenues	\$24,124,778
Total Expenditures	\$22,776,590 *

*Assumes \$2,000,000 in GF funding for street projects; total expenditures do not include Supplemental Requests & Labor Negotiations.



FY 2014-15 Department Budget – GF Expenses

Department	FY 2013-14 Budget	FY 2014-15 Proposed Budget	Change	
City Council	\$58,531	\$59,481	\$950	
City Clerk	559,469	373,823	(185,646)	→ No Elections
City Manager	* 1,680,305	1,904,559	224,254	→ - IT - Legal for personnel - Centralized phone
Finance	505,065	540,658	35,593	
City Treasurer	8,722	9,271	549	
Non-Department	1,614,589	1,377,149	(237,440)	→ Set aside for labor
Police	6,643,275	6,879,002	235,727	
Fire	3,982,028	3,970,938	(11,090)	→ Savings reflected in revenue
Public Works	1,876,318	1,838,930	(37,388)	
Planning & Building	952,515	942,143	(10,372)	
Library	1,533,654	1,531,277	(2,377)	
Community Services	950,836	966,862	16,026	
Capital Projects	4,335,248	2,120,000	(2,215,248)	→ Budgeted \$2.1M in CIP
Transfers Out	168,371	262,497	94,126	
Total GF Expenses	\$24,868,926	\$22,776,590	(\$2,092,336)	

* FY 2013-14 \$110,000 Legal Fees Related to POA Lawsuit



FY 2014-15 Budget Summary

- Proposing \$2,000,000 Street Improvements
- Proposing \$1,578,100 in Supplemental Requests
- (\$855,000 funded from GF, \$50,000 funded from undesignated reserve, & \$673,100 from other funds)**
- Current Reserve Levels:
 - Overall Reserve Level = \$12.95M (54%)
 - Undesignated Reserve Level = \$10.3M (43%)



Supplemental Highlights General Fund & Undesignated Reserve

- ❖ General Fund Operation - \$855,000
 - Trees - \$200,000 (400 new trees, 300 empty wells, & 100 tree replacements)
 - Sidewalk Repair - \$120,000
 - Dog Park - \$150,000
 - Other Supplemental Requests - \$385,000
- ❖ Undesignated Reserve - \$50,000
 - Council Chambers Update (Design) - \$50,000



Supplemental Highlights – Special Funds

❖ Special Funds Total - \$673,100

- Facilities & Equipment Replacement Fund - \$308,000
 - Create 2 Shelters at Arroyo Park - \$125,000
 - Replace 1 Shelter at Orange Grove Park - \$55,000
 - 2 Police Patrol Vehicles - \$88,000
 - IT Computers Replacement - \$40,000

Beginning Fund Balance	\$611,448
FY 2014-15 Budgeted Exp.	<\$308,000>
Available Balance	\$303,448



Supplemental Highlights – Special Funds (Cont.)

- General Plan Focus Update - \$247,100
 - Capital Growth Fund - \$84,100
 - General Plan Fees - \$163,000

Capital Growth Fund	
Beginning Fund Balance	\$87,111
FY 2014-15 Budgeted Exp.	<\$84,100>
Available Balance	\$3,011

General Plan Fees	
Beginning Fund Balance	\$164,080
FY 2014-15 Budgeted Exp.	<\$163,000>
Available Balance	\$1,080





Supplemental Highlights – Special Funds (Cont.)

- Park Impact Fees Fund - \$30,000
 - Dog Park Design

Beginning Fund Balance	\$146,799
Community Center Study	<\$30,000>
Dog Park Design	<\$30,000>
Available Balance	\$86,799



Supplemental Highlights – Special Funds (Cont.)

- AB2766 Fund - \$60,000
 - Parks & Tree Maintenance Supervisor's Vehicle Replacement – CNG Truck

AB2766 Fund	
Beginning Fund Balance	\$78,000
FY 2014-15 Estimated Revenue	\$30,000
CNG Truck Expense	<\$60,000>
Available Balance	\$48,000



Supplemental Highlights – Other Fund

- Water Fund - \$28,000 & GF - \$0 Impact
 - Eliminate part-time Professional Intern; add full-time Management Assistant Position for Water Billing and Special Projects.



Personnel Requests

Department	Position	Estimated Costs	Recommended
Finance	1 Management Assistant for Water Billing & Special Projects	\$0 Impact to GF, \$28,000 to Water Fund	Recommended
Fire	1 Management Aide to provide administrative support to the Fire Dept.	\$63,000	Not Recommended
Community Services	1 Management Aide for the Senior Center	\$36,686	Not Recommended
Community Services	1 Management Aide for Recreation	\$43,160	Not Recommended



Recommended for Approval - GF

Department	Supplemental Request	General Fund
Fire	Ground level locker room	\$10,000
Fire	Upstairs restroom update	\$15,000
Police	Men/women basement locker room & restroom update	\$30,000
Library	Electrical work	\$30,000
Library	Basement exterior water proofing at 2 areas	\$15,000
Library	2 nd floor carpeting	\$45,000
Library	Repaint library building	\$35,000
Public Works	Battery backup for traffic signals	\$20,000
Public Works	Refurbish cooling tower for City Hall	\$15,000
Public Works	Removal and replacement tree program	\$200,000
Public Works	Sidewalk repair	\$120,000
Comm. Svcs.	War Memorial - electrical rewiring	\$60,000

Recommended for Approval – GF (cont.)

Department	Supplemental Request	General Fund
Comm. Svcs.	Orange Grove – office kitchen sink and Camp Med sink & counter	\$8,000
Comm. Svcs.	Orange Grove – electrical panel for event power	\$6,000
Comm. Svcs.	Garfield Park - tennis court lighting	\$25,000
Comm. Svcs.	Garfield Park – electrical panel for event power	\$6,000
Comm. Svcs.	Senior Center - replacement of kitchen cabinets & sink & drain wash out to eliminate constant backups	\$15,000
Comm. Svcs.	Community Garden (\$25k for garden & \$25k for pocket park, remaining balance from Park Impact Fees Fund)	\$50,000
Comm. Svcs.	Dog Park	\$150,000
TOTAL		\$855,000

Recommended for Approval – Other Funds & Undesignated

Department	Funding	Supplemental Request	Other Funds
Public Works	AB2766 fund	Parks and tree maint. Supervisor vehicle replacement – CNG truck	\$60,000
Finance	Water Fund	Management Assistant for Water billing & special projects	\$28,000
Police	Facilities & Equip. Replacement Fund	2 patrol vehicles	\$88,000
City Manager	Facilities & Equip. Replacement Fund	IT computers replacement	\$40,000
Comm. Svcs.	Facilities & Equip. Replacement Fund	Orange Grove – replace current shelter including demo, installation, and water fountain	\$55,000
Comm. Svcs.	Facilities & Equip. Replacement Fund	Arroyo Park – create 2 separate shelters with BBQ and benches including demo, concrete, and installation	\$125,000

Recommended for Approval – Other Funds & Undesignated (Cont.)

Department	Funding	Supplemental Request	Other Funds
Comm. Svcs.	Park Impact Fees Fund	Dog Park Design	\$30,000
Planning	Capital Growth Fund	General Plan update	\$84,100
Planning	General Plan Fees	General Plan update	\$163,000
City Manager	Undesignated Reserve	Council Chambers Update Design	\$50,000
TOTAL			\$723,100

CIP Projects

Completed
CIP

CIP In
Progress

Proposed
Street
Projects

Completed Capital Improvement Projects

Project	Total Cost (Design, Insp., Const.)
Moffatt Street Improvement Project	\$156,807
Mound Street Improvement Project	\$176,621
Rollin Street Improvement Project	\$272,472
Mission Street Improvement Project	\$193,842
Oxley Street Improvement Project	\$229,794
Park Street Improvement Project	\$207,236
Milan & Ramona CDBG Sidewalk Project	\$121,590
Glendon Way / El Centro Gold Line Crossing Arm Realignment Project	\$329,846
CNG Station Fast Fill Upgrade Project	\$254,260
Arroyo Park Playground Upgrade Project	\$141,823
Arroyo Bike & Pedestrian Trail Project (design & environmental only)	\$142,040
Library Artwork Installation Project	\$15,275

Capital Improvement Projects In Progress

Project	Status
Orange Grove Street Improvements	Award construction in May
Hawthorne Street Improvements	Award construction in May
Foothill Street Improvements	75% design
Mission Street Improvements	75% design
San Pasqual Street Improvements	75% design
FY 13-14 CDBG Sidewalks	Out to bid, construction June 2014
Citywide Sewer Lining & Rehabilitation	In design; bid Fall 2014
Wilson Reservoir	Project under construction, completion Winter 2014
Garfield Reservoir (design only)	Design completion Summer 2014
Hanscom Phase II	Construction in progress

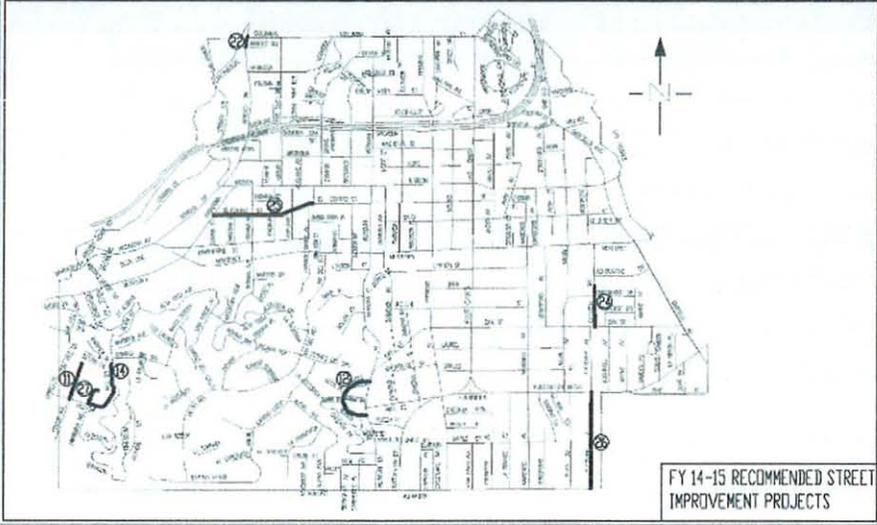
Proposed FY 2014-15 Street Projects

Project	PCI*	Estimated Total Cost (General Fund only)	
Collis Ave. (Hill Dr. to cul-de-sac)	16	\$410,000	PWC
Gillette Crescent (entire length)	32	\$373,000	
Hill Dr. (Hanscom Dr. to Harriman Ave.)	20	\$455,000	
Arroyo Dr. (Columbia St. to Arroyo Square)		\$211,000	
Chelton Way (240' south of Ashbourne Dr. to Oak St.)	65	\$255,000	
El Centro St. (Pasadena Ave. to Orange Grove Ave.)	48	\$759,000	
SUBTOTAL		\$2,463,000	
Fletcher Ave. (Huntington Dr. to Alhambra Rd.)	46	\$572,000	Staff
Harriman Ave. (Collis Ave. to cul-de-sac)	30	\$160,000	
Citywide Streetname Sign Replacement		\$50,000	
Pavement Management System Update		\$50,000	
Huntington / Court Overhead Pedestrian Warning Lights		\$200,000	
Grevelia St. (Fair Oaks Ave. to Stratford Ave.)	62	\$448,000	Staff
Pine St. (Meridian Ave. to Huntington Dr.)	56	\$441,000	
TOTAL		\$4,384,000	

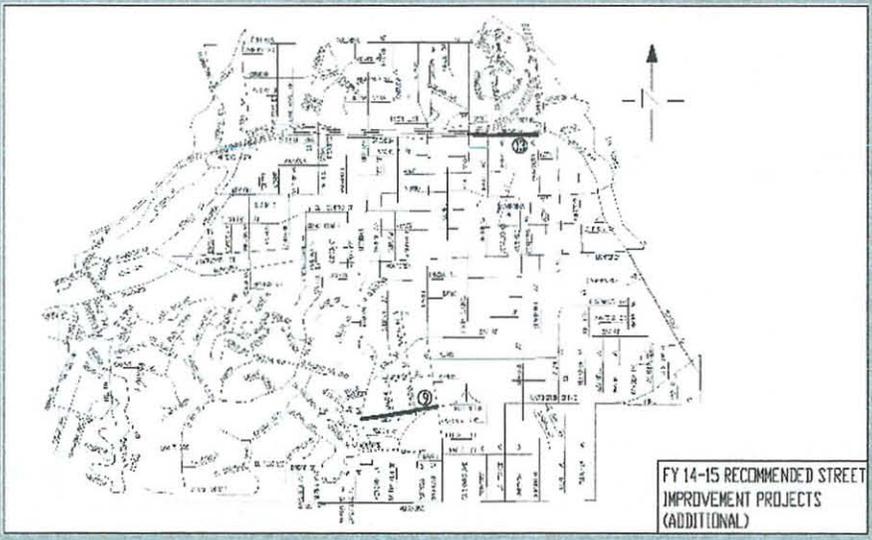
Note: Costs shown are only for street improvements and do not include any required water and sewer improvement costs, which are to be paid from Enterprise Funds. Proposed budget is \$2M.

Proposed FY 2014-15 Street Projects

Arroyo Dr. (Columbia St. to Arroyo Square) \$211,000



ADD'L. FY14-15 STREET PROJECTS



Future Major Liabilities

- ✓ Legal
- ✓ Retiree Medical
- ✓ Pension
- ✓ Streets
- ✓ Facilities
- ✓ Fleet and Equipment Replacement
- ✓ SR 710
- ✓ Trees



Council Direction

- Direction on Supplemental Requests from GF - \$855,000
 - Trees - \$200,000
 - Sidewalk Repair - \$120,000
 - Dog Park - \$150,000
 - Other Supplemental Requests - \$385,000
- Direction on Supplemental Request from Undesignated Reserve - \$50,000
 - Council Chambers Update (Design)
- Direction on Supplemental Requests from Other Funds - \$673,100
 - Facilities & Equipment Replacement - \$308,000
 - Create 2 Shelters at Arroyo Park - \$125,000
 - Replace 1 Shelter at Orange Grove Park - \$55,000
 - 2 Police Patrol Vehicles - \$88,000
 - IT Computers Replacement - \$40,000



Council Direction (Cont.)

- ❑ Direction on Supplemental Requests from Other Funds (Cont.)
 - General Plan Focus Update - \$247,100
 - Capital Growth Fund - \$84,100
 - GF Deposits Payable - \$163,000
 - Park Impact Fees Fund - \$30,000
 - Dog Park Design
 - AB2766 Fund - \$60,000
 - Parks & Tree Maintenance Supervisor's Vehicle Replacement – CNG Truck
 - Water Fund - \$28,000 & GF \$0 Impact
 - Eliminate part-time Professional Intern; add full-time Management Assistant Position for Water Billing and Special Projects.
- ❑ Direction on CIP projects – which streets?



City of South Pasadena/ Redevelopment Successor Agency/ Public Financing Authority Agenda Report

Marina Khubesian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member

Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer

COUNCIL AGENDA: May 7, 2014
TO: Honorable Mayor and City Council
VIA: Sergio Gonzalez, City Manager 
FROM: Hilary Straus, Assistant City Manager 
Mariam Lee Ko, Human Resources Manager 
SUBJECT: **Approval of a Resolution, Job Description, and a Salary Scale Update for Classifications within the Unrepresented Management Group**

Recommendation

It is recommended that the City Council:

1. Approve the job description for the classification of Public Works Operations Manager;
2. Approve an updated salary scale for the classification of Public Works Director; and
3. Approve and adopt a resolution reflecting the inclusion of the Public Works Operations Manager and the updated Public Works Director salary scales in the Management Salary Schedule.

Fiscal Impact

There is no immediate fiscal impact associated with the approval of the job description for the classification of Public Works Operations Manager as this position will not be filled and will not be utilized until the approval and adoption of the FY 2014-15 budget. The fiscal impact will be reflected in the proposed FY 2014-15 budget when the positions are proposed to be filled.

Additionally, it will be proposed in the Public Works Department FY 2014-15 budget that the fiscal impact of the creation of this new position will be offset by the proposed removal of the Public Works Superintendent (currently vacant) position. The Public Works Operations Manager will assume most duties of the Public Works Superintendent position. Although the Public Works Superintendent classification will not be eliminated from the Management Salary Schedule, the position will not be utilized or activated unless approved by the City Council.

The updated salary scale reflects an approximately 10% increase from the original Public Works Director salary scale. For the remainder of the current fiscal year, the fiscal impact associated with the updated salary scale for the classification of Public Works Director will total \$2,230. For FY 2014-15, the total fiscal impact shall be \$13,380.

Commission Review and Recommendation

This matter was not reviewed by a commission.

Background

The addition of the new position classification belonging to the Unrepresented Management Group is part of the proposed reorganization and realignment of certain positions within the Public Works Department. Additional changes to the structure and function of the Public Works Department will be reflected in the Public Works Department FY 2014-15 proposed budget.

Analysis

The salary scale for the classifications of Public Works Operations Manager is outlined below:

<i>Unrepresented Management Positions</i>	Step A	Step B	Step C	Step D	Step E	Step F	Step G
Public Works Operations Manager	\$ 6,050	\$ 6,353	\$ 6,670	\$ 7,004	\$ 7,354	\$ 7,722	\$ 8,108

In determining the most appropriate salary range for the Public Works Operations Manager position, City staff examined the current municipal labor market and typical salary ranges for this type of position and current existing internal relationships amongst classifications/positions within the City.

Due to recent staffing changes within the Public Works Department, a vacancy of the Public Works Superintendent position and a then period of vacancy of the Facilities Maintenance Supervisor position (the position is currently filled), the Public Works Director retained additional duties in the management of Public Works projects and daily operations above and beyond his current duties. Consequently, during this time, the Public Works Director realigned certain Management staff within the department in order to improve efficiencies. One additional Manager will now report to the Director on the daily operations of the Public Works Department. The realignment of Management staff changed the structure of the Public Works Department. Previously, only one Manager, the Public Works Superintendent, reported to the Public Works Director on matters related to water management and facilities maintenance management. Through the realignment of Management staff in the department, the Director will be able to better manage each of the two divisions of the department via a Public Works Operations Manager, who will report to the Director on matters related to facilities, streets and park Maintenance. The Public Works Department is considering further realignment of staffing. This will be reflected in the Department’s budget as part of the Proposed FY 2014-15 City Budget to be approved by City Council.

The updated salary scale for the Public Works Director (“the Director”) classification is outlined below, the current salary scale is listed alongside the proposed updated salary scale. The proposed updated salary scale reflects both the additional project management responsibilities and duties, and the realignment of Managers and Supervisors that will directly report to the

Public Works Director.

<i>Unrepresented Management Position</i>	Step A	Step B	Step C	Step D	Step E	Step F	Step G
Public Works Director <i>(current)</i>	\$ 8,125	\$ 8,531	\$ 8,958	\$ 9,405	\$ 9,876	\$ 10,370	\$10,888
Public Works Director <i>(proposed updated)</i>	\$ 8,957	\$ 9,405	\$ 9,875	\$ 10,369	\$ 10,887	\$ 11,432	\$ 12,003

Legal Review

The City’s Legal Counsel from the firm of Liebert Cassidy Whitmore has reviewed the staff report and resolution.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City’s website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.

Attachment: Resolution Establishing the Public Works Operations Manager Classification as Unrepresented Management Employees, Approving the Job Description, and Approving an Updated Salary Scale for the Public Works Director Classification

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
ESTABLISHING THE PUBLIC WORKS OPERATIONS
MANAGER CLASSIFICATION AS UNREPRESENTED
MANAGEMENT EMPLOYEES, APPROVING THE POSITION
JOB DESCRIPTION, AND APPROVING AN UPDATED
SALARYSCALE FOR THE PUBLIC WORKS DIRECTOR
CLASSIFICATION**

WHEREAS, on February 5, 2014, the City Council approved and adopted Resolution No. 7336 establishing compensation and benefits for Management Employees; and

WHEREAS, subsequent to the adoption of Resolution No. 7336, a realignment and reorganization of the Public Works Department prompted the creation of the new position classification of Public Works Operations Manager and the proposed updated salary scale for the Public Works Director classification.

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

SECTION 1. That Exhibit A of Resolution No. 7336 shall be amended to include Public Works Operations Manager classification in Section 2 (Classifications). This amendment shall be reflected in Exhibit A, attached hereto.

SECTION 2. The job description for Public Works Operations Manager, attached hereto as Exhibit C, are approved and adopted.

SECTION 3. The updated salary scale for the Public Works Director classification is approved and shall be reflected in the Management Salary Schedule, attached hereto as Exhibit B.

SECTION 4. The Management Salary Schedule listing of Management classifications and compensation, attached hereto as Exhibit B, is approved and adopted.

SECTION 5. The City Clerk of the City of South Pasadena shall certify to the passage and adoption of this resolution and its approval by the City Council and shall cause the same to be listed in the records of the City.

PASSED, APPROVED AND ADOPTED ON this 7th day of May, 2014.

Marina Khubesrian, M.D., Mayor

ATTEST:

APPROVED AS TO FORM:

Evelyn G. Zneimer, City Clerk
(seal)

Richard L. Adams II, City Attorney

I HEREBY CERTIFY the foregoing resolution was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 7th day of May, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Evelyn G. Zneimer, City Clerk
(seal)

EXHIBIT A

MANAGEMENT BENEFITS

The following shall be the classifications, compensation and benefit plan for management employees:

SECTION 1. TERM

The following established classifications, salaries and benefits of employment for management employees shall be in effect upon adoption by the City Council.

SECTION 2. CLASSIFICATIONS

Police Chief
Public Works Director
Fire Chief
Assistant City Manager
Deputy Fire Chief
Finance Director
Planning & Building Director
Police Captain
Community Services Director
City Librarian
Transportation Manager
Civilian Administrative Chief/Fire Marshal
Deputy Director of Public Works
Fire Division Chief
Principal Management Analyst
City Clerk
Public Works Superintendent
Assistant Finance Director
Chief Deputy City Clerk
Human Resources Manager
Public Works Operations Manager
Project Manager
Executive Assistant
Community Services Supervisor

SECTION 3. SALARY

The salaries for management employees shall be those contained in Exhibit B, "Management Salary Schedule."

SECTION 4. RETIREMENT

A. The City agrees to participate in the California Public Service Employees' Retirement System (CalPERS). Existing CalPERS safety members (Police Chief, Fire Chief, Deputy Fire Chief, Fire Division Chief and Police Captains) shall participate in the 2%@50 plan with single highest year compensation. Per AB 340, new CalPERS safety members shall participate in the 2.7%@57 plan with the highest average annual pensionable compensation earned during a period of 36 consecutive months. For all other Management employees, existing CalPERS members shall participate in the 2%@55 plan with single highest year compensation and per AB 340, new CalPERS members shall participate in the 2.5%@67 plan with highest average annual pensionable compensation earned during a period of 36 consecutive months.

B. Management Employees shall fund a 7% (miscellaneous employees) or 9% (safety employees) compensation contribution for PERS normal member contributions.

C. The City's plan shall provide the sick leave conversion benefit.

SECTION 5. RETIRED EMPLOYEE'S MEDICAL COVERAGE

Employees who became annuitants prior to July 1, 2012 shall receive City payment of 100% of the medical insurance premium for the retired employee only, with said payment not exceeding the premium requirement for insurance programs offered through CalPERS, both prior to and after becoming Medicare eligible. All employees who retire on and after July 1, 2012, shall receive a City retiree medical contribution as prescribed in Government Code Section 22892, as that amount may from time to time be adjusted upward and/or downward. As of July 1, 2011, said amount for Management employees is \$715.00 monthly.

SECTION 6. DEFERRED COMPENSATION

The City shall pay the equivalent of 1% of each management employees' salary into a deferred compensation plan.

SECTION 7. SICK LEAVE

A. Sick leave shall be earned at the rate of eight (8) hours per month of service to the City.

B. Management employees may accrue unlimited sick leave.

C. At the employee's termination, the accumulated sick leave hours shall have no cash value.

SECTION 8: CONVERSION TO CALPERS SERVICE CREDIT

To the extent authorized by AB 340, upon retirement, employees may convert unused accumulated sick leave to service credits

based on the formula set forth by CalPERS. According to CalPERS, in order to receive sick leave credit, the employees' retirement date must be within 120 days from the date of separation from the City.

SECTION 9. BEREAVEMENT LEAVE

A. Bereavement leave shall be granted by the City Manager for the death of a spouse, parents, step-parents, child, step-child, grandparents, grandchildren, brothers, and/or sisters, for three work days per each fiscal year.

B. Additional occurrences shall be deducted from the employee's own sick leave.

C. Bereavement leave may be used not only for attendance at funerals, but for time spent in assisting in the preparation of funerals.

SECTION 10. MANAGEMENT LEAVE

A. Employees shall receive 80 hours of management leave each fiscal year.

B. Employees may cash out up to sixty (60) hours of unused Management Leave during a fiscal year. Consistent with the City's practice of granting Administrative or Management Leave prospectively, cash out of unused Management Leave is an annual compensation benefit for management staff, and as such will be distributed prospectively during the course of each fiscal year in accordance with this resolution.

C. For Fiscal Year 2013-14 only, employees can cash out up to sixty (60) hours of management leave, should they elect to do so, during a special payroll in December 2013 that will occur between the first and second regular payrolls in December 2013. Employees may elect to cash out up to sixty (60) hours of unused Management Leave during the special payroll that will occur between the first and second regular payrolls in December if the employee has not already cashed out thirty (30) hours of unused Management Leave previously during the special payroll in July. Thereafter, employees must use their remaining balance of Management Leave by June 30, 2014. There shall be no carry-over of Management Leave hours into a subsequent fiscal year.

D. After the special payroll in December 2013, there will be no other cash outs of Management Leave and employees must use their remaining balance of Management Leave by June 30, 2014.

E. For Fiscal Year 2013-14 only, should an employee resign from the City of South Pasadena prior to the special payroll in December 2013, that employee shall be entitled to cash out up to thirty (30) hours of unused Management Leave only, should the employee elect to do so.

F. Thereafter, in future fiscal years, employees can cash out up to thirty (30) hours of Management Leave, should they elect to do so, during

a special payroll that will occur between the first and second regular payrolls in July of each year, and may cash out another thirty (30) hours of Management Leave, should they elect to do so, during a special payroll that will occur between the first and second regular payrolls in December of each year.

G. Unused or non-cashed out management leave may not at any time be carried over to the next fiscal year.

SECTION 11. VACATION

A. Vacation shall be accrued based on the years of service as follows:

1 – 5 years	120 hours
6 – 10 years	128 hours
11 – 15 years	136 hours
16 – 20 years	152 hours
Over 20 years	160 hours

B. Employees who have achieved more than twenty years of service with the City as of the date of this resolution and whose vacation benefits are subject to the terms of this resolution as of July 7, 1999 shall be allowed to accrue vacation pursuant to the schedule contained in City Council Resolution No. 6558.

C. Employees with twenty years of service with South Pasadena and who are appointed to management positions after July 7, 1999 shall receive vacation benefits in accordance with the provisions of Section 11A above.

D. Employees subject to this resolution shall endeavor to take annual vacation leave equal to the time accrued. An employee's accrued vacation shall be capped at two years' worth of vacation hours. Employees will cease accruing vacation hours until the accrued hours fall below the maximum accumulation allowed. Employees may carry over up to two (2) years accumulation of vacation time.

SECTION 12. HOLIDAYS

Employees shall receive the following eleven paid holidays per fiscal year:

1. January 1 – New Year's Day
2. 3rd Monday in January – Martin Luther King, Jr. Birthday
3. 3rd Monday in February – President's Day
4. Last Monday in May – Memorial Day
5. July 4 – Independence Day
6. 1st Monday in September – Labor Day
7. 2nd Monday in October – Columbus Day
8. November 11 – Veteran's Day

9. 4th Thursday in November – Thanksgiving Day
10. Friday after Thanksgiving – Substitute for Admission’s Day
11. December 25 – Christmas Day

If a holiday falls on a Saturday, the previous Friday shall be deemed the holiday and City Hall will be closed. If a holiday falls on a Sunday, the following Monday shall be deemed the holiday and City Hall will be closed.

B. Management employees shall receive two (2) floating holidays per fiscal year. Floating holidays may not be carried over to the next fiscal year.

SECTION 13. INSURANCE

- A. City paid medical insurance coverage is provided up to \$715 per month.
- B. City paid dental coverage is provided up to \$75 per month.
- C. City paid vision care coverage is provided up to \$20 per month.
- D. City paid life insurance policy in the sum of \$50,000 provided.
- E. City paid accidental death & dismemberment insurance policy in the sum of \$50,000 provided. Additional coverage up to \$500,000 available at employee’s expense.

SECTION 14. LONG TERM DISABILITY

A. For full-time employees who have been employed by the City for six months, the City shall provide long-term disability coverage under a self-insured status. The City may require reasonable proof of the disabling illness and retains the right to define “long term disability.” The City will pay two-thirds of the employee’s monthly salary effective the day disability is approved and for the duration the employee continues to be disabled or for one year, whichever is less.

B. There is a 30-day elimination period during which the employee must use his or her accrued sick leave. If the employee has less than 30 days of accrued sick leave, the employee may choose to use other accrued leave or take the remaining days unpaid.

C. Benefits shall be paid for one year for the approved disability. The City Manager may, upon review of the nature of the disability, grant up to one additional year of disability benefits.

D. The City shall continue to pay all of the insurance premiums listed in Section 13 during the City-recognized period of long term disability.

SECTION 15. UNIFORMS

Full-time Fire Chief, Police Chief and Police Captains shall receive \$1,000 annually for the cleaning of and maintenance of their

uniforms. Full-time Deputy Fire Chief and Fire Division Chief shall receive \$675 annually for the cleaning of and maintenance of their uniforms.

SECTION 16. WORK SCHEDULE

9/80 work schedule available.

EXHIBIT B

Management Salary Schedule

	A	B	C	D	E	F	G
Police Chief	\$ 9,363	\$ 9,831	\$ 10,322	\$ 10,838	\$ 11,380	\$ 11,949	\$ 12,547
Public Works Director	\$ 8,957	\$ 9,405	\$ 9,875	\$ 10,369	\$ 10,887	\$ 11,432	\$ 12,003
Fire Chief	\$ 8,605	\$ 9,035	\$ 9,487	\$ 9,961	\$ 10,459	\$ 10,982	\$ 11,531
Assistant City Manager	\$ 8,542	\$ 8,970	\$ 9,418	\$ 9,889	\$ 10,383	\$ 10,903	\$ 11,448
Deputy Fire Chief	\$ 8,235	\$ 8,646	\$ 9,079	\$ 9,533	\$ 10,009	\$ 10,510	\$ 11,035
Finance Director	\$ 8,139	\$ 8,546	\$ 8,973	\$ 9,422	\$ 9,893	\$ 10,387	\$ 10,907
Planning & Building Director	\$ 7,665	\$ 8,048	\$ 8,451	\$ 8,873	\$ 9,317	\$ 9,783	\$ 10,272
Police Captain	\$ 7,623	\$ 8,004	\$ 8,404	\$ 8,825	\$ 9,266	\$ 9,729	\$ 10,216
Community Services Director	\$ 7,282	\$ 7,646	\$ 8,028	\$ 8,429	\$ 8,851	\$ 9,293	\$ 9,758
City Librarian	\$ 7,247	\$ 7,609	\$ 7,990	\$ 8,389	\$ 8,808	\$ 9,249	\$ 9,711
Transportation Manager	\$ 7,240	\$ 7,602	\$ 7,982	\$ 8,381	\$ 8,800	\$ 9,241	\$ 9,703
Civilian Admin Chief/ Fire Marshal	\$ 7,240	\$ 7,602	\$ 7,982	\$ 8,381	\$ 8,800	\$ 9,241	\$ 9,703
Deputy Director of Public Works	\$ 7,240	\$ 7,602	\$ 7,982	\$ 8,381	\$ 8,800	\$ 9,241	\$ 9,703
Fire Division Chief *	\$ 7,165	\$ 7,523	\$ 7,900	\$ 8,295	\$ 8,709	\$ 9,145	\$ 9,602
Principal Management Analyst	\$ 7,005	\$ 7,355	\$ 7,723	\$ 8,109	\$ 8,515	\$ 8,940	\$ 9,387
City Clerk	\$ 6,863	\$ 7,206	\$ 7,566	\$ 7,945	\$ 8,342	\$ 8,759	\$ 9,197
Public Works Superintendent	\$ 6,863	\$ 7,206	\$ 7,566	\$ 7,945	\$ 8,342	\$ 8,759	\$ 9,197
Assistant Finance Director	\$ 6,050	\$ 6,353	\$ 6,670	\$ 7,004	\$ 7,354	\$ 7,722	\$ 8,108
Chief Deputy City Clerk	\$ 6,050	\$ 6,353	\$ 6,670	\$ 7,004	\$ 7,354	\$ 7,722	\$ 8,108
Human Resources Manager	\$ 6,050	\$ 6,353	\$ 6,670	\$ 7,004	\$ 7,354	\$ 7,722	\$ 8,108
Public Works Operations Manager	\$ 6,050	\$ 6,353	\$ 6,670	\$ 7,004	\$ 7,354	\$ 7,722	\$ 8,108
Project Manager	\$ 5,572	\$ 5,850	\$ 6,143	\$ 6,450	\$ 6,773	\$ 7,111	\$ 7,467
Executive Assistant	\$ 4,868	\$ 5,112	\$ 5,367	\$ 5,636	\$ 5,918	\$ 6,214	\$ 6,524
Community Services Supervisor	\$ 4,097	\$ 4,302	\$ 4,517	\$ 4,742	\$ 4,980	\$ 5,229	\$ 5,490

*Special arrangement for additional hrs.

\$ 41.33	\$ 43.40	\$ 45.58	\$ 47.86	\$ 50.24	\$ 52.76	\$ 55.40
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Effective May 7, 2014

EXHIBIT C

City of South Pasadena

Public Works Operations Manager (Full-time)

Purpose

Under the direction of the Public Works Director, this position manages the Operations Division of the Public Works Department. This is an at-will position.

Examples of Duties

The duties listed below are examples of the work typically performed by employees in this class. An employee may perform other related and emergency duties as required. An employee may perform various duties including, but not limited to:

Plans, organizes, staffs, directs, and controls various divisional maintenance services involving services and repair of streets, sewer lines, storm drains, and related capital improvements; signals, lights, parkway trees and other landscaped and yard areas, and buildings and related facilities/properties; directs the removal of debris from rights-of-way, street cleaning, and maintenance of pavement markings and motorized equipment; evaluates community maintenance needs and recommends programs or action plans to meet these needs; prepares the Operations Division budget and controls expenditures; coordinates inventory and supply procedures; recommends maintenance programs; establishes standards of performance and quality control of work/projects; analyzes productive output in order to disclose areas needing improvement; forecasts future requirements for personnel, supplies, services, and equipment; makes periodic inspections of work in progress and upon completion; prepares staff reports for various commissions and the City Council; assists in administration of service contracts associated with assigned areas of responsibility, including, but not limited to, maintenance of traffic signals and safety lighting, street striping, landscape and building maintenance agreements; prepares reports and correspondence; maintains records on the status of operations; supervises, trains, and evaluates personnel; enforces rules and regulations; attends meetings and represents the Operations Division; provides information to and consults with the public; serves on primary emergency response team in case of emergency or disaster in a position assigned by the City Emergency Plan; reads and interprets plans, specs, drawings and blueprints; and performs related duties as required.

Determines maintenance schedule and work methods. Instructs subordinates in work methods and safety procedures; troubleshoots difficult or unusual problems; and inspects completed work. Reviews and approves time cards and employees time off slips;

interviews and makes hiring recommendations; evaluates the performance of subordinates; and participates in disciplinary actions.

Employment Standards

Education/Experience:

Candidates must have an Associate's degree in a related field from an accredited college or university. In addition, candidates must have at least five years of experience in public works activities or construction, including two years in a supervisory position, preferably in the public sector, or any combination of training and/or experience that could likely provide the desired knowledge and abilities. A Bachelor's degree is desirable.

Knowledge of:

Principles of supervision and training; office practices and procedures; general record keeping practices; budget preparation and control; methods, materials, tools, and equipment used in the maintenance and improvement of public works projects including streets, sanitation sewers, and storm drains; safety and safe work practices; organization and management of a comprehensive maintenance program for public works, municipal parks, buildings, grounds and facilities; maintenance needs of park buildings, grounds and all City public facilities/properties; contract administration; interpersonal skills using tact, patience and courtesy; proper operation and care of maintenance equipment and machines; requirements of maintaining streets in a safe, clean and orderly condition; City organization, operations, policies and objectives; applicable laws, codes, regulations, policies and procedures; operation of computer software and hardware.

Ability to:

Efficiently and effectively manage the assigned subordinate divisions and sections; estimate costs, and develop and implement a budget for the assigned area of responsibility; maintain accurate records; supervise and direct day-to-day activity of assigned personnel; read and interpret engineering plans and specifications; effectively communicate verbally and in writing; establish and maintain effective working relationships with others; coordinate and supervise street, parks, building maintenance operations and activities in a City; analyze all maintenance needs and recommend appropriate programs and services, including hazardous material handling; prioritize, schedule, assign, monitor and review work; meet schedules and time lines; work independently with little direction; analyze situations accurately and adopt an effective course of action; train, supervise and evaluate personnel; operate equipment and machines used in all maintenance operations and activities; observe legal and defensive driving practices; enforce and comply with all safety standards and requirements; utilize computers and related software.

Physical Demands:

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable

accommodations may be made to enable individuals with disabilities to perform the essential functions.

Active physical work without prolonged heavy exertion. Physical demands include occasional lifting of objects over 25 pounds, combined with bending, twisting, and working above ground or on irregular surfaces.

Special Requirements:

This position is required to be on call and/or standby.

License:

Possession of a valid California Class C driver's license.

Working Conditions

This position requires the mobility to stand, stoop, reach and bend; requires mobility of arms to reach and dexterity of hands to grasp and manipulate small objects; occasionally performs lifting, pushing and/or pulling of objects which do not exceed 50 pounds; and is subject to inside and outside environmental conditions.

FLSA Status

Exempt, At-Will

5/7/2014

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