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**AGENDA FOR THE CONCURRENT REGULAR MEETINGS OF
THE CITY COUNCIL OF THE CITY OF COMMERCE AND
THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION
COUNCIL CHAMBERS
5655 JILLSON STREET, COMMERCE, CALIFORNIA**

TUESDAY, NOVEMBER 15, 2011 – 6:30 P.M.

CALL TO ORDER

Mayor/Chairperson Aguilar

PLEDGE OF ALLEGIANCE

Teresa McAllister
Director of Human Resources

INVOCATION

Mayor Pro Tempore/Vice Chairperson
Baca Del Rio

ROLL CALL

City Clerk/Assistant Secretary Olivieri

APPEARANCES AND PRESENTATIONS

PUBLIC COMMENT

Citizens wishing to address the City Council/Commission on any item on the agenda or on any matter not on the agenda may do so at this time. However, State law (Government Code Section 54950 et seq.) prohibits the City Council/Commission from acting upon any item not contained on the agenda posted 72 hours before a regular meeting and 24 hours before a special meeting. Upon request, the City Council/Commission may, in their discretion, allow citizen participation on a specific item on the agenda at the time the item is considered by the City Council/Commission. Request to address City Council/Commission cards are provided by the City Clerk/Assistant Secretary. If you wish to address the City Council/Commission at this time, please complete a speaker's card and give it to the City Clerk/Assistant Secretary prior to commencement of the City Council/Commission meeting. Please use the microphone provided, clearly stating your name and address for the official record and courteously limiting your remarks to five (5) minutes so others may have the opportunity to speak as well.

To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

No person shall make any remarks which result in disrupting, disturbing or otherwise impeding the meeting.

CITY COUNCIL/COMMISSION REPORTS

CONSENT CALENDAR

Items under the Consent Calendar are considered to be routine and may be enacted by one motion. Each item has backup information included with the agenda, and should any Councilmember/Commissioner desire to consider any item separately he/she should so indicate to the Mayor/Chairperson. If the item is desired to be discussed separately, it should be the first item under Scheduled Matters.

1. Approval of Minutes

The **City Council and Commission** will consider for approval, respectively, the minutes of the Concurrent Regular Meetings of Tuesday, November 1, 2011, held at 6:30 p.m.

2. Approval of Warrant Register No. 10

The **City Council and Commission** will consider for approval, respectively, the bills and claims set forth in Warrant Registers No. 10A, dated November 15, 2011, and No. 10B, for the period November 2, 2011, to November 10, 2011.

3. Financial Report Through October 31, 2011

The **City Council** will consider for receipt and filing the financial report through October 31, 2011.

4. A Resolution of the City Council of the City of Commerce, California, Approving the Memorandum of Understanding with Mid-Management and Non-Management Full-Time Employees Represented by the City of Commerce Employees Association AND A Resolution of the City Council of the City of Commerce, California, Fixing the Employer's Contribution Under the Public Employees' Medical and Hospital Care Act

The **City Council** will consider for approval and adoption a proposed Resolution approving the Memorandum of Understanding ("MOU") with mid-management and non-management full-time employees represented by the City of Commerce Employees Association. The MOU covers the period of July 1, 2011, through June 30, 2012.

Further, the **City Council** will consider for approval and adoption a proposed Resolution fixing the employer's contribution under the Public Employees' Medical and Hospital Care Act ("PEMHCA"), pursuant to the provisions of Government Code §22892(b) and as authorized under Government Code §22892(a).

5. A Resolution of the City Council of the City of Commerce, California, Approving Revisions to the Medical Health Benefits and Implementing a CalPers Pre-Retirement Death Benefit Option as They Relate to the City's Full-Time, Non-Represented Management Employees, Including City Administrator and City Clerk

The **City Council** will consider for approval and adoption a proposed Resolution approving revisions to the medical health plan benefits and implementing a CalPers Pre-Retirement Optional Death Benefit as they relate to the City's full-time, non-represented management employees, including City Administrator and City Clerk, as approved for the mid-management and non-management full-time employees represented by the City of Commerce Employees Association. The changes cover the period of July 1, 2011, through June 30, 2012.

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6. A Resolution of the City Council of the City of Commerce, California, Approving an Agreement to Participate in the Los Angeles Region – Imagery Acquisition Consortium 3 (“LAC-IAC 3”) Program

The **City Council** will consider for approval and adoption a proposed Resolution approving, and authorizing the execution of, an Agreement to participate in the Los Angeles Region – Imagery Acquisition Consortium 3 (“LAC-IAC 3”) Program.

The LAC-IAC 3 was established to acquire 4” resolution imagery [four color orthogonal, four color infrared, six color oblique, digital terrain data-sets derived from LiDAR (light detection and ranging) and two elevation contours] for the entire County. The program successfully gained the participation of 10 County departments, 31 municipalities and five other public agencies.

7. A Resolution of the City Council of the City of Commerce, California, Authorizing Membership in the Statewide Stormwater Coalition

California cities have lacked a Statewide organization to advocate for reasonable stormwater regulations at the local, State and national level and to educate elected officials as to the implications of the new storm-water permits and TMDLs. The Statewide Stormwater Coalition, organized by the City of Roseville, was originally formed to solve issues in the new Phase II MS4 Storm Water Permit, such as unreasonable and/or unachievable water quality standards. Member cities and organizations specifically focused on costs and feasibility of the new permit and its impacts on their local business communities. The Coalition would like to expand its membership to include the Phase I NPDES Permit cities, such as Commerce.

The **City Council** will consider for approval and adoption a proposed Resolution authorizing membership in the Statewide Stormwater Coalition.

8. A Resolution of the Commerce Community Development Commission Approving a Subordination Agreement With the California Credit Union for a Regulatory Agreement, Covenant and Deed of Trust Entered Into Between the Commission and Manuel and Cecilia Macias

The **Commission** will consider for approval and adoption a proposed Resolution approving a Subordination Agreement with the California Credit Union for a Regulatory Agreement, Covenant and Deed of Trust to be entered into between the Commission and Manuel and Cecilia Macias regarding the real property located at 2316 Hepworth Avenue, Commerce.

9. A Resolution of the City Council of the City of Commerce, California, Approving a Reimbursement Agreement With Craig Realty Group Citadel, LLC (“CRG Citadel”) for Paving and Restriping of Telegraph Road South of North-Bound Atlantic Boulevard Off-Ramp and Continuing South Along Telegraph Road to Gaspar Avenue

Telegraph Road is a major arterial and frontage road running parallel to the I-5 Freeway and is also the main entrance to The Citadel Outlets, arguably the premiere shopping destination in Los Angeles County.

Craig Realty Group Citadel, LLC (“CRG Citadel”) is proposing a public/private partnership to improve the condition of said roadway surface and enhance vehicle circulation which includes road repairs and re-striping of traffic lanes to add a second left-hand turning movement into The Citadel.

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The **City Council** will consider for approval and adoption a proposed Resolution approving a Reimbursement Agreement with Craig Realty Group Citadel, LLC (“CRG Citadel”) for paving and re-striping of Telegraph Road south of the north-bound Atlantic Boulevard off-ramp and continuing south along Telegraph Road to Gaspar Avenue.

PUBLIC HEARINGS

10. Public Hearing – A Resolution of the City Council of the City of Commerce, California, Ordering the Vacation of a Portion of Sheila Street from Arrowmill Avenue Westerly Approximately 573 Feet to the Terminus of Said Sheila Street with Reservations

In 1992, at the request of BNSF Railway, the City of Commerce vacated a portion of Sheila Street from Indiana east stopping short of Arrowmill Avenue approximately 573 feet. BNSF has requested the City vacate the remainder of Sheila Street to Arrowmill Avenue. BNSF owns the properties in the immediate vicinity of the proposed vacation and it is home to their intermodal facility.

The **City Council** will conduct a public hearing on, and thereafter consider for approval and adoption, a proposed Resolution ordering the vacation of a portion of Sheila Street from Arrowmill Avenue westerly approximately 573 feet to the terminus of said Sheila Street with reservations.

The City Council continued the public hearing from its meeting of October 25, 2011.

SCHEDULED MATTERS

11. Status Report – Community Day of Service Proposal

At the request of Mayor Pro Tempore Baca Del Rio, the City Administrator directed staff to create a committee to review the proposal made by Community Services Commissioner Joanna Flores for a Community Day of Service.

The **City Council** will receive a status report on the Committee’s progress and thereafter consider for approval options to implement the proposed Community Day of Service as part of the City’s Keep Commerce Beautiful Campaign.

ORDINANCES AND RESOLUTIONS

12. A Resolution of the City Council of the City of Commerce, California, Opposing the Southern California Association of Governments (SCAG) Inclusion of the East/West Freight Corridor SR-60 and/or Union Pacific (UP) Railroad Alignment in the Draft 2012 Regional Transportation Plan (RTP)

The Southern California Association of Governments (SCAG) is proposing to study the concept of dedicated truck lanes along the State Route (SR) 60 Freeway corridor, or an alternate route that runs adjacent to the Union Pacific Railroad line between the I-710 and I-605 Freeways. According to SCAG, the goal of such an alignment would provide an efficient connection for trucks moving goods from the Ports of Los Angeles and Long Beach, as well as local communities, between the I-710 Freeway and the Inland Empire. SCAG is working on components for its long-range transportation planning document that is referred to as the 2012 Regional Transportation Plan (RTP). One of the components to the RTP is the East/West Freight Corridor.

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The proposed alignment is to include dedicated truck lanes (potentially elevated) upon which zero emission vehicles would travel and would run through the communities of East Los Angeles, Commerce, Montebello and Pico Rivera east beyond the I-605 Freeway using the San Jose Creek channel. Selection of this route has been identified by SCAG due to its proximity to the goods movement industry while indicating it has the least potential for property impact.

The **City Council** will consider for approval and adoption a proposed Resolution opposing the Southern California Association of Governments (SCAG) inclusion of the East/West Freight Corridor SR-60 and/or Union Pacific (UP) Railroad Alignment in the Draft 2012 Regional Transportation Plan (RTP).

13. A Resolution of the City Council of the City of Commerce, California, Accepting the Work Performed by CST Construction Company, of Long Beach, California, Under the City of Commerce Standard Contract Agreement for Cash Contract No. 1004 – Aquatorium Locker Room Renovation Project in the City of Commerce, California, and Other Matters Related Thereto

The **City Council** will consider for approval and adoption a proposed Resolution accepting the work performed by CST Construction Company, of Long Beach, California, under the City of Commerce Standard Contract Agreement for Cash Contract No. 1004 – Aquatorium Locker Room Renovation Project as being satisfactory and complete; authorizing staff to file the “Notice of Completion” with the Los Angeles County Registrar-Recorder/County Clerk’s Office and, 35 days thereafter, release the Labor and Materials Bond and make final payment of the 10% retention and reallocating the project savings to perform additional improvements at the Aquatorium.

CIP PROGRESS REPORT

LEGISLATIVE UPDATE

I-710 LOCAL ADVISORY COMMITTEE UPDATE

RECESS TO CLOSED SESSION

14. Pursuant to Government Code §54956.9(b),
- A. The **City Council** will confer with its legal counsel, and take the appropriate action, with respect to significant exposure to litigation in two potential cases.
15. Pursuant to Government Code §54957.6,
- A. The **City Council** will confer with its labor negotiator, Jorge Rifá, with respect to labor negotiations pertaining to the Memorandum of Understanding between the City and the City of Commerce Employees Association on behalf of the mid-management and non-management full-time employees.

ADJOURNMENT

LARGE PRINTS OF THIS AGENDA ARE AVAILABLE UPON REQUEST
FROM THE CITY CLERK’S OFFICE, MONDAY-FRIDAY,
8:00 A.M. - 6:00 P.M.



AGENDA REPORT

Meeting Date: November 15, 2011

TO: HONORABLE CITY COUNCIL
FROM: CITY ADMINISTRATOR
SUBJECT: CITY FINANCIAL REPORT THROUGH THE MONTH OF OCTOBER 31, 2011

RECOMMENDATION:

Receive and file.

MOTION:

Receive and file.

ANALYSIS:

The monthly progress report on the financial plan as approved by the City Council during the budget process is recapped and attached for your review. Details are on file in the Finance Department for any further review as necessary.

FISCAL IMPACT:

This activity can be carried out at this time without additional impact on the current operating budget.

Respectfully submitted,



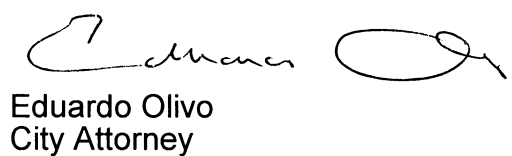
Jorge Rifá
City Administrator.

Recommended by,



Vilko Domic
Director of Finance / City Treasurer

Approved as to Form



Eduardo Olivo
City Attorney

City of Commerce

Budget by Organization Report

General Fund Summary

Year-to-Date Thru October 31, 2011

<u>Classification</u>	<u>Adopted Budget</u>	(A) FY 11-12 <u>Actual</u>	<u>Balance</u>	% Used/ <u>Rec'd</u>	(B) FY 10-11 <u>Actual</u>	(A - B) <u>Variance</u>	
REVENUES							
Taxes	18,697,975	2,462,108	16,235,867	13.2%	1,662,011	800,097	1
Licenses & Permits	2,509,580	422,280	2,087,300	16.8%	817,940	(395,660)	2
Fines & Penalties	347,850	106,023	241,827	30.5%	125,706	(19,683)	3
Use of Money	1,690,000	397,501	1,292,499	23.5%	414,645	(17,144)	4
Other Agencies	754,101	83,339	670,762	11.1%	83,964	(625)	
Current Charges	1,477,370	249,657	1,227,713	16.9%	223,746	25,911	5
Activities Fees	396,950	175,298	221,652	44.2%	162,672	12,626	
Other Revenues	1,169,560	344,546	825,014	29.5%	507,054	(162,508)	6
Transfer From Other Funds	<u>20,170,000</u>	<u>6,689,999</u>	<u>13,480,001</u>	<u>33.2%</u>	<u>6,511,680</u>	<u>178,319</u>	<u>7</u>
REVENUE TOTALS	\$47,213,386	\$10,930,751	\$36,282,635	23.2%	\$10,509,418	\$421,333	

1 - Sales Tax - Up \$366,588 from the previous fiscal year

1 - Hotel Visitors Tax - 1st Quarter 2011 receipts not reflected until the 2nd quarter

2 - Greater amount of activity last year thru the 1st quarter

3 - Parking Citation fines are slightly behind relative to last year

4 - Rental of the Aquatorium facility is sporadic

5 - Trash Haulers Fee up slightly

6 - Last years books reflects a one-time payment of \$169,000 related to an reimbursement agreement

7 - Contribution back to the General Fund adopted figures for this fiscal year are higher than last

City of Commerce

Budget by Organization Report

General Fund Summary

Year-to-Date Thru October 31, 2011

<u>Classification</u>	<u>Adopted Budget</u>	(A) FY 11-12 <u>Actual</u>	<u>Balance</u>	% Used/ <u>Rec'd</u>	(B) FY 10-11 <u>Actual</u>	(A - B) <u>Variance</u>
<u>EXPENSES</u>						
<u>Administration</u>						
City Council	148,275	43,834	104,441	29.6%	37,711	6,123
Administration	484,468	141,124	343,344	29.1%	133,191	7,933
Public Information	347,037	125,979	221,058	36.3%	91,571	34,408 1
Graphics & Printing	319,620	77,419	242,201	24.2%	81,062	(3,643)
City Clerk	214,951	59,444	155,507	27.7%	53,401	6,043
Legal Services	467,600	50,139	417,461	10.7%	91,197	(41,058)
Human Resources	869,918	322,323	547,595	37.1%	344,024	(21,701) 2
<u>Finance / Info Technology</u>						
City Treasurer	18,102	3,705	14,397	20.5%	4,186	(481)
Finance Administration	356,789	115,672	241,117	32.4%	111,690	3,982
Accounting	378,054	97,169	280,885	25.7%	119,636	(22,467) 3
Purchasing	358,982	96,637	262,345	26.9%	98,604	(1,967)
Information Technology	484,272	96,445	387,827	19.9%	96,573	(128)
Business License	88,726	24,461	64,265	27.6%	23,400	1,061
TOTAL FINANCE	1,684,925	434,089	1,250,836	25.8%	454,089	(20,000)
<u>Community Development</u>						
Planning Commission	5,650	670	4,980	11.9%	-	670
Community Dev - Admin	426,694	136,209	290,485	31.9%	119,196	17,013 4
Planning	179,403	46,170	133,233	25.7%	42,749	3,421
Building Department	546,417	101,865	444,552	18.6%	152,562	(50,697) 5
Code Enforcement	118,294	33,830	84,464	28.6%	41,196	(7,366)
Environmental Services	112,629	27,334	85,295	24.3%	34,538	(7,204) 3
TOTAL COMMUNITY DEV	1,389,087	346,078	1,043,009	24.9%	390,241	(44,163)

1 - PARS Program related leave payout - savings should negate the variance by years end

2 - YES Program charges were not entirely captures under this cost center

3 - PARS Program related leave payout in FY 2010-11; position not filled

4 - Step Increases, YES Program costs need to be reallocated, Medical Insurance Increases

5 - Building related activity has decreased from the previous fiscal year

City of Commerce

Budget by Organization Report

General Fund Summary

Year-to-Date Thru October 31, 2011

<u>Classification</u>	<u>Adopted Budget</u>	(A)	<u>Balance</u>	<u>% Used/</u> <u>Rec'd</u>	(B)	(A - B)
		FY 11-12 <u>Actual</u>			FY 10-11 <u>Actual</u>	<u>Variance</u>
<u>Public Services</u>						
Traffic Commission	3,650	480	3,170	13.2%	800	(320)
Public Works Engineering	107,500	14,516	92,984	13.5%	10,314	4,202
Public Works Contracts	1,857,117	146,085	1,711,032	7.9%	357,981	(211,896) 1
Municipal Facilities Operation	2,137,585	630,851	1,506,734	29.5%	632,735	(1,884)
Street Maintenance	192,632	59,617	133,015	30.9%	54,720	4,897
Tree Maintenance	358,380	64,985	293,395	18.1%	53,401	11,584 2
Major Street Repairs	5,000	-	5,000	0.0%	-	-
Major Facility Repairs	50,000	-	50,000	0.0%	16,686	(16,686)
TOTAL PUBLIC SVCS	4,711,864	916,534	3,795,330	19.5%	1,126,637	(210,103)
<u>Community Services</u>						
Emergency Preparedness	132,567	29,968	102,599	22.6%	26,402	3,566
Law Enforcement	5,684,919	926,847	4,758,072	16.3%	938,760	(11,913)
Animal Control	186,934	41,612	145,322	22.3%	38,108	3,504
Comm Safety Specialists	746,061	186,803	559,258	25.0%	203,509	(16,706) 3
Crossing Guards	191,088	29,050	162,038	15.2%	27,760	1,290
Fire Protection	8,732,946	3,616,075	5,116,871	41.4%	3,576,590	39,485
Community Svcs Commissioi	2,850	693	2,157	24.3%	520	173
Community Svcs Admin	999,015	332,853	666,162	33.3%	249,829	83,024 4
Employment & Bus Dev Ctr	223,154	57,749	165,405	25.9%	83,350	(25,601) 5
TOTAL COMMUNITY SVCS	16,899,534	5,221,650	11,677,884	30.9%	5,144,828	76,822
<u>Library Services</u>						
Library Commission	3,550	520	3,030	14.6%	640	(120)
Education Commission	12,300	710	11,590	5.8%	1,672	(962)
Library Administration	346,987	141,271	205,716	40.7%	101,019	40,252 4
Central Library	400,097	134,648	265,449	33.7%	99,570	35,078 4
Childrens Services	311,560	84,143	227,417	27.0%	91,988	(7,845)
Atlantic Branch	300,828	78,158	222,670	26.0%	77,398	760
Bristow Park Branch	307,843	89,310	218,533	29.0%	89,394	(84)
Greenwood Branch	311,015	89,350	221,665	28.7%	81,700	7,650
Support Services	778,569	218,468	560,101	28.1%	222,741	(4,273)
Adult Literacy Program	249,935	77,595	172,340	31.0%	65,685	11,910
TOTAL LIBRARY SVCS	3,022,684	914,173	2,108,511	30.2%	831,807	82,366

1 - Refuse Disposal - 1 less payment reflected this year; Street Lighting & Sidewalk/Curb Maintenance expense is over \$100,000 less than it was at the same time last year

2 - Maintenance - Unscheduled / Emergency Work increased this fiscal year

3 - F/T Public Safety Supervisor position was left vacant for FY 2011-12

4 - PARS Program related leave payout - savings should negate the variance by years end

5 - F/T Employment Services Coordinator position was left vacant for FY 2011-12

City of Commerce

Budget by Organization Report

General Fund Summary

Year-to-Date Thru October 31, 2011

<u>Classification</u>	<u>Adopted Budget</u>	(A)	<u>Balance</u>	<u>% Used/</u> <u>Rec'd</u>	(B)	(A - B)
		FY 11-12 <u>Actual</u>			FY 10-11 <u>Actual</u>	<u>Variance</u>
<u>Parks & Recreation</u>						
Parks & Rec Commission	2,700	440	2,260	16.3%	400	40
Parks & Recreation Admin	1,023,688	403,347	620,341	39.4%	295,881	107,466 1
Pre-School	86,929	11,626	75,303	13.4%	9,393	2,233
Kids Club Program	99,343	19,937	79,406	20.1%	12,737	7,200
Day Camps	64,802	71,865	(7,063)	110.9%	76,310	(4,445)
Recreation Operations	319,375	64,754	254,621	20.3%	110,446	(45,692) 2
Bandini Park	324,119	92,426	231,693	28.5%	106,230	(13,804) 2
Bristow Park	333,914	125,642	208,272	37.6%	129,708	(4,066)
Rosewood Park	430,940	114,718	316,222	26.6%	127,457	(12,739)
Veterans Park	438,021	131,308	306,713	30.0%	122,892	8,416
Special Events	133,379	23,373	110,006	17.5%	76,179	(52,806) 2
Parks & Recreation Activity	390,765	69,984	320,781	17.9%	92,487	(22,503) 3
Sports Program	294,625	66,269	228,356	22.5%	145,964	(79,695) 2
Senior Citizens Center	341,732	108,061	233,671	31.6%	103,584	4,477
Sr Citizens Commission	2,850	679	2,171	23.8%	560	119
Aquatorium	1,449,215	507,363	941,852	35.0%	538,826	(31,463) 2
Community Teen Center	305,075	91,510	213,565	30.0%	94,071	(2,561)
Youth Advisory Commission	3,894	760	3,134	19.5%	520	240
Park Maintenance	1,425,275	368,940	1,056,335	25.9%	419,816	(50,876) 2
Snack Bar	276,496	84,222	192,274	30.5%	80,204	4,018
Camp Commerce	594,148	240,935	353,213	40.6%	202,615	38,320 4
TOTAL PARKS & REC	8,341,285	2,598,159	5,743,126	31.1%	2,746,280	(148,121)
<u>Non - Departmental</u>						
Employee Benefits	2,475,545	1,624,457	851,088	65.6%	1,211,589	412,868 5
General Services	4,940,879	2,324,535	2,616,344	47.0%	2,735,152	(410,617) 6
Community Promotions	80,650	4,554	76,096	5.6%	4,576	(22)
Transfers to Other Funds	1,261,853	727,248	534,605	57.6%	721,868	5,380
Debt Service	148,014	37,379	110,635	25.3%	37,098	281
EXPENDITURE TOTALS	\$ 47,808,189	\$ 15,969,118	\$ 31,839,071	33.4%	\$ 16,236,322	\$ 267,204

1 - PARS Program related leave payout - savings should negate the variance by years end

2 - PARS Program related leave payout in FY 2010-11; position not filled

3 - Some activities were scaled back as part of the adopted budget

4 - 3 positions reallocated from Public Services Maintenance; Increase in Repairs & Maintenance

5 - PARS Program retirement annuity; increase in health and workers comp costs

6 - General Liability Ins is down slightly; UP agreement - 1 less payment reflected in current year as opposed to the 2 payments reflected in FY 2010-11



AGENDA REPORT

MEETING DATE: November 15, 2011

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: (1) A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING THE MEMORANDUM OF UNDERSTANDING AS IT RELATES TO THE MID-MANAGEMENT AND NON-MANAGEMENT FULL-TIME EMPLOYEES REPRESENTED BY THE CITY OF COMMERCE EMPLOYEES ASSOCIATION; and

(2) A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

RECOMMENDATION:

1. Approve and adopt the Resolution and assign the number next in order; and
2. Approve and adopt the Resolution and assign the number next in order.

MOTION:

Move to approve the recommendation.

BACKGROUND:

The City and the City of Commerce Employee Association (CCEA) concluded labor negotiations on July 21, 2011 regarding wages, benefits and working conditions for the 2011/2012 Memorandum of Understanding (MOU). On August 11, 2011 members of the Full-time Unit voted to ratify the MOU which is attached and documents the agreement reached as a result of the negotiations. The MOU covers the period of July 1, 2011 through June 30, 2012.

ANALYSIS:

The key provisions of the MOU presented for the City Council's approval include the following:

- **Term:** The term of MOU shall be July 1, 2011 through June 30, 2012;
- **Wages:** No wage increase;
- **Employee Medical Health Plan Benefits:** Effective January 1, 2012, the City shall pay the PEMHCA minimum contribution for active and retired employees. The City shall also implement as of January 1, 2012 a Cafeteria Plan (Premium Only Plan) under IRS Section 125 for active employees. Until the expiration of the term of the MOU, the City's contribution to the Cafeteria Plan shall be the 2012 premium rates for "Other Southern California" Blue Shield Access + as published by CalPERS for the designated health insurance plan. In no event shall the City's contribution under the City's Cafeteria plan exceed the "2012 Other Southern California" rates for each of the eligible benefit categories established in the "2012 Other Southern California" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution.

**AGENDA REPORT – 11/15/2011
RESOLUTION – FULL-TIME MOU**

- **Longevity Stipend for Employees hired before July 1, 2011 retiring on or before December 31, 2011:** The City shall make a longevity stipend available to an employee who was hired before July 1, 2011 and who retires from the City of Commerce on or before December 31, 2011. The longevity stipend shall be deposited on a monthly basis into the retiree’s Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City’s monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or eligible dependents (when applicable) minus the PEMHCA minimum contribution. The longevity stipend shall be based on the cost of coverage for retiree and/or eligible dependents under the medical plans sponsored by PEMCHA. The stipend shall be based on the tier of coverage (i.e. single or two-party) and actual plan cost.

- **Longevity Stipend for Employees hired before July 1, 2011:** The City shall make a longevity stipend available to an employee who was hired before July 1, 2011 and who retires from the City of Commerce as described in this Section. The City shall make a longevity stipend payment on a monthly basis to the retiree’s Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City’s monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or the retiree’s spouse (when applicable) minus the PEMHCA minimum contribution. In no event shall the City’s total longevity stipend payment exceed \$1,517.36 for employees who retire after December 31, 2011.

- **Longevity Stipend for Employees hired on/after July 1, 2011:** Employees hired by the City on or after July 1, 2011 and who meet the eligibility requirements for retiree health insurance are eligible to continue in the City’s group health insurance program. The City’s maximum contribution towards retiree coverage under this subsection, shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis. Employees who meet the criteria described below shall be eligible to receive a longevity stipend upon retirement from the City’s employment. The longevity stipend payment shall be deposited on a monthly basis into the retiree’s Healthcare Reimbursement Plan (Retiree HRA Plan). The longevity stipend shall not exceed the amounts described below, which shall include the PEMHCA minimum contribution and shall be based on the cost of coverage for retiree plus spouse coverage under the medical plans sponsored by PEMHCA. The stipend shall be based on the tier of coverage (i.e. single or two-party) and actual plan cost.

≥ 5 years of full-time City Service	50% + additional 5.0% for each additional year of City service above 5 years (e.g., 10 yrs = 75% or \$1,138.02)
-------------------------------------	---

15 years and above of full-time City Service	\$1,517.36 (100%)
--	-------------------

- **CalPERS Pre-Retirement Optional Settlement Death Benefit:** Effective upon MOU adoption the City will amend the PERS Contract to include a PERS Pre-retirement Optional Settlement Death benefit for full-time vested employees age 50 and above. The benefit allows the spouse or domestic partner of a deceased member who was eligible for service at the time of death to receive the Pre-Retirement Option 2W Death Benefit in lieu of the lump sum Basic Death Benefit. The benefit is a monthly allowance equal to the amount the member would have received if he/she had retired for service on the date of death and elected Option 2W, the highest monthly allowance a member can leave a spouse or domestic partner.

**AGENDA REPORT – 11/15/2011
RESOLUTION – FULL-TIME MOU**

- Revised contract language incorporating the following articles and personnel policies:
 - Uniform Allowance for full-time unit members
 - Safety Footwear for full-time unit members
 - Sick Leave for full-time unit members
 - Jury Duty for full-time unit members
 - Vacation for full-time unit members
 - Overtime for full-time unit members
 - Bereavement Leave for full-time unit members
 - Layoff/Bumping Procedures for full-time unit members
 - Agency Shop Notice for full-time unit members
 - Class A/B Drivers License Reimbursement up to \$39.00 for full-time members
 - Merit Increase for full-time unit members
 - Job Security for full-time unit members
 - Median Pay for Park Maintenance Workers
 - Seniority Defined for full-time unit members

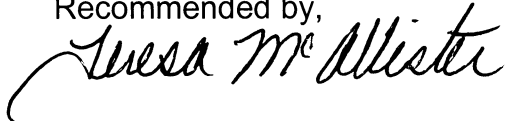
The representatives for the Mid-Management and Non-Management Full-Time Employees have reviewed and approved the language in the MOU.

Pursuant to the MOU, effective February 1, 2012, the City shall pay the PEMCHA minimum contribution for active and retired employees. Government Code Section 22892(a) provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b)(1) of the Act.

FISCAL IMPACT:

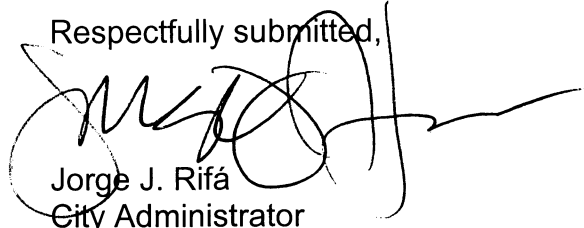
The total cost savings for FY 11/12 will be approximately \$100,000 city-wide as it relates to a health plan modification and approximately \$25,000 related to the implementation of a CalPERS Pre-Retirement Optional Settlement Death Benefit.

Recommended by,



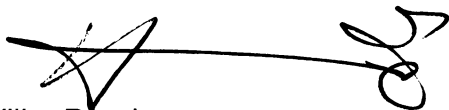
Teresa McAllister
Director of Human Resources

Respectfully submitted,




Jorge J. Rifá
City Administrator

Fiscal impact reviewed by:



Vilko Domic
Director of Finance

Approved as to form:



Eduardo Olivo
City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA,
APPROVING THE MEMORANDUM OF UNDERSTANDING WITH MID-MANAGEMENT
AND NON-MANAGEMENT FULL-TIME EMPLOYEES REPRESENTED BY THE CITY OF
COMMERCE EMPLOYEES ASSOCIATION

WHEREAS, on July 21, 2011, the City of Commerce and the mid-management and non-management full-time employees completed negotiations of a new Memorandum of Understanding ("MOU") for fiscal year 2011-2012; and

WHEREAS, the MOU provides, among other things, revisions to the employee medical health plan benefits, a medical health plan vesting schedule for future employees, a CalPERS Pre-retirement Optional Settlement Death Benefit, and revised contract language incorporating various personnel policies.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

Section 1. The Memorandum of Understanding ("MOU") with the mid-management and non-management full-time employees for fiscal year 2011-2012 is hereby approved. The City Administrator, the Director of Finance and the Director of Human Resources are hereby authorized to execute the MOU for and on behalf of the City.

Section 2. As required by the MOU, the following is hereby approved:

- **Employee Medical Health Plan Benefits:** Effective January 1, 2012, and until the expiration of the MOU term, the City's contribution for employee medical health plan benefits shall be increased to the 2012 premium rates for "Other Southern California" as published by CalPERS for the designated health insurance plans. In no event shall the City's contribution towards any plan exceed the "2012 Other Southern California" rates for each of the eligible benefit categories (single, 2-Party, Family) established in the "2012 other Southern California" BSC Access + health insurance plan. Employees who have retired as of December 31, 2011, will not be affected by this proposal. This section does not change the provisions of City Policy III-I, Health and Hospitalization Insurance Plan. To the extent that any changes are to be made to the Employee Medical Health Plan Benefits, the parties shall be required to comply with the requirements of the Meyers-Milias Brown Act (*Govt. Code Section 3500 et.seq.*) and any other applicable state or federal law.
- **Longevity Stipend for Employees hired before July 1, 2011 retiring on or before December 31, 2011:** The City shall make a longevity stipend available to an employee who was hired before July 1, 2011, and who retires from the City of Commerce on or before December 31, 2011. The longevity stipend shall be deposited on a monthly basis into the retiree's Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City's monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or eligible dependents (when applicable) minus the PEMHCA minimum contribution. The longevity stipend shall be based on the cost of coverage for retiree and/or eligible dependents under the medical plans sponsored by PEMCHA. The stipend shall be based on the tier of coverage (i.e. single or two-party) and actual plan cost.

- **Longevity Stipend for Employees hired before July 1, 2011:** The City shall make a longevity stipend available to an employee who was hired before July 1, 2011, and who retires from the City of Commerce as described in this Section. The City shall make a longevity stipend payment on a monthly basis to the retiree's Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City's monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or the retiree's spouse (when applicable) minus the PEMHCA minimum contribution. In no event shall the City's total longevity stipend payment exceed \$1,517.36 for employees who retire after December 31, 2011.

- **Longevity Stipend for Employees hired on/after July 1, 2011:** Employees hired by the City on or after July 1, 2011, and who meet the eligibility requirements for retiree health insurance are eligible to continue in the City's group health insurance program. The City's maximum contribution towards retiree coverage under this subsection, shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis. Employees who meet the criteria described below shall be eligible to receive a longevity stipend upon retirement from the City's employment. The longevity stipend payment shall be deposited on a monthly basis into the retiree's Healthcare Reimbursement Plan (Retiree HRA Plan). The longevity stipend shall not exceed the amounts described below, which shall include the PEMHCA minimum contribution and shall be based on the cost of coverage for retiree plus spouse coverage under the medical plans sponsored by PEMHCA. The stipend shall be based on the tier of coverage (i.e. single or two-party) and actual plan cost.

≥ 5 years of full-time City Service	50% + additional 5.0% for each additional year of City service above 5 years (e.g., 10 yrs = 75% or \$1,138.02)
15 years and above of full-time City Service	\$1,517.36 (100%)

- **CalPERS Pre-Retirement Optional Settlement Death Benefit:** Effective upon MOU adoption the City will amend the PERS Contract to include a PERS Pre-retirement Optional Settlement Death benefit for full-time vested employees age 50 and above. The benefit allows the spouse or domestic partner of a deceased member who was eligible for service at the time of death to receive the Pre-Retirement Option 2W Death Benefit in lieu of the lump sum Basic Death Benefit. The benefit is a monthly allowance equal to the amount the member would have received if he/she had retired for service on the date of death and elected Option 2W, the highest monthly allowance a member can leave a spouse or domestic partner.

Section 3. This Resolution shall take full force and effect immediately upon adoption by the City Council.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2011, at Commerce, California.

Joseph Aguilar, Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk



MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CITY OF COMMERCE

AND

**THE CITY OF COMMERCE EMPLOYEES ASSOCIATION
MID-MANAGEMENT AND NON-MANAGEMENT
FULL TIME EMPLOYEES**

2011-2012

**MEMORANDUM OF UNDERSTANDING
MID-MANAGEMENT AND NON-MANAGEMENT
FULL-TIME EMPLOYEES**

FISCAL YEAR JULY 1, 2011 — JUNE 30, 2012

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MEMORANDUM OF UNDERSTANDING

**MID-MANAGEMENT AND NON-MANAGEMENT
FULL-TIME EMPLOYEES
FISCAL YEAR JULY 1, 2011 — JUNE 30, 2012**

PREAMBLE

This Memorandum of Understanding is entered into with reference to the following facts:

- A. Representatives of Management for the City of Commerce (hereafter "City") and representatives of the City of Commerce Employees Association (hereafter "Association") have met on a number of occasions and have conferred in good faith, exchanging proposals concerning wages, hours, fringe benefits and other terms and conditions of employment of employee-members represented by the Association.
- B. The management representatives and the representatives of the Association have reached an understanding as to certain recommendations to be made to the City Council for the City of Commerce and have agreed that the parties hereto will jointly urge said Council to adopt one or more resolutions which will provide for the changes in wages, hours, fringe benefits and other terms and conditions of employment contained in these joint recommendations.

NOW THEREFORE, the City and Association representatives agree as follows:

The parties hereto shall jointly recommend to the City Council of the City of Commerce that one or more salary resolutions be adopted effectuating the following changes in salaries, fringe benefits and other terms of employment for the classifications represented by the Association.

**ARTICLE 1 UNION
SECURITY**

Section 1. Recognition.

- (a) In accordance with the Meyers-Milias-Brown Act [*Government Code* Section 3500, *et seq.*] and the Employer-Employee Resolution, the City of Commerce recognizes the City of Commerce Employees Association as the exclusive representatives of all employees in the full-time non-management employees unit and the mid-management employees unit.
- (b) "Confidential employees," as defined in City Council Resolution Number 97-40 and identified below, shall be excluded from holding union office or acting in any official capacity related to the representation of the full-time non-management and mid-management employees.

Executive Assistant to the City Administrator
Office Specialist in Administration
Senior Human Resources Analyst
Senior Management Analyst in Administration
Public Information Officer
Administrative Assistant in Human Resources
Office Technician in Human Resources

- (c) The Association recognizes the City Administrator as the exclusive representative for the City for purposes of entering into this Memorandum of Understanding, subject to the City Council's prior adoption of the Memorandum of Understanding.

ARTICLE II

CITY RIGHTS

Section 1. Exclusive Rights and Authority.

In order to ensure that the City is able to carry out its functions and responsibilities imposed by law, the City has and will retain the exclusive right to manage and direct the performance of City services and the work force performing such services, subject to certain limitations contained elsewhere in this Memorandum of Understanding. Therefore, the following matters shall not be subject to the meet and confer process, but shall be within the exclusive authority of the City. The consideration of the merits, necessity, or organization of any service activity conducted by the City shall include, but not be limited to the City's right to:

- (a) Determine issues of public policy;
- (b) Determine the mission of its constituents, departments, commissions and boards;
- (c) Determine and change the facilities, methods, technology, means, and organized structure pursuant to which the City operations are to be conducted;
- (d) Set standards and levels of service, and to expand or diminish services;
- (e) Determine and change the number of locations, relocations, and types of operations, and the processes and materials to be employed in carrying out all City functions, including but not limited to the right to contract for or subcontract for any reason any work or operations of the City, subject to "Article X, Section 2" of this Memorandum of Understanding;
- (f) Determine size and composition of the work force, and allocate and assign work to employees in accordance with requirements as determined by the City;
- (g) Determine the content and intent of job classifications, to develop new job

classifications, and determine appropriate levels of compensation;

- (h) Appoint, transfer, promote, demote and lay-off employees for lack of work or other appropriate reasons;
- (i) Discharge, suspend, demote, reprimand, withhold salary increases and benefits, or otherwise discipline employees in accordance with applicable policies and laws;
- (j) Determine policies, procedures and standards for selection, training and promotion of employees;
- (k) Assign work to and schedule employees in accordance with requirements as determined by the City, and to establish and change work schedules and assignment upon reasonable notice;
- (l) Direct its employees;
- (m) Establish and enforce employee dress and grooming standards, and to determine the style and/or types of City-issued wearing apparel, equipment or technology to be used;
- (n) Determine the methods, means, numbers and kinds of personnel by which government operations are to be conducted;
- (o) Establish employee performance standards, including but not limited to quality and quantity criteria, and to require compliance therewith;
- (p) Maintain the efficiency of governmental operations;
- (q) Exercise complete control and discretion over the organization and the technology of performing City work and services;
- (r) Determine any and all necessary actions to carry out its missions in emergencies.

The Association recognizes that the City has and will continue to retain, whether exercised or not, the unilateral and exclusive right to operate, administer and manage its municipal services and work force performing those services in all respects, subject to this Memorandum of Understanding.

Section 2. Grievance on Impacts.

The exclusive
decision-making
authority of the City
Council on matters

involving City rights and authority shall not be in any way, directly or indirectly, subject to the *grievance* procedure set forth in this Memorandum of Understanding. The employee may only grieve the impact of the exercise of exclusive City rights and authority that directly relate to matters within the scope of representation.**ARTICLE III**
COMPENSATION

Section 1. Class A/B License

For employees whose position requires possession of a valid Class “A” or “B” driver’s license:

1. The City shall provide access to the City’s medical facility and pay for the required physical examinations necessary to secure appropriate licenses.
2. Departments shall provide up to one (1) hour paid release time for employees to complete the required physical examination at the City’s medical facility. Such release time shall be pre-approved by the employee’s supervisor and shall not impact department’s staffing or operational needs.
3. The City shall reimburse all employees up to \$39.00 for the cost to obtain and/or renew their Class A or B License.

Section 2. Median- Pay

A 5% premium pay shall be given to Park Maintenance employees when regularly assigned to perform median maintenance work 50% or more of the time as an average. A 2.5% premium pay shall be given to a Park Maintenance employees when assigned to median maintenance 25% to 50% of the time, as an average. Premium pay is not provided for assignments of less than a complete pay period.

Section 3. Merit Increase

Upon initial appointment to any position in a job class, full-time employees shall be placed at the minimum or first step of a salary range for that job class. A department director may, as authorized by the City Administrator, appoint at a higher step in the salary range when in accordance with the Personnel Policies and Procedures, Salary Plan.

Merit Increase:

Full-time employees shall be advanced within their respective compensation ranges in accordance with the following schedule and pursuant to the City of Commerce Personnel Policies and Procedures and any exceptions therein:

Step 2 - At the completion of six (6) months of satisfactory service in Step 1.

Step 3 – At the completion of one (1) year of satisfactory service in Step 2.

Step 4 – At the completion of one (1) year of satisfactory service in Step 3.

Step 5 – At the completion of one (1) year of satisfactory service in Step 4.

Special Merit Increases:

When an employee demonstrates exceptional ability and proficiency beyond the call of duty, such employee may, upon recommendation of the Department Director, concurrence of the Director of Human Resources, and approval of the City Administrator, be awarded one step higher within the salary range for his/her job class upon completion of one (1) year length of service in the position.

Please refer to the City of Commerce Personnel Policies and Procedures, Salary Plan Administration for further guidelines and policy.

Section 4. Overtime

Employees will be paid overtime at time and a half for all productive time worked over forty (40) hours in a single workweek. Holidays (including flex holidays and birthdays) not actually worked will count as time worked for the purpose of computing overtime. All other paid leave does not count as time worked for the purpose of computing overtime.

Except for Camp Commerce employees, double time is paid for hours worked over twelve productive hours (including paid breaks) in a single day or for hours worked on the seventh consecutive day of work in the seven day workweek.

**ARTICLE IV
UNIFORM ALLOWANCE**

Section 1. Uniforms

Should the City require employees to wear a specific uniform, it shall be financially responsible to cover the cost of such uniforms. Uniform replacement shall be governed by specific departmental policies and practices.

Section 2. Safety Footwear

The City shall provide reimbursement not to exceed \$150 per fiscal year for employees required by City safety regulations to wear safety footwear to work in each year the employee, in fact, purchases and utilizes such footwear at work. Please refer to City of Commerce Personnel policies and Procedures, Work Uniforms for Employees, for specific terms and policy.

ARTICLE V
BENEFITS

The City's current Personnel Policies and Procedures shall govern the extent to which insurance benefits are given and maintained. The City agrees to meet and confer with the Association prior to any final decision by the City to reduce any current benefits during the term of this Memorandum of Understanding.

As a product of the year 2011-2012 meet-and-confer process, the City and the Association have agreed to the following City benefit programs:

Section 1. Employee Medical Health Plan Benefits.

From the effective date of this Memorandum of Understanding through December 31, 2011, the City will contribute to members of the Association's full time bargaining unit up to 100% of the 2011 health insurance premium rates charged by the CalPERS designated health insurance plans (Blue Shield of CA Access+, Blue Shield of Ca Net Value, Kaiser Ca. PERS Choice, PERS Select, and PERS Care), consistent with the employee's choice of plan and subject to the eligible benefit category for which they qualify: Single Party, 2-Party, and Family.

Effective January 1, 2012, the City shall pay the PEMHCA minimum contribution for active and retired employees. The City shall also implement as of January 1, 2012 a Cafeteria Plan (Premium Only Plan) under IRS Section 125 for active employees. Until the expiration of the term of the Memorandum of Understanding, the City's contribution to the Cafeteria Plan shall be the 2012 premium rates for "Other Southern California" as published by CalPERS for the designated health insurance plans. In no event shall the City's contribution under the City's Cafeteria plan exceed the "2012 Other Southern California" rates for each of the eligible benefit categories established in the "2012 Other Southern California" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution.

This section does not change the provisions of City Policy III-I, Health and Hospitalization Insurance Plan. To the extent that any changes are to be made to

the Employee Medical Health Plan Benefits, the parties shall be required to comply with the requirements of the Meyers-Milias Brown Act (*Government Code Section 3500 et seq.*) and any other applicable state or federal law.

Section 2. Dental Plan.

The City shall maintain current dental insurance coverage and pay any increase that may occur during the term of this agreement. (See Appendix A for summary of benefits)

Section 3. Vision Plan.

The City's vision plan shall remain at the current benefit levels. (See Appendix B)

Section 4. Deferred Compensation.

1. The City shall contribute \$25.00 per pay period to employee deferred compensation plan whether or not employee contributes to the plan.
2. The City shall match employee deferred compensation contributions, **in an amount not to exceed 3% of the employee gross salary contribution per pay period.** For example, if an employee contributes 1% of gross salary to the plan, the City shall contribute an amount equal to 1% of gross salary. If the employee contributes more than 3% of the employee's gross salary per pay period, the City shall pay an additional contribution equal to 5% of that part of the employee's contribution that exceeds 3% of the employee's gross salary per pay period.
3. **Effective Date** – These deferred compensation provisions shall be effective commencing with the first payroll period of July 2008.
4. **Compliance with State and Federal Regulations** – The parties agree and acknowledge that a variety of State and Federal statutes and regulations govern participation in deferred compensation plans. If any of these Memorandum of Understanding provisions conflict with any State or Federal statutes or regulations, the State and Federal statutes and regulations shall take precedence and shall be complied with. The Association and the full-time employees waive any claims they may have against the City in the event of such a conflict.
5. **Exclusions** – The 3% City contribution described above shall apply only to employee gross salary deferred compensation contributions made during each payroll period. The 3% City contribution shall not be provided for any employee deferred compensation contributions that are made as a result of a "buy back" as that term is defined by Internal Revenue Service Code or regulations. Additionally, the 3% City contribution shall not be applied to any employee deferred compensation contributions that are made as a

result of converting any type of leave balance to deferred compensation.

Section 5. City Retirement Gift.

An employee must have five years of full-time service in order to qualify for a City retirement gift. The City retirement gifts are as follows:

5 years, but less than 10 years	\$500.00
10 years, but less than 14 years	\$750.00
14 years, but less than 16 years	\$800.00
16 years, but less than 17 years	\$850.00
17 years, but less than 18 years	\$900.00
18 years, but less than 20 years	\$950.00
20 years or more	\$1,000.00

Section 6. Computer Purchase Program.

The City's interest-free computer loan program has an amount of \$30,000, available in the loan pool. See the Employee Computer Purchase Assistance Program in the City's Personnel Policies & procedures Manual.

Section 7. PERS Pre-Retirement Optional Death Benefit.

Effective upon adoption of the Memorandum of Understanding, the City will take steps to amend its contract with CalPERS in order to include a Pre-Retirement Optional Settlement Death benefit for full-time vested employees age 50 and above.

Section 8. Longevity Stipend for Employees hired before July 1, 2011 retiring on or before December 31, 2011

The City shall make a longevity stipend available to an employee who was hired before July 1, 2011 and who retires from the City of Commerce on or before December 31, 2011. The longevity stipend shall be deposited on a monthly basis into the retiree's Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City's monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or eligible dependents (when applicable) minus the PEMHCA minimum contribution. The longevity stipend shall be based on the cost of coverage for retiree and/or eligible dependents under the medical plans sponsored by PEMCHA. The stipend shall be based on the tier of coverage (i.e. single, or two-party) and actual plan cost.

Section 9. Longevity Stipend for Employees hired before July 1, 2011

The City shall make a longevity stipend available to an employee who was hired before July 1, 2011 and who retires from the City of Commerce as described in

this Section. The City shall make a longevity stipend payment on a monthly basis to the retiree's Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City's monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or the retiree's spouse (when applicable) minus the PEMHCA minimum contribution. In no event shall the City's total longevity stipend payment exceed \$1,517.36 for employees who retire after December 31, 2011.

This Section does not change the provisions of City Policy III-I, Health and Hospitalization Insurance Plan. To the extent that any changes are to be made to the Longevity Stipend, the parties shall be required to comply with the requirements of the Meyers-Milias Brown Act (*Government. Code Section 3500 et.seq.*) and any other applicable state or federal law.

Section 10. Longevity Stipend for Employees hired on/after July 1, 2011.

Employees hired by the City on or after July 1, 2011 and who meet the eligibility requirements for retiree health insurance are eligible to continue in the City's group health insurance program. The City's maximum contribution towards retiree coverage under this subsection, shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis. Employees who meet the criteria described below shall be eligible to receive a longevity stipend upon retirement from the City's employment. The longevity stipend payment shall be deposited on a monthly basis into the retiree's Healthcare Reimbursement Plan (Retiree HRA Plan). The longevity stipend shall not exceed the amounts described below, which shall include the PEMHCA minimum contribution and shall be based on the cost of coverage for retiree plus spouse coverage under the medical plans sponsored by PEMHCA. The stipend shall be based on the tier of coverage (i.e. single or two-party) and actual plan cost.

≥ 5 years of full-time City Service	50% + additional 5.0% for each additional year of City service above 5 years (e.g., 10 yrs = 75% or \$1,138.02)
15 years and above of full-time City Service	\$1,517.36 (100%)

This Section does not change the provisions of City Policy III-I, Health and Hospitalization Insurance Plan. To the extent that any changes are to be made to the Longevity Stipend for Future Employees, the parties shall be required to comply with the requirements of the Meyers-Milias Brown Act (*Government. Code Section 3500 et.seq.*) and any other applicable state or federal law.

ARTICLE VI
LEAVE

Section 1. Bereavement Leave.

Pursuant to the City's Bereavement Leave Policy, when a regular full-time employee's "immediate family member" dies or is critically ill and death appears imminent, the employee shall be entitled to up to forty (40) hours of paid leave per occurrence. "Immediate family member" shall be defined as: mother, father, spouse, registered domestic partner, child, step child, brother, sister, grandchild, grandparents, mother-in-law, father-in-law, stepmother, stepfather, sister-in-law, brother-in-law, daughter in-law, son-in-law, spouse's grandparents and great grandparents, as well as the equivalent relatives of a registered domestic partner.

Bereavement leave is paid over a maximum of seven (7) work days and is paid in thirty minute increments. The bereavement leave begins on the first regularly scheduled workday as requested by the employee. If the employee learns of the death while at work, he or she is entitled to leave work immediately; this partial day leave will not be counted towards the bereavement leave. Bereavement leave must be authorized by the Department Director and must be utilized within 15 days of employee learning of the death, or of the date of foreseen imminent death of the immediate family member, unless special circumstances require that the leave begin at a later date. Such requests to the Department Director shall be made within 15 days of the employee learning of the death or of the date of foreseen imminent death and shall not be unreasonably denied.

Section 2. City's Personnel Policies and Procedures.

All other matters related to holiday and flexible leave which are not addressed in this Memorandum of Understanding, shall be governed by the City's Personnel Policies and Procedures.

Section 3. Flexible Leave.

Employees may accrue up to a maximum of forty (40) hours of flexible leave time. A maximum of forty (40) hours may be carried over to the following year.

Section 4. Holidays.

The employees in the classified services shall be provided with the following holidays with pay subject to the provisions of the City's Personnel Policies and Procedures.

New Year's Day

Labor Day

Martin Luther King Day

Veteran's Day

Lincoln's Birthday
Washington's Birthday
Memorial Day
Independence Day

Thanksgiving Day
Day after Thanksgiving
Christmas Day
Employee's Birthday

Section 5. Jury Duty.

Full-time employees shall be granted a paid leave of absence in order to perform jury duty, provided that the employee provides notification to the City for such jury duty and provides proper verification of hours spent on jury duty. Please refer to the City of Commerce Personnel Policies and Procedures, Jury Duty, for specific terms and policy.

Section 6. Sick Leave.

Full time employees shall earn eight (8) hours sick leave per month for each full month of continuous service with the City. Please refer to City of Commerce Personnel Policies and Procedures, Sick Leave, for specific terms and policy.

Section 7. Vacation Leave.

1. Vacation Accrual - Full-time employees shall accrue vacation according to the following schedule:

<u>Continuous Years of Services</u>	<u>Vacation Hours Earned</u>
Less than 5 years	8 hrs per month/96 hrs per year
5 – 8 years	10 hrs per month/120 hrs per year
8 yrs 1 mo – 13 years	12 hrs per month/144 hrs per year
13 yrs 1 mo – 20 years	13.33 per hrs month/160 hrs per year
20 yrs 1 mo +	16.67 hrs per month/200 hrs per year

2. Vacation Accumulation - The City's four-hundred eighty hour (480) maximum accumulation policy will be enforced by scheduling vacations to eliminate excess accumulation. Please refer to City of Commerce Personnel Policies and Procedures, Vacation Policy, for specific terms and policy.

**ARTICLE VII
DISCIPLINARY PROCEDURES**

The disciplinary procedures set forth in the City's Personnel Policies and Procedures shall govern during the term of this Memorandum of Understanding.

ARTICLE VIII
GRIEVANCE PROCEDURES

The grievance procedure is used to ensure that employees have the opportunity to address work-related concerns.

The following grievance procedure applies only to Civil Service employees who have successfully completed their probationary period as defined in the City's policies.

- (a) Definition of "grievance: A "grievance" shall be defined as a timely complaint by an employee or group of employees concerning personnel practices, working conditions, employee policies or MOU.
- (b) Time Limits for Filing Written Formal Grievances: the time limits for filing written formal grievances shall be strictly construed, but may be extended by mutual agreement evidenced in writing and signed by an authorized representative of the City and the grievant. Failure of the grievant to comply with any of the time limits set forth hereunder shall constitute waiver and bar further processing of the grievance.
- (c) The grieving party is entitled to have representation of his or her choice at any level of the grievance procedure.

STEPS OF THE GRIEVANCE PROCEDURE

- | | | |
|-------------|---|--------------------------------|
| 1. Informal | - | Immediate Supervisor |
| 2. Formal | - | Department Head |
| 3. Formal | - | City Administrator or Designee |
| 4. Formal | - | Binding Arbitration |
-
1. Informal – Immediate Supervisor: The employee must first attempt to resolve a grievance verbally with his/her immediate supervisor as soon as possible. Every effort shall be made to find an acceptable solution to the grievance informally at this level.
 2. Formal – Department Head: If the grievance is not resolved using the informal process, a written grievance shall be filed within twenty (20) business days from the date of the alleged incident giving rise to the grievance, or when the grievant knew or should have reasonably become aware of the acts giving rise to the grievance. The grievant shall discuss the grievance with the department head. The department head shall render a decision and comments, in writing, regarding the merits of the grievance and return them to grievant within twenty (20) business days after receiving the grievance.

In cases involving appeals from disciplinary action, the grievant shall bypass the informal grievance step and file his/her appeal directly at the formal grievance step within twenty (20) business days of the effective date of the disciplinary action or his/her right to appeal shall be waived.

3. Formal – City Administrator: If the grievance is not resolved at "Step 2" or if no answer has been received from the department head within twenty (20) business days, the written grievance shall progress to the City Administrator for determination.

The grievant shall have twenty (20) business days from the date when the department head's written response is received, or when the response was due, to file a written appeal directly to the City Administrator or forfeit his/her right of appeal, in which case, the grievance will be considered final based on the department head's response.

The City Administrator shall schedule an oral hearing and shall render a written decision, based on the merits of the grievance and return it to the grievant within twenty (20) business days from the date of the hearing. The City Administrator's decision shall be final and binding on all non-disciplinary matters as well as for all disciplinary matters not exceeding the equivalent of twenty-four (24) hours pay. If the City Administrator does not render a decision within twenty (20) business days, or does not request and receive a mutually agreed upon extension of time, the grievance shall be resolved in favor of the grieving party.

4. Formal – Binding Arbitration: In addition to the procedures described above, Civil Service employees shall be entitled to appeal disciplinary suspensions in excess of twenty-four (24) hours at one time, demotions, terminations, or reductions in pay exceeding the equivalent of twenty-four (24) hours pay to an independent hearing officer from a list of nine (9) supplied by the American Arbitration Association in accordance with their rules and procedures. Should the grievant and Director of Human Resources fail to reach an agreement in the selection of a hearing officer, each shall strike names from the list until a final name is selected as the hearing officer.

The grievance shall be barred and waived unless filed in writing with the Director of Human Resources within twenty (20) business days after the "Step 3" grievance decision is mailed to the grievant.

The costs of arbitration shall be split evenly between the City and the grievant.

The Director of Human Resources shall act as the clerk for this hearing. The determination of the hearing officer shall be final and binding upon all parties.

ARTICLE IX

LAYOFF/BUMPING PROCEDURES

This policy ensures the fair and equitable process in the reduction of the City

workforce.

1. The Layoff/Bumping Procedures only apply to non-probationary full-time employees and full-time classifications.
2. In all cases, the position being 'bumped/laid off' shall be the position with the lowest seniority in the job classification.
3. In the event of layoff, layoff shall be made in reverse order of seniority in the class in which the layoff occurs. The employee who has the least time in paid status, excluding overtime, in the class, plus any higher classes, shall be considered to have the least seniority and, therefore, shall be laid off first. In the case where two or more employees have the same time in paid status excluding overtime, the employee with the latest date of employment shall be laid off first. In the event of a tie, the employee with the latest date of application, as evidenced by a date stamp, shall be laid off first. The City shall provide the Association with copies of all seniority lists used for layoffs as soon as possible, but at least ten (10) business days prior to any notice of layoff.
4. A laid off employee may displace or "bump" an employee in a lesser paid job classification within the same occupational family or a classification in which he/she has previously served. In calculating seniority, time spent in all full-time paid classifications shall be counted in determining total seniority for purpose of bumping. Further, employees who "bump" into lower paid classifications shall have their seniority from the higher paid classification transferred with them into the lower classification to count toward total seniority with that classification.
5. The names of permanent employees thus laid off shall be placed upon the reemployment list for the class from which they were laid off. Names on the reemployment list shall be in the order of seniority and shall be valid for twenty-four (24) months from the date of layoff. Employees who "bump" into a lower classification shall also be included on any re-employment list. The re-employment list for a given classification shall be used by the appointing authority before a position is filled by other means.
6. If a person is not available to accept an offer of re-employment for any extended period of time (2 weeks or more) and if a vacancy occurs during the period of non-availability, the person's name will remain in position on the re-employment list, however, the offer of re-employment will be made to the next person on the re-employment list.
7. A person's failure to appear at the prescribed time and place after acceptance of a position will constitute grounds to remove their name from the re-employment list.
8. If a person on a re-employment list is offered a position with the same salary, or more, as compared to the position from which he/she was laid off,

and the person refuses the offer, he/she shall have his/her name removed from the re-employment list.

9. If a person accepts a position at a lesser salary than the position from that which he/she was laid off, his/her name shall remain in the re-employment list for the balance of the initial twenty-four (24) month period.
10. A full-time employee may "bump" a part-time employee with lesser seniority, in the same or a lesser paid job classification within the same occupational family as the full-time employee or in a classification in which the full-time employee has previously served. If a full-time exercises such bumping rights, he or she will thereafter be considered a part-time employee and will be subject to the at-will status of part-time personnel. A full-time employee who bumps to a part-time classification shall retain their place on the full-time re-employment list for the 24 month period from the date of layoff.
11. Seniority between a full-time and part-time employee shall be based upon the total hours worked in the classification.

ARTICLE X **SENIORITY**

The City will consider seniority as the primary factor, where the job performance is equal, when making assignments of work schedules, special events, and vacation. Seniority shall be defined as length of service in the position. The updated seniority list shall be distributed 90-days after the end of each fiscal year.

ARTICLE XI **ANTI-DISCRIMINATION AND HARASSMENT POLICY**

I. PURPOSE

State and federal law expressly prohibit discrimination and/or harassment of employees or applicants based upon race, religion, creed, color, national origin, ancestry, physical or mental disability, medical condition, birth of a child, pregnancy, veteran status, sexual orientation, marital status, sex, or age over 40 years.

The City is committed to providing a work environment that is free from discrimination and harassment. In keeping with this commitment, the City maintains a strict policy prohibiting discrimination and harassment, including sexual harassment.

The purpose of this Policy is to define and forbid discriminatory and/or harassing conduct, to prohibit the condoning or perpetuating of such conduct and to provide

an efficient means for reporting and resolving complaints of discrimination and/or harassment.

II. POLICY

The City considers discrimination and/or harassment a serious offense and is firmly committed to the philosophy that every employee has the right to work in an environment free from discriminatory intimidation, ridicule and insult, and to be treated with courtesy, dignity and respect. Every employee is expected to adhere to a standard of conduct that is respectful to all persons within the work environment.

The City's policy strictly prohibits unlawful discrimination and harassment on the basis of race, religion, creed, color, sex, sexual orientation, national origin, ancestry, physical or mental disability, medical condition, pregnancy, the birth of a child, veteran status, marital status or age over 40 years ("a legally protected category").

In keeping with this commitment, the City maintains and follows a strict policy prohibiting unlawful discrimination and harassment, in any form, including verbal, physical and visual harassment, coercion, and/or reprisal. This policy applies to all employees, patrons, vendors and visitors. The City does not tolerate discrimination, sexual or other harassment of employees in the work place or in any work-related situation by anyone. If, after a prompt and thorough investigation, it is determined that an employee has engaged in discrimination and/or sexual or other harassment, that employee will be disciplined, up to and including discharge.

III. PROHIBITED CONDUCT

The City's Anti-Discrimination and Harassment prohibits the following types of conduct:

- A. Discrimination. Discrimination is any action or conduct by which an employee is treated differently or less favorably than other employees similarly situated to him or her for the sole reason that he or she is a member of a legally protected category. For example, it would be discrimination for an individual to be denied employment or terminated from employment solely because that individual has a disability or is 40 years of age or older.
- B. Harassment. Unlawful harassment is any verbal or physical conduct based on an employee's membership in a legally protected category that is sufficiently severe or pervasive so as to affect an employee's work performance negatively and/or alter the conditions of employment, and/or creating an intimidating, hostile or otherwise offensive working environment.

- C. Sexual Harassment. Sexual harassment is defined as follows: Any action that constitutes an unwelcome sexual advance or request for sexual favors, or any verbal or physical conduct of a sexual nature that is (i) related to or conditional to the receipt of employee benefits, including, but not limited to, hiring and advancement, (ii) related to or forms the basis for employment decisions affecting the employee, or (iii) sufficiently severe or pervasive so as to affect an employee's work performance negatively and/or alter the conditions of employment and create an intimidating, hostile or otherwise offensive working environment.

Examples of the type of conduct that can constitute unlawful harassment or sexual harassment include, but are not limited to, the following:

1. Verbal harassment - For example: epithets, derogatory comments or slurs, graphic commentaries about an individual's body or other suggestive comments made on the basis of a legally protected category.
2. Physical harassment - For example: assault, impeding or blocking movement, interference with normal work movement, massages, sitting on laps, or unwanted touching of any type based upon a legally protected category.
3. Visual forms of harassment - For example: leering, making derogatory gestures, derogatory posters, pictures, notices, bulletins, cartoons, drawings, e-mails, computer screen savers, faxes or other depictions of a sexual nature based upon a legally protected category.
4. Sexual conduct - For example: unwelcome sexual advances, requests for sexual favors, propositions, and other verbal or physical conduct of a sexual nature which is made a condition of an employment benefit or unreasonably interferes with an individual's work performance and creates an offensive work environment.
5. Retaliation - Taking adverse employment action against any employee for having reported or threatened to report unlawful discrimination or harassment.

Any questions regarding these definitions of discrimination, harassment, or sexual harassment, or uncertainty as to what constitutes discrimination, harassment, or sexual harassment or, uncertainty as to what constitutes prohibited conduct under the City's policy, will be referred to the Human Resources Department.

IV. REPORTING DISCRIMINATION OR HARASSMENT

City management shall be readily available and receptive to receiving complaints of discrimination, sexual or other harassment. If an employee feels that he or she

is being discriminated against or harassed by another employee, a supervisor, a vendor, a visitor, or a patron, the employee shall immediately report the facts of the incident or incidents and the name(s) of the individual(s) involved to his or her immediate supervisor. If the matter cannot be discussed with the immediate supervisor or the immediate supervisor is the subject of the complaint, the employee shall contact the Director of Human Resources and arrange for a meeting to discuss the complaint. If the matter cannot be discussed with the Director of Human Resources, the employee shall contact the City Administrator and arrange for a meeting to discuss the complaint.

Complaints must be made as soon as possible after the incident. In addition, a written and signed statement of the complaint shall be submitted to the impacted supervisor, the Director of Human Resources or the City Administrator within 10 days of the initial report. Within 15 working day of receipt of the complaint, the City will conduct an appropriate investigation regarding the allegations and will verbally and in writing advise the party who is the subject of the complaint of the name of the complaining party, the nature of the allegations and how the City intends to address the complaint.

Written complaints should include the following information:

- A. The complaining party's name, department and position title.
- B. The name of the person or persons committing the discrimination or harassment, including their title(s), if known.
- C. The specific nature of the harassment or discrimination, the period of time of the harassment or discrimination, any employment action (demotion, failure to promote, dismissal, refusal to hire, transfer, etc.) taken against the victim as a result of the harassment or discrimination (if applicable), or any other threats made against the victim as a result of the harassment or discrimination.
- D. The name of any witnesses to the harassment or discrimination.
- E. Any documentation or other evidence to support the allegations of the complaint, if any.
- F. Whether the complaining party previously has reported such harassment or discrimination, and, if so, when and to whom.

Notification to the City is required. The complainant will be assured that he or she will not be penalized in any way for reporting discrimination, sexual harassment or other harassment. This would be considered retaliation and it is unlawful for an employer to retaliate against employees who oppose practices prohibited by state and federal law, file complaints, or otherwise participate in an investigation, proceeding or hearing conducted by the Department of Fair Employment and Housing or the Equal Employment Opportunity Commission.

Similarly, the City will not tolerate any employees who interfere with its own internal investigations and its own internal complaint procedure.

Employees are also protected from sexual or other harassment by non-employees (e.g. vendors, visitors). Any employee who is the victim of any discrimination or harassment by a non-employee or observes this conduct toward another City employee should report such discrimination or harassment to his or her immediate supervisor, the Director of Human Resources or the City Administrator and appropriate action will be taken. Likewise, employees who observe or are advised about the discrimination, sexual or other harassment of another employee are encouraged to follow these reporting procedures.

The City cannot resolve discrimination or a sexual or other harassment problem unless it is known. Therefore, it is the responsibility of the employee to bring those kinds of problems to the attention of the City so that the necessary steps can be taken to correct the problem.

V. THE CITY'S RESPONSE TO COMPLAINTS OF HARASSMENT OR DISCRIMINATION

All complaints of harassment or discrimination that are reported to management will be investigated promptly, thoroughly, objectively, completely and as confidentially as possible. The City, as part of its investigation, will make every attempt to interview all individuals with information relative to the complaint.

Any investigation related to a complaint under this policy will be conducted with as much confidentiality as possible and with respect for the rights of all individuals involved. Efforts will be made to protect the privacy of the parties involved in a complaint. Information related to the investigation will be provided to those individuals such as City Administrator and/or the City Attorney in order for the City's interests to be properly protected.

The purpose of this provision is to protect the confidentiality of the employee who files a complaint, to encourage the reporting of any incidents of harassment or discrimination, and to protect the reputation of any employee wrongfully charged with harassment or discrimination.

It is important for the complaining party and the person subject to the complaint to understand that it is a violation of this policy to discuss an investigation with their employees or to conduct their own investigation at anytime. If an employee has any information to assist the City, he or she should contact the Human Resources Department. Failure to follow this policy may subject the employee to discipline, as the confidential nature of the complaint and the investigation is vital in protecting the privacy rights of all parties involved.

The City will make its determination and communicate that determination to the complaining employee and to the party subject to the complaint. The complainant is not entitled to copies of any notes or other written materials regarding the

investigation, as such are considered confidential documents. If it is determined that the party subject to the complaint has violated City policies, appropriate corrective action will be taken in accordance with established City disciplinary procedures, up to and including discharge. Furthermore, as part of the City's attempt to remedy the complaining employee's concerns, the complaining employee will be informed of the remedial measures to be taken by the City.

VI. DEPARTMENT OF FAIR EMPLOYMENT & HOUSING (DFEH)

Employees who believe that they have been harassed or discriminated against within one year of harassment may file a complaint of discrimination with the California Department of Fair Employment and Housing ("DFEH"). The DFEH may also investigate and process the complaint. Violators are subject to penalties and remedial measures that may include sanctions, fines, injunctions, reinstatement, back pay and damages. The address and phone number of the local office of the Department of Fair Employment and Housing is as follows:

Los Angeles District Office
611 West Sixth Street, Suite 1500 Los
Angeles, CA 90017
(213) 439-6799
Toll-Free (800) 884-1684

VII. FALSE ACCUSATIONS

As set forth above, the City vigorously defends its employees' right to work in an environment free of discrimination, sexual or other harassment. However, the City also recognizes that false accusations of discrimination, sexual or other harassment can have serious consequences to an individual's career and reputation. The City trusts that all employees will continue to act responsibly in reporting discrimination, sexual and other harassment. The City encourages employees to raise questions regarding discrimination, sexual or other harassment

with his or her immediate supervisors, department heads, the Director of Human Resources or the City Administrator.

VIII. IMPLEMENTATION

Each Department Head is responsible to ensure that the work environment in his or her department is free of unlawful harassment or discrimination. To that end, each City Department shall:

- A. Have supervisors discuss this Policy including the complaint resolution procedures with all employees he or she supervises;
- B. Require supervisors to communicate to the employees the City's and the supervisor's strong disapproval of unlawful harassment or discrimination;

- C. Monitor the work environment to ensure that all reasonable steps have been taken to prevent unlawful harassment or discrimination from occurring;
- D. Cooperate in the investigation and, when warranted, implement any remedial action;
- E. Ensure that no one who reports unlawful harassment or discrimination or who assists in making a harassment or discrimination complaint or who cooperates in a harassment or discrimination investigation is retaliated against; and
- F. Document the fact that Steps A and B have been taken.

ARTICLE XII
OTHER MATTERS WITHIN THE SCOPE OF REPRESENTATION

Section 1. Meet and Confer in Good Faith.

The City shall not be required to meet and confer in good faith on any subject preempted by federal or state law. The City shall meet and confer in good faith with the Association on all matters related to the salaries, fringe benefits and other terms and conditions of employment, as in accordance with the Meyers-Milias-Brown Act.

Section 2. Job Security.

The City and the Association share a common interest in maintaining the stability and the security of the City's workforce. As such, the City shall initiate a meet-and-confer process with the Association no less than 90 days prior to any decision to contract for the work of any employee represented by the Association. The City will discuss with the Association all economic issues related to such contracting during the meet-and-confer process and prior to sending out Requests for Proposals (RFP's) or otherwise seeking to identify qualified contractors. In the event that the City subsequently decides to enter into a contract, the City will work with the Association in an attempt to mitigate the effects that contracting might have on any employee represented by the Association. The City will make its best efforts to find alternative City employment for those employees affected. Management will attempt to find alternative City employment as close as possible to the employee's current salary level provided that the employee meets the minimum qualifications for this alternative employment.

Section 3. Agency Shop Notice.

1. The City shall provide all newly hired employees with an authorization notice advising them that agency shop for the Association has been implemented pursuant to a vote of the bargaining unit's members in accordance with state law, that agency shop is covered by an agreement between the City and the Association, and that all employees subject to the agreement must either join the Association, pay a service fee to the Association, or execute a written

declaration claiming a religious exemption from this requirement.

2. Such notice shall include a form for the employee's signature authorizing a payroll deduction of Association dues, a service fee or a charitable contribution equal to the service fee. Such service fee shall be established by the Association. Employees shall have ten (10) calendar days from the date they receive the form to fully execute it and return it to the City's Human Resources Department.
3. If the form is not completed properly or returned within ten (10) calendar days, the City shall commence and continue a payroll deduction of service fees from the regular bi-weekly paychecks of such employee.
4. Dues withheld by the City shall be transmitted by direct deposit to the AFSCME District Council 36 bank account, unless otherwise directed by the Association President
5. The effective date of Association dues, service fees, or charitable contributions shall begin no later than the beginning of the first pay period commencing fourteen (14) calendar days after receipt of the authorization form by the employee.
6. No unit member shall be required to join the Union or to make an agency fee payment if the unit member is an actual verified member of a bona fide religion, body, or sect which has historically held conscientious objections to joining or financially supporting employee organizations; this exemption shall not be granted unless and until such unit member has verified the specific circumstances. Such employee must, instead, satisfy his or her obligation by donating the equivalent amount to a non-labor, non-religious charitable fund, tax exempt under section 501, subdivision (c)(3) of the *Internal Revenue Code*, which is chosen by the Association. The Association has selected the following three qualified charitable funds that the exempt employee n may choose: American Cancer Society, American Red Cross, St.. Jude Children's Research Fund Hospital. This list may change from time to time, but only upon written notice and agreement by both parties.
7. The City shall provide the Association with a monthly list of new hires, including name, date of hire, job classification, pay rate, work location and home address and phone number.
8. The Association shall keep an adequate itemized record of its financial transactions and shall make available annually to the City, and upon request to the employees who are members of the Association, within sixty (60) days after the end of its fiscal year, a detailed written financial report thereof in the form of a balance sheet and an operating statement, certified as to accuracy by its President and Treasurer or corresponding principal officer, or by a Certified Public Accountant. A copy of financial reports required under the Labor-Management Disclosure Act of 1959 or *Government Code* Section

3546.5 shall satisfy this requirement

9. This agency shop arrangement shall be null and void if rescinded by a vote of employees pursuant to *Government Code* Section 3502.5, subdivision (d).
10. The Association shall defend, indemnify and hold harmless, the City of Commerce from any demand, claim, other action and for any liability or cost arising out of any such demand, claim or other action that arises out of this agreement.

Section 4. Union Access.

City equipment may be used to conduct Association business, provided it is authorized by the City Administrator or his or her designee. City equipment shall include, but not be limited to telephones, photocopiers, all forms of electronic communication, and facilities. The following are examples of situations where the City Administrator may reasonably authorize such use: (1) to schedule Association meetings, (2) to transmit meet and confer proposals, (3) to conduct Association meetings noticed pursuant to Association by-laws for the consideration of Memorandum of Understanding approval/ratification votes.

Section 5. Association Representatives.

The Association may designate representatives to represent employees in processing grievances and at Skelly hearings. The following conditions shall apply.

The Association may designate Representatives who must be members of the Association, and shall provide all departments with a written list of employees who have been so designated. City management will accept on a quarterly basis any changes to the list. A Representative may represent a grievant in the presentation of a grievance at all levels of the grievance procedure. A Representative may represent an employee in pre-disciplinary hearings (Skelly) or pre-disciplinary interviews where there is a reasonable expectation that disciplinary action will follow.

An employee and his/her Representative may have a reasonable amount of paid time off for the above-listed activities. However, a representative will receive paid time off only if he/she is the representative of record; or is another City employee, not a representative of record, who is requested to accompany the employee seeking representation to an interview which the employee reasonably believes, may result in punitive action or to a meeting where documents shall be served.

If a Representative must leave his/her work location to represent an employee, he/she shall first obtain permission from his/her supervisor on a form provided by the City for such purpose. In those instances where an employee is working away

from City Hall and is requested to provide representation, that employee shall first obtain verbal authorization from a supervisor to do so. As soon as is reasonably practicable, but not later than the end of the employee's following workday, the release shall be documented on a City provided form. Permission to leave will be granted unless such absence would cause an undue interruption of work. If such permission cannot be granted promptly, the grievant's Representative will be informed when time can be made available. To the extent reasonable and compatible with City operational needs, such time will not be more than forty-eight (48) hours, excluding scheduled days off and/or legal holidays, after the time of the Representative's request unless otherwise mutually agreed to. Denial of permission to leave at the time requested will automatically constitute an extension of time limits provided in the grievance procedure herein, equal to the amount of the delay.

Before leaving his/her work location, the Representative shall call the requesting employee's supervisor to determine when the employee can be made available. Upon arrival, the Representative will report to the employee's supervisor who will make arrangements for the meeting requested.

The City will make reasonable time available to Representatives to investigate grievances and disciplinary matters on behalf of the grievant. Time spent on grievances, or the pre-disciplinary representation activities described above, outside of regular working hours of the employee or his/her Representative, shall not be counted as work time for any purpose.

Section 6. Non-Discrimination.

The parties shall treat all employees equally in employment matters without regard to race, color, religion, sex, sexual orientation, age, national origin, disability, and political or union activity.

Section 7. Joint Labor/Management Committee.

The City and the Association will maintain a Joint Labor Management Committee (the "Committee") comprised of seven (7) members. The City's members shall consist of representatives from the Human Resources Department and various other departments. The Association shall provide four (4) members to sit on its committee, which shall consist of two (2) full-time employees and two (2) part-time employees. Additional department and employee representatives may participate on the Committee to deal with departmental matters which may be addressed. This Committee shall meet monthly, or less frequently upon agreement of the Committee.

The JLM shall be utilized to allow the parties to discuss matters affecting the workplace environment.

The JLM shall not be a means for participating in the meet and confer process as provided for by *Government Code* Sections 3500 *et. seq.* The JLM's meetings shall not be "meet and confer" sessions as that term is used in *Government Code*

Sections 3500 et.seq.

JLM consideration of proposed changes in terms and conditions of employment shall not occur and is not a condition precedent to the exercise by the City of its rights.

Section 8. City's Personnel Policies and Procedures and Standard Operating Procedures.

The City's Personnel Policies and Procedures and Standard Operating Procedures shall govern during the term of this Memorandum of Understanding, unless otherwise indicated herein.

**ARTICLE XIII
MODIFICATION**

Section 1. Maintenance of Existing Conditions.

Any employment policy, practices and/or benefits, including the alternative workweek schedule and overtime compensation are incorporated into this Memorandum of Understanding, unless otherwise stated herein. In the event of a conflict between the Memorandum of Understanding and an existing policy and/or practice, this Memorandum of Understanding shall govern.

Section 2. Modification and Waiver.

The City reserves the right to add to, delete from, amend or modify the Administrative rules, the City Municipal Code, and the City's Personnel Policies and Procedures Manual during the term of the Memorandum of Understanding, subject to the requirements of the Meyers-Milias-Brown Act.

Section 3. Severability.

In the event that a court finds any provision(s) of this Memorandum of Understanding to be invalid or unenforceable, the parties intend that the remaining provisions remain in effect. The parties further agree to meet and confer for purposes of negotiating an alternative to any provision declared invalid or unenforceable.

**ARTICLE XIV
TERM**

- (a) Except as otherwise provided herein, this Memorandum of Understanding shall be in full force and effect from July 1, 2011, and shall remain in full force and effect up to and including midnight, the 30th day of June 30, 2012,

or until the next Memorandum of Understanding becomes effective.

- (b) This Memorandum of Understanding shall be binding on the City and the Association when approved and adopted by the City Council.

The City and the Association agree to submit proposals for any changes related to wages, benefits and/or other terms of and conditions of employment affecting this Memorandum of Understanding by January 2012. The City and Association shall review the terms of this understanding, and meet and confer on any proposed changes to this Memorandum Of Understanding beginning February 2012.

"ASSOCIATION"

"CITY"

Date Kevin Larsen
President, CCEA

Date Jorge Rifa
City Administrator

Date Terry Ann Westmore
CCEA Member

Date Vilko Domic
Director of Finance

Date Vivian Garcia-Kelley
CCEA Member

Date Teresa McAllister
Director of Human Resources

Date Mario Moran
CCEA Member

APPROVED AS TO FORM:

Date Leslie Simon
AFSCME Representative

Date Eduardo Olivo
City Attorney

ATTEST:

Date Linda Kay Olivieri
City Clerk



APPENDIX A

SCHEDULE OF BENEFITS

January 1, 2011/12

MAXIMUM BENEFIT

Maximum Benefit per Calendar Year per Covered Person \$2,000

Lifetime Maximum Benefit for Orthodontic Expenses per Covered Person \$1,000

DEDUCTIBLE AMOUNT

Each Covered Person per Calendar Year \$25

Each Family per Calendar Year \$75

PERCENTAGE OF ELIGIBLE DENTAL EXPENSES PAYABLE

Preventive and Diagnostic Services (Calendar Year Deductible Waived) 100 %

Basic Services 85 %

Major Services 80 %

Orthodontic Services 50 %

The Plan covers charges up to those made by most dentists to individuals in the area for covered services and supplies. For a complete listing of eligible services and the benefits available, refer to your Summary Plan Description.

The Dental Expense Benefits above are provided to you by the CITY OF COMMERCE. Claims administration is provided by UMR Dental.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA,
FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

WHEREAS, the City of Commerce and the full-time represented and non-represented management employees, including the City Administrator and City Clerk, have completed dialogue regarding revisions to their health benefits for fiscal year 2011-2012; and

WHEREAS, the benefit revisions for the full-time, non-represented management employees, including the City Administrator and City Clerk, was approved by the City Council; and

WHEREAS, Government Code Section 22892(a) provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act ("PEMHCA") shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b)(1) of the PEMHCA; and

WHEREAS, the City of Commerce is a local agency contracting under PEMHCA; and;

WHEREAS, effective February 1, 2012, the City intends to pay the PEMHCA minimum contribution for active and retired employees.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

Section 1. The following revisions for the full-time, and full-time non-represented management employees, including the City Administrator and City Clerk shall be approved and implemented as follows:

The employer's contribution for each employee or annuitant shall be the amount necessary to pay the cost of his/her enrollment, including the enrollment of his/her spouse, in a health benefit plan, up to a maximum of the PEMHCA minimum per month (as specified in Section 22892(b) as authorized by Section 22892(a) of the Government Code) plus administrative fees and Contingency Reserve Fund Assessments.

Section 2. The City of Commerce has fully complied with the applicable provisions of Government Code Section 7507 in electing the benefits set forth above.

Section 3. This Resolution shall take full force and effect immediately upon adoption by the City Council and as approved by CalPERS.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2011, at Commerce, California.

Joe Aguilar, Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk



AGENDA REPORT

MEETING DATE: November 15, 2011

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING REVISIONS TO THE MEDICAL HEALTH PLAN BENEFITS AND IMPLEMENTING A CALPERS PRE-RETIREMENT DEATH BENEFIT OPTION AS THEY RELATE TO THE CITY'S FULL-TIME, NON-REPRESENTED MANAGEMENT EMPLOYEES, INCLUDING CITY ADMINISTRATOR AND CITY CLERK

RECOMMENDATION:

Approve and adopt the Resolution and assign the number next in order.

MOTION:

Move to approve the recommendation.

BACKGROUND:

The City and the City of Commerce Full-time, Non-Represented Management Employees, including City Administrator and City Clerk (Management Employees) completed dialogue regarding revisions to the medical health plan benefits for fiscal year 2011-2012. The Management Employees are accepting the same medical health plan benefits and CalPERS Pre-Retirement Optional Death Benefit as approved for the Mid-Management and Non-Management Full-Time employees represented by the City of Commerce Employees Association.

This report recommends Council approval of changes to benefits for each of the full-time Non-Represented Management Employees, including City Administrator and City Clerk. The changes cover the period of July 1, 2011 through June 30, 2012.

ANALYSIS:

The City agreed to provide the Mid-Management and Non-Management employees with the following medical health plan benefits and CalPERS Death Benefit:

- **Employee Medical Health Plan Benefits:** Effective January 1, 2012, the City shall pay the PEMHCA minimum contribution for active and retired employees. The City shall also implement as of January 1, 2012 a Cafeteria Plan (Premium Only Plan) under IRS Section 125 for active employees. Until the expiration of the term of the Memorandum of Understanding, the City's contribution to the Cafeteria Plan shall be the 2012 premium rates for "Other Southern California" Blue Shield Access + as published by CalPERS for the designated health insurance plan. In no event shall the City's contribution under the City's Cafeteria plan exceed the "2012 Other Southern California" rates for each of the eligible benefit categories established in the "2012 Other Southern California" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution.

**AGENDA ITEM – 11/15/2011
RESOLUTION – EXECUTIVE MANAGEMENT BENEFITS**

- **Longevity Stipend for Employees hired before July 1, 2011 retiring on or before December 31, 2011:** The City shall make a longevity stipend available to an employee who was hired before July 1, 2011 and who retires from the City of Commerce on or before December 31, 2011. The longevity stipend shall be deposited on a monthly basis into the retiree’s Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City’s monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or eligible dependents (when applicable) minus the PEMHCA minimum contribution. The longevity stipend shall be based on the cost of coverage for retiree and/or eligible dependents under the medical plans sponsored by PEMCHA. The stipend shall be based on the tier of coverage (i.e. single or two-party) and actual plan cost.

- **Longevity Stipend for Employees hired before July 1, 2011:** The City shall make a longevity stipend available to an employee who was hired before July 1, 2011 and who retires from the City of Commerce as described in this Section. The City shall make a longevity stipend payment on a monthly basis to the retiree’s Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City’s monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or the retiree’s spouse (when applicable) minus the PEMHCA minimum contribution. In no event shall the City’s total longevity stipend payment exceed \$1,517.36 for employees who retire after December 31, 2011.

- **Longevity Stipend for Employees hired on/after July 1, 2011:** Employees hired by the City on or after July 1, 2011 and who meet the eligibility requirements for retiree health insurance are eligible to continue in the City’s group health insurance program. The City’s maximum contribution towards retiree coverage under this subsection, shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis. Employees who meet the criteria described below shall be eligible to receive a longevity stipend upon retirement from the City’s employment. The longevity stipend payment shall be deposited on a monthly basis into the retiree’s Healthcare Reimbursement Plan (Retiree HRA Plan). The longevity stipend shall not exceed the amounts described below, which shall include the PEMHCA minimum contribution and shall be based on the cost of coverage for retiree plus spouse coverage under the medical plans sponsored by PEMHCA. The stipend shall be based on the tier of coverage (i.e. single or two-party) and actual plan cost.

≥ 5 years of full-time City Service	50% + additional 5.0% for each additional year of City service above 5 years (e.g., 10 yrs = 75% or \$1,138.02)
15 years and above of full-time City Service	\$1,517.36 (100%)

- **CalPERS Pre-Retirement Optional Settlement Death Benefit:** Effective upon MOU adoption the City will amend the PERS Contract to include a PERS Pre-retirement Optional Settlement Death benefit for full-time vested employees age 50 and above. The benefit allows the spouse or domestic partner of a deceased member who was eligible for service at the time of death to receive the Pre-Retirement Option 2W Death Benefit in lieu of the lump sum Basic Death Benefit. The benefit is a monthly allowance equal to the amount the member would have received if he/she had retired for service on the date of death and elected Option 2W, the highest monthly allowance a member can leave a spouse or domestic partner.

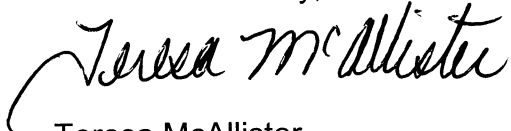
**AGENDA ITEM – 11/15/2011
RESOLUTION – EXECUTIVE MANAGEMENT BENEFITS**

The proposed resolution will approve the above referenced benefits for the full-time, Non-Represented Management Employees, including City Administrator and City Clerk.

FISCAL IMPACT:

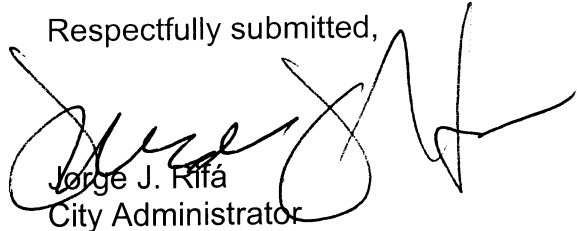
The total cost savings for FY 11/12 will be approximately \$100,000 citywide as it relates to a health plan modification and approximately \$25,000 related to the implementation of a CalPERS Pre-Retirement Optional Settlement Death Benefit.

Recommended by,




Teresa McAllister
Director of Human Resources

Respectfully submitted,



Jorge J. Rifa
City Administrator

Fiscal impact reviewed by:



Vilko Domic
Director of Finance

Approved as to form:



Eduardo Olivo
City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING REVISIONS TO THE MEDICAL HEALTH BENEFITS AND IMPLEMENTING A CALPERS PRE-RETIREMENT DEATH BENEFIT OPTION AS THEY RELATE TO THE CITY'S FULL-TIME, NON-REPRESENTED MANAGEMENT EMPLOYEES, INCLUDING CITY ADMINISTRATOR AND CITY CLERK

WHEREAS, the City of Commerce and the full-time, non-represented management employees, including the City Administrator and City Clerk (the "Management Employees") have completed dialogue regarding revisions to the health benefits for fiscal year 2011-2012; and

WHEREAS, the Management Employees have requested the same medical health plan benefits and CalPERS Pre-Retirement Optional Death Benefit as approved for the Mid-Management and Non-Management Full-Time employees for fiscal year 2011-2012; and

WHEREAS, the City Council desires to approve the requested benefit revisions for the Management Employees for a period covering one year.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

Section 1. The following revisions for the full-time, non-represented management employees, including the City Administrator and City Clerk are approved and shall be implemented as follows:

- **Employee Medical Health Plan Benefits:** Effective January 1, 2012, and until June 30, 2012, the City's contribution for Management Employee medical health plan benefits shall be increased to the 2012 premium rates for "Other Southern California" as published by CalPERS for the designated health insurance plans. In no event shall the City's contribution towards any plan exceed the "2012 Other Southern California" rates for each of the eligible benefit categories (single, 2-Party, Family) established in the "2012 other Southern California" BSC Access + health insurance plan. Employees who have retired as of December 31, 2011, will not be affected by this proposal.
- **Longevity Stipend for Employees hired before July 1, 2011 retiring on or before December 31, 2011:** The City shall make a longevity stipend available to a Management employee who was hired before July 1, 2011, and who retires from the City of Commerce on or before December 31, 2011. The longevity stipend shall be deposited on a monthly basis into the retiree's Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City's monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or eligible dependents (when applicable) minus the PEMHCA minimum contribution. The longevity stipend shall be based on the cost of coverage for retiree and/or eligible dependents under the medical plans sponsored by PEMHCA. The stipend shall be based on the tier of coverage (i.e. single or two-party) and actual plan cost.

- **Longevity Stipend for Employees hired before July 1, 2011:** The City shall make a longevity stipend available to a Management Employee who was hired before July 1, 2011, and who retires from the City of Commerce as described in this Section. The City shall make a longevity stipend payment on a monthly basis to the retiree's Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City's monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or the retiree's spouse (when applicable) minus the PEMHCA minimum contribution. In no event shall the

City's total longevity stipend payment exceed \$1,517.36 for Management Employees who retire after December 31, 2011.

- **Longevity Stipend for Employees hired on/after July 1, 2011:** Management Employees hired by the City on or after July 1, 2011, and who meet the eligibility requirements for retiree health insurance are eligible to continue in the City's group health insurance program. The City's maximum contribution towards retiree coverage under this subsection, shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis. Employees who meet the criteria described below shall be eligible to receive a longevity stipend upon retirement from the City's employment. The longevity stipend payment shall be deposited on a monthly basis into the retiree's Healthcare Reimbursement Plan (Retiree HRA Plan). The longevity stipend shall not exceed the amounts described below, which shall include the PEMHCA minimum contribution and shall be based on the cost of coverage for retiree plus spouse coverage under the medical plans sponsored by PEMHCA. The stipend shall be based on the tier of coverage (i.e. single or two-party) and actual plan cost.

≥ 5 years of full-time City Service	50% + additional 5.0% for each additional year of City service above 5 years (e.g., 10 yrs = 75% or \$1,138.02)
15 years and above of full-time City Service	\$1,517.36 (100%)

- **CalPERS Pre-Retirement Optional Settlement Death Benefit:** Effective upon adoption, the City will amend the PERS Contract to include a PERS Pre-retirement Optional Settlement Death benefit for full-time vested employees, INCLUDING Management Employees, age 50 and above. The benefit allows the spouse or domestic partner of a deceased member who was eligible for service at the time of death to receive the Pre-Retirement Option 2W Death Benefit in lieu of the lump sum Basic Death Benefit. The benefit is a monthly allowance equal to the amount the member would have received if he/she had retired for service on the date of death and elected Option 2W, the highest monthly allowance a member can leave a spouse or domestic partner.

Section 2. This Resolution shall take full force and effect immediately upon adoption by the City Council.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2011, at Commerce, California.

Joe Aguilar, Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk



AGENDA REPORT

MEETING DATE: November 15, 2011

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING THE EXECUTION OF AGREEMENT TO PARTICIPATE IN THE LOS ANGELES REGION – IMAGERY ACQUISITION CONSORTIUM 3 (“LAC-IAC 3”) PROGRAM

RECOMMENDATION:

The City Council will consider for approval and adoption a proposed Resolution and assign the number next in order.

MOTION:

Move to approve the recommendation.

BACKGROUND:

Recognizing the growing value of geographic aerial imagery and the prohibitive cost, the Chief Information Office, Department of Regional Planning and County Counsel formulated a program to acquire a set of imagery for a group of organizations willing to share the cost of acquisition. The Los Angeles Region - Imagery Acquisition Consortium (LAR-IAC) Program was established to acquire 4" resolution imagery [4 color orthogonal, 4 color infrared, 6 color oblique, digital terrain datasets derived from LiDAR (light detection and ranging), and 2 elevation contours] for the entire county. The project has successfully gained the participation of 10 County departments and 31 municipalities and 5 other public agencies.

Aerial imagery provides numerous benefits to local and regional governments. Examples include floodplain mapping, transportation highway mapping and planning, environment and natural resource management, economic development and recruitment, education and research, search and rescue, multi-hazard threat applications, and various other emergency readiness, response, and recovery operations. Additionally, residential and commercial development, geological event, fires, etc., routinely change the landscape and the imagery's accuracy diminishes over time. Historical updates to aerial imagery occur on an approximate five year cycle. In the past the acquisition of this imagery has been limited to a very few due to cost.

ANALYSIS:

Access to the above imagery system is extremely valuable to the City and would help tremendously with the Washington Boulevard Widening and Reconstruction Project. Therefore, staff is recommending that the City joins the group and being participating in it.

FISCAL IMPACT:

The cost to participate in LAR-IAC is \$17,937.50, payable over two years. This activity can be carried out at this time without additional impact on the current operating budget, funds for this activity can come from the Community Development Department – Public Services Maintenance and Operation Budget, Account #10-5140-56060.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

The issue before the Council is applicable to the following Council's strategic goal: *“Protect and Enhance Quality of Life in the City of Commerce.”*

There are no specific objectives connected to this issue. The City's ability and responsibility to maintain its infrastructure in an effective and efficient manner directly/indirectly impact quality of life issues of the community. Further, undertaking and completing this project within the context of the FY 2009/2010 approved budget and available resources is in keeping with the identified 2009 Strategic Goals.

Respectfully submitted,



Jorge Rifa
City Administrator

Recommended by:



Bob Zarrilli
Director of Community Development

Prepared by:



Danilo Batson
Assistant Director of Public Services

Reviewed by:



Vilko Domic
Director of Finance

Approved As To Form:



Eduardo Olivo
City Attorney

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
COMMERCE, CALIFORNIA, APPROVING AN AGREEMENT TO
PARTICIPATE IN THE LOS ANGELES REGION – IMAGERY
ACQUISITION CONSORTIUM 3 (“LAC-IAC 3”) PROGRAM

WHEREAS, recognizing the growing value of geographic aerial imagery and the prohibitive cost, the Chief Information Office, Department of Regional Planning and County Counsel formulated a program to acquire a set of imagery for a group of organizations willing to share the cost of acquisition; and

WHEREAS, the Los Angeles Region - Imagery Acquisition Consortium (LAR-IAC) Program was established to acquire 4" resolution imagery [4 color orthogonal, 4 color infrared, 6 color oblique, digital terrain datasets derived from LiDAR (light detection and ranging), and 2 elevation contours] for the entire county; and

WHEREAS, the project has successfully gained the participation of 10 County departments and 31 municipalities and 5 other public agencies; and

WHEREAS, aerial imagery provides numerous benefits to local and regional governments; and

WHEREAS, the City would like to participate in the Los Angeles Region Imagery Acquisition Consortium.3 Program.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF COMMERCE AS FOLLOWS:

Section 1. The Agreement to Participate in the Los Angeles Region – Imagery Acquisition Consortium 3 (“Lac-lac 3”) Program is hereby approved. The Mayor is hereby authorized to execute the Agreement for an d on behalf of the City.

PASSED, APPROVED and ADOPTED this 15th day of November, 2011.

JOE AGUILAR
MAYOR

ATTEST:

LINDA KAY OLIVIERI, MMC
CITY CLERK

PARTICIPANT AGREEMENT
BY AND BETWEEN
THE COUNTY OF LOS ANGELES AND PARTICIPATING ENTITIES
FOR THE
LOS ANGELES REGION – IMAGERY ACQUISITION CONSORTIUM 3 ("LAR-IAC 3")
PROGRAM

This Participant Agreement (Agreement) is made and entered into by and between the County of Los Angeles, a political subdivision of the State of California (County), and **City of Commerce**, a California city, special district, or agency. Each individual city, district, or agency is referred to herein individually as a "Participating Entity" and collectively as the "Participating Entities". The County and the Participating Entities are hereinafter referred to collectively as the "Parties" and each individually as a "Party."

- A. **WHEREAS**, County has planned to acquire new digital orthogonal and oblique aerial imagery in the winter of 2010-2011 ("Project");
- B. **WHEREAS**, County has become aware that various Participating Entities have similar projects currently underway or plans to undertake similar projects in the near future;
- C. **WHEREAS**, in order to avoid the duplication of efforts and costs by the Parties, the Parties desire to pool their resources to collectively undertake the Project; and
- D. **WHEREAS**, the Parties intend to participate in the Project upon the terms and conditions set forth herein below.

NOW, THEREFORE, in consideration of the mutual covenants herein set forth and the mutual benefits to be derived therefrom, the Parties agree as follows:

1. Purpose

The purpose of this Agreement is to provide a vehicle for the collective participation in the Project by the Parties. The Project shall focus on the acquisition of certain aerial imagery digital data which may include, but are not limited to, products listed in Attachment A ("Digital Data"). It is the intent of the Parties that Digital Data shall be acquired under this Agreement for areas within the County of Los Angeles covered by the jurisdictions of the Parties.

2. Responsibilities of the County

- A. Identify and provide specifications for Digital Data (or their derivatives) to the contractors hired to complete the Project.
- B. Develop all necessary procurement documents for necessary services to be provided by one or more qualified contractors in connection with the acquisition and administration of the Digital Data.
- C. Select the most qualified contractor or contractors to provide the necessary services in connection with the acquisition and administration of the Digital Data and thereafter, manage the entire acquisition and administration of the Project.
- D. With the assistance of one or more selected contractors, provide Quality Control (QC) for all Digital Data delivered under this Agreement.
- E. Arrange for the delivery of the Digital Data (or portions thereof) to the Participating Entity upon Project completion.
- F. Provide monthly reports to the Participating Entities on the status of the Project.

3. The Participating Entity has the right to:

- A. Participate in identifying and providing technical specifications for the Digital Data (or their derivatives).
- B. Provide currently available geodetic points (with necessary standards and accuracy) for County's QC process.
- D. Acquire additional digital aerial products from the contractors through this agreement, provided that a statement of work is attached as Exhibit A.1. County assumes no liability for the completion of these products.

4. Mutual Responsibilities; Maximum Contribution:

The Parties shall be mutually responsible for the following:

- A. Financing the acquisition and administration of the Digital Data including, but not limited to, costs related to QC and the subsequent distribution thereof. The total cost of such acquisition and administration (Total Cost) shall be allocated among the Parties and the Participating Entities. The portion of the Total Cost allocated to a Party hereunder shall be hereinafter referred to as the Party's "Maximum Contribution." Each Participating Entity will transfer its Maximum Contribution to a special trust account which has been established by

the County for this Project (Trust Account) and as further described in Paragraph 5 of this Agreement.

The Maximum Contribution of the Participating Entity shall be **\$17,937.50**.

B. In the event the Project is terminated for any reason before the execution of any contract with a contractor for the provision of goods and/or services in connection with the Project, each Participating Entity shall be refunded its Maximum Contribution (or such portion of the Maximum Contribution as shall have been paid to the County by such Participating Entity) in its entirety.

5. Payment of Maximum Contribution; Administration of Trust Account

A. A Participating Entity shall have the following options in paying its Maximum Contribution to County hereunder:

- i. The Participating Entity may elect to pay its Maximum Contribution to County in its entirety upon execution of this Agreement
- ii. The Participating Entity may elect to pay its Maximum Contribution to County as follows: (a) fifty percent (50%) of the Maximum Contribution upon its execution of this Agreement; and (b) fifty percent (50%) upon delivery of the Digital Data to the Participating Entity.

B. The Trust Account established by County in connection with the Project shall be subject to the following:

- i. All funds held in the Trust Account shall be used solely for the payment of contractors selected by County to provide goods and services in connection with the Project.
- ii. Any funds held in the Trust Account not expended upon the completion of the Project or the termination of this Agreement shall be held, administered, and returned to Parties based on their prorated contribution to the total costs of the Project.

6. General Terms and Conditions

A. This Agreement shall take effect upon execution and shall remain in effect through final delivery of all Digital Data and through the duration of the license-use term.

B. The term of this Agreement may be extended by an Amendment to this Agreement.

C. It is the intention of the Parties that the Participating Entity shall receive, with the delivery of the Digital Data, an unlimited irrevocable perpetual, royalty-free license to use, modify, edit, reuse, reproduce, translate, create derivatives or compilations and/or of other works based upon the Digital Data and to combine the digital data with the other contents selected by the Participating Entity in its own operations, with an unlimited number of seats; including, but not limited to, Internet and intranet applications, copying, and printing.

D. The Participating Entity shall have the right to transfer, sublicense, and distribute in any form of media either now known or hereinafter desired the Digital Data to any of its subcontractors or consultants on projects which are outsourced from its own operations. In this connection, the Participating Entity shall require each subcontractor or consultant to whom the Digital Data is transferred to execute a written acknowledgement and agreement to abide by such Participating Entity's license to use the Digital Data. Such acknowledgement and agreement is provided in Attachment B (Authorized User Confidentiality and Non-Disclosure Agreement).

E. Notwithstanding any provision of this Agreement to the contrary, a Participating Entity shall not have the right to sell, resell, or otherwise transfer its license to use the Digital Data to any other person or entity.

F. This Agreement may be amended or modified by County only after collaboration and consultation with the Participating Entities.

G. Nothing in this Agreement shall be construed to give any person or entity, other than the Parties hereto, any legal or equitable right, remedy, or claim under or in respect to this Agreement or any provision herein contained. This Agreement and the provisions hereof are intended to be and are for the sole and exclusive benefit of the Parties.

H. No Party may terminate its participation under this Agreement after the execution of contract(s) for the acquisition of the Digital Data without the prior written consent of County.

I. Any other California city, special district, or agency may become a Participating Entity under this Agreement if:

- (i) Such entity executes this Agreement, and
- (ii) Such entity makes its Maximum Contribution to County as provided for under this Agreement. Any such contribution shall be deposited into the Trust Account and administered in accordance with sub-paragraph 5.B of this Agreement.

J. This Agreement may be executed in counterparts and the signed counterparts shall constitute a single instrument. The signatories to this Agreement represent that they have the authority to bind their respective party to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Participant Agreement for the Los Angeles Region – Imagery Acquisition Consortium 3 Program on the date indicated below.

PARTICIPANT ENTITY

COUNTY OF LOS ANGELES
CHIEF INFORMATION OFFICE

By: _____

By: _____
Richard Sanchez
Chief Information Officer

Date: _____

Date: _____

ATTACHMENT A

DIGITAL DATA

Digital Aerial Orthogonal Imagery (2008 & 2011)

- 4 inch pixel resolution for Areas 1 and 3 (see Map 1 below)
- 1 foot pixel resolution for Area 2 (see Map 1 below)

Digital Aerial Oblique Imagery (2008 & 2011)

- 4 inch pixel resolution (neighborhood and community shots) for Area 1 (see Map 2 below)
- 12 inch pixel resolution (community shots only) for Area 2 (see Map 2 below)

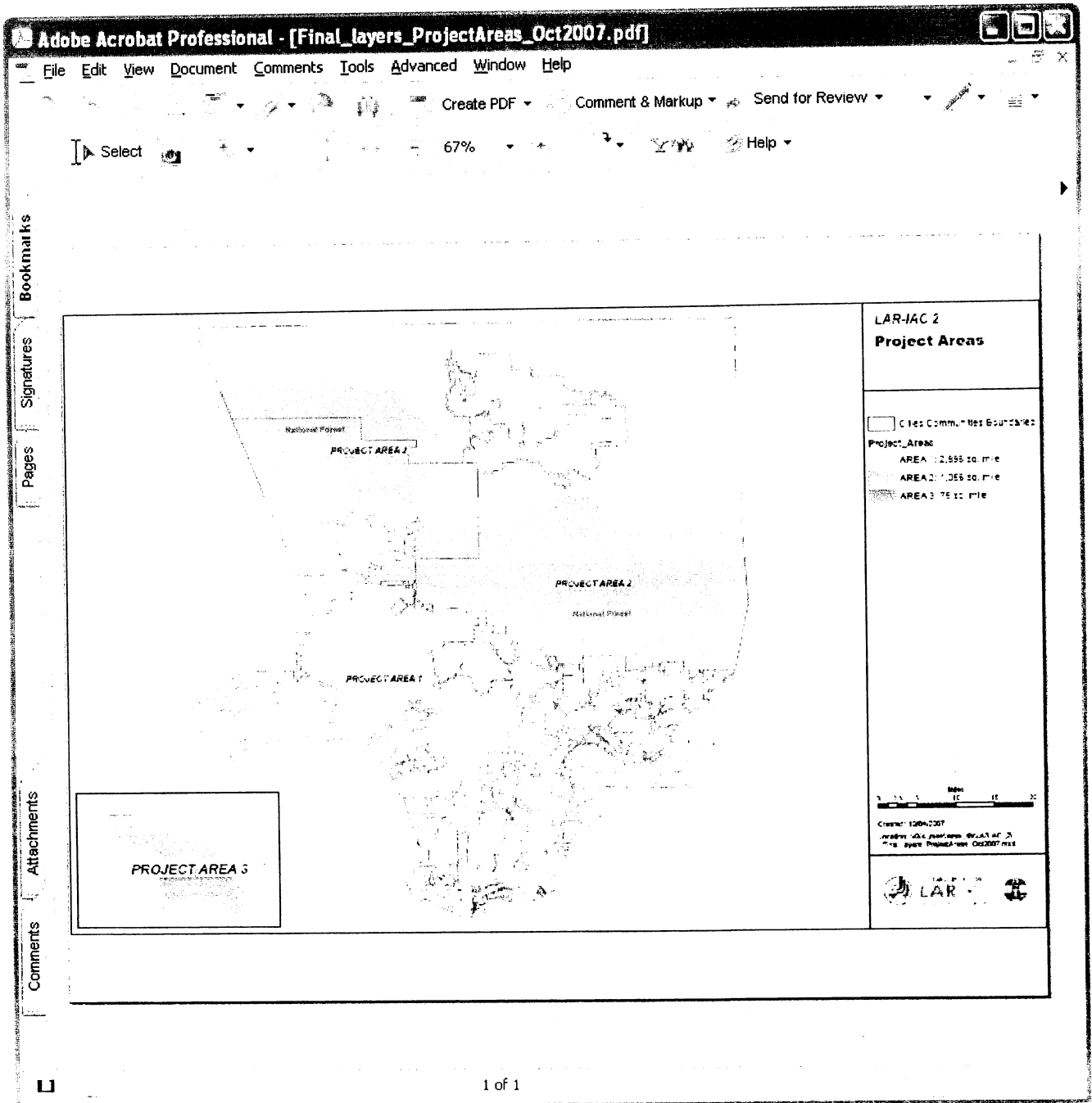
Digital Terrain Model

- Updated digital elevation model for areas of significant change

Building Outlines (2008)

- Building Outlines for all buildings greater than 400 square feet (from 2008).

Map 1: Areas 1, 2, and 3 for Orthogonal Imagery Products



Map 2: Areas 1, 2 and 3 for Oblique Imagery Products

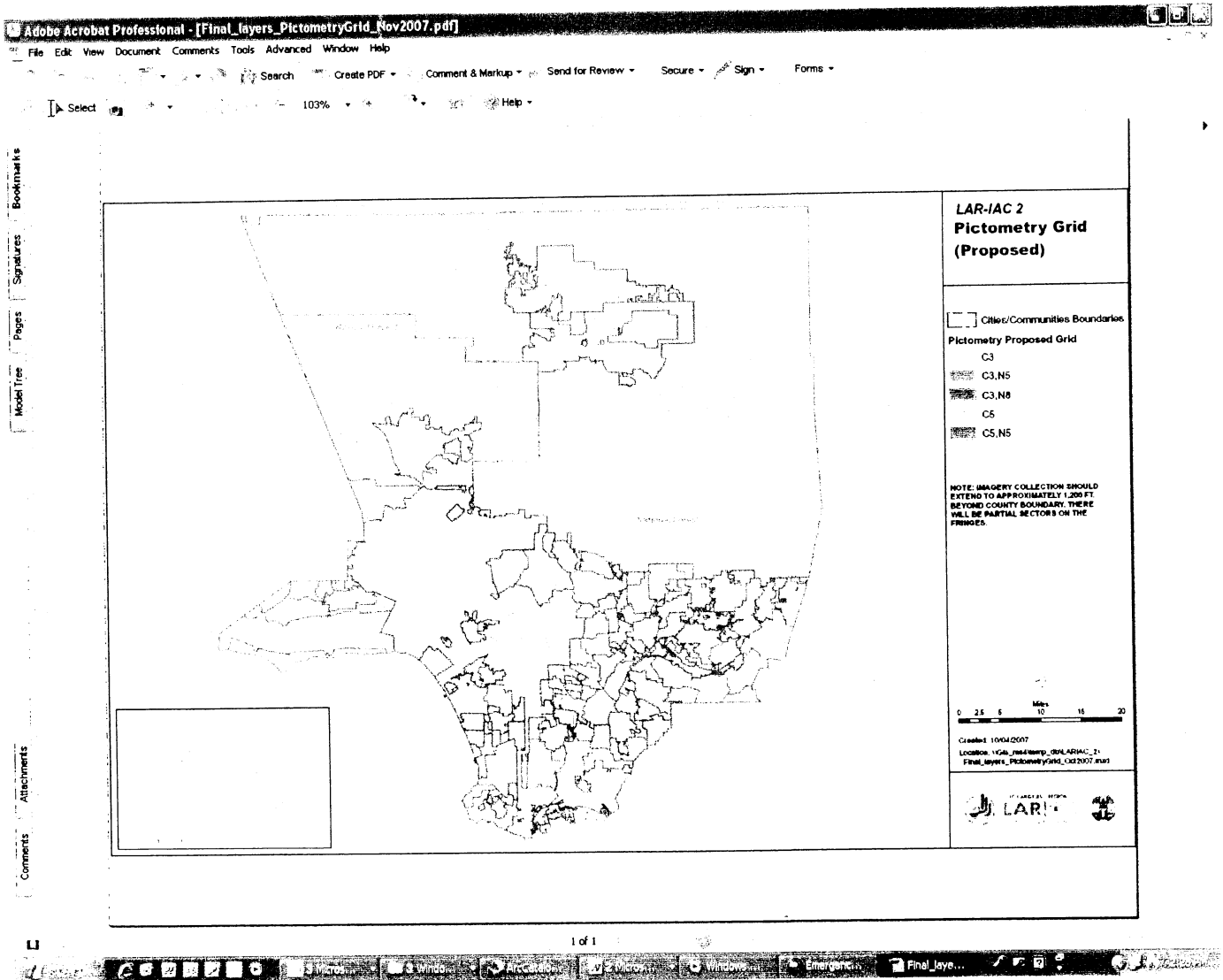


EXHIBIT A.1

**STATEMENT OF WORK
PARTICIPANT ADDITIONAL DIGITAL AERIAL PRODUCTS**

ATTACHMENT B

**LAR-IAC 3 AUTHORIZED USER
CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT**

(Please do not return, this is signed by your sub-contractors)

LOS ANGELES REGIONAL IMAGERY ACQUISITION CONSORTIUM (LAR-IAC) 3
AUTHORIZED USER CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

A. Pictometry International Corp., a Delaware company with offices at 100 Town Centre Drive, Suite A, Rochester, NY 14623 (“Pictometry”), and the County of Los Angeles have entered into a certain agreement dated _____, 2008 (“Agreement”) for delivery of licensed digital mapping data and software (“Products”) to the County. Under the agreement, certain governmental entities (“Authorized Entities”) which participate in the LAR-IAC are granted copies of the Products through a Participant Agreement with the County.

B. Section 11.2 of the Agreement states: “As used in this Agreement, the term “Authorized Users” shall mean: (i) the employees of Authorized Entities; (ii) employees of Authorized Entities, including County Departments and Authorized Participants, doing business with or on behalf of the Authorized Entities for those particular Authorized Entity projects; (iii) contractors and consultants using the Licensed Products at the facilities of the Authorized Entities; and (iv) any contractors and consultants of the Authorized Entities designated by Contractor to use the Licensed Products outside the facilities of Authorized Entities for those particular Authorized Entity projects.”

C. The undersigned is an Authorized User of the County or Authorized Entity and desires to use the Products solely for internal, noncommercial use and for purposes no greater than reasonably needed to achieve the objectives of an actual project undertaken in connection with the relationship with the Authorized Entity or the County (“Purpose”).

1. GRANT OF RIGHTS

The undersigned understands and agrees that the Products contain trade secret and confidential information (“Confidential Information”) of Pictometry. Under this Authorized User Confidentiality and Non-Disclosure Agreement, it may use the Products solely for the Purpose, which right is nonexclusive, nontransferable, and non-assignable, from the Effective Date hereof until expiration or termination.

To the extent any Confidential Information is revealed through the use or operation of the Products, the Authorized User agrees that it will not make use of, disseminate, or in any way disclose Confidential Information without Pictometry’s prior written consent.

IN WITNESS WHEREOF, the Undersigned have caused their duly authorized representatives to execute and deliver this Agreement as of the date first set below.

Authorized Entity

Authorized User

Name: _____

Name: _____

Organization: _____

Organization: _____

Address: _____

Address: _____

City/Zip: _____

City/Zip: _____

Phone: _____

Phone: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

Authorized Entities shall keep a signed copy of this document for the duration of the contract.



AGENDA REPORT

DATE: November 15, 2011

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, AUTHORIZING MEMBERSHIP IN THE STATEWIDE STORMWATER COALITION

RECOMMENDATION:

Approve and adopt the Resolution and assign the number next in order.

MOTION:

Move to approve the recommendation.

BACKGROUND/ ANALYSIS:

California cities have lacked a statewide organization to advocate for reasonable storm water regulations at the local, statewide and national level and to educate elected officials as to the implications of the new storm water permits and TMDLs. As a result, the City of Roseville organized a group of over 60 local governments and organizations to focus on legislative and education efforts.

The Statewide Stormwater Coalition (SSC) originally was formed to solve issues in the new Phase II MS4 Storm Water Permit such as unreasonable and/or unachievable water quality standards. The SSC member cities and organizations specifically focused on the costs and feasibility of the new permit and its impacts on their local business communities and recently testified at Senator Rod Wright's hearing on issues with the Statewide Industrial permit.

SSC members include the League of California Cities as well as the California Chapter of the American Public Works Association. The participating cities are mainly in Central and Northern California. Southern California cities could also benefit from participating in the SSC. SSC would like to expand their membership to include the Phase I NPDES Permit cities such as Commerce, since many of the NPDES permit issues overlap. The City of Signal Hill volunteered to work with the City of Roseville on issues of statewide concern, including developing a legislative agenda for the upcoming year.

Joining SSC would allow the organization to continue to build momentum as a statewide organization when working with the State Water Board, the Legislature, the Governor's Office and in Washington D.C. *Membership in the group is voluntary and no cost at this time.* In the future, SSC may seek funding through membership dues.

The Coalition for Practical Regulation (CPR), of which Commerce is a participant, will also consider joining SSC at their December 2011 meeting. There is strength in numbers and Commerce would benefit from participation in a coordinated State-wide effort to achieve reasonable and attainable water quality regulations at no additional cost.

FISCAL IMPACT:

There is no adverse fiscal impact at this time. However, there may be a membership dues structure established in the future such as with Commerce's membership in CPR and the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

This agenda report item complies with Goal #2 – *Protect and Enhance Quality of Life in the City of Commerce.* A State-wide coordinated effort to achieve reasonable and attainable water quality regulations is the most cost effective and efficient method to improve the quality of life for its residents and business community.

Respectfully submitted,



Jorge Rifa
City Administrator

Recommended by:



Bob Zarrilli
Director of Community Development

Reviewed by:



Alex Hamilton
Assistant Director of Community Development

Prepared by:



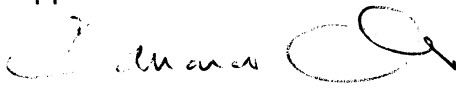
Gina Nila
Environmental Services Manager

Fiscal impact reviewed by:



Vilko Domic
Director of Finance

Approved as to Form:



Eduardo Olivo
City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE,
CALIFORNIA, AUTHORIZING MEMBERSHIP IN THE STATEWIDE
STORMWATER COALITION

WHEREAS, California cities have lacked a statewide organization to advocate for reasonable storm water regulations at the local, statewide and national level and to educate elected officials as to the implications of the new storm water permits and TMDLs; and

WHEREAS, as a result, the City of Roseville organized a group of over 60 local governments and organizations to focus on legislative and education efforts; and

WHEREAS, Statewide Stormwater Coalition (SSC) originally was formed to solve issues in the new Phase II MS4 Storm Water Permit such as unreasonable and/or unachievable water quality standards. The SSC member cities and organizations specifically focused on the costs and feasibility of the new permit and its impacts on their local business communities and recently testified at Senator Rod Wright's hearing on issues with the Statewide Industrial permit; and

WHEREAS, SSC members include the League of California Cities and the California Chapter of the American Public Works Association. The participating cities are mainly in Central and Northern California.

WHEREAS, southern California cities could also benefit from participating in the SSC and they would like to expand their membership to include the Phase I NPDES Storm Water Permit cities such as Commerce since many of the NPDES permit issues overlap; and

WHEREAS, joining SSC would allow the organization to continue to build momentum as a statewide organization when working with the State Water Board, the Legislature, the Governor's Office and in Washington D.C.; and

WHEREAS, membership in the group is voluntary and no cost at this time.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE
DOES HEREBY RESOLVE AS FOLLOWS:

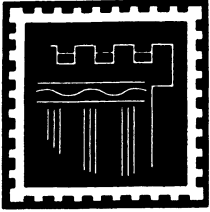
Section 1. The City of Commerce will join the Statewide Stormwater Coalition as a member. The City Administrator is authorized to take all action necessary to implement such membership.

PASSED, APPROVED and ADOPTED this ____ day of _____, 2011.

Joe Aguilar
Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk



COMMERCE
COMMUNITY
DEVELOPMENT
COMMISSION

AGENDA REPORT

DATE: November 15, 2011

TO: HONORABLE COMMUNITY DEVELOPMENT COMMISSION

FROM: EXECUTIVE DIRECTOR

SUBJECT: A RESOLUTION OF THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION APPROVING A SUBORDINATION AGREEMENT WITH THE CALIFORNIA CREDIT UNION FOR A REGULATORY AGREEMENT, COVENANT AND DEED OF TRUST ENTERED INTO BETWEEN THE COMMISSION AND MANUEL AND CECILIA MACIAS

RECOMMENDATION:

Approve the Resolution and assign the number next in order.

MOTION:

Move to approve the Resolution.

BACKGROUND:

Commission Staff has been contacted by Manuel Macias and Cecilia Macias ("Homeowners"), owners of a home located at 2316 Hepworth Avenue ("Property"), to request that a loan of \$50,000 given to them by the Commission as part of the Substantial Rehabilitation Housing Program be subordinated by the Commission to allow them to refinance their mortgage in order to lower the interest rate.

The Homeowners received a Substantial Rehabilitation Housing Program loan of \$50,000 from the Commission and was secured by a Regulatory Agreement, a Covenant Running with the Land and Grant of Lien, and a Deed of Trust, all dated February 27th, 2007.

Per said Regulatory Agreement the refinancing of the first mortgage loan would be permitted and would not constitute a default by the Homeowners, as long as the Commission has had the opportunity to review the new loan terms.

Commission Staff has received evidence from the Homeowner's lender, The California Credit Union, that shows that the loan is a "no cash-out" and fixed rate loan and has therefore deemed the refinancing of the loan to carry no risk to the Commission's loan to the Homeowners.

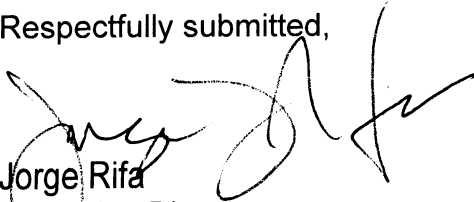
FISCAL IMPACT:

This activity can be carried out at this time without additional impact on the current operating budget.

RELATIONSHIP TO THE 2011 STRATEGIC GOALS:

The issue before the City Council is applicable to the following Council strategic goal to "Protect and Enhance Quality of Life in the City of Commerce." Commission approval of this action will allow an established lower income household to take steps to further strengthen their financial position and therefore enhancing their financial investment and stake in the Community.

Respectfully submitted,



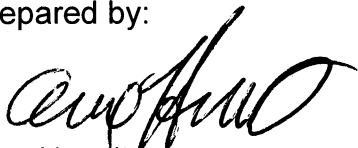
Jorge Rifa
Executive Director

Recommended by:



Bob Zarrilli
Director of Community Development

Prepared by:



Alex Hamilton
Assistant Director of Community Development

Fiscal impact reviewed by:



Vilko Domic
Director of Finance

Approved as to Form



Eduardo Olivo
Commission Counsel

RESOLUTION NO. _____

A RESOLUTION OF THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION
APPROVING A SUBORDINATION AGREEMENT WITH THE CALIFORNIA CREDIT
UNION FOR A REGULATORY AGREEMENT, COVENANT AND DEED OF TRUST
ENTERED INTO BETWEEN THE COMMISSION AND MANUEL AND CECILIA
MACIAS

WHEREAS, Manuel Macias and Cecilia Macias, as Joint Tenants 2316 Hepworth Avenue, Commerce, CA 90040 ("Borrowers"), have applied with the California Credit Union ("Lender) for a loan to be made to Borrowers and to be evidenced by a promissory note secured by a mortgage covering certain real property; and

WHEREAS, the real property offered by Borrowers as security to Lender is currently subject to an Regulatory Agreement, Covenant Running with the Land and Grant Lien, and Deed of Trust dated February 27th, 2007, between Borrowers and the Commerce Community Development Commission (the "Commission"); and

WHEREAS, Lender will make such loan to Borrower only on the condition that such Regulatory Agreement, Covenant Running with the Land and Grant Lien, and Deed of Trust be subordinated to the lien of the mortgage to be given by Lender to Borrowers; and

WHEREAS, the Commission desires to assist Borrowers by entering into a subordination agreement that will allow the loan to be made.

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE THAT:

SECTION 1. The Subordination Agreement between the Commission and The California Credit Union is hereby approved. The Commission Chairperson is hereby authorized to execute the Subordination Agreement for and on behalf of the Commission.

PASSED, APPROVED AND ADOPTED this ____ day of _____, 2011.

Joe Aguilar
Chairperson

ATTEST:

Jorge Rifa
Secretary

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

The Community Development Commission of the
City of Commerce
2535 Commerce Way
Commerce, California 90040
Attention: Executive Director

EXEMPT FROM RECORDING FEE PER GOVERNMENT CODE SECTION 27383

SUBORDINATION AGREEMENT

This Subordination Agreement made as of the ____ day of _____, 2011, by the Commerce Community Development Commission, having an address of 2535 Commerce Way, Commerce, CA 90040 ("Subordinator"), and The California Credit Union, a corporation organized and existing under the laws of the State of California with its principal place of business at 701 North Brand Blvd. Glendale, CA 91209 ("Lender").

RECITALS

A. Manuel Macias and Cecilia Macias, Husband and Wife, as Joint Tenants, of 2316 Hepworth Avenue, Commerce, CA 90040 ("Borrowers"), has applied to Lender for a loan to be made to Borrowers and to be evidenced by a promissory note secured by a mortgage covering certain real property.

B. The real property offered by Borrowers as security to Lender is currently subject to a prior Regulatory Agreement dated February 27th, 2007, Record No. 20070551503, a Covenant Running with the Land and Grant of Lien dated February 27th, 2007, Record No. 20070551504, and a Deed of Trust dated February 27th, 2007, Record No. 20070551502 in the County of Los Angeles, California between the Borrowers and Subordinator

C. Lender will make such loan to Borrower only on the condition that such Regulatory Agreement, Covenant Running with the Land and Grant of Lien and Deed of Trust be subordinated to the lien of the mortgage described below to be given by Lender to Borrower.

In consideration of the matters described above, and of the mutual benefits and obligations set forth in this agreement, the parties agree as follows:

SUBORDINATION OF EXISTING DEED OF TRUST

1. The Regulatory Agreement dated February 27th, 2007, Record No. 20070551503, a Covenant Running with the Land and Grant of Lien dated February 27th, 2007, Record No. 20070551504, and a Deed of Trust dated February 27th, 2007, Record No. 20070551502 in the County of Los Angeles, California and this Subordination Agreement cover real property described as:

LOT 440 AND THE SOUTHERLY 26 FEET OF LOT 439 OF TRACT 8047, IN THE CITY OF COMMERCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED IN BOOK 95, PAGE 18 AND 19 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDERS OF SAID COUNTY. EXCEPT THE SOUTHERLY 32 FEET OF LOT 440.

2. The parties hereby agree that the Regulatory Agreement (Record No. 20070551503), Covenant Running with the Land and Grant of Lien (Record No. 2007551504), and Deed of Trust (Record No. 20070551502) shall be and the same are now subordinated and made subject and subsequent to the lien of that certain mortgage covering the real property referenced above, dated _____, between Manuel Macias and Cecilia Macias and The California Credit Union, and filed or recorded on the _____ day of _____, 2011, Record Number _____, of the records of the County of Los Angeles, State of California.

The parties hereto have each executed or caused to be executed this Agreement as of the date first set forth above.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK/
SIGNATURES FOLLOW ON NEXT PAGE]

COMMERCE COMMUNITY
DEVELOPMENT COMMISSION

By: Joe Aguilar, Chairperson

Attest:

Jorge Rifa, Secretary

Approved as to form by:

Eduardo Olivo
Commission Legal Counsel

The California Credit Union

By: _____
Its: _____



AGENDA REPORT

MEETING DATE: NOVEMBER 15, 2011

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING A REIMBURSEMENT AGREEMENT WITH CRAIG REALTY GROUP CITADEL, LLC ("CRG CITADEL") FOR PAVING AND RESTRIPING OF TELEGRAPH ROAD SOUTH OF NORTH-BOUND ATLANTIC BOULEVARD OFF-RAMP AND CONTINUING SOUTH ALONG TELEGRAPH ROAD TO GASPAR AVENUE

RECOMMENDATION:

Approve and adopt the attached Resolution authorizing a Reimbursement Agreement with Craig Realty Group Citadel, LLC ("CRG Citadel") to repair and restripe Telegraph Road and assign the number next in order.

MOTION:

Move to approve the recommendation.

OVERVIEW:

Telegraph Road is a major arterial and frontage road running parallel to the I-5 Freeway. Telegraph Road is also the main entrance to The Citadel Outlets, arguably the premiere shopping destination in Los Angeles County. Both Telegraph Road and The Citadel are included within the City's Redevelopment Project Areas Two and Four. Telegraph Road and The Citadel make up part of the City's Telegraph Road Redevelopment Corridor. The Corridor stretches along Telegraph Road from Atlantic Boulevard to Washington Boulevard and anchored by Costco to the east and the Commerce Hyundai dealership to the west. In between these two successful projects lie the recently completed AltaMed corporate headquarters, The Citadel, the DoubleTree Hotel, the Commerce Casino, and the Commerce Crowne Plaza.

Over the years, the Council, through its redevelopment agency (Commerce Community Development Commission), has worked on the land assembly of the corridor. This year, the Council, acting as the Commission, completed its assembly of a 27-acre site along the corridor to complete the land acquisition phase of the corridor project. The connection between land assembly and the needed repair of Telegraph Road is that the focus over the last 10 to 15 years for the corridor has been property acquisition with limited attention to the condition of the roadway, particularly through the central portion of the corridor. At the same time in the last three years, the City's redevelopment financing has been under siege by the State of California, culminating in this year's elimination of redevelopment by the Governor and the legislature. Subsequently, cities (including Commerce) and some counties have sued the State challenging the constitutionality of the State's action. The matter is now pending before the California Supreme Court.

In the last two years, Sacramento has taken approximately \$7.9 million in redevelopment funding from Commerce. This has fundamentally depleted the Commission's ability to respond to infrastructure issues. The Supreme Court is expected to rule in mid-January on the constitutional merits of the State's dissolution of redevelopment. In the interim, the City is prevented from accessing redevelopment funding by order of the Supreme Court.

The City has the ultimate responsibility for maintaining the viability of the city's network of streets. Telegraph Road is an important roadway that handles the estimated ten million annual visitors to The Citadel. Craig Realty is well aware of the condition of the roadway and traffic circulation in the vicinity of The Citadel. To that end, Craig Realty is proposing a public/private partnership to improve the condition of the roadway surface and enhance vehicle circulation in the general vicinity of The Citadel. There is some urgency to the needed repairs in that the holiday shopping season is due to begin and it would benefit the City, The Citadel, and all other vehicle trips on Telegraph Road.

Craig Realty is proposing a partnership (see attached letter) for the road repairs to Telegraph Road and re-striping of traffic lanes to add a second left-hand turning movement into The Citadel. The estimated cost of the project is in excess of \$150,000. The City can financially participate in the project provided the wages paid to the workers on the job are State prevailing wages (the same as if it were the City's project). Craig Realty has agreed to this. The inspection of the work, as well as prevailing wage certification and compliance, will be undertaken by an independent inspector. The subject improvement plans will also be reviewed and approved by the City. In order to move the project forward prior to the holiday season, the project is scheduled to begin and be completed the week of November 14th just in time for the Tree Lighting Ceremony. Craig Realty intends to work at night to minimize disruption to the use of Telegraph Road.

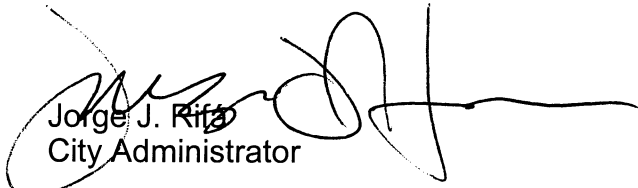
FISCAL IMPACT:

The fiscal impact to the City in the partnership is in excess of \$150,000 for the proposed work. In the proposal letter from Craig Realty, the City's share of costs will be in the range of \$100,000 due and payable at the end of the FY2011/2012 fiscal year. The City's share for reimbursement to the Craig Group will be tied to the sales tax performance of three new anchor tenants: Coach, Fossil, and Michael Kors for the fourth quarter of 2012 (the Holiday quarter). In other words, the City financial participation in the repairs to Telegraph Road will be equivalent to the revenue generated by these three retailers.

RELATIONSHIP TO STRATEGIC GOALS:

This agenda item relates to Strategic Goal #1 which is to enhance and maintain the City of Commerce environment and infrastructure to create livability and quality of life for those who live, work and play in the community.

Respectfully submitted,



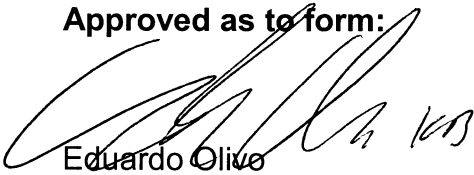
Jorge J. Rifa
City Administrator

Fiscal impact reviewed by:



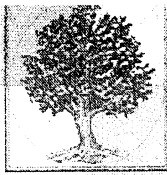
Vilko Domic
Director of Finance

Approved as to form:



Eduardo Olive
City Attorney

Attachments: Craig Realty Group Letter
Resolution and Reimbursement Agreement



CRAIG REALTY GROUP

November 2, 2011

Via eMail
Hard Copy via Overnight Delivery

Mr. Jorge Rifa
City Administrator
City of Commerce
2535 Commerce Way
Commerce, CA 90040

RE: Telegraph Road, Restriping and Asphalt Repair

Dear Jorge,

In an effort to get the restriping and asphalt repair underway at the earliest possible time, hopefully November 6, 2011 (Sunday night), I have outlined a very simplistic proposal that would greatly assist us in providing funds for such work. The proposal is as follows:

“All sales tax revenue, that the City of Commerce receives (the City’s portion), from three new outlet stores which have recently opened or will soon open at Citadel Outlets would be paid to Craig Realty Group-Citadel, LLC to offset paving and restriping cost undertaken along Telegraph Road south of the north-bound Atlantic Avenue off-ramp and continuing south along Telegraph Road to Gaspar Avenue. The three stores that are to be included in such sales tax incentive are Michael Kors, Fossil and COACH. The measurement period shall be from the date the stores open for business and shall be calculated until the end of business on December 31, 2011. Any and all cash shortfall from the City’s sales revenue from the three stores mentioned above and the actual final cost to complete such roadway work shall be borne solely by Craig Realty Group-Citadel, LLC.”

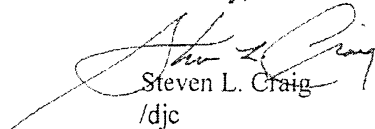
Please be aware that Craig Realty Group has directed the contractor to incorporate a “prevailing wage” wage structure on all work being undertaken.

Furthermore, Craig Realty Group-Citadel, LLC is aware that the City of Commerce will not receive their sales tax proceeds from such 4th quarter sales, until the 2nd quarter of 2012.

I know that there are a number of issues to address, but, I wanted to make sure that we had a basic deal structure in place prior to working out all the rest of the details.

Please let me know your thoughts.

Sincerely,


Steven L. Craig
/djc

Enclosures

4100 MacArthur Blvd., Suite 200 • Newport Beach, CA 92660
v: 949/224-4100 f: 949/224-4101 www.craigrealtygroup.com

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA,
APPROVING A REIMBURSEMENT AGREEMENT WITH CRAIG REALTY GROUP
CITADEL, LLC ("CRG CITADEL") FOR PAVING AND RESTRIPIING OF TELEGRAPH
ROAD SOUTH OF NORTH-BOUND ATLANTIC BOULEVARD OFF-RAMP AND
CONTINUING SOUTH ALONG TELEGRAPH ROAD TO GASPAR AVENUE

WHEREAS, Telegraph Road is a major arterial and frontage road running parallel to the I-5 Freeway; and

WHEREAS, Telegraph Road is also the main entrance to The Citadel Outlets, arguably the premiere shopping destination in Los Angeles County; and

WHEREAS, both Telegraph Road and The Citadel are included within the City's Redevelopment Project Areas II and IV and make up part of the City's Telegraph Road Redevelopment Corridor; and

WHEREAS, due to the State Legislature's and Governor's action to dissolve redevelopment in California, the Commerce Community Development Commission's ability to respond to infrastructure issues has been fundamentally depleted; and

WHEREAS, the California Supreme Court is expected to rule in mid-January 2012 on the constitutional merits of the State's dissolution of redevelopment and, in the interim, the City is prevented from accessing redevelopment funding by order of the California Supreme Court; and

WHEREAS, the City has the ultimate responsibility for maintaining the viability of the City's network of streets; and

WHEREAS, Telegraph Road is an important roadway that handles the estimated ten million annual visitors to The Citadel; and

WHEREAS, CRG Citadel is well aware of the condition of the roadway and traffic circulation in the vicinity of The Citadel; and

WHEREAS, there is some urgency to the needed repairs in that the holiday shopping season is due to begin and it would benefit the City, The Citadel and all other vehicle trips on Telegraph Road; and

WHEREAS, CRG Citadel is proposing a public/private partnership to improve the condition of said roadway surface and enhance vehicle circulation which includes road repairs and re-striping of traffic lanes to add a second left-hand turning movement into The Citadel; and

WHEREAS, the estimated cost of said improvements is in excess of \$150,000; and

WHEREAS, the City can financially participate in the project provided the wages paid to the workers on the job are State prevailing wages (the same as if it were the City's project), to which CRG Citadel has agreed; and

WHEREAS, inspection of the work, as well as prevailing wage certification and compliance, will be undertaken by an independent inspector and the subject improvement plans will also be reviewed and approved by the City; and

WHEREAS, in order to move the project forward prior to the holiday season, work is scheduled to begin and be completed the week of November 14, 2011, just in time for The Citadel's Tree Lighting Ceremony, and

WHEREAS, CRG Citadel intends to work at night to minimize disruption to the use of Telegraph Road.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

Section 1. The Reimbursement Agreement by and between Craig Realty Group Citadel, LLC ("CRG Citadel") and the City of Commerce is hereby approved and the Mayor and City Clerk are authorized to execute the Reimbursement Agreement for and on behalf of the City.

Section 2. This Resolution shall become effective immediately upon adoption.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2011.

Joe Aguilar, Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk

REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT (the "Agreement") dated as of November ____, 2011 (the "Effective Date") is made by and between Craig Realty Group Citadel, LLC ("CRG Citadel ") and the City of Commerce, a municipal corporation (the "City").

RECITALS

WHEREAS, CRG Citadel has requested that it be allowed to have certain restriping and asphalt repair work done on Telegraph Road, near the Citadel Outlets; and

WHEREAS, the City had not planned to proceed with such a project at this time; and

WHEREAS, CRG Citadel has made a proposal to the City that would allow the subject work to proceed and provide for some reimbursement by the City; and

WHEREAS, the City is willing to allow the subject work to be completed by CRG Citadel and to provide some reimbursement as set forth herein.

AGREEMENT

1. Scope of Services and Schedule of Performance.

CRG Citadel is authorized to proceed with paving and restriping of Telegraph Road south of the north-bound Atlantic Avenue off-ramp and continuing south along Telegraph Road to Gaspar Avenue (the "Work"). CRG Citadel will make arrangements with a contractor that is deemed suitable to the City Community Development Department and will pay all costs incurred in order to complete such work. The Work shall be paid at prevailing wage. The term of this Agreement shall be for a period commencing on the Effective Date until the completion of the Work to the satisfaction of the City.

2. City Reimbursement.

The total cost of the Work is estimated to be One Hundred Fifty Thousand Dollars (\$150,000). The City agrees to provide reimbursement to CRG Citadel for the Work as follows: all sales tax revenue that the City of Commerce receives (the City's portion) for the 4th Quarter of 2012 from the three new outlet stores that have recently opened, or will soon open, at the Citadel Outlets, "Michael Kors," "Fossil" and "COACH," will be paid by the City to CRG Citadel to offset the cost of the Work. The City will not be required to pay such reimbursement amounts until such sales tax proceeds are received by the City. The parties understand that such proceeds may not be received by the City until approximately the 2nd Quarter of 2012.

3. Independent Contractor.

CRG Citadel and the contractor that it retains to do the work provided for herein (the "Contractor") shall perform such work as wholly independent contractors. Neither CRG Citadel

nor the Contractor shall act as or be deemed an agent, employee, officer or legal representative of the City. CRG Citadel and the Contractor shall not at any time or in any manner represent that it or any of its agents, employees, officers or legal representatives are in any manner agents, employees, officers or legal representatives of the City. CRG Citadel and the Contractor have no authority to assume or create any commitment or obligations on behalf of the City or bind the City in any respect. This Agreement is not intended to and does not create the relationship of partnership, joint venture or association between the City and CRG Citadel or the Contractor.

4. CRG Citadel to Provide Required Personnel; Subcontracting.

CRG Citadel shall provide and direct the necessary qualified personnel to perform the work required of, and from, it pursuant to the express and implied terms hereof, with the degree of skill and judgment normally exercised by recognized professional firms performing such work of a similar nature at the time the work is performed, and to the reasonable satisfaction of the City.

5. Licenses.

CRG Citadel warrants that the Contractor and its employees will have all valid licenses and/or certifications generally required of contractors providing the work that is the subject of this Agreement, by all applicable regulating governmental agencies, and are in good standing with such applicable regulating governmental agencies.

6. Compliance with Laws.

CRG Citadel shall, and shall ensure that its employees and its subcontractors, if any, comply with all applicable city, county, state, and federal laws and regulations (including occupational safety and environmental laws and regulations) in performing the Work and shall comply with any directions of governmental agencies and the City relating to safety, security, and the like.

7. Insurance.

CRG Citadel shall maintain insurance and provide evidence thereof as required by Exhibit A hereto (the "Required Insurance") which is attached hereto and incorporated herein by this reference, for the term provided herein.

8. Warranty and Liability.

CRG Citadel warrants that the Work provided under this Agreement will be performed with the degree of skill and judgment normally exercised by recognized professionals performing work of a similar nature at the time the Work is performed. CRG Citadel shall be liable for injury or loss caused by the negligence of, or breach of this warranty by CRG Citadel, its employees, its subcontractors, if any, and/or its agents hereunder. This warranty survives the completion and/or termination of this Agreement.

9. Indemnification.

CRG Citadel shall indemnify and hold the City and their respective officials, officers, agents and employees harmless from and against any and all liabilities, losses, damages, costs and expenses the City and their respective officials, officers, agents and employees hereafter may suffer in connection with any claim, action, or right of action (at law or in equity) because of any injury (including death) or damage to person or property proximately caused by any negligent acts, errors, or omissions by CRG Citadel, its employees, its subcontractors (including the Contractor) or its agents in the performance of the Work hereunder. CRG Citadel shall not be liable to the extent that any liability, loss, damage, cost, and expense is caused solely from an act of negligence or willful misconduct by the City or its respective officials, officers, employees or agents. Upon written demand, CRG Citadel shall promptly provide a defense to such claims, actions or right of action (at law or equity) and shall promptly pay for all associated and resulting costs, damages, settlements, penalties, judgments, fees and expenses, including attorneys' fees and costs.

10. Waiver of Breach.

No waiver of any term, condition or covenant of this Agreement by the City shall occur unless signed by the City Administrator and such writing identifies the provision which is waived and the circumstances or period of time for which it is waived. Such waiver shall be for the specified period of time only and shall not apply to any subsequent breach. In addition, such waiver shall not constitute a waiver of any other term, condition or covenant of this Agreement nor shall it eliminate any remedies available to the City for any breaches of this Agreement which are not excused by such waiver. A delay in communicating a failure of CRG Citadel to satisfy a term, condition or covenant in no way waives that term or any remedies available for its breach.

11. Assignment.

Neither this Agreement nor any rights or obligations hereunder may be assigned or otherwise transferred by CRG Citadel, nor shall this Agreement inure to the benefit of any trustee in bankruptcy, receiver, or creditor of CRG Citadel, whether by operation of law or otherwise, without the prior written consent of the City which may be withheld in its sole discretion. Any attempt to so assign or transfer this Agreement or any rights or obligations hereunder without such consent shall be void and of no effect.

12. Arbitration.

If any dispute arises out of or relates to this Agreement, or the breach thereof, and if such a dispute cannot be settled through direct discussions, the parties agree to settle any disputes involving only monetary amounts less than \$100,000 by binding arbitration pursuant to the rules of the American Arbitration Association by an arbitrator sitting in Los Angeles County.

13. Attorneys' Fees.

In the event an arbitration or a judicial proceeding is brought to enforce the terms of this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable costs and attorneys' fees incurred in connection therewith.

14. Notices.

Notices provided hereunder shall be delivered by certified First Class U.S. Mail, postage prepaid, or by personal service as required in judicial proceedings, directed to the address provided below:

For the City:

City of Commerce
2535 Commerce Way
Commerce, California 90040
Attn: City Administrator

For CRG Citadel:

Craig Realty Group Citadel, LLC
4100 MacArthur Blvd., Suite 200
Newport Beach, CA 92660
Attn: Steven L. Craig AND Lori Sarnar Smith

Notice shall be deemed received three days after its mailing to the above address or upon actual receipt as indicated by return receipt, whichever is earlier. Personal service shall be deemed received the same day personal delivery is effected.

15. Governing Law.

The validity, performance and construction of this Agreement shall be governed by and interpreted in accordance with the laws of the State of California applicable to contracts made to be performed therein. Any litigation commenced by either party to this Agreement shall be venued in Los Angeles County, California.

16. Entire Agreement and Amendments to Agreement.

This Agreement contains the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes all previous communications, negotiations, and agreements, whether oral or written, between the parties with respect to such subject matter, and no addition to or modification of this Agreement or waiver of any provisions of this Agreement shall be binding on either party unless made in writing and executed by Consultant and the City.

17. Counterpart Signatures.

This Agreement may be executed in one or more counterparts. When this Agreement has

been properly signed by an authorized representative of each of the parties hereto, it shall constitute a valid Agreement, though each of the signatories may have executed separate counterparts hereof.

IN WITNESS WHEREOF, the parties hereto have each executed or caused to be executed this Agreement as of the Effective Date.

CITY OF COMMERCE

Dated: November ___, 2011

By: _____
Joe Aguilar, Mayor

ATTEST:

Linda K. Olivieri, City Clerk

CRAIG REALTY GROUP CITADEL, LLC,
a California limited liability company

By: Citadel SPE, Inc.,
a Delaware corporation,
Manager

Dated: November ___, 2011

By: _____
Steven L. Craig, President

APPROVED AS TO FORM:

Eduardo Olivo, City Attorney

EXHIBIT A

REQUIRED INSURANCE

On or before beginning any of the Services called for by any term of this Agreement, Craig Realty, at its own cost and expense, shall carry, maintain for the duration of this Agreement, and provide proof thereof that is acceptable to the City of its procurement of the insurance specified below from insurers and under forms of insurance satisfactory in all respects to the City. Craig Realty shall not allow any subcontractor to commence work on any subcontract under this Agreement until all insurance required of Craig Realty has also been obtained for the or by the subcontractor. Such insurance shall not be in derogation of Craig Realty's obligations to provide indemnity under Section 9 of this Agreement.

1. Comprehensive General Liability and Automobile Liability Insurance Coverage.

CRG Citadel shall carry and maintain Comprehensive General Liability and Automobile Liability Insurance which provides the following:

Minimum coverage: Bodily injury limits of \$1,000,000 for each person and \$2,000,000 for each occurrence; property damage limits of \$500,000 for each occurrence, \$2,000,000 aggregate.

If a Commercial General Liability Insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned real property and automobiles. Insurance coverage shall not be subject to any type of pollution exclusion or owned property exclusions.

2. Errors and Omissions Insurance Coverage.

CRG Citadel shall carry and maintain Errors and Omissions Coverage Insurance which provides a minimum coverage of at least \$1,000,000 for each occurrence, \$2,000,000 aggregate, triggered by manifestation of injury.

3. Worker's Compensation.

CRG Citadel shall carry and maintain worker's compensation as required by the California Labor Code for all persons employed directly or indirectly in connection with this Agreement by CRG Citadel or any subcontractor.

4. Additional Insureds.

The City, its officers, agents and employees must be named as additional insureds or as

additional loss payees in all insurance policies required by this Agreement. An endorsement to this effect shall be delivered to the City prior to the commencement of any work. Satisfaction of any deductible requirement shall be the responsibility of CRG Citadel.

5. Cancellation Clause.

Each of the policies of insurance shall contain a clause substantially as follows:

It is hereby understood and agreed that this policy may not be canceled nor the amount of the coverage thereof be reduced until 30 days after receipt by the City Administrator of the City of Commerce of the written notice of such cancellation or reduction of coverage, as evidenced by receipt of a certified letter.

6. Severability Clause.

Each of the policies of insurance shall contain a clause substantially as follows:

The insurance afforded by this policy applies separately to each insured against whom a claim or suit is made or suit is brought, except with respect to the limit of the insurer's liability.

7. Qualifications of Insurer.

All policies of insurance shall be issued by an insurance company acceptable to the City and authorized to issue said policy in the State of California.

8. Approval of Insurer.

The insurance carrier providing the insurance shall be chosen by CRG Citadel subject to approval by the City, provided that such approval shall not be unreasonably withheld.

9. Payment of Premiums.

All premiums on insurance policies shall be paid by CRG Citadel making payment, when due, directly to the insurance carrier, or in a manner agreed to by the City.

10. Evidence of Insurance and Claims.

The City shall have the right to hold the policies and policy renewals, and CRG Citadel shall promptly furnish to the City all renewal notices and all receipts of paid premiums. In the event of loss, CRG Citadel shall give prompt notice to the insurance carrier and the City. The City may make proof of loss if not made promptly by CRG Citadel.



AGENDA REPORT

DATE: November 15, 2011

TO: HONORABLE CITY COUNCIL

FROM: DIRECTOR OF COMMUNITY DEVELOPMENT

SUBJECT: PUBLIC HEARING - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, ORDERING THE VACATION OF A PORTION OF SHEILA STREET FROM ARROWMILL AVENUE WESTERLY APPROXIMATELY 573 FEET TO THE TERMINUS OF SAID SHEILA STREET WITH RESERVATIONS

RECOMMENDATION:

That the City Council conduct a public hearing to adopt a resolution ordering the vacation (with reservations) of a portion of Sheila Street from Arrowmill Avenue westerly approximately 573 feet to the terminus of said Sheila Street then approve and adopt the Resolution and assign the number next in order.

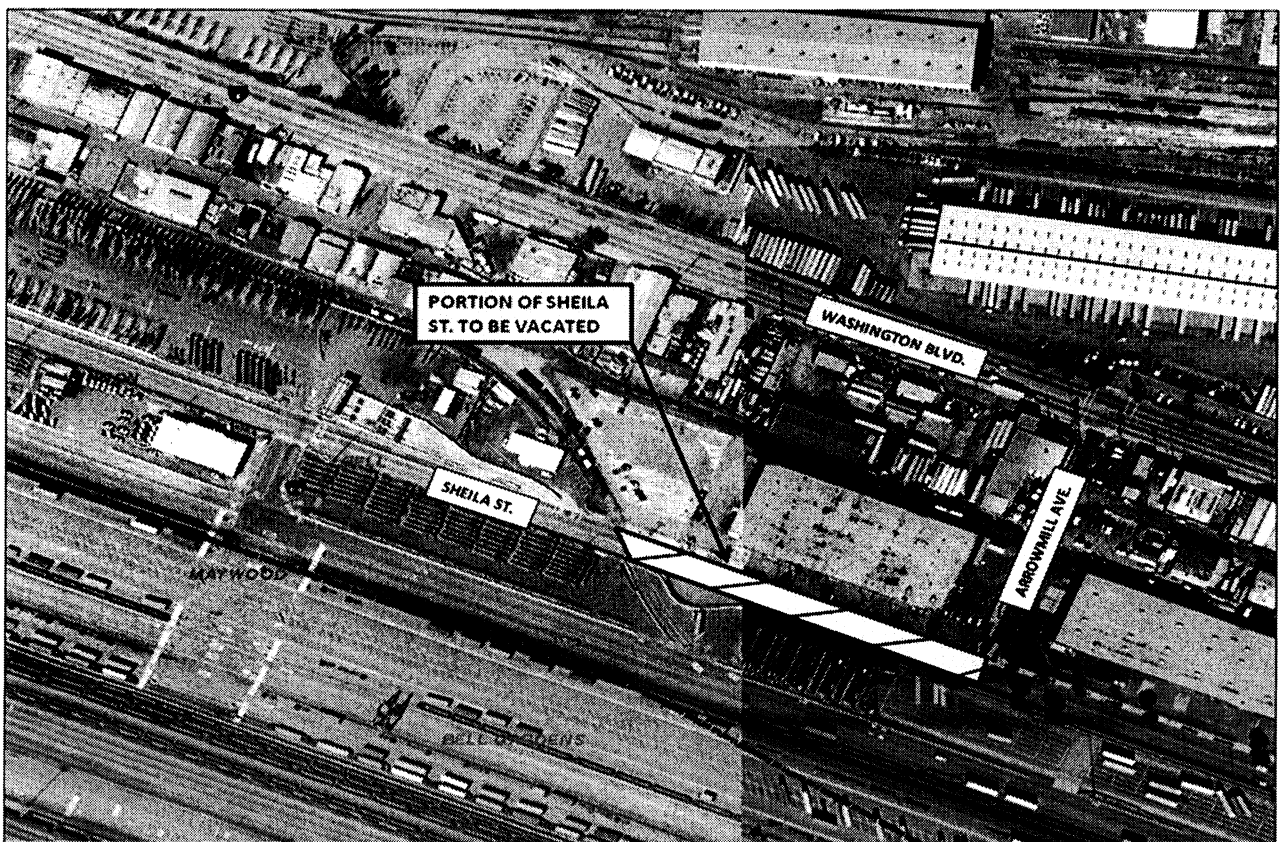
MOTION:

1. Declare the public hearing open.
2. Now is the time for anyone wishing to speak on the subject to step forward.
3. Declare the public hearing closed.

Move to approve the recommendation.

BACKGROUND/ANALYSIS:

This item was continued from the October 25, 2011 City Council meeting to afford staff and the party (BNSF) requesting the vacation action to finalize the various easement reservation exhibits necessary to consider the vacation. In 1992, at the request of BNSF Railway, the City of Commerce vacated a portion Sheila Street from Indiana east stopping short of Arrowmill Avenue approximately 573 feet. BNSF has requested the City vacate the remainder of Sheila Street to Arrowmill Avenue. BNSF owns the properties in the immediate vicinity of the proposed vacation and it is home to their intermodal facility. See the map below for the location of the proposed vacation:



Planning Commission Finding:

On May 25, 2011 the Planning Commission adopted a Resolution making a determination that the vacation of a portion of Sheila Street conforms to the City of Commerce General Plan as required by State Government Code Section 65402. More specifically, the Planning Commission found that the vacation is consistent with the following General Plan including polices in the Plan that call for the use of circulation strategies that create a transportation system that is sensitive to the City's aim for continued economic development. Furthermore, the General Plan calls for the implementation of a plan for a coordinated street circulation system that will allow for the efficient movement of goods.

California Environmental Quality Act (CEQA) Review

The proposed vacation and related conditions will not have a significant impact on the environment because the project is located in an area where there are adequate public services and facilities. Furthermore the proposed vacation request is categorically exempt pursuant to CEQA Guidelines Section 15301, Class 1 Minor Alterations of Existing Facilities. Should the vacation (after a duly noticed public hearing in accordance with all applicable state and local laws) be approved by the City Council, a Notice of Exemption will be filed with the Office of the County Recorder pursuant to the provisions of CEQA.

Public Notices

On September 20, 2011 the City Council considered a Resolution of Intent as required by Section 8322 of the California Streets and Highways Code authorizing the City Clerk to set the time date, and place of the public hearing. Initially, November 15, 2011 was selected as the date to consider the vacation request, but at the request of BNSF, an alternative date of October 25th was selected by Council.

A public notice of hearing for the subject vacation was published in the Commerce Comet on September 22, 2011 and September 29, 2011. Copies of the public notice were mailed to all property owners within a 500-foot radius, and posted along Sheila Street as required by California Streets & Highways Code Section 8300 et seq.

Easements/Conditions To Vacation

Affected City departments, various agencies, and utility companies were notified of the proposed vacation. California Water Service Company and Sempra Energy (Formerly Southern California Gas Company) as well as the Los Angeles County Department of Public Works requested that easements be reserved for their facilities. In addition, Los Angeles County Fire Department has requested that an access easement be provided over a portion of the vacated right of way. The attached resolution ordering the vacation reserves grants or reserves easement rights and includes exhibits with Easement Agreements including legal descriptions for the easement areas to be reserved as well as plat maps.

In addition, the vacation is subject to the following conditions of approval:

- BNSF shall provide an easement agreement conferring access rights to a parcel (Taylor Parcel) over the vacated street. Said easement is necessary to prevent this parcel from effectively being "landlocked" and losing access as a result of the vacation. Said easement shall be prepared to the satisfaction of the City Attorney and shall be included in the attached street vacation resolution.
- BNSF shall dedicate to the City a small portion of property at the northwest corner of Arrowmill Avenue and Sheila Street as depicted in the attached vacation exhibit for the construction of a truck turning radius. Said dedication shall be on a form approved by the City Attorney and the dedication shall be provided prior to recordation of the attached street vacation resolution.


RELATIONSHIP TO 2009 STRATEGIC GOALS

This agenda item report is in furtherance of Goal #1- *Maintain and Diversify Local Economy*. The proposed street vacation will help to retain an existing long-established Commerce business as it will add land area to their site and allow them to improve overall site layout and function thereby improving their operational efficiencies.

FISCAL IMPACT:


The actions proposed in this report have no fiscal impact to the City as all vacation efforts can be accommodated with current budgeted resources.

Respectfully submitted,



Jorge Rifa
City Administrator

Recommended by:



Bob Zarrilli
Director of Community Development

Prepared by:



Alex Hamilton
Assistant Director of Community Development

Fiscal impact reviewed by:



Vilko Domic
Director of Finance

Approved as to Form:



Eduardo Olivo
City Attorney



AGENDA REPORT

Date: November 15, 2011

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: COMMUNITY DAY OF SERVICE – STAFF UPDATE ON IMPLEMENTATION OF PROPOSAL SUBMITTED BY COMMUNITY SERVICES COMMISSIONER JOANNA FLORES

RECOMMENDATION:

That the City Council receives an update from City staff on the progress of the implementation of the Community Day of Service Proposal submitted by Community Services Commissioner Joanna Flores, as part of the City's Keep Commerce Beautiful Campaign.

MOTION:

Move to approve the recommendation.

BACKGROUND:

At the City Council Meeting of September 19, 2011, Community Services Commissioner and City Resident Joanna Flores presented to the City Council a Community Day of Services Proposal. Following her presentation, at the request of Mayor Pro Tem Baca Del Rio, the City Administrator directed City staff to create a Committee to review the proposal and research its feasibility and/or find ways to incorporate the projects listed in the proposal with other events the City already has in place.

The Committee met and discussed various components of the proposal and possible issues that may arise. The Committee is of the opinion that most of the neighborhoods and areas within the City are clean and in decent condition. Some of the issues discussed were how to obtain volunteers; supervision and training of the volunteers; the supplies & equipment that the City would be required to purchase for the tasks; determining which areas would be included and what type of work would be required; logistical situations such as possibly having to close off streets in order to provide safety for the volunteers; limitations such as not going onto private property; and City liability for any injuries to volunteers and/or damage incurred to any property.

ANALYSIS:

The Committee established that some of the tasks listed in the proposal can be incorporated into existing events that the City sponsors, such as planting trees on Earth Day or Arbor Day, or expanding the Spring Cleanup event, as part of the Keep Commerce Beautiful Campaign. Other ideas were also discussed, as part of the beautification efforts (they are listed below). Nonetheless, it would be beneficial to the City to seek the participation of the Industrial Council, for input and assistance in the event the City would solicit contributions from businesses (i.e. supplies from Home Depot).

The Committee came up with some options that the City Council can review and direct City staff to pursue. They are as follows:

1. **Establish the date of the Day of Service Event** – The event will be held on January 14, 2012, at the Teen Center located at 5107 Astor Avenue, Commerce, CA 90040. This event would involve landscaping, and painting the interior and exterior walls of the Teen Center.
2. **Organize the clean-up of neighborhoods/Incorporate Spring Clean-up** – This would involve determining which areas are of top priority and what specifically would be cleaned up.
3. **Provide home improvement assistance to Senior Citizens** – This would involve selecting the homes of interested Senior Citizen residents and assist them with clean-up and painting of their home.
4. **Plant trees throughout the City on Arbor Day and Earth Day** – This would involve identifying the areas suitable for new plantings and a plan for upkeep and maintenance of the trees. Another activity would be an Earth Day Environmental Educational Program at Atlantic Library working with East Yard Environmental Communities on April 19, 2012. The Parks and Recreation Department will plan park program activities to coincide with Earth Day.
5. **Adopt a “Tree” or “Area”** – This would involve identifying a tree or area within the City for purposes of preserving and/or maintaining it, utilizing volunteers, and seeking donations.
6. **Create Community Gardens for residents** – This would require identifying locations that are suitable and available for planting.
7. **Beautify City owned vacant lots throughout the City** – This would involve planting drought resistant plants and possibly utilizing volunteers to assist in the clean-up, preparation and planting of vegetation on these lots. The existing lots are smaller lots located in or adjacent to residential neighborhoods and do include the larger parcels located along Telegraph Road which staff believes must be professionally maintained. The candidate lots for beautification under this program are located at:
 - Astor/Jardine
 - 2207 and 2143 Atlantic

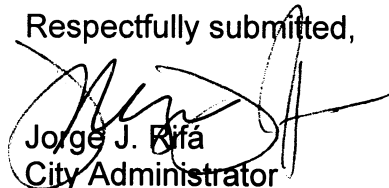
FISCAL IMPACT:

The fiscal impact to the current operating budget would depend on the option selected and may include personnel and material costs, as well as ongoing maintenance and operations costs.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

This report relates to the 2009 strategic planning goal: “Protect and Enhance the Quality of Life in the City of Commerce,” as it addresses the overall appearance of the community and promotes civic engagement and pride in the community.

Respectfully submitted,


Jorge J. Bifá
City Administrator

Recommended by:



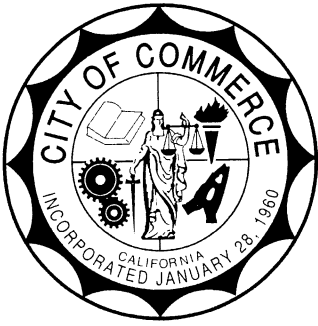
Loretta Gutierrez
Interim Director of Safety & Community Services

Reviewed by:


Vilko Domic
Director of Finance

Approved as to Form:


Eduardo Olivo
City Attorney



AGENDA REPORT

DATE: November 15, 2011

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, OPPOSING THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) INCLUSION OF THE EAST/WEST FREIGHT CORRIDOR SR-60 AND/OR UNION PACIFIC (UP) RAILROAD ALIGNMENT IN THE DRAFT 2012 REGIONAL TRANSPORTATION PLAN (RTP)

RECOMMENDATION:

Adopt a resolution opposing the Southern California Association of Governments (SCAG) inclusion of the East/West Corridor SR-60 and/or UP Railroad Alignment.

BACKGROUND:

The Southern California Association of Governments (SCAG) is proposing to study the concept of dedicated truck lanes along the State Route 60 (SR-60) Freeway corridor, or an alternate route that runs adjacent to the Union Pacific Rail Road between the I-710 and I-605 Freeways. According to SCAG the goal of such an alignment would provide an efficient connection for trucks moving goods from the Ports of Los Angeles and Long Beach (as well as local communities) between the I-710 and the Inland Empire. SCAG is currently working on components for their long-range transportation planning document that is referred to as the 2012 Regional Transportation Plan (RTP). The RTP is a long range planning document that analyzes regional transportation issues and identifies opportunities in the form of programs and projects that facilitate all modes of transportation in the region. In addition to being a blueprint for long range transportation initiatives, the RTP greatly enhances those programs/projects identified in the document for future funding consideration. One of the RTP components is the East/West Freight Corridor.

Last April, staff from SCAG met with City staff including the City Administrator to discuss the RTP including the East/West Freight Corridor and the various alignments being considered. Their presentation did not identify the next steps or a schedule for the plan and subsequently, there has been no additional specific follow up with Commerce staff. In light of what has occurred with the narrowing of the specific alignment for the East/West Freight Corridor for inclusion in the Draft 2012 RTP it would seem that a "pre-determination" was made by SCAG on this matter without any meaningful public participation or outreach to the potentially impacted communities.

ANALYSIS:

SCAG has narrowed their focus from several potential alignments to specific alignments to be located on or near the SR-60 or the Union Pacific Rail line. More specifically, SCAG has identified "a five-mile wide zero emission freight corridor in conjunction with the communities adjacent to the SR-60 and the Union Pacific Rail Road alignment." This alignment is to include dedicated truck lanes (potentially elevated) upon which zero emission vehicles would travel and would run through the communities of East Los Angeles, Commerce, Montebello, Pico Rivera east beyond the I-605 using the San Jose Creek channel. Selection of this route has been identified by SCAG given its proximity to the goods movement industry while indicating it has the least potential for property impacts.

SCAG is proposing to include the East/West Freight Corridor and prospective alignments in their 2012 Draft RTP. A Program Environmental Impact Report is also being prepared for the RTP and this will include an analysis of the East-West Corridor concept and its potential environmental impacts. Both documents are to be released for public review and comment next month with SCAG taking formal action to adopt the RTP in Spring 2012.

To date, there a number of cities along the proposed East/West Freight Corridor that adopted resolutions against the current East/West Corridor routes due to potentially devastating impacts to their communities and lack of any meaningful public outreach in the decision making process. Staff believes that the City Council should adopt a resolution taking a position on the proposed East/West Freight Corridor now for the aforementioned reasons. Staff believes it is irresponsible to focus solely on the benefits of such an alignment without carefully analyzing the potential environmental impacts. Furthermore the City has strongly opposed the High Speed Rail Phase II Project Los Angeles to San Diego via the Inland Empire along the same alignment for similar reasons. In addition, there are a number of other Regional Transportation Projects that are all seemly competing for "space" in the East/West Corridor SR-60 or UP/UP Adjacent location. In addition to the High Speed Rail Phase II Project, there is also the Metro Eastside Light Rail Extension which has one of its two alignments located on or adjacent to the SR-60, as well as the Alameda Corridor East (ACE) project which is conceived as a rail line extension from the current north-south Alameda Corridor east along the UP Rail line.

While goods movement is important to Commerce and the commitment to address mobility on a regional level is critical, staff believes it must be done in a coordinated manner with local agencies and communities afforded opportunities to participate in the decision making process.

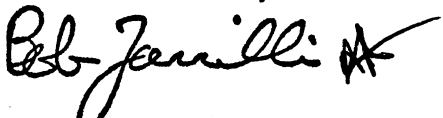
FISCAL IMPACT:

There is no fiscal impact associated with this request for support. There are current budgeted staff resources to participate in the activities outlined above.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

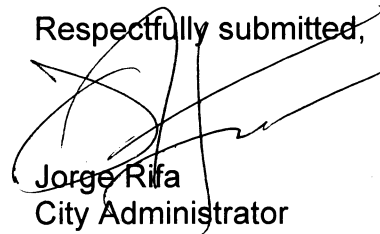
The issue before the Council is applicable to the following Council strategic goal to "*Protect and Enhance Quality of Life in the City of Commerce*". The recommendations contained in this report are intended to insure that Commerce residents are afforded the most efficient and effective opportunity to engage in meaningful public participation on matters concerning their quality of life.

Recommended by:



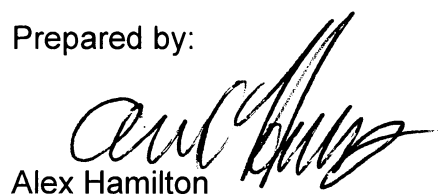
Bob Zarrilli
Director of Community Development

Respectfully submitted,



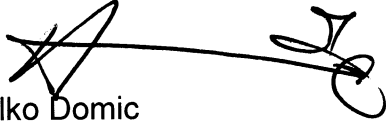
Jorge Rifa
City Administrator

Prepared by:



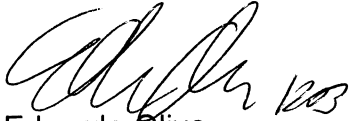
Alex Hamilton
Assistant Director of Community Development

Fiscal Impact Reviewed by:

A handwritten signature in black ink, appearing to be 'Vilko Domic', written over a horizontal line.

Vilko Domic
Director of Finance

Approved as to Form:

A handwritten signature in black ink, appearing to be 'Eduardo Olivo', written over a horizontal line.

Eduardo Olivo
City Attorney

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE,
CALIFORNIA, OPPOSING THE SOUTHERN CALIFORNIA ASSOCIATION OF
GOVERNMENTS (SCAG) INCLUSION OF THE EAST/WEST FREIGHT CORRIDOR SR-
60 AND/OR UNION PACIFIC (UP) RAILROAD ALIGNMENT IN THE DRAFT 2012
REGIONAL TRANSPORTATION PLAN (RTP)**

WHEREAS, the Southern California regional freeway system represents one of the highest volume goods movement corridors in the United States and is of major importance to the distribution of consumer goods and in facilitating international trade; and

WHEREAS, an important part of the movement of goods within the region is accomplished through a complex system of transportation infrastructure; and

WHEREAS, the City Council of the City of Commerce is generally supportive of regional transportation alternatives as long as they do not impact or interfere with the quality of life within the City of Commerce; and

WHEREAS, the Southern California Association of Governments (SCAG) is proposing a concept of (potentially elevated) dedicated truck lanes along the State Route 60 (SR-60) or an alternate route that runs adjacent to the Union Pacific Rail Road between the I-710 and I-605 Freeways that would have potentially significant environmental impacts including property impacts to commercial/industrial and residential properties to the communities along the SR-60 freeway corridor; and

WHEREAS, SCAG has repeatedly refused to consider other east/west transportation corridors, including SR-91, I-10, and I-210 for alternative locations for dedicated truck lanes, focusing all traffic congestion and quality of life impacts on the communities along the SR-60 corridor; and

WHEREAS, there is currently insufficient public outreach, engineering, environmental review of SCAG's preferred alignment for the East/West Freight Corridor in any long-term transportation planning document, including the 2012 Regional Transportation Plan (RTP); and

WHEREAS, inclusion of any program/project in the RTP greatly enhances its legitimacy for future funding considerations;

WHEREAS, while the City of Commerce supports a commitment to address mobility issues on a regional level, it must be done in a coordinated manner with local agencies and with communities afforded opportunities to participate in the decision making process.

NOW, THEREFORE, THE CITY COUNCIL DOES HEREBY RESOLVE AND DETERMINES AS FOLLOWS:

SECTION 1. The City of Commerce does not support any of the alternatives this time especially SCAG's preferred alternative of a (potentially elevated) dedicated truck lane along the State Route 60 (SR-60) or an alternate route that runs adjacent to the Union Pacific Rail Road between the I-710 and I-605 Freeways.

SECTION 2. The City of Commerce supports alternative goods movement plans that equitably distribute truck traffic between all east/west transportation corridors between the I-710 and I-15.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2011.

Joe Aguilar
Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk



AGENDA REPORT

MEETING DATE: NOVEMBER 15, 2011

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE CALIFORNIA, ACCEPTING THE WORK PERFORMED BY CST CONSTRUCTION COMPANY OF LONG BEACH, CALIFORNIA, UNDER THE CITY OF COMMERCE STANDARD CONTRACT AGREEMENT FOR CASH CONTRACT NO. 1004 – AQUATORIUM LOCKER ROOM RENOVATION PROJECT IN THE CITY OF COMMERCE, CALIFORNIA, AND OTHER MATTERS RELATED THERETO

RECOMMENDATION:

Approve the Resolution and assign the number next in order.

MOTION:

Move to approve the recommendation.

BACKGROUND:

As part of the Fiscal Year 2008/09 Capital Improvement Project Budget, the City Council appropriated \$1,200,000 for the improvements to the Rosewood Park Aquatorium.

At its meeting of November 16, 2010, the City Council awarded a contract for the subject project to CST Construction Company of Long Beach, California, in the amount of \$759,888 and established a twenty-five (25%) contingency of \$189,972, and authorized the Mayor to execute the Standard Contract Agreement for said project on behalf of the City.

ANALYSIS:

CST Construction Company has completed the work in conformance with the project specifications, contract documents and all federal/state/local requirements.

The work involved providing all labor, equipment, materials, tools and incidentals necessary to rehabilitate the aquatorium locker rooms, including:

- Repair water and rot damage due to inadequate drainage
- Remove and replace concrete floors
- Install new drainage system
- Replace ceiling at selected locations
- Replace water damaged walls and ceilings
- Replace and install new lighting
- Construct new showers stalls, install partitions and related plumbing fixtures
- Install new lockers and furnishings
- Installing a new supplemental HVAC system
- Build new storage bag areas and new family changing/restrooms
- Stain concrete floors

At this point, the City Council can accept the project as satisfactory and complete. Upon acceptance of the project, staff will file the "Notice of Completion" with the County Recorder's Office for the project. Thirty-five (35) days after the recordation of the Notice of Completion by the County Recorder's Office, the City will release the Labor and Materials Bond, if requested by the bonding company, and make final payment of the 10% retention being withheld from the payment to Contractor, if no Stop Notices are filed within the 35-day period.

FISCAL IMPACT:

All work has been completed in a satisfactory manner and in accordance with the Project Plans and Specifications. The actual total project cost was \$924,761.55, which is approximately 3% less than the total amount appropriated for the project (\$949,860), resulting in a savings of \$25,098.45.

At Mayor Joe Aguilar's and Councilmember Denise Robles' request, the City Council will consider reallocating the aforementioned savings to perform additional improvements at the Aquatorium (raise counter in the pool office and install new flooring in two additional staff offices). At this time, staff is estimating that these repairs can be completed within the available funding.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

The issue before the Council is applicable to the following Council's strategic goal: *"Protect and Enhance Quality of Life in the City of Commerce."* Although, there are no specific objectives connected to this issue, the City is responsible for ensuring that all its buildings and sites are in good and safe order for public and staff use.

Respectfully submitted,



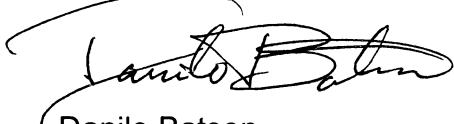
Jorge Rifa
City Administrator

Recommended by:



Robert Zarrilli
Director of Community Development

Prepared by:



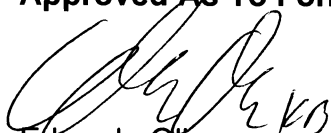
Danilo Batson
Assistant Director of Public Services

Reviewed by:



Vilko Domic
Director of Finance

Approved As To Form:



Eduardo Olivo
City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, ACCEPTING THE WORK PERFORMED BY CST CONSTRUCTION COMPANY, OF LONG BEACH, CALIFORNIA, UNDER THE CITY OF COMMERCE STANDARD CONTRACT AGREEMENT FOR CASH CONTRACT NO. 1004 – AQUATORIUM LOCKER ROOM RENOVATION PROJECT IN THE CITY OF COMMERCE, CALIFORNIA, AND OTHER MATTERS RELATED THERETO

WHEREAS, as part of the Fiscal Year 2008/09 Capital Improvement Project Budget, the City Council appropriated a final allocation of \$1,200,000 for the renovation of the Rosewood Park Aquatorium; and

WHEREAS, on November 16, 2010, the City Council awarded a contract to CST Construction Company, of Long Beach for the required improvements and set aside a project contingency of \$189,972 (or 25%); and

WHEREAS, the work has been completed and performed in accordance with the Project Plans and Specifications; and

WHEREAS, the project experienced a savings of \$25,098.45 and the City Council would like reallocated this saving to perform additional improvements at Rosewood Aquatorium; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVES AND ORDERS AS FOLLOWS:

Section 1: That the work performed by CST Construction Company, of Long Beach, California, under the City of Commerce Standard Contract Agreement for Cash Contract No. 1004 – Aquatorium Locker Room Renovation Project, is accepted as being satisfactory and complete; and

Section 2: That staff is authorized to file the "Notice of Completion" with the Los Angeles County Registrar Recorder/County Clerk's Office and, thirty-five (35) days thereafter, to release the Labor and Materials Bond, if requested by the bonding company, for the subject contract, and make final payment of the 10% retention to contractor; and

Section 3: That the project savings be reallocated to perform additional improvements at Rosewood Aquatorium; and

PASSED, APPROVED and ADOPTED this _____ day of _____, 2011.

Joe Aguilar, Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk