



# A G E N D A

CITY OF IMPERIAL BEACH  
CITY COUNCIL  
PLANNING COMMISSION  
PUBLIC FINANCING AUTHORITY  
HOUSING AUTHORITY



## IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

NOVEMBER 1, 2017

Council Chambers  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932

### REGULAR & CLOSED SESSION MEETINGS – 6:00 P.M.

THE CITY COUNCIL ALSO SITS AS THE CITY OF IMPERIAL BEACH PLANNING COMMISSION, PUBLIC FINANCING AUTHORITY, HOUSING AUTHORITY AND IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY.

The City of Imperial Beach is endeavoring to be in total compliance with the Americans with Disabilities Act (ADA). If you require assistance or auxiliary aids in order to participate at City Council meetings, please contact the City Clerk's Office at (619) 628-2347, as far in advance of the meeting as possible.

### REGULAR MEETING CALL TO ORDER

### ROLL CALL

### PLEDGE OF ALLEGIANCE

### AGENDA CHANGES

### MAYOR/COUNCIL REIMBURSEMENT DISCLOSURE/COMMUNITY ANNOUNCEMENTS/REPORTS ON ASSIGNMENTS AND COMMITTEES

### COMMUNICATIONS FROM CITY STAFF

**PUBLIC COMMENT-** *Each person wishing to address the City Council regarding items not on the posted agenda may do so at this time. In accordance with State law, Council may not take action on an item not scheduled on the agenda. If appropriate, the item will be referred to the City Manager or placed on a future agenda.*

### PRESENTATIONS (1)

None.

**CONSENT CALENDAR (2.1-2.6)-***All matters listed under Consent Calendar are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items, unless a Councilmember or member of the public requests that particular item(s) be removed from the Consent Calendar and considered separately. Those items removed from the Consent Calendar will be discussed at the end of the Agenda.*

#### **2.1 RATIFICATION OF WARRANT REGISTER. (0300-25)**

Recommendation: It is respectfully requested that the City Council ratify the warrant register.

#### **2.2 BUDGET ADJUSTMENT TO RECEIVE CALIFORNIA HOUSING AND COMMUNITY DEVELOPMENT'S HOUSING RELATED PARKS (HRP) FUNDS. (0390-86 & 0930-20)**

Recommendation: That City Council adopts Resolution No. 2017-7862 and authorizes the budget adjustment.

**Continued on Next Page**

Any writings or documents provided to a majority of the City Council/Planning Commission/Public Financing Authority/Housing Authority/I.B. Redevelopment Agency Successor Agency regarding any item on this agenda will be made available for public inspection in the office of the City Clerk located at 825 Imperial Beach Blvd., Imperial Beach, CA 91932 during normal business hours.

## **CONSENT CALENDAR (Continued)**

### **2.3 RESOLUTION NO. 2017-7861 CONTINUING THE PROCLAMATION OF A STATE OF LOCAL EMERGENCY RELATING TO IMPACTS FROM CROSS-BORDER POLLUTION IN THE TIJUANA RIVER (0150-40 & 0210-26)**

Recommendation: Adopt Resolution No. 2017-7861 to maintain a state of local emergency related to the cross-border pollution impacts from the Tijuana River and authorize the City Manager, Mayor, and Council members to work with local, State, Federal, and Mexican authorities to advance binational projects to improve conditions in the Tijuana River.

### **2.4 SECOND READING AND ADOPTION OF ORDINANCE NO. 2017-1168 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA AMENDING TITLE 2 OF THE IMPERIAL BEACH MUNICIPAL CODE TO ADD CHAPTER 2.11 "CITY COUNCIL COMPENSATION"; APPROVING AN INCREASE IN CITY COUNCIL COMPENSATION; AND ESTABLISHING AN ANNUAL REVIEW OF CITY COUNCIL COMPENSATION. (0520-70 & 0520-95)**

Recommendation: That the City Council conducts the second reading and adopts Ordinance No. 2017-1168 by title only, and waives reading in full.

### **2.5 SECOND READING AND ADOPTION OF ORDINANCE NO. 2017-1167 AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF IMPERIAL BEACH AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS) TO INCLUDE COST SHARING FOR CLASSIC MISCELLANEOUS AND SAFETY LIFEGUARD MEMBERS. (0520-70 & 0520-95)**

Recommendation: That the City Council conducts the second reading, by title only, waives reading in full, and adopts Ordinance No. 2017-1167 by title only, authorizing an amendment to the contract between the City of Imperial Beach and the Board of Administration of the California Public Employees' Retirement System (CalPERS) to include cost sharing for classic miscellaneous and safety lifeguard members.

### **2.6\* NOTIFICATION OF TRAVEL: MAYOR DEDINA IS PLANNING TO ATTEND THE NORTH AMERICAN CLIMATE SUMMIT, IN CHICAGO ILLINOIS, DECEMBER 4 - 5, 2017. (0410-60).**

\* No Staff Report.

## **ORDINANCES/INTRODUCTION & FIRST READING (3.1-3.2)**

### **3.1 INTRODUCTION & FIRST READING OF ORDINANCE NO. 2017-1169 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA AMENDING TITLE 3 CHAPTER 3.04 "PURCHASING" OF THE IMPERIAL BEACH MUNICIPAL CODE RELATED TO BIDDING AND AWARD OF CONTRACTS FOR SUPPLIES, SERVICES AND EQUIPMENT. (0380-95)**

Recommendation: That the City Council introduces Ordinance 2017-1169 increasing the limit that triggers the need for formal bidding and authorizes the City Manager to award various contracts for the purchase of supplies, services, and equipment from ten thousand to forty-five thousand, by title only and waive further reading of the Ordinance.

### **3.2 AN INTRODUCTION OF ORDINANCE NO. 2017-1165, AMENDING CHAPTER 12.33 OF THE IMPERIAL BEACH MUNICIPAL CODE CONCERNING SPECIAL EVENT PERMITS. (1040-95)**

Recommendation: That the City Council directs staff to implement the recommendation of the Parks and Recreation Committee as established in this staff report, and introduces Ordinance No. 2017-1165 Amending Chapter 12.33 of the Imperial Beach Municipal Code ("IBMC"), Special Event Permits by title only and waive further reading of the Ordinance.

## **PUBLIC HEARINGS (4.1)**

### **4.1 PUBLIC HEARING TO CONSIDER AN ORDINANCE TO FURTHER EXTEND INTERIM URGENCY ORDINANCE NO. 2017-1160 OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA PURSUANT TO GOVERNMENT CODE SECTION 65858 IMPOSING A TEMPORARY MORATORIUM ON COMMERCIAL NON-MEDICAL MARIJUANA ACTIVITIES IN THE CITY OF IMPERIAL BEACH IN LIGHT OF THE PASSAGE OF PROPOSITION 64. (0610-95)**

Recommendation: That the City Council (1) conduct a public hearing; (2) consider the written report of measures taken to alleviate the condition which led to the adoption of interim urgency Ordinance No. 2017-1160, as required by the Government Code; and (3) adopt an Ordinance to Further Extend Interim Urgency Ordinance No. 2017-1160 of the City Council of the City of Imperial Beach, California Pursuant to Government Code Section 65858 Imposing a Temporary Moratorium on Commercial Non-Medical Marijuana Activities in the City of Imperial Beach in Light of the Passage of Proposition 64.

## **REPORTS (5.1)**

### **5.1 REQUEST FOR DIRECTION FROM THE CITY COUNCIL REGARDING THE POTENTIAL SEPARATION OF THE IMPERIAL BEACH CHAMBER OF COMMERCE AND THE IMPERIAL BEACH BUSINESS IMPROVEMENT DISTRICT (0465-20 & 0130-10)**

Recommendation: That the City Council directs staff to prepare the necessary Resolution to implement a separation of the "Association" created by Resolution 2005-6180 and identifies other procedural steps necessary to separate the functions of the Imperial Beach Chamber of Commerce and the Imperial Beach Business Improvement District.

## **I.B. REDEVELOPMENT AGENCY SUCCESSOR AGENCY REPORTS (6.1)**

### **6.1 ADOPTION OF RESOLUTION NO. SA-17-57 APPROVING, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO PROFESSIONAL SERVICES AGREEMENTS WITH MONTAGUE DEROSE AND ASSOCIATES, AS MUNICIPAL ADVISOR; JONES HALL, AS BOND AND DISCLOSURE COUNSEL; AND FRASER & ASSOCIATES, AS FISCAL CONSULTANT, TO PROVIDE FINANCIAL SERVICES FOR THE POSSIBLE REFUNDING OF THE 2010 TAX ALLOCATION BONDS AND REQUESTING THAT THE OVERSIGHT BOARD DIRECT THE SUCCESSOR AGENCY TO BEGIN THE PROCEEDINGS OF REFUNDING THE SERIES 2010 TAX ALLOCATION BONDS, INCLUDING APPROVING REFUNDING COSTS AS AN ENFORCEABLE OBLIGATION (0418-50)**

Recommendation: Adopt Resolution No. SA-17-57 authorizing the Executive Director to enter into professional services agreements with Montague DeRose and Associates, Jones Hall, and Fraser & Associates to provide services for the possible refunding of the Series 2010 Tax Allocation Bonds and requesting that the Oversight Board direct the Successor Agency to (1) proceed with the refunding process and (2) place the refunding costs on the Successor Agency's Recognized Obligation Payment Schedule.

## **ITEMS PULLED FROM THE CONSENT CALENDAR (IF ANY)**

### **ADJOURN REGULAR MEETING**

**CLOSED SESSION MEETING CALL TO ORDER**

**ROLL CALL**

**CLOSED SESSION (1-2)**

**1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Initiation of litigation pursuant to Govt. Code section 54956.9(d)(4) (1 case)

**RECONVENE AND ANNOUNCE ACTION (IF APPROPRIATE)**

**ADJOURN CLOSED SESSION**

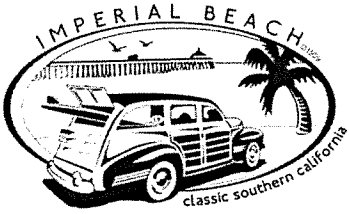
The Imperial Beach City Council welcomes you and encourages your continued interest and involvement in the City's decision-making process.

FOR YOUR CONVENIENCE, A COPY OF THE AGENDA AND COUNCIL MEETING PACKET MAY BE VIEWED IN THE OFFICE OF THE CITY CLERK AT CITY HALL OR ON OUR WEBSITE AT

[www.ImperialBeachCA.gov](http://www.ImperialBeachCA.gov)

*/s/*  
\_\_\_\_\_  
Sunem Carballo,  
Deputy City Clerk





STAFF REPORT  
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL  
FROM: ANDY HALL, CITY MANAGER *AH*  
MEETING DATE: NOVEMBER 1, 2017 *DB*  
ORIGINATING DEPT: DOUG BRADLEY, ADMINISTRATIVE SERVICES DEPARTMENT  
SUBJECT: RATIFICATION OF WARRANT REGISTER

---

**EXECUTIVE SUMMARY:**

Approval of the warrant register in the amount of \$ 1,849,606.52.

**FISCAL ANALYSIS:** Warrants are issued from budgeted funds and there is no additional impact on reserves.

**RECOMMENDATION:**

It is respectfully requested that the City Council ratify the warrant register.

**OPTIONS:**

- Receive and file the report from the City Manager
- Provide direction to the City Manager to take a specific action
- Request additional information and an additional report

**BACKGROUND/ANALYSIS:**

As of April 7, 2004 all large warrants above \$100,000 will be separately highlighted and explained on the staff report.

Vendor:	Check:	Amount:	Description:
Pal General Engineering	91186	\$ 306,879.78	Aug 2017 Alley Paving Proj
Sun Pacific Glazing Inc	91187	\$ 104,025.00	Civic Center Window Replcmnt
San Diego County Sheriff	91220	\$ 597,114.87	July 2017 Law Enf Services

The following registers are submitted for Council ratification:

**Accounts Payable**

DATE	CHECK #	EFT #	AMOUNT (\$)
10/02/2017	91186		306,879.78
10/04/2017	91187		104,025.00
10/05/2017	91188-91225		886,246.80
10/12/2017	91226-91257	463-472	206,084.42
	<i>Sub-Total</i>		1,503,236.00

**Payroll Checks/Direct Deposit**

DATE	CHECK #		AMOUNT (\$)
PPE 9/28/17	47699-47713		180,106.93
PPE 10/12/17	47714-47726		166,263.59
	<i>Sub-total</i>		346,370.52

**TOTAL                    \$ 1,849,606.52**

Note: check numbers not in sequence have been voided.

**ENVIRONMENTAL DETERMINATION:**

Not a project as defined by CEQA.

Attachments:

1. Warrant Register
2. Warrant Register as Budgeted FY2017

City of Imperial Beach  
Warrant Register by Check/EFT Number

Vendor	Description	Account Number	Invoice	Project Description	Amount	Retainage Paid (held)
2017-10-02					\$ 323,031.35	
91186	PAL GENERAL ENGINEERING INC.	AUG 2017 ALLEY PAVING PRO	402-5000-532.20-06	10262-2.2	EIGHT ALLEY PAVING PROJEC	\$ 323,031.35 \$ (16,151.57)
2017-10-04					\$ 109,500.00	
91187	SUN PACIFIC GLAZING, INC.	CIVIC CTR WINDOW REPLCMNT	504-1924-519.20-06	1	CIVIC CENTER NORTH WINDOW	\$ 109,500.00 \$ (5,475.00)
2017-10-05					\$ 891,345.70	
91188	ACACIA LANDSCAPE, CO.	SEP 2017 LANDSCAPE	101-6020-452.21-04	5592	(blank)	\$ 3,625.00
91189	ACE UNIFORMS & ACCESSORIES INC	FD UNIFORMS	101-3020-422.30-02	60866	(blank)	\$ 489.14
91190	ADVANCED IMAGING SOLUTIONS, INC.	SEP 2017 KYOCERA COPIERS	101-1210-413.20-17	21375239	(blank)	\$ 1,860.99
91191	AMERICAN MESSAGING	OCT 2017	101-3020-422.27-05	L1074045RJ	(blank)	\$ 37.25
		OCT 2017	101-3030-423.30-02	L1074045RJ	(blank)	\$ 53.51
91192	CHULA VISTA ALARM, INC	OCT 2017 -2089 EOC	101-1910-419.20-23	44137	(blank)	\$ 30.00
		OCT 2017 -2466 PW REAR	101-1910-419.20-23	44171	(blank)	\$ 55.00
		OCT 2017 -2698 CITY HALL	101-1910-419.20-23	44204	(blank)	\$ 30.00
		OCT 2017 -2758 MVC	101-1910-419.20-23	44215	(blank)	\$ 30.00
		OCT 2017 -314	101-1910-419.20-23	44259	(blank)	\$ 40.00
91193	CITY OF SAN DIEGO	AED PROGRAM MANAGEMNT SER	101-3020-422.21-04	1000207409	(blank)	\$ 275.00
91194	CLEAN HARBORS	AUG 2017 HHW	101-5040-434.21-04	1001996765	(blank)	\$ 1,025.61
91195	COUNTY OF SAN DIEGO RCS	SEP 2017 MOBILE RADIOS	101-3010-421.21-25	18CTOFIBN03	(blank)	\$ 2,166.00
		SEP 2017 MOBILE RADIOS	101-3020-422.21-25	18CTOFIBN03	(blank)	\$ 598.50
		SEP 2017 MOBILE RADIOS	101-3030-423.21-25	18CTOFIBN03	(blank)	\$ 1,026.00
91196	COX COMMUNICATIONS	09/22-10/21 038384601	503-1923-419.21-04	10-13-2017	(blank)	\$ 246.00
		09/25-10/24 039780701	503-1923-419.21-04	10-15-2017	(blank)	\$ 1,000.00
91197	ESRI INC	17/18 ARCGIS & ARCPAD MAI	503-1923-419.28-13	93347186	(blank)	\$ 3,895.31
91198	FIRE ETC	FD UNIFORM BOOTS	101-3020-422.30-02	108201	(blank)	\$ 893.25
91199	FIRST AMERICAN DATA TREE, INC	SEP 2017	101-3070-427.21-04	20045170917	(blank)	\$ 250.00
91200	FIRSTWATHC SOLUTIONS, INC.	SUPPORT & MAINTENANCE: 3	101-3020-422.20-06	FW104056	(blank)	\$ 600.00
91201	GENERAL PARTS DIST, LLC	#100 IGNITION PARTS	501-1921-419.28-16	11098-363066	(blank)	\$ 54.71
		#A8 FILTER KIT	501-1921-419.28-16	11098-363606	(blank)	\$ 21.69
		#147 BLOWER MOTOR	501-1921-419.28-16	11098-363607	(blank)	\$ 22.13
91202	I LOVE A CLEAN SAN DIEGO	AUG 2017 SPONSOR CLEANUP	101-5040-434.29-04	17-4212	RECYCLING GRANT FY 15-16	\$ 1,000.00
91203	JOHN FRENCH	TUITION REIMBURSEMENT	101-1130-412.29-01	09-28-2017	JOHN FRENCH	\$ 660.00
91204	LINCOLN FINANCIAL GROUP	OCT 2017	101-0000-209.01-13	3536367073	(blank)	\$ 4.20
		OCT 2017 LIFE INS	101-0000-209.01-16	3536367073	(blank)	\$ 1,569.33
		OCT 2017 JUL 2017 ADJMNTS	101-0000-209.01-14	3536367073	(blank)	\$ 66.26
		OCT 2017 LTD	101-0000-209.01-14	3536367073	(blank)	\$ 1,456.58
		OCT 2017 VL	101-0000-209.01-13	3536367073	(blank)	\$ 1,353.65
		OCT 2017 STD	101-0000-209.01-21	3536367073	(blank)	\$ 1,233.54
91205	LLOYD PEST CONTROL	AUG 2017 710/712 5TH ST	101-1910-419.20-22	5313315	(blank)	\$ 106.00
		AUG 2017 710/712 5TH ST	101-1910-419.20-22	5328669	(blank)	\$ 40.00
		SEP 2017 SPORTS PARK	101-1910-419.20-22	5358701	(blank)	\$ 55.00
		SEP 2017 SPORTS PARK	101-1910-419.20-22	5360145	(blank)	\$ 53.00
		SEP 2017 DEMPSEY CENTER	101-1910-419.20-22	5360358	(blank)	\$ 60.00
		SEP 2017 CITY HALL	101-1910-419.20-22	5380892	(blank)	\$ 36.00
		SEP 2017 FIRE DEPT	101-1910-419.20-22	5380893	(blank)	\$ 36.00
		SEP 2017 SHERIFF DEPT	101-1910-419.20-22	5381026	(blank)	\$ 36.00
		SEP 2017 MVC	101-1910-419.20-22	5381082	(blank)	\$ 53.00
91206	MCDUGAL LOVE ECKIS &	ATTORNEY SERVICES	101-1220-413.20-01	92766		\$ 3,565.00
		ATTORNEY SERVICES	101-1220-413.20-02	92764		\$ 10,227.00

City of Imperial Beach  
Warrant Register by Check/EFT Number

Vendor	Description	Account Number	Invoice	Project Description	Amount	Retainage Paid (held)
91206	MCDUGAL LOVE ECKIS &	ATTORNEY SERVICES	303-1250-413.20-01		\$ 248.00	
		ATTORNEY SERVICES	502-1922-419.20-01		\$ 808.20	
		ATTORNEY SERVICES	502-1922-419.20-01		\$ 310.00	
		ATTORNEY SERVICES	502-1922-419.20-01		\$ 1,337.56	
		ATTORNEY SERVICES	502-1922-419.20-01		\$ 2,790.00	
		ATTORNEY SERVICES	502-1922-419.20-01		\$ 15.50	
		ATTORNEY SERVICES	502-1922-419.20-01		\$ 769.22	
		ATTORNEY SERVICES	502-1922-419.20-01		\$ 1,007.50	
		ATTORNEY SERVICES	502-1922-419.20-01		\$ 2,250.26	
91207	NADIA .I MORENO	MILEAGE REIMBURSEMENT	101-1130-412.28-06	09-21-2017 (blank)	\$ 23.13	
91208	NICOLE LYNN SANDT	710 5TH STREET-SANDT	101-5000-532.20-06	10-02-2017	\$ 6,300.00	
91209	NOLTE ASSOCIATES, INC.	AUG 2016 CITY OF IB CONST	101-5020-432.21-01	72777 (blank)	\$ 2,609.10	
		AUG 2016 CITY OF IB CONST	202-5016-531.20-06	72777	\$ 1,739.40	
		AUG 2016 CITY OF IB CONST	202-5016-531.20-06	72777	\$ 2,274.60	
		AUG 2016 CITY OF IB CONST	402-5000-532.20-06	72777	\$ 11,573.70	
		AUG 2016 CITY OF IB CONST	420-5000-532.20-06	72777	\$ 2,475.30	
		AUG 2016 CITY OF IB CONST	601-5060-536.20-06	72777	\$ 2,341.50	
		AUG 2016 CITY OF IB CONST	601-5060-536.20-06	72777	\$ 2,007.00	
		AUG 2017 CITRUS AVE IMPRV	201-5000-532.20-06	72989	\$ 22,914.00	
		AUG 2017 ELM AVE IMPRV MNT	202-5016-531.20-06	72108	\$ 19,545.38	
		AUG 2017 ELM AVE OUTREACH	202-5016-531.20-06	72109	\$ 1,570.00	
		AUG 2017 TRIANGLE PARK	202-5016-531.20-06	72939	\$ 3,399.55	
		AUG 2017 ALLEY PAVING PRJ	402-5000-532.20-06	72936	\$ 13,984.88	
		AUG 2017 TOT LOT CONST	420-5000-532.20-06	72106	\$ 658.20	
91210	OFFICE DEPOT, INC	HELMER,C BUSINESS CARDS	101-5020-432.28-11	9569125619001 (blank)	\$ 43.98	
		BINDERS/PATTERIES/FRAMES	101-3020-422.30-02	961962333001 (blank)	\$ 214.57	
91211	OFFICETEAM	WE 09/15/17 SCHLOSSBERG,J	101-1230-413.21-01	49217789 (blank)	\$ 1,017.60	
		W/E 09/22/17 SCHLOSSBERG,	101-1230-413.21-01	49287942 (blank)	\$ 1,272.00	
91212	PRAXAIR DISTRIBUTION INC	WELDING SUPPLY	501-1921-419.30-02	78924970 (blank)	\$ 19.86	
91213	R.E. SCHULTZ CONSTRUCTION, INC.	TOT LOT-SPORTS PARK	420-5000-532.20-06	1	\$ 101,978.00	\$ (5,098.90)
91214	RANCHO AUTO & TRUCK PARTS	STOCK OIL FILTER	501-1921-419.28-16	7693-302161 (blank)	\$ 5.17	
		AIR COMPRESSOR BELT	501-1921-419.28-16	7693-301180 (blank)	\$ 29.59	
		#A8 SHOCKS/FAN	501-1921-419.28-16	7693-301511 (blank)	\$ 296.09	
		OIL/AIR FILTERS/WIPER BLD	501-1921-419.28-16	7693-301646 (blank)	\$ 33.91	
		STOCK TUBE	501-1921-419.28-16	7693-301659 (blank)	\$ 11.02	
91215	READYREFRESH	SEP 2017	101-1010-411.30-02	0710031149578 (blank)	\$ 51.71	
91216	RELIANCE FOUNDRY CO. LTD	BIKE RACKS/MOUNTS	101-5010-431.21-23	32713 (blank)	\$ 6,639.00	
91217	RICH RIEL	FD OPEN HOUSE ENTERTAINME	101-3020-422.20-06	09-28-2017 (blank)	\$ 350.00	
91218	ROBERTSON'S	CONCRETE	101-5010-431.30-02	77519 (blank)	\$ 737.58	
91219	SAN DIEGO CHAPTER OF THE AMERICAN	FORTIN,S APA MEMBERSHIP	101-1210-413.28-12	01402 (blank)	\$ 40.00	
91220	SAN DIEGO COUNTY SHERIFF	JUL 2017 -4TH OF JULY	101-3010-421.20-06	10-03-2017	\$ 7,493.15	
		JUL 2017 LAW ENF SVCS	101-3010-421.20-06	10-03-2017 (blank)	\$ 564,887.49	
		JUL 2017 COPPS PRG	212-3036-421.20-06	10-03-2017 (blank)	\$ 8,333.33	
		JUL 2017 -SUN & SEA	101-0000-221.01-03	10-03-2017	\$ 16,664.45	
		JUL 2017 TOW FEE CREDIT	101-0000-338.60-03	10-03-2017 (blank)	\$ (263.55)	
91221	SPRINT	08/26/17-09/25/2017	101-3020-422.27-05	594768811-118 (blank)	\$ 149.97	
91222	TERRA BELLA NURSERY, INC.	PLANTING MIX/OLEANDER	101-6020-452.30-02	210169 (blank)	\$ 23.66	
91223	UNDERGROUND SERVICE ALERT OF	SEP 2017	601-5060-436.21-04	920170323 (blank)	\$ 56.20	

City of Imperial Beach  
Warrant Register by Check/EFT Number

Vendor	Description	Account Number	Invoice	Project Description	Amount	Retainage Paid (held)
91224	MISCELLANEOUS VENDOR	FD OPEN HOUSE ENTRTNMNT	101-3020-422.20-06	10-08-2017	(blank)	\$ 250.00
91225	ZOLL MEDICAL CORPORATION	DEFIBRILLATOR	101-3020-422.50-04	2571651	(blank)	\$ 35,487.79
		DEFIBRILLATOR EXT WARRANT	101-3020-422.28-01	90021162	(blank)	\$ 2,635.50
<b>2017-10-12</b>						<b>\$ 197,858.22</b>
463	AFLAC	PAYROLL AP PPE 9/14/17	101-0000-209.01-13	20170921	(blank)	\$ 348.81
		PAYROLL AP PPE 9/28/17	101-0000-209.01-13	268341	(blank)	\$ 348.81
464	CALIFORNIA STATE DISBURSEMENT UNIT	PAYROLL AP PPE 9/28/17	101-0000-209.01-07	20171005	(blank)	\$ 355.84
465	COLONIAL LIFE & ACCIDENT	PAYROLL AP PPE 9/14/17	101-0000-209.01-13	20170921	(blank)	\$ 50.09
		PAYROLL AP PPE 9/28/17	101-0000-209.01-13	9498114-0902287	(blank)	\$ 50.09
466	FORESTERS INVESTOR SERVICES INC	PAYROLL AP PPE 9/28/17	101-0000-209.01-22	20171005	(blank)	\$ 90.00
467	FRANCHISE TAX BOARD	PAYROLL AP PPE 9/28/17	101-0000-209.01-07	20171005	(blank)	\$ 23.85
468	I B FIREFIGHTERS ASSOCIATION	PAYROLL AP PPE 9/28/17	101-0000-209.01-08	20171005	(blank)	\$ 240.00
469	ICMA RETIREMENT TRUST 457	PAYROLL AP PPE 9/28/17	101-0000-209.01-10	20171005	(blank)	\$ 6,201.54
470	OR DEPT OF JUSTICE	PAYROLL AP PPE 9/28/17	101-0000-209.01-07	20171005	(blank)	\$ 598.15
471	SEIU LOCAL 221	PAYROLL AP PPE 9/28/17	101-0000-209.01-08	20171005	(blank)	\$ 1,744.35
472	US BANK	PAYROLL AP PPE 9/28/17	101-0000-209.01-20	20171005	(blank)	\$ 1,994.56
91226	AECOM TECHNICAL SERVICES, INC.	JULY-SEP 2017	101-1230-513.20-06	89526	LOCAL COASTAL PROGRAM	\$ - \$ 12,870.00
91227	AGRICULTURAL PEST CONTROL	SEP 2017	101-6020-452.21-04	433357	(blank)	\$ 95.00
91228	BLUE PACIFIC ENGINEERING & CONSTRUC	09/06/17 TRIANGLE LANDSCA	101-5000-532.20-06	1-P16302	TRIANGLE PARK XERISCAPE L	\$ 34,500.00 \$ (1,725.00)
91229	CALIF ELECTRIC SUPPLY	MIDGET FUSE/SLOCK PRO	101-6040-454.30-02	1069-735942	PLAZA/PIER	\$ 184.85
91230	CALIFORNIA DENTAL	OCT 2017 DENTAL HMO	101-0000-209.01-12	OCT 2017	(blank)	\$ 629.30
		OCT 2017 DENTAL HMO	101-1210-413.11-03	OCT 2017	(blank)	\$ 0.20
		NOV 2017 DENTAL PREMIUM	101-0000-209.01-12	NOV 2017	(blank)	\$ 592.60
91231	COURT-ORDERED DEBT COLLECTIONS	PAYROLL AP PPE 9/28/17	101-0000-209.01-07	JK-141-1407	(blank)	\$ 17.17
91232	DUDEK	AUG 2017 POLICY SUPPORT	101-5050-435.20-06	20175400	(blank)	\$ 9,577.50
91233	EAGLE NEWSPAPER	SEP 2017 DISPLAY ADS	101-1020-411.28-08	104891	SYMPHONY BY THE SEA	\$ 160.00
91234	EL TAPATIO INC	10/04/17 COUNCIL DINNER	101-1110-412.28-04	14618	(blank)	\$ 158.93
91235	FASTENAL	DRILL BITS	101-6040-454.30-02	CACHU50927	PLAZA/PIER	\$ 69.52
91236	FIDELITY SECURITY LIFE INSURANCE CO	OCT 2017 VISION PREMIUM	101-0000-209.01-18	163281371	(blank)	\$ 370.58
91237	IMPERIAL BEACH TROPHIES	BICENTENNIAL PARK-BRONZE	202-5016-531.20-06	8363	TRIANGLE PARK XERISCAPE L	\$ 499.95
91238	INSITUFORM TECHNOLOGIES, LLC	AUG/SEP 2017 SEWER LINE R	601-5060-536.20-06	1	FY 15-16 ANNUAL MAIN LINE	\$ 58,376.00 \$ (2,918.80)
91239	JACQUELINE SUE STENZEL	SEP 2017 SR YOGA	101-6030-453.20-06	51	(blank)	\$ 120.00
91240	MISCELLANEOUS VENDOR	FD OPEN HOUSE AIR JUMP	101-3020-422.20-06	CJ17282-05	(blank)	\$ 149.00
91241	PARTNERSHIP WITH INDUSTRY	PE 09/15/2017	101-6040-454.21-04	GS08198	(blank)	\$ 1,244.50
91242	PROTECTION ONE ALARM MONITORING	OCT 2017	601-5060-436.20-23	118724132	(blank)	\$ 293.50
91243	RANCHO AUTO & TRUCK PARTS	#602 BRAKE PARTS	501-1921-419.28-16	7693-302695	(blank)	\$ 110.25
		HEAVY DUTY HOSE	501-1921-419.28-16	7693-302219	(blank)	\$ 50.97
		OIL/FUEL/AIR FILTERS	501-1921-419.28-16	7693-302638	(blank)	\$ 126.04
		CR RTND HOSE	501-1921-419.28-16	7693-302685	(blank)	\$ (50.97)
91244	SAN DIEGO COUNTY - ASSESSOR, PO BOX	MAY 2017 WEEKLY MAPS	101-1230-413.29-04	201700293	(blank)	\$ 2.00
91245	SAN DIEGO EVENT PROS	SYMPHONY AUDIO AND LIGHTI	101-1020-411.28-08	2017-134	SYMPHONY BY THE SEA	\$ 15,065.00
		PHANTOM OF THE EMPIRE - S	101-1020-411.28-08	2017-135	SYMPHONY BY THE SEA	\$ 3,973.00
91246	SAN DIEGO STATE UNIVERSITY	ORCHESTRA FOR SYMPHONY BY	101-1020-411.28-08	40102429-2017	SYMPHONY BY THE SEA	\$ 4,500.00
91247	SANDRA GUEVARA	REIMBURSE MILEAGE PYMT	101-3070-427.28-04	3710206916	(blank)	\$ 23.80
91248	SD SPORTS MED & FAMILY HEALTH	WILLIAMS,G PRE-EMPLOYMENT	101-1130-412.20-06	I808212017_GEOR	(blank)	\$ 694.58
		MINICILL,E PRE-EMPLOYMENT	101-1130-412.20-06	I8007032017_MIN	(blank)	\$ 694.58
		MARTINEZ,J PRE-EMPLOYMENT	101-1130-412.20-06	I808092017_MART	(blank)	\$ 720.98
91249	SDGE	0175 275 3776 08/29-09/28	101-6020-452.27-01	10-27-2017	(blank)	\$ 317.82

City of Imperial Beach  
Warrant Register by Check/EFT Number

Vendor	Description	Account Number	Invoice	Project Description	Amount	Retainage Paid (held)
91249	SDGE	0646 753 1938 08/28-09/27	101-5010-431.27-01	10-14-2017	(blank)	\$ 7.68
		0824 329 2041 08/29-09/28	101-5010-431.27-01	10-17-2017	(blank)	\$ 227.29
		1912 409 2723 08/24-09/25	101-5010-431.27-01	10-12-2017	(blank)	\$ 7.84
		2081 689 1273 08/29-09/28	101-6020-452.27-01	10-17-2017	(blank)	\$ 573.26
		2081 692 3399 08/30-09/29	101-6010-451.27-01	10-18-2017	(blank)	\$ 12.50
		2081 700 4165 08/29-09/28	101-6010-451.27-01	10-17-2017	(blank)	\$ 52.26
		2083 847 9032 08/29-09/28	101-6020-452.27-01	10-17-2017	(blank)	\$ 95.80
		2741 969 9359 08/31-09/30	101-5010-431.27-01	10-18-2017	(blank)	\$ 187.02
		2819 871 6315 08/31-09/30	215-6026-452.27-01	10-18-2017	(blank)	\$ 2,182.84
		3206 700 9265 08/29-09/28	101-6010-451.27-01	10-17-2017	(blank)	\$ 7.00
		3280 213 1424 08/29-09/28	601-5060-436.27-01	10-17-2017	(blank)	\$ 10.10
		5153 272 6717 08/29-09/28	101-5010-431.27-01	10-17-2017	(blank)	\$ 7.54
		5280 340 6641 08/25-09/26	101-5010-431.27-01	10-13-2017	(blank)	\$ 89.43
		5456 692 8951 08/29-09/28	101-6020-452.27-01	10-17-2017	(blank)	\$ 137.07
		5576 188 0541 08/24-09/25	101-5010-431.27-01	10-12-2017	(blank)	\$ 7.42
		6921 003 2109 08/29-09/28	101-6020-452.27-01	10-17-2017	(blank)	\$ 385.40
		7706 795 7872 08/29-09/28	101-5010-431.27-01	10-17-2017	(blank)	\$ 9.71
		8773 823 6424 08/28-09/27	601-5060-436.27-01	10-14-2017	(blank)	\$ 1,307.14
		9327 898 1346 08/29-09/28	101-6020-452.27-01	10-17-2017	(blank)	\$ 619.91
		9476 001 6989 08/29-09/28	101-5010-431.27-01	10-17-2017	(blank)	\$ 507.04
		9956 693 6272 08/29-09/28	101-6010-451.27-01	10-17-2017	(blank)	\$ 250.64
		3062 843 3719 08/28-09/27	101-5010-431.27-01	10-14-2017	(blank)	\$ 10.90
		3448 930 9646 08/28-09/27	101-5010-431.27-01	10-14-2017	(blank)	\$ 7.41
		3736 303 0790 08/28-09/27	101-5010-431.27-01	10-14-2017	(blank)	\$ 16.88
		2024 984 7017 09/20-09/27	601-5060-436.27-01	10-14-2017	(blank)	\$ 40.52
		2081 689 7619 08/29-29/28	101-6010-451.27-01	10-17-2017	(blank)	\$ 601.12
91250	SHER EDLING LLP	ATTORNEY SERVICES	502-1922-419.20-01	1026		\$ 15,321.34
91251	SPARKLETTTS	AUG/SEP 2017	101-3020-422.30-02	12529930 092217	(blank)	\$ 181.37
91252	TRANSWORLD SYSTEMS INC.	SEP 2017 COLLECTIONS FEES	101-1210-413.20-27	1705523	(blank)	\$ 102.00
91253	TRISTAR RISK MANAGEMENT	SEP 2017 W/C LOSS REPLENS	502-0000-106.03-00	102263	(blank)	\$ 20,093.87
		OCT-DEC 2017 CLAIMS ADMIN	502-1922-419.20-07	92484	(blank)	\$ 6,492.50
91254	TURNING TYDES THEATRE COMPANY	10/07/17 MUSICAL PRODUCTI	101-1020-411.28-08	0001	SYMPHONY BY THE SEA	\$ 700.00
91255	US DEPARTMENT OF EDUCATION	PAYROLL AP PPE 9/28/17	101-0000-209.01-07	1024106898	(blank)	\$ 11.32
91256	WAXIE SANITARY SUPPLY	GLOVES/CLEANING SUPPLIES	101-6040-454.30-02	76970891	PLAZA/PIER	\$ 1,481.36
91257	WEST COAST ARBORISTS	T&S RMVL-770 13TH/DONAX	101-6020-452.21-04	129675	(blank)	\$ 800.00
<b>Grand Total</b>						<b>\$ 1,521,735.27</b>

Warrant Register as Budgeted (FY18)

Expense	Budget	Previous	2017-10-02	2017-10-04	2017-10-05	2017-10-12	Remaining Budget	Budget Notes
<b>101 GENERAL FUND</b>								
ABC-FACILITIES CHARGES	\$ 101,839						\$ 101,839	
ABC-FMP EQUIPMENT CHARGE	\$ 304,120						\$ 304,120	
ABC-RISK MGMT SVC CHARGE	\$ 135,000						\$ 135,000	
ABC-TECHNOLOGY SVC CHARGE	\$ 378,554						\$ 378,554	
ADVERTISING	\$ 7,050	\$ 167					\$ 6,883	
ATTORNEY SERVICES	\$ 28,131	\$ 1,156			\$ 3,565		\$ 23,410	
ATTORNEY SERVICES-OTHER	\$ 133,227	\$ 10,227			\$ 10,227		\$ 112,773	
AUTO ALLOWANCE	\$ 71,880	\$ 13,654					\$ 58,226	
BANKING/FIN SRVCS CHARGES	\$ 35,175	\$ 3,991				\$ 102	\$ 31,083	
CELL PHONE ALLOWANCE	\$ 14,390	\$ 3,361					\$ 11,029	
COMMUNITY PROGRAMS	\$ 106,893	\$ 35,269				\$ 24,398	\$ 47,226	
CONTINGENCY ACCOUNT	\$ 246,661						\$ 246,661	
CONTRACTS-ELECTIONS	\$ 1,500						\$ 1,500	
COPIER LEASES	\$ 39,500	\$ 6,254			\$ 1,861		\$ 31,385	
COUNCIL/RDA BOARD PAY	\$ 35,107	\$ 10,040					\$ 25,067	
EMPLOYEE RECOGNITION AWRD	\$ 10,400	\$ 1,097					\$ 9,303	
EQUIPMENT	\$ 58,802	\$ 24,220			\$ 35,488		\$ (906)	
FEES & LICENSES	\$ 24,594	\$ 208					\$ 24,387	
FICA	\$ 406,627	\$ 106,077					\$ 300,550	
FIRE EXTINGUISHER SERVICE	\$ 550						\$ 550	
FLSA WAGES	\$ 25,460	\$ 5,722					\$ 19,738	
GAS & ELECTRIC (SDG&E)	\$ 250,750	\$ 37,517				\$ 4,139	\$ 209,094	
LIFE INSURANCE	\$ 20,663	\$ 5,118					\$ 15,545	
MAINTENANCE & REPAIR	\$ 81,828	\$ 7,489			\$ 2,636		\$ 71,703	
MEMBERSHIP DUES	\$ 54,050	\$ 22,841			\$ 40		\$ 31,169	
MGT MEDICAL REIMBURSEMENT	\$ 3,570	\$ 705					\$ 2,865	
MILEAGE REIMBURSEMENT	\$ 550				\$ 23		\$ 527	
OFFICE SUPPLIES	\$ 24,449	\$ 2,673					\$ 21,776	
OPERATING SUPPLIES	\$ 298,037	\$ 55,409			\$ 2,463	\$ 1,917	\$ 238,248	
OTHER SERVICES & CHARGES	\$ 34,840	\$ 1,069			\$ 1,000	\$ 2	\$ 32,769	
OVERTIME	\$ 145,900	\$ 72,792					\$ 73,108	
PARS CITY CONTRIBUTION	\$ 22,647	\$ 11,425					\$ 11,222	
PERS-CITY PORTION	\$ 975,384	\$ 587,237					\$ 388,147	
PEST CONTROL SERVICE	\$ 4,461	\$ 848			\$ 475		\$ 3,138	
PLAN CHECK SERVICIES	\$ 7,500						\$ 7,500	
POSTAGE & FREIGHT	\$ 11,450	\$ 2,934					\$ 8,516	
PRINTING SERVICES	\$ 5,700	\$ 292			\$ 44		\$ 5,364	
PROFESSIONAL SERVICES	\$ 10,440,120	\$ 121,883			\$ 579,881	\$ 46,457	\$ 9,691,900	
RCS PROGRAM	\$ 51,252	\$ 7,581			\$ 3,791		\$ 39,881	
RENT-EQUIPMENT	\$ 7,000						\$ 7,000	
RENT-UNIFORMS	\$ 50,777	\$ 10,118					\$ 40,660	
SALARIES FULL-TIME	\$ 4,684,137	\$ 1,311,336					\$ 3,372,801	
SALARIES PART-TIME	\$ 739,120	\$ 321,828					\$ 417,292	
SECTION 125 CAFETERIA	\$ 887,823	\$ 204,978				\$ 0	\$ 682,845	

## Warrant Register as Budgeted (FY18)

Expense	Budget	Previous	2017-10-02	2017-10-04	2017-10-05	2017-10-12	Remaining Budget	Budget Notes
SECURITY & ALARM	\$ 2,500	\$ 425			\$ 185		\$ 1,890	
SMALL TOOLS/NON-CAPITAL	\$ 19,114	\$ 637					\$ 18,477	
SUBSCRIBE & PUBLICATIONS	\$ 5,270	\$ 42					\$ 5,228	
TECHNICAL SERVICES	\$ 428,859	\$ 69,294			\$ 5,176	\$ 2,140	\$ 352,250	
TEMPORARY STAFFING	\$ 70,178	\$ 39,808			\$ 4,899		\$ 25,471	
TRAFFIC CONTROL	\$ 45,225	\$ 5,581			\$ 6,639		\$ 33,005	
TRAINING & EDUCATION-MOU	\$ 11,200	\$ 1,063			\$ 660		\$ 9,477	
TRANSFER OUT	\$ 17,000						\$ 17,000	
TRAVEL, TRAINING, MEETING	\$ 89,297	\$ 8,593				\$ 183	\$ 80,521	
UNEMPLOYMENT INSURANCE	\$ 57,317	\$ 11,210					\$ 46,107	
UTILITIES-CELL PHONES	\$ 21,295	\$ 2,759			\$ 187		\$ 18,350	
UTILITIES-SEWER	\$ 14,900						\$ 14,900	
UTILITIES-WATER	\$ 139,241	\$ 24,277					\$ 114,963	
WORKER'S COMP INSURANCE	\$ 289,020	\$ 95,962					\$ 193,058	
<b>201 GAS TAX FUND</b>								
CELL PHONE ALLOWANCE		\$ 6					\$ (6)	
FICA		\$ 67					\$ (67)	
PERS-CITY PORTION		\$ 57					\$ (57)	
PROFESSIONAL SERVICES	\$ 885,147	\$ 234,900			\$ 22,914		\$ 627,333	All CIP budgeted in Prof Services Account
SALARIES FULL-TIME		\$ 867					\$ (867)	
SECTION 125 CAFETERIA		\$ 85					\$ (85)	
TRANSFER OUT	\$ 700,000						\$ 700,000	
WORKER'S COMP INSURANCE		\$ 53					\$ (53)	
<b>202 PROP "A" (TRANSNET) FUND</b>								
AUTO ALLOWANCE		\$ 80					\$ (80)	
CELL PHONE ALLOWANCE		\$ 26					\$ (26)	
FICA		\$ 280					\$ (280)	
PERS-CITY PORTION		\$ 267					\$ (267)	
PROFESSIONAL SERVICES	\$ 858,620	\$ 4,224			\$ 28,529	\$ 500	\$ 825,367	All CIP budgeted in Prof Services Account
SALARIES FULL-TIME		\$ 3,578					\$ (3,578)	
SECTION 125 CAFETERIA		\$ 350					\$ (350)	
TRANSFER OUT	\$ 216,000						\$ 216,000	
UNEMPLOYMENT INSURANCE		\$ 13					\$ (13)	
WORKER'S COMP INSURANCE		\$ 216					\$ (216)	
<b>210 CDBG-FEDERAL ASSISTANCE</b>								
AUTO ALLOWANCE		\$ 5					\$ (5)	
CELL PHONE ALLOWANCE		\$ 1					\$ (1)	
FICA		\$ 11					\$ (11)	
PERS-CITY PORTION		\$ 16					\$ (16)	
PROFESSIONAL SERVICES	\$ 140,759	\$ 8,800					\$ 131,959	All CIP budgeted in Prof Services Account
SALARIES FULL-TIME		\$ 140					\$ (140)	
SECTION 125 CAFETERIA		\$ 19					\$ (19)	
WORKER'S COMP INSURANCE		\$ 9					\$ (9)	
<b>212 SLESF (COPS) FUND</b>								
PROFESSIONAL SERVICES	\$ 100,000				\$ 8,333		\$ 91,667	



## Warrant Register as Budgeted (FY18)

Expense	Budget	Previous	2017-10-02	2017-10-04	2017-10-05	2017-10-12	Remaining Budget	Budget Notes
<b>215 LLMD-ASSMT DIST #67 FUND</b>								
GAS & ELECTRIC (SDG&E)	\$ 27,000	\$ 4,373			\$ 2,183		\$ 20,444	
PROFESSIONAL SERVICES	\$ 2,000						\$ 2,000	
<b>216 HOUSING AUTHORITY</b>								
ATTORNEY SERVICES	\$ 50,000						\$ 50,000	
AUTO ALLOWANCE	\$ 540						\$ 540	
CELL PHONE ALLOWANCE	\$ 90						\$ 90	
FICA	\$ 1,283						\$ 1,283	
LIFE INSURANCE	\$ 33						\$ 33	
PERS-CITY PORTION	\$ 1,548						\$ 1,548	
PROFESSIONAL SERVICES	\$ 14,200						\$ 14,200	
SALARIES FULL-TIME	\$ 15,732						\$ 15,732	
SECTION 125 CAFETERIA	\$ 1,620						\$ 1,620	
UNEMPLOYMENT INSURANCE	\$ 65						\$ 65	
WORKER'S COMP INSURANCE	\$ 881						\$ 881	
<b>301 SA DEBT SERVICE FUND</b>								
BOND INTEREST (2010 TAB)	\$ 1,036,120	\$ (103,260)					\$ 1,139,380	
BOND PRINCIPAL (2010 TAB)	\$ 265,000	\$ 255,000					\$ 10,000	
INTEREST BOND (2013 TAB)	\$ 756,674	\$ (37,883)					\$ 794,557	
PRINCIPAL BOND (2013 TAB)	\$ 760,000	\$ 145,000					\$ 615,000	
<b>303 REDEV OBLIG RETIRE FUND</b>								
ATTORNEY SERVICES	\$ 130,254	\$ 29,813			\$ 248		\$ 100,193	
CELL PHONE ALLOWANCE		\$ 11					\$ (11)	
FICA		\$ 121					\$ (121)	
OTHER SERVICES & CHARGES	\$ 14,050						\$ 14,050	
PERS-CITY PORTION		\$ 102					\$ (102)	
PROFESSIONAL SERVICES	\$ 112,330	\$ 8,475					\$ 103,855	
SALARIES FULL-TIME	\$ 250,000	\$ 1,564					\$ 248,436	
SECTION 125 CAFETERIA		\$ 142					\$ (142)	
TRANSFER OUT	\$ 2,828,080	\$ 901,541					\$ 1,926,539	
WORKER'S COMP INSURANCE		\$ 96					\$ (96)	
<b>401 CAPITAL IMPROVEMENT FUND</b>								
AUTO ALLOWANCE		\$ 111					\$ (111)	
CELL PHONE ALLOWANCE		\$ 22					\$ (22)	
FICA		\$ 229					\$ (229)	
MGT MEDICAL REIMBURSEMENT		\$ 45					\$ (45)	
PERS-CITY PORTION		\$ 192					\$ (192)	
PROFESSIONAL SERVICES	\$ 2,457,580						\$ 2,457,580	All CIP budgeted in Prof Services Account
SALARIES FULL-TIME		\$ 2,859					\$ (2,859)	
SECTION 125 CAFETERIA		\$ 244					\$ (244)	
WORKER'S COMP INSURANCE		\$ 166					\$ (166)	
<b>402 C.I.P. 2010 BOND</b>								
AUTO ALLOWANCE		\$ 143					\$ (143)	
CELL PHONE ALLOWANCE		\$ 63					\$ (63)	
FICA		\$ 904					\$ (904)	

Warrant Register as Budgeted (FY18)

Expense	Budget	Previous	2017-10-02	2017-10-04	2017-10-05	2017-10-12	Remaining Budget	Budget Notes
MGT MEDICAL REIMBURSEMENT		\$ 90					\$ (90)	
PERS-CITY PORTION		\$ 863					\$ (863)	
PROFESSIONAL SERVICES	\$ 1,033,277	\$ 100,106	\$ 323,031		\$ 25,559		\$ 584,581	All CIP budgeted in Prof Services Account
SALARIES FULL-TIME		\$ 11,564					\$ (11,564)	
SECTION 125 CAFETERIA		\$ 885					\$ (885)	
UNEMPLOYMENT INSURANCE		\$ 6					\$ (6)	
WORKER'S COMP INSURANCE		\$ 698					\$ (698)	
<b>420 PARKS MAJOR MAINTENAN CIP</b>								
AUTO ALLOWANCE		\$ 106					\$ (106)	
CELL PHONE ALLOWANCE		\$ 35					\$ (35)	
FICA		\$ 576					\$ (576)	
PERS-CITY PORTION		\$ 517					\$ (517)	
PROFESSIONAL SERVICES	\$ 398,449	\$ 313			\$ 105,112		\$ 293,025	All CIP budgeted in Prof Services Account
SALARIES FULL-TIME		\$ 7,374					\$ (7,374)	
SECTION 125 CAFETERIA		\$ 448					\$ (448)	
UNEMPLOYMENT INSURANCE		\$ 33					\$ (33)	
WORKER'S COMP INSURANCE		\$ 447					\$ (447)	
<b>501 VEHICLE REPLACEMENT/MAINT</b>								
EQUIPMENT	\$ 472,000	\$ 24,582					\$ 447,418	
FEES & LICENSES	\$ 3,550	\$ 110					\$ 3,440	
FICA	\$ 11,167	\$ 3,060					\$ 8,107	
FIRE EXTINGUISHER SERVICE	\$ 400						\$ 400	
LIFE INSURANCE	\$ 289	\$ 78					\$ 211	
MAINTENANCE & REPAIR	\$ 22,296	\$ 7,065					\$ 15,231	
OPERATING SUPPLIES	\$ 5,512	\$ 762			\$ 20		\$ 4,731	
OTHER SERVICES & CHARGES	\$ 3,441	\$ 146					\$ 3,295	
OVERTIME	\$ 300						\$ 300	
PERS-CITY PORTION	\$ 20,518	\$ 15,982					\$ 4,536	
SALARIES FULL-TIME	\$ 142,413	\$ 39,723					\$ 102,690	
SECTION 125 CAFETERIA	\$ 30,000	\$ 7,520					\$ 22,480	
SMALL TOOLS/NON-CAPITAL	\$ 4,965						\$ 4,965	
UNEMPLOYMENT INSURANCE	\$ 955						\$ 955	
VEHICLE OPERATE-FUEL/OIL	\$ 215,400	\$ 33,500					\$ 181,900	
VEHICLE OPERATE-PARTS M&O	\$ 31,345	\$ 6,010			\$ 474	\$ 236	\$ 24,625	
WORKER'S COMP INSURANCE	\$ 7,921	\$ 2,411					\$ 5,510	
<b>502 RISK MANAGEMENT FUND</b>								
ATTORNEY SERVICES	\$ 84,392	\$ 46,923			\$ 9,288	\$ 15,321	\$ 12,860	
AUTO ALLOWANCE	\$ 1,764	\$ 473					\$ 1,291	
CELL PHONE ALLOWANCE	\$ 300	\$ 80					\$ 220	
FICA	\$ 4,746	\$ 1,546					\$ 3,201	
INSURANCE PREMIUM/DEPOSIT	\$ 184,400	\$ 165,942					\$ 18,458	
INSURANCE PREMIUM/WK COMP	\$ 343,000						\$ 343,000	
LIFE INSURANCE	\$ 288	\$ 78					\$ 210	
MGT MEDICAL REIMBURSEMENT	\$ 126						\$ 126	
OTHER SERVICES & CHARGES	\$ -	\$ 467					\$ (467)	

Warrant Register as Budgeted (FY18)

Expense	Budget	Previous	2017-10-02	2017-10-04	2017-10-05	2017-10-12	Remaining Budget	Budget Notes
<b>Expense</b>								
PAYMENT OF CLAIMS	\$ 55,000	\$ 2,980					\$ 52,020	
PERS-CITY PORTION	\$ 4,810	\$ 4,621					\$ 189	
PROFESSIONAL SERVICES	\$ -	\$ 2,250					\$ (2,250)	
PYMT OF WORK COMP CLAIMS		\$ 62,841					\$ (62,841)	To be paid from Liability Accrual at Year End.
SALARIES FULL-TIME	\$ 66,406	\$ 21,008					\$ 45,398	
SECTION 125 CAFETERIA	\$ 7,099	\$ 1,871					\$ 5,228	
THIRD PARTY ADMIN (W/C)	\$ 27,000	\$ 6,493			\$ 6,493		\$ 14,015	
UNEMPLOYMENT INSURANCE	\$ 260						\$ 260	
WORKER'S COMP INSURANCE	\$ 3,706	\$ 1,123					\$ 2,583	
<b>503 TECHNOLOGY/COMMUNICATIONS</b>								
AUTO ALLOWANCE	\$ 6,816	\$ 1,812					\$ 5,004	
CELL PHONE ALLOWANCE	\$ 480	\$ 126					\$ 354	
EQUIPMENT	\$ 216,000	\$ 91,000					\$ 125,000	
FEES & LICENSES	\$ 14,755	\$ 22,802			\$ 3,895		\$ (11,943)	Added cost due to need for litigation hold.
FICA	\$ 12,291	\$ 3,610					\$ 8,681	
LIFE INSURANCE	\$ 536	\$ 150					\$ 386	
MAINTENANCE & REPAIR	\$ 1,500						\$ 1,500	
MEMBERSHIP DUES	\$ 340	\$ 160					\$ 180	
MGT MEDICAL REIMBURSEMENT	\$ 84						\$ 84	
OFFICE SUPPLIES	\$ 100						\$ 100	
OPERATING SUPPLIES	\$ 4,165						\$ 4,165	
PARS CITY CONTRIBUTION	\$ 793	\$ 256					\$ 537	
PERS-CITY PORTION	\$ 21,454	\$ 9,559					\$ 11,895	
POSTAGE & FREIGHT	\$ 80						\$ 80	
PROFESSIONAL SERVICES	\$ 10,850	\$ 3,975					\$ 6,875	
QUESYST	\$ 8,000	\$ 7,260					\$ 740	
SALARIES FULL-TIME	\$ 150,716	\$ 44,057					\$ 106,659	
SALARIES PART-TIME	\$ 21,138	\$ 6,818					\$ 14,320	
SECTION 125 CAFETERIA	\$ 14,395	\$ 3,512					\$ 10,883	
SMALL TOOLS/NON-CAPITAL	\$ 16,100	\$ 11,227					\$ 4,873	
TECHNICAL SERVICES	\$ 60,902	\$ 8,743			\$ 1,246		\$ 50,913	
TRAVEL, TRAINING, MEETING	\$ 2,200						\$ 2,200	
UNEMPLOYMENT INSURANCE	\$ 1,215						\$ 1,215	
UTILITIES-CELL PHONES	\$ 5,250	\$ 541					\$ 4,709	
UTILITIES-TELEPHONE	\$ 5,346	\$ 2,913					\$ 2,433	
WORKER'S COMP INSURANCE	\$ 9,588	\$ 3,011					\$ 6,577	
SOFTWARE MAINTENANCE	\$ 59,980	\$ 94,749					\$ (34,770)	Dual subscriptions during migration of new Software.
<b>504 FACILITY MAINT/REPLACEMNT</b>								
CELL PHONE ALLOWANCE		\$ 13					\$ (13)	
FICA		\$ 215					\$ (215)	
PERS-CITY PORTION		\$ 189					\$ (189)	
PROFESSIONAL SERVICES	\$ 271,108	\$ 444		\$ 109,500			\$ 161,164	All CIP budgeted in Prof Services Account
SALARIES FULL-TIME		\$ 2,798					\$ (2,798)	
SECTION 125 CAFETERIA		\$ 207					\$ (207)	
TECHNICAL SERVICES	\$ 43,700	\$ 1,804					\$ 41,896	

Warrant Register as Budgeted (FY18)

	Budget	Previous	2017-10-02	2017-10-04	2017-10-05	2017-10-12	Remaining Budget	Budget Notes
<b>Expense</b>								
UNEMPLOYMENT INSURANCE		\$ 27					\$ (27)	
WORKER'S COMP		\$ 173					\$ (173)	
<b>601 SEWER ENTERPRISE FUND</b>								
ABC-ADMIN SVC CHARGE	\$ 146,527						\$ 146,527	
ABC-FACILITIES CHARGES	\$ 9,083						\$ 9,083	
ABC-FMP EQUIPMENT CHARGE	\$ 113,709						\$ 113,709	
ABC-RISK MGMT SVC CHARGE	\$ 35,000						\$ 35,000	
ABC-TECHNOLOGY SVC CHARGE	\$ 60,590						\$ 60,590	
AUTO ALLOWANCE	\$ 1,440	\$ 501					\$ 939	
CELL PHONE ALLOWANCE	\$ 240	\$ 92					\$ 148	
EQUIPMENT	\$ 136,675						\$ 136,675	
FEES & LICENSES	\$ 5,250						\$ 5,250	
FICA	\$ 24,039	\$ 7,976					\$ 16,063	
GAS & ELECTRIC (SDG&E)	\$ 70,000	\$ 12,394			\$ 1,358		\$ 56,248	
LIFE INSURANCE	\$ 707	\$ 165					\$ 542	
MAINTENANCE & REPAIR	\$ 45,420	\$ 9,564					\$ 35,857	
MEMBERSHIP DUES	\$ 900	\$ 180					\$ 720	
OPERATING SUPPLIES	\$ 16,385	\$ 3,904					\$ 12,481	
OTHER SERVICES & CHARGES	\$ 8,400						\$ 8,400	
OVERTIME	\$ 22,900	\$ 5,416					\$ 17,484	
PERS-CITY PORTION	\$ 60,214	\$ 54,168					\$ 6,046	
PROFESSIONAL SERVICES	\$ 2,015,472	\$ 132,081			\$ 4,349	\$ 58,376	\$ 1,820,667	
PUBLIC WORKS ADMIN	\$ 348,882						\$ 348,882	
RENT-EQUIPMENT	\$ 1,000						\$ 1,000	
SALARIES FULL-TIME	\$ 312,497	\$ 92,097					\$ 220,400	
SECTION 125 CAFETERIA	\$ 57,564	\$ 14,206					\$ 43,358	
SECURITY & ALARM	\$ 4,000	\$ 881				\$ 294	\$ 2,826	
SMALL TOOLS/NON-CAPITAL	\$ 1,400	\$ 54					\$ 1,346	
STAND-BY PAY	\$ 27,300	\$ 5,377					\$ 21,923	
TECHNICAL SERVICES	\$ 2,920,870	\$ 758,890			\$ 56		\$ 2,161,924	
TEMPORARY STAFFING	\$ 47,920	\$ 9,138					\$ 38,782	
TRAVEL, TRAINING, MEETING	\$ 5,700						\$ 5,700	
UNEMPLOYMENT INSURANCE	\$ 2,344	\$ 6					\$ 2,338	
UTILITIES-CELL PHONES	\$ 1						\$ 1	
UTILITIES-TELEPHONE	\$ 2,500						\$ 2,500	
UTILITIES-WATER	\$ 7,446	\$ 657					\$ 6,788	
WORKER'S COMP INSURANCE	\$ 17,312	\$ 5,091					\$ 12,221	
WORKER COMPENSATION		\$ 523					\$ (523)	
<b>Asset</b>								
<b>Fund Balance</b>								
<b>Liability</b>								
<b>Revenue</b>								
<b>Grand Total</b>	<b>\$ 5,066,972</b>	<b>\$ 3,770,490</b>	<b>\$ 323,031</b>	<b>\$ 109,500</b>	<b>\$ 891,346</b>	<b>\$ 197,858</b>		

Retainage \$ (16,152) \$ (5,475) \$ (5,099) \$ 8,226



STAFF REPORT  
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL  
FROM: ANDY HALL, CITY MANAGER *AH*  
MEETING DATE: NOVEMBER 1, 2017  
ORIGINATING DEPT.: COMMUNITY DEVELOPMENT *SD*  
SUBJECT: BUDGET ADJUSTMENT TO RECEIVE CALIFORNIA HOUSING AND COMMUNITY DEVELOPMENT'S HOUSING RELATED PARKS (HRP) FUNDS

**EXECUTIVE SUMMARY:**

The City received a grant in the amount \$101,125.00 from the State of California's Department of Housing and Community Development to be utilized for the Senior Center. The funds will be utilized to make needed improvements including but not limited to painting, roofing, gutters and ADA/NFPA needs to name a few.

**FISCAL ANALYSIS:** None at this time.

**RECOMMENDATION:**

That City Council adopts the resolution and authorizes the budget adjustment.

**OPTIONS:**

- Request additional information
- Provide direction to the City Manager to take another specific action

**BACKGROUND/ANALYSIS:**

The City received a grant from the State of California's Department of Housing and Community Development to be utilized for the Senior Center. This grant does not require any City matching funds.

**ENVIRONMENTAL DETERMINATION:**

Not a project as defined by CEQA.

Attachments:

1. Resolution 2017-7862

**RESOLUTION NO. 2017-7862**

**RESOLUTION 2017-7862 AUTHORIZING HOUSING-RELATED PARKS GRANT FUNDS TO BE USED TOWARDS EXISTING SENIOR CENTER INFRASTRUCTURE AND EQUIPMENT IMPROVEMENTS.**

**WHEREAS**, on November 21, 2016 the City Council approved Resolution 2016-7665 authorizing submittal of a Senior Center grant application funded by the California Housing and Community Development Department's Housing-Related Parks (HRP) Program.

**WHEREAS**, during the course of Fiscal Year 2016-2017, the Housing and Community Development Department approved and signed a grant agreement.

**WHEREAS**, pursuant to the Housing-Related Parks Program Grant of 2016 the City of Imperial Beach received grant funding; and

**WHEREAS**, pursuant to the Housing-Related Parks Program Grant the City of Imperial Beach will expend the funds on the Senior Center;

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

1. Authorize the use of the Housing-Related Parks Program Grant for Senior Center Improvements.
2. Amend the adopted FY18 revenue and expense budget in the amount of \$101,125.00.

**PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Imperial Beach at its meeting held on the 1<sup>st</sup> day of November, 2017, by the following vote:

**AYES: COUNCILMEMBERS:**  
**NOES: COUNCILMEMBERS:**  
**ABSENT: COUNCILMEMBERS:**

---

**SERGE DEDINA, MAYOR**

**ATTEST:**

---

**JACQUELINE M. KELLY, MMC**  
**CITY CLERK**



STAFF REPORT  
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL  
FROM: ANDY HALL, CITY MANAGER *AH*  
MEETING DATE: NOVEMBER 1, 2017  
ORIGINATING DEPT.: PUBLIC WORKS *CA*  
SUBJECT: RESOLUTION 2017-7861 CONTINUING THE PROCLAMATION OF A STATE OF LOCAL EMERGENCY RELATING TO IMPACTS FROM CROSS-BORDER POLLUTION IN THE TIJUANA RIVER

**EXECUTIVE SUMMARY:**

Resolution No. 2017-7861 continues the City's proclamation for a state of local emergency related to the cross-border pollution impacts from the Tijuana River including the persistent impacts of treated and untreated wastewater. The Imperial Beach shoreline from the south end of Seacoast Drive to the border was continuously closed for recreational water contact from November 21, 2016 through June 7, 2017 due to contaminated flows in the Tijuana River. Cross border flows in the Tijuana River continue, however, the dry seasonal conditions in the Tijuana River valley allow these flows to infiltrate into the ground before reaching the ocean.

It is necessary to have a local state of emergency in order for the City to respond to unpredictable conditions in the Tijuana River that impact the health, safety, and welfare of Imperial Beach residents, visitors, and environment. Proclamations that set in place a state of local emergency will expire in 30 days unless the City passes a continuing resolution to continue the local state of emergency.

**FISCAL ANALYSIS:**

None

**RECOMMENDATION:**

Adopt Resolution 2017-7861 to maintain a state of local emergency related to the cross-border pollution impacts from the Tijuana River and authorize the City Manager, Mayor, and Council members to work with local, State, Federal, and Mexican authorities to advance binational projects to improve conditions in the Tijuana River.

**OPTIONS:**

- Adopt Resolution and recommendation form staff;
- Reject Resolution; or
- Request additional information and an additional report

**BACKGROUND/ANALYSIS:**

The health and safety risks from cross border pollution levels in the Tijuana River and lack of action to implement known solutions by Federal and State agencies provides sufficient evidence to declare a state of local emergency within the City.

The City of Imperial Beach is severely impacted by the persistent flow of pollutants in the Tijuana River that impacts the health, safety, and welfare of citizens and wildlife. Pollution in the River is most acute following rain events or illegal discharge events when the watershed transforms into a severely impacted, polluted, and hazardous waterbody with bacterial concentrations so elevated it is often difficult to quantify effectively. The associated impact on the surrounding ecosystem is severe with poor water quality lasting several days to months after each discharge event. The recreational impact on the Imperial Beach shoreline is equally severe with beach closures impacting the beneficial ocean uses for residents and visitors in the City.

Although significant progress has been made during the last 20 year, there still remains significant work to control pollution in the Tijuana River. The Imperial Beach City Council and Mayor have an important role in the policy making process that influence the state, federal, and bi-national solutions to these issues. The City has a long history of binational collaboration to improve conditions in the Tijuana River from uncontrolled flows of sewage, trash, and sediment across the international border. Numerous agencies, government programs, and NGOs already collaborate on programs to address pollution in the Tijuana River. Some of the successful programs in the Tijuana River include:

- Tijuana River Recovery Team
- IBWC Treaty Minute 283
- IBWC Treaty Minute 320
- EPA Border 2020
- North American Development Bank – Border Environment Cooperation Commission
- IBWC Citizen’s Forum
- Tijuana River Action Month
- Surfrider No Border Sewage

The City Council has the authority to issue a local state of emergency that will expire in 30 days unless renewed by a continuing resolution.

**ENVIRONMENTAL DETERMINATION:**

Not a project as defined by CEQA.

Attachments:

1. Resolution No. 2017-7861



## RESOLUTION NO. 2017-7861

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, CONTINUING THE PROCLAMATION OF A STATE OF LOCAL EMERGENCY RELATING TO IMPACTS FROM CROSS-BORDER POLLUTION IN THE TIJUANA RIVER**

**WHEREAS**, Government Code Section 8630 and Imperial Beach Municipal Code (IBMC) Section 2.52.060 empower the City Manager, acting as the Director of Emergency Services, to request that the City Council proclaim the existence of a local emergency when the City is affected by a public calamity; and

**WHEREAS**, the City Manager, as Director of Emergency Services of the City of Imperial Beach, does hereby find that continued conditions of extreme peril to safety of persons, property, and environment have arisen within said City, caused by persistent impacts from cross-border pollution in the Tijuana River; and

**WHEREAS**, the persistent impact of cross-border flows of treated and untreated wastewater in the Tijuana River, excessive discharge of sediment into the Tijuana Estuary during storm events, and the continued impact of trash and waste tires in the Tijuana River Valley maintains a condition of extreme peril in the City; and

**WHEREAS**, on February 24, 2017, the International Boundary and Water Commission notified the City of a sewage spill into the Tijuana River in the amount of 143,000,000 gallons that occurred between February 6<sup>th</sup> and February 23<sup>rd</sup>; and

**WHEREAS**, in 2017 transboundary flows in the Tijuana River have resulted in 157 beach closures to date for Border Field State Park and 68 beach closures to date at Imperial Beach Pier; and

**WHEREAS**, in 2016 the International Boundary and Water Commission reported 28 transboundary flow events that resulted in over 35,000,000 gallons of unauthorized cross border discharges into the receiving waters of the Tijuana River; and

**WHEREAS**, pursuant to Section 8558(c) of the California Government Code, the pollution in the Tijuana River is beyond the control of the services, personnel, equipment and facilities of the City of Imperial Beach; and

**WHEREAS**, pollutants in the Tijuana River are causing contamination of the Tijuana River Valley, Tijuana Estuary, and the water and beaches of the City of Imperial Beach threatening the health, safety, and welfare of the citizens of Imperial Beach as well as visitors to our beaches; and

**WHEREAS**, the flow of the contaminants and untreated wastewater continues to escalate due to inadequate wastewater infrastructure in the city of Tijuana and lack of sufficient operation and maintenance of existing infrastructure; and

**WHEREAS**, this flow is the acknowledged responsibility of the federal governments of the United States and Mexico; and

**WHEREAS**, this condition constitutes an economic and public health threat which warrants and necessitates the proclamation and existence of a local emergency.

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

- 1. The above recitals are true and correct.
- 2. A local emergency exists throughout the City of Imperial Beach.
- 3. The City Manager, Mayor, and Council members are authorized to work with local, State, Federal, and Mexican authorities and to explore any and all options to improve conditions in the Tijuana River.
- 4. This proclamation of a local emergency shall expire within 30 days unless renewed by the City Council.

**PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Imperial Beach at its meeting held on the 1<sup>st</sup> day of November 2017, by the following vote:

**AYES:    COUNCILMEMBERS:**  
**NOES:    COUNCILMEMBERS:**  
**ABSENT:  COUNCILMEMBERS:**

\_\_\_\_\_  
**SERGE DEDINA, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**JACQUELINE M. KELLY, MMC**  
**CITY CLERK**



STAFF REPORT  
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *AH*

MEETING DATE: NOVEMBER 1, 2017

ORIGINATING DEPT.: CITY ADMINISTRATION

SUBJECT: SECOND READING AND ADOPTION OF ORDINANCE NO. 2017-1168 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA AMENDING TITLE TWO OF THE IMPERIAL BEACH MUNICIPAL CODE TO ADD CHAPTER 2.11 "CITY COUNCIL COMPENSATION"; APPROVING AN INCREASE IN CITY COUNCIL COMPENSATION; AND ESTABLISHING AN ANNUAL REVIEW OF CITY COUNCIL COMPENSATION

**EXECUTIVE SUMMARY:**

The City Council salary has not been changed since 1987. In February of 2017, the City Council appointed a task force to review City Council compensation, and the task force recommends an increase to the salary and adoption of an annual review policy. If approved, Ordinance No. 2017-1168 would increase the City Council salary to \$641.00 per month and establish an annual council compensation review policy.

**FISCAL ANALYSIS:**

The cost of the City Council compensation increase is equivalent to \$341 per month, per member, for a total of approximately \$20,460 per year for the entire Council including existing salary and increase. A budget appropriation in the amount of \$20,460 from the General Fund in FY 2018-19, following the next general election, to the City Council salary account should be done if the City Council approves this Ordinance.

**RECOMMENDATION:**

That the City Council conducts the second reading and adopts Ordinance No. 2017-1168 by title only approving an increase in City Council compensation in accordance with the provisions of GC Section 36516 and establishing an annual council compensation review policy.

Staff is recommending that the City Council:

- Receive this report
- Mayor calls second reading of Ordinance No. 2017-1168
- City Clerk reads title of the Ordinance
- Motion to conduct the second reading and adopt Ordinance No. 2017-1168 by title only, and waive reading in full.

**OPTIONS:**

- Conduct the second reading and adopt Ordinance No. 2017-1168 approving an increase

in City Council compensation in accordance with the provisions of GC Section 36516 and establishing an annual council compensation review policy.

- Request additional information.
- Provide direction to the City Manager to take another specific action.

**BACKGROUND:**

The last salary increase for city council members was approved on January 20, 1987, and the monthly salary was set at \$300.00 per month. That salary became effective on March 17, 1987, when a council member started a new term of office. The salary has not changed since that time. On February 14, 2017, the City Council authorized staff to create a task force of three experienced past elected officials to review City Council compensation and to provide a recommendation to the City Council. This process removed any internal bias of staff or members of the city council and resulted an independent recommendation from community members that have experience with how government operates. The task force was comprised of the following volunteers: (1) former Congressman and Imperial Beach Mayor Brian Bilbray, (2) former Imperial Beach Mayor Diane Rose, and (3) former Councilmember Hazel Bailey. Staff conducted a salary and benefit comparison survey among San Diego County jurisdictions, copy attached, and other related research and provided that information to the task force.

**ANALYSIS:**

State law allows cities to set the salary for city council members of cities with a population up to 35,000 at \$300 per month (Govt Code 36516). State law also allows the City to increase that amount by approving an ordinance as long as the increase does not exceed 5% for each calendar year from the operative date of the last salary adjustment (Govt Code 36516). No ordinance shall provide for automatic future increases in salary (Govt Code 36516). Further, the effective date of any increase to salary is the date at least one council member begins a new term of office (Govt Code 36516.5).

After review of state law and the research conducted by city staff, the task force recommends that the City Council increases City Council compensation by \$341 for a total of \$641 per month, and establishes an annual council compensation review policy. The task force reviewed and considered the following information:

1. Consumer Price Index - The recommended Council compensation increase is based on using the Consumer Price Index (CPI) from 1987 using the current compensation of \$300 a month, from the last date the Ordinance was amended to current year. The CPI resulted in \$641 a month of the current compensation. The effective date of the compensation increase would likely be December 2018, following the next general election. (see chart below)

**CPI 1987 - current**

Year	CPI Avg	Amount	Year	CPI Avg	Amount
<b>2017</b>	<b>242.839</b>	<b>\$ 641</b>	2001	177.1	\$ 468
2016	240.008	\$ 634	2000	172.2	\$ 455
2015	237.017	\$ 626	1999	166.6	\$ 440
2014	236.736	\$ 625	1998	163	\$ 430
2013	232.957	\$ 615	1997	160.5	\$ 424
2012	229.594	\$ 606	1996	156.9	\$ 414
2011	224.939	\$ 594	1995	152.4	\$ 402

2010	218.056	\$ 576	1994	148.2	\$ 391
2009	214.537	\$ 567	1993	144.5	\$ 382
2008	215.303	\$ 569	1992	140.3	\$ 371
2007	207.342	\$ 548	1991	136.2	\$ 360
2006	201.6	\$ 532	1990	130.7	\$ 345
2005	195.3	\$ 516	1989	124	\$ 327
2004	188.9	\$ 499	1988	118.3	\$ 312
2003	183.96	\$ 486	<b>1987</b>	<b>113.6</b>	<b>\$ 300</b>
2002	179.88	\$ 475			

- The task force also recommends establishing an annual Council compensation review policy considering the lowest cost of living increase (COLA) or salary increase provided to the labor bargaining groups, provided that it does not exceed 5% per year per Government Code ("GC") Section 36516 and the increase of the labor groups. Per GC Section 36516, the salary is based on the population of the City and that it does not exceed an amount equal to 5% for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance or amendment is enacted as set forth in. Based on GC Section 36516 using the yearly 5%, the current salary could be set at \$750.00 a month.

Based on GC Section 36516, the City Council compensation could be \$750.00 per month, and if the City Council would have elected to implement a 5% increase annually since 1987 as allowed by law, the current salary would be \$1,296.58. That is a difference of \$655.58. The City Council current salary is significantly less than the minimum fair market value and the lowest paid in the San Diego County.

A review of the compensation for the City Council shall be performed no later than March 31st of each year, beginning in March of 2019. The compensation annual review shall consider the lowest cost of living increase (COLA) or salary increase provided to the labor bargaining groups, provided that it does not exceed 5% per year per Government Code Section 36516 and the increase of the labor groups. Any increase to the compensation as a result of the annual review must be approved by the City Council via an ordinance and shall be considered by the City Council no later than May 31st of each year.

The task force recognizes the volume of work and dedication of the City Council. They feel that approving the recommended compensation increase will not only compensate them for many of the things they do for the community, most of the time on a voluntary basis, but it will also assist with some of the expenses they encounter when conducting City business meetings and functions. City Council city related expenses and services exceed their currently monthly compensation. The increase in the recommended compensation will also allow increasing the diversity among the City Council in future elections.

**ENVIRONMENTAL DETERMINATION:**

Not a project as defined by CEQA.

**Attachments:**

- Ordinance No. 2017-1168
- SD County Elected Official Compensation Survey

ORDINANCE NO. 2017-1168

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA AMENDING TITLE TWO OF THE IMPERIAL BEACH MUNICIPAL CODE TO ADD CHAPTER 2.11 "CITY COUNCIL COMPENSATION"; APPROVING AN INCREASE IN CITY COUNCIL COMPENSATION; AND ESTABLISHING AN ANNUAL REVIEW OF CITY COUNCIL COMPENSATION

**WHEREAS**, the current compensation for each City Council member is \$300.00 per month, which was established by Ordinance No. 703 in 1987; and

**WHEREAS**, the City of Imperial Beach created a task force to evaluate City Council salary and to make a recommendation as to whether the salary should be increased; and

**WHEREAS**, based upon the Consumer Price Index, comparisons to salaries of city council members from other jurisdictions in San Diego County, and compensation increases received by non-management City staff, the task force recommends that the City Council salary should be increased; and

**WHEREAS**, the task force also recommends that the City Council compensation should be reviewed on an annual basis; and

**WHEREAS**, the City recognizes both the volume of work that City Council members perform and their dedication to the City.

**NOW, THEREFORE, IT IS ORDAINED BY THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH AS FOLLOWS:**

**Section 1.** Beginning upon the date that a council member begins a new term of office after the effective date of this Ordinance, each member of the City Council shall be compensated at the rate of six hundred and forty-one dollars per month. The City Manager is authorized to take all actions necessary to carry out the terms of this Ordinance.

**Section 2.** At such time as the new salary takes effect as explained in Section 1, this Ordinance shall supersede the amount of compensation provided in previous City Council Ordinance 703.

**Section 3.** Chapter 2.11 entitled "City Council Compensation" is hereby added to the Imperial Beach Municipal Code to read as follows:

**"CHAPTER 2.11. CITY COUNCIL COMPENSATION**

**Section 2.11.010. Amount.**

Upon the effective date specified in Ordinance No. 2017-1168, each member of the City Council shall be compensated at the rate of six hundred and forty-one dollars per month.

**Section 2.11.020. Annual Review.**

A review of the compensation for the City Council shall be performed no later than March 31st of each year, beginning in March of 2019. The compensation annual review shall consider the lowest cost of living increase (COLA) or salary increase provided to the labor bargaining groups, provided that it does not exceed 5% per year per Government Code Section 36516 and the increase of the labor groups. Any increase to the compensation as a result of the annual review must be approved by the City Council via an ordinance and shall be considered by the City Council no later than May 31st of each year.

**Section 4.** The City Clerk is directed to prepare and have published a summary of this Ordinance no less than five days prior to the consideration of its adoption and again within fifteen days following adoption indicating votes cast.

EFFECTIVE DATE: This Ordinance shall be effective thirty days after its adoption.

**INTRODUCED AND FIRST READ** at a regular meeting of the City Council of the City of Imperial Beach, California, on the 18 day of October 2017;

**THEREAFTER ADOPTED** at a regular meeting of the City Council of the City of Imperial Beach, California, on the 1 day of November 2017, by the following vote:

AYES:  
NAYS:  
ABSENT:

\_\_\_\_\_  
Serge Dedina, Mayor

ATTEST:

\_\_\_\_\_  
Jacqueline Kelly, City Clerk

APPROVED AS TO FORM:  
  
\_\_\_\_\_

Jennifer M. Lyon, City Attorney

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be an exact copy of Ordinance No. 2017 - 1168, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA AMENDING TITLE TWO OF THE IMPERIAL BEACH MUNICIPAL CODE TO ADD CHAPTER 2.11 "CITY COUNCIL COMPENSATION"; APPROVING AN INCREASE IN CITY COUNCIL COMPENSATION; AND ESTABLISHING AN ANNUAL REVIEW OF CITY COUNCIL COMPENSATION."

\_\_\_\_\_  
JACQUELINE KELLY, CITY CLERK

\_\_\_\_\_  
DATE





Elected Official Compensation Survey  
Mayor and Council

Agency	Population 2015 US Census Bureau	Type	MAYOR								COUNCIL								Retirement	Participate in SS	Health Care
			Monthly Compensation	Other Related Comp	Status	Life Insurance	Monthly Expense Allowance	Monthly Cell Allowance	Monthly Car Allowance	Laptop, PC, Tablet Provided	Monthly Compensation	Other Related Comp	Status	Life Insurance	Monthly Expense Allowance	Monthly Cell Allowance	Monthly Car Allowance	Laptop, PC, Tablet Provided			
Carlsbad	113,143	Charter	\$2,152	\$75 per Comm. Dev. Mtg. (max \$150/mo.) \$100 per Water Board Mtg. (max \$300/mo.)	Part Time	\$51,700 (2x annual salary)	Not provided	\$45.75	\$450	iPad	\$2,052	\$75 per Comm. Dev. Mtg. (max \$150/mo.) \$100 per Water Board Mtg. (max \$300/mo.)	Part Time	\$49,300 2x annual base pay	Not provided	\$45.75	\$350	iPad	PEPRA: 2%@62 8% Employee Share	No	EE Only \$273.50 EE+1 \$544.50 Fam \$714 Waive \$136.75
Chula Vista	265,757	Charter	\$10,397	\$50 per Housing Mtg.	Full Time	\$50,000	Not provided	Not provided	\$650	iPad for Council meetings, PC or laptop provided for City business only	\$4,159	\$50 per Housing Mtg.	Part Time	\$50,000	Not provided	Not provided	\$357.50	iPad for Council meetings, PC or laptop provided for City business only	Tier 1: 3%@60, 8% EE share Tier 2: 2%@60,7% EE share Tier 3: 2%@62, 6.75% EE share	No	Cafeteria Plan: \$1,371.50/mo.
Coronado	24,812	General Law	\$435	Not provided	Part Time	\$25,000	\$175	Not provided	Not provided	Not provided	\$435	Not provided	Part Time	\$25,000	\$75	Not provided	Not provided	Not provided	Classic Members: 3%@60, 8% EE share New Members: 2%@62, 6.25% EE share	Yes	Cafeteria Plan: \$1,612/mo.
Del Mar	4,238	Charter	\$350	Not provided	Part Time	Not provided	Not provided	Not provided	Not provided	Not provided	\$300	Not provided	Part Time	Not provided	Not provided	Not provided	Not provided	Not provided	Not provided	No	Not provided
El Cajon	103,679	Charter	\$2,068	\$100 per Meeting	Part Time	\$62,000 (1.5x annual salary plus \$25,000)	Not provided	Not provided	\$550	Not provided	\$1,434	\$100 per Meeting	Part Time	\$51,000 (1.5x annual salary plus \$25,000)	Not provided	Not provided	\$550	Not provided	Classic Members: 3%@60, 8% EE share New Members: 2%@62, 6.25% EE share	No	Cafeteria Plan: \$1,000/mo.
Encinitas	62,930	General Law	\$1,286	\$100 per Water District. Mtg. \$50 per Housing Authority Mtg.	Full Time	\$10,000	Not provided	City cell phone provided	\$350 or IRS rate reimbursement	City laptop, PC or tablet provided	\$1,186	\$100 per Water District. Mtg. \$50 per Housing Authority Mtg.	Full Time	\$10,000	Not provided	City cell phone provided	\$350 or IRS rate reimbursement	City laptop, PC or tablet provided	Classic Members: 2%@60, 7% EE share New Members: 2%@62, 6.25% EE share	No	Cafeteria Plan: \$1,108
Escondido	151,451	General Law	\$4,872	Not provided	Full Time	\$50,000	Not provided	City cell phone provided	\$750	City laptop, PC or tablet provided	\$1,726	Not provided	Full Time	\$50,000	Not provided	City cell phone provided	\$750	City laptop, PC or tablet provided	Tier 1: 3%@60, EE share 8% Tier 2: 2%@60, EE share 7% Tier 3: 2%@62, EE share 6.25%	No	EE Only \$448.50 EE + 1 \$897.02 Fam \$1,266.20
Imperial Beach	27,408	General Law	\$1,100	Not provided	Part Time	\$50,000	Not provided	Not provided	Not provided	iPad provided	\$300	Not provided	Part Time	\$50,000	Not provided	Not provided	Not provided	iPad provided	Tier 1: 2.7%@55, EE share 8% Tier 2: 2%@60, EE share 8% Tier 3: 2%@62, EE share 6.25%	Yes	Cafeteria Plan: EE Only \$900 EE+1 \$1,050 Fam \$1,350
La Mesa	60,089	General Law	\$2,000	Not provided	None; Elected	\$25,000	\$83.33	Not provided	\$400	Not provided	\$1,000	Not provided	None; Elected	\$25,000	\$83.33	Not provided	\$350	Not provided	Tier 1: 3%@60, EE share 8% Tier 2: 2.5%@55, EE share 8% Tier 3: 2%@62, EE share 6.25%	Yes	Cafeteria Plan: \$1,354.58/mo. Waiving \$115/mo.
Lemon Grove	26,709	General Law	\$1,234	Not provided	Part Time	\$10,000	Not provided; City pays for business related expenses	\$35	\$150	Not provided	\$803 Effective December 2016	Not provided	Part Time	\$10,000	Not provided; City pays for business related expenses	\$35	\$150	Not provided	2.5%@55, 8% EE share	No	Cafeteria Plan: \$750/mo.



		MAYOR									COUNCIL											
Agency			Monthly Compensation	Other Related Comp	Status	Life Insurance	Monthly Expense Allowance	Monthly Cell Allowance	Monthly Car Allowance	Laptop, PC, Tablet Provided	Monthly Compensation	Other Related Comp	Status	Life Insurance	Monthly Expense Allowance	Monthly Cell Allowance	Monthly Car Allowance	Laptop, PC, Tablet Provided	Retirement	Participate in SS	Health Care	
National City	61,060	General Law	\$4,120	Not provided	Full Time	\$25,000	\$350	City cell phone provided	\$750	City laptop, PC or tablet provided	\$1,082	Not provided	Part Time	\$25,000	\$350	City cell phone provided	Not provided	City laptop, PC or tablet provided	Classic Members: 2%@60, 8% EE share New Members: 2%@62, 6.75% EE share	No	Cafeteria Plan: \$1,200/mo. Cash-in-lieu \$850/mo.	
Oceanside	175,691	Charter	\$1932.75 Effective 12/16/16	\$350/mo. for Community Development Council \$50/mo. for Harbor Mtg. not to exceed \$200/mo. \$150/mo. for SANDAG Mtg.	Part Time	\$4,800 (1x annual salary)	\$400	Not provided	Not provided	Not provided	\$2,107.91 Effective 12/16/16	\$350/mo. for Community Development Council \$50/mo. for Harbor Mtg. not to exceed \$200/mo. \$75/mo. for NCTD Board	Part Time	\$3,600 (1x annual salary)	\$350	Not provided	Not provided	Not provided	Classic Members: 2%@60, 7% EE share New Members: 2%@62, 6.75% EE share	No	\$1,316/mo. for family plan	
Poway	50,157	General Law	\$1,304.05 Effective 1/1/17	\$100 - \$150 per Governmental Body meeting	Part Time	\$15,000	Reimbursed	Option of City cell provided or \$900 cell allowance for Smartphone	\$300 Mileage Allowance	City laptop, PC or tablet provided	\$1,825.67 Effective 1/1/17	\$100 - \$150 per Governmental Body meeting	Part Time	\$15,000	Reimbursed	Option of City cell provided or \$900 cell allowance for Smartphone	\$300 Mileage Allowance	City laptop, PC or tablet provided	Classic Members: 2%@60, 7% EE share New Members: 2%@62, 6.25% EE share	No	City covers 100% for employee only, 50% for dependent	
San Diego	1,394,928	Charter	\$8,372	Not provided	Full Time	\$50,000	Reimbursed for out of pocket costs	City cell phone provided	\$799.93	City laptop, PC or tablet provided	\$6,282	Not provided	Full Time	\$50,000	Reimbursed for out of pocket costs	City cell phone provided	\$799.93	City laptop, PC or tablet provided	SD Employees Retirement System 1%@55 to 2.6%@65	No	Cafeteria Plan: EE Only \$836 EE+Child \$1,038 EE+SP \$1,086 Fam \$1,218 Waived \$569	
San Marcos	92,931	Charter	\$978	Not provided	Part Time	\$25,000	Not provided	Not provided	\$300	Not provided	\$978	Not provided	Part Time	\$25,000	Not provided	Not provided	\$300	Not provided	Tier 1: 2.7%@55, EE share 8% Tier 2: 2%@55, EE share 7% Tier 3: 2%@62, EE share 6.5%	Yes	City covers 90%	
Santee	57,787	Charter	\$2,882 Effective 1/1/17	Not provided	Part Time	Not provided	Not provided	Not provided	\$350	City laptop, PC or tablet provided	\$1,686 Effective 1/1/17	Not provided	Part Time	Not provided	Not provided	Not provided	\$350	City laptop, PC or tablet provided	Tier 1: 2.7%@55, EE share 4% Tier 2: 2%@55, EE share 4% Tier 3: 2%@62, EE share 6.5%	No	Medical Plan: EE Only \$0 EE+Child \$131 EE+SP \$160 Fam \$416	
Solana Beach	13,449	General Law	\$713	\$160 per JPA Mtg. \$50 per NCDJPA Mtg.	None; Elected	Not provided	Reimbursed for out of pocket costs	Not provided	\$350	Not provided	\$713	\$160 per JPA Mtg. \$50 per NCDJPA Mtg.	None; Elected	Not provided	Reimbursed for out of pocket costs	Not provided	\$350	Not provided	Classic Members: 2.5%@55, 8% EE share Tier 2: 2%@60, 7% EE share New Members: 2%@62, 6.23% EE share	No	Cafeteria Plan: \$1,119.76/mo. No cash-in-lieu, unused funds into a 457 plan	
Vista	100,890	Charter	\$2,722	\$148 per Mtg.	Part Time	\$32,700 (1x annual salary up to \$50,000)	Not provided	City cell phone provided or \$90/mo. allowance	Not provided	Not provided	\$2,622	\$148 per Mtg.	Part Time	\$31,500 (1x annual salary up to \$50,000)	Not provided	City cell phone provided or \$90/mo. allowance	Not provided	Not provided	Classic Members: 3%@60, 8% EE share New Members: 2%@62, 6.75% EE share	No	\$1,933/mo.	



STAFF REPORT  
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER <sup>AH</sup>

MEETING DATE: NOVEMBER 1, 2017

ORIGINATING DEPT.: ERIKA N. CORTEZ, HUMAN RESOURCES MANAGER <sup>EC</sup>

SUBJECT: SECOND READING AND ADOPTION OF ORDINANCE NO. 2017-1167 AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF IMPERIAL BEACH AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS) TO INCLUDE COST SHARING FOR CLASSIC MISCELLANEOUS AND SAFETY LIFEGUARD MEMBERS

**EXECUTIVE SUMMARY:**

Staff is recommending that the City Council conducts the second reading and adopts Ordinance No. 2017-1167 by title only and waive reading in full, authorizing an amendment to the contract between the City of Imperial Beach and the Board of Administration of the California Public Employees' Retirement System (CalPERS) to include cost sharing for classic miscellaneous and safety lifeguard members.

**FISCAL ANALYSIS:**

Pursuant to labor negotiations, City Council approved a salary increase of 1.8% for miscellaneous employees and a 3.4% for lifeguard employees effective a successful result of the contract amendment process with CalPERS on pension cost sharing. There is a breakeven in the employee cost share and pending salary increases. The CalPERS employee sharing additional cost increases the employee contribution to their CalPERS retirement and thus decreases the employer's retirement costs. Employee CalPERS deductions will be made on a pre-tax basis under the Internal Revenue Code (IRC) Section 414(h) (2). The approved FY 2017-19 budget has sufficient funds to cover these costs any incidental costs that may be incurred.

**RECOMMENDATION:**

Staff is recommending that the City Council conducts the second reading, by title only, waives reading in full, and adopts Ordinance No. 2017-1167 authorizing an amendment to the contract between the City of Imperial Beach and the Board of Administration of the California Public Employees' Retirement System (CalPERS) to include cost sharing for classic miscellaneous and safety lifeguard members.

**OPTIONS:**

- Conduct second reading of Ordinance No. 2017-1167 by title only and waive reading in

- full.
- Provide direction to the City Manager to take a specific action.
  - Request additional information and an additional report.

### **BACKGROUND/ANALYSIS:**

The City of Imperial Beach is a member of the California Public Employees' Retirement System (CalPERS). In accordance with California Government Code Section 20516, the City is seeking to amend its retirement contract with CalPERS to include cost sharing for classic miscellaneous and safety lifeguard members.

On, August 16, 2017, the City Council approved the Memorandum of Understanding (MOU) with Service Employees International Union, Local 221 (SEIU.) The MOU included a change to retirement benefits to include cost sharing for classic miscellaneous and safety lifeguard members. CalPERS recognizes appointive management and confidential employees as classic miscellaneous and safety lifeguards employees and the cost sharing applies to these employees/members as well.

The changes to the retirement benefits require a contract amendment with CalPERS. The process requires the City Council to adopt an Ordinance to approve an amendment to the contract. The City Council considered the first reading of the Ordinance on October 4, 2017, and is being presented with the final Ordinance reading on November 1, 2017. A secret employee election affected by this benefit change was required as part of the cost sharing implementation. The election was held immediately after adoption of Resolution No. 2017-7856. The effective date of the contract amendment with CalPERS cannot be earlier than the first day of a payroll period following the effective date of the final Ordinance.

The City's retirement formulas are as follows:

#### Formulas for General Employees

**Employees hired between 05/01/1961 and 03/08/2012 Miscellaneous Employees (Classic Member – Tier 1):** The CalPERS formula for members is 2.7% @ 55 with the use of average of the employee's highest-one-year salary.

**Employees hired between 03/09/2012 – 12/31/12 Miscellaneous Employees (Classic Member – Tier 2):** The CalPERS formula for members is 2% @ 60 with the use of average of the employee's highest-three-year salary.

**Employees hired after 1/1/13 Miscellaneous Employees (PEPRA Member):** The CalPERS formula for members is 2% @ 62 with the use of average of the employee's highest-three-year salary.

#### Formulas for Safety Lifeguards Employees:

**Employees hired between 12/19/1996 and 03/08/2012 Safety Other – Lifeguard Employees (Classic Member – Tier 1):** The CalPERS formula for members is 2% @ 50 with the use of average of the employee's highest-one-year salary.

**Employees hired between 03/09/2012 – 12/31/12 Safety Other – Lifeguard Employees (Classic Member – Tier 2):** The CalPERS formula for members is 2% @ 50 with the use of average of the employee's highest-three-year salary.

**Employees hired after 1/1/13 Safety Other – Lifeguard Employees (PEPRA Member):** The CalPERS formula for members is 2.7% @ 57 with the use of average of the employee's highest-three-year salary.

The following are the changes to the employee cost sharing retirement contract amendment with CalPERS:

**Employees hired between 05/01/1961 and 03/08/2012 Miscellaneous Employees (Classic Member–Tier 1):** currently, employees/members contribute 8% of the employee rate. Upon the effective date of the contract amendment with CalPERS, members/employees will have Employee Sharing Additional Cost of 1.8% for a total of 9.8%.

**Employees hired between 03/09/2012 – 12/31/12 Miscellaneous Employees (Classic Member–Tier 2):** currently, employees/members contribute 7% of the employee rate. Upon the effective date of the contract amendment with CalPERS, members/employees will have Employee Sharing Additional Cost of 0.1% for a total of 7.1%.

**Employees hired between 12/19/1996 and 03/08/2012 Safety Other – Lifeguard Employees (Classic Member–Tier 1):** currently, employees/members contribute 9% of the employee rate. Upon the effective date of the contract amendment with CalPERS, members/employees will have Employee Sharing Additional Cost of 3.4% for a total of 12.4%.

**Employees hired between 03/09/2012 – 12/31/12 Safety Other – Lifeguard Employees (Classic Member–Tier 2):** currently, employees/members contribute 9% of the employee rate. Upon the effective date of the contract amendment with CalPERS, members/employees will have Employee Sharing Additional Cost of 2.9%. for a total of 11.9%.

Effective January 1, 2013, new members already pay 50% of the normal cost contribution as defined by the Public Employees Pension Reform Act (PEPRA). Employees under this retirement tier will not have a change in retirement benefits.

**ENVIRONMENTAL DETERMINATION:**

Not a project as defined by CEQA.

**Attachments:**

1. Ordinance No. 2017-1167 with Exhibit

**ORDINANCE NO. 2017-1167**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF IMPERIAL BEACH AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS)**

**WHEREAS**, the City of Imperial Beach is a member of the California Public Employees' Retirement System (CalPERS); and

**WHEREAS**, in accordance with California Government Code Section 20516, the City is seeking to amend its retirement contract with CalPERS to include cost sharing for classic miscellaneous and safety lifeguard members; and

**WHEREAS**, the amendment shall include Employees Sharing Additional Cost) of 1.8% for first tier classic local miscellaneous members, 0.1 % for second tier classic local miscellaneous members, 3.4% for first tier classic ocean beach lifeguards and 2.9% for second tier classic ocean beach lifeguards; and

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH DOES ORDAIN AS FOLLOWS:**

**Section 1.** The above recitals are true and correct and incorporated herein as though set forth in full.

**Section 2.** That an amendment to the contract between the City of Imperial Beach and the Board of Administration of the California Public Employees' Retirement System is hereby authorized, a copy of said amendment is attached, marked Exhibit, and by such reference made a part hereof as though set out in full.

**Section 3.** The City Manager is authorized, empowered, and directed to execute said amendment for and on behalf of the City of Imperial Beach.

**Section 4.** This Ordinance shall take effect 30 days after the date of its adoption, and the City Clerk is directed to prepare and have published in the Imperial Beach Eagle & Times, a newspaper of general circulation circulated in the City of Imperial Beach, a summary of this Ordinance no less than five days prior to the consideration of its adoption and again within fifteen days following adoption indicating votes casts.

**INTRODUCED AND FIRST READ** at a regular meeting of the City Council of the City of Imperial Beach, California, held the 4<sup>th</sup> day of October 2017;

**THEREAFTER ADOPTED** at a regular meeting of the City Council of the City of Imperial Beach, California, on the 1<sup>st</sup> day of November 2017, by the following vote:

**AYES:            COUNCILMEMBERS:  
NOES:            COUNCILMEMBERS:  
ABSENT:        COUNCILMEMBERS:**

---

**SERGE DEDINA, MAYOR**

**ATTEST:**

---

**JACQUELINE M. KELLY, CMC  
CITY CLERK**

**APPROVED AS TO FORM:**

---

**JENNIFER LYON  
CITY ATTORNEY**





**EXHIBIT**

California  
Public Employees' Retirement System

---

**AMENDMENT TO CONTRACT**

Between the  
**Board of Administration**  
**California Public Employees' Retirement System**  
and the  
**City Council**  
**City of Imperial Beach**

---

The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective May 1, 1961, and witnessed March 14, 1961, and as amended effective April 12, 1973, March 8, 1985, June 28, 1990, September 6, 1990, January 10, 1991, July 1, 1991, March 6, 1992, June 9, 1994, May 20, 1995, December 19, 1996, February 12, 1998, July 6, 2001, May 12, 2006, January 7, 2007, March 9, 2012 and January 10, 2014 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 19 are hereby stricken from said contract as executed effective January 10, 2014, and hereby replaced by the following paragraphs numbered 1 through 21 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for classic local miscellaneous members entering membership in the miscellaneous classification on or prior to March 9, 2012, age 60 for classic local miscellaneous members entering membership for the first time in the miscellaneous classification after March 9, 2012, age 62 for new local miscellaneous members, age 55 for classic local police members, age 50 for classic ocean beach lifeguards and classic local fire members and age 57 for new local safety members.



PLEASE DO NOT SIGN "EXHIBIT ONLY"

2. Public Agency shall participate in the Public Employees' Retirement System from and after May 1, 1961 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
  - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
  - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
  - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
  - a. Local Fire Fighters (herein referred to as local safety members);
  - b. Local Police Officers (herein referred to as local safety members);
  - c. Ocean Beach Lifeguards (included as local safety members);
  - d. Employees other than local safety members (herein referred to as local miscellaneous members).

5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

**NO ADDITIONAL EXCLUSIONS**

6. The percentage of final compensation to be provided for each year of credited prior and current service for those classic local miscellaneous members in employment prior to January 10, 1991 shall be determined in accordance with Section 21354 of said Retirement Law subject to the reduction provided therein for Federal Social Security (2% at age 55 Modified).
7. The percentage of final compensation to be provided for each year of credited prior and current service for those classic local miscellaneous members in employment on or after January 10, 1991 and not on or after May 12, 2006 shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full), pursuant to Government Code Section 20515.
8. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment on or after May 12, 2006 and not entering membership for the first time in the miscellaneous classification after March 9, 2012 shall be determined in accordance with Section 21354.5 of said Retirement Law (2.7% at age 55 Full), pursuant to Government Code Section 20515.
9. The percentage of final compensation to be provided for each year of credited current service as a classic local miscellaneous member entering membership for the first time in the miscellaneous classification after March 9, 2012 shall be determined in accordance with Section 21353 of said Retirement Law (2% at age 60 Full), pursuant to Government Code Section 20515.
10. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Supplemental to Federal Social Security).
11. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local police member shall be determined in accordance with Section 21369 of said Retirement Law subject to the reduction provided therein for Federal Social Security (2% at age 55 Modified).

PLEASE DO NOT SIGN "EXHIBIT ONLY"

12. The percentage of final compensation to be provided for each year of credited prior and current service for those classic local fire members in employment prior to June 9, 1994 shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Modified).
13. The percentage of final compensation to be provided for each year of credited prior and current service for those classic local fire members in employment on and after June 9, 1994 and not entering membership for the first time in the fire classification after March 9, 2012 shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full), pursuant to Government Code Section 20515.
14. The percentage of final compensation to be provided for each year of credited current service as a classic local fire member entering membership for the first time in the fire classification after March 9, 2012 shall be determined in accordance with Section 21362 of said Retirement Law (2% at age 50 Full), pursuant to Government Code Section 20515.
15. The percentage of final compensation to be provided for each year of credited prior and current service for those classic ocean beach lifeguards in employment on and after December 19, 1996 shall be determined in accordance with Section 21362 of said Retirement Law (2% at age 50 Full), pursuant to Government Code Section 20515.
16. The percentage of final compensation to be provided for each year of credited prior and current service as a new local safety member shall be determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Supplemental to Federal Social Security).
17. Public Agency elected and elects to be subject to the following optional provisions:
  - a. Section 20903 (Two Years Additional Service Credit) for local miscellaneous members, local fire members and ocean beach life guards only.
  - b. Section 20361.3 (Assistant City Attorney as an Elective Officer). Legislation repealed said Section operative July 1, 1994.
  - c. Section 20042 (One-Year Final Compensation) for those classic local miscellaneous members, classic local fire members and classic ocean beach lifeguards entering membership on or prior to March 9, 2012.
  - d. Section 20515 (Full Formula Plus Social Security) for past and future service for local miscellaneous members in employment on and after January 10, 1991, for local fire members in employment on or after June 9, 1994, and for ocean beach lifeguards in employment on or after December 19, 1996. Legislation repealed said Section effective January 1, 2002.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

- e. Section 21024 (Military Service Credit as Public Service).
- f. Section 20475 (Different Level of Benefits). Section 21353 (2% @ 60 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local miscellaneous members entering membership for the first time in the miscellaneous classification after March 9, 2012.

Section 21362 (2% @50 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local fire members entering membership for the first time in the fire classification after March 9, 2012.

Section 20037 (Three-Year Final Compensation) is applicable to classic ocean beach lifeguards entering membership for the first time in the ocean beach lifeguard classification after March 9, 2012.

- g. Section 20516 (Employees Sharing Additional Cost):

From and after January 10, 2014, 3% for classic local fire members.

From and after the effective date of this amendment to contract, 1.8% for first tier classic local miscellaneous members.

From and after the effective date of this amendment to contract, 0.1% for second tier classic local miscellaneous members.

From and after the effective date of this amendment to contract, 3.4% for first tier classic local ocean beach lifeguards.

From and after the effective date of this amendment to contract, 2.9% for second tier classic local ocean beach lifeguards.

The portion of the employer's contribution that the member agrees to contribute from his or her compensation, over and above the member's normal contribution ("Cost Sharing Percentage"), shall not exceed the Employer Normal Cost Rate, as that rate is defined in the CalPERS Actuarial Valuation for the relevant fiscal year. If the Cost Sharing Percentage will exceed the relevant Employer Normal Cost Rate, the Cost Sharing Percentage shall automatically be reduced to an amount equal to, and not to exceed, the Employer Normal Cost Rate for the relevant fiscal year.

- 18. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.

19. Public Agency shall also contribute to said Retirement System as follows:
- a. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
  - b. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
20. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
21. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

BOARD OF ADMINISTRATION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL  
CITY OF IMPERIAL BEACH

BY \_\_\_\_\_  
ARNITA PAIGE, CHIEF  
PENSION CONTRACTS AND PREFUNDING  
PROGRAMS DIVISION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY \_\_\_\_\_  
PRESIDING OFFICER

\_\_\_\_\_  
Witness Date

Attest:

\_\_\_\_\_  
Clerk

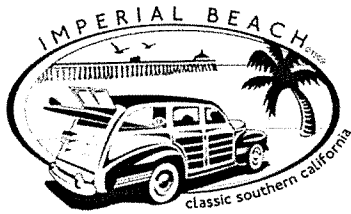
**THIS PAGE  
INTENTIONALLY LEFT BLANK**

## **Item 2.6 – Notification of Travel**

**No staff report.**

**THIS PAGE  
INTENTIONALLY LEFT BLANK**





STAFF REPORT  
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER <sup>AH</sup>

MEETING DATE: NOVEMBER 1, 2017

ORIGINATING DEPT.: DOUG BRADLEY - ADMINISTRATIVE SERVICES <sup>DB</sup>  
DEPARTMENT

SUBJECT: INTRODUCTION AND FIRST READING OF ORDINANCE 2017-1169 OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA AMENDING TITLE 3 CHAPTER 3.04 "PURCHASING" OF THE IMPERIAL BEACH MUNICIPAL CODE RELATED TO BIDDING AND AWARD OF CONTRACTS FOR SUPPLIES, SERVICES AND EQUIPMENT

**EXECUTIVE SUMMARY:**

*The City staff is asking the City Council to increase the limit that triggers the need for formal bidding and authorizes the City Manager to award various contracts for the purchase of supplies, services, and equipment from ten thousand to forty five thousand. The staff compared the City of Imperial Beach purchase limit with 53 other agencies throughout California. The City of Imperial Beach has the lowest limit among the responding agencies. The average and median is approximately \$50,000.*

**FISCAL ANALYSIS:** None.

**RECOMMENDATION:**

Staff recommends that the City Council introduce ordinance 2017-1169 increasing the limit that triggers the need for formal bidding and authorizes the City Manager to award various contracts for the purchase of supplies, services, and equipment from ten thousand to forty five thousand, by title only and waive further reading of the ordinance.

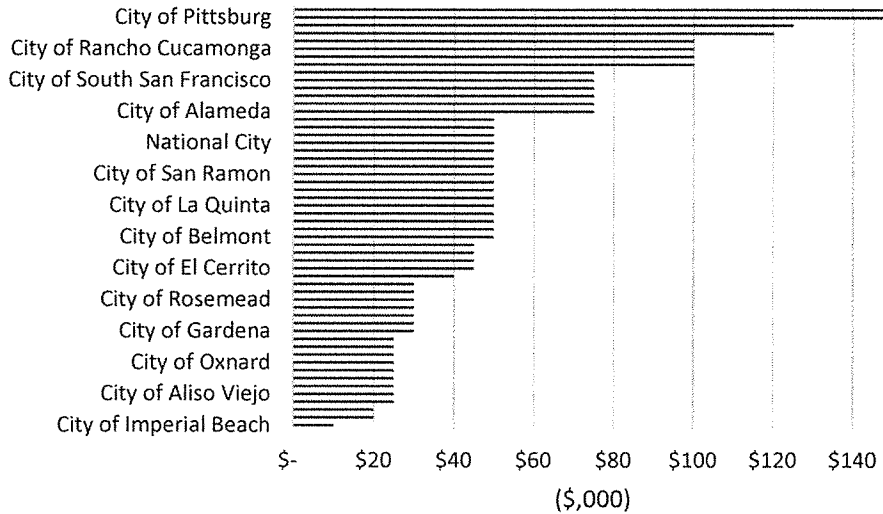
**OPTIONS:**

- Introduce ordinance 2017-1169.
- Provide staff with direction.

**BACKGROUND/ANALYSIS:**

Chapter 3.04 of the Imperial Beach Municipal Code sets forth the bidding and selection process for purchases of supplies, services and equipment for the City of Imperial Beach that are not considered Public Works Projects. Purchases of an estimated value greater than ten thousand dollars shall be by written contract with the lowest responsible bidder. A formal bidding process is required and the contract can only be awarded by the City Council.

The staff compared the City of Imperial Beach purchase limit with 53 other agencies throughout California. The City of Imperial Beach has the lowest limit among the responding agencies. The average and median is approximately \$50,000.



In order to improve the efficiency of services, the City staff is asking the City Council to increase the limit that triggers the need for formal bidding and authorizes the City Manager to award various contracts for the purchase of supplies, services, and equipment from ten thousand to forty five thousand. This is consistent with the informal survey illustrated above. And though unrelated, this limit has numerical similarities with the recently adopted construction cost accounting procedures for public works contracts.

**ENVIRONMENTAL DETERMINATION:**

Not a project as defined by CEQA.

Attachments:

1. Ordinance 2017-1169 with markups
2. Ordinance 2017-1169

**ORDINANCE NO. 2017-1169**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA AMENDING TITLE 3 CHAPTER 3.04 "PURCHASING" OF THE IMPERIAL BEACH MUNICIPAL CODE RELATED TO BIDDING AND AWARD OF CONTRACTS FOR SUPPLIES, SERVICES AND EQUIPMENT**

**WHEREAS**, Chapter 3.04 of the Imperial Beach Municipal Code sets forth the bidding and selection process for purchases of supplies, services and equipment for the City of Imperial Beach; and

**WHEREAS**, in order to improve the efficiency of services, the City Council wishes to increase the limit that triggers the need for formal bidding and authorize the City Manager to award various contracts for the purchase of supplies, services, and equipment without City Council approval.

**NOW, THEREFORE, IT IS ORDAINED BY THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH AS FOLLOWS:**

**Section 1.** The above recitals are true and correct and incorporated herein as though fully set forth in full.

**Section 2.** Section 3.04.130 of the Imperial Beach Municipal Code is hereby amended to read as follows:

**"3.04.130. Formal bidding procedure.**

Except as otherwise provided in this chapter, purchase of supplies, services and equipment of an estimated value greater than ~~forty-five~~ thousand dollars shall be by written contract with the lowest responsible bidder who submits a responsive bid pursuant to the following procedure:

Deleted: ten

**A. Notice Inviting Bids.**

1. Notices inviting bids shall be published at least once, ten days before the date of opening of the bids, in a newspaper of general circulation in the city, printed and published in the county. Notices inviting bids shall include a general description of the articles to be purchased, shall state where bid blanks and specifications may be secured, and the time and place for opening bids.

2. The purchasing officer shall also solicit sealed bids from all responsible prospective suppliers whose names the bidders' list or who have made a written request that their names be added thereto, or as known to the purchasing officer.

3. The purchasing officer shall also advertise pending purchases by a notice posted on a public bulletin board in the City Hall.

B. Bidder's Security. When deemed necessary by the purchasing officer, bidder's security may be prescribed in the public notices inviting bids. Bidders shall be entitled to return of bid security; provided, however, that a successful bidder shall forfeit his bid security upon his refusal or failure to execute the contract within ten days after the notice of award of contract has been mailed, unless the city is solely responsible for the delay in executing the contracts. The city council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder. If the city council awards the contract to the next lowest bidder, the amount of the lowest bidder's security shall be applied by the city to the contract price differential between the lowest bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder. If the city council rejects all bids presented, due to the failure of the successful bidder to execute the contract, and readvertises, the amount of the lowest bidder's security may be used to offset the cost of receiving new bids and the surplus, if any, shall be returned to the lowest bidder.

C. Bid Opening Procedure. Sealed bids shall be submitted to the purchasing officer and shall be so identified on the envelope. Bids shall be opened in public at the time and place stated in the public notices inviting the bids. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than thirty calendar days after the bid opening.

D. Rejection of Bids. In its discretion, the city council may reject any and all bids presented and readvertise for bids pursuant to the procedure prescribed in this section. In the event no bids are received or that all bids substantially exceed the city estimate of cost for the purchase, the city council may reject all bids and direct the purchasing officer to proceed pursuant to Sections 3.04.140, 3.04.150, and 3.04.160. In addition and as an alternative to the actions taken by the city council as described in this subsection, the city manager shall have the authority to reject any and all bids presented and to direct the purchasing officer to readvertise for bids pursuant to the procedures described in this section whenever the city manager determines that all bids substantially exceed the city estimate of cost for the purchase or exceed the amount budgeted for the purchase, that no bids are received, or that alternate bids have been submitted by one or more vendors making evaluations of the bid difficult. The city council may reject bids in other circumstances, such as when funds are insufficient or when the council decides in its discretion not to do the work. All bids shall be deemed rejected if no city council action is taken on the bids within ninety days after the bids have been received and opened regardless of whether the matter has been formally submitted to the city council for consideration.

E. Tie Bids. If two or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of readvertising for bids, the city council may in its discretion accept the one it chooses or accept the lowest bid made by and after negotiation with the tie bidders at the time of the bid opening.

F. Performance Bonds. The city shall have authority to require a performance bond before entering a contract in such amount as it finds reasonably necessary to protect the best interests of the city. If the city requires a performance bond, the form and amount of the bond shall be described in the notice inviting bids.

G. Award of Contracts.

1. The contract shall be awarded to the lowest responsible bidder and, in the case of a sale, to the highest responsible bidder.

2. In ascertaining lowest responsible bidder, or highest, under this chapter, the following standards shall be considered in addition to price:

a. The ability, capacity and skill of the bidder to perform the contract or provide the service required;

b. Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;

c. The character, integrity, reputation, judgment, experience and efficiency of the bidder;

d. The quality of performance of previous contracts or service;

e. The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;

f. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;

g. The quality, availability and adaptability of the supplies or contractual services to the particular use required;

h. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;

i. The number and scope of conditions attached to the bid.

3. It shall be the duty of the purchasing officer to discourage uniform bidding and to endeavor to obtain as full and open competition as possible on all purchases and sales."

**Section 3.** Section 3.04.140 of the Imperial Beach Municipal Code is hereby amended to read as follows:

**"3.04.140 Open market procedure.**

A. Notwithstanding Section 3.04.130, the purchasing officer may purchase supplies, services and equipment in the open market pursuant to the procedures established in this section. The open market procedure may be utilized when the estimated value for the supplies, services and equipment to be purchased is less than ~~forty-five~~ thousand dollars, when no bids are received pursuant to the bid procedures established by this chapter or when all bids received substantially exceed the city's estimated cost for the purchase. Further, the city council may designate types of classes of supplies, services and equipment costing more than ~~forty-five~~ thousand dollars which may be purchased through use of open market procedure whenever the city council finds that use of open market procedures is economically advantageous to the city.

Deleted: ten

Deleted: ten

B. The open market procedures shall be as follows:

1. The purchasing officer shall solicit bids by written or oral request to prospective vendors.
2. Sealed written bids shall be submitted to the purchasing officer.
3. The purchasing officer shall keep a public record of all open market requests and bids for a period of one year after the submission of the bids or, if no bids are received, the placing of the orders.
4. If feasible, purchases shall be based upon at least three written bids and shall be awarded to the lowest responsible bidder who submits a responsive bid which, based upon total cost, is most advantageous to the city."

**Section 4.** Section 3.04.160 of the Imperial Beach Municipal Code is hereby amended to read as follows:

**"3.04.160. Contracts for professional services.**

Because of their unique nature, it is in the best interest of the public, as allowed by state law, that contracts for professional services such as attorneys, accountants, architects, planning consultants, computer consultants, engineers, auditors, financial advisors, public relations consultants, real estate agents and brokers, insurance and bond agents and brokers, or other professional or consultant services of a similar nature, or at the discretion of the purchasing officer, be selected on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required, negotiated between parties rather than on the basis of cost alone. Therefore, the city manager is not limited to awarding professional services contracts to the lowest responsible bidder, but rather on the basis of demonstrated competence and qualifications for the types of service to be performed at a fair and reasonable price.

The procurement of professional services shall be as follows:

A. The city manager may exempt professional service contracts from the bid requirements applicable to other contracts under this section for contracts less than ~~forty-five thousand dollars~~ when it is necessary or convenient for the management of the city's affairs.

Deleted: fifteen

B. The purchasing officer shall ascertain from informed sources the names of not less than three professionals qualified for the service desired who are professionally and financially qualified to undertake the proposed assignment. When three such professionals are not readily identifiable, the city manager may determine that a lesser number of professionals are adequate.

C. A request for proposal shall be provided to all candidates described in subsection B of this section outlining the scope of services required, time frame for completion, pricing structure, liability insurance information and coverage and other pertinent information. Professionals must submit their responses in the specified format no later than the stated final due date for proposals. The response must include liability insurance information and coverage.

D. The evaluation process will be based on the criteria stated in the request for proposal but will generally include the scope of services offered, the professional's capabilities and previous experience in the field.

E. After the proposals are evaluated, the purchasing officer will negotiate an agreement with the selected professional. If an agreement is not reached within a reasonable time, the purchasing officer will terminate discussion with the first candidate and open negotiations with the second choice or repeat the process described in subsections B through E of this section.

F. Professional services contracts must go out to bid pursuant to this section after five years of utilizing the same vendor.

G. The city council may waive the bid requirements of this section by resolution when it is necessary or convenient for the management of the city's affairs."

**Section 5.** Section 3.04.200 of the Imperial Beach Municipal Code is hereby amended to read as follows:

**"3.04.200. Award and execution of contracts.**

A. Except in emergency situations, pursuant to subsection A of Section 3.04.120, all contracts for supplies, services and equipment in an estimated amount of ~~forty-five thousand dollars or more~~ shall be awarded by the city council.

Deleted: ten

B. Contracts for supplies, services and equipment in an estimated amount of less than ~~forty-five thousand dollars that have already been budgeted by the city council~~ shall be awarded and executed by the city manager."

Deleted: ten

**Section 6.** Severability. If any section, subsection, subdivision, paragraph, 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 sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

**Section 7.** The City Clerk is directed to prepare and have published a summary of this Ordinance no less than five days prior to the consideration of its adoption and again within fifteen days following adoption indicating votes cast.

**EFFECTIVE DATE:** This Ordinance shall be effective thirty days after its adoption.

**INTRODUCED AND FIRST READ** at a regular meeting of the City Council of the City of Imperial Beach, California, on the 1st day of November 2017;

**THEREAFTER ADOPTED** at a regular meeting of the City Council of the City of Imperial Beach, California, on the 15th day of November 2017, by the following vote:

AYES:  
NAYS:  
ABSENT:

---

Serge Dedina, Mayor

ATTEST:

---

Jacqueline Kelly, City Clerk

APPROVED AS TO FORM:

---

Jennifer M. Lyon, City Attorney

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be an exact copy of Ordinance No. 2017 -XXXX, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA AMENDING TITLE 3 CHAPTER 3.04



"PURCHASING" OF THE IMPERIAL BEACH MUNICIPAL CODE RELATED TO BIDDING AND AWARD OF CONTRACTS FOR SUPPLIES, SERVICES AND EQUIPMENT."

\_\_\_\_\_  
JACQUELINE KELLY, CITY CLERK

\_\_\_\_\_  
DATE



**ORDINANCE NO. 2017-1169**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA AMENDING TITLE 3 CHAPTER 3.04 "PURCHASING" OF THE IMPERIAL BEACH MUNICIPAL CODE RELATED TO BIDDING AND AWARD OF CONTRACTS FOR SUPPLIES, SERVICES AND EQUIPMENT**

**WHEREAS**, Chapter 3.04 of the Imperial Beach Municipal Code sets forth the bidding and selection process for purchases of supplies, services and equipment for the City of Imperial Beach; and

**WHEREAS**, in order to improve the efficiency of services, the City Council wishes to increase the limit that triggers the need for formal bidding and authorize the City Manager to award various contracts for the purchase of supplies, services, and equipment without City Council approval.

**NOW, THEREFORE, IT IS ORDAINED BY THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH AS FOLLOWS:**

**Section 1.** The above recitals are true and correct and incorporated herein as though fully set forth in full.

**Section 2.** Section 3.04.130 of the Imperial Beach Municipal Code is hereby amended to read as follows:

**"3.04.130. Formal bidding procedure.**

Except as otherwise provided in this chapter, purchase of supplies, services and equipment of an estimated value greater than forty-five thousand dollars shall be by written contract with the lowest responsible bidder who submits a responsive bid pursuant to the following procedure:

**A. Notice Inviting Bids.**

1. Notices inviting bids shall be published at least once, ten days before the date of opening of the bids, in a newspaper of general circulation in the city, printed and published in the county. Notices inviting bids shall include a general description of the articles to be purchased, shall state where bid blanks and specifications may be secured, and the time and place for opening bids.

2. The purchasing officer shall also solicit sealed bids from all responsible prospective suppliers whose names the bidders' list or who have made a written request that their names be added thereto, or as known to the purchasing officer.

3. The purchasing officer shall also advertise pending purchases by a notice posted on a public bulletin board in the City Hall.

B. Bidder's Security. When deemed necessary by the purchasing officer, bidder's security may be prescribed in the public notices inviting bids. Bidders shall be entitled to return of bid security; provided, however, that a successful bidder shall forfeit his bid security upon his refusal or failure to execute the contract within ten days after the notice of award of contract has been mailed, unless the city is solely responsible for the delay in executing the contracts. The city council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder. If the city council awards the contract to the next lowest bidder, the amount of the lowest bidder's security shall be applied by the city to the contract price differential between the lowest bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder. If the city council rejects all bids presented, due to the failure of the successful bidder to execute the contract, and readvertises, the amount of the lowest bidder's security may be used to offset the cost of receiving new bids and the surplus, if any, shall be returned to the lowest bidder.

C. Bid Opening Procedure. Sealed bids shall be submitted to the purchasing officer and shall be so identified on the envelope. Bids shall be opened in public at the time and place stated in the public notices inviting the bids. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than thirty calendar days after the bid opening.

D. Rejection of Bids. In its discretion, the city council may reject any and all bids presented and readvertise for bids pursuant to the procedure prescribed in this section. In the event no bids are received or that all bids substantially exceed the city estimate of cost for the purchase, the city council may reject all bids and direct the purchasing officer to proceed pursuant to Sections 3.04.140, 3.04.150, and 3.04.160. In addition and as an alternative to the actions taken by the city council as described in this subsection, the city manager shall have the authority to reject any and all bids presented and to direct the purchasing officer to readvertise for bids pursuant to the procedures described in this section whenever the city manager determines that all bids substantially exceed the city estimate of cost for the purchase or exceed the amount budgeted for the purchase, that no bids are received, or that alternate bids have been submitted by one or more vendors making evaluations of the bid difficult. The city council may reject bids in other circumstances, such as when funds are insufficient or when the council decides in its discretion not to do the work. All bids shall be deemed rejected if no city council action is taken on the bids within ninety days after the bids have been received and opened regardless of whether the matter has been formally submitted to the city council for consideration.

E. Tie Bids. If two or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of readvertising for bids, the city council may in its discretion accept the one it chooses or accept the lowest bid made by and after negotiation with the tie bidders at the time of the bid opening.

F. Performance Bonds. The city shall have authority to require a performance bond before entering a contract in such amount as it finds reasonably necessary to protect the best interests of the city. If the city requires a performance bond, the form and amount of the bond shall be described in the notice inviting bids.

G. Award of Contracts.

1. The contract shall be awarded to the lowest responsible bidder and, in the case of a sale, to the highest responsible bidder.

2. In ascertaining lowest responsible bidder, or highest, under this chapter, the following standards shall be considered in addition to price:

a. The ability, capacity and skill of the bidder to perform the contract or provide the service required;

b. Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;

c. The character, integrity, reputation, judgment, experience and efficiency of the bidder;

d. The quality of performance of previous contracts or service;

e. The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;

f. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;

g. The quality, availability and adaptability of the supplies or contractual services to the particular use required;

h. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;

i. The number and scope of conditions attached to the bid.

3. It shall be the duty of the purchasing officer to discourage uniform bidding and to endeavor to obtain as full and open competition as possible on all purchases and sales.”

**Section 3.** Section 3.04.140 of the Imperial Beach Municipal Code is hereby amended to read as follows:

**“3.04.140 Open market procedure.**

A. Notwithstanding Section 3.04.130, the purchasing officer may purchase supplies, services and equipment in the open market pursuant to the procedures established in this section. The open market procedure may be utilized when the estimated value for the supplies, services and equipment to be purchased is less than forty-five thousand dollars, when no bids are received pursuant to the bid procedures established by this chapter or when all bids received substantially exceed the city's estimated cost for the purchase. Further, the city council may designate types of classes of supplies, services and equipment costing more than forty-five thousand dollars which may be purchased through use of open market procedure whenever the city council finds that use of open market procedures is economically advantageous to the city.

B. The open market procedures shall be as follows:

1. The purchasing officer shall solicit bids by written or oral request to prospective vendors.
2. Sealed written bids shall be submitted to the purchasing officer.
3. The purchasing officer shall keep a public record of all open market requests and bids for a period of one year after the submission of the bids or, if no bids are received, the placing of the orders.
4. If feasible, purchases shall be based upon at least three written bids and shall be awarded to the lowest responsible bidder who submits a responsive bid which, based upon total cost, is most advantageous to the city."

**Section 4.** Section 3.04.160 of the Imperial Beach Municipal Code is hereby amended to read as follows:

**"3.04.160. Contracts for professional services.**

Because of their unique nature, it is in the best interest of the public, as allowed by state law, that contracts for professional services such as attorneys, accountants, architects, planning consultants, computer consultants, engineers, auditors, financial advisors, public relations consultants, real estate agents and brokers, insurance and bond agents and brokers, or other professional or consultant services of a similar nature, or at the discretion of the purchasing officer, be selected on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required, negotiated between parties rather than on the basis of cost alone. Therefore, the city manager is not limited to awarding professional services contracts to the lowest responsible bidder, but rather on the basis of demonstrated competence and qualifications for the types of service to be performed at a fair and reasonable price.

The procurement of professional services shall be as follows:

A. The city manager may exempt professional service contracts from the bid requirements applicable to other contracts under this section for contracts less than forty-five thousand dollars when it is necessary or convenient for the management of the city's affairs.

B. The purchasing officer shall ascertain from informed sources the names of not less than three professionals qualified for the service desired who are professionally and financially qualified to undertake the proposed assignment. When three such professionals are not readily identifiable, the city manager may determine that a lesser number of professionals are adequate.

C. A request for proposal shall be provided to all candidates described in subsection B of this section outlining the scope of services required, time frame for completion, pricing structure, liability insurance information and coverage and other pertinent information. Professionals must submit their responses in the specified format no later than the stated final due date for proposals. The response must include liability insurance information and coverage.

D. The evaluation process will be based on the criteria stated in the request for proposal but will generally include the scope of services offered, the professional's capabilities and previous experience in the field.

E. After the proposals are evaluated, the purchasing officer will negotiate an agreement with the selected professional. If an agreement is not reached within a reasonable time, the purchasing officer will terminate discussion with the first candidate and open negotiations with the second choice or repeat the process described in subsections B through E of this section.

F. Professional services contracts must go out to bid pursuant to this section after five years of utilizing the same vendor.

G. The city council may waive the bid requirements of this section by resolution when it is necessary or convenient for the management of the city's affairs."

**Section 5.** Section 3.04.200 of the Imperial Beach Municipal Code is hereby amended to read as follows:

**"3.04.200. Award and execution of contracts.**

A. Except in emergency situations, pursuant to subsection A of Section 3.04.120, all contracts for supplies, services and equipment in an estimated amount of forty-five thousand dollars or more shall be awarded by the city council.

B. Contracts for supplies, services and equipment in an estimated amount of less than forty-five thousand dollars that have already been budgeted by the city council shall be awarded and executed by the city manager."

**Section 6.** Severability. If any section, subsection, subdivision, paragraph, 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 sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

**Section 7.** The City Clerk is directed to prepare and have published a summary of this Ordinance no less than five days prior to the consideration of its adoption and again within fifteen days following adoption indicating votes cast.

**EFFECTIVE DATE:** This Ordinance shall be effective thirty days after its adoption.

**INTRODUCED AND FIRST READ** at a regular meeting of the City Council of the City of Imperial Beach, California, on the 1st day of November 2017;

**THEREAFTER ADOPTED** at a regular meeting of the City Council of the City of Imperial Beach, California, on the 15th day of November 2017, by the following vote:

AYES:  
NAYS:  
ABSENT:

---

Serge Dedina, Mayor

ATTEST:

---

Jacqueline Kelly, City Clerk

APPROVED AS TO FORM:

---

Jennifer M. Lyon, City Attorney

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be an exact copy of Ordinance No. 2017 -XXXX, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA AMENDING TITLE 3 CHAPTER 3.04

“PURCHASING” OF THE IMPERIAL BEACH MUNICIPAL CODE RELATED TO BIDDING AND AWARD OF CONTRACTS FOR SUPPLIES, SERVICES AND EQUIPMENT.”

\_\_\_\_\_  
JACQUELINE KELLY, CITY CLERK

\_\_\_\_\_  
DATE





STAFF REPORT  
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL  
FROM: ANDY HALL, CITY MANAGER *AH*  
MEETING DATE: NOVEMBER 1, 2017  
ORIGINATING DEPT.: CITY ADMINISTRATION  
SUBJECT: AN INTRODUCTION OF ORDINANCE NO. 2017-1165,  
AMENDING CHAPTER 12.33 OF THE IMPERIAL BEACH  
MUNICIPAL CODE CONCERNING SPECIAL EVENT PERMITS

**EXECUTIVE SUMMARY:**

The City of Imperial Beach owns eight facilities and parks generally available to the public, and maintains the beaches along the coast. With new development and growth in the region, the City facilities have experienced a significant increase in use and requests for special events. Chapter 12.33 of the Municipal Code regulates special events. The Parks and Recreation Committee and staff are recommending several administrative policy changes as well as amendments to the City Code in an effort to achieve a balance of uses and maintenance of the City facilities.

**FISCAL ANALYSIS:**

Special event permit fees assist with the cost to process permits and provide some funding for enforcement. Therefore, a reduction in fees may impact revenues, but the impact will be negligible, especially in consideration of lower maintenance costs and overtime expenses.

**RECOMMENDATION:**

Staff recommends that the City Council direct staff to implement the recommendation of the Parks and Recreation Committee as established in this staff report, and introduce Ordinance No. 2017-1165 Amending Chapter 12.33 of the Imperial Beach Municipal Code ("IBMC"), Special Event Permits by title only and waive further reading of the Ordinance.

**OPTIONS:**

- Direct staff to implement the recommendations of the Parks and Recreation Committee as identified herein and introduce Ordinance No. 2017-1165 Amending Chapter 12.33 of the Imperial Beach Municipal Code and identify November 15, 2017 for final adoption.
- Following deliberation on the items, modify any or all of the recommendations of the Parks and Recreation Committee and direct staff to take appropriate action to implement the direction of the City Council.
- Provide direction to staff to revise the recommendations of the Parks and Recreation Committee or the proposed Ordinance (2017-1165) and present the changes to the City Council at a future meeting for further consideration.

- Deny the recommendation of the Parks and Recreation Committee and direct staff to continue to process Special Events permits and park usage consistent with the current policies.

### **BACKGROUND:**

Imperial Beach is known for its parks and relatively accessible beaches. The City has eight facilities and parks that offer a variety of amenities that are attractive to various groups and organizations for gatherings and special events. Currently, use of City facilities is administered on a first-come, first-serve basis. In accordance with current policy, groups holding public events anticipating 50 people or more, or any event requiring City services need to submit an application for a Special Event Permit and pay all required fees and deposits.

Generally, special events are intended to be the exception rather than the rule for use of City owned property because the events impact the ability of the public to use and enjoy public property. The recent increase in use and requests for reservations has resulted in the need to consider amendments to the current policies and regulations. The Special Event Permit process allows the City to evaluate traffic, noise, health and safety concerns and impose conditions to mitigate the concerns. The City's special event regulations are intended to address the basic elements of time, place and manner restrictions.



The policies and regulations should be balanced to benefit both the permit holders and the public. Effective regulations can ensure enjoyment by the residents, businesses and visitors in a safe environment. The policies will also reduce confusion and surprises to residents due to noise, road closures, and other impacts that often accompany special events. Finally, the regulations should protect the public property from damage and ensure that those responsible repair the damage rather than placing the burden on the general public.

The regulations that govern the use of public property are a blend of administrative policies and rules established in the Municipal Code. The Parks and Recreation Committee recommended changes to both and confirmed the administrative changes that have already been implemented. In an effort to present a comprehensive overview of the changes, this staff report has been divided into separate sections identifying administrative (staff level) changes and legislative or Ordinance amendments (City Council level).

### **ADMINISTRATIVE POLICY CHANGES (Implemented and Proposed):**

#### *Implemented:*

- The Sound Amplification Permit policy provides standard procedures for the issuance of sound amplification permits by the City Manager or his/her designee. It is a companion document to the City's Noise Ordinance (IBMC Chapter 9.32). Previously, a Sound Amplification Permit could be issued independent of a Special Event Permit which resulted in a limited scope of review when the permit was issued. The Sound Amplification Permit policy



has been revised to indicate that a Sound Amplification Permit will only be issued in conjunction with the issuance of a Special Event Permit. This allows staff to review each Sound Amplification Permit in a more comprehensive manner and to review the safety, noise, traffic, and other factors when considering whether or not to issue a Sound Amplification Permit.

In addition to the applicable components of the Special Event Permit issuance, Sound Amplification Permits are review to ensure the following items are addressed:

- All applicants are responsible for controlling noise that could be disturbing to other activities at the same park/facility or the surrounding neighborhood.
- All elements of the City's noise ordinance must be followed at all times.
- A Special Event Permit is required for any person or group requesting an exemption to the Noise Ordinance.
- City staff has the right to require groups to reduce sound/noise levels.
- Non-Compliance may result in closure of the event and may forfeit future use of City facilities.

*Proposed*

- Staff is seeking to limit the number of events held in particular locations to balance the demand for special events, proper maintenance of the facilities, staff resources, enjoyment of each facility by the general public, and the enjoyment of surrounding property owners. Because it is likely that these limitations will result in fewer Special Events, staff is proposing a policy that will limit the number of permits that can be issued to the same individual or group to four (4) permits per year.
- Introduction of Imperial Beach Property Use and Event Guidelines. Staff has prepared chart that provides guidance on the name, location, use and regulations for each of the facilities and parks available for use by the public. The Chart is attached hereto and indicates specific uses allow in each location. The most significant change is likely at Dunes Park. Staff is proposing that Special Event Permits, Sound Amplification Permits, or other reservations will not be allowed at Dunes Park without the expressed consent of the City Council. Implementation of the Imperial Beach Property Use and Event Guidelines chart will simplify the process to identify uses allowed in each location.
- If the City Council would like to direct staff to implement additional administrative changes, some, but certainly not all, of those modifications could include:
  - Limiting the number of days per year/month that special event permits will be issued for certain parks (i.e. 2 per month at Pier Plaza).
  - Eliminating the use of sound amplification at certain parks (except for City or Port sponsored events) and/or restricting the total number of amplification permits that can be issued at any venue on a per month or per year basis.



- Further restricting the number of special event permits that can be issued to the same group in one year.
- Increase the cost of City services and/or require deposits so that the City is closer to full cost recovery for its services.

If the City Council wishes to provide further direction, the City Manager can evaluate and revise the administrative policies further. Unless otherwise directed, all other current administrative policies would remain in place and implemented consistent with current practice.

**PROPOSED REVISIONS TO THE CITY'S SPECIAL EVENTS ORDINANCE:**

The Parks and Recreation Committee recommended the introduction of Ordinance No. 2017-1165 that would lower the threshold for groups required to obtain a special event permit from 50 to 25. In comparison with surrounding communities, the parks and public spaces in Imperial Beach are limited or small in size, yet they are extremely popular, especially on weekends and during the summer months. Despite the limitations, the public spaces in Imperial Beach host some of the largest events in the southern portion of the County. Often, Special Events prevent residents and visitors from enjoying the facilities. Lowering the threshold for Special Event Permits will allow a more balanced use of City facilities and result in better maintenance of the facilities. For comparison purposed, staff was able to confirm that the cities of Coronado, Chula Vista, Encinitas, and Solana Beach also require special event permits for groups of 25 or more.

Staff is also recommending a few non-material revisions to IBMC Chapter 12.33 to clarify the definition of a special event, to recognize updates to the current waste removal company in the City, to reference the updated temporary sign regulations, and to clarify enforcement options.

**ENVIRONMENTAL DETERMINATION:**

Not a project as defined by CEQA.

Attachments:

1. Ordinance No. 2017-1165 Amending Chapter 12.33 of the Imperial Beach Municipal Code Concerning Special Event Permits
2. Imperial Beach Property Use and Event Guidelines

**ORDINANCE NO. 2017-1165**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, AMENDING CHAPTER 12.33 OF THE IMPERIAL BEACH MUNICIPAL CODE CONCERNING SPECIAL EVENT PERMITS**

**WHEREAS**, Chapter 12.33 of the Imperial Beach Municipal Code (“IBMC”) requires that groups of 50 people or more need to complete a special event permit application with the City for use of City parks, beaches or other facilities; and

**WHEREAS**, special event permits protect the rights and interest granted to special event permit holders, notify public safety or recreation department staff of additional resources needed for the event, prepare for the closing off of public property for the events on occasion, prohibit illegal activities on City property, minimize any adverse effects from the special events, and ensure the efficient use of public property and City services; and

**WHEREAS**, unregulated events can have an adverse effect on the public health, safety and welfare due to noise, traffic, safety, abuse of alcohol, possible civil or anti-event demonstrations and/or protestors, and health hazard impacts; and

**WHEREAS**, the decrease of the threshold for special event permits from 50 to 25 people will facilitate the City’s management of its parks and beaches due to the increased crowds at City parks and beaches as well as complaints of noise and use of park facilities; and

**WHEREAS**, well-managed parks and beaches provide enjoyment and use of City facilities by all members of the public.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH DOES ORDAIN AS FOLLOWS:**

**Section 1.** The above recitals are true and correct and incorporated herein as though set forth in full.

**Section 2.** Section 12.33.010(A) of the Imperial Beach Municipal Code is hereby amended to read as follows:

**12.33.010. Special event defined.**

A. A special event is defined as any organized activity to which the general public is invited onto public property which results in or requires any modification to traffic flow patterns or parking regulations, or where the expected attendance exceeds twenty-five people per day. Examples of special events include, but are not limited to, the following:

- Amusement attractions
- Assemblages of persons

Athletic events  
Biathlons or triathlons  
Bicycle races  
Block parties  
Carnivals  
Circuses  
Concerts  
Conferences  
Exhibitions  
Exhibits  
Fairs  
Fireworks displays  
Fundraising events  
Parades  
Public dances  
Running events of any distance  
Sidewalk sales  
Surfing meets or contests  
Walkathons

**Section 3.** Section 12.33.090 of the Imperial Beach Municipal Code is hereby amended to read as follows:

**12.33.090. Authority.**

The city manager or designated representative has the authority to:

- A. Post the approved parking control signs as approved in the special event permit. Such signs shall be posted at least twenty-four hours in advance of such special event and when so posted may issue citations and/or tow away vehicles parked in violation of the posting;
- B. Close roadways as approved in the special event permit:
  1. Signs advising the date and time of the closure shall be posted on roadways described in Section 12.33.050(C)(3) and (4) at least ten days prior to the date of the closure,
  2. A list of interested parties shall be established and shall include, but is not limited to: Metropolitan Transit Development Board, San Diego Gas and Electric Company and EDCO. The parties on the interested parties list shall be notified of the closure by mail at least ten days prior to the event;
- C. Stop a special event at any time it is determined that the public safety is in jeopardy;

D. Approve certain temporary signage for the purpose of providing public notice of approved events, as per Section 19.52.250 of this code.

**Section 4.** Section 12.33.100 of the Imperial Beach Municipal Code is hereby amended to read as follows:

**12.33.100. Penalty for violation.**

Any person violating any provision of this chapter or conditions of the permit shall be guilty of a misdemeanor and punishable as provided in Chapter 1.12 of this code. Each such person shall be guilty of a separate offense for each and every day or portion thereof during with any violation of any of the provisions of this chapter is committed, continued or permitted.

**Section 5.** Severability. If any section, subsection, subdivision, paragraph, 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 sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

**Section 6.** The City Clerk is directed to prepare and have published a summary of this Ordinance no less than five days prior to the consideration of its adoption and again within fifteen (15) days following adoption indicating votes cast.

EFFECTIVE DATE: This Ordinance shall be effective thirty (30) days after its adoption.

**INTRODUCED AND FIRST READ** at a regular meeting of the City Council of the City of Imperial Beach, California, on the 1<sup>ST</sup> day of November, 2017; and

**THEREAFTER ADOPTED** at a regular meeting of the City Council of the City of Imperial Beach, California, on the 15<sup>th</sup> day of September, 2017, by the following vote:

AYES: Councilmembers –  
NOES: Councilmembers –  
ABSTAIN: Councilmembers –  
ABSENT: Councilmembers –

---

Serge Dedina, Mayor

ATTEST:

\_\_\_\_\_  
Jacqueline Kelly, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Jennifer M. Lyon, City Attorney

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be an exact copy of Ordinance No. 2017 - \_\_\_\_\_, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, AMENDING CHAPTER 12.33 OF THE IMPERIAL BEACH MUNICIPAL CODE CONCERNING SPECIAL EVENT PERMITS."

\_\_\_\_\_  
JACQUELINE KELLY, CITY CLERK

\_\_\_\_\_  
DATE



## ***Imperial Beach Property Use and Event Guidelines***

<b><i>Name of Park or Facility</i></b>	<b><i>Address or Location</i></b>	<b><i>Reservations Allowed</i></b>	<b><i>Special Events Allowed</i></b>	<b><i>Amplification Allowed</i></b>	<b><i>Submission Deadlines</i></b>	<b><i>Submission Location</i></b>	<b><i>Special Notes</i></b>
Community Room	825 Imperial Beach Blvd	Yes	Yes (\$200 Deposit + Fee)	Yes	1 Month Prior	City Hall	City events take precedent
Dunes Park	790 Seacoast Drive	No	No*	No*	N/A	N/A	*City Council may Authorize
Dempsey Holder	950 Ocean Lane	Yes Gov. or Non-Profit	Yes Gov. or Non-Profit	Yes	1 Month Prior	City Hall	Lifeguards take precedent
Portwood Pier Plaza	10 Evergreen Avenue	Yes	Yes (\$1,000 Deposit + Fee)	Yes	4 Months Prior	City Hall	City events take precedent
Reama Park	210 Elkwood Street	No	No	No	N/A	N/A	
Sports Park	425 Imperial Beach Blvd	No	Yes (\$1,000 Deposit + Fee)	Yes	4 Months Prior	Boys & Girls Club, IBLL/GS	Recreation takes precedent
Teeple Park	1135 Calla Avenue	No	No	No	N/A	N/A	
Veteran's Park	1075 8 <sup>th</sup> Street	Yes	Yes (\$500 Deposit + Fee)	Yes	4 Months Prior	City Hall	City events take precedent
Public Beaches	Western Edge of City	No	Yes	Yes	4 Months Prior	City Hall	Environmental & Safety take precedent

### **General Event Guidelines**

- Street closures must be approved by City Council or Designee
- Lighting may need to be approved by the Navy and/or Airport Authority
- Applicants need to demonstrate that adequate security for the event will be provided
- Deposit may be returned if no damage occurs, event site is left clean, and all rules are followed
- Alcohol Beverage Control Permits must be obtained by the applicant and may be denied for any reason on City Property
- Amplified sound shall not contain any profane or incendiary language on City Property
- Regular or repetitive for profit or not-for-profit business activities shall not occur on City Property

**THIS PAGE  
INTENTIONALLY LEFT BLANK**



STAFF REPORT  
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *AH*

MEETING DATE: NOVEMBER 1, 2017

ORIGINATING DEPT.: STEVEN DUSH, ASSISTANT CITY MANAGER/COMMUNITY DEVELOPMENT DIRECTOR *SD*  
JENNIFER M. LYON, CITY ATTORNEY

SUBJECT: PUBLIC HEARING TO CONSIDER AN ORDINANCE TO FURTHER EXTEND INTERIM URGENCY ORDINANCE NO. 2017-1160 OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA PURSUANT TO GOVERNMENT CODE SECTION 65858 IMPOSING A TEMPORARY MORATORIUM ON COMMERCIAL NON-MEDICAL MARIJUANA ACTIVITIES IN THE CITY OF IMPERIAL BEACH IN LIGHT OF THE PASSAGE OF PROPOSITION 64.

**EXECUTIVE SUMMARY:**

The Imperial Beach Municipal Code currently prohibits large-scale commercial medical marijuana dispensaries and cultivation; however, it does not apply to recreational marijuana and does not regulate those activities contemplated by Proposition 64. Proposition 64 specifically allows for certain local control over nonmedical marijuana commercial activities and outdoor cultivation, including a prohibition on such uses. The City is currently evaluating its options in light of the legalization of recreational marijuana under Proposition 64 and a proposed citizen initiative and is working with various interest groups on the subject. The City Council approved an interim urgency ordinance in February of 2017 and extended it once, and the ordinance temporarily prohibits commercial non-medical marijuana activities. The interim urgency ordinance is set to expire on February 1, 2018 unless that urgency ordinance is further extended by City Council. **The proposed extension is for one additional year, but it will terminate sooner if any City Council approved regulations take effect sooner.**

**FISCAL ANALYSIS:** This Ordinance has no fiscal impact on the City.

**RECOMMENDATION:**

That the City Council (1) conduct a public hearing; (2) consider the written report of measures taken to alleviate the condition which led to the adoption of interim urgency Ordinance No. 2017-1160, as required by the Government Code; and (3) adopt An Ordinance to Further Extend Interim Urgency Ordinance No. 2017-1160 of the City Council of the City of Imperial Beach, California Pursuant to Government Code Section 65858 Imposing a Temporary Moratorium on Commercial Non-Medical Marijuana Activities in the City of Imperial Beach in Light of the Passage of Proposition 64.

**OPTIONS:**

- Extend the proposed urgency ordinance after a public hearing;
- Provide direction to the City Manager to take a specific action, understanding that Urgency Ordinance No. 2017-1160 will expire on February 1, 2018; or
- Request additional information and an additional report, understanding that Urgency Ordinance No. 2017-1160 will expire on February 1, 2018.

**RATIONALE:**

The City Council passed Urgency Ordinance No. 2017-1160 in order to preserve local control over the land uses in the City; protect the health, safety and welfare of the residents of the City; and take sufficient time to properly consider the potential impacts to the City of allowing commercial non-medical marijuana activities and personal outdoor cultivation of marijuana in the City. Urgency Ordinance No. 2017-1160 will expire on February 1, 2018 unless extended and those conditions and concerns present at the time of the passage of Urgency Ordinance No. 2017-1160 are still in existence.

City Staff is currently working proactively with a City Council ad hoc committee to draft regulations on this topic. However, any new regulations likely will not be ready for Council consideration until January of 2018, and the City is likely required to send any new regulations to the California Coastal Commission before they will take effect. **City Staff recommends an extension for up to one year, so that the City's potential new regulations would be in place before this moratorium expires. As soon as any new regulations approved by the City Council take effect, the moratorium would be lifted.**

**BACKGROUND:**

**Local Law:**

Imperial Beach currently prohibits large-scale medical marijuana dispensaries, cooperatives and collectives and commercial medical marijuana cultivation as found in Imperial Beach Municipal Code Chapters 4.60 and 19.61; however such prohibitions did not extend to recreational marijuana as recreational marijuana is illegal pursuant to Federal law and previously was illegal pursuant to state law.

**State Law:**

Proposition 64 allows certain local control over nonmedical marijuana commercial activities, including a prohibition on such uses. It also allows cities to regulate the cultivation of marijuana outdoors, and limits indoor cultivation to six (6) plants for each adult (21 and over) in a private residence. It is anticipated that legally established commercial sales would not be allowed until the State has established its regulations and Proposition 64 continues to ban such operations until 2018. However, Proposition 64 was approved by the voters, becoming effective November 9, 2016, and the personal use and cultivation provisions of the measure allows individuals to grow and cultivate up to six (6) plants each, for personal recreational uses.

In April 2017, Governor Brown introduced a budget trailer bill ("SB 94") with proposed legislation to reconcile the Medical Cannabis Regulation and Safety Act ("MCRSA") and Proposition 64 without making any substantive changes to Proposition 64 that would require a vote of the people. SB 94 was approved by the Legislature and was signed by the Governor on June 27, 2017. SB 94 repeals MCRSA, includes certain provisions of MCRSA in the licensing provisions of Proposition 64, and creates a single regulatory scheme known as the Medicinal and Adult

Use Cannabis Regulation and Safety Act (“MAUCRSA”).

Under Proposition 64, applicants for commercial marijuana activities are required to comply with local laws, but the State has to determine whether the applicant is compliant. Similarly, MAUCRSA requires that the State work together with local agencies to compile a database of local laws and allows applicants to voluntarily submit proof of local authorization. MAUCRSA further requires that local jurisdictions notify the State whether an applicant is either compliant or noncompliant with local ordinances. Failure to respond to the State’s inquiry within a 60 business-day period results in a rebuttable presumption that applicants are in compliance with local ordinances.

Federal Law:

At the federal level, marijuana remains classified as a Schedule I substance under the Controlled Substances Act, making the distribution, manufacturing, dispensing and possessing of marijuana a federal offense. There has been some indication that the federal government and Justice Department would commit to enforcing federal laws on marijuana.

Current Local Issues:

In addition, on July 28, 2017, the City Clerk received a notice of intent to circulate a marijuana citizen initiative in Imperial Beach. The initiative was submitted by a group called the Association of Cannabis Professionals. The initiative proposes to create new commercial uses in Imperial Beach related to marijuana. Specifically, it would authorize marijuana retailers, cannabis consumption lounges, and marijuana manufacturing sites, without size or number restrictions, in two of the mixed use, commercial zones. The marijuana retailers and cannabis consumption lounges would be permitted in both the General Commercial & Mixed Use (C-MU-1) and the Seacoast Commercial & Mixed Use (C-MU-2) zones. Manufacturing sites would be permitted only in the General Commercial & Mixed Use (C-MU-1) zone.

The cultivation, transportation, distribution, and sale of recreational marijuana can create problems related to crime, public health and safety, water and air quality and energy consumption. Marijuana may create nuisance activity such as loitering and criminal activity in business and residential districts. In addition, equipment utilized to grow marijuana indoors can pose a risk of fire. In light of these issues, the City Council determined there was an urgent need to protect the health, safety, and welfare of the citizens and adopted a temporary moratorium to allow the City time to consider and adopt appropriate regulations related to commercial non-medical marijuana activities and personal outdoor cultivation.

The urgency ordinance passed on February 1, 2017 and extended on March 1, 2017 imposed a moratorium to allow the City time to study the issues surrounding marijuana now that Proposition 64 has passed. It was anticipated at the time of passage that the City Council would need to extend this urgency ordinance.

The urgency ordinance prohibits:

- A. Commercial non-medical marijuana activities: defined as the cultivation, possession, manufacture, distribution, processing storing, laboratory testing, labeling, transportation, delivery, or sale of marijuana, marijuana products, and marijuana accessories at any store, shop, dispensary, cooperative, collective or other location; and
- B. Personal outdoor cultivation of marijuana at a private residence, unless such cultivation is for medical marijuana purposes and not prohibited by Imperial Beach Municipal Code Chapter 4.60.

**The urgency ordinance does not impact the personal use, possession, or indoor cultivation of marijuana as allowed by Proposition 64.**

**ANALYSIS:**

On October 4, 2017, City Council engaged in a discussion regarding commercial marijuana activities in the City. During that discussion, City Council gave direction to staff to prepare this moratorium extension, meet with the initiative proponent, and potentially draft sample regulations to allow some commercial marijuana activity in the City.

Government Code section 65858 authorizes the City to adopt, after a noticed public hearing, an ordinance to extend an interim urgency ordinance. It allows for two (2) extensions of an interim urgency ordinance, for a total effective time period of two (2) years. On February 1, 2017 the City Council adopted Urgency Ordinance No. 2017-1160 to address the passage of Proposition 64. On March 1, 2017, the City Council adopted Ordinance 2017-1162 extending the interim urgency ordinance for a period of ten (10) months and fifteen (15) days. The interim urgency ordinance is currently set to expire on February 1, 2018, unless extended by City Council.

Government Code section 65858(d) requires that ten (10) days prior to the expiration of the moratorium, the City Council must issue a written report describing the measures taken to alleviate the condition which led to the adoption of the ordinance. The conditions that led to the adoption of the interim urgency ordinance were listed in Ordinance No. 2017-1160 and are still in existence as of the date of this report. The following is the **written report** of the measures and actions that have been taken by the City since February 1, 2017 to alleviate the conditions set forth in Ordinance No. 2017-1160:

- During the course of the moratorium, City staff has continued to study the issue of regulating nonmedical marijuana uses. These efforts have included studying how other cities throughout California have opted to regulate nonmedical marijuana, and the review of public opinions on such uses, including experiences in other jurisdictions where nonmedical marijuana has been legalized by voters.
- City Staff has continued to monitor legal developments concerning the impact of Proposition 64, including gathering information on impacts marijuana dispensaries have on communities, reviewing pending legal issues that may help address the scope of the City's ability to regulate such uses, and monitoring issues that are under review by state agencies that will regulate non-medical marijuana uses.
- City Council formed an ad hoc Council sub-committee in March of 2017 to explore this issue and has held public outreach meetings. The ad hoc sub-committee presented to the Imperial Beach Chamber of Commerce and the Business Improvement District; however there was low turnout consisting of predominately the same participants at all the meetings.
- City Staff believes that it is likely that a more appropriate ordinance can be presented to the City Council after continued study by the City and has been instructed by City Council to meet with the proponents of the initiative.

Under Government Code section 65858, a moratorium may typically be extended twice, to run for a maximum of two years. As discussed above, it is necessary to further extend the

moratorium established under the urgency ordinance because the City has a compelling interest in continuing to protect the health, safety and welfare of the community and to prevent adverse impacts that marijuana operations, activities and uses may have on nearby properties and residence. The State does not have its regulatory and licensing program in place yet. The City is also faced with the potential that the citizen initiative may make it to the ballot. Extending the moratorium gives the City time to fully study this issue before the State starts issuing any licenses. Also, by extending the urgency ordinance, the City may be able to observe the operation of regulations in the City of San Diego to see how those operate before adopting its own regulations. If the City decides to adopt its own regulations, it will need time for those regulations to be introduced and become effective as well time as regulations may be subject to review by the Coastal Commission. Once any new City regulations take effect, the moratorium would be lifted. The adoption of the proposed extension ordinance is necessary on an urgency basis because of the current and immediate threat marijuana operations, activities and uses pose to the public health, safety and welfare of the City.

If adopted by a four-fifths vote by the City Council, the extension ordinance would be effective for a period of up to one (1) additional year. No further extensions can be issued. The extension ordinance will be of no further force and effect on the date of any amendment to the Imperial Beach Municipal Code relating to recreational marijuana becomes operative, or after February 1, 2019, whichever is sooner. Staff will bring this matter back to the City Council by or before the expiration of the extension ordinance, for consideration of proposed modification to the Imperial Beach Municipal Code.

**ENVIRONMENTAL DETERMINATION:**

Not a project as defined by CEQA.

Attachments:

1. Ordinance No. 2017-XXXX
2. Ordinance No. 2017-1162
3. Ordinance No. 2017-1160

**ORDINANCE NO. 2017-\_\_\_\_\_**

**AN ORDINANCE TO FURTHER EXTEND INTERIM URGENCY ORDINANCE NO 2017-1160 OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA PURSUANT TO GOVERNMENT CODE SECTION 65858 IMPOSING A TEMPORARY MORATORIUM ON COMMERCIAL NON-MEDICAL MARIJUANA ACTIVITIES IN THE CITY OF IMPERIAL BEACH IN LIGHT OF THE PASSAGE OF PROPOSITION 64**

**WHEREAS**, the City of Imperial Beach has an overriding interest in planning and regulating development of all uses of property within the City. Implicit in any plan or regulation is the City's interest in maintaining and improving the quality of life and the character of the City's neighborhoods. Without stable, well-planned neighborhoods, areas of the City can quickly deteriorate, with detrimental consequences to social, environmental and economic values. It is the intent of the City Council to assure that all neighborhoods remain well-planned and that the residents maintain a high quality of life; and

**WHEREAS**, on November 8, 2016, the voters of the state of California approved Proposition 64, AUMA, which legalizes recreational use of marijuana for persons 21 years of age and older and allows the State to regulate the cultivation, testing, and sale of nonmedical marijuana, including marijuana products, as well as establish statewide taxes for the commercial growth and retail sale of marijuana; and

**WHEREAS**, AUMA allows local governments to continue prohibiting or regulating commercial operations, activities and uses relating to marijuana, including, but not limited to, prohibiting marijuana dispensaries, regulating personal cultivation and processing of marijuana indoors, prohibiting or regulating personal cultivation and processing of marijuana outdoors, and prohibiting the use and possession of marijuana and marijuana products in public places, including, but not limited to, within buildings owned, leased or occupied by a government agency; and

**WHEREAS**, the City of Imperial Beach is undertaking a study to assist with the City's determination of whether nonmedical marijuana businesses, including dispensaries, cooperatives, collectives, retail businesses, and commercial and non-commercial cultivation should be allowed in any zone, or whether such uses should be prohibited, or restricted, in any or all zones; and

**WHEREAS**, on February 1, 2017, the City Council for the City of Imperial Beach adopted Ordinance No. 2017-1160, as an interim urgency ordinance in order to temporarily prevent and prohibit commercial non-medical marijuana activities and personal outdoor cultivation of marijuana, unless not prohibited by Imperial Beach Municipal Code Chapter 4.60 in the City until such reasonable time as a detailed study by the City can be completed; and



**WHEREAS**, Ordinance No. 2017-1160, by its terms, was only effective for a period of forty-five days, and was scheduled to expire on March 17, 2017; and

**WHEREAS**, on March 1, 2017, the City Council for the City of Imperial Beach adopted Ordinance No. 2017-1162 which extended Ordinance No. 2017-1160 by ten months and fifteen days and that extension is set to expire on February 1, 2018; and

**WHEREAS**, California Government Code section 65858 authorizes local government to adopt, after a noticed public hearing, an ordinance to extend an interim urgency ordinance if the extension ordinance contains legislative findings that there is a current and immediate threat to the public health, safety and/or welfare; and

**WHEREAS**, California Government Code section 65858 allows for two extensions to an interim urgency ordinance for a maximum period of two years; and

**WHEREAS**, on June 27, 2017, the Governor signed a budget trailer bill, SB 94 which attempts to reconcile the Medical Cannabis Regulation and Safety Act (“MCRSA”) and Proposition 64 by repealing the MCRSA, including certain provisions of MRSA in the licensing provisions of Proposition 64, and creating a single regulatory scheme known as the Medicinal and Adult Cannabis Regulation and Safety Act; and

**WHEREAS**, on July 28, 2017, the City received a notice of intent to circulate a marijuana citizen initiative in Imperial Beach which proposed to create new commercial uses in Imperial Beach relating to marijuana; and

**WHEREAS**, the purpose of this Ordinance is to extend the moratorium to continue to protect against the current and immediate threats that marijuana operations, activities and uses pose to the public health, safety and welfare as a result of the approval of the AUMA to prevent adverse impacts that those operations, activities and uses may have on nearby properties and residents; and

**WHEREAS**, the notice and public hearing required by California Government Code section 65858 for the extension of Ordinance No. 2017-1160 has been provided in accordance with applicable law.

**NOW, THEREFORE, IT IS ORDAINED BY THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH AS FOLLOWS:**

**Section 1. Findings.** The above recitals are true and are hereby adopted as findings and the City Council further finds this Ordinance is necessary for the immediate preservation of the public health, safety and welfare within the meaning of Government Code section 65858 because:

- A. Certain provisions of the AUMA became effective immediately on November 9, 2016 upon passage by the voters and the AUMA directs the State of California to start issuing licenses for dispensaries by January 1, 2018 or sooner.

- B. The City does not have any express provisions in place prohibiting or regulating nonmedical marijuana dispensaries, nonmedical marijuana commercial operations, or the cultivation and processing of marijuana outdoors.
- C. The City needs more time to consider and review potential impacts to land uses and to enact comprehensive regulations related to nonmedical marijuana commercial activities and outdoor cultivation to preserve the health, safety and welfare of the citizens.
- D. Without a temporary moratorium, illegal businesses may begin operation in the City which could pose risks to the surrounding areas and sensitive uses such as schools, churches and youth recreational centers.
- E. Allowing the location and establishment of nonmedical marijuana stores, shops, dispensaries, cooperatives or collectives, without regulation or prohibition, is likely to create a burden on public safety resources, including both law enforcement and emergency response services, thereby reducing the quality of life within the City's neighborhoods
- F. An extension of the temporary moratorium will provide the City with the time necessary to enact appropriate regulations.
- G. This Ordinance is not a project within the meaning of Section 15378 of the California Environmental Quality Act (CEQA) Guidelines because there is no potential for it to result in a physical change in the environment, either directly or indirectly. In the event this Ordinance is found to be subject to CEQA, it is exempt from CEQA pursuant to the exemption contained in the CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility of a significant effect on the environment.

**Section 2. Purpose.** The purpose of this Ordinance is to extend the effectiveness of Ordinance No. 2017-1160 by continuing a moratorium on commercial non-medical marijuana activities, defined as the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, transportation, delivery, or sale of marijuana, marijuana products, and marijuana accessories at any store, shop, dispensary, cooperative, collective or other location and the personal outdoor cultivation of non-medical marijuana at a private residence on any property, in any zones within the City, until such reasonable time as a detailed study may be made. Ordinance No. 2017-1160 was adopted on February 1, 2017 as an urgency measure pursuant to Government Code section 65858 for the immediate preservation of the public peace, health and welfare. The circumstances requiring the urgency measure continue to exist, as noted above in Section 1. Ordinance No. 2017-1162 was adopted on March 1, 2017 and extended the urgency ordinance until February 1, 2018.

**Section 3. Urgency.** In view of the facts set forth in the aforementioned Recitals of this Ordinance and the Findings noted above, as well as the facts and Findings set out in Ordinance No. 2017-1160 and Ordinance No. 2017-1162, it is necessary to immediately study, hold hearings, and consider an amendment of the City's Municipal Code and the adoption of regulations for the location and establishment, or prohibition, of commercial non-medical marijuana activities as defined in Ordinance No. 2017-1160 and the personal outdoor cultivation of non-medical marijuana at a private residence as they may be recommended to the City Council by the City. A comprehensive set of

regulations cannot be enacted without due deliberation, and it will take an undetermined length of time to work out the details of the comprehensive regulations. It would be destructive of the proposed regulations if, during the period they are being studied and are the subject of public hearings, parties seeking to evade the operation of these regulations in the form they may be adopted should be permitted to operate in a manner which might progress so far as to defeat in whole or in part the ultimate objective of those regulations.

**Section 4. Extension of Moratorium.** For the reasons described above, the City Council has determined it is necessary to extend interim urgency Ordinance No. 2017-1160 to continue the moratorium on commercial non-medical marijuana activities and the personal outdoor cultivation of non-medical marijuana at a private residence on any property, in any zones within the City. Ordinance No. 2017-1160 is hereby extended from February 1, 2018 to February 1, 2019, a period not to exceed one year, unless prior to that date an amendment to the Imperial Beach Municipal Code regarding recreational marijuana becomes operative, thereby rendering Ordinance No. 2017-1160 and this Ordinance repealed and of no further force and effect by operation of law.

**Section 5.** This Ordinance does not affect or modify the regulations found in Imperial Beach Municipal Code with respect to medical marijuana distribution facilities as defined in Chapters 4.60 and 19.61.

**Section 6.** If any section, subsection, subdivision, paragraph, 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 sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

**Section 7.** Within fifteen days following the adoption of this Ordinance, the City Clerk shall publish this Ordinance, or the title thereof, as a summary required by State law.

EFFECTIVE DATE: This interim ordinance is an urgency measure of the City Council of the City of Imperial Beach and shall take effect immediately upon the expiration of Ordinance 2017-1162. This Interim Ordinance shall remain in force and effect for a period of one (1) year from the date of the expiration of the time period established in Ordinance No. 2017-1162 and will be of no further force and effect on the date of any amendment to the Imperial Beach Municipal Code relating to recreational marijuana becomes operative, or after February 1, 2019, whichever is sooner.

INTRODUCED AND FIRST READ AS AN INTERIM URGENCY ORDINANCE at a regular meeting of the City Council of the City of Imperial Beach, California, on the 1st day of November 2017 and THEREAFTER PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Imperial Beach, California, on the 15th day of November 2017 by the following vote:

AYES:  
NAYS:  
ABSENT:

\_\_\_\_\_  
Serge Dedina, Mayor

ATTEST:

\_\_\_\_\_  
Jacqueline Kelly, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Jennifer M. Lyon, City Attorney

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be an exact copy of Ordinance No. 2017 - \_\_\_\_\_, **“AN ORDINANCE TO FURTHER EXTEND INTERIM URGENCY ORDINANCE NO 2017-1160 OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA PURSUANT TO GOVERNMENT CODE SECTION 65858 IMPOSING A TEMPORARY MORATORIUM ON COMMERCIAL NON-MEDICAL MARIJUANA ACTIVITIES IN THE CITY OF IMPERIAL BEACH IN LIGHT OF THE PASSAGE OF PROPOSITION 64”**

\_\_\_\_\_  
JACQUELINE KELLY, CITY CLERK

\_\_\_\_\_  
DATE

**ORDINANCE NO. 2017-1162**

**AN ORDINANCE TO EXTEND INTERIM URGENCY ORDINANCE NO 2017-1160 OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA PURSUANT TO GOVERNMENT CODE SECTION 65858 IMPOSING A TEMPORARY MORATORIUM ON COMMERCIAL NON-MEDICAL MARIJUANA ACTIVITIES IN THE CITY OF IMPERIAL BEACH IN LIGHT OF THE PASSAGE OF PROPOSITION 64**

**WHEREAS**, the City of Imperial Beach has an overriding interest in planning and regulating development of all uses of property within the City. Implicit in any plan or regulation is the City's interest in maintaining and improving the quality of life and the character of the City's neighborhoods. Without stable, well-planned neighborhoods, areas of the City can quickly deteriorate, with detrimental consequences to social, environmental and economic values. It is the intent of the City Council to assure that all neighborhoods remain well-planned and that the residents maintain a high quality of life; and

**WHEREAS**, on November 8, 2016, the voters of the state of California approved Proposition 64, AUMA, which legalizes recreational use of marijuana for persons 21 years of age and older and allows the State to regulate the cultivation, testing, and sale of nonmedical marijuana, including marijuana products, as well as establish statewide taxes for the commercial growth and retail sale of marijuana; and

**WHEREAS**, AUMA allows local governments to continue prohibiting or regulating commercial operations, activities and uses relating to marijuana, including, but not limited to, prohibiting marijuana dispensaries, regulating personal cultivation and processing of marijuana indoors, prohibiting or regulating personal cultivation and processing of marijuana outdoors, and prohibiting the use and possession of marijuana and marijuana products in public places, including, but not limited to, within buildings owned, leased or occupied by a government agency; and

**WHEREAS**, the City of Imperial Beach is undertaking a study to assist with the City's determination of whether nonmedical marijuana businesses, including dispensaries, cooperatives, collectives, retail businesses, and commercial and non-commercial cultivation should be allowed in any zone, or whether such uses should be prohibited, or restricted, in any or all zones; and

**WHEREAS**, on February 1, 2017, the City Council for the City of Imperial Beach adopted Ordinance No. 2017-1160, as an interim urgency ordinance in order to temporarily prevent and prohibit commercial non-medical marijuana activities and personal outdoor cultivation of marijuana, unless not prohibited by Imperial Beach Municipal Code Chapter 4.60 in the City until such reasonable time as a detailed study by the City can be completed; and

**WHEREAS**, Ordinance No. 2017-1160, by its terms, is only effective for a period of forty-five days, and is scheduled to expire on March 17, 2017; and

**WHEREAS**, California Government Code section 65858 authorizes local government to adopt, after a noticed public hearing, an ordinance to extend an interim urgency ordinance if the

extension ordinance contains legislative findings that there is a current and immediate threat to the public health, safety and/or welfare; and

**WHEREAS**, the purpose of this Ordinance is to extend the moratorium to continue to protect against the current and immediate threats that marijuana operations, activities and uses pose to the public health, safety and welfare as a result of the approval of the AUMA to prevent adverse impacts that those operations, activities and uses may have on nearby properties and residents; and

**WHEREAS**, the notice and public hearing required by California Government Code section 65858 for the extension of Ordinance No. 2017-1160 has been provided in accordance with applicable law.

**NOW, THEREFORE, IT IS ORDAINED BY THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH AS FOLLOWS:**

**Section 1. Findings.** The above recitals are true and are hereby adopted as findings and the City Council further finds this Ordinance is necessary for the immediate preservation of the public health, safety and welfare within the meaning of Government Code section 65858 because:

- A. Certain provisions of the AUMA became effective immediately on November 9, 2016 upon passage by the voters and the AUMA directs the State of California to start issuing licenses for dispensaries by January 1, 2018 or sooner.
- B. The City does not have any express provisions in place prohibiting or regulating nonmedical marijuana dispensaries, nonmedical marijuana commercial operations, or the cultivation and processing of marijuana outdoors.
- C. The City needs more time to consider and review potential impacts to land uses and to enact comprehensive regulations related to nonmedical marijuana commercial activities and outdoor cultivation to preserve the health, safety and welfare of the citizens.
- D. Without a temporary moratorium, illegal businesses may begin operation in the City which could pose risks to the surrounding areas and sensitive uses such as schools, churches and youth recreational centers.
- E. Allowing the location and establishment of nonmedical marijuana stores, shops, dispensaries, cooperatives or collectives, without regulation or prohibition, is likely to create a burden on public safety resources, including both law enforcement and emergency response services, thereby reducing the quality of life within the City's neighborhoods
- F. An extension of the temporary moratorium will provide the City with the time necessary to enact appropriate regulations.
- G. This Ordinance is not a project within the meaning of Section 15378 of the California Environmental Quality Act (CEQA) Guidelines because there is no potential for it to result in a physical change in the environment, either directly or indirectly. In the event this Ordinance is found to be subject to CEQA, it is exempt from CEQA pursuant to the exemption contained in the CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility of a significant effect on the environment.

**Section 2. Purpose.** The purpose of this Ordinance is to extend the effectiveness of Ordinance No. 2017-1160 by continuing a moratorium on commercial non-medical marijuana activities, defined as the cultivation, possession, manufacture, distribution, processing, storing, laboratory

testing, labeling, transportation, delivery, or sale of marijuana, marijuana products, and marijuana accessories at any store, shop, dispensary, cooperative, collective or other location and the personal outdoor cultivation of non-medical marijuana at a private residence on any property, in any zones within the City, until such reasonable time as a detailed study may be made. Ordinance No. 2017-1160 was adopted on February 1, 2017 as an urgency measure pursuant to Government Code section 65858 for the immediate preservation of the public peace, health and welfare. The circumstances requiring the urgency measure continue to exist, as noted above in Section 1.

**Section 3. Urgency.** In view of the facts set forth in the aforementioned Recitals of this Ordinance and the Findings noted above, as well as the facts and Findings set out in Ordinance No. 2017-1160, it is necessary to immediately study, hold hearings, and consider an amendment of the City's Municipal Code and the adoption of regulations for the location and establishment, or prohibition, of commercial non-medical marijuana activities as defined in Ordinance No. 2017-1160 and the personal outdoor cultivation of non-medical marijuana at a private residence as they may be recommended to the City Council by the City. A comprehensive set of regulations cannot be enacted without due deliberation, and it will take an undetermined length of time to work out the details of the comprehensive regulations. It would be destructive of the proposed regulations if, during the period they are being studied and are the subject of public hearings, parties seeking to evade the operation of these regulations in the form they may be adopted should be permitted to operate in a manner which might progress so far as to defeat in whole or in part the ultimate objective of those regulations.

**Section 4. Extension of Moratorium.** For the reasons described above, the City Council has determined it is necessary to extend interim urgency Ordinance No. 2017-1160 to continue the moratorium on commercial non-medical marijuana activities and the personal outdoor cultivation of non-medical marijuana at a private residence on any property, in any zones within the City. Ordinance No. 2017-1160 is hereby extended from March 17, 2016 to February 1, 2018, a period not to exceed ten months and fifteen days, unless prior to that date an amendment to the Imperial Beach Municipal Code regarding recreational marijuana becomes operative, thereby rendering Ordinance No. 2017-1160 and this Ordinance repealed and of no further force and effect by operation of law.

**Section 5.** This Ordinance does not affect or modify the regulations found in Imperial Beach Municipal Code with respect to medical marijuana distribution facilities as defined in Chapters 4.60 and 19.61.

**Section 6.** If any section, subsection, subdivision, paragraph, 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 sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

**Section 7.** Within fifteen days following the adoption of this Ordinance, the City Clerk shall publish this Ordinance, or the title thereof, as a summary required by State law.

**EFFECTIVE DATE:** This Ordinance shall take effect immediately upon passage by a four-fifths vote of the City Council, and in accordance with Government Code Section 65858 and will be of

no further force and effect on the date of any amendment to the Imperial Beach Municipal Code relating to recreational marijuana becomes operative, or after February 1, 2018, whichever is sooner, except as may be extended as provided by Government Code section 65858.

**PASSED, APPROVED AND ADOPTED AS AN INTERIM URGENCY ORDINANCE** at a regular meeting of the City Council of the City of Imperial Beach, California, on the 1<sup>st</sup> day of March 2017 by the following vote:

**AYES: COUNCILMEMBERS: PATTON, WEST, BRAGG, DEDINA**  
**NOES: COUNCILMEMBERS: NONE**  
**ABSENT: COUNCILMEMBERS: SPRIGGS**

Signature on file

Serge Dedina, Mayor

**ATTEST:**

Signature on file

Jacqueline Kelly, City Clerk

**APPROVED AS TO FORM:**

Signature on file

Jennifer M. Lyon, City Attorney



**ORDINANCE NO. 2017-1160****AN INTERIM URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA PURSUANT TO GOVERNMENT CODE SECTION 65858 IMPOSING A TEMPORARY MORATORIUM ON COMMERCIAL NON-MEDICAL MARIJUANA ACTIVITIES IN THE CITY OF IMPERIAL BEACH IN LIGHT OF THE PASSAGE OF PROPOSITION 64**

**WHEREAS**, the City of Imperial Beach also has an overriding interest in planning and regulating development of all uses of property within the City. Implicit in any plan or regulation is the City's interest in maintaining and improving the quality of life and the character of the City's neighborhoods. Without stable, well-planned neighborhoods, areas of the City can quickly deteriorate, with detrimental consequences to social, environmental and economic values. It is the intent of the City Council to assure that all neighborhoods remain well-planned and that the residents maintain a high quality of life; and

**WHEREAS**, the City Council for the City of Imperial Beach has previously adopted Ordinance Nos. 2011-1118 and 2011-1119 prohibiting the establishment of large-scale commercial medical marijuana dispensaries, cooperatives and collectives throughout the City of Imperial Beach; and

**WHEREAS**, the City Council adopted Ordinance No. 2015-1154 to prohibit commercial cultivation of medical marijuana in the City; and

**WHEREAS**, on November 8, 2016, the voters of the state of California approved Proposition 64, AUMA, which legalizes recreational use of marijuana for persons 21 years of age and older and allows the State to regulate the cultivation, testing, and sale of nonmedical marijuana, including marijuana products, as well as establish statewide taxes for the commercial growth and retail sale of marijuana; and

**WHEREAS**, AUMA also makes it lawful for any person, 21 years of age or older, to possess, plant, cultivate, harvest, dry, or process for private use not more than six (6) living marijuana plants within a private residence, or on the grounds of a private residence, provided that (1) local ordinances may regulate the outdoor plantings, cultivation, harvesting, drying, or processing of marijuana, and (2) "for private use" means that the person possessing, planting, cultivating, harvesting, drying, or processing marijuana may give away (without any compensation whatsoever) any marijuana or marijuana products to persons 21 years of age or older; and

**WHEREAS**, AUMA allows local governments to continue prohibiting or regulating commercial operations, activities and uses relating to marijuana, including, but not limited to, prohibiting marijuana dispensaries, regulating personal cultivation and processing of marijuana indoors, prohibiting or regulating personal cultivation and

processing of marijuana outdoors, and prohibiting the use and possession of marijuana and marijuana products in public places, including, but not limited to, within buildings owned, leased or occupied by a government agency; and

**WHEREAS**, based on data about the effects from other cities with either medical and/or recreational marijuana dispensaries, the City is concerned that the commercial availability of marijuana in the City could cause detrimental effects to the City, including, but not limited to: burglaries, robberies and thefts occurring at dispensaries; an increase in other criminal activity and loitering in the vicinity of dispensaries; dispensary customers driving under the influence of marijuana; dispensaries selling illegal drugs other than marijuana; dispensaries selling products to minors; excessive energy use at dispensaries; and faulty and dangerous electrical and plumbing problems at dispensaries; and

**WHEREAS**, the City does not have any express provisions in place prohibiting or regulating nonmedical marijuana dispensaries and other commercial marijuana activities and the cultivation and processing of marijuana outdoors because marijuana is currently illegal under Federal law and was previously illegal under State law; and

**WHEREAS**, the City is undertaking an independent study to assist with the City's determination whether persons conducting businesses to establish and operate retail marijuana stores, shops, dispensaries, cooperatives or collectives, in conformance with Proposition 64, for profit or not, should be allowed in any zone, or whether such uses should be prohibited in any or all zones; and

**WHEREAS**, the City is also undertaking an independent study to assist with the City's determination whether persons should be allowed to plant, cultivate, harvest, dry or process marijuana outdoors upon the grounds of a private residence; and

**WHEREAS**, the establishment of marijuana stores, shops, dispensaries, cooperatives or collectives, or marijuana processing/testing facilities, and the right to plant, cultivate, harvest, dry or process marijuana outdoors upon the grounds of a private residence, in the City, prior to the completion of the studies being conducted by the City would undermine the potential enforceability of, and conflict with, any possible regulation or prohibition on such uses in the City; and

**WHEREAS**, in the interest of the immediate protection of the public health, safety and welfare, California Government Code sections 36937 and 65858 authorize local governments to adopt interim urgency ordinances without following the procedures otherwise required prior to adopting an ordinance, to prohibit any operations, activities and uses that the local government is considering, studying or intends to study within a reasonable time; and

**WHEREAS**, the City desires to adopt an interim urgency ordinance to protect the public health, safety and welfare of its citizens.

**NOW, THEREFORE, IT IS ORDAINED BY THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH AS FOLLOWS:**

**Section 1.** Findings. The above recitals are true and are hereby adopted as findings and the City Council further finds this urgency Ordinance is necessary for the immediate preservation of the public health, safety and welfare within the meaning of Government Code section 65858 because:

- A. Certain provisions of the AUMA became effective immediately on November 9, 2016 upon passage by the voters and the AUMA directs the State of California to start issuing licenses for dispensaries by January 1, 2018 or sooner.
- B. The City does not have any express provisions in place prohibiting or regulating nonmedical marijuana dispensaries, nonmedical marijuana commercial operations, or the cultivation and processing of marijuana outdoors.
- C. The City needs time to consider and review potential impacts to land uses and to enact comprehensive regulations related to nonmedical marijuana commercial activities to preserve the health, safety and welfare of the citizens.
- D. Without a temporary moratorium, illegal businesses may begin operation in the City which could pose risks to the surrounding areas and sensitive uses such as schools, churches and youth recreational centers.
- E. Allowing the location and establishment of nonmedical marijuana stores, shops, dispensaries, cooperatives or collectives, without regulation or prohibition, is likely to create a burden on public safety resources, including both law enforcement and emergency response services, thereby reducing the quality of life within the City's neighborhoods
- F. A temporary moratorium will provide the City with the time necessary to enact appropriate regulations.
- G. This Ordinance is not a project within the meaning of Section 15378 of the California Environmental Quality Act (CEQA) Guidelines because there is no potential for it to result in a physical change in the environment, either directly or indirectly. In the event this Ordinance is found to be subject to CEQA, it is exempt from CEQA pursuant to the exemption contained in the CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility of a significant effect on the environment.

**Section 2.** Purpose. The purpose of this Ordinance is to temporarily prevent and prohibit the establishment of any "commercial non-medical marijuana activities," defined as the cultivation, possession, manufacture, distribution, processing storing, laboratory testing, labeling, transportation, delivery, or sale of marijuana, marijuana products, and marijuana accessories at any store, shop, dispensary, cooperative, collective or other location and the personal outdoor cultivation of non-medical marijuana at a private residence on any property, in any zones within the City, until such reasonable time as a detailed study may be made.

**Section 3. Urgency.** This Ordinance is an interim ordinance adopted as an urgency measure pursuant to Government Code Section 65858 and is for the immediate preservation of the public peace, health and welfare. In view of the facts set forth in the aforementioned Recitals of this Ordinance and the Findings noted above, it is necessary to immediately study, hold hearings, and consider an amendment of the City's Municipal Code and the adoption of regulations for the location and establishment, or prohibition, of commercial non-medical marijuana activities as defined in Section 2 above and the personal outdoor cultivation of non-medical marijuana at a private residence as they may be recommended to the City Council by the City. A comprehensive set of regulations cannot be enacted without due deliberation, and it will take an undetermined length of time to work out the details of the comprehensive regulations. It would be destructive of the proposed regulations if, during the period they are being studied and are the subject of public hearings, parties seeking to evade the operation of these regulations in the form they may be adopted should be permitted to operate in a manner which might progress so far as to defeat in whole or in part the ultimate objective of those regulations.

**Section 4. Prohibited Use.** For the reasons described above, the City Council has determined it is necessary to enact an interim urgency ordinance, pursuant to Government Code sections 36937 and 65858 imposing a temporary moratorium on all:

- A. Commercial non-medical marijuana activities: defined as the cultivation, possession, manufacture, distribution, processing storing, laboratory testing, labeling, transportation, delivery, or sale of marijuana, marijuana products, and marijuana accessories at any store, shop, dispensary, cooperative, collective or other location; and
- B. Personal outdoor cultivation of marijuana at a private residence, unless such cultivation is for medical marijuana purposes and not prohibited by Imperial Beach Municipal Code Chapter 4.60.

Notwithstanding any provision of the Imperial Beach Municipal Code to the contrary, the use of any property within any zone in the City of Imperial Beach for the purposes described above in Section 4A and 4B is prohibited. The issuance of any permit, license, or certificate for the operation of any such uses shall be prohibited.

No person shall be allowed to plant, cultivate, harvest, dry or process any marijuana or marijuana products as defined in AUMA in any amount unless such activities are conducted indoors, in the person's private residence, or within an ancillary structure located upon the grounds of the person's private residence that is locked and not visible by normal unaided vision from a public place.

The City has a compelling interest in protecting the public health, safety and welfare of its residents and businesses, in preserving the peace and integrity of its neighborhoods, and in providing clear local regulation consistent with the requirements of Federal and State law. The adoption of this Ordinance is necessary on an urgency basis because of the current and immediate threat these operations, activities and uses pose to the public health, safety and welfare since AUMA was approved.

**Section 5.** **Penalty for Violation.** No person, whether as principal, agent, employee or otherwise shall violate, cause the violation of, or otherwise fail to comply with any of the requirements of this Ordinance. Every act prohibited or declared unlawful, and every failure to perform an act made mandatory by this Ordinance, shall be a misdemeanor or an infraction, at the discretion of the City Attorney or District Attorney. In addition to the penalties provided in this Section, any condition caused or permitted to exist in violation of any of the provisions of this Ordinance is declared a public nuisance and may be abated as provided in the Imperial Beach Municipal Code and/or under State law.

**Section 6.** **Council Direction.** During the period of this Ordinance or any extension thereof, the City Council hereby directs Staff to: (1) study the effects and of any proposed regulations/prohibitions of outdoor cultivation of marijuana and commercial non-medical marijuana activities in the City and draft appropriate regulations; (2) hold any necessary public workshops to gather input from the residents of the City on this topic; and (3) issue a written report describing the measures the City has taken to address the conditions which led to the adoption of this Ordinance with the City Council 10 days prior to the expiration of this interim urgency Ordinance, which report shall be made available to the public.

**Section 7.** This Ordinance does not affect or modify the regulations found in Imperial Beach Municipal Code with respect to medical marijuana distribution facilities as defined in Chapters 4.60 and 19.61.

**Section 8.** **Severability.** If any section, subsection, subdivision, paragraph, 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 sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

**Section 9.** **Publication.** Within fifteen days following the adoption of this urgency Ordinance, the City Clerk shall publish this urgency Ordinance, or the title thereof, as a summary required by State law.

**EFFECTIVE DATE:** This Ordinance shall take effect immediately upon passage by a four-fifths vote of the City Council, and in accordance with Government Code Section 65858 as an urgency measure. The temporary moratorium shall be of no further force and effect forty-five days from the date of adoption of this urgency Ordinance, unless prior to its expiration, following a noticed public hearing in accordance with Government Code section 65090, the City Council extends the Ordinance pursuant to Government Code section 65858.

PASSED, APPROVED AND ADOPTED AS AN INTERIM URGENCY ORDINANCE at a regular meeting of the City Council of the City of Imperial Beach, California, on the 1<sup>st</sup> day of February 2017 by the following vote:

**AYES: COUNCILMEMBERS: SPRIGGS, PATTON, WEST, BRAGG, DEDINA**  
**NOES: COUNCILMEMBERS: NONE**  
**ABSENT: COUNCILMEMBERS: NONE**

Signature on file

Serge Dedina,  
Mayor

ATTEST:

Signature on file

Jacqueline Kelly, City Clerk

APPROVED AS TO FORM:

Signature on file

Jennifer M. Lyon, City Attorney



STAFF REPORT  
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL  
FROM: ANDY HALL, CITY MANAGER *AH*  
MEETING DATE: NOVEMBER 1, 2017  
ORIGINATING DEPT.: CITY ADMINISTRATION  
SUBJECT: REQUEST FOR DIRECTION FROM THE CITY COUNCIL REGARDING THE POTENTIAL SEPARATION OF THE IMPERIAL BEACH CHAMBER OF COMMERCE AND THE IMPERIAL BEACH BUSINESS IMPROVEMENT DISTRICT

**EXECUTIVE SUMMARY:**

In 1997, the Imperial Beach Business Improvement District (BID) was created, by Ordinance, to complete specified improvements and activities in a majority of the commercial areas in the City. In subsequent resolutions, the City Council established an operational structure that combined the Business Improvement District with the Chamber of Commerce to form the "Association" that would administer the activities of the BID. Overtime, the relationship between the Chamber of Commerce and the BID has deteriorated and in recent weeks, each entity has formulated recommendations for consideration by the City Council. Some of the recommendations are in consistent with the other entity, while others are inconsistent. Staff is seeking direction from the City Council to address this situation.

**FISCAL ANALYSIS:**

The fiscal impact on the City of Imperial Beach could range from no impact to a potential impact of approximately \$14,000 per year.

**RECOMMENDATION:**

Staff recommends that the City Council direct staff to prepare the necessary Resolution to implement a separation of the "Association" created by Resolution 2005-6180 and identify other procedural steps necessary to separate the functions of the Imperial Beach Chamber of Commerce and the Imperial Beach Business Improvement District.

**OPTIONS:**

- Direct staff to create a Resolution to separate the "Association" created by Resolution 2005-6180 and identify other procedural steps necessary to separate the functions of the Imperial Beach Chamber of Commerce and the Imperial Beach Business Improvement District.
- Direct staff to prepare additional information for consideration by the City Council.
- Direct staff to take alternative actions as determined by the City Council.
- Direct staff to work with the "Association" as currently constituted.

**BACKGROUND and ANALYSIS:**

On an annual basis, the City Council reviews the proposed budget of the BID to ensure the expenditures are consistent with the provisions of the enabling Ordinance, that proper financial accounting of the BID resources occurs, and to authorize the levy of a tax within the boundaries of the BID. By ordinance, this procedure should be completed by August 1 of each year, but due to a number of circumstances, this process has not been completed since 2015.

In an effort to implement the procedures correctly, staff has met with the leadership of both the Chamber of Commerce and the BID to chart a course that is acceptable to each party. The leaders of each organization presented ideas to their respective boards and each formed a recommendation they would like the City Council to consider, followed by staff comments in *italics*.

It should be noted that due to the unresolved nature of the present situation, staff has informed both the Chamber of Commerce and the BID that no funds currently being collected will be disseminated to the Association (Chamber of Commerce/BID).

*Chamber of Commerce Recommendation*

Staff has been informed that the Chamber of Commerce would like to separate from the BID (Association) and that the City Council dissolve the BID.

*The recommendation of the Chamber of Commerce is relatively straightforward. To accomplish this task, staff would prepare the appropriate legislative actions to dissolve the Business Improvement District which would essentially result in a separation. One complication would be how to use, return, disseminate, or account for the current funds in the accounts of the BID or the City.*

*Business Improvement District Recommendation*

Staff has been informed that the Business Improvement District would like to separate from the Chamber of Commerce (Association) and to continue to use the funding from the Business District to complete the improvements and activities identified in the enabling Ordinance. The BID further recommends that 50% of the 2017 annual collection be given to the Chamber of Commerce to offset the financial impact of the separation.

*If the City Council is inclined to implement the recommendation of the BID, staff would prepare the necessary legislative actions to dissolve the Association, but keep the BID intact. If that is the case, staff would suggest that a new structure to replace the Association would need to be created. One possible structure could involve the proposed City internal finance committee. This would allow the City to provide guidance and approval of the projects that would be completed in the District.*

There are clearly some deal points on which the parties agree. Both desire to be separate from the other and both would likely agree that a contribution of 50% of the 2017 annual assessment to the Chamber of Commerce would allow a transition period. Conversely, there are points of disagreement. The Chamber would suggest the BID be dissolved and the BID would like to continue to make improvements in the District. Staff is seeking direction from the City Council, upon which the correct documents will be prepared for consideration by the City Council.



**ENVIRONMENTAL DETERMINATION:**

Not a project as defined by CEQA.

**THIS PAGE  
INTENTIONALLY LEFT BLANK**



STAFF REPORT  
IMPERIAL BEACH REDEVELOPMENT  
AGENCY SUCCESSOR AGENCY

TO: HONORABLE CHAIR AND MEMBERS OF THE BOARD  
FROM: ANDY HALL, EXECUTIVE DIRECTOR <sup>Alt</sup>  
MEETING DATE: NOVEMBER 1, 2017  
ORIGINATING DEPT.: DOUG BRADLEY, ADMINISTRATIVE SERVICES DIRECTOR <sup>DB</sup>  
SUBJECT: ADOPTION OF RESOLUTION NO. SA-17-57 APPROVING, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO PROFESSIONAL SERVICES AGREEMENTS WITH MONTAGUE DEROSE AND ASSOCIATES, AS MUNICIPAL ADVISOR; JONES HALL, AS BOND AND DISCLOSURE COUNSEL; AND FRASER & ASSOCIATES, AS FISCAL CONSULTANT, TO PROVIDE FINANCIAL SERVICES FOR THE POSSIBLE REFUNDING OF THE 2010 TAX ALLOCATION BONDS AND REQUESTING THAT THE OVERSIGHT BOARD DIRECT THE SUCCESSOR AGENCY TO BEGIN THE PROCEEDINGS OF REFUNDING THE SERIES 2010 TAX ALLOCATION BONDS, INCLUDING APPROVING REFUNDING COSTS AS AN ENFORCEABLE OBLIGATION

**EXECUTIVE SUMMARY:**

Successor Agency staff is seeking adoption of Resolution No. SA-17-57 by the Successor Agency authorizing the Executive Director to enter into professional services agreements with Montague DeRose and Associates, Jones Hall, and Fraser & Associates to provide services for the possible refunding of the Series 2010 Tax Allocation bonds. Based on current market interest rates, annual debt service savings are projected to average \$179,637 with a total Net Present Value savings greater than \$1.5M. Resolution No. SA-17-57 also requests that the Oversight Board direct the Successor Agency to (1) proceed with the refunding process and (2) place the refunding costs on the Successor Agency's Recognized Obligation Payment Schedule.

**FISCAL ANALYSIS:** An estimated distribution of the debt service savings among the former Redevelopment Agency taxing entities is illustrated below.

	Annual Savings	Net Present Value
City of Imperial Beach	\$ 37,362	\$ 323,974
San Diego County	\$ 25,993	\$ 225,392
K-12 Schools	\$ 78,221	\$ 678,261
Community Colleges	\$ 7,608	\$ 65,970
County Office of Education	\$ 3,392	\$ 29,411
ERAF	\$ 27,057	\$ 234,618
	<u>\$ 179,637</u>	<u>\$ 1,557,656</u>

**RECOMMENDATION:**

Staff recommends adopting Resolution No. SA-17-57 authorizing the Executive Director to enter into professional services agreements with Montague DeRose and Associates, Jones Hall, and Fraser & Associates to provide services for the possible refunding of the Series 2010 Tax Allocation Bonds and requesting that the Oversight Board direct the Successor Agency to (1) proceed with the refunding process and (2) place the refunding costs on the Successor Agency's Recognized Obligation Payment Schedule..

**OPTIONS:**

- Adopt the resolution as recommended.
- Provide staff with direction for alternative action.

**BACKGROUND/ANALYSIS:**

On November 18, 2010, the former Imperial Beach Redevelopment Agency (the "Former Agency") issued the 2010 Tax Allocation Bonds (the "Series 2010 TABs") secured by the Former Agency's tax increment revenues as funding for the debt service obligations. The Series 2010 TABs were issued to finance redevelopment activities relating to improvements within the Palm Avenue/Commercial Development Project Area ("Project Area") including street improvements, public park capital improvements, construction of community facilities, and landscaping improvements, among others.

Debt service on the Series 2010 TABs is repaid solely with tax increment revenues generated within the Project Area. As of June 30, 2017, the outstanding principal balance was \$20,500,000 with principal maturities from June 1, 2018 through June 1, 2040. The Series 2010 TABs have interest rates ranging from 3.50% to 5.125%.

Pursuant to Assembly Bill No. X1 26 ("AB 26") and Assembly Bill No. 1484 ("AB 1484") (collectively referred to herein as the "Dissolution Act"), the Imperial Beach Redevelopment Agency Successor Agency (the "Successor Agency") may cause the refinancing or refunding of the Series 2010 TABs for debt service savings by issuing, or causing the issuance of, Property Tax Revenue Refunding Bonds, (the "Refunding Bonds") provided savings is achieved in accordance with the Dissolution Act including, without limitation, Sections 34177.5 and 34180(b).

Based on current market interest rates, annual debt service savings are projected to average \$179,637 with a total Net Present Value savings greater than \$1.5M. An estimated distribution of these savings among the former Redevelopment Agency taxing entities is illustrated below. Such proposed savings are in accordance with Sections 34177.5 and 34180(b) of the Health and Safety Code.

	Annual Savings	Net Present Value
City of Imperial Beach	\$ 37,362	\$ 323,974
San Diego County	\$ 25,993	\$ 225,392
K-12 Schools	\$ 78,221	\$ 678,261
Community Colleges	\$ 7,608	\$ 65,970
County Office of Education	\$ 3,392	\$ 29,411
ERAF	\$ 27,057	\$ 234,618
	<u>\$ 179,637</u>	<u>\$ 1,557,656</u>

In order for the Successor Agency to issue or cause the issuance of the Refunding Bonds, various formal approvals are necessary from the Successor Agency, the Oversight Board and the California Department of Finance (the "DOF"). Approval of various Professional Services Agreements ("PSA's") is required to begin the refunding.

Staff proposes that the Successor Agency hire Montague DeRose and Associates for municipal advisor services. The fees for Montague DeRose and Associates shall be a not to exceed amount of \$55,000, which \$30,000 of the fee is non-contingent on the successful closing of the bond issuance. Staff recommends that Jones Hall provide bond and disclosure counsel services for an amount not to exceed \$60,000 for bond counsel services and an amount not to exceed \$35,000 for disclosure counsel services, which fees are contingent on the successful closing of the bond issuance. Finally, the Successor Agency will contract with Fraser & Associates for fiscal consultant services for a non-contingent fee not to exceed \$25,000. All such fees are reasonable and standard in the industry based on the tasks associated with properly issuing tax exempt bonds. Attached are those PSA's and an associated Resolution to authorize the Executive Director to enter into the PSA's.

Presented in Financing Schedule (attachment 2) is targeted key activities and preliminary dates.

**ENVIRONMENTAL DETERMINATION:**

Not a project as defined by CEQA.

Attachments:

1. Resolution No. SA-17-57
2. Financing Schedule
3. PSA Montague DeRose and Associates
4. PSA Jones Hall
5. PSA Fraser & Associates

**RESOLUTION NO. SA-17-57**

**A RESOLUTION OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE PROFESSIONAL SERVICES AGREEMENTS FOR MONTAGUE DEROSE AND ASSOCIATES, AS MUNICIPAL ADVISOR; JONES HALL, AS BOND AND DISCLOSURE COUNSEL; AND FRASER & ASSOCIATES, AS FISCAL CONSULTANT, TO PROVIDE FINANCIAL SERVICES FOR THE POSSIBLE REFUNDING OF THE SERIES 2010 TAX ALLOCATION BONDS AND REQUESTING THAT THE OVERSIGHT BOARD DIRECT THE SUCCESSOR AGENCY TO BEGIN THE PROCEEDINGS OF REFUNDING THE SERIES 2010 TAX ALLOCATION BONDS, INCLUDING APPROVING REFUNDING COSTS AS AN ENFORCEABLE OBLIGATION**

**WHEREAS**, the Imperial Beach Redevelopment Agency (“Redevelopment Agency”) was a redevelopment agency in the City of Imperial Beach (“City”), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (“Redevelopment Law”); and

**WHEREAS**, the City Council has adopted redevelopment plans for Imperial Beach’s redevelopment project areas, and from time to time, the City Council has amended such redevelopment plans; and

**WHEREAS**, the Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

**WHEREAS**, Assembly Bill No. X1 26 (2011-2012 1<sup>st</sup> Ex. Sess.) (“AB 26”) was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and the California Health and Safety Code (“Health and Safety Code”), including adding Part 1.8 (commencing with Section 34161) (“Part 1.8”) and Part 1.85 (commencing with Section 34170) (“Part 1.85”) to Division 24 of the Health and Safety Code; and

**WHEREAS**, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

**WHEREAS**, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 (“Successor Agency”); and

**WHEREAS**, on February 15, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. SA-12-01 naming itself the “Imperial Beach Redevelopment Agency Successor Agency,” the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

**WHEREAS**, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 (“AB 1484”, Chapter 26, Statutes 2012). Although the primary purpose of AB 1484 was to make technical and

substantive amendments to AB 26 based on issues that have arisen in the implementation of AB 26, AB 1484 imposes additional statutory provisions relating to the activities and obligations of successor agencies and to the wind down process of former redevelopment agencies, including without limitation refunding or refinancing bonds or other indebtedness; and

**WHEREAS**, Health and Safety Code Section 34179 of AB 26 as amended by AB 1484 (collectively the "Dissolution Act") establishes a seven (7) member local entity with respect to each successor agency and such entity is titled the "oversight board." The oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety Code Sections 34179 through 34181 of the Dissolution Act; and

**WHEREAS**, pursuant to Health and Safety Code Section 34179.7 of the Dissolution Act, the California Department of Finance ("DOF") has issued a Finding of Completion to the Successor Agency; and

**WHEREAS**, On November 18, 2010, the former Imperial Beach Redevelopment Agency (the "Former Agency") issued 2010 Tax Allocation Bonds (the "Series 2010 TABs") secured by the Former Agency's tax increment revenues as funding for the debt service obligations. The Series 2010 TABs were issued in order to finance redevelopment activities relating to improvements within the Palm Avenue/Commercial Development Project Area ("Project Area") including street improvements, public park capital improvements, construction of community facilities, and landscaping improvements, among others; and

**WHEREAS**, debt service on the Series 2010 TABs is repaid solely with tax increment revenues generated within the Project Area. As of June 30, 2017, the outstanding principal balance was \$20,500,000 with principal maturities from June 1, 2018 through June 1, 2040. The Series 2010 TABs have interest rates ranging from 3.50% to 5.125%; and

**WHEREAS**, pursuant to the Dissolution Act, the Successor Agency may cause the refinancing or refunding of the Series 2010 TABs for debt service savings by issuing, or causing the issuance, of Tax Allocation Refunding Bonds (the "Refunding Bonds") in accordance with the Dissolution Act including, without limitation, Sections 34177.5 and 34180(b); and

**WHEREAS**, to determine compliance with the Dissolution Act, Section 34177.5, the Successor Agency has caused its municipal advisor to prepare an initial analysis of the potential savings. Based on current market interest rates, annual debt service savings are projected to average \$179,637 with a total Net Present Value savings greater than \$1.5M; and

**WHEREAS**, the Successor Agency desires to take advantage of the current low interest rate environment in order to minimize its total interest costs on outstanding debt by refinancing/refunding the Series 2010 TABs at a comparatively lower interest rate than the current bond issue's average bond coupon rate and as low of a cost of issuance as possible; and

**WHEREAS**, in order to effectuate the refunding of the Series 2010 TABs, the Successor Agency desires to retain the services of Montague DeRose and Associates, Jones Hall, and Fraser & Associates to provide financial, legal and advisory services for the possible refunding of the Series 2010 TABs; and

**WHEREAS**, the Successor Agency staff has authorized the preparation of Professional Services Agreements (the "Agreements") to retain the services of Montague DeRose and

Associates, Jones Hall, and Fraser & Associates and recommends the Successor Agency's approval relating to same; and

**WHEREAS**, the fees for municipal advisor services for Montague DeRose and Associates shall be a not to exceed amount of \$55,000, which \$30,000 of the fee is non-contingent on the successful closing of the bond issuance; and

**WHEREAS**, the fees for bond and disclosure counsel services for Jones Hall shall be a not to exceed amount of \$60,000 for bond counsel services and a not to exceed amount of \$35,000 for disclosure counsel services, which fees are contingent on the successful closing of the bond issuance; and

**WHEREAS**, the fees for fiscal consultant services for Fraser & Associates shall be a not to exceed amount of \$25,000; and

**WHEREAS**, all of the prerequisites with respect to the approval of this Resolution have been met.

**NOW, THEREFORE, BE IT RESOLVED** by the Imperial Beach Redevelopment Agency Successor Agency, as follows:

- Section 1.** The foregoing recitals are true and correct, have served as the basis for the findings and approvals set forth below, and are a substantive part of this Resolution.
- Section 2.** Consistent with the authority provided to the City Council of the City pursuant to Municipal Code Section 3.04.160(G), the Successor Agency hereby waives any applicable formal bid requirements for the selection of Montague DeRose and Associates, Jones Hall and Fraser & Associates based on the unique nature of the services to be rendered and the complexity of the proposed refinancing transaction and due to the necessity and convenience for the management of the Successor Agency's affairs in this matter.
- Section 3.** Consistent with the compensation limits specified in the recitals above, the Successor Agency hereby approves the Professional Services Agreements ("Agreements") with Montague DeRose and Associates, Jones Hall, and Fraser & Associates in substantial form as the Agreements attached to the Staff Report for professional services related to the refinancing of the Series 2010 TAB.
- Section 4.** The Executive Director, or designee, of the Successor Agency is hereby authorized and directed to execute the Agreements in substantial form as the Agreements attached to the Staff Report subject to the Oversight Board's approval of the Agreements as required by the Dissolution Act or desired by the Executive Director.
- Section 5.** The Executive Director, or designee, of the Successor Agency is hereby authorized to make non-substantive changes and amendments to the Agreements deemed necessary and as approved by the Executive Director of the Successor Agency and its legal counsel and to take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Successor



Agency.

- Section 6.** The Successor Agency hereby requests the Oversight Board to:
  - A. Direct the Successor Agency to proceed with preparation of documents and analysis required to refund the Series 2010 TAB, pursuant to Health and Safety Code Section 34177.5(f), so long as the savings regulations continue to be met; and
  - B. Authorize costs incurred to refund the Series 2010 TAB and issue the new bonds to be recognized as enforceable obligations to be recovered on the Successor Agency's Recognized Obligation Payment Schedule.

**Section 7.** The Successor Agency determines that the activity approved by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

**Section 8.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that its board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

**Section 9.** This Resolution shall take effect upon the date of its adoption.

**PASSED, APPROVED, AND ADOPTED** by the Imperial Beach Redevelopment Agency Successor Agency at its meeting held on the 1<sup>st</sup> day of November, 2017, by the following vote:

<b>AYES:</b>	<b>BOARD MEMBERS:</b>
<b>NOES:</b>	<b>BOARD MEMBERS:</b>
<b>ABSENT:</b>	<b>BOARD MEMBERS:</b>

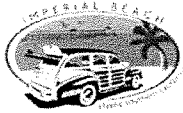
---

**SERGE DEDINA**  
**CHAIRPERSON**

**ATTEST:**

---

**JACQUELINE M. KELLY, MMC**  
**SECRETARY**



**Imperial Beach Redevelopment Agency Successor Agency  
2018 Tax Allocation Refunding Bonds (Refunding of 2010 Tax Allocation Bonds)  
Financing Schedule - Prepared October 3, 2017**

OCTOBER 2017							NOVEMBER 2017							DECEMBER 2017							JANUARY 2018						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7				1	2	3	4						1	2		1	2	3	4	5	6
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27
29	30	31					26	27	28	29	30			24	25	26	27	28	29	30	28	29	30	31			
														31													

FEBRUARY 2018							MARCH 2018							APRIL 2018						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3					1	2	3	1	2	3	4	5	6	7
4	5	6	7	8	9	10	4	5	6	7	8	9	10	8	9	10	11	12	13	14
11	12	13	14	15	16	17	11	12	13	14	15	16	17	15	16	17	18	19	20	21
18	19	20	21	22	23	24	18	19	20	21	22	23	24	22	23	24	25	26	27	28
25	26	27	28				25	26	27	28	29	30	31	29	30					

= Anticipated City Council/Successor Agency meeting (6:00pm)  
 = Anticipated Oversight Board meeting (10:30am)  
 = City Hall closed or holiday

Week of	Date	Financing Activity	Responsibility
Oct 2			
Oct 9	TBD	Kick-off conference call with working group	All Hands
Oct 16		Prepare professional services agreements (PSAs) for Municipal Advisor, Fiscal Consultant, Bond & Disclosure Counsel	SA, MDA, JH, F&A
Oct 23	Mon, Oct 23	Agenda deadline for Successor Agency (SA) meeting on 11/1	SA, MDA, JH, F&A
	Tue, Oct 24	First distribution of draft bond documents	JH
	Thu, Oct 26	First distribution of draft Fiscal Consultant's Report (FCR)	F&A
Oct 30	Wed, Nov 1	First distribution of draft Preliminary Official Statement (POS)	JH
	Wed, Nov 1	<b>SA initiates transaction and approves PSAs (subject to OB &amp; DOF concurrence)</b>	<b>SA, MDA</b>
	Thu, Nov 2	Financing Package provided to Oversight Board (OB) for 11/8 meeting	SA
Nov 6	Mon, Nov 6	Working group conference call (Time TBD using Dial-In: Dial: 805-413-4399, ID: 177 352 48)	All Hands
	Wed, Nov 8	<b>OB initiates transaction and approves PSAs (subject to DOF concurrence)</b>	<b>OB, SA, MDA</b>
	Thu, Nov 9	<b>Financing Package submitted to DOF</b>	<b>SA</b>
Nov 13	Mon, Nov 13	Second distribution of draft Fiscal Consultant's Report (FCR)	F&A
	Thu, Nov 16	Second distribution of draft bond documents and POS	JH
Nov 20	Mon, Nov 20	Working group conference call (Time TBD using Dial-In: Dial: 805-413-4399, ID: 177 352 48)	All Hands
Nov 27	Mon, Nov 27	Agenda deadline for SA meeting on 12/6	All Hands
Dec 4	Wed, Dec 6	<b>SA authorizes issuance of the Refunding Bonds</b>	<b>SA, JH, MDA</b>
	Thu, Dec 7	Financing Package provided to OB for 12/13 meeting	SA
	TBD	First distribution of draft credit presentation	MDA or PJ
Dec 11	Wed, Dec 13	<b>OB authorizes issuance of the Refunding Bonds (subject to DOF concurrence)</b>	<b>OB, SA, JH, MDA</b>
	Thu, Dec 14	<b>Financing Package submitted to DOF</b>	<b>SA</b>
	TBD	Working group conference call (Time TBD using Dial-In: Dial: 805-413-4399, ID: 177 352 48)	All Hands
Dec 18	TBD	Distribute credit package to Standard & Poor's	MDA, PJ



**Imperial Beach Redevelopment Agency Successor Agency  
2018 Tax Allocation Refunding Bonds (Refunding of 2010 Tax Allocation Bonds)  
Financing Schedule - Prepared October 3, 2017**

OCTOBER 2017							NOVEMBER 2017							DECEMBER 2017							JANUARY 2018						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7				1	2	3	4						1	2	1	2	3	4	5	6	
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27
29	30	31					26	27	28	29	30			24	25	26	27	28	29	30	28	29	30	31			
														31													

FEBRUARY 2018							MARCH 2018							APRIL 2018						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3					1	2	3	1	2	3	4	5	6	7
4	5	6	7	8	9	10	4	5	6	7	8	9	10	8	9	10	11	12	13	14
11	12	13	14	15	16	17	11	12	13	14	15	16	17	15	16	17	18	19	20	21
18	19	20	21	22	23	24	18	19	20	21	22	23	24	22	23	24	25	26	27	28
25	26	27	28				25	26	27	28	29	30	31	29	30					

- = Anticipated City Council/Successor Agency meeting (6:00pm)
- = Anticipated Oversight Board meeting (10:30am)
- = City Hall closed or holiday

Week of	Date	Financing Activity	Responsibility
	TBD	Second distribution of draft credit presentation	MDA or PJ
<b>Dec 25</b>			
<b>Jan 1</b>			
<b>Jan 8</b>	TBD	Finalize credit presentation	MDA or PJ
<b>Jan 15</b>	TBD	Conference call with S&P	MDA, PJ, SA, F&A
<b>Jan 22</b>	TBD	Distribute credit packages to bond insurer(s)	MDA or PJ
<b>Jan 29</b>	TBD	Receive S&P rating	MDA, PJ, SA
<b>Feb 5</b>	TBD	Evaluate cost-effective use of bond insurance	PJ, MDA, SA
<b>Feb 12</b>	<i>Fri, Feb 16</i>	<b><i>Deadline for DOF to approve the OB action or return item to the OB for reconsideration</i></b>	<b>SA</b>
<b>Feb 19</b>	TBD	Final distribution of POS	JH
	TBD	Working group conference call (Time TBD using Dial-In: Dial: 805-413-4399, ID: 177 352 48)	All Hands
<b>Feb 26</b>	Mon, Feb 26	Agenda deadline for SA meeting on 3/7 (if necessary)	All Hands
<b>Mar 5</b>	Wed, Mar 7	<b><i>SA approves final POS (if necessary)</i></b>	<b>SA, JH, MDA</b>
<b>Mar 12</b>	Thu, Mar 8	Financing Package provided to OB for 3/14 meeting (if necessary)	SA
<b>Mar 19</b>	Wed, Mar 14	<b><i>OB approves final POS (if necessary)</i></b>	<b>OB, SA, JH, MDA</b>
	Thu, Mar 15	POS distributed to bond market	PJ, JH
<b>Mar 26</b>			
<b>Apr 2</b>	TBD	Price Refunding Bonds	PJ, [UC], MDA, SA
<b>Apr 9</b>			
<b>Apr 16</b>	TBD	Closing of transaction (2010 TABs legally defeased)	All Hands
<b>Apr 23</b>			
<b>Apr 30</b>			



**EXHIBIT "A"**  
Imperial Beach Redevelopment Agency Successor Agency  
**AGREEMENT FOR PROFESSIONAL SERVICES**

**FOR MUNICIPAL ADVISORY SERVICES RELATED TO THE  
POSSIBLE REFUNDING OF THE 2010 TAX ALLOCATION BONDS**

This Agreement, entered into this \_\_\_ day of November, 2017, by and between the IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY, a public entity (hereinafter referred to as "AGENCY"), and *Montague DeRose and Associates, LLC* (hereinafter referred to as "CONSULTANT"), (collectively "PARTIES").

**RECITALS**

WHEREAS, AGENCY desires to take advantage of the current low interest rate environment in order to minimize its total interest costs on outstanding debt by refunding its Series 2010 Tax Allocation Bonds at a comparatively lower interest rates than the current bond issue's average bond coupon rate and at as low a cost of issuance as possible; and

WHEREAS, AGENCY desires to retain a municipal advisor to advise and assist in formulating and/or executing a debt financing plan to accomplish the goal of minimizing the AGENCY's total interest costs on outstanding debt; and

WHEREAS, AGENCY desires to retain a municipal advisor to advise on matters pertinent to the refinancing of its Series 2010 Tax Allocation Bonds, such as debt structure, marketing and sale timing, credit enhancement and credit ratings; and

WHEREAS, AGENCY desires to retain a municipal advisor to advise on the fairness of pricing related to the cost of issuance of the refinancing team members, including the underwriter and/or investment banker; and

WHEREAS, CONSULTANT is a municipal advisory firm registered with the Securities and Exchange Commission (SEC) and with the Municipal Securities Rulemaking Board (MSRB) and has represented that CONSULTANT possesses the necessary qualifications to provide such services; and

WHEREAS, AGENCY has authorized the preparation of an Agreement to retain the services of CONSULTANT as hereinafter set forth; and

NOW, THEREFORE, IT IS MUTUALLY AGREED BY THE PARTIES THAT AGENCY DOES HEREBY RETAIN CONSULTANT ON THE FOLLOWING TERMS AND CONDITIONS:

**Section 1. EMPLOYMENT OF CONSULTANT.**

AGENCY hereby agrees to engage CONSULTANT, and CONSULTANT hereby agrees to perform the services hereinafter set forth, in accordance with all terms and conditions contained herein. CONSULTANT represents that all professional services required hereunder will be performed directly by CONSULTANT, or under direct supervision of CONSULTANT.

**Section 2. SCOPE OF SERVICES AND COMPENSATION.**

- A. CONSULTANT shall provide services as described in Exhibit "A" entitled "Proposal" attached hereto and made a part hereof.
- B. As additional consideration, CONSULTANT and AGENCY agree to abide by the terms and conditions contained in this Agreement.
- C. CONSULTANT will, in a professional manner, furnish all labor and all personnel; all supplies, materials, equipment, printing, vehicles, transportation, office space, and facilities; all testing, analyses, and calculations; and all other means, except as otherwise expressly specified to be furnished by AGENCY, that are necessary or proper to complete the work and provide the required professional services.
- D. CONSULTANT shall be compensated for work completed in accordance with this Section 2 as follows: *not to exceed \$55,000 for basic services rendered and all accrued expenses, as more particularly described below and in Exhibit A.* CONSULTANT shall be compensated for additional services only upon prior written approval of AGENCY.
- E. *If the 2018 Tax Allocation Bonds are not issued,* CONSULTANT shall be paid for services accrued at the rate of \$335 per hour subject to a limit of \$25,000 and reimbursed at cost for travel and out-of-pocket expenses incurred at the request of AGENCY subject to a limit of \$5,000; together both time accrued and expenses shall not exceed \$30,000. Payments to CONSULTANT will be made by AGENCY within thirty (30) calendar days of receipt of invoice. AGENCY agrees that the CONSULTANT's billings are correct unless AGENCY, within ten (10) calendar days from the date of receipt of such billing, notifies CONSULTANT in writing of alleged inaccuracies, discrepancies, or errors in billing. In the event AGENCY disputes part or all of an invoice, AGENCY shall pay the undisputed portion of the invoice within the above mentioned thirty (30) calendar days.
- F. *If the 2018 Tax Allocation Bonds are issued,* CONSULTANT shall submit a statement for total accrued compensation for basic and additional services rendered in accordance with this Agreement and all accrued expenses, not to exceed \$55,000. Payments to CONSULTANT will be made by AGENCY through the 2018 Tax Allocation Bonds Trustee/Escrow Agent and from the proceeds of the 2018 Tax Allocation Bonds within thirty (30) calendar days of receipt of invoice. AGENCY agrees that the CONSULTANT's billings are correct unless AGENCY, within ten (10) calendar days from the date of receipt of such billing, notifies CONSULTANT in writing of alleged inaccuracies, discrepancies, or errors in billing. In the event AGENCY disputes part or all of an invoice, AGENCY shall pay the undisputed portion of the invoice within the above mentioned thirty (30) calendar days from the proceeds of the 2018 Tax Allocation Bonds.

**Section 3. PROJECT COORDINATION AND SUPERVISION.**

The AGENCY's Finance Director, currently Doug Bradley, is hereby designated as the PROJECT COORDINATOR for AGENCY and will monitor the progress and execution of this Agreement.

Michael Kremer, Managing Director, is hereby designated as the contact for CONSULTANT and will monitor the progress and execution of this Agreement.

**Section 4. LENGTH OF CONTRACT.**

The contract between CONSULTANT and AGENCY will be terminated upon completion of the work as set forth in Section 2 above, which shall be completed no later than June 30, 2018 or in accordance with Section 16 below.

Should CONSULTANT begin work on any phase in advance of receiving written authorization to proceed, any professional services performed by CONSULTANT in advance of the said date of authorization shall be considered as having been done at CONSULTANT'S own risk and as a volunteer unless said professional services are so authorized.

Any delay occasioned by causes beyond the control of CONSULTANT may be reason for the granting of extension of time for the completion of the aforesaid services. When such delay occurs, CONSULTANT shall immediately notify the PROJECT COORDINATOR in writing of the cause and the extent of the delay, whereupon the PROJECT COORDINATOR shall ascertain the facts and the extent of the delay and determine whether an extension of time for the completion of the professional services is justified by the circumstances.

**Section 5. CHANGES.**

If changes in the work seem merited by AGENCY or CONSULTANT, and informal consultations with the other Party indicate that a change is warranted, it shall be processed by AGENCY in the following manner: a letter outlining the changes shall be forwarded to AGENCY by CONSULTANT with a statement of estimated changes in fee or time schedule. An amendment to the Agreement shall be prepared by AGENCY and executed, if approved, by both PARTIES before performance of such services or AGENCY will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

**Section 6. OWNERSHIP OF DOCUMENTS.**

All documents, data, studies, drawings, maps, models, photographs and reports prepared by CONSULTANT under this Agreement shall be considered the property of AGENCY. CONSULTANT may retain such copies of said documents and materials as desired, but shall deliver all original materials to AGENCY.

**Section 7. AUDIT OF RECORDS.**

7.1. At any time during normal business hours and as often as may be deemed necessary the CONSULTANT shall make available to a representative of AGENCY for examination all of its records with respect to all matters covered by this Agreement and shall permit AGENCY to audit, examine and/or reproduce such records. CONSULTANT shall retain such financial and program service records for at least four (4) years after termination or final payment under this Agreement.

7.2. The CONSULTANT shall include the AGENCY's right under this section in any and all of their subcontracts, and shall ensure that these sections are binding upon all subcontractors.

**Section 8. PUBLICATION OF DOCUMENTS.**

Except as necessary for performance of service under this Agreement, no copies, sketches, or graphs of materials, including graphic art work, prepared pursuant to this Agreement shall be released by CONSULTANT to any other person or agency without AGENCY's prior written approval. All press releases, including graphic display information to be published in newspapers or magazines, shall be approved and distributed solely by AGENCY, unless otherwise provided by written agreement

between the PARTIES. After project completion, CONSULTANT may list the project and the general details in its promotional materials.

## **Section 9. COVENANT AGAINST CONTINGENT FEES.**

CONSULTANT declares that it has not employed or retained any company or person, other than a bona fide employee working for CONSULTANT, to solicit or secure this Agreement, that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or making of the Agreement. For breach of violation of this warranty, AGENCY shall have the right to annul this Agreement without liability, or, at its sole discretion, to deduct from the Agreement price or consideration, or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

## **Section 10. NO ASSIGNMENTS.**

Neither any part nor all of this Agreement may be assigned or subcontracted, except as otherwise specifically provided herein, or to which AGENCY, in its sole discretion, consents to in advance thereof in writing. Any assignment or subcontracting in violation of this provision shall be void.

## **Section 11. INDEPENDENT CONTRACTOR.**

At all times during the term of this Agreement, CONSULTANT and any subcontractors employed by CONSULTANT shall be an independent contractor and shall not be an employee of the AGENCY. AGENCY shall have the right to control CONSULTANT only insofar as the results of CONSULTANT'S services rendered pursuant to this Agreement; however, AGENCY shall not have the right to control the means by which CONSULTANT accomplishes its services. Any provision in this Agreement that may appear to give AGENCY the right to direct CONSULTANT or sub consultant as to the details of doing the work or to exercise a measure of control over the work means that CONSULTANT shall follow the direction of the AGENCY as to end results of the work only.

Neither CONSULTANT nor CONSULTANT's employees shall in any event be entitled to any benefits to which AGENCY employees are entitled, including, but not limited to, overtime, any retirement benefits, workers' compensation benefits, any injury leave or other leave benefits, CONSULTANT being solely responsible for all such matters, as well as compliance with social security and income tax withholding and all other regulations and laws governing such matters.

## **Section 12. LICENSES, PERMITS, ETC.**

CONSULTANT represents and declares to AGENCY that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. CONSULTANT represents and warrants to AGENCY that CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for CONSULTANT to practice its profession. CONSULTANT shall obtain and maintain a City of Imperial Beach business license during the term of this Agreement.

## **Section 13. INSURANCE.**

CONSULTANT shall maintain, during the term of this Agreement, Employer's Liability Insurance as prescribed by applicable law. Upon request, AGENCY shall be provided with satisfactory evidence that premiums have been paid and CONSULTANT shall deliver to AGENCY certificates of insurance and endorsements as to each policy. Each certificate of insurance shall provide that the policy will not be materially altered or cancelled without first giving ten (10) calendar days written notice to the AGENCY by certified mail. Coverage shall include appropriate waivers of subrogation as to the City of Imperial Beach (the "City") and AGENCY. CONSULTANT agrees to this requirement



irrespective of any other similar obligation imposed on others and CONSULTANT agrees to do so in conformity with the requirements set forth herein including those requirements set forth for certificates of insurance.

Consultant is aware of the provisions of California Labor Code Section 3700 which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and will comply with the provisions of that code before commencing with and during the performance of the work of this contract."

CONSULTANT shall assume liability for the wrongful or negligent acts, errors and omissions of its officers, agents and employees and sub Contractors in regard to any functions or activity carried out by them on behalf of AGENCY pursuant to the terms of this Agreement.

#### **Section 14. CONSULTANT NOT AN AGENT.**

Except as AGENCY may specify in writing, CONSULTANT shall have no authority, expressed or implied, to act on behalf of AGENCY in any capacity whatsoever as an agent. CONSULTANT shall have no authority, expressed or implied, pursuant to this Agreement to bind AGENCY to any obligation whatsoever.

#### **Section 15. INDEMNITY.**

To the fullest extent permitted by law, CONSULTANT shall indemnify, defend, and hold harmless the AGENCY, the City, and their officers, officials, agents and employees from any and all claims, demands, costs or liability that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, its employees, agents, and subcontractors in the performance of services under this AGREEMENT. CONSULTANT's duty to indemnify under this section shall not include liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense arising from the active or sole negligence or willful misconduct by the AGENCY, the City or their elected officials, officers, agents, and employees. CONSULTANT's indemnification obligations shall not be limited by the insurance provisions of this AGREEMENT. The PARTIES expressly agree that any payment, attorney's fees, costs or expense AGENCY or the City incurs or makes to or on behalf of an injured employee under the AGENCY's or City's self-administered workers' compensation is included as a loss, expense, or cost for the purposes of this section, and that this section will survive the expiration or early termination of this AGREEMENT.

#### **Section 16. TERMINATION.**

AGENCY may terminate this Agreement at any time by giving ten (10) calendar days' written notice to CONSULTANT of such termination and specifying the effective date thereof at least ten (10) calendar days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, reports and other materials prepared by CONSULTANT shall, at the option of AGENCY, become the property of AGENCY. If this Agreement is terminated by AGENCY as provided herein, CONSULTANT will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of CONSULTANT covered by this Agreement, less payments of compensation previously made.

Should CONSULTANT be in default of any covenant or condition hereof, AGENCY may immediately terminate this AGREEMENT for cause if CONSULTANT fails to cure the default within ten (10) calendar days of receiving written notice of the default.

#### **Section 17. NON-DISCRIMINATION.**

CONSULTANT shall not discriminate against any employee or applicant for employment

because of race, color, religion, sex or national origin, nor shall CONSULTANT discriminate against any qualified individual with a disability. CONSULTANT will take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex or national origin and shall make reasonable accommodation to qualified individuals with disabilities. Such action shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by AGENCY setting forth the provisions of this non-discrimination clause.

**Section 18. GENERAL CONDITIONS.**

CONSULTANT agrees that it shall provide no services for any private client within the boundaries of AGENCY during the period that this Agreement is in effect, nor shall CONSULTANT, without, previous written permission from the PROJECT COORDINATOR, review any plan, map or other work which to the best of CONSULTANTS knowledge has been submitted by a private client for which the CONSULTANT has performed work within the previous 12 months or anticipates performing work in the succeeding 12 months. CONSULTANT shall immediately notify the PROJECT COORDINATOR in writing whenever CONSULTANT has reason to believe that aforementioned circumstance exists. CONSULTANT knows of no interests where it holds nor of any relationship it has or may have that would constitute a conflict of CONSULTANT performing the duties set forth in this Agreement solely in the best interest of CITY.

**Section 19. OFFICE SPACE AND CLERICAL SUPPORT.**

CONSULTANT shall provide its own office space and clerical support at its sole cost and expense.

**Section 20. SUBCONTRACTORS.**

20.1. The CONSULTANT's hiring or retaining of third parties (i.e. subcontractors) to perform services related to this Agreement is subject to prior approval by the AGENCY.

20.2. All contracts entered into between the CONSULTANT and its subcontractor shall also provide that each subcontractor shall obtain insurance policies which shall be kept in full force and effect during any and all work related to this Agreement and for the duration of this Agreement. The CONSULTANT shall require the subcontractor to obtain all policies described in Section 13 above in the amounts required by the AGENCY, which shall not be greater than the amounts required of the CONSULTANT.

20.3. In any dispute between the CONSULTANT and its subcontractor, the AGENCY or the City shall not be made a party to any judicial or administrative proceeding to resolve the dispute. The CONSULTANT agrees to defend and indemnify the AGENCY and the City as described in Section 15 of this Agreement should the AGENCY or the City be made a party to any judicial or administrative proceeding to resolve any such dispute.

**Section 21. CONFIDENTIAL RELATIONSHIP.**

AGENCY may from time to time communicate to CONSULTANT certain information to enable CONSULTANT to effectively perform the services. CONSULTANT shall treat all such information as confidential, whether or not so identified, and shall not disclose any part thereof without the prior written consent of AGENCY. CONSULTANT shall limit the use and circulation of such information,

even within its own organization, to the extent necessary to perform the services. The foregoing obligation of this Section 21, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information (ii) is, through no fault of CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is now in the possession of CONSULTANT without any obligation of confidentiality; or (iv) has been or is hereafter rightfully disclosed to CONSULTANT by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party.

CONSULTANT shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this contract without the prior written consent of AGENCY. In its performance hereunder, CONSULTANT shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

**Section 22. MEDIATION.**

In the event of a dispute between AGENCY and CONSULTANT concerning the terms of this Agreement or its performance, the PARTIES may, but are not required to, agree to submit such dispute to mediation. If both PARTIES agree to mediation, AGENCY and CONSULTANT agree to cooperate in good faith to promptly select a mediator, to schedule a mediation session, and to attempt to settle the claim or dispute through mediation.

**Section 23. NOTICES.**

All communications to either Party by the other Party shall be deemed made when received by such Party at its respective name and address, as follows:

<p>Doug Bradley          Finance Director          Imperial Beach Redevelopment Agency          Successor Agency          825 Imperial Beach Blvd          Imperial Beach, CA 91932</p>	<p>Douglas Montague          Principal          Montague DeRose and Associates          2801 Townsgate Road, Suite 221          Westlake Village, CA 91361</p>
---	--

Any such written communications by mail shall be conclusively deemed to have been received by the addressee five (5) business days after the deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above.

**Section 24. CALIFORNIA LAW; VENUE.**

This Agreement and its performance shall be governed, interpreted, construed, and regulated by the laws of the State of California. Any action brought to enforce or interpret any portion of this Agreement shall be brought in the county of San Diego, California. CONSULTANT hereby waives any and all rights it might have pursuant to California Code of Civil Procedure § 394.

**Section 25. ENTIRE AGREEMENT.**

This Agreement and its Exhibit "A" set forth the entire understanding of the PARTIES. There are no other understandings, terms or other agreements expressed or implied, oral or written. The following attachment is a part of this Agreement: **Proposal dated October 19, 2017**. No change, alteration, or modification of the terms or conditions of this Agreement, and no verbal understanding of the PARTIES, their officers, agents, or employees shall be valid unless agreed to in writing by both PARTIES.

(blank page)

**Section 26. SEVERABILITY.**

If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion shall be deemed modified to the extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement shall continue in full force and effect.

**Section 27. TIME IS OF ESSENCE.**

Time is of the essence for each and every provision of this Agreement that states a time for performance and for every deadline imposed by the PROJECT COORDINATOR.

**Section 28. COMPLIANCE WITH LAW.**

CONSULTANT shall comply with applicable laws in effect at the time the services are performed hereunder which, to the best of its knowledge, information and belief, apply to its obligations under this Agreement.

**Section 29. STATEMENT OF EXPERIENCE.**

By executing this Agreement, CONSULTANT represents that it has demonstrated trustworthiness and possesses the quality, fitness, and capacity to perform the Agreement in a manner satisfactory to AGENCY. CONSULTANT represents that its financial resources, surety and insurance experience, service experience, completion ability, personnel, current workload, experience in dealing with private owners, and experience in dealing with public agencies all suggest that CONSULTANT is capable of performing the proposed contract and has a demonstrated capacity to deal fairly and effectively with and to satisfy a public agency.

**Section 30. CONFLICTS OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS.**

During the term of this Agreement, CONSULTANT shall not act as consultant or perform services of any kind for any person or entity whose interests conflict in any way with those of the AGENCY. CONSULTANT shall at all times comply with the terms of the Political Reform Act and the local conflict of interest ordinance. CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the AGENCY in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. CONSULTANT represents that it has no knowledge of any financial interests which would require it to disqualify itself from any matter on which it might perform services for the AGENCY.

CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and local ordinance. Specifically, CONSULTANT shall file Statements of Economic Interest with the City Clerk of the City of Imperial Beach in a timely manner on forms which CONSULTANT shall obtain from the City Clerk.

**Section 31. RESPONSIBILITY FOR EQUIPMENT.**

AGENCY or the City shall not be responsible nor held liable for any damage to persons or property consequent upon the use, misuse, or failure of any equipment used by CONSULTANT or any of CONSULTANT's employees or subcontractors, even if such equipment has been furnished, rented, or loaned to CONSULTANT by AGENCY or the City. The acceptance or use of any such equipment by CONSULTANT, CONSULTANT's employees, or subcontractors shall be construed to mean that CONSULTANT accepts full responsibility for and agrees to exonerate, indemnify and hold harmless AGENCY and the City from and against any and all claims for any damage whatsoever

resulting from the use, misuse, or failure of such equipment.

**Section 32. NO WAIVER.**

No failure of either the AGENCY or the CONSULTANT to insist upon the strict performance by the other of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement shall constitute a waiver of any such breach of such covenant, term or condition.

**Section 33. DRAFTING AMBIGUITIES.**

The PARTIES agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether or not to seek advice of counsel with respect to this Agreement is a decision which is the sole responsibility of each Party. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of the Agreement.

**Section 34. CONFLICTS BETWEEN TERMS.**

If an apparent conflict or inconsistency exists between the main body of this Agreement and the Exhibits, the main body of this Agreement shall control. If a conflict exists between an applicable federal, state, or local law, rule, regulation, order, or code and this Agreement, the law, rule, regulation, order, or code shall control. Varying degrees of stringency among the main body of this Agreement, the Exhibits, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirement shall control. Each Party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this Agreement.

**Section 35. EXHIBITS INCORPORATED.**

Exhibits "A" is incorporated into the Agreement by this reference.

**Section 36. SIGNING AUTHORITY.**

The representative for each Party signing on behalf of a corporation, partnership, joint venture or governmental entity hereby declares that authority has been obtained to sign on behalf of the corporation, partnership, joint venture, or entity and agrees to hold the other Party hereto harmless if it is later determined that such authority does not exist.

**\*\*\*SIGNATURES ON FOLLOWING PAGE\*\*\***

IN WITNESS WHEREOF the PARTIES hereto have executed this Agreement on the day and year first hereinabove written.

AGENCY:

IMPERIAL BEACH REDEVELOPMENT AGENCY  
SUCCESSOR AGENCY,  
a public entity

CONSULTANT:

Montague DeRose and Associates, LLC,  
a California Limited Liability Company

\_\_\_\_\_  
Andy Hall, Executive Director

\_\_\_\_\_  
Douglas Montague, Principal

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Doug Bradley  
Administrative Services Director

APPROVED AS TO FORM:

\_\_\_\_\_  
Jennifer M. Lyon, General Counsel

October 19, 2017

Ms. Doug Bradley  
Administrative Services/Finance Director  
City of Imperial Beach  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932

Dear Mr. Bradley:

On behalf of Montague DeRose and Associates, LLC (“MDA”), thank you for the opportunity to serve as Municipal Advisor to the Imperial Beach Redevelopment Agency Successor Agency (the “Successor Agency”) for its anticipated issuance of approximately \$19 million of Series 2018 Tax Allocation Refunding Bonds (the “2018 Bonds”) for the purpose of refunding the Series 2010 Tax Allocation Bonds for debt service savings. We understand the Successor Agency plans to sell the 2018 Bonds by March 2018 on a negotiated basis with Piper Jaffray & Co. serving as the sole underwriter, and Jones Hall serving as both bond counsel and disclosure counsel to the Successor Agency.

In 2013, I served as the municipal advisor representative to the Successor Agency for its issuance of the Series 2013 Tax Allocation Refunding Bonds. As the project lead for MDA’s current engagement with the Successor Agency, I will maintain day-to-day communication with Successor Agency staff, manage the work efforts of the firm, and be assisted by Mr. Matthew Kirschenman, Vice President. MDA staff members Mr. Doug Montague, a principal of MDA, and Mr. Shaun Rai, Managing Director, also will provide advisory services to the Successor Agency on an as-needed basis.

This letter specifies the terms of the engagement between MDA and the Successor Agency, which shall become effective as of the date of its acceptance provided below.

**About Montague DeRose and Associates, LLC**

MDA is a full-service, independent financial advisory firm committed primarily to public finance. Founded in 1995, MDA is a California Limited Liability Company licensed to do business within the State of California. The firm operates offices in both Westlake Village and Walnut Creek, California. As an independent advisory firm, MDA provides deep coverage and unequalled service to a limited number of public sector clients. Since its founding, MDA has assisted clients in the structuring and sale of over \$200 billion in short and long-term debt issuances including more than \$70 billion in revenue bonds. MDA's professionals have experience in a broad array of financings including revenue bonds, general obligation bonds, tax allocation bonds, lease obligations, and other financing instruments.

MDA is registered as a municipal advisor with both the Securities and Exchange Commission (SEC File No. 867-00281 & CIK No. 0001614281) and the Municipal Securities Rulemaking Board (MSRB Number K0361). All MDA’s employees providing municipal advisory services are Series 50 Qualified MA Representatives.

**Scope of Municipal Advisory Services**

The following describes the scope of municipal advisory services to be provided to the Successor Agency by MDA.

Analyze Options and Develop Financing Plan -- Working closely in conjunction with Successor Agency staff and other financing team members, MDA shall produce cash flow and financing models or, where warranted, review and comment upon existing models to evaluate future cash flows under



a variety of potential scenarios. Based on historic and projected operations, existing and proposed bond documents, market conditions and credit rating considerations, MDA shall advise regarding the financial feasibility of the bond issue by helping identify and quantify, where possible, the financial impacts, trade-offs, risks, and potential credit rating implications of issuing the 2018 Bonds.

Set Financing Terms -- MDA shall prepare and update cash flows for the 2018 Bonds as market conditions change. MDA shall advise on financing terms, specifically including security features such as reserve funds and use of capitalized interest, principal amortization and term of repayment, optional redemption features, coupon structure, etc. MDA shall ensure that all financing terms are in accordance with established debt policies and procedures. MDA will work with Successor Agency staff and bond counsel to prepare the municipal advisor's letter to the State of California Department of Finance regarding the Successor Agency's compliance with the bond refinancing requirements specified in Section 34177.5 (a) (1) of the Health and Safety Code.

Coordinate Related Service Providers -- Upon request of the Successor Agency, MDA shall secure competitive bids or quotes for investment banking services, bond attorneys, financial printers, paying agents/registrars, auction agents, liquidity providers, trustees, and other consultants. MDA shall apply its knowledge and experience to help determine which providers offer quality service at the greatest value. During the course of the transaction, MDA shall also maintain and update both a working group list and financing schedule as well as assume primary responsibility for assuring that all financing team members adhere to such schedule. MDA staff shall attend all meetings, including those of the Successor Agency and Oversight Board, and internal staff meetings, as requested.

Document the Obligation -- MDA shall assist in the preparation of preliminary and final official statements, the bond indenture and other financing documents which fully describe all the terms and conditions of the 2018 Bonds. MDA shall review and comment upon all legal documents as well as any feasibility reports, checking for accuracy and helping to negotiate the most flexible yet marketable terms for the 2018 Bonds.

Coordinate Rating and Credit Enhancement Process -- MDA shall establish realistic and cost-effective credit rating objectives and devise an appropriate plan of action for achieving these objectives. Specifically, MDA shall perform the following services: consult on financial, administrative, and other credit factors; assist in the development of strategic plans and debt policies; develop action plans to obtain credit rating goals; and prepare or assist in the preparation of presentation materials.

In addition to the above, MDA shall also recommend the most effective rating presentation method for a given transaction, such as site visits, conference calls, or meetings. MDA shall assist in the preparation of concise and effective presentation materials and also prepare Successor Agency staff for various lines of questioning that may emerge during discussions. MDA also shall work to identify possible sources of credit enhancement and assess the net benefits of utilizing such enhancement.

Marketing and Sale of Bonds - For the negotiated sale, MDA shall represent the Successor Agency in all areas of pricing and sale, assisting in the negotiation of covenants, coupons, expenses, takedowns, and yields to ensure that the 2018 Bonds are sold at the most favorable interest rates given market conditions. MDA shall keep Successor Agency staff abreast of the latest market developments, obtain feedback from institutional investors and other market participants, and provide its own pricing views. MDA shall conduct pre-pricing calls with Successor Agency staff and the underwriter, set marketing priorities, monitor all orders, and evaluate requests for re-pricing. MDA shall recommend approval of final pricing only after we have assured the Successor Agency that the 2018 Bonds have achieved a fair cost of capital based on up-to-the-minute market conditions.

Post-Sale Activities -- After the bond sale, MDA will assist the Successor Agency with all closing activities, including revisions to the final official statement, its printing and distribution, assembling

all costs of issuance, and arrangements with the underwriter and trustee for wire and securities transfers at closing. MDA will provide an extensive post-sale analysis which incorporates a financing summary, review of the market environment, results of bond pricing, participation of underwriters and an analysis of distribution of the 2018 Bonds by investor type.

### **Fiduciary Duty**

MDA is registered as a Municipal Advisor with the Securities and Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”). As such, MDA has a Fiduciary Duty to the Successor Agency and must provide both a Duty of Care and a Duty of Loyalty that entails the following.

#### Duty of Care:

- a) exercise due care in performing its municipal advisory activities;
- b) possess the degree of knowledge and expertise needed to provide the Successor Agency with informed advice;
- c) make a reasonable inquiry as to the facts that are relevant to the Successor Agency’s determination as to whether to proceed with a course of action or that form the basis for any advice provided to the Successor Agency; and
- d) undertake a reasonable investigation to determine that MDA is not forming any recommendation on materially inaccurate or incomplete information; MDA must have a reasonable basis for:
  - i. any advice provided to or on behalf of the Successor Agency;
  - ii. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the Successor Agency, any other party involved in the municipal securities transaction or municipal financial product, or investors in the Successor Agency’s securities; and
  - iii. any information provided to the Successor Agency or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

#### Duty of Loyalty:

MDA must deal honestly and with the utmost good faith with the Successor Agency and act in the Successor Agency’s best interests without regard to the financial or other interests of MDA. MDA will eliminate or provide full and fair disclosure (included herein) to the Successor Agency about each material conflict of interest (as applicable). MDA will not engage in municipal advisory activities with the Successor Agency as a municipal entity if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the Successor Agency’s best interests.

#### **Conflicts of Interest and Other Matters Requiring Disclosures**

- As of the date of the Agreement, there are no actual or potential conflicts of interest that MDA is aware of that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty. If MDA becomes aware of any potential conflict of interest that arise after this disclosure, MDA will disclose the detailed information in writing to the Successor Agency in a timely manner.

- The compensation paid to MDA increases the cost of borrowing to the Successor Agency. The increased cost occurs from compensating MDA for municipal advisory services provided. This cost may or may not be offset by the benefits MDA brings to the pricing process for the bonds.
- MDA does not act as principal in any of the transaction(s) related to this Agreement.
- During the term of the municipal advisory relationship, this agreement will be promptly amended or supplemented to reflect any material changes in or additions to the terms or information within this agreement and the revised writing will be promptly delivered to the Successor Agency.
- MDA does not have any affiliate that provides any advice, service, or product to or on behalf of the Successor Agency that is directly or indirectly related to the municipal advisory activities to be performed by MDA;
- MDA has not made any payments directly or indirectly to obtain or retain the Successor Agency's municipal advisory business;
- MDA has not received any payments from third parties to enlist MDA's recommendation to the Successor Agency of its services, any municipal securities transaction or any municipal finance product;
- MDA has not engaged in any fee-splitting arrangements involving MDA and any provider of investments or services to MDA;
- MDA does not have any conflicts of interest from compensation for municipal advisory activities to be performed that is contingent on the size or closing of any transactions as to which MDA is providing advice;
- MDA does not have any other engagements or relationships that might impair MDA's ability either to render unbiased and competent advice to or on behalf of the Successor Agency or to fulfill its fiduciary duty to the Successor Agency, as applicable; and
- MDA does not have any legal or disciplinary event that is material to the Successor Agency's evaluation of the municipal advisor or the integrity of its management or advisory personnel.

### **Legal Events and Disciplinary History**

Neither the firm nor any of its directors, officers, or employees is currently, or in the past has been under investigation or has been notified of an investigation or inquiry by any regulatory agency relating to the sale, purchase, marketing or other activity related to the securities industry since MDA was founded in 1995.

However, prior to founding Montague DeRose and Associates in 1995, Doug Montague, worked for 11 years as an investment banker for Lehman Brothers and CS First Boston, serving California clients. While working for CS First Boston in 1994, the firm was retained by the County of Orange to underwrite its 1994 Taxable Pension Obligation Bonds, Series A & B. This transaction, along with all others completed by the County in 1994, were reviewed by the SEC in connection with the County's December 1994 bankruptcy filing.

The SEC took the position that both CS First Boston and the investment bankers who completed the pension bond financing were negligent in not uncovering and fully disclosing the risky position of the County's Investment Pool in the bond offering documents. In November 1996, after CS First Boston and the bankers, including Mr. Montague declined to enter into a settlement relating to the SEC's alleged complaints, the SEC filed a civil complaint in U.S. District Court relating to the matter. CS First Boston and the bankers contended that this was a clear case of 20/20 hindsight. They maintained

that they acted professionally and according to industry standards in the structuring of the issue and should be counted among the long list of unknowing victims of the misinformation provided by the County in connection with the bond issue.

On January 29, 1998 in order to resolve the issue, the SEC, CS First Boston and the investment bankers entered into a settlement agreement that did not require any of the parties to admit or deny any of the complaints and did not include any public censure of the bankers. Therefore, there was no finding of liability in connection with any aspects of the SEC's complaint.

The Successor Agency may electronically access MDA's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website:

[www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html).

### **Recommendations**

If MDA makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the Successor Agency and is within the scope of the engagement, MDA will determine, based on the information obtained through reasonable diligence of MDA, whether a municipal securities transaction or municipal financial product is suitable for the Successor Agency. In addition, MDA will inform the Successor Agency of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which MDA reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the Successor Agency; and
- whether MDA has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the Successor Agency's objectives.

If the Successor Agency elects a course of action that is independent of or contrary to the advice provided by MDA, MDA is not required on that basis to disengage from the Successor Agency.

### **Record Retention**

Effective July 1, 2014, pursuant to the SEC record retention regulations, MDA is required to maintain in writing, all communication and created documents between MDA and the Successor Agency for five years.

### **Investor and Municipal Advisory Client Education and Protection**

Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- MDA is currently registered as a Municipal Advisor with the SEC and the MSRB; and
- Within the MSRB website at [www.msrb.org](http://www.msrb.org), the Successor Agency may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

### **Compensation and Out-of-Pocket Expenses**

While we prefer an arrangement where our compensation is not contingent upon transaction closing in order to eliminate the appearance of a conflict of interest regarding our advice to clients, we appreciate that payment of fees from transaction proceeds may benefit our clients, particularly when

fees are paid contingent upon closing. Therefore, as compensation for providing the aforementioned Scope of Municipal Advisory Services for the Series 2018 Bonds, MDA shall be paid a contingent fixed fee of \$50,000. However, should the Series 2018 Bonds not be issued, the Successor Agency shall compensate MDA for time accrued at the rate of \$335 per hour subject to a limit of \$25,000. MDA proposes to be reimbursed at cost for travel and out-of-pocket expenses incurred at the request of the Successor Agency, subject to a separate limit of \$5,000.

We look forward to working with the Successor Agency. Please acknowledge acceptance of these terms by returning an executed copy of this letter.

Sincerely,

Signature on file

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

Michael D. Kremer  
Managing Director

**Agreed and Accepted:**

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

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

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

Date: \_\_\_\_\_



**EXHIBIT "A"**  
Imperial Beach Redevelopment Agency Successor Agency  
**AGREEMENT FOR PROFESSIONAL SERVICES**

**FOR FISCAL CONSULTANT SERVICES RELATED TO THE  
POSSIBLE REFUNDING OF THE 2010 TAX ALLOCATION BONDS**

This Agreement, entered into this \_\_\_ day of November, 2017, by and between the IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY, a public entity (hereinafter referred to as "AGENCY"), and JONES HALL, a Professional Law Corporation (hereinafter referred to as "CONSULTANT"), (collectively "PARTIES").

**RECITALS**

WHEREAS, AGENCY desires to take advantage of the current low interest rate environment in order to minimize its total interest costs on outstanding debt by refunding its Series 2010 Tax Allocation Bonds at a comparatively lower interest rates than the current bond issue's average bond coupon rate and at as low a cost of issuance as possible; and

WHEREAS, AGENCY desires to engage the services of bond attorneys to facilitate the legal processes involved for the issuance of the bonds to accomplish the goal of minimizing the AGENCY's total interest costs on outstanding debt; and

WHEREAS, AGENCY desires to retain bond counsel and disclosure counsel services for legal advice on matters pertinent to the refinancing of its Series 2010 Tax Allocation Bonds, such as preparation of documents and providing the necessary tax and other opinions required for the bond issue; and

WHEREAS, AGENCY has authorized the preparation of an Agreement to retain the services of CONSULTANT as hereinafter set forth; and

NOW, THEREFORE, IT IS MUTUALLY AGREED BY THE PARTIES THAT AGENCY DOES HEREBY RETAIN CONSULTANT ON THE FOLLOWING TERMS AND CONDITIONS:

**Section 1. EMPLOYMENT OF CONSULTANT.**

AGENCY hereby agrees to engage CONSULTANT, and CONSULTANT hereby agrees to perform the services hereinafter set forth, in accordance with all terms and conditions contained herein. CONSULTANT represents that all professional services required hereunder will be performed directly by CONSULTANT, or under direct supervision of CONSULTANT.

**Section 2. SCOPE OF SERVICES AND COMPENSATION.**

- A. CONSULTANT shall provide services as described in Exhibit "A" entitled "Scope of Services", attached hereto and made a part hereof.
- B. As additional consideration, CONSULTANT and AGENCY agree to abide by the terms and conditions contained in this Agreement.

- C. CONSULTANT will, in a professional manner, furnish all labor and all personnel; all supplies, materials, equipment, printing; and all other means, except as otherwise expressly specified to be furnished by AGENCY, that are necessary or proper to complete the work and provide the required professional services.
- D. CONSULTANT shall be compensated for work completed in accordance with this Section 2 as follows: (i) for Bond Counsel services: \$60,000, including costs, and (ii) for Disclosure Counsel Services: \$35,000. CONSULTANT shall be compensated for additional services only upon prior written approval of AGENCY.
- E. *If the 2018 Tax Allocation Bonds are not issued, no fee shall be payable.*
- F. *If the 2018 Tax Allocation Bonds are issued, CONSULTANT shall submit a statement for total accrued compensation for basic and additional services rendered in accordance with this Agreement and all accrued expenses, not to exceed the amounts stated in "D" above. Payments to CONSULTANT will be made by AGENCY through the 2018 Tax Allocation Bonds Trustee/Escrow Agent and from the proceeds of the 2018 Tax Allocation Bonds within thirty (30) calendar days of receipt of invoice. AGENCY agrees that the CONSULTANT's billings are correct unless AGENCY, within ten (10) calendar days from the date of receipt of such billing, notifies CONSULTANT in writing of alleged inaccuracies, discrepancies, or errors in billing. In the event AGENCY disputes part or all of an invoice, AGENCY shall pay the undisputed portion of the invoice within the above mentioned thirty (30) calendar days from the proceeds of the 2018 Tax Allocation Bonds.*

### **Section 3. PROJECT COORDINATION AND SUPERVISION.**

The AGENCY's Finance Director, currently Doug Bradley, is hereby designated as the PROJECT COORDINATOR for AGENCY and will monitor the progress and execution of this Agreement.

David Fama is hereby designated as the contact for CONSULTANT and will monitor the progress and execution of this Agreement.

### **Section 4. LENGTH OF CONTRACT.**

The contract between CONSULTANT and AGENCY will be terminated upon completion of the work as set forth in Section 2 above or in accordance with Section 16 below.

Should CONSULTANT begin work on any phase in advance of receiving written authorization to proceed, any professional services performed by CONSULTANT in advance of the said date of authorization shall be considered as having been done at CONSULTANT'S own risk and as a volunteer unless said professional services are so authorized.

Any delay occasioned by causes beyond the control of CONSULTANT may be reason for the granting of extension of time for the completion of the aforesaid services. When such delay occurs, CONSULTANT shall immediately notify the PROJECT COORDINATOR in writing of the cause and the extent of the delay, whereupon the PROJECT COORDINATOR shall ascertain the facts and the extent of the delay and determine whether an extension of time for the completion of the professional services is justified by the circumstances.

## **Section 5. CHANGES.**

If changes in the work seem merited by AGENCY or CONSULTANT, and informal consultations with the other Party indicate that a change is warranted, it shall be processed by AGENCY in the following manner: a letter outlining the changes shall be forwarded to AGENCY by CONSULTANT with a statement of estimated changes in fee or time schedule. An amendment to the Agreement shall be prepared by AGENCY and executed, if approved, by both PARTIES before performance of such services or AGENCY will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

## **Section 6. OWNERSHIP OF DOCUMENTS.**

All documents, data, studies, drawings, maps, models, photographs and reports prepared by CONSULTANT under this Agreement shall be considered the property of AGENCY. CONSULTANT may retain such copies of said documents and materials as desired, but shall deliver all original materials to AGENCY.

## **Section 7. AUDIT OF RECORDS.**

7.1. At any time during normal business hours and as often as may be deemed necessary the CONSULTANT shall make available to a representative of AGENCY for examination all of its records with respect to all matters covered by this Agreement and shall permit AGENCY to audit, examine and/or reproduce such records. CONSULTANT shall retain such financial and program service records for at least four (4) years after termination or final payment under this Agreement.

7.2. The CONSULTANT shall include the AGENCY's right under this section in any and all of their subcontracts, and shall ensure that these sections are binding upon all subcontractors.

## **Section 8. PUBLICATION OF DOCUMENTS.**

Except as necessary for performance of service under this Agreement, no copies, sketches, or graphs of materials, including graphic art work, prepared pursuant to this Agreement shall be released by CONSULTANT to any other person or agency without AGENCY's prior written approval. All press releases, including graphic display information to be published in newspapers or magazines, shall be approved and distributed solely by AGENCY, unless otherwise provided by written agreement between the PARTIES. After project completion, CONSULTANT may list the project and the general details in its promotional materials.

## **Section 9. COVENANT AGAINST CONTINGENT FEES.**

CONSULTANT declares that it has not employed or retained any company or person, other than a bona fide employee working for CONSULTANT, to solicit or secure this Agreement, that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or making of the Agreement. For breach of violation of this warranty, AGENCY shall have the right to annul this Agreement without liability, or, at its sole discretion, to deduct from the Agreement price or consideration, or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.



**Section 10. NO ASSIGNMENTS.**

Neither any part nor all of this Agreement may be assigned or subcontracted, except as otherwise specifically provided herein, or to which AGENCY, in its sole discretion, consents to in advance thereof in writing. Any assignment or subcontracting in violation of this provision shall be void.

**Section 11. INDEPENDENT CONTRACTOR.**

At all times during the term of this Agreement, CONSULTANT and any subcontractors employed by CONSULTANT shall be an independent contractor and shall not be an employee of the AGENCY. AGENCY shall have the right to control CONSULTANT only insofar as the results of CONSULTANT'S services rendered pursuant to this Agreement; however, AGENCY shall not have the right to control the means by which CONSULTANT accomplishes its services. Any provision in this Agreement that may appear to give AGENCY the right to direct CONSULTANT or sub consultant as to the details of doing the work or to exercise a measure of control over the work means that CONSULTANT shall follow the direction of the AGENCY as to end results of the work only.

Neither CONSULTANT nor CONSULTANT's employees shall in any event be entitled to any benefits to which AGENCY employees are entitled, including, but not limited to, overtime, any retirement benefits, workers' compensation benefits, any injury leave or other leave benefits, CONSULTANT being solely responsible for all such matters, as well as compliance with social security and income tax withholding and all other regulations and laws governing such matters.

**Section 12. LICENSES, PERMITS, ETC.**

CONSULTANT represents and declares to AGENCY that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. CONSULTANT represents and warrants to AGENCY that CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for CONSULTANT to practice its profession. CONSULTANT shall obtain and maintain a City of Imperial Beach business license during the term of this Agreement.

**Section 13. INSURANCE.**

CONSULTANT shall maintain, during the term of this Agreement, Employer's Liability Insurance as prescribed by applicable law. Upon request, AGENCY shall be provided with satisfactory evidence that premiums have been paid and CONSULTANT shall deliver to AGENCY certificates of insurance and endorsements as to each policy. Each certificate of insurance shall provide that the policy will not be materially altered or cancelled without first giving ten (10) calendar days written notice to the AGENCY by certified mail. Coverage shall include appropriate waivers of subrogation as to the City of Imperial Beach (the "City") and AGENCY. CONSULTANT agrees to this requirement irrespective of any other similar obligation imposed on others and CONSULTANT agrees to do so in conformity with the requirements set forth herein including those requirements set forth for certificates of insurance.

Consultant is aware of the provisions of California Labor Code Section 3700 which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and will comply with the provisions of that code before commencing with and during the performance of the work of this contract."

CONSULTANT shall assume liability for the wrongful or negligent acts, errors and omissions of its officers, agents and employees and sub Contractors in regard to any functions or activity carried out by them on behalf of AGENCY pursuant to the terms of this Agreement.

**Section 14. CONSULTANT NOT AN AGENT.**

Except as AGENCY may specify in writing, CONSULTANT shall have no authority, expressed or implied, to act on behalf of AGENCY in any capacity whatsoever as an agent. CONSULTANT shall have no authority, expressed or implied, pursuant to this Agreement to bind AGENCY to any obligation whatsoever.

**Section 15. INDEMNITY.**

To the fullest extent permitted by law, CONSULTANT shall indemnify and hold harmless the AGENCY from and against any and all losses, claims, demands, damages, liabilities, actions, judgments and awards (collectively, "Claims") sustained by the AGENCY that are determined in a final, binding judgment against CONSULTANT by a court of competent jurisdiction to have proximately resulted from professional negligence of CONSULTANT in connection with its performance of legal services under this Agreement. Nothing in this Section 15 shall obligate CONSULTANT to pay or reimburse AGENCY for any damages, legal costs or expenses incurred, including attorneys' fees, unless CONSULTANT is adjudicated liable for such damages, legal costs or expenses incurred, including attorneys' fees, in such a final judgment. CONSULTANT's duty to indemnify under this section shall not include liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense arising from the active or sole negligence or willful misconduct by the AGENCY, the City or their elected officials, officers, agents, and employees. CONSULTANT's indemnification obligations shall not be limited by the insurance provisions of this AGREEMENT. The PARTIES expressly agree that any payment, attorney's fees, costs or expense AGENCY or the City incurs or makes to or on behalf of an injured employee under the AGENCY's or City's self-administered workers' compensation is included as a loss, expense, or cost for the purposes of this section, and that this section will survive the expiration or early termination of this AGREEMENT.

**Section 16. TERMINATION.**

AGENCY may terminate this Agreement at any time by giving ten (10) calendar days' written notice to CONSULTANT of such termination and specifying the effective date thereof at least ten (10) calendar days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, reports and other materials prepared by CONSULTANT shall, at the option of AGENCY, become the property of AGENCY. If this Agreement is terminated by AGENCY as provided herein, CONSULTANT will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of CONSULTANT covered by this Agreement, less payments of compensation previously made.

Should CONSULTANT be in default of any covenant or condition hereof, AGENCY may immediately terminate this AGREEMENT for cause if CONSULTANT fails to cure the default within ten (10) calendar days of receiving written notice of the default.

**Section 17. NON-DISCRIMINATION.**

CONSULTANT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin, nor shall CONSULTANT discriminate against any qualified individual with a disability. CONSULTANT will take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex or national origin and shall make reasonable accommodation to qualified

individuals with disabilities. Such action shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by AGENCY setting forth the provisions of this non-discrimination clause.

**Section 18. INTENTIONALLY BLANK.**

**Section 19. OFFICE SPACE AND CLERICAL SUPPORT.**

CONSULTANT shall provide its own office space and clerical support at its sole cost and expense.

**Section 20. SUBCONTRACTORS.**

20.1. The CONSULTANT's hiring or retaining of third parties (i.e. subcontractors) to perform services related to this Agreement is subject to prior approval by the AGENCY.

20.2. All contracts entered into between the CONSULTANT and its subcontractor shall also provide that each subcontractor shall obtain insurance policies which shall be kept in full force and effect during any and all work related to this Agreement and for the duration of this Agreement. The CONSULTANT shall require the subcontractor to obtain all policies described in Section 13 above in the amounts required by the AGENCY, which shall not be greater than the amounts required of the CONSULTANT.

20.3. In any dispute between the CONSULTANT and its subcontractor, the AGENCY or the City shall not be made a party to any judicial or administrative proceeding to resolve the dispute. The CONSULTANT agrees to defend and indemnify the AGENCY and the City as described in Section 15 of this Agreement should the AGENCY or the City be made a party to any judicial or administrative proceeding to resolve any such dispute.

**Section 21. CONFIDENTIAL RELATIONSHIP.**

AGENCY may from time to time communicate to CONSULTANT certain information to enable CONSULTANT to effectively perform the services. CONSULTANT shall treat all such information as confidential, whether or not so identified, and shall not disclose any part thereof without the prior written consent of AGENCY. CONSULTANT shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services. The foregoing obligation of this Section 21, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information (ii) is, through no fault of CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is now in the possession of CONSULTANT without any obligation of confidentiality; or (iv) has been or is hereafter rightfully disclosed to CONSULTANT by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party.

CONSULTANT shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this contract without the prior written consent of AGENCY. In its performance hereunder, CONSULTANT shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

**Section 22. MEDIATION.**

In the event of a dispute between AGENCY and CONSULTANT concerning the terms of this Agreement or its performance, the PARTIES may, but are not required to, agree to submit such dispute to mediation. If both PARTIES agree to mediation, AGENCY and CONSULTANT agree to cooperate in good faith to promptly select a mediator, to schedule a mediation session, and to attempt to settle the claim or dispute through mediation.

**Section 23. NOTICES.**

All communications to either Party by the other Party shall be deemed made when received by such Party at its respective name and address, as follows:

Doug Bradley Finance Director Imperial Beach Redevelopment Agency Successor Agency 825 Imperial Beach Blvd Imperial Beach, CA 91932	David Fama Jones Hall 475 Sansome Street Suite 1700 San Francisco, California 94111

Any such written communications by mail shall be conclusively deemed to have been received by the addressee five (5) business days after the deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above.

**Section 24. CALIFORNIA LAW; VENUE.**

This Agreement and its performance shall be governed, interpreted, construed, and regulated by the laws of the State of California. Any action brought to enforce or interpret any portion of this Agreement shall be brought in the county of San Diego, California. CONSULTANT hereby waives any and all rights it might have pursuant to California Code of Civil Procedure § 394.

**Section 25. ENTIRE AGREEMENT.**

This Agreement, and its Attachments and Exhibits, set forth the entire understanding of the PARTIES. There are no other understandings, terms or other agreements expressed or implied, oral or written. The following attachments are a part of this Agreement: **Proposal dated October 19, 2017**. No change, alteration, or modification of the terms or conditions of this Agreement, and no verbal understanding of the PARTIES, their officers, agents, or employees shall be valid unless agreed to in writing by both PARTIES.

**Section 26. SEVERABILITY.**

If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion shall be deemed modified to the extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement shall continue in full force and effect.

**Section 27. TIME IS OF ESSENCE.**

Time is of the essence for each and every provision of this Agreement that states a time for performance and for every deadline imposed by the PROJECT COORDINATOR.

**Section 28. COMPLIANCE WITH LAW.**

CONSULTANT shall comply with applicable laws in effect at the time the services are performed hereunder which, to the best of its knowledge, information and belief, apply to its obligations under this Agreement.

**Section 29. STATEMENT OF EXPERIENCE.**

By executing this Agreement, CONSULTANT represents that it has demonstrated trustworthiness and possesses the quality, fitness, and capacity to perform the Agreement in a manner satisfactory to AGENCY. CONSULTANT represents that its financial resources, surety and insurance experience, service experience, completion ability, personnel, current workload, experience in dealing with private owners, and experience in dealing with public agencies all suggest that CONSULTANT is capable of performing the proposed contract and has a demonstrated capacity to deal fairly and effectively with and to satisfy a public agency.

**Section 30. CONFLICTS OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS.**

During the term of this Agreement, CONSULTANT shall not act as consultant or perform services of any kind for any person or entity whose interests conflict in any way with those of the AGENCY. CONSULTANT shall at all times comply with the terms of the Political Reform Act and the local conflict of interest ordinance. CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the AGENCY in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. CONSULTANT represents that it has no knowledge of any financial interests which would require it to disqualify itself from any matter on which it might perform services for the AGENCY.

CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and local ordinance. Specifically, CONSULTANT shall file Statements of Economic Interest with the City Clerk of the City of Imperial Beach in a timely manner on forms which CONSULTANT shall obtain from the City Clerk.

**Section 31. RESPONSIBILITY FOR EQUIPMENT.**

AGENCY or the City shall not be responsible nor held liable for any damage to persons or property consequent upon the use, misuse, or failure of any equipment used by CONSULTANT or any of CONSULTANT's employees or subcontractors, even if such equipment has been furnished, rented, or loaned to CONSULTANT by AGENCY or the City. The acceptance or use of any such equipment by CONSULTANT, CONSULTANT's employees, or subcontractors shall be construed to mean that CONSULTANT accepts full responsibility for and agrees to exonerate, indemnify and hold harmless AGENCY and the City from and against any and all claims for any damage whatsoever resulting from the use, misuse, or failure of such equipment.

**Section 32. NO WAIVER.**

No failure of either the AGENCY or the CONSULTANT to insist upon the strict performance by the other of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement shall constitute a waiver of any such breach of such covenant, term or condition.

**Section 33. DRAFTING AMBIGUITIES.**

The PARTIES agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether or not to seek advice of counsel with respect to this Agreement is a decision which is the sole responsibility of each Party. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of the Agreement.

**Section 34. CONFLICTS BETWEEN TERMS.**

If an apparent conflict or inconsistency exists between the main body of this Agreement and the Exhibits, the main body of this Agreement shall control. If a conflict exists between an applicable federal, state, or local law, rule, regulation, order, or code and this Agreement, the law, rule, regulation, order, or code shall control. Varying degrees of stringency among the main body of this Agreement, the Exhibits, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirement shall control. Each Party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this Agreement.

**Section 35. EXHIBITS INCORPORATED.**

Exhibit "A" is incorporated into the Agreement by this reference.

**Section 36. SIGNING AUTHORITY.**

The representative for each Party signing on behalf of a corporation, partnership, joint venture or governmental entity hereby declares that authority has been obtained to sign on behalf of the corporation, partnership, joint venture, or entity and agrees to hold the other Party hereto harmless if it is later determined that such authority does not exist.

**\*\*\*SIGNATURES ON FOLLOWING PAGE\*\*\***

IN WITNESS WHEREOF the PARTIES hereto have executed this Agreement on the day and year first hereinabove written.

AGENCY:

IMPERIAL BEACH REDEVELOPMENT AGENCY  
SUCCESSOR AGENCY,  
a public entity

CONSULTANT:

JONES HALL  
a Professional Law Corporation

\_\_\_\_\_  
Andy Hall, Executive Director

\_\_\_\_\_  
David Fama, Vice President

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Doug Bradley  
Administrative Services Director

APPROVED AS TO FORM:

\_\_\_\_\_  
Jennifer M. Lyon, General Counsel

EXHIBIT A  
SCOPE OF SERVICES

Scope of Engagement as Bond Counsel. Consultant shall perform all of the following services as bond counsel in connection with the issuance and sale of the Bonds:

- a. Consultation and cooperation with Agency and Agency staff to assist in the formulation of a coordinated financial and legal issuance of the Bonds.
- b. Preparation of all legal proceedings for the authorization, issuance and delivery of the Bonds by the Agency; including (a) preparation of a resolution of the governing board of the Agency authorizing the issuance and sale of the Bonds and approving related documents and actions, (b) preparation of all financing documents, including installment sale agreement and indenture of trust, (c) preparation of all documents required for the closing of the issue, (d) supervising the closing, and (e) preparation of all other proceedings incidental to or in connection with the issuance and sale of the Bonds.
- c. Advising the Agency, from the time Consultant is hired as Bond Counsel until the Bonds are issued, as to compliance with federal tax law as required to ensure that interest on the Bonds is exempt from federal income taxation.
- d. Upon completion of proceedings to Consultant's satisfaction, providing a legal opinion (the "Bond Opinion") approving the validity and enforceability of the proceedings for the authorization, issuance and delivery of the Bonds, and stating that interest on the Bonds is (a) excluded from gross income for purposes of federal income taxes and (b) exempt from California personal income taxation. The Bond Opinion will be addressed to the Agency, and may also be addressed to the underwriter of the Bonds and other participants in the financing.
- e. Review those sections of the official statement or other form of offering or disclosure document to be disseminated in connection with the sale of the Bonds involving summary descriptions of the Bonds, the legal proceedings leading to the authorization and sale of the Bonds, the legal documents under which the Bonds will be issued, and federal tax law and securities law provisions applicable to the Bonds, as to completeness and accuracy.
- f. Assist the Agency in presenting information to bond rating organizations and providers of credit enhancement relating to legal issues affecting the issuance of the Bonds.
- g. Such other and further services as are normally performed by bond counsel in connection with similar financings.

Consultant's Bond Opinion will be delivered by Consultant on the date the Bonds are exchanged for their purchase price (the "Closing").

The Bond Opinion will be based on facts and law existing as of its date, will cover certain matters not directly addressed by such authorities, and will represent Consultant's judgment as to the proper treatment of the Bonds for federal income tax purposes. Consultant's opinion is not binding on the Internal Revenue Service ("IRS") or the courts. Consultant cannot and will not give any opinion or assurance about the effect of future changes in the Internal Revenue Code of 1986



(the "Code"), the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. Agency acknowledges that future legislation, if enacted into law, or clarification of the Code may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislation or clarification of the Code may also affect the market price for, or marketability of, the Bonds. Consultant will express no opinion regarding any pending or proposed federal tax legislation.

In rendering the Bond Opinion, Consultant will rely upon the certified proceedings and other certifications of public officials and other persons furnished to Consultant without undertaking to verify the same by independent investigation, and Consultant will assume continuing compliance by the Agency with applicable laws relating to the Bonds.

Scope of Engagement as Disclosure Counsel. Consultant shall perform all of the following services as disclosure counsel in connection with the issuance and sale of the Bonds for the purpose of providing financing for the Project:

- a. Prepare the Official Statement (both preliminary and final) or other disclosure documents in connection with the offering of the Bonds.
- b. Confer and consult with the officers and administrative staff of the Agency as to matters relating to the Official Statement.
- c. Attend all meetings of the Agency and any administrative meetings at which the Official Statement is to be discussed, deemed necessary by Consultant for the proper exercise of their due diligence with respect to the Official Statement, or when specifically requested by the Agency to attend.
- d. On behalf of the Agency, prepare the bond purchase contract pursuant to which the Bonds will be sold to the underwriter and a continuing disclosure certificate of the Agency to assist the underwriter with complying with Securities and Exchange Commission Rule 15c2-12.
- e. Subject to the completion of proceedings to the satisfaction of Consultant, provide a letter of Consultant addressed to the Agency and the underwriter that, although Consultant are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement and make no representation that Consultant have independently verified the accuracy, completeness or fairness of any such statements, no facts have come to Consultant's attention that cause Consultant to believe that the Official Statement (except for any financial and statistical data and forecasts, numbers, estimates, assumptions and expressions of opinion, and information concerning the Bond Insurance Policy and the Insurer, and information concerning the Depository Trust Company and the book-entry system for the Bonds, contained or incorporated by reference in the Official Statement and the appendices to the Official Statement, which Consultant will expressly exclude from the scope of this sentence) as of the date of the Official Statement or the date hereof contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.



**EXHIBIT "A"**  
Imperial Beach Redevelopment Agency Successor Agency  
**AGREEMENT FOR PROFESSIONAL SERVICES**

**FOR FISCAL CONSULTANT SERVICES RELATED TO THE  
POSSIBLE REFUNDING OF THE 2017 TAX ALLOCATION BONDS**

This Agreement, entered into this \_\_\_ day of November, 2017, by and between the IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY, a public entity (hereinafter referred to as "AGENCY"), and FRASER & ASSOCIATES, a California LLC (hereinafter referred to as "CONSULTANT"), (collectively "PARTIES").

**RECITALS**

WHEREAS, AGENCY desires to take advantage of the current low interest rate environment in order to minimize its total interest costs on outstanding debt by refunding its Series 2010 Tax Allocation Bonds at a comparatively lower interest rates than the current bond issue's average bond coupon rate and at as low a cost of issuance as possible; and

WHEREAS, AGENCY desires to retain a debt fiscal feasibility consultant whose views are taken into account by the credit rating agencies, underwriters and investors in the process of marketing the bonds to accomplish the goal of minimizing the AGENCY's total interest costs on outstanding debt; and

WHEREAS, AGENCY desires to retain a debt fiscal consultant to provide services and advise on matters pertinent to the refinancing of its Series 2010 Tax Allocation Bonds, such as preparation of a report on the economic feasibility of the Project Areas providing the security of the debt issue; and

WHEREAS, AGENCY has authorized the preparation of an Agreement to retain the services of CONSULTANT as hereinafter set forth; and

NOW, THEREFORE, IT IS MUTUALLY AGREED BY THE PARTIES THAT AGENCY DOES HEREBY RETAIN CONSULTANT ON THE FOLLOWING TERMS AND CONDITIONS:

**Section 1. EMPLOYMENT OF CONSULTANT.**

AGENCY hereby agrees to engage CONSULTANT, and CONSULTANT hereby agrees to perform the services hereinafter set forth, in accordance with all terms and conditions contained herein. CONSULTANT represents that all professional services required hereunder will be performed directly by CONSULTANT, or under direct supervision of CONSULTANT.

**Section 2. SCOPE OF SERVICES AND COMPENSATION.**

- A. CONSULTANT shall provide services as described in Exhibit "A" entitled "Proposal", attached hereto and made a part hereof.
- B. As additional consideration, CONSULTANT and AGENCY agree to abide by the terms and conditions contained in this Agreement.

- C. CONSULTANT will, in a professional manner, furnish all labor and all personnel; all supplies, materials, equipment, printing, vehicles, transportation, office space, and facilities; all testing, analyses, and calculations; and all other means, except as otherwise expressly specified to be furnished by AGENCY, that are necessary or proper to complete the work and provide the required professional services.
- D. CONSULTANT shall be compensated for work completed in accordance with this Section 2 as follows: (a) not to exceed \$20,000 for the performance of certain services reflected as Items 1 through 7 in the Proposal (Exhibit A); (b) an hourly rate of \$250 per hour on a time and materials basis but not to exceed a total amount of \$3,000 for the performance of additional services reflected in Items 10 and 11 in the Proposal (Exhibit A) relating to document review, bond rating agency presentation and other meetings; and (c) expenses not to exceed \$2,000. Combined compensation of fees and expenses payable to Fraser & Associates is a not to exceed amount of \$25,000. CONSULTANT shall be compensated for additional services only upon prior written approval of AGENCY.
- E. *If the 2018 Tax Allocation Bonds are not issued*, CONSULTANT shall submit a statement of accrued compensation for basic and additional services rendered in accordance with this Agreement and all accrued expenses, not to exceed **\$25,000**. Payments to CONSULTANT will be made by AGENCY within thirty (30) calendar days of receipt of invoice. AGENCY agrees that the CONSULTANT's billings are correct unless AGENCY, within ten (10) calendar days from the date of receipt of such billing, notifies CONSULTANT in writing of alleged inaccuracies, discrepancies, or errors in billing. In the event AGENCY disputes part or all of an invoice, AGENCY shall pay the undisputed portion of the invoice within the above mentioned thirty (30) calendar days.
- F. *If the 2018 Tax Allocation Bonds are issued*, CONSULTANT shall submit a statement for total accrued compensation for basic and additional services rendered in accordance with this Agreement and all accrued expenses, not to exceed **\$25,000**. Payments to CONSULTANT will be made by AGENCY through the 2018 Tax Allocation Bonds Trustee/Escrow Agent and from the proceeds of the 2018 Tax Allocation Bonds within thirty (30) calendar days of receipt of invoice. AGENCY agrees that the CONSULTANT's billings are correct unless AGENCY, within ten (10) calendar days from the date of receipt of such billing, notifies CONSULTANT in writing of alleged inaccuracies, discrepancies, or errors in billing. In the event AGENCY disputes part or all of an invoice, AGENCY shall pay the undisputed portion of the invoice within the above mentioned thirty (30) calendar days from the proceeds of the 2018 Tax Allocation Bonds.

### **Section 3. PROJECT COORDINATION AND SUPERVISION.**

The AGENCY's Finance Director , currently Doug Bradley , is hereby designated as the PROJECT COORDINATOR for AGENCY and will monitor the progress and execution of this Agreement.

Donald J. Fraser, President of CONSULTANT, is hereby designated as the contact for CONSULTANT and will monitor the progress and execution of this Agreement.

### **Section 4. LENGTH OF CONTRACT.**

The contract between CONSULTANT and AGENCY will be terminated upon completion of the work as set forth in Section 2 above or in accordance with Section 16 below.

Should CONSULTANT begin work on any phase in advance of receiving written authorization to proceed, any professional services performed by CONSULTANT in advance of the said date of

authorization shall be considered as having been done at CONSULTANT'S own risk and as a volunteer unless said professional services are so authorized.

Any delay occasioned by causes beyond the control of CONSULTANT may be reason for the granting of extension of time for the completion of the aforesaid services. When such delay occurs, CONSULTANT shall immediately notify the PROJECT COORDINATOR in writing of the cause and the extent of the delay, whereupon the PROJECT COORDINATOR shall ascertain the facts and the extent of the delay and determine whether an extension of time for the completion of the professional services is justified by the circumstances.

#### **Section 5. CHANGES.**

If changes in the work seem merited by AGENCY or CONSULTANT, and informal consultations with the other Party indicate that a change is warranted, it shall be processed by AGENCY in the following manner: a letter outlining the changes shall be forwarded to AGENCY by CONSULTANT with a statement of estimated changes in fee or time schedule. An amendment to the Agreement shall be prepared by AGENCY and executed, if approved, by both PARTIES before performance of such services or AGENCY will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

#### **Section 6. OWNERSHIP OF DOCUMENTS.**

All documents, data, studies, drawings, maps, models, photographs and reports prepared by CONSULTANT under this Agreement shall be considered the property of AGENCY. CONSULTANT may retain such copies of said documents and materials as desired, but shall deliver all original materials to AGENCY.

#### **Section 7. AUDIT OF RECORDS.**

7.1. At any time during normal business hours and as often as may be deemed necessary the CONSULTANT shall make available to a representative of AGENCY for examination all of its records with respect to all matters covered by this Agreement and shall permit AGENCY to audit, examine and/or reproduce such records. CONSULTANT shall retain such financial and program service records for at least four (4) years after termination or final payment under this Agreement.

7.2. The CONSULTANT shall include the AGENCY's right under this section in any and all of their subcontracts, and shall ensure that these sections are binding upon all subcontractors.

#### **Section 8. PUBLICATION OF DOCUMENTS.**

Except as necessary for performance of service under this Agreement, no copies, sketches, or graphs of materials, including graphic art work, prepared pursuant to this Agreement shall be released by CONSULTANT to any other person or agency without AGENCY's prior written approval. All press releases, including graphic display information to be published in newspapers or magazines, shall be approved and distributed solely by AGENCY, unless otherwise provided by written agreement between the PARTIES. After project completion, CONSULTANT may list the project and the general details in its promotional materials.

#### **Section 9. COVENANT AGAINST CONTINGENT FEES.**

CONSULTANT declares that it has not employed or retained any company or person, other than a bona fide employee working for CONSULTANT, to solicit or secure this Agreement, that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or making of the Agreement. For breach of violation of this warranty, AGENCY shall have the right to annul this Agreement without liability, or, at its sole discretion, to deduct from the Agreement price or consideration, or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

**Section 10. NO ASSIGNMENTS.**

Neither any part nor all of this Agreement may be assigned or subcontracted, except as otherwise specifically provided herein, or to which AGENCY, in its sole discretion, consents to in advance thereof in writing. Any assignment or subcontracting in violation of this provision shall be void.

**Section 11. INDEPENDENT CONTRACTOR.**

At all times during the term of this Agreement, CONSULTANT and any subcontractors employed by CONSULTANT shall be an independent contractor and shall not be an employee of the AGENCY. AGENCY shall have the right to control CONSULTANT only insofar as the results of CONSULTANT'S services rendered pursuant to this Agreement; however, AGENCY shall not have the right to control the means by which CONSULTANT accomplishes its services. Any provision in this Agreement that may appear to give AGENCY the right to direct CONSULTANT or sub consultant as to the details of doing the work or to exercise a measure of control over the work means that CONSULTANT shall follow the direction of the AGENCY as to end results of the work only.

Neither CONSULTANT nor CONSULTANT's employees shall in any event be entitled to any benefits to which AGENCY employees are entitled, including, but not limited to, overtime, any retirement benefits, workers' compensation benefits, any injury leave or other leave benefits, CONSULTANT being solely responsible for all such matters, as well as compliance with social security and income tax withholding and all other regulations and laws governing such matters.

**Section 12. LICENSES, PERMITS, ETC.**

CONSULTANT represents and declares to AGENCY that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. CONSULTANT represents and warrants to AGENCY that CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for CONSULTANT to practice its profession. CONSULTANT shall obtain and maintain a City of Imperial Beach business license during the term of this Agreement.

**Section 13. INSURANCE.**

CONSULTANT shall maintain, during the term of this Agreement, Employer's Liability Insurance as prescribed by applicable law. Upon request, AGENCY shall be provided with satisfactory evidence that premiums have been paid and CONSULTANT shall deliver to AGENCY certificates of insurance and endorsements as to each policy. Each certificate of insurance shall provide that the policy will not be materially altered or cancelled without first giving ten (10) calendar days written notice to the AGENCY by certified mail. Coverage shall include appropriate waivers of subrogation as to the City of Imperial Beach (the "City") and AGENCY. CONSULTANT agrees to this requirement irrespective of any other similar obligation imposed on others and CONSULTANT agrees to do so in

conformity with the requirements set forth herein including those requirements set forth for certificates of insurance.

Consultant is aware of the provisions of California Labor Code Section 3700 which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and will comply with the provisions of that code before commencing with and during the performance of the work of this contract."

CONSULTANT shall assume liability for the wrongful or negligent acts, errors and omissions of its officers, agents and employees and sub Contractors in regard to any functions or activity carried out by them on behalf of AGENCY pursuant to the terms of this Agreement.

**Section 14. CONSULTANT NOT AN AGENT.**

Except as AGENCY may specify in writing, CONSULTANT shall have no authority, expressed or implied, to act on behalf of AGENCY in any capacity whatsoever as an agent. CONSULTANT shall have no authority, expressed or implied, pursuant to this Agreement to bind AGENCY to any obligation whatsoever.

**Section 15. INDEMNITY.**

To the fullest extent permitted by law, CONSULTANT shall indemnify, defend, and hold harmless the AGENCY, the City, and their officers, officials, agents and employees from any and all claims, demands, costs or liability that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, its employees, agents, and subcontractors in the performance of services under this AGREEMENT. CONSULTANT's duty to indemnify under this section shall not include liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense arising from the active or sole negligence or willful misconduct by the AGENCY, the City or their elected officials, officers, agents, and employees. CONSULTANT's indemnification obligations shall not be limited by the insurance provisions of this AGREEMENT. The PARTIES expressly agree that any payment, attorney's fees, costs or expense AGENCY or the City incurs or makes to or on behalf of an injured employee under the AGENCY's or City's self-administered workers' compensation is included as a loss, expense, or cost for the purposes of this section, and that this section will survive the expiration or early termination of this AGREEMENT.

**Section 16. TERMINATION.**

AGENCY may terminate this Agreement at any time by giving ten (10) calendar days' written notice to CONSULTANT of such termination and specifying the effective date thereof at least ten (10) calendar days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, reports and other materials prepared by CONSULTANT shall, at the option of AGENCY, become the property of AGENCY. If this Agreement is terminated by AGENCY as provided herein, CONSULTANT will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of CONSULTANT covered by this Agreement, less payments of compensation previously made.

Should CONSULTANT be in default of any covenant or condition hereof, AGENCY may immediately terminate this AGREEMENT for cause if CONSULTANT fails to cure the default within ten (10) calendar days of receiving written notice of the default.

**Section 17. NON-DISCRIMINATION.**

CONSULTANT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin, nor shall CONSULTANT discriminate against any qualified individual with a disability. CONSULTANT will take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex or national origin and shall make reasonable accommodation to qualified individuals with disabilities. Such action shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by AGENCY setting forth the provisions of this non-discrimination clause.

**Section 18. GENERAL CONDITIONS.**

CONSULTANT agrees that it shall provide no services for any private client within the boundaries of AGENCY during the period that this Agreement is in effect, nor shall CONSULTANT, without, previous written permission from the PROJECT COORDINATOR, review any plan, map or other work which to the best of CONSULTANTS knowledge has been submitted by a private client for which the CONSULTANT has performed work within the previous 12 months or anticipates performing work in the succeeding 12 months. CONSULTANT shall immediately notify the PROJECT COORDINATOR in writing whenever CONSULTANT has reason to believe that aforementioned circumstance exists. CONSULTANT knows of no interests where it holds nor of any relationship it has or may have that would constitute a conflict of CONSULTANT performing the duties set forth in this Agreement solely in the best interest of CITY.

**Section 19. OFFICE SPACE AND CLERICAL SUPPORT.**

CONSULTANT shall provide its own office space and clerical support at its sole cost and expense.

**Section 20. SUBCONTRACTORS.**

20.1. The CONSULTANT's hiring or retaining of third parties (i.e. subcontractors) to perform services related to this Agreement is subject to prior approval by the AGENCY.

20.2. All contracts entered into between the CONSULTANT and its subcontractor shall also provide that each subcontractor shall obtain insurance policies which shall be kept in full force and effect during any and all work related to this Agreement and for the duration of this Agreement. The CONSULTANT shall require the subcontractor to obtain all policies described in Section 13 above in the amounts required by the AGENCY, which shall not be greater than the amounts required of the CONSULTANT.

20.3. In any dispute between the CONSULTANT and its subcontractor, the AGENCY or the City shall not be made a party to any judicial or administrative proceeding to resolve the dispute. The CONSULTANT agrees to defend and indemnify the AGENCY and the City as described in Section 15 of this Agreement should the AGENCY or the City be made a party to any judicial or administrative proceeding to resolve any such dispute.

**Section 21. CONFIDENTIAL RELATIONSHIP.**

AGENCY may from time to time communicate to CONSULTANT certain information to enable CONSULTANT to effectively perform the services. CONSULTANT shall treat all such information as confidential, whether or not so identified, and shall not disclose any part thereof without the prior written consent of AGENCY. CONSULTANT shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services. The foregoing obligation of this Section 21, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information (ii) is, through no fault of CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is now in the possession of CONSULTANT without any obligation of confidentiality; or (iv) has been or is hereafter rightfully disclosed to CONSULTANT by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party.

CONSULTANT shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this contract without the prior written consent of AGENCY. In its performance hereunder, CONSULTANT shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

**Section 22. MEDIATION.**

In the event of a dispute between AGENCY and CONSULTANT concerning the terms of this Agreement or its performance, the PARTIES may, but are not required to, agree to submit such dispute to mediation. If both PARTIES agree to mediation, AGENCY and CONSULTANT agree to cooperate in good faith to promptly select a mediator, to schedule a mediation session, and to attempt to settle the claim or dispute through mediation.

**Section 23. NOTICES.**

All communications to either Party by the other Party shall be deemed made when received by such Party at its respective name and address, as follows:

Doug Bradley  
Finance Director  
Imperial Beach Redevelopment Agency Successor Agency  
825 Imperial Beach Blvd.  
Imperial Beach, CA 91932

Donald Fraser  
President  
Fraser & Associates  
225 Holmfirth Court  
Roseville, CA 95661

Any such written communications by mail shall be conclusively deemed to have been received by the addressee five (5) business days after the deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above.

**Section 24. CALIFORNIA LAW; VENUE.**

This Agreement and its performance shall be governed, interpreted, construed, and regulated by the laws of the State of California. Any action brought to enforce or interpret any portion of this Agreement shall be brought in the county of San Diego, California. CONSULTANT hereby waives any and all rights it might have pursuant to California Code of Civil Procedure § 394.

**Section 25. ENTIRE AGREEMENT.**



This Agreement, and its Attachments and Exhibits, set forth the entire understanding of the PARTIES. There are no other understandings, terms or other agreements expressed or implied, oral or written. The following attachments are a part of this Agreement: **Proposal dated October 5, 2017**. No change, alteration, or modification of the terms or conditions of this Agreement, and no verbal understanding of the PARTIES, their officers, agents, or employees shall be valid unless agreed to in writing by both PARTIES.

**Section 26. SEVERABILITY.**

If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion shall be deemed modified to the extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement shall continue in full force and effect.

**Section 27. TIME IS OF ESSENCE.**

Time is of the essence for each and every provision of this Agreement that states a time for performance and for every deadline imposed by the PROJECT COORDINATOR.

**Section 28. COMPLIANCE WITH LAW.**

CONSULTANT shall comply with applicable laws in effect at the time the services are performed hereunder which, to the best of its knowledge, information and belief, apply to its obligations under this Agreement.

**Section 29. STATEMENT OF EXPERIENCE.**

By executing this Agreement, CONSULTANT represents that it has demonstrated trustworthiness and possesses the quality, fitness, and capacity to perform the Agreement in a manner satisfactory to AGENCY. CONSULTANT represents that its financial resources, surety and insurance experience, service experience, completion ability, personnel, current workload, experience in dealing with private owners, and experience in dealing with public agencies all suggest that CONSULTANT is capable of performing the proposed contract and has a demonstrated capacity to deal fairly and effectively with and to satisfy a public agency.

**Section 30. CONFLICTS OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS.**

During the term of this Agreement, CONSULTANT shall not act as consultant or perform services of any kind for any person or entity whose interests conflict in any way with those of the AGENCY. CONSULTANT shall at all times comply with the terms of the Political Reform Act and the local conflict of interest ordinance. CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the AGENCY in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. CONSULTANT represents that it has no knowledge of any financial interests which would require it to disqualify itself from any matter on which it might perform services for the AGENCY.

CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and local ordinance. Specifically, CONSULTANT shall file Statements of Economic Interest with the City Clerk of the City of Imperial Beach in a timely manner on forms which CONSULTANT shall obtain from the City Clerk.

**Section 31. RESPONSIBILITY FOR EQUIPMENT.**

AGENCY or the City shall not be responsible nor held liable for any damage to persons or property consequent upon the use, misuse, or failure of any equipment used by CONSULTANT or any of CONSULTANT's employees or subcontractors, even if such equipment has been furnished, rented, or loaned to CONSULTANT by AGENCY or the City. The acceptance or use of any such equipment by CONSULTANT, CONSULTANT's employees, or subcontractors shall be construed to mean that CONSULTANT accepts full responsibility for and agrees to exonerate, indemnify and hold harmless AGENCY and the City from and against any and all claims for any damage whatsoever resulting from the use, misuse, or failure of such equipment.

**Section 32. NO WAIVER.**

No failure of either the AGENCY or the CONSULTANT to insist upon the strict performance by the other of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement shall constitute a waiver of any such breach of such covenant, term or condition.

**Section 33. DRAFTING AMBIGUITIES.**

The PARTIES agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether or not to seek advice of counsel with respect to this Agreement is a decision which is the sole responsibility of each Party. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of the Agreement.

**Section 34. CONFLICTS BETWEEN TERMS.**

If an apparent conflict or inconsistency exists between the main body of this Agreement and the Exhibits, the main body of this Agreement shall control. If a conflict exists between an applicable federal, state, or local law, rule, regulation, order, or code and this Agreement, the law, rule, regulation, order, or code shall control. Varying degrees of stringency among the main body of this Agreement, the Exhibits, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirement shall control. Each Party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this Agreement.

**Section 35. EXHIBITS INCORPORATED.**

Exhibits "A" is incorporated into the Agreement by this reference.

**Section 36. SIGNING AUTHORITY.**

The representative for each Party signing on behalf of a corporation, partnership, joint venture or governmental entity hereby declares that authority has been obtained to sign on behalf of the corporation, partnership, joint venture, or entity and agrees to hold the other Party hereto harmless if it is later determined that such authority does not exist.

**\*\*\*SIGNATURES ON FOLLOWING PAGE\*\*\***

IN WITNESS WHEREOF the PARTIES hereto have executed this Agreement on the day and year first hereinabove written.

AGENCY:

IMPERIAL BEACH REDEVELOPMENT AGENCY  
SUCCESSOR AGENCY,  
a public entity

CONSULTANT:

FRASER & ASSOCIATES,  
a California \_\_\_\_\_

\_\_\_\_\_  
Andy Hall, Executive Director,

\_\_\_\_\_  
Donald J. Fraser, President

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Doug Bradley  
Administrative Services Director

APPROVED AS TO FORM:

\_\_\_\_\_  
Jennifer M. Lyon, General Counsel

# **FA FRASER & ASSOCIATES**

## **Property Tax and Financial Consulting**

---

225 Holmfirth Court  
Roseville CA 95661

Phone: (916) 791-8958  
FAX: (916) 791-9234

October 5, 2017

Mr. Doug Bradley  
Administrative Services / Finance Director  
City of Imperial Beach  
825 Imperial Beach Blvd.  
Imperial Beach, CA 91932

**Dear Mr. Bradley:**

Per the request of Michael Kremer, Fraser & Associates is pleased to provide this proposal for financial and bond services to the Imperial Beach Successor Agency (Agency). The Agency is requesting that Fraser & Associates assist the Agency with the sale of refunding tax allocation bonds for the Imperial Beach Redevelopment Project Area (Project Area).

### **Scope of Services**

Fraser & Associates is prepared to provide an in depth analysis of the tax increment revenues to be generated from the Project Area. In order to accomplish this, we recommend the following scope of services:

1. **Tax Increment Projection**: An estimate of the 2017-18 tax increment revenues expected to be received in the Project Area will be prepared, along with a projection showing the future tax increment revenues estimated to be annually allocated to the Agency. The tax increment projections will include an analysis of the impact of senior liens on revenue available for debt service, including pass through payments.
2. **Analysis of County Allocation Procedures**: A review of County procedures used for the calculation of tax increment, including tax increment from the application of tax rates to incremental value and unitary property taxes, will be prepared for the current year revenue estimate. This will include a review of distributions from the Redevelopment Property Tax Trust Fund prepared by the County. This analysis ensures that the current year revenue estimate is accurate.

3. **Review of Historical Revenues**: Fraser & Associates will review the growth in taxable values over the past five fiscal years and provide a table showing such trends. In addition, an analysis will be prepared of the actual tax increment receipts to the initial County levy in order to determine collection trends.
4. **Appeals Analysis**: An analysis of recently resolved and open appeals will be prepared. The tax increment projections will be revised as needed for the potential impact of appeals.
5. **Housing Market Impact Analysis**: Past volatility in the housing market has caused rating agencies to require additional information concerning housing prices and property transfers. As a result, the impact that housing price declines and increases from Proposition 8 adjustments have had on the Project Area will be analyzed. We will also review recent sales data to determine current trends in housing prices
6. **Impacts of Redevelopment Dissolution Act**: We will review the impact of the Dissolution Act on the flow of revenues to the Agency.
7. **Fiscal Consultants Report**: A Fiscal Consultants Report (FCR) will be prepared summarizing the analysis of historical, current and projected tax increment revenues. The FCR will include our methodology in preparing the tax increment study. The FCR is typically included as an appendix to the Official Statement for the bond issue.
8. **Official Statement Tables**: Fraser & Associates will provide tables on the revenues in the Project Area for inclusion in the offering document based on the data utilized in the services described above.
9. **Document Review**: Other documents (Official Statement; Indenture of Trust; etc.) will be reviewed and commented on by Fraser & Associates.
10. **Bond Rating Agency and Other Meetings**: Fraser & Associates will be available to represent the Agency in meetings and presentations to the bond rating agencies (Moody's and Standard and Poor's). Other meetings will also be attended, as requested by the Agency.

### **Compensation**

Service items one through seven shall be compensated on the basis of a fixed fee of Twenty Thousand Dollars (\$20,000), inclusive of one meeting. Service items eight through ten shall be compensated on a time and material basis in accordance with my standard hourly rate of \$250 per hour.

It is estimated that hourly rate services will not exceed Three Thousand Dollars (\$3,000). Expenses are estimated at \$2,000. Expenses include, but are not limited to: authorized travel; mileage at the current IRS per mile rate or equivalent rental car fee; copy expenses; shipping and messenger services; long distance

**FA FRASER & ASSOCIATES**

Mr. Doug Bradley

10/05/17

Page 3

phone calls; the acquisition of property tax data (Top 10, etc.) and other similar expenses.

Payment for services can be made from the cost of issuance fund created as part of the bond issue, but the fee is not contingent upon a successful closing of the bond issue. If the bond issue is not completed, payment shall still be owed to Fraser & Associates.

Fraser & Associates appreciates the opportunity to submit this proposal and looks forward to with you again. Please let me know if you have any questions.

Sincerely,

Signature on file

Donald J. Fraser