

CITY COUNCIL
MEETING AGENDA

CITY OF MONTEBELLO CITY COUNCIL/SUCCESSOR AGENCY
CITY HALL COUNCIL CHAMBERS
1600 WEST BEVERLY BOULEVARD
MONTEBELLO, CALIFORNIA^{1 1[2]}
WEDNESDAY, OCTOBER 9, 2019
5:30 P.M.

MONTEBELLO CITY COUNCIL

JACK HADJINIAN
MAYOR

SALVADOR MELENDEZ
MAYOR PRO TEM

KIMBERLY A. COBOS-CAWTHORNE
COUNCILMEMBER

ANGIE M. JIMENEZ
COUNCILMEMBER

DAVID N. TORRES
COUNCILMEMBER

CITY CLERK
IRMA BARAJAS

CITY TREASURER
RAFAEL GUTIERREZ

CITY STAFF

CITY MANAGER
René Bobadilla

CITY ATTORNEY
Arnold M. Alvarez-Glasman

DEPARTMENT HEADS

Assistant City Manager
Fire Chief
Police Chief
Director of Finance
Director of Human Resources
Director of Planning/Community Development
Director of Public Works
Director of Recreation and Community Services
Director of Transportation

Arlene Salazar
Fernando Pelaez
Brad Keller
Robert Mescher
Bob Franco
Manuel Mancha
Danilo Batson
David Sosnowski
Tom Barrio

OPENING CEREMONIES

¹ In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Building Official at 323/887-1497. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II1203). If you require translation services, please contact the City Clerk's Office 24 hours before this meeting. Si necesita servicios de traducción, comuníquese con la Oficina del Secretario Municipal 24 horas antes de esta reunión.

1. **CALL MEETING TO ORDER:** Mayor Hadjinian
2. **ROLL CALL:** City Clerk I. Barajas
3. **STATEMENT OF PUBLIC ORAL COMMUNICATIONS FOR CLOSED SESSION ITEMS:**

Members of the public interested in addressing the City Council on Closed Session items must fill out a form provided at the door, and turn it in to the City Clerk prior to the announcement of Closed Session items.

Please be aware that the maximum time allotted for individuals to speak shall not exceed three (3) minutes per speaker. Please be aware that in accordance with State Law, the City Council may not take action or entertain extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

***IN CONSIDERATION OF OTHERS, PLEASE TURN OFF, OR MUTE,
ALL CELL PHONES AND PAGERS.
THANK YOU FOR YOUR COOPERATION.***

ORAL COMMUNICATIONS ON CLOSED SESSION ITEMS

CLOSED SESSION - 5:30 P.M.

The City Attorney shall provide a briefing on the item listed for Closed Session as follows:

4. CONFERENCE WITH LABOR NEGOTIATORS

Government Code section 54957.6

Agency designated representative: René Bobadilla, City Manager

Employee organization:, Montebello Police Officers Association, Montebello Police Management Association, Montebello Firefighters Association, Montebello Fire Management Association, Montebello Mid-Management Association, Montebello Supervisors Association, Montebello City Employees Association, SMART-TD, Unrepresented Employees

5. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Government Code section 54956.8

Property: 901 Via San Clemente, Montebello, CA

Agency's Negotiator: René Bobadilla, City Manager

Negotiating Party: Transports

Under Negotiation: Price and Terms

REGULAR SESSION

6. INVOCATION

PLEDGE OF ALLEGIANCE

7. PRESENTATIONS

- a. Proclaiming National Fire Prevention Week in Montebello- October 6 - 12, 2019

8. STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

9. CORRECTIONS TO THE AGENDA – CITY MANAGER

- 10. STATEMENT OF PUBLIC ORAL COMMUNICATIONS:** Members of the public interested in addressing the City Council on any agenda item or topic must fill out a form provided at the door, and turn it in to the City Clerk prior to the beginning Oral communications. A form does not need to be submitted for public hearing items.

Speakers wishing to address the City Council on an item that is not on the agenda will be called upon in the order that their speaker card was received. Those persons not accommodated during this thirty (30) minute period will have an opportunity to speak under “Oral Communications – Continued” after all scheduled matters have been considered.

Please be aware that the maximum time allotted for individuals to speak shall not exceed three (3) minutes per speaker. Please be aware that in accordance with State Law, the City Council may not take action or entertain extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

11. PUBLIC ORAL COMMUNICATIONS ON OPEN SESSION ITEMS (30 MINUTES)

- 12. APPROVAL OF AGENDA:** Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion with the exception of any item which a member of the public or City Council has requested to speak upon. Such approval will also waive the reading of any ordinance.

CONSENT MATTERS (13- 22)

13. COMPLETION OF TRAFFIC STUDIES/STOP WARRANTS

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the various traffic safety improvements as recommended by the Traffic & Safety Commission

14. PREFERENTIAL PARKING DISTRICT DESIGNATION ON VIA CORONA FROM BRADSHAWE STREET TO WESTERLY CITY LIMIT

RECOMMENDATION: It is recommended that the City Council:

- 1) Consider the adoption of a resolution designating a preferential parking district on Via Corona from Bradshawe Street to westerly City Limit, as recommended by the Traffic and Safety Commission.

15. RESOLUTION FOR THE FORMATION AND INCLUSION INTO THE LOWER LOS ANGELES RIVER RECREATION AND PARKS DISTRICT

RECOMMENDATION: It is recommended that the City Council:

- 1) Adopt a resolution supporting the formation and inclusion into the Lower Los Angeles River Recreation and Parks District;
- 2) Direct the City Clerk to file the resolution with Los Angeles County Local Agency Formation Commission; and
- 3) Authorize the City Manager to approve the final District Map on behalf of the City.

16. AGREEMENT WITH AVAIL TECHNOLOGIES INC. FOR THE ITS SYSTEMS MAINTENANCE AND SUPPORT OFFER

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve a software maintenance agreement with Avail Technologies, Inc. ("Avail") for ongoing Intelligent Transportation System (ITS) System Maintenance and Support for the City's Transportation Departments Fixed Route Passenger Information System. The Contract Agreement shall be for an initial one-year (1-year) term, with options for renewal of up to four (4) one-year terms.

17. AWARD A CONTRACT TO PARKING COMPANY OF AMERICA FOR BID NO. 19-41 – METROLINK RAIL FEEDER SHUTTLE SERVICE

RECOMMENDATION: It is recommended that the City Council:

- 1) Award a contract to Parking Company of America for the Metrolink Rail Feeder Shuttle Service in an amount not to exceed: Year 1 – \$462,519; Year 2 - \$476,366; Year 3 - \$490,671, and if the parties exercise their option to renew thereafter: Year 4 - \$505,359; Year 5 - \$520,506; and Year 6 - \$536,112

18. DISPATCH RELATED EQUIPMENT UPGRADES AND BUDGET APPROPRIATION

RECOMMENDATION: It is recommended that the City Council:

- 1) Authorize staff to utilize sole source and cooperative purchasing (piggy-backing) for dispatch related equipment and/or upgrades with Presidio Network Solutions LLC in the amount not to exceed one hundred and one thousand, three hundred eighty-one dollars and 32/100 cents (\$101,381.32) and with Foothill Communications (on behalf of WestNet Inc.) for an amount not to exceed sixty thousand, four hundred seventy-four dollars and 39/100 cents (\$60,474.39); and
- 2) Authorize the City Manager to execute the agreements and/or purchase orders related to the purchases; and
- 3) Approve the attached Resolution appropriating General Fund unassigned balance to Account for Outside Contracts (100-85-880-6040.10) to fund these expenditures.

19. AUTHORIZE THE ISSUANCE OF PENSION OBLIGATING BONDS AND THE JUDICIAL VALIDATION PROCEEDINGS RELATING TO THE ISSUANCE OF SUCH BONDS

RECOMMENDATION: It is recommended that the City Council:

- 1) Adopt City Council Resolution entitled, "Resolution of the City Council of the city of Montebello Authorizing the issuance and delivery of Pension Obligation Bonds to refund certain outstanding pension fund obligations of the City to the California Public Employees' Retirement System, Approving the Form of and Authorizing the Execution and Delivery of a Trust Agreement, and Authorizing a Validation Action and other matters relating thereto"; and
- 2) Authorize the City to issue Pension Obligation Bonds in an amount not to exceed \$155,000,000.

20. MONTHLY INVESTMENT REPORT – AUGUST 2019

RECOMMENDED ACTION: It is recommended that the City Council:

1) Approve and file the Monthly Investment Report for August 2019.

21. PAYMENT OF BILLS: RESOLUTION APPROVING THE CITY/SUCCESSOR AGENCY WARRANT REGISTER OF DEMANDS DATED OCTOBER 9, 2019

RECOMMENDED ACTION: It is recommended that the City Council:

1) Adopt the proposed resolution approving the Warrant Register dated October 9, 2019.

22. APPROVAL OF MINUTES: AUGUST 28, 2019

RECOMMENDED ACTION: It is recommended that the City Council:

1) Approve said minutes as written.

23. PUBLIC ORALS – IF NEEDED

COUNCIL ORALS

24. COUNCILMEMBER COBOS-CAWTHORNE

- a. Proclaiming October Domestic Violence Awareness Month
- b. Update on website/webmaster

25. COUNCILMEMBER JIMENEZ

None.

26. COUNCILMEMBER TORRES

- a. Communications regarding projects on and along Montebello Boulevard
- b. Coffee with a Councilman on October 16, 6:30 p.m., at Balrog Coffee

27. MAYOR PRO TEM MELENDEZ

- a. Census Update
- b. Eco friendly/sustainability initiatives
- c. Local leaders academy

28. MAYOR HADJINIAN

- a. November 13th meeting, Youth Commissioners to shadow council members.

ADJOURNMENT

NOTES

CITY OF MONTEBELLO
CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members
FROM: René Bobadilla, City Manager
BY: Danilo Batson, Director of Public Works
SUBJECT: Completion of Traffic Studies/Stop Warrants
DATE: October 9, 2019

RECOMMENDATIONS

It is recommended that City Council:

- 1) Approve the various traffic safety improvements as recommended by the Traffic & Safety Commission

BACKGROUND/ANALYSIS

On December 19, 2018, the City Council approved the preparation of traffic studies at the following locations/intersections as recommended by the Traffic & Safety Commission:

- 5th Street and Madison Avenue – Complaint of speeding, accidents and nearby school;
- Hibiscus Street and Los Amigos Avenue – Complaint of speeding, resulting in a need for a stop sign on Hibiscus Street;
- 4th Street and Mines Avenue – Complaint about crosswalk installed in 1989 stating that it is no longer effective. Resident requests four-way stop signs at the intersection. When making a left-turn from 4th Street onto Mines Avenue, the residents do not feel safe as cars are blocking visibility of approaching vehicular traffic.
- Poplar Avenue and Fremont Square – Request for a four-way stop due to speeding cars on Poplar Avenue. Residents submitted a petition with 27 signatures requesting additional stop signs and a crosswalk on Poplar Avenue.

At the request of the City, Infrastructure Engineers completed the traffic/stop warrant studies for each location and presented their findings to the Traffic & Safety Commission on June 5, 2019. The findings were as follows:

- 5th Street and Madison Avenue – Install all-way stop controls (signs, pavement legends, etc.) and 3 ADA ramps, at an estimated cost of \$15,000. (See Diagram 1).

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- Hibiscus Street and Los Amigos Avenue – install all-way stop control (signs, pavement markings, etc.) and 4 ADA ramp, at an estimated cost of \$15,000. (See Diagram 2).
- 4th Street and Mines Avenue – install all-way stop control (signs, pavement markings, etc.) and 4 ADA ramps, at an estimated cost of \$15,000. (See Diagram 3).
- Poplar Avenue and Fremont Square – red curb (increasing line of sight) and 4 ADA ramps, at an estimated cost of \$17,200. (See Diagram 4).

At their June 5 2019, after receiving a presentation and receiving public testimony, the Traffic & Safety Commission approved the following items and directed staff to present their recommendations to City Council for consideration and approval, as follows:

- 5th Street and Madison Avenue – approve all proposed improvements, per report findings and recommendations, at an estimated cost of \$15,000.
- Hibiscus Street and Los Amigos Avenue – deny recommendations for proposed improvements.
- 4th Street and Mines Avenue – approve all proposed improvements, per report findings and recommendations, at an estimated cost of \$15,000.
- Poplar Avenue and Fremont Square – deny recommendations and approve residents request for an all-way stop control at this location, including installation of ADA ramps, speed limit signs and red cubs (as needed), at an estimated cost of \$17,200. (See Diagram 5 – pre Traffic & Safety Commission decision).

FISCAL IMPACTS

The total estimated cost to complete all proposed improvements, approved by the Traffic & Safety Commission, is \$47,200. The Public Works Department will utilize a combination of funds (General Fund, Measure M and Measure R Funds) allocated to the Department as part of the FY 2019/20 City Budget (M&O) and FY 2019/20 CIP Budget, already approved by City Council. No additional funding appropriation will be required.

SUMMARY

The City Council will consider approval of various traffic safety improvements as recommended by the Traffic & Safety Commission. The total estimated cost to complete all proposed improvements is \$47,200, for which the Public Works Department will utilize a combination of funds (Measure M, Measure R and General Funds) to complete the improvements.

ATTACHMENTS

Diagrams 1 – 5 from reports completed by Infrastructure Engineers

DIAGRAM 1 – 5TH STREET AND MADISON

The following information was taken from the engineering study report for this location.



R1-1



R1-3P

2. Reconstruct existing ramps for ADA compliance.

Madison-5th All Way Stop Warrant Study



Figure 4. Approximate Locations of Improvements

DIAGRAM 2 – HIBICUS STREET AND LOS AMIGOS AVENUE

The following information was taken from the engineering study report for this location.



2. Installation of four (4) ADA compliant ramps.

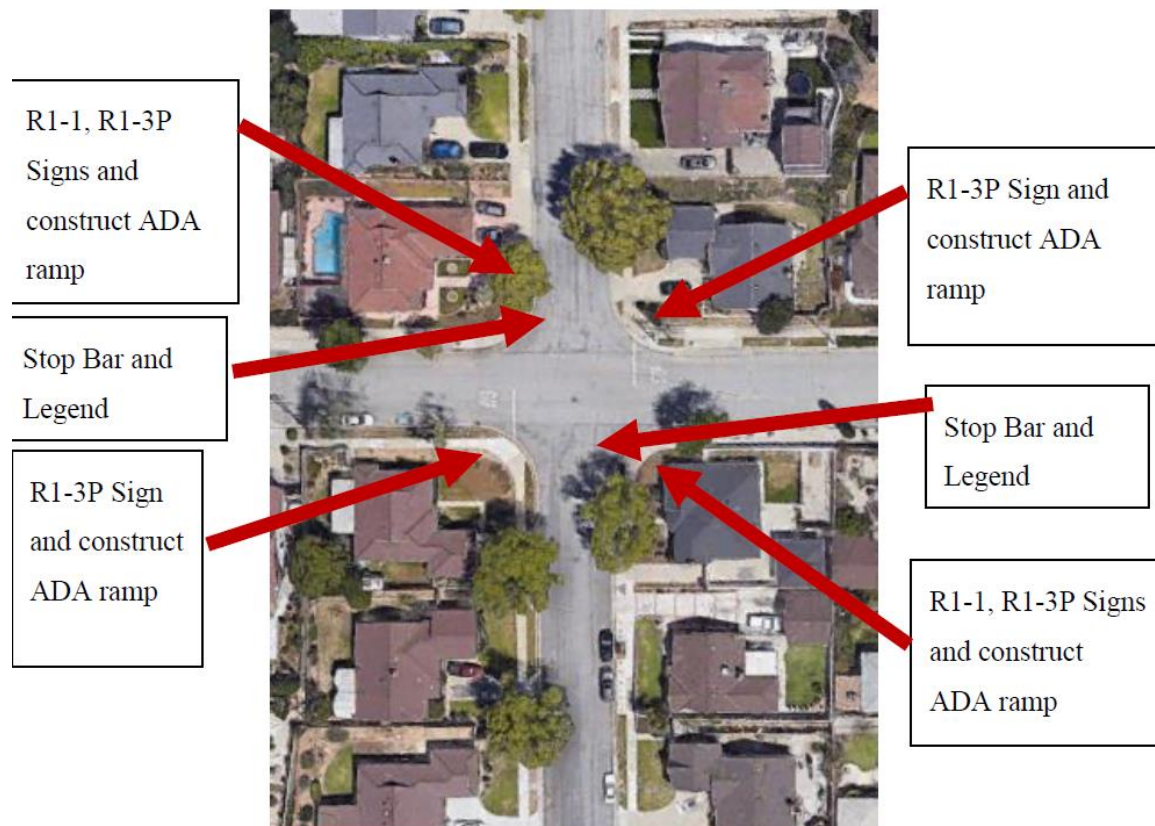


Figure 2. Approximate Locations of Improvements

DIAGRAM 3 – 4TH STREET AND MINES AVENUE

The following information was taken from the engineering study report for this location.

Based on the study findings, the following recommendations are provided to minimize traffic and pedestrian safety concerns at the intersection of W. Mines Avenue and S. 4th Street:

1. Install all-way stop control at the intersection of W. Mines Avenue and S. 4th Street by installing a stop sign (R1-1) with an all-way plaque (R1-3P) on the eastbound and westbound approaches of W. Mines Avenue complete with stop bar and stop legend on the pavement. Install an all-way plaque (R1-3P) on the southbound and northbound approach of S. 4th Street. This will reduce the speed on W. Mines Avenue and reduce the delay for vehicles on S. 4th Street. See **Figure 4** for approximate locations of the improvements.



2. Install three ADA curb ramps to allow safer pedestrian access to the intersection. See **Figure 4** for approximate locations of the ADA curb ramps.



Figure 4. Approximate Locations of the Improvements

DIAGRAM 4 – POPLAR AVENUE AND FREMONT SQUARE

The following information was taken from the engineering study report for this location.

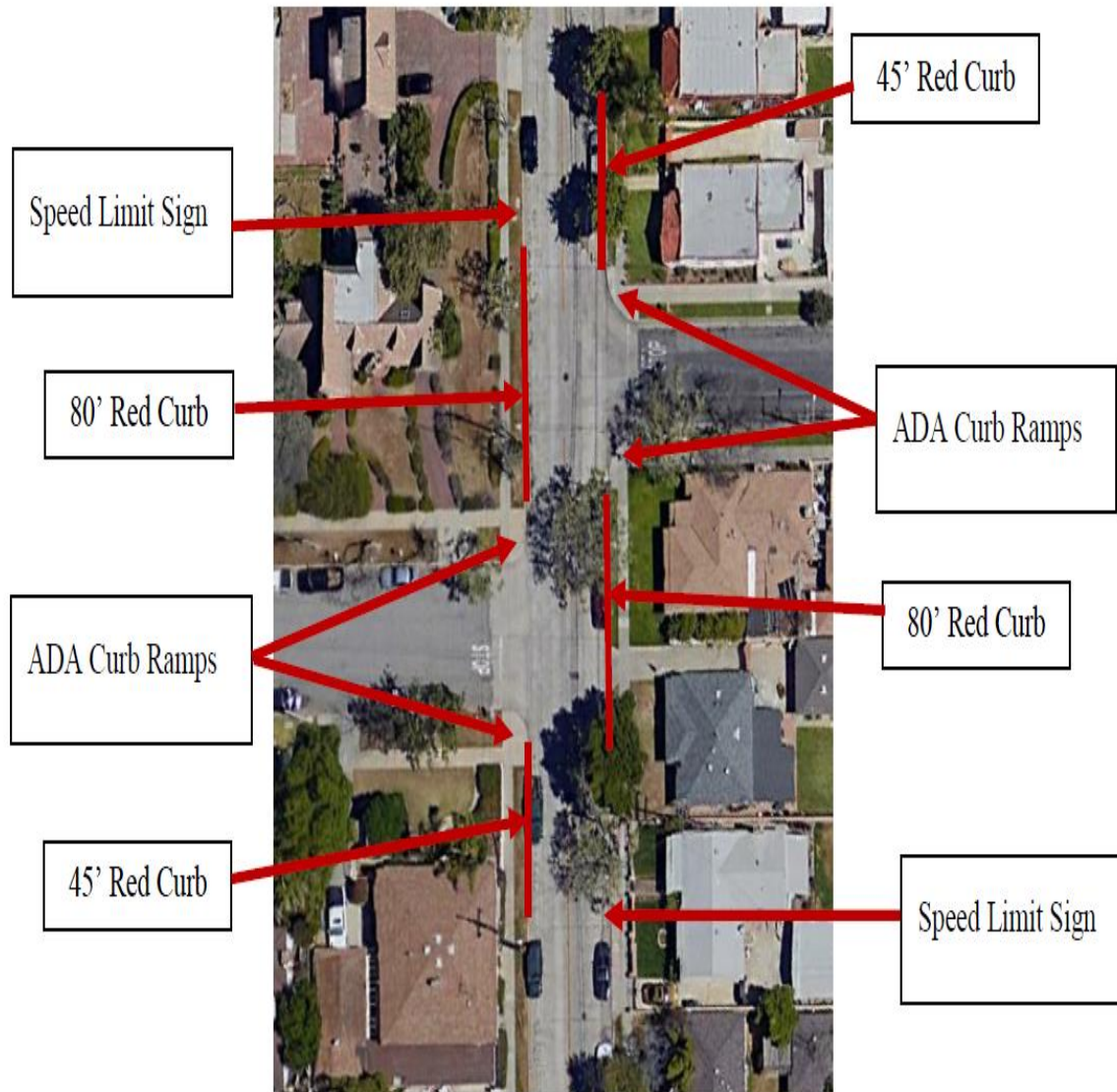


Figure 5. Approximate Locations of the Improvements

DIAGRAM 5 – POPLAR AVENUE AND FREMONT SQUARE (REVISED PER TRAFFIC & SAFETY COMMISSION DECISION)

City of Montebello
Poplar-Fremont All-Way Stop Warrant Study

Recommendations

Based on the findings of this study, the following recommendations are provided to minimize traffic safety concerns at the intersection of N. Poplar Avenue and E. Fremont Square:

1. Install red curbs along the west side of N. Poplar Avenue to prohibit parking for a length of 20' to the south and 20' to the north from the west leg of E. Fremont Square. Install red curbs along the east side of N. Poplar Avenue to prohibit parking for a length of 20' to the north and 20' to the south from the east leg of E. Fremont Square. This would allow motorists to safely stop at the Stop sign.
2. Install two 25 mph speed limit signs, one in each direction, on N. Poplar Avenue to inform motorists to reduce their speeds.
3. Install four ADA compliant curb ramps to allow safer pedestrian access at the intersection.
4. Install Stop signs, Stop bars and Stop legends as shown.

The diagram below shows approximate locations of the recommended improvements:



[Prepared by Yunus Rahi, Ph.D, P.E, T.E, Infrastructure Engineers, 9-9-19]



DIAGRAM 5 – CONTINUED

City of Montebello
 Poplar-Fremont All-Way Stop Warrant Study

Excerpt from June 5, 2019 meeting minutes of Traffic and Safety Commission:

G. All-Way Stop Warrant Study for N. Poplar Avenue and E. Fremont Square

As stated in the All-way Stop Warrant Study, the intersection was investigated to determine for all-way stop sign installation. The consultant's analysis of the All-Way Stop Sign Warrant Study showed that this location did not meet the requirements for an All-Way Stop-Controlled at the intersection.

It is recommended by the consultant not to install a marked crosswalk on N. Poplar Avenue since the pedestrian volume was observed to be low. Instead, it is recommended for the City to install red curbs for a length ranging from 45' to 80' along Poplar Avenue to provide better intersection visibility for motorists on E. Fremont Square. It is also recommended that two 25 mph speed limit signs be installed on N. Poplar Avenue, one in each direction, to address concerns of speeding vehicles. In addition, a total of four ADA curb ramps should be constructed at the corners of the intersection to allow a safer pedestrian access.

Commission Action:

Commissioner Lopez motioned to approve staff's recommendation but to add the stop signs, seconded by Commissioner Torres.

AYES: 3
 NAYES: 0
 ABSTAIN: 0

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: René Bobadilla, City Manager

BY: Danilo Batson, Director of Public Works

SUBJECT: **Preferential Parking District Designation on Via Corona from Bradshawe Street to Westerly City Limit**

DATE: October 9, 2019

RECOMMENDATION

It is recommended that the City Council consider the adoption of a resolution designating a preferential parking district on Via Corona from Bradshawe Street to westerly City Limit, as recommended by the Traffic and Safety Commission.

BACKGROUND

Residents of Via Corona submitted a petition requesting preferential permit parking along the north and south sides of Via Corona from Bradshawe Street to westerly City limit. The petition contained sufficient resident signatures to qualify for consideration, under the City's Preferential Parking Guidelines/Program.

Residents informed the City that there are no parking spaces available during day or night times (Monday to Sunday) for the residents who live in the 3500 Block of Via Corona, due to overflow parking from nearby residential areas and businesses. Residents would like to establish a preferential parking district to enable them the opportunity to utilize on-street parking near their homes/residences. The preferential parking would be 24-hours, 7 days a week.

On September 4, 2019, this item was presented to the Traffic & Safety Commission, at which time public input was received. After which, the Commission approved the request for preferential parking and directed staff to present the matter to City Council for review and consideration.

ANALYSIS

Montebello Municipal Code ("MMC") Section 10.36 provides for the establishment of preferential parking districts by the City Council for locations experiencing inadequate or impaired on-street parking. A request for the designation of a preferential parking district may be initiated by a petition signed by affected residents along the area

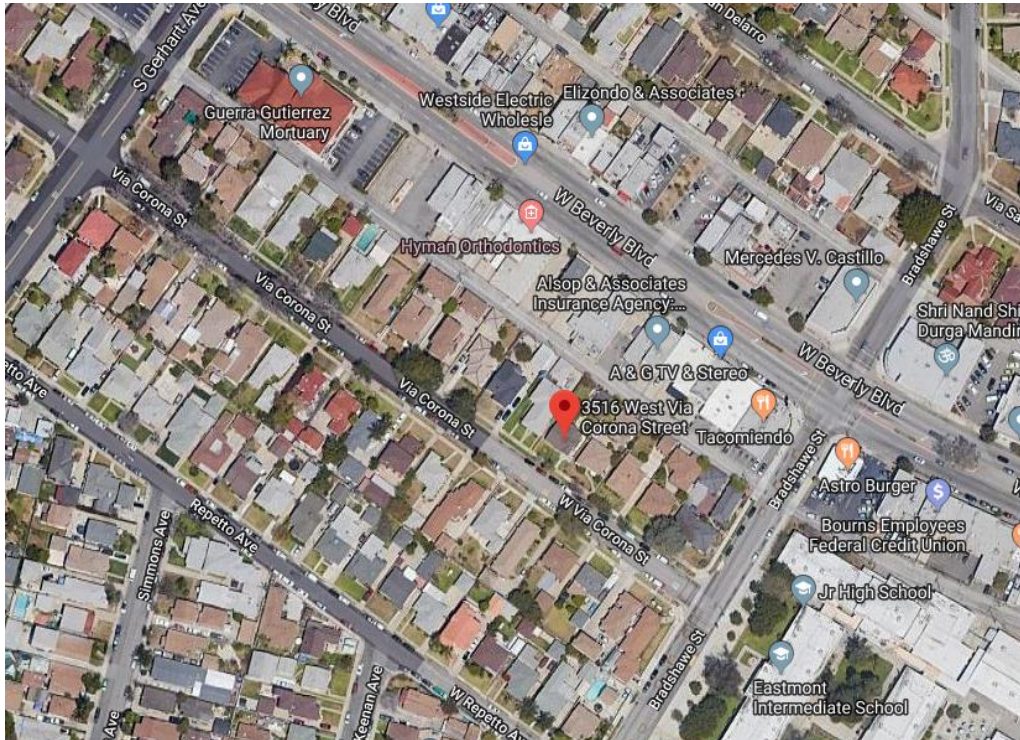
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proposed for designation, after which the Traffic and Safety Commission (“Commission”) must hold a public meeting to determine whether specific designation criteria are met. After holding the public meeting, the Commission must provide a written recommendation to the City Council, which may designate a preferential parking district by the adoption of a resolution. (MMC 10.36.030).

In determining whether an area is eligible for designation as a preferential parking district, the Commission or the City Council must consider a variety of factors including: (1) the extent to which affected residents desire and need permit parking; (2) the extent to which legal on-street parking spaces are available for use by residents; (3) the extent to which motor vehicles registered to persons residing in the area cannot be accommodated by the number of available off-street parking spaces; (4) the size and configuration of the area as it relates to the problems or enforcement or parking and traffic regulations and the potential impact of parking and traffic congestion, on this and adjacent areas, as a result of the establishment of such district; (5) whether other regulatory measures would better solve the problem (e.g. parking restrictions and strict enforcement of such restrictions); and (6) the area to be designated shall include minimum of one block, both sides. (MMC 10.36.020(B)).

On September 4, 2019, the Commission considered a petition by residents on the 3500 Block of Via Corona. Residents stated that on-street parking in front of their homes has been monopolized by vehicles associated with nearby residential areas and businesses. After considering the public testimony, the Commission concluded that the parking issues could be resolved through the designation of a parking district. The Commission voted unanimously to recommend to the City Council the establishment of a preferential parking district on Via Corona from Bradshawe Street to westerly City limit.

Map of Proposed Preferential Parking District



FISCAL IMPACTS

Installation of the requested permit parking signs is estimated at \$2,500. The Public Works Department Maintenance & Operations Budget includes funds for traffic signage and maintenance. The residents paid the required permit which is the cost to investigate and prepare the report required by the preferential parking designation.

SUMMARY

The City Council will consider approval of a resolution designating a preferential parking district on Via Corona from Bradshaw Street to westerly City limit, as recommended by the Traffic and Safety Commission and as requested by a resident petition.

ATTACHMENTS

Resolution

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MONTEBELLO, CALIFORNIA, DESIGNATING A PREFERENTIAL
PARKING DISTRICT ALONG VIA CORONA FROM BRADSHAWE TO
WESTERLY CITY LIMIT**

WHEREAS, Montebello Municipal Code (“MMC”), Chapter 10.36, “Preferential Parking Districts,” authorizes and sets for the procedures for establishing preferential parking district in the City of Montebello to address location experiencing insufficient or impaired on-street parking;

WHEREAS, upon receipt of a qualifying petition requesting the designation of a preferential parking district, the Traffic and Safety Commission (“Commission”) must hold a public meeting for the purpose of receiving public comments on the district (MMC 10.36.030(B));

WHEREAS, at the conclusion of the public meeting, the Commission must provide a written recommendation to the City Council, based on the record of such public meeting or meetings and the surveys and studies performed, whether to designate the area consideration as a preferential parking district (MMC 10.36.030(D));

WHEREAS, upon recommendation of the Commission, the City Council must consider the request and may, at its discretion, designate by resolution a certain area as a preferential parking district and authorize the Commission to establish parking restrictions for the district (MMC 10.36.010);

WHEREAS, Montebello Municipal Code section 10.36.020(B) sets forth factors which the Commission and City Council must consider in determining whether to designate a particular area as a preferential parking district;

WHEREAS, On September 4, 2019 the Commission held a public meeting to consider a qualifying petition signed by residents seeking the establishment of a preferential parking district along Via Corona from Bradshawe Street to westerly City Limit, and specifically the area spanning the 3500 block of Via Corona, in the City of Montebello.

WHEREAS, at the public meeting, residents indicated that on-street parking in front of their private residences has been monopolized by vehicles associated with nearby residences, apartments and businesses;

WHEREAS, after considering the public testimony, the Commission voted

unanimously to recommend to the City Council that a preferential parking district be established along the north side and south side of Via Corona from Bradshawe Street to westerly City Limit ("Recommended District"); and

WHEREAS, the City Council may, in its discretion, adopt the Commission's recommendation and designated the Recommended District as a preferential parking district.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MONTEBELLO, AS FOLLOWS:

SECTION 1. The City Council, after consideration of staff presentation, reports, discussion, oral testimony, and evidence presented to the City Council, hereby finds that the above recitals are true and correct and incorporated them herein.

SECTION 2. The City Council finds and declares that parking conditions existing along Via Corona Street from Bradshawe Street to westerly City Limit, satisfy the criteria for designating such area as a preferential parking district, as such criteria is set forth in Montebello Municipal Code 10.36020(B). Residents' testimony established that legal on-street parking availability has been monopolized by vehicles associated with nearby residences, apartments and businesses that residents on Via Corona Street are being impacted and cannot find on-street parking in front of their homes. The establishment of a preferential parking district will improve parking and traffic conditions along the affected portion of Via Corona and the immediately surrounding areas by ensuring nearby residents have access to adequate legal on-street parking in the proximity of their residence.

SECTION 3. The City Council hereby declares Via Corona from Bradshawe Street to westerly City Limit to be a preferential parking district (the "District") pursuant to Montebello Municipal Code section 10.36 *et seq.*

SECTION 4. The Traffic and Safety Commission is hereby authorized to establish parking restrictions for the District.

SECTION 5. The Director of Public Works shall cause appropriate signs to be erected in the District as required by Montebello Municipal Code section 10.36.040.

SECTION 6. The City Clerk shall certify to the passage of this resolution which shall become effective upon adoption.

APPROVED AND ADOPTED this 9th of October, 2019.

Jack Hadjinian, Mayor

ATTEST:

Irma Barajas, City Clerk

Arnold Alvarez-Glasman, City Attorney

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Danilo Batson, Director of Public Works

SUBJECT: Resolution for the formation and inclusion into the Lower Los Angeles River Recreation and Parks District

DATE: October 9, 2019

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt a resolution supporting the formation and inclusion into the Lower Los Angeles River Recreation and Parks District;
2. Direct the City Clerk to file the resolution with Los Angeles County Local Agency Formation Commission; and
3. Authorize the City Manager to approve the final District Map on behalf of the City.

BACKGROUND

In September of 2016, California Senate Bill 1374, sponsored by former Senator Ricardo Lara, was signed into law authorizing the formation of the Lower Los Angeles River Recreation and Parks District. The purpose of the Bill was to create a special district to help identify funding for the construction, improvement, and maintenance of parks and recreational facilities along the Lower Los Angeles River.

The District includes cities along the lower Los Angeles River from Vernon down to Long Beach. Through the advocacy of Assemblymember Cristina Garcia, the cities of Pico Rivera, Commerce, Montebello and Downey were included since they are located adjacent to the Rio Hondo River which connects to the lower Los Angeles River.

Although the District exists by law, the formation of the District must be formally established by the Los Angeles County Local Agency Formation Commission (LAFCO). LAFCO is a state-mandated quasi-judicial countywide agency whose purview is to oversee boundary changes of cities and special districts, the formation of new agencies, including the incorporation of new cities and districts, and the consolidation or reorganization of special districts and/or cities. The City of South Gate is taking the lead

to submit the application to LAFCO on behalf of the cities identified per SB 1374.

ANALYSIS

The proposed boundaries of the district extend one (1) mile from the River on both sides. This boundary would cover all areas of Montebello between the Rio Hondo River and approximately Maple Avenue. This distance will determine the focus areas for each of the cities. Once a consensus is reached between the cities, the distance will then be established.

Once formally established, the District will have to coordinate with the Lower Los Angeles River Working Group and the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC) to fulfill the duties established by the Bill. In addition, it will have the ability to apply for state and county funds, enter into public-private partnerships and leverage funding by property tax assessment. The RMC will commit to funding a staff position and provide administrative support for three (3) years.

The City Council and the County Board of Supervisors must determine the representative for their respective agencies. Per SB 1374, 13 members will comprise the District's Board of Directors whom will serve a two-year term.

The Board of Directors shall be appointed as follows:

(a) The City Council of each of the following cities may appoint one (1) representative:

1. Vernon
2. Maywood
3. Bell
4. Bell Gardens
5. Cudahy
6. South Gate
7. Lynwood
8. Compton
9. Paramount
10. Long Beach

(b) The Los Angeles County Board of Supervisors may appoint two (2) public members; one (1) of those members shall be a representative of a non-profit organization serving the Lower Los Angeles River region.

(c) One (1) representative may be jointly appointed by the City Councils of the following cities:

1. Commerce
2. Downey
3. Montebello

4. Pico Rivera

Per SB 1374, the four (4) cities will have to select one (1) Board Representative. The selection of the representative has not begun and it is anticipated that once the cities have submitted their resolutions, discussions amongst the four (4) cities mentioned in “subdivision c” will begin. The RMC recommended that a person from the City Council be on the District Board and not City staff.

On June 19, 2019, the four (4) cities along the Rio Hondo River, met with the RMC representatives of Assemblymember Cristina Garcia and Senator Bob Archuleta’s office to advocate amending SB 1374 to grant one (1) vote to each individual city. All parties agreed that amending the legislation would occur in the upcoming months.

All the cities within the District are encouraged to submit a resolution for the formation of the District however, if cities do not submit a resolution, they will still be part of the District per SB 1374. Ten (10) out of the 14 cities have submitted a resolution which include cities of: Bell, Bell Gardens, Commerce, Cudahy, Downey, Maywood, South Gate, Lynwood, Pico Rivera and Paramount. The City of South Gate has begun working with LAFCO and it is anticipated that this process will take several months. During this timeframe, it is recommended that the cities determine who their District representative will be. Once the representatives have been selected, newly established Board of Directors will be tasked with creating bylaws and begin the duties as established by the Bill.

Environmental Analysis

The proposed annexation of the District is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15320, *Changes in Organization of Local Agencies*, Class 20, as the reorganization will not change the geographical area in which previously existing powers are exercised. On March 26, 2019, the City of South Gate, as lead agency adopted a Notice of Exemption pursuant to State CEQA Guidelines Section 15320, Class 20.

FISCAL IMPACTS

There is no fiscal impact to the City for the formation of the Lower Los Angeles River Recreation and Parks District. The purpose of the District is to help identify funding for the construction, improvement, and maintenance of parks and recreational facilities along the Lower Los Angeles River. Funding to achieve the goals of the District will include grant opportunities and public-private partnerships. Upon approval of the Board members, the District will also have the ability to leverage funding by property tax fee assessments.

The San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC) will commit to funding a staff position and provide administrative support for three years. The member cities within the District are also encouraged to commit additional funding,

or in-kind contributions, to support the duties and goals of the District.

SUMMARY

The City Council will consider adopting a resolution supporting the formation and inclusion into the Lower Los Angeles River Recreation and Parks District;

ATTACHMENTS

Resolution

Draft Boundary Map

FAQ Sheet

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MONTEBELLO, CALIFORNIA, DESIGNATING A PREFERENTIAL
PARKING DISTRICT ALONG VIA CORONA FROM BRADSHAWE TO
WESTERLY CITY LIMIT**

WHEREAS, Montebello Municipal Code (“MMC”), Chapter 10.36, “Preferential Parking Districts,” authorizes and sets for the procedures for establishing preferential parking district in the City of Montebello to address location experiencing insufficient or impaired on-street parking;

WHEREAS, upon receipt of a qualifying petition requesting the designation of a preferential parking district, the Traffic and Safety Commission (“Commission”) must hold a public meeting for the purpose of receiving public comments on the district (MMC 10.36.030(B));

WHEREAS, at the conclusion of the public meeting, the Commission must provide a written recommendation to the City Council, based on the record of such public meeting or meetings and the surveys and studies performed, whether to designate the area consideration as a preferential parking district (MMC 10.36.030(D));

WHEREAS, upon recommendation of the Commission, the City Council must consider the request and may, at its discretion, designate by resolution a certain area as a preferential parking district and authorize the Commission to establish parking restrictions for the district (MMC 10.36.010);

WHEREAS, Montebello Municipal Code section 10.36.020(B) sets forth factors which the Commission and City Council must consider in determining whether to designate a particular area as a preferential parking district;

WHEREAS, On September 4, 2019 the Commission held a public meeting to consider a qualifying petition signed by residents seeking the establishment of a preferential parking district along Via Corona from Bradshawe Street to westerly City Limit, and specifically the area spanning the 3500 block of Via Corona, in the City of Montebello.

WHEREAS, at the public meeting, residents indicated that on-street parking in front of their private residences has been monopolized by vehicles associated with nearby residences, apartments and businesses;

WHEREAS, after considering the public testimony, the Commission voted

unanimously to recommend to the City Council that a preferential parking district be established along the north side and south side of Via Corona from Bradshawe Street to westerly City Limit ("Recommended District"); and

WHEREAS, the City Council may, in its discretion, adopt the Commission's recommendation and designated the Recommended District as a preferential parking district.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MONTEBELLO, AS FOLLOWS:

SECTION 1. The City Council, after consideration of staff presentation, reports, discussion, oral testimony, and evidence presented to the City Council, hereby finds that the above recitals are true and correct and incorporated them herein.

SECTION 2. The City Council finds and declares that parking conditions existing along Via Corona Street from Bradshawe Street to westerly City Limit, satisfy the criteria for designating such area as a preferential parking district, as such criteria is set forth in Montebello Municipal Code 10.36020(B). Residents' testimony established that legal on-street parking availability has been monopolized by vehicles associated with nearby residences, apartments and businesses that residents on Via Corona Street are being impacted and cannot find on-street parking in front of their homes. The establishment of a preferential parking district will improve parking and traffic conditions along the affected portion of Via Corona and the immediately surrounding areas by ensuring nearby residents have access to adequate legal on-street parking in the proximity of their residence.

SECTION 3. The City Council hereby declares Via Corona from Bradshawe Street to westerly City Limit to be a preferential parking district (the "District") pursuant to Montebello Municipal Code section 10.36 *et seq.*

SECTION 4. The Traffic and Safety Commission is hereby authorized to establish parking restrictions for the District.

SECTION 5. The Director of Public Works shall cause appropriate signs to be erected in the District as required by Montebello Municipal Code section 10.36.040.

SECTION 6. The City Clerk shall certify to the passage of this resolution which shall become effective upon adoption.

APPROVED AND ADOPTED this 9th of October, 2019.

Jack Hadjinian, Mayor

ATTEST:

Irma Barajas, City Clerk

Arnold Alvarez-Glasman, City Attorney

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: René Bobadilla, City Manager

BY: Tom Barrio, Director of Transportation

SUBJECT: Agreement with Avail Technologies Inc. For The ITS Systems Maintenance and Support Offer

DATE: October 9, 2019

RECOMMENDATION

- 1) Approve a software maintenance agreement with Avail Technologies, Inc. ("Avail") for ongoing Intelligent Transportation System (ITS) System Maintenance and Support for the City's Transportation Departments Fixed Route Passenger Information System. The Contract Agreement shall be for an initial one-year (1-year) term, with options for renewal of up to four (4) one-year terms.

BACKGROUND

In August 2012, the City Council approved a five-year (5-year) software and associated maintenance agreement with Avail ("Agreement No. 2786") for its ITS System Maintenance and Support software used by the Montebello Bus Lines (MBL) for fixed route passenger information system.

Though Agreement No. 2786 was approved in 2012, actual maintenance services/maintenance on the MBL's ITS was deferred and Avail did not begin work under Agreement No. 2786 until May 2014 (as authorized by Article IV of Agreement No. 2786). Agreement No. 2786 expired in May 2019 and now MBL desires to enter into a new five-year (5-year) agreement with Avail to provide continued support of its ITS software and maintenance needs. As a sole provider of the related and underlying software technology, Avail is the only vendor equipped to provide such services to the City.

The new proposed agreement will cover the ITS system maintenance and support of the Fixed Route Passenger Information System from September 1, 2019 through September 1, 2024. The cost for these services over the next five (5) years is estimated as follows: Year 1 – \$177,501; Year 2 - \$171,478; Year 3 - \$174,907; Year 4 - \$178,405; Year 5 - \$181,973.

ANALYSIS

That the City Council approve a software maintenance agreement with Avail Technologies, Inc. ("Avail") for ongoing Intelligent Transportation System (ITS) System Maintenance and Support for the City's Transportation Departments Fixed Route Passenger Information System. The agreement will be for an initial one-year (1-year) term, with the options for renewal of up to four (4) one-year terms.

FISCAL IMPACT

The cost for these services over the next five (5) years is estimated to be **Eight Hundred Eighty-Four Thousand, Two Hundred Sixty-Five Dollars and No Cents** (\$884,265.00). Year 1 – \$177,501; Year 2 - \$171,478; Year 3 - \$174,907; Year 4 - \$178,405; Year 5 - \$181,973. The annual amount is included within the Transportation Department's FY 2019-2020 budget in account 600-90-910-6040.10.

SUMMARY

City Council will consider approving a software maintenance agreement with Avail Technologies, Inc. for ongoing ITS System Maintenance and Support for the City's Transportation Departments Fixed Route Passenger Information System. The Contract Agreement shall be for an initial one-year (1-year) term, with options for renewal of up to four (4) one-year terms.

ATTACHMENTS

Maintenance and Support Agreement with Avail Technologies, Inc.

**CITY OF MONTEBELLO
AGREEMENT NO. _____**

**AGREEMENT BETWEEN THE CITY OF MONTEBELLO AND AVAIL TECHNOLOGIES, INC.
FOR MAINTENANCE AND SUPPORT OF THE MONTEBELLO BUS LINES
INTELLIGENT TRANSPORTATION SYSTEM TECHNOLOGY**

This Agreement ("Agreement") is made and entered into for the above stated project this 9th day of October 2019, by and between the CITY OF MONTEBELLO, a California municipal corporation ("AGENCY"), and AVAIL TECHNOLOGIES, INC. a Pennsylvania corporation, as ("CONTRACTOR"). AGENCY and CONTRACTOR may be individually referred to herein as a "Party" or collectively referred to herein as the "Parties."

RECITALS

A. AGENCY is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California.

B. CONTRACTOR is a corporation duly organized and doing business in the State of Pennsylvania. CONTRACTOR represents it has the background, knowledge, experience and expertise necessary to provide the AGENCY with the equipment, goods and services set forth in this Agreement.

C. CONTRACTOR has licensed to AGENCY certain software known as Avail Intelligent Transportation System Technology ("ITS") for use on its Montebello Bus Lines ("MLB") fixed route passenger information system.

C. AGENCY seeks to procure from CONTRACTOR, and CONTRACTOR seeks to provide to AGENCY, services necessary to support and maintain its licensed ITS.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, AGENCY and CONTRACTOR agree as follows:

AGREEMENT

ARTICLE 1. INCORPORATION OF RECITALS AND OTHER CONTRACT DOCUMENTS

The above-referenced Recitals constitute a material part hereof, and shall hereby be incorporated by reference. Moreover, this Agreement consists of the following documents, in order of precedence, all of which as hereby referenced are incorporated herein and made part of this Agreement, and shall be the Entire Agreement between the Parties:

- a) This Agreement, including any and all addenda or supplemental agreements.
- b) Extension of ITS System Maintenance and Support Offer dated September 24, 2019, (**Exhibit "A"**)
- c) All other documents, including but not limited to all required bonds, insurance certificates, permits, notices, schedules, forms, certifications, and affidavits.

These documents shall be collectively referred to herein as the "Contract Documents." In the event of a conflict with the terms outlined in the above-referenced Exhibits, the Parties acknowledge and agree this Agreement shall prevail.

ARTICLE 2. SERVICES TO BE PERFORMED BY CONTRACTOR

For and in consideration of the payments and agreements to be made and performed by AGENCY, CONTRACTOR agrees to provide those services ("Scope of Work") outlined in CONTRACTOR's proposed "Maintenance and Support Agreement" submitted through its Extension of ITS System Maintenance and Support Offer dated September 24, 2019, **Exhibit "A,"** (the "Project").

CONTRACTOR agrees to perform the services and furnish all materials necessary to perform all work required for the Scope of Work, and to fulfill all other obligations as set forth in the aforesaid Contract Documents. CONTRACTOR covenants with AGENCY to furnish its best skill, judgment and efforts and to cooperate with AGENCY and any other contractors engaged by AGENCY in providing the services necessary for the Project. CONTRACTOR covenants to use its best effort to perform its duties and obligation under this Agreement in an efficient, expeditious and economical manner, consistent with the best interests of AGENCY. Workmanship throughout the performance of this Agreement shall conform to the highest standard of commercially accepted practice of work and shall result in a neat finished appearance to the satisfaction of AGENCY.

ARTICLE 3. COMPENSATION

As full compensation for furnishing all materials, performing all services, and fulfilling all obligations set forth in this Agreement, the AGENCY agrees to pay and the CONTRACTOR agrees to receive and accept the prices set forth in the payment schedule ("Compensation") submitted by CONTRACTOR through its Extension of ITS System Maintenance and Support Offer dated September 24, 2019, **Exhibit "A."** The total amount of the compensation shall not exceed the sum of **Eight Hundred Eighty-Four Thousand, Two Hundred Sixty-Five Dollars and No Cents** (\$884,265) and such sum shall include all amounts payable to CONTRACTOR for its subcontracts, leases, materials and costs arising from, or due to termination of this Agreement.

Said compensation shall cover all expenses, losses, damages, and consequences arising out of the nature of the work during its progress or prior to its acceptance including those for well and faithfully completing the work and the whole thereof in the manner and time specified in the

aforesaid contract documents; and also including those arising from actions of the elements, unforeseen difficulties or obstructions encountered in the prosecution of the work, suspension or discontinuance of the work, and all other unknowns or risks of any description connected with the work.

ARTICLE 4. TERM

This Agreement shall become effective as of the date in which the last of the Parties, whether AGENCY or CONTRACTOR, executes this Agreement ("Effective Date") and shall expire on the fifth (5th) anniversary of the Effective Date, unless terminated earlier as herein provided. This Agreement shall be reviewed by both Parties for any renewal of term at least sixty (60) days prior to the expiration.

ARTICLE 5. COMPLETION OF WORK; PERFORMANCE BOND

The work and services set forth in this Agreement will be completed in a timely manner, and in accordance with an agreed upon work schedule to be determined by Parties. An extension of the period for completion may be granted by mutual, written agreement by the Parties herein for reasons outside the control of the CONTRACTOR including acts of God.

No extension of time requested or granted hereunder shall entitle CONTRACTOR to additional compensation unless, as a consequence of such extension, additional work must be performed, and such additional work is approved in writing. In such event, AGENCY shall in good faith consider any request for additional compensation submitted by CONTRACTOR.

ARTICLE 6 OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("written products") developed by CONTRACTOR in its performance of this Agreement shall be and remain the property of AGENCY without restriction or limitation upon its use or dissemination by the AGENCY. CONTRACTOR may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by CONTRACTOR.

ARTICLE 7 INDEPENDENT CONTRACTOR

CONTRACTOR is, and shall at all times remain to AGENCY, a wholly independent contractor. CONTRACTOR shall have no power to incur any debt, obligation, or liability on behalf of the AGENCY or otherwise to act on behalf of the AGENCY as an agent. Neither AGENCY nor any of its officers, employees or agents shall have control over the conduct of CONTRACTOR or any of CONTRACTOR'S employees or agents, except as set forth in this Agreement. CONTRACTOR shall not represent that it is, or that any of its agents or employees are, in any manner employees of AGENCY.

ARTICLE 8 CONFIDENTIALITY

All data, documents, discussion, or other information developed or received by CONTRACTOR or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONTRACTOR without prior written consent by AGENCY. AGENCY shall grant such consent if disclosure is legally required. All AGENCY data, documents, objects, materials or other tangible things shall be returned to AGENCY upon the termination or expiration of this Agreement. CONTRACTOR agrees that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

ARTICLE 9 COMPLIANCE WITH STATE AND LOCAL LAWS

CONTRACTOR shall comply with all applicable federal, state, and local laws throughout its performance of this Agreement. CONTRACTOR acknowledges the provisions of the State Labor Code requiring every employer to be insured against liability for worker's compensation, or to undertake self-insurance in accordance with the provisions of that code, and certifies compliance with such provisions. All services required under this Agreement will be performed by CONTRACTOR, or under its supervision, and all personnel shall possess the qualification, permits, and licenses required by the State and local law to perform such services.

CONTRACTOR shall be solely responsible for the satisfactory work performance of all personnel engaged in performing service required by this Agreement, and compliance with all reasonable performance standards established by AGENCY. CONTRACTOR shall be responsible for payment of all employees' and sub-contractors' wages and benefits, and shall comply with all requirements pertaining to employer's liability, workers' compensation, unemployment insurance, and Social Security. CONTRACTOR shall indemnify, hold harmless, and defend AGENCY from any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

ARTICLE 10 INDEMNIFICATION

CONTRACTOR agrees to protect, defend, Indemnify, save and hold harmless AGENCY, its elected and appointed officials, boards and commissions, officers, directors, employees, and agents from and against any or all injuries, deaths, losses, damages, claims, suits, liabilities, demands, lawsuits, costs, expenses or causes of action, including reasonable attorneys' fees and related costs and expenses, including reasonable attorneys' fees and related costs and expenses, which may accrue against the AGENCY based on, arising out of, or incident to (1) any infringement of the patent rights of any person or persons in consequence of the use by AGENCY or by any of its employees or agents, of articles supplied under contract, arising from proposals submitted and which CONTRACTOR is not lawfully entitled to sell; or (2) any alleged damage to property or any alleged injury to persons (including death) which may occur or be alleged to have occurred by or on account of any negligent act or omission on the part of the said CONTRACTOR, its SUBCONTRACTORS, or any of their servants, employees or agents.

AGENCY will give the CONTRACTOR prompt notice in writing of the institution of any suit or proceeding and permit the CONTRACTOR through his counsel to defend AGENCY and will give all needed information, assistance and authority to enable CONTRACTOR to do so. The Parties agree that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

CONTRACTOR shall give AGENCY immediate notice of any suit or action filed or prompt notice of any claim made against AGENCY arising out of the performance of this contract. CONTRACTOR shall furnish Immediately to AGENCY copies of all pertinent papers received by the CONTRACTOR. If the amount of the liability claimed exceeds the amount of insurance coverage, the CONTRACTOR shall authorize representatives of AGENCY or the Federal Government to collaborate with counsel for the insurance carrier, if any, in setting or defending such claim.

ARTICLE 11 PERS ELIGIBILITY INDEMNITY

In the event that CONTRACTOR, or its employee, agent, or subcontractor providing services under this Agreement, claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of AGENCY, CONTRACTOR shall indemnify, defend, and hold AGENCY harmless for the payment of any employee and/or employer contributions for PERS benefits on behalf of CONTRACTOR or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of AGENCY.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, CONTRACTOR and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by AGENCY, including, but not limited to, eligibility to enroll in PERS as an employee of AGENCY and entitlement to any contribution to be paid by AGENCY for employer contribution, employee contribution, or both, for PERS benefits.

ARTCILE 12 INSURANCE

A. Without limiting CONTRACTOR's indemnification of Indemnities pursuant to Section 3 of this Agreement, CONTRACTOR shall obtain and provide and maintain at its own expense during the term of this Agreement the types and amounts of insurance as described below:

- i. Commercial General Liability Insurance using Insurance Services Office Commercial General Liability form CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross-liability exclusion for claims or suits by one insured against another. Limits shall be no less than \$500,000 per occurrence for all covered losses and no less than \$1,000,000 general aggregate.

- ii. Business Auto Coverage on ISO Business Auto Coverage form CA 00 01 including symbol 1 (Any Auto) or the exact equivalent, Limits shall be no less than \$500,000 per accident, combined single limit. If CONTRACTOR owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described in the preceding subsection. If CONTRACTOR or CONTRACTOR's employees will use personal autos in any way on this project, CONTRACTOR shall provide evidence of personal auto liability coverage for each such person.
 - iii. Workers' Compensation insurance on a state approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$500,000 per accident for all covered losses.
 - iv. Professional Liability or Errors and Omissions Insurance as appropriate to the profession, written on a policy form coverage specifically designed to protect against acts, errors or omissions of the CONTRACTOR and "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy limit shall be not less than \$500,000 per claim and in the aggregate. The policy must "pay on behalf of the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this Agreement.
- B. AGENCY, its officers, officials, employees and volunteers shall be named as additional insureds on the policy(ies) as to commercial general liability and automotive liability.
- C. All insurance procured pursuant to these requirements shall be written by insurers that are admitted carriers in the state of California with a Best's rating of no less than A:VIII.
- D. All insurance policies shall provide that the insurance coverage shall not be non-renewed, canceled, reduced, or otherwise modified (except through the addition of additional insureds to the policy) by the insurance carrier without the insurance carrier giving AGENCY thirty (30) days' prior written notice thereof. Any such thirty (30) day notice shall be submitted to AGENCY via certified mail, return receipt requested, addressed to "Risk Manager," AGENCY of Montebello, 1600 West Beverly Boulevard, Montebello, California, 90640. CONTRACTOR agrees that it will not cancel, reduce or otherwise modify said insurance coverage. In the event the policy is cancelled for non-payment of premium, CONTRACTOR shall give ten (10) days' prior written notice to AGENCY.
- E. CONTRACTOR shall submit to AGENCY (i) insurance certificates indicating compliance with the minimum worker's compensation insurance requirements above, and (ii) insurance policy endorsements indicating compliance with any other minimum insurance requirements above, not less than one (1) day prior to beginning of performance under this Agreement.

Endorsements shall be executed on AGENCY's appropriate standard forms entitled "Additional Insured Endorsement".

- F. CONTRACTOR's insurance shall be primary as respects the AGENCY, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the AGENCY, its officers, officials, employees and volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it.
- G. CONTRACTOR agrees that if it does not keep the aforesaid Insurance in full force and effect, and such insurance is available at a reasonable cost, AGENCY may take out the necessary insurance and pay the premium thereon, and the repayment thereof shall be deemed an obligation of CONTRACTOR and the cost of such insurance may be deducted, at the option of AGENCY, from payments due CONTRACTOR.

ARTICLE 13 AUTHORIZATION BY CONTRACTOR

CONTRACTOR affirms that the signatures, titles, and seals set forth hereinafter in execution of this Agreement represent all duly authorized individuals, firm members, partners, joint ventures, and/or corporate officers having principal interest herein.

ARTICLE 14 TERMINATION

In the event that either Party hereto fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, the non-defaulting party shall give the defaulting party written notice of the default, the nature of the default, and of the steps necessary to cure the default.

14.1 For any breach deemed by the non-defaulting party to constitute a **material breach**, the defaulting party is required to cure the breach within five (5) calendar days upon receipt of written notice.

14.2 For any breach deemed by the non-defaulting party to constitute a **non-material breach**, the defaulting party is obligated to cure such breach within ten (10) calendar days upon receipt of written notice. However, if the nature of the non-material breach requires more than ten (10) days to cure, the defaulting party shall have thirty (30) days to diligently pursue and complete a cure.

14.3 In addition to any other available legal or equitable rights or remedies, if the default is not cured within the time periods described above, the non-defaulting party may terminate this Agreement by giving written notice thereof to the defaulting party, setting forth the effective date thereof.

14.4 AGENCY shall have the option, at its sole discretion and **without cause**, of terminating this Agreement in whole, or in part, by giving ten (10) business days' written notice to CONTRACTOR. Upon the termination of this Agreement as provided herein, AGENCY shall provide to CONTRACTOR the part of Compensation which would otherwise be payable to CONTRACTOR for services CONTRACTOR had completed as of the date of termination, less the amount of all previous payment with respect to the Compensation. Further, upon such a termination for convenience by AGENCY, the Parties agree that CONTRACTOR shall be reimbursed for any "non-refundable" costs that CONTRACTOR has incurred for its services under this Agreement, provided that: (1) such "non-refundable" costs were incurred by the CONTRACTOR prior to the date of termination, and (2) that CONTRACTOR provides AGENCY with adequate proof that CONTRACTOR incurred the costs, and is unable to seek a refund for such costs. Such "non-refundable" costs may include, but are not limited to, travel reservations incurred by CONTRACTOR for its performance of services under this Agreement. CONTRACTOR agrees to cease all work under this Agreement on or before the effective date of any notice of termination. The Parties agree that CONTRACTOR shall be reimbursed for all administrative costs related to the closeout of this Agreement. All AGENCY data, documents, objects, materials or other tangible things shall be returned to the AGENCY upon the termination or expiration of this Agreement.

With the exception of the covenants contained in Articles 8 (Confidentiality), 10 (Indemnification), and 15 (Dispute Resolution and Legal Remedies), this Agreement shall expire upon full payment of the Compensation by AGENCY to CONTRACTOR.

ARTICLE 15 DISPUTE RESOLUTION AND LEGAL REMEDIES

Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach, default or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded. The venue for any litigation shall be Los Angeles County, California.

ARTICLE 16 SUBCONTRACT, ASSIGNMENT OR DELEGATION

CONTRACTOR shall not subcontract, delegate or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of AGENCY. Any proposed subcontract, delegation, or assignment shall provide a description of the services to be covered, identification of the proposed sub-contractor, delegee, or assignee, and an explanation of why and how the same was selected, including the degree of competition involved.

Any subcontract, delegation or assignment shall be made in the name of CONTRACTOR and shall not bind or purport to bind AGENCY and shall not release CONTRACTOR from any

obligations under this Agreement including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees or sub-contractors. No such subcontract, delegation or assignment shall result in any increase in the amount of total compensation payable to CONTRACTOR under the Agreement.

ARTICLE 17 NON-DISCRIMINATION AND EQUAL OPPORTUNITY EMPLOYER

In the performance of this Agreement, CONTRACTOR shall not discriminate against any employee, sub-contractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, mental condition or sexual orientation. CONTRACTOR will take affirmative action to ensure that sub-contractor and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

ARTICLE 18 CONFLICT OF INTEREST

CONTRACTOR covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by CONTRACTOR under this Agreement, or which would conflict in any manner with the performance of its services hereunder. CONTRACTOR further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, CONTRACTOR shall avoid the appearance of having any interest that would conflict in any manner with the performance of its services pursuant to this Agreement.

CONTRACTOR covenants not to give or receive any compensation, monetary or otherwise, to or from the ultimate vendor(s) of services to AGENCY as a result of the performance of this Agreement, or the services that may be procured by AGENCY as a result of the recommendations made by CONTRACTOR. CONTRACTOR's covenant under this section shall survive the termination of this Agreement.

ARTICLE 19 NOTICES

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second (2nd) business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, or approvals hereunder shall be given to the following addresses or such other addresses as the Parties may designate by written notice:

To AGENCY:

Montebello Bus Lines
Kristina Zendzhiryan
Senior Management Analyst
400 S. Taylor Ave.

Montebello, CA 90640
(323) 558 -1625 ext. 104

To CONTRACTOR

Avail Technologies, Inc.
Dorsey E. Houtz
President & CEO
2026 Sandy Drive
State College, PA 16803
(814) 234-3394; fax (814) 234-3393

ARTICLE 20 SEVERABILITY

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provision nevertheless will continue in full force and effect without being impaired or invalidated in any way.

ARTICLE 21 GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the State of California.

ARTICLE 22 ENTIRE AGREEMENT

This Agreement and the Contract Documents aforementioned shall constitute the entire agreement by the Parties and supersedes all prior proposals, agreements, and understandings between the Parties and may not be modified or terminated orally. The waiver by AGENCY or CONTRACTOR of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No attempt waiver of any of the provisions herein, nor any change, amendment or modification to this Agreement shall be effective unless in writing and signed by the party against whom the same is sought to be enforced.

ARTICLE 23 EFFECTIVE DATE

Unless otherwise specified herein, this Agreement shall become effective as of the date in which the last of the Parties, whether AGENCY or CONTRACTOR, executes this Agreement. This Agreement may be signed in counterparts, each of which shall constitute an original, and which collectively shall constitute one instrument.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF the Parties enter into this Agreement as of the Effective Date set forth above.

CITY OF MONTEBELLO
("AGENCY")

AVAIL TECHNOLOGIES, INC.
("CONTRACTOR")

Jack Hadjinian, Mayor

Print Name and Title

Date: _____

Date: _____

ATTEST:

Irma Barajas, City Clerk

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman, City Attorney

September 24, 2019



Tom Barrio
City of Montebello
1600 W. Beverly Blvd.
Montebello, CA 90640

Re: Extension of ITS System Maintenance and Support Offer

Dear Mr. Barrio:

Avail Technologies, Inc. is pleased to provide City of Montebello with this offer for system maintenance and support for your Avail ITS system. Your Maintenance and Support plan expired on May 31, 2019. After discussion with you and your team, we understand that you plan to renew your contract for 1 year with the option to extend the agreement annually for up to 4 years.

As a partner committed to your success, we are discounting this year 3% as agreed upon during our discussions. The pricing for annual renewals is highlighted for extension years 2-5.

As part of this offer, we have also included the 1 additional month to cover June as originally agreed. Avail will bill July and August separate from this contract at the monthly rate shown for the continued support despite no Maintenance and Support Agreement in place.

The table provides the cost of the requested support plan and extension years as highlighted:

Period of Support	Annual Price with Year-to-Year Contract	Annual Price with Three-Year Contract	Single Purchase of Three-Year Contract	Annual Price with Five-Year Contract	Single Purchase of Five-Year Contract
June 1, 2019 - July 31, 2019 (1 month original ext)	\$ 14,010			\$ 13,589	\$ 13,453
September 1, 2019 - August 31, 2020	\$ 168,115	\$ 168,115	\$ 166,434	\$ 163,912	\$ 162,273
September 1, 2020 - August 31, 2021	\$ 171,478	\$ 169,763	\$ 168,048	\$ 167,191	\$ 165,519
September 1, 2021 - August 31, 2022	\$ 174,907	\$ 173,158	\$ 171,409	\$ 170,534	\$ 168,829
September 1, 2022 - August 31, 2023	\$ 178,405	N/A	N/A	\$ 173,053	\$ 171,323
September 1, 2023 - August 31, 2024	\$ 181,973	N/A	N/A	\$ 176,514	\$ 174,749
Total Price	\$ 884,265	\$ 511,036	\$ 505,891	\$ 864,794	\$ 856,146

If you accept this plan, please sign below and return to Avail for counter signature. Please e-mail the page to contracts@availtec.com. We will include the invoice with the return countersigned page.

In closing, we hope you find the information we have provided here helpful and that it demonstrates the level of commitment that Avail has to Montebello Bus Lines (MBL) Transit and the strong value that we offer. If you have any questions, please do not hesitate to contact Amanda Hinchberger at 814.234.3394 x1066 or via e-mail at ahinchberger@availtec.com.

Sincerely,



Jeffrey Pogue
Chief Financial Officer

MAINTENANCE AND SUPPORT PLAN

Date of offer is September 24, 2019 and is good for 6 days. Avail shall invoice Montebello Bus Lines with payment due Net 30 for:

- 1-month extension: \$13,589
- September 1, 2019 – August 31, 2020: \$163,912

City of Montebello accepts the offer of 1-Year Contract w/1-month extension @ \$177,502

Avail Technologies

City of Montebello



Jeff Pogue
Chief Financial Officer

9/24/19
Date

Signature

Date

Print Name & Title

Maintenance and Support Agreement

THIS AGREEMENT ("AGREEMENT"), by and between Montebello Bus Lines located at 400 South Taylor Avenue Montebello, CA 90640 hereinafter "PROPERTY ", and AVAIL TECHNOLOGIES, INC., a corporation, located at 1960 Old Gatesburg Road, Suite 200, State College, PA 16803, hereinafter called "AVAIL", collectively referred to as the "PARTIES".

WHEREAS, AVAIL has licensed to the PROPERTY certain systems as specified in the Software License Agreement of near or even date herewith (the "License Agreement") and PROPERTY wishes to have AVAIL perform maintenance services on the software and associated hardware of the licensed systems pursuant to the following terms and conditions and the terms and conditions of the License Agreement:

1. Description and Termination

a. Systems Covered

The materials covered in this Agreement are the hardware and software required for deployment of the AVAIL Intelligent Transportation System (ITS). The software which includes AVAIL's myAvail Software Suite ("Software"), is defined and more fully described in, and subject to, the signed Software License Agreement, as updated with any improvements or modifications furnished to PROPERTY hereunder;

b. Sites

400 South Taylor Avenue
Montebello, CA 90640

c. Term

The initial term shall be for 1 years (1), ending upon the Support Date. The Agreement shall be reviewed by both Parties for any renewal of term at least sixty (60) days prior to the expiration of the current term.

2. Definitions

- a. "Specifications" shall mean the documentation to which the Software must conform as set forth in the license Agreement;
- b. "Error" shall mean a material and reproducible failure of the Software to function in conformity with the Specifications.
- c. "Additional Services" shall mean any service that is not covered by this agreement;
- d. "Hosted Support" shall mean AVAIL will house, implement, maintain and backup the customer fixed-end system on AVAIL owned (or leased) equipment for the duration of the contract period.
- e. "Anniversary" shall mean the beginning date of the support period and the annual occurrence of that date for the duration of the defined support period.
- f. "Current Support Period" shall mean the inclusive dates of support as provided in Sec 1.c

3. **Customer Support Plans**

- a. Customer has elected the level of support as defined in Figure 1

4. **AVAIL Responsibilities**

During the term of this Agreement, AVAIL shall provide the following support measures.

- a. There are two problem resolution standards for the levels of support (See Figure 1):
 1. General Provision:
 - i. Telephone hot line access for problem and error reporting and response of diagnostic services (814-234-3394 x1050);
 - ii. Ability to initiate support requests via e-mail to Support@Availtec.com
 - iii. AVAIL shall staff their Call Center during regular business hours see Figure 1. In case of a support call, AVAIL will want to collect the pertinent information as soon as practical. In the event that AVAIL cannot answer the initial call, a voicemail service shall be operative as a backup system;
 2. Routine Care – (as defined in Figure 2)
 - i. AVAIL shall respond to the call as stated in Figure 2;
 - ii. The problem will be entered into the AVAIL tracking system, entering the Caller's Name, Property Name and Contact Phone Number;
 - iii. AVAIL shall keep PROPERTY advised of a plan for resolution of the error as soon as practical;
 - iv. If the error occurs after AVAIL business hours, the Caller shall still leave a voice message with the same information as listed above.
 3. Urgent Care – (as defined in Figure 2)
 - i. AVAIL will respond to a call as stated in Figure 2;
 - ii. Upon receipt of the call, the Support Team will immediately begin to assess the error and begin the process of resolving the problem. Resolution shall be conveyed to PROPERTY as soon as practical;
 - iii. The error will be entered into the AVAIL tracking system:
 - iv. On-site response for requests for remedial support and diagnostic repair services in response to shall be pursuant to Figure 2 of this Agreement.
 4. System Self-Diagnostics and Self-Healing capabilities
 - i. Through the use of sophisticated software monitoring system, the system will notify the operations staff of potential system degradation and alerts the on-call staff via message 24 hours / 7 days a week.
 - ii. Through these same techniques, the system has the capability to self-heal processes that have stalled or failed.

5. **PROPERTY Responsibilities**

PROPERTY shall give AVAIL, their full cooperation to facilitate proper and prompt performance of the Support Services and any additional services that the PARTIES agree.

PROPERTY shall provide:

- a. A key technical contact that shall be familiar with the System to provide adequate information and feedback in order to facilitate problem reporting and resolution;
- b. The key technical contact will be aware of the terms and conditions under which AVAIL Systems provides after hours support;
- c. Promptly notify AVAIL of any error in the System;
- d. Provide sufficient information for AVAIL to effectively diagnose errors including a detailed description of the issue in text format, an explanation of what the user was doing when the issue occurred, any error messages that the system returned, screen shot images of the error, the current status of the system, a determination if the system is functional, and a state retrieval, if requested;
- e. Permit AVAIL to take such reasonable steps as AVAIL shall consider necessary to remedy any errors;
- f. Allow AVAIL prompt and reasonable access to:
 - i. The Software and ITS Server system through a Virtual Private Network (VPN) in case of primary server hardware failure and access to other 3rd party systems such as the communications network provider, as described in the IT/IS Vendor Guidelines as presented in the contract.
 - ii. PROPERTY's physical sites, at the locations specified in the Support Plan of this Maintenance and Support Agreement.
- g. Provide a safe and secure work environment at the site(s) for AVAIL's authorized personnel performing Support Services and additional services on-site.

PROPERTY shall not permit any person other than authorized AVAIL personnel to make corrections or in any way modify the Software. Any work, repair, replacement, remedial support, emergency support, or correction necessary will be in violation of this provision shall be considered additional services.

6. **Software Maintenance**

AVAIL shall notify and make available to the PROPERTY all, Purchased Feature Enhancement and Bug Fixes to the software for the current software license. The nature and extent of the elements to be included or covered in any Enhancement, or Bug Fix shall be determined solely by AVAIL.

Purchased Feature Enhancements and Bug Fixes will be made available to the PROPERTY at no additional charge other than the costs for additional hardware, configuration, integration, testing, travel and lodging and per diem, provided they are current in their payment for Maintenance and Support fees.

In the event the PROPERTY has elected not to pay the Maintenance and Support Fees, they may obtain updates of a Purchased Feature Enhancements and Bug Fixes by paying the aggregate annual Maintenance and Support Fees which would otherwise have been due from the date of discontinued Maintenance and Support Services to the date such Purchased Feature Enhancement or Bug Fixes becomes generally available.

As soon as practical, AVAIL will provide the PROPERTY with information relating to any software New Features during the term of this Agreement. New Feature Purchase shall be negotiated and agreed to in writing, between the PARTIES, prior to any work beginning on the requested task. All efforts shall be made by the PROPERTY to provide AVAIL access to the individual Software server through the VPN process. Any New Feature Purchases, Purchased Feature Enhancement and Bug Fixes provided shall be governed by all of the terms and provisions of this agreement.

Upon notification, the PROPERTY shall have six (6) months from receipt of such notice to authorize AVAIL to deliver the product, provided they are current in their payment for support fees. All New Feature Purchases, Purchased Feature Enhancements, or Bug Fixes provided, shall be considered Software for purposes of the Software License Agreement and this Maintenance and Support Agreement.

AVAIL agrees to provide to the PROPERTY the elected level of support as defined in section 3a for the Software and any subsequent upgrades during the full term of this Agreement (including all renewals) through the end of this contract or any subsequent extension of Maintenance and Support Services; provided that the PROPERTY has paid the applicable Maintenance and Support Charges hereunder as and when they become due. AVAIL agrees that its failure to continue to provide such support shall constitute a material breach of this Agreement.

AVAIL agrees to provide to the PROPERTY the Level of Support as stated in Figure 1 for the Software and any subsequent upgrades during the full term of this Agreement (including all renewals) through the end of this contract or any subsequent extension of Maintenance and Support Services; provided that the PROPERTY has paid the applicable Support Charges hereunder as and when they become due. AVAIL agrees that its failure to continue to provide such support shall constitute a material breach of this Agreement.

7. Maintenance and Support Services

- a. PROPERTY shall pay the Maintenance and Support charges set forth, and PROPERTY will receive technical support for the term of this Contract;
- b. Provided PROPERTY has paid the applicable Maintenance and Support, AVAIL shall support the Hardware and Software as set forth in this Agreement;
- c. Corrections - For a period of Twelve (12) months following the release of a Major Release upgrade, AVAIL will use reasonable efforts to support any previously Release of that Software program. AVAIL shall advise PROPERTY as soon as practical, of the intention to discontinue support services of any version of AVAIL software currently in use by PROPERTY. AVAIL shall also maintain this requirement for the subcontractors they use for this Project;
- d. AVAIL shall have no obligation to correct problems which are traced to any PROPERTY errors, modifications, enhancements, software or hardware;

In the event that AVAIL provides any additional services requested by PROPERTY, AVAIL shall invoice for such additional services based upon its then-current time and material rates. PROPERTY shall pay all charges for such additional services within thirty (30) days from the date of invoice. Charges for additional services may include fees for labor, materials, hardware components, shipping, software, documentation, and/or other products or services and

associated expenses, including reasonable travel expenses incurred by AVAIL when providing additional services at PROPERTY's request.

Additional Maintenance and Support, which shall follow the completion of the three (3) years of support may be extended for an agreed upon timeframe by the PARTIES. The cost would be at AVAIL's then-current standard Maintenance and Support Fees for as long as AVAIL offers such support. The intent is to make payment of the applicable fees in advance of each anniversary of the completion date. If PROPERTY purchases Maintenance and Support for any copy of the Software, it must purchase Maintenance and Support for all licenses of such Software unless PROPERTY has discontinued the use of certain licensees within the Avail Suite of purchased and installed modules.

8. Travel Expenses

PROPERTY will reimburse the AVAIL for any reasonable out-of-pocket expenses deemed appropriate and as approved by PROPERTY's staff assigned to this project, including airfare, travel to and from PROPERTY's site, lodging, meals and shipping, as may be necessary in connection with the duties performed under this Agreement by AVAIL. Appropriate expenses shall be limited to those incurred on site visits associated with the performance of this Agreement which shall receive prior approval from PROPERTY. AVAIL shall submit requests for reimbursement to PROPERTY. Such requests shall be accompanied by documentation substantiating the expense. Invoices for these expenses shall be presented to PROPERTY by AVAIL within fifteen (15) days of the end of the month.

9. Maintenance and Support

AVAIL represents to PROPERTY that all services provided hereunder will be performed in a workmanlike manner.

This Maintenance and Support agreement includes the software and hardware listed below for this entire term. If during the period of this Maintenance and Support Agreement, any software or device of the System were to become obsolete, AVAIL agrees to work with PROPERTY to provide a replacement device and to ensure its downward compatibility with the rest of the deployed system.

10. System Support:

AVAIL will provide remote and, if necessary, on-site system support as per Section 11.C, for the term specified in this Agreement, for all software initially provided by AVAIL for sustaining the accepted system configuration;

1. AVAIL will provide consultation to PROPERTY's Key Technical Contact by Phone and Remote Diagnostic System Support to:
 - i. Facilitate remote troubleshooting and solution implementation;
 - ii. Acquire and review data logs for problem identification via remote access line;
 - iii. Provide problem analysis and possible resolution;
 - iv. Diagnose reported software and system problems. PROPERTY must maintain remote access capability for AVAIL. Remote access will be via a VPN connection;
 - v. Assist in arranging for service and support of non-warranted components. AVAIL can, at PROPERTY's request, provide non-warranted service and support. (i.e. LAN interface to the Communications system and Installation / Removal Services). AVAIL

will not be responsible for the service call or system repair costs. Such costs will be billed to PROPERTY.

2. Exceptions:

- i. If it is determined by AVAIL that a system problem was not due to an AVAIL installed component, PROPERTY will be responsible for all engineering and technical support, time and material costs. All labor will be charged at AVAIL's prevailing rates;
- ii. On-site support is not included in the offer but is available on a time and material basis. However, AVAIL will provide remote support to PROPERTY without additional charge.

11. **Maintenance and Support Components**

b) Software (includes all applicable license fees):

Software	Quantity
myAvail DataPoint	SITE
myAvail Dispatch	SITE
myAvail Replay	SITE
myAvail TALE	SITE
myAvail WiNG	SITE
myAvail TIDS Prediction Engine	SITE
myStop Web – site license, internet application	SITE
myAvail RTPi	SITE
myStop Text	SITE
myStop iPhone App	SITE
myStop Android App	SITE
myStop Android Web	SITE
myStop Alerts	SITE
myStop Subscription	SITE
Public Service Announcements	SITE

c) Covered Hardware Equipment –

Vehicle Hardware	Quantity
In-Vehicle Unit (IVU)	78
MDT (mSlate & vector 9000)	83
APC's	78
RCU	78
Audio Amplifier	78
Power Filter	78
LED Signs - 50"	2
LED Signs - 60"	3
FourWinds Kiosk	1

d) Covered Computer Equipment

1. Computers & Servers – **NOT COVERED**
 - i. 60" TV Monitor (4)
 - ii. Dispatch Touch screens (4)
 - iii. Supervisor Laptops (6)
 - iv. Dispatch Workstation (1)
 - v. D5000 Supervisor Docks (6)
 - vi. Laptop Brackets (6)

e) Products deemed defective will be repaired at no additional cost for parts, material and labor. Products will be replaced, instead of repaired, at AVAIL discretion.

f) System Maintenance:

1. PROPERTY is responsible for equipment replacements as required for all installed equipment including:
 - i. In-Vehicle Equipment;
 - ii. Wireless Modem;
 - iii. Wireless LAN;
 - iv. Wayside Sign Component modules.
2. System Maintenance includes removal of equipment, replacement with a spare, initial triage diagnostics and shipping to a designated repair point. Any item to AVAIL must follow AVAIL's RMA procedures;
 - i. PROPERTY is responsible for shipping cost to AVAIL or designated repair point. Return shipment to PROPERTY is at AVAIL's expense.

g) Exceptions:

1. Non-technical hardware items such as batteries, racks, cables, connectors, mounts, handsets, speakers, antennas, sign audio buttons, KVM switches, network switches, memory storage media, panels and punch blocks are wear items and are not covered beyond the Vehicle Installation Support;
2. AVAIL is not responsible for:
 - i. Products that are not used and serviced according to the training and instructions provided by AVAIL;
 - ii. Products that have been altered, repaired or modified without prior consent from AVAIL;
 - iii. Products damaged by any third-party equipment or intervention, force of nature or other conditions not in AVAIL's control;

- iv. Products damaged due to negligence or abuse.
 - v. Cost, loss or damages resulting from the use of AVAIL supplied products, including but not limited to, loss of time, inconvenience and loss of production;
 - vi. Shipping and shipping related costs of products mailed to AVAIL;
 - vii. Products damaged during the shipping process to AVAIL;
 - viii. Cost associated with parts, materials and labor provided by PROPERTY's Maintenance personnel.
- 3. AVAIL may evaluate items not covered under Maintenance and Support and an assessment will be provided to PROPERTY. If PROPERTY agrees with the assessment, they will be charged for the labor to complete the evaluation, shipping and shipping related costs, parts and materials used and repair labor. If PROPERTY elects not to repair the item, only the labor required for the assessment will be charged. All labor is charged at AVAIL's prevailing rates for the required skill level.
- h) Time and Material Charges for Non-Supported Hardware Repairs or Support:
 - 1. To maintain system support coverage, all systems hardware must be returned to AVAIL for repair or approved for repair by AVAIL at a specified repair facility;
 - 2. Any returned unit may be repaired or replaced at the sole discretion of AVAIL;
 - 3. AVAIL will charge a minimum of one (1) hour for each issue or return with subsequent increments billed at one-quarter (1/4) hour intervals at AVAIL's prevailing rate charges (Please refer to Figure 1);
 - 4. Charges for non-supported repair / replacement or support will include the prevailing Preferred Customer rates (subjected to periodic updates)
 - 5. Travel and associated travel labor costs for on-site work (if required) are not included and will be invoiced to PROPERTY at travel costs shall be pursuant to Section 8 of this Maintenance and Support Agreement. An estimate of on-site costs will be provided prior to any travel expenses being incurred.
- i) Installation
 - 1. Vehicle Installation 90 – Days
- j) Cellular Communications Service
 - 1. AVAIL shall procure, manage, and pay for cellular communication service for the installed system as part of the Maintenance and Support Plan. Deviation in the number or utilization of the system other than as provided during the implementation phase shall allow Avail to seek additional price adjustment for this service.

k) System Maintenance Logging

1. All system maintenance or repair information, whether Hardware or Software, is collected and recorded via CRM Case Logs entry, RMA Tracking for Hardware and Configuration Management tools for Software.

l) Limits of Maintenance and Support Plan

The maintenance and support set forth in this agreement is a limited maintenance and support plan. The hardware and software included under the initial installation, new feature purchases, purchased feature enhancements or bug fixes, are subject to the representations, warranties, indemnifications, limitations and disclaimers set forth in the license agreement.

1. Limitation of Liability

- i. Except with respect to the obligations of Avail pursuant to section 8 of the software license agreement, in no event shall Avail's liability for any reason and upon any cause of action under the software license agreement exceed the maintenance and support fees paid by property to Avail;
- ii. Aside from the provisions listed in the contract and section 9 of the Software License Agreement Avail shall not be liable for any loss of profits, any incidental, special, exemplary or consequential damages; or any claims or demands brought against property or any third party.
- iii. The parties shall not rely upon and shall not grant any means of remedy arising from any statement, representation, maintenance and support or understanding of any person other than as expressly set out in this agreement.

2. Termination

- i. Notwithstanding the foregoing, all provisions here of relating to confidentiality, proprietary rights, nondisclosure, indemnity and limitations of liability shall survive the termination of this agreement. In the event of termination under this paragraph, property will not be entitled to any refund of any portion of the fees paid to Avail under this agreement, unless Avail:
 - a. Materially breaches this agreement and fails to cure such breach within thirty (30) days after notice from property;
 - b. Delivers a notice that the software has been declared obsolete or withdrawn from sale;
 - c. Otherwise discontinues providing standard level of support for the myAvail software suite:
- ii. Avail shall refund to property an amount equal to the aggregate support charges paid by property for the time during which the standard level of support services was not provided to property.

Figure 1 - Maintenance and Support Plan

Available Customer Support Plans

Plan	Description	
Standard Business Hours Support	- Routine Care and Urgent Care are provided during standard business hours. Progress updates provided every two <u>business</u> hours. - If needed for a non-covered item, Time and Material charge mechanism must be in place <u>before</u> work will commence	Included in this Agreement
Extended Hours Support	- Urgent Care response 24/7 access to the Avail Support Team which includes Standard Business Hours Support and all NON-business hours of coverage to support Urgent Care needs. - A customer support line to contact the on-duty support engineer at Avail. - The continuation of Urgent Care resolution after Standard Business Hours. - Progress updates provided every 2nd hour (or as agreed by your team).	Included in this Agreement
Hosted System	- Includes all features of Standard Business Hour Support and Extended Hours Support - Avail operates and maintains the fixed end computer system in our dedicated data center operation - Avail connects to your high-speed communications interface provider - Avail maintains system backup services and operational system redundancy - Includes system hardware maintenance and software release maintenance and upgrades - Avail provides the staff for operation and maintenance of the computer system at the hosted location	Included in this Agreement

Figure 2 - Maintenance and Support Plan

Problem Resolution Standards

Level	Definition	Target Action
Routine Care	- Production use of the system is possible, but a business function is disabled and no workaround exists; - This category also applies to problems which severely impact the progress of an implementation project where no workaround exists.	- Initial response <u>within (4) four business hours</u>; - Resource assigned within a day and remains assigned until resolution; - Activity to resolve problem during business hours; - Target Resolution: 72 hours.
Urgent Care	- Business Critical – Production use of the system is not possible; - No communication with vehicles and no workaround exists; - PROPERTY requires resolution urgently do to financial, legal and public risk exposure.	- Initial response <u>within (1) one business hour</u> for Standard Business Hours Support; - Extended Hours Support response time <u>will be one (1) hour</u> - Resource assigned immediately and remains assigned until resolution; - Immediate activity to resolve problem; - Target Resolution: 24 hours.

Prevailing Labor Charges for non-Supported Repairs and Services

- a. Software Engineer - \$161.00/hour
- b. Technician - \$92.00/hour

Rates are subject to periodic review and adjustment. Changes to the rate, if any, will occur no more frequently than annually.

Reporting Process:

1. Contact the Call Center and register problem with system - (814)-234-3394 (extension 1050);
2. If no answer at the Call Center, be sure to leave caller name, property name and contact phone number, description of problem;
3. Alternate contact:
 - a. E-mail- support@availtec.com
 - b. 24/7 Support – Call 814-234-3394 x1050, press 1 when prompted to report a critical or high issue.

Standard Business Hours:

1. Monday through Friday;
2. 7:30 AM to 6:30 PM EST;
3. National holidays excluded.

CITY OF MONTEBELLO
CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: René Bobadilla, City Manager

BY: Tom Barrio, Director of Transportation

SUBJECT: Award a contract to Parking Company of America for Bid No. 19-41 – Metrolink Rail Feeder Shuttle Service

DATE: October 9, 2019

RECOMMENDATION

It is recommended that the City Council:

- 1) Award a contract to Parking Company of America for the Metrolink Rail Feeder Shuttle Service in an amount not to exceed: Year 1 – \$462,519; Year 2 - \$476,366; Year 3 - \$490,671, and if the parties exercise their option to renew thereafter: Year 4 - \$505,359; Year 5 - \$520,506; and Year 6 - \$536,112

BACKGROUND

The City released a notice inviting Bids, Request for Proposal (“RFP”) No. 19-41 on June 20, 2019 for Metrolink rail feeder shuttle services for commuters to and from the Montebello/Commerce Metrolink station located at 2000 West Flotilla Street in Montebello to local areas of employment (the “Project”). The notice inviting bids was published in Transit Talent and WAVE Newspaper on June 20, 2019. Planet Bid notified sixty-eight (68) registered vendors and twenty (20) prospective bidders reviewed the posted RFP.

The City received one (1) proposal on August 8, 2019, for the Metrolink Rail Feeder Shuttle Service (RFP No. 19-41) from PCAM LLC., dba Parking Company of America (“PCA”).

PCA has provided similar services for the City in the past. On or about July 1, 2013, the City awarded and executed a three-year (3-year) agreement (and extended said agreement for an additional three years as authorized) with PCA to provide shuttle services for commuter to and from the Montebello/Commerce Metrolink station. The last renewal expired on September 30, 2019.

Since 1997, the Transportation Department has contracted for the provisions of Metrolink Rail feeder shuttle services to bridge the commute gap for weekday commuters to and from the Montebello/Commerce Metrolink Station and local areas of employment in Montebello, Commerce, Pico Rivera and Monterey Park. A new agreement with PCA is

therefore necessary to continue providing uninterrupted transportation to commuters who depend on such service to access local areas of employment.

ANALYSIS

A pre-proposal meeting was held on July 9, 2019 to discuss the scope of work for the Project. The meeting was attended by two vendors. As a result of questions raised at the meeting regarding the RFP 19-41, two addenda were subsequently issued and published on the City's web site.

Staff has evaluated PCA's proposal based on the criteria, which covered the proposer's qualifications and experience, quality and effectiveness of approach to perform the work and cost contemplated under RFP 19-41. PCA's proposed cost has been determined to be fair and reasonable. Therefore, staff recommends awarding the contract to PCA as the most responsible and responsive proposer for the Project.

PCA is the current contractor providing shuttle services to bridge the commute gap for commuters traveling to and from the Montebello/Commerce Metrolink station located on 2000 West Flotilla Street in Montebello to the local areas of employment described above. Since first awarded in 2013, the Contractor has met the terms and obligation of the Agreement to the satisfaction of the City.

The initial term of this agreement shall be for three (3) years with an option for three (3) annual renewals of one (1) year each; upon mutual consent of the parties. Cost evaluation will be based on the first three (3) years. The cost for these services over the next six (6) years is estimated as follows:

- Year 1 – **four hundred sixty-two thousand, five-hundred nineteen and no cents** (\$462,519).
- Year 2 - **four hundred seventy-six thousand, three hundred sixty-six dollars and no cents** (\$476,366).
- Year 3 - **four hundred ninety thousand, six hundred seventy-one dollars and no cents** (\$490,671). Thereafter if the parties exercise their option to renew:
 - Year 4 - **five hundred five thousand, three hundred fifty-nine dollars and no cents** (\$505,359);
 - Year 5 - **five hundred twenty thousand, five hundred six dollars and no cents** (\$520,506);
 - Year 6 - **five hundred thirty-six thousand, one hundred twelve dollars and no cents** (\$536,112).

FISCAL IMPACT

Funding for this agreement was allocated in the FY 2019/20 City Budget, within the Transportation Department's Operation Divisions' Maintenance and Operation Budget.

SUMMARY

That the City Council consider awarding a contract to Parking Company of America for the Metrolink Rail Feeder Shuttle Service.

ATTACHMENTS

Contract Agreement

AGREEMENT NO. _____

**CONTRACT AGREEMENT
BETWEEN THE CITY OF MONTEBELLO AND PARKING COMPANY OF AMERICA
FOR METROLINK RAIL FEEDER SHUTTLE SERVICE
(RFP NO. 19-41)**

This Contract Agreement ("Agreement") is made and entered into for the above stated project this ____ day of October 2019, by and between the City of Montebello, a California municipal corporation ("AGENCY") and PCAM, LLC., dba "Parking Company of America," a California corporation ("CONTRACTOR"). AGENCY and CONTRACTOR may be individually referred to herein as a "Party" or collectively referred herein as the "Parties."

RECITALS

A. AGENCY is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California.

B. CONTRACTOR is a corporation duly organized and doing business in the State of California. CONTRACTOR represents it has the background, knowledge, experience and expertise necessary to provide AGENCY with the equipment, goods and services set forth in this Agreement.

C. AGENCY seeks to procure from CONTRACTOR, and CONTRACTOR seeks to provide to AGENCY's Transportation Department, equipment, goods and services necessary for the Metrolink Rail Feeder Shuttle Service ("Project") as further described in Request for Proposal No. 19-41 (RFP No. 19-41)

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, AGENCY and CONTRACTOR agree as follows:

AGREEMENT

ARTICLE I. Incorporation of Recitals and other Contract Documents

The above-referenced Recitals constitute a material part hereof, and shall hereby be incorporated by reference. Moreover, this Agreement consists of the following documents, in order of preference, all of which are incorporated herein and made part of this Agreement, as though fully set forth herein:

- A. This Agreement, including any and all addenda or supplemental agreements.
- B. RFP No. 19-41.
- C. CONTRACTOR's Response to RFP No. 19-41 dated August 8, 2019.
- D. All other documents, including but not limited to all required bonds, insurance, certificates, permits, notices, schedules, forms, certifications, and affidavits and

also including any and all addenda or supplemental agreements clarifying, or extending the work contemplated as may be required to insure its completion in acceptable manner.

These documents shall be collectively referred herein as the "Contract Documents". In the event of a conflict among the Contract Documents, the order of precedence shall be as set forth above.

ARTICLE II. Services to be performed by CONTRACTOR

For and in consideration of the payments and agreements to be made and performed by AGENCY, CONTRACTOR agrees to perform the services and furnish all materials necessary to perform all work required for the above stated Project, and to fulfill all other obligations as set forth in the aforesaid Contract Documents. CONTRACTOR covenants with AGENCY to furnish its best skill, judgment and efforts and to cooperate with AGENCY and any other consultants or CONTRACTORS engaged by AGENCY in providing the services necessary for the Project. CONTRACTOR covenants to use its best effort to perform its duties and obligation under this Agreement in an efficient, expeditious and economical manner, consistent with the best interests of AGENCY. Workmanship throughout the performance of this Agreement shall conform to the highest standard of commercially accepted practice of work and shall result in a neat finished appearance to the satisfaction of the AGENCY.

ARTICLE III. Term

The initial term of this Agreement shall be for three (3) years with an option for three (3) annual renewals of one (1) year each; provided that terms and conditions remain the same or as mutually agreed upon by the parties in writing and approved with the same level of formality required to execute this Agreement.

ARTICLE IV. Compensation

As full compensation for furnishing all materials, performing all services, and fulfilling all obligations set forth in this Agreement, AGENCY agrees to pay and the CONTRACTOR agrees to receive and accept the prices set forth in the Price Proposal submitted by CONTRACTOR dated August 8, 2019 ("Compensation") attached hereto as Exhibit "A" and incorporated herein by this reference. The amount(s) of the compensation shall not exceed the following yearly amounts:

- Year 1: four hundred sixty-two thousand, five-hundred nineteen and no cents (\$462,519).
- Year 2: four hundred seventy-six thousand, three hundred sixty-six dollars and no cents (\$476,366).
- Year 3: four hundred ninety thousand, six hundred seventy-one dollars and no cents (\$490,671).
- Optional Year 4: five hundred five thousand, three hundred fifty-nine dollars and no cents (\$505, 359).

- Optional Year 5: five hundred twenty thousand, five hundred six dollars and no cents (\$520, 506).
- Optional Year 6: five hundred thirty-six thousand, one hundred twelve dollars and no cents (\$536, 112).

Such sums shall include all amounts payable to CONTRACTOR for its subcontracts, leases, materials and costs arising from, or due to termination of this Agreement. AGENCY shall pay CONTRACTOR upon thirty (30) days of receipt of invoice and full acceptance of product and services by AGENCY.

Said sums shall also cover all expenses, losses, damages, and consequences arising out of the nature of the work during its progress or prior to its acceptance including those for well and faithfully completing the work and the whole thereof in the manner and time specified in the aforesaid contract documents; and also including those arising from actions of the elements, unforeseen difficulties or obstructions encountered in the prosecution of the work, suspension or discontinuance of the work, and all other unknowns or risks of any description connected with the work. No change, amendment or modification to the Compensation shall be effective unless in writing and signed by both parties.

ARTICLE V. Completion of Work

The work and services set forth in this Agreement will be completed in a timely manner, and in accordance with an agreed upon work schedule to be determined by the Parties. An extension of the period for completion may be granted by mutual agreement by the Parties herein for reasons outside the control of CONTRACTOR including acts of God. CONTRACTOR shall request an extension by notifying AGENCY in writing at least fifteen (15) days prior to the expected Completion Date.

No extension of time requested or granted hereunder shall entitle CONTRACTOR to additional compensation unless, as a consequence of such extension, additional work must be performed, and such additional work is approved in writing. In such event, AGENCY shall in good faith consider any request for additional compensation submitted by CONTRACTOR.

ARTICLE VI. Ownership of Written Products

All reports, documents or other written material ("Written Products") developed by CONTRACTOR in its performance of this Agreement shall be and remain the property of AGENCY without restriction or limitation upon its use or dissemination by AGENCY. CONTRACTOR may take and retain copies of such Written Products as desired, but no such Written Products shall be the subject of a copyright application by CONTRACTOR.

ARTICLE VII. Independent Contractor

CONTRACTOR is, and shall at all times remain to AGENCY, a wholly independent contractor. CONTRACTOR shall have no power to incur and debt, obligation, or liability on behalf of AGENCY or otherwise to act on behalf of AGENCY as an agent. Neither AGENCY nor any of its officers, employees or agents shall have control over the conduct of CONTRACTOR or any of CONTRACTOR's employees or agents, except as set forth in this Agreement. CONTRACTOR shall not represent that it is, or that any of its agents or employees are, in any manner employees of AGENCY.

ARTICLE VIII. Confidentiality

All data, documents, discussion, or other information developed or received by CONTRACTOR or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONTRACTOR without prior written consent by AGENCY. AGENCY shall grant such consent if disclosure is legally required. All AGENCY data, documents, objects, materials or other tangible things shall be returned to AGENCY upon the termination or expiration of this Agreement. CONTRACTOR agrees that the covenants contained in this Article shall survive the expiration or termination of this Agreement. The Parties agree that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

ARTICLE IX. Compliance with State and Local Laws

CONTRACTOR shall comply with all applicable federal, state and local laws throughout its performance of this Agreement. CONTRACTOR acknowledges the provisions of the State Labor Code requiring every employer to be insured against liability for worker's compensation, or to undertake self-insurance in accordance with the provisions of that code, and certifies compliance with such provisions. All services required under this Agreement will be performed by CONTRACTOR, or under its supervision, and all personnel shall possess the qualification, permits, and licenses required by the State and local law to perform such services.

CONTRACTOR shall be solely responsible for the satisfactory work performance of all personnel engaged in performing service required by this Agreement, and compliance with all reasonable performance standards established by AGENCY. CONTRACTOR shall be responsible for payment of all employees' and sub-CONTRACTOR's wages and benefits, and shall comply with all requirements pertaining to employer's liability, workers' compensation, unemployment insurance, and Social Security. CONTRACTOR shall indemnify and hold harmless AGENCY from any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

ARTICLE X. Indemnification

The CONTRACTOR agrees to protect, defend, indemnify, save and hold harmless AGENCY, and all of its elected and appointed officials, boards and commissions, officers, directors, employees, and agents from and against any or all injuries, deaths, losses, damages, claims, suits, liabilities, demands, lawsuits, costs, expenses or causes of action, including reasonable attorneys' fees and related costs and expenses, which may accrue against AGENCY based on, occurring, arising out of, or incident to (1) any alleged damage to property or any alleged injury to persons (including death) which may occur or be alleged to have occurred by or on account of the negligence, recklessness, willful misconduct, or errors or omissions by CONTRACTOR, its sub-contractors, or any of their servants, employees or agents; or, if applicable, (2) any infringement of the patent rights of any person or persons in consequence of the use by AGENCY or by any of its employees or agents, of articles supplied under contract, arising from proposals submitted and which CONTRACTOR is not lawfully entitled to sell. AGENCY will give CONTRACTOR prompt notice in writing of the institution of any suit or proceeding and permit CONTRACTOR through its counsel to defend AGENCY and will give all needed information, assistance and authority to enable CONTRACTOR to do so. The Parties agree that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

The CONTRACTOR shall give AGENCY immediate notice of any suit or action filed or prompt notice of any claim made against AGENCY arising out of the performance of this contract. CONTRACTOR shall furnish immediately to AGENCY copies of all pertinent papers received by CONTRACTOR. If the amount of the liability claimed exceeds the amount of insurance coverage, CONTRACTOR shall authorize representatives of AGENCY or the Federal Government to collaborate with counsel for the insurance carrier, if any, in setting or defending such claim.

ARTICLE XI. PERS Eligibility Indemnity

In the event that CONTRACTOR, or its employee, agent, or sub-contractor providing services under this Agreement, claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of AGENCY, CONTRACTOR shall indemnify, defend, and hold AGENCY harmless for the payment of any employee and/or employer contributions for PERS benefits on behalf of CONTRACTOR or its employees, agents, or sub-contractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the AGENCY.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, CONTRACTOR and any of its employees, agents, and sub-contractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by AGENCY, including, but not limited to, eligibility to enroll in PERS as an employee of the AGENCY and entitlement to any contribution to be paid by AGENCY for employer contribution, employee contribution, or both, for PERS benefits.

ARTICLE XII. Insurance

A. Without limiting CONTRACTOR's indemnification of Indemnities pursuant to Article X of this Agreement, CONTRACTOR shall obtain and provide and maintain at its own expense during the term of this Agreement the types and amounts of insurance as described below:

1. **Commercial General Liability Insurance** using Insurance Services Office Commercial General Liability form CG 00 O1 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross-liability exclusion for claims or suits by one insured against another. Limits shall be no less than **one million dollars and no cents** (\$1,000,000) per occurrence for all covered losses and no less than \$1,000,000 general aggregate.
2. **Business Auto Coverage** on ISO Business Auto Coverage form CA 00 O1 including Code/Symbol 1 (Any Auto) or the exact equivalent. Limits shall be no less than **two million dollars and no cents** (\$2,000,000) per accident, combined single limit.
3. **Workers' Compensation Insurance** on a state approved policy form providing statutory benefits as required by law with employer's liability limits no less than **one million dollars and no cents** (\$1,000,000) per accident for bodily injury or disease. (Not required if CONTRACTOR provides written verification that it has no employees).

B. AGENCY, its officers, officials, employees and volunteers shall be named as additional insureds on the policy(ies) as to commercial general liability and automotive liability.

C. All insurance procured pursuant to these requirements shall be written by insurers that are admitted carriers in the state of California with a Best's rating of no less than A:VIII.

D. All insurance policies shall provide that the insurance coverage shall not be non-renewed, canceled, reduced, or otherwise modified (except through the addition of additional insureds to the policy) by the insurance carrier without the insurance carrier giving AGENCY thirty (30) days' prior written notice thereof. Any such thirty (30) day notice shall be submitted to AGENCY via certified mail, return receipt requested, addressed to "Risk Manager," City of Montebello, 1600 West Beverly Boulevard, Montebello, California, 90640. CONTRACTOR agrees that it will not cancel, reduce or otherwise modify said insurance coverage. In the event the policy is cancelled for non-payment of premium, CONTRACTOR shall give ten (10) days' prior written notice to the AGENCY.

E. CONTRACTOR shall submit to AGENCY (i) insurance certificates indicating compliance with the minimum worker's compensation insurance requirements above, and (ii) insurance policy endorsements indicating compliance with all other minimum insurance requirements above, not less than one (1) day prior to beginning of performance under this Agreement. Endorsements shall be executed on AGENCY's appropriate standard forms entitled "Additional Insured Endorsement."

F. CONTRACTOR's insurance shall be primary as respects AGENCY, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by AGENCY, its officers, officials, employees and volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.

G. CONTRACTOR agrees that if it does not keep the aforesaid insurance in full force and effect, and such insurance is available at a reasonable cost, AGENCY may take out the necessary insurance and pay the premium thereon, and the repayment thereof shall be deemed an obligation of CONTRACTOR and the cost of such insurance may be deducted, at the option of AGENCY, from payments due CONTRACTOR.

H. AGENCY shall have no responsibility of liability for such insurance coverage.

ARTICLE XIII. Authorization by Contractor

CONTRACTOR affirms that the signatures, titles, and seals set forth hereinafter in execution of this Agreement represent all duly authorized individuals, firm members, partners, joint ventures, and/or corporate officers having principal interest herein.

ARTICLE XIV. Termination

In the event that either party hereto fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, the non-defaulting party shall give the defaulting party written notice of the default, the nature of the default, and of the steps necessary to cure the default.

12.1 Material Breach. For any breach deemed by the non-defaulting party to constitute a material breach, the defaulting party is required to cure the breach within five (5) calendar days upon receipt of written notice.

12.2 Non-Material Breach. For any breach deemed by the non-defaulting party to constitute a non-material breach, the defaulting party is obligated to cure such breach within ten (10) calendar days upon receipt of written notice. However, if the nature of the non-material breach requires more than ten (10) days to cure, the defaulting party shall have thirty (30) days to diligently pursue and complete a cure.

12.3 Failure to Cure. In addition to any other available legal or equitable rights or remedies, if the default is not cured within the time periods described above, the non-defaulting party may terminate this Agreement by giving written notice thereof to the defaulting party, setting forth the effective date thereof.

12.4 Termination for Convenience. AGENCY shall have the option, at its sole discretion and without cause to terminate this Agreement for AGENCY's convenience at any time by providing CONTRACTOR ten-days' (10-days') written notice.

12.4.1 Upon receipt of such notice of Termination for Convenience, CONTRACTOR shall immediately take action not to incur any additional obligations, costs or expenses, except as may be necessary to terminate its activities.

12.4.2 AGENCY shall pay CONTRACTOR its reasonable and necessary costs incurred by CONTRACTOR to effect the termination. Thereafter, CONTRACTOR shall have no further claims against AGENCY under this Agreement.

12.4.3 All finished and unfinished documents and materials procured for or produced under this Agreement, including all intellectual property rights AGENCY is entitled to, shall become AGENCY property upon the date of termination. Further, CONTRACTOR agrees to execute any documents necessary for AGENCY to perfect, memorialize, or record AGENCY's ownership of any and all rights provided herein.

12.5 Upon the valid termination of this Agreement as provided under this Article, AGENCY shall provide to CONTRACTOR the part of Compensation which would otherwise be payable to CONTRACTOR for goods and/or services CONTRACTOR had completed/delivered as of the date of termination, less the amount of all previous payment with respect to the Compensation; provided that CONTRACTOR received AGENCY's Notice to Proceed (as defined in RFP No. 19-41) before such goods/services were completed/delivered.

12.6 Expiration. This Agreement shall expire upon full payment of the Compensation by the AGENCY to CONTRACTOR.

ARTICLE XV. Dispute Resolution and Legal Remedies

Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach, default or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded.

ARTICLE XVI. Subcontract, Assignment or Delegation

CONTRACTOR shall not subcontract, delegate or assign its duties or rights hereunder, wither in whole or in part, without the prior written consent of AGENCY. Any proposed subcontract, delegation, or assignment shall provide a description of the services to be covered, identification of the proposed sub-contractor, delegee, or assignee, and an explanation of why and how the same was selected, including the degree of competition involved.

Any subcontract, delegation or assignment shall be made in the name of CONTRACTOR and shall not bind or purport to bind AGENCY and shall not release CONTRACTOR from any obligations under this Agreement including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees or sub-CONTRACTORS. No such subcontract, delegation or assignment shall result in any increase in the amount of total compensation payable to CONTRACTOR under the Agreement.

ARTICLE XVII. Non-discrimination and Equal Opportunity Employer

In the performance of this Agreement, CONTRACTOR shall not discriminate against any employee, sub-subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, mental condition or sexual orientation. CONTRACTOR will take affirmative action to ensure that sub-consultants and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

ARTICLE XVIII. Notices

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, or approvals hereunder shall be given to the following addresses or such other addresses as the parties may designate by written notice:

To AGENCY:

Montebello Bus Lines
400 S. Taylor Ave.
Montebello, CA 90640
Attention: Tom Barrio
Director of Transportation
Phone: 323-558-1625

To CONTRACTOR:

PCAM, LLC dba Parking
Company of America (PCA)
3165 Garfield Ave.
Los Angeles, CA 90040
(562) 862-2118

ARTICLE XIX. Severability

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provision nevertheless will continue in full force and effect without being impaired or invalidated in any way.

ARTICLE XX. Governing Law

This Agreement shall be construed in accordance with and governed by the laws of the State of California.

ARTICLE XXI. Entire Agreement

This Agreement and the aforementioned Contract Documents shall constitute the Entire Agreement by the Parties, and supersedes all prior proposals, agreements, and understandings between the Parties and may not be modified or terminated orally. The waiver by AGENCY of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No attempted waiver of any of the provisions herein, nor any change, amendment or modification to this Agreement shall be effective unless in writing and signed by the party against whom the same is sought to be enforced.

ARTICLE XXII. Effective Date

Unless otherwise specified herein, this Agreement shall become effective as of the date in which the last of the Parties, whether AGENCY or CONTRACTOR, executes this Agreement. This Agreement may be signed in counterparts, each of which shall constitute an original, and which collectively shall constitute one instrument.

ARTICLE XXIII. Survival

The Parties' obligations under Article VII [Confidentiality] and Article X [Indemnification], will survive the Termination or Expiration of this Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Agreement to be executed in triplicate by setting hereunto their names, titles, hands, and seals this _____ day of _____, 2019.

CITY OF MONTEBELLO
("AGENCY")

PCAM, LLC
dba Parking Company of America.
("CONTRACTOR")

Rene Bobadilla, City Manager

Federal Tax Identification No. _____

Date: _____

Date: _____

ATTEST:

Irma Barajas, City Clerk

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman, City Attorney

ATTACHMENT A

CITY OF MONTEBELLO
CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Fernando Pelaez, Fire Chief

SUBJECT: Dispatch Related Equipment Upgrades and Budget Appropriation

DATE: October 09, 2019

RECOMMENDATION

It is recommended that the City Council:

- 1) Authorize staff to utilize sole source and cooperative purchasing (piggy-backing) for dispatch related equipment and/or upgrades with Presidio Network Solutions LLC in the amount not to exceed one hundred and one thousand, three hundred eighty-one dollars and 32/100 cents (\$101,381.32) and with Foothill Communications (on behalf of WestNet Inc.) for an amount not to exceed sixty thousand, four hundred seventy-four dollars and 39/100 cents (\$60,474.39); and
- 2) Authorize the City Manager to execute the agreements and/or purchase orders related to the purchases; and
- 3) Approve the attached Resolution appropriating General Fund unassigned balance to Account for Capital Outlay (100-85-880-7055) to fund these expenditures.

BACKGROUND

In the 1980's, the Montebello Fire Department discontinued the self-servicing of the Fire Department dispatch services, and contracted with the City of Downey, to be served by the Joint Powers Communications Center (Downey Dispatch). In the mid-2000's, the Montebello Fire Department discontinued being serviced by Downey Dispatch, and began being serviced by the City of Glendale's, Verdugo Fire Communications Center (Verdugo Fire).

For about five years, Verdugo Fire has been researching the possibility of replacing the Computer Aided Dispatch (CAD) system, and due to the age of the equipment, the cost was deferred. This year, the fifteen fire agencies served by Verdugo Fire agreed to move

forward with an upgrade provided that each Fire Department serviced by Verdugo Fire would be responsible for their respective mobile data terminals and their station notification equipment replacement and/or upgrades, leaving Verdugo Fire to handle the dispatch center equipment.

The current mobile data terminals range in age from five to twenty years, while the station notification equipment is over thirty years of age. Both the mobile data terminals and the station notification equipment have exceeded their original life expectancy and are no longer supported by any of the respective industries. With the implementation of the CAD system upgrades, the only way to continue being served by Verdugo Fire is to replace the equipment in question. Just as the equipment has lasted for decades, there is an expectation that this expense would not occur again for at least ten to twenty years.

If approved by this Council, the mobile data terminals and the station notification equipment upgrades will be provided by two vendors. Presidio Network Solutions, LLC (Presidio) and Foothill Communications (for WestNet Inc). Presidio would provide the mobile data terminals and Foothill Communications (for WestNet Inc.) would provide the station notification equipment upgrades. As sole source vendors, Presidio and Foothill Communications (for WestNet Inc.) are uniquely positioned to provide the technical skills, knowledge, and expertise necessary to provide the goods/services contemplated herein thereby insuring successful roll out of Verdugo Fire's communications network. It should also be noted that an agreement with Presidio would be a cooperative purchasing (piggy-back purchase) agreement based on an agreement entered between Presidio and the City of Glendale (as approved by the Glendale City Council) on February 05, 2019.

FISCAL IMPACT

These purchases will be as follows:

- 1) Presidio will provide the mobile data terminals and the mobile connectivity to Verdugo Fire for that equipment, as well as the connectivity of the station notification equipment to Verdugo Fire for an amount not to exceed one hundred and one thousand, three hundred eighty-one dollars and 32/100 cents) \$101,381.32.
- 2) WestNet Inc. will provide the station notification equipment via Foothill Communications LLC (local installer) for an amount not to exceed sixty thousand, four hundred seventy-four dollars and 39/100 cents (\$60,474.39).

It is recommended that the funding for this project come from General Fund unassigned balances at the direction of the City Manager.

SUMMARY

It is recommended that the City Council approve the recommendations from staff to assign unassigned General Fund balances, to the Fire Departments', Communications Divisions', Account for Capital Outlay (100-85-880-7055), and to authorize the City Manager to execute the agreements and/or purchase orders related to the purchases

ATTACHMENTS

Resolution

Presidio Quotes

Presidio Agreement

Foothill Communications (WestNet Inc.) Quotes

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF COUNCIL OF THE CITY OF MONTEBELLO
AUTHORIZING THE APPROPRIATION OF FUNDS FOR FIRE DEPARTMENT
DISPATCH EQUIPMENT**

THE CITY COUNCIL OF THE CITY OF MONTEBELLO DOES RESOLVE AS FOLLOWS:

SECTION 1. That the Director of Finance is hereby authorized to make the following appropriations:

<u>FROM</u>		<u>TO</u>	
<u>Account Number</u>	<u>Amount</u>	<u>Account Number</u>	<u>Amount</u>
100-2900		100-85-880-7055	
(Unassigned Funds)		(Communications-Capital Outlay)	

SECTION 2. That the City Clerk shall certify to the adoption of the Resolution, which shall become effective immediately upon approval.

ADOPTED AND APPROVED this 9th day of October, 2019.

Jack Hadjinian, Mayor

ATTEST:

APPROVED AS TO FORM:

Irma Barajas
City Clerk

Arnold M Alvarez-Glasman
City Attorney

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF MONTEBELLO

I, Irma Barajas, City Clerk of the City of Montebello, do hereby certify that the foregoing City Council Resolution No. _____ was duly and regularly approved and adopted by the City Council of the City of Montebello at their meeting held on the 9th day of October, 2019, as approved by law by the following vote:

AYES:

NOES:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City on the _____ day of _____, 2019.

IRMA BARAJAS, City Clerk

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Robert Mescher, Director of Finance

SUBJECT: Authorize the Issuance of Pension Obligation Bonds and the Judicial Validation Proceedings Relating to the Issuance of Such Bonds

DATE: October 9, 2019

RECOMMENDATION

It is recommended that the City Council:

- 1) Adopt City Council Resolution entitled, "Resolution of the City Council of the City of Montebello Authorizing the issuance and delivery of Pension Obligation Bonds to refund certain outstanding pension fund obligations of the City to the California Public Employees' Retirement System, Approving the Form of and Authorizing the Execution and Delivery of a Trust Agreement, and Authorizing a Validation Action and other matters relating thereto"; and
- 2) Authorize the City to issue Pension Obligation Bonds in an amount not to exceed \$155,000,000.

BACKGROUND

Pension costs and its impacts to the operating budgets of the City have been discussed on multiple public occasions. On August 31, 2019, the City Council provided Staff with direction to evaluate the option of issuing Pension Obligation Bonds (the "POBs").

In May 2019, the City entered into contract with Hilltop Securities Inc. to provide municipal advisory services, the scope of services of which includes evaluating and advising on the issuance of pension obligation bonds (the "POBs"). The City Council subsequently approved the appointment of the municipal bond underwriter, Cabrera Capital Markets at the August 28, 2019 City Council Meeting. In addition, the City Council approved the appointment of bond and disclosure counsel, Norton Rose Fulbright and Quint & Thimmig, respectively, on September 11, 2019.

The City Staff is evaluating methods to address the projected cost increases of the City's employee pensions provided through the California Public Employees' Pension System

("CalPERS"). As of June 2018 (most current figures provided by CalPERS), the projected unfunded accrued liability ("UAL") at June 30, 2020 is \$151.3 million.

In California, POBs have generally been designed to be valid without voter approval, under a judicially created exception to the State Constitutional debt limitation (often referred to as a "debt imposed by law"). In order to obtain authorization to issue POBs, the City will file a validation action with the Los Angeles County Superior Court. Unless challenged, the judicial validation proceedings are typically a routine civil matter.

Before the validation action is filed, the City must first adopt a resolution:

- Authorizing the City to issue Pension Obligation Bonds (POBs) to refund its CalPERS Unfunded Accrued Liability (UAL) and a portion of the normal cost;
- Approve a form of Trust Agreement pursuant to which the POBs will be issued; and
- Authorizing judicial validation proceedings related to the issuance of such POBs.

Validation Proceedings - The validation proceedings require multiple steps, which can take approximately 90-120 days in Los Angeles County. The process is outlined below:

- City Council passes a resolution authorizing the sale of pension obligation bonds
- File Validation Action with LA County Superior Court
- Receive Order for Publication of Summons from the Court – this can take in excess of three weeks to receive
- Publication of notice in local newspaper (most likely will be Whittier Daily News)
- Waiting period for any responding party to file a petition
- Clerk enters hearing for a default judgement if there is no responding party, schedules a hearing
- Hearing for default judgement
- 30-day Appeal Period

At the conclusion of the 30-day Appeal Period, the City can sell POBs. Considerable work related to a POB occurs while awaiting the default judgement. Typically, that work includes City Council discussions, deciding upon the preferred bond sizing and structure, drafting a preliminary official statement and obtaining a rating, before the end of the validation appeal period. The POB sale is often a few days after the end of the appeal period.

ANALYSIS

POBs are issued by a municipality from which the proceeds are used to reduce the unfunded accrued liabilities of its pension system and often to pay a portion of the normal costs. Bond proceeds net of issuance costs are transferred to CalPERS. CalPERS and pension systems in general have historically generated higher investment returns from their investment portfolios than municipalities have on typical general fund investments. CalPERS applies a discount rate to the expected future cash flows of its participating agencies. Most CalPERS employers have unfunded actuarial liabilities when using the current 7.0% discount rate.

POBs are used by municipalities for pension cost management strategies (e.g., changing the CalPERS payment pattern, accelerating payment of the UAL, and/or raising the funded level of the pension plan). However, a key consideration in issuing POBs is comparing the current POB borrowing cost rate versus expected CalPERS investment returns. The higher expected investment returns on investments at CalPERS (e.g., 6-7%) and the projected POB borrowing cost (e.g., ~3-4% in the current market) afford municipalities the opportunity to generate annual and/or net present value savings.

Pension investment returns are currently higher than POB borrowing costs but are subject to change with market movements. The lower the POB borrowing costs, the more likely the POB will generate savings throughout the life of the POB. An analysis of historic investment returns indicate that even through periods of poor CalPERS investment returns (i.e. the Great Recession), over time, CalPERS has typically earned returns in excess of POB borrowing rates. In addition, taxable borrowing rates are currently near historical lows.

Prudent analysis, interest rate simulations, and knowledge of CalPERS, its actuarial methods, and the City's finances will be utilized to determine whether a POB issuance is in the best interest of the City. Subsequent analysis will be presented to the City Council addressing options regarding: sizing, final maturity, payment pattern (e.g., level debt service or 1-2% annual increase in debt service), bond rating strategy, effects of potential future discount rate changes, and use of the Pension Tax Override as a source of repayment.

Pension Override Tax: The City joined CalPERS and currently levies a Pension Tax Override (PTO) on taxable assessed values within the City per 1945 and 1946 voter approved ordinances and other actions of the City. Further detailed analysis addressing eligible PTO costs is needed to determine what portion of the POB debt service could be paid from the PTO. The City has engaged Bartel & Associates, an actuarial firm, with vast PTO experience in California to provide analysis regarding what portion of the unfunded liabilities and normal costs are payable from the PTO. The constraints that apply to the PTO are noteworthy because the PTO is only eligible to pay part of pension costs based on pre-Proposition 13 benefit levels. A POB issuance can be structured to fully utilize available PTO revenues and reduce total pension-related payments (i.e. CalPERS and projected POB payments), including payments from the General Fund.

CalPERS Current Payment Schedule and Benefits of Changing Payment Pattern: CalPERS in its June 30, 2018 actuarial study completed a multi-year phase-in of lower discount rates. Each reduction to the discount rate increases an employer's UAL. CalPERS creates a new "amortization base" with additional annual payments connected with that programmatic change. The newest Amortization base from the reduction from 7.25% to 7.00% discount rate will be fully implemented by FY 2025. By FY 2030, total UAL contributions will have increased by roughly \$3.5 million annually when compared to FY2020. Issuing the POB affords the City flexibility to change the pension related payment pattern while not extending the final maturity of the "Amortization Base" the City wishes to refund.

The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. Among other changes, the new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. These changes will apply only to new UAL bases established on or after June 30, 2019.

POB Not-to-Exceed Amount: According to the actuarial valuation dated June 30, 2018 (recently released in August 2019), the City had a total projected UAL at June 30, 2020 of \$151.3 million, comprised of approximately \$56.1 million for Miscellaneous employees and approximately \$95.2 million for Safety employees. The recommended not-to-exceed POB Principal amount is \$155 million. Prior to the sale of POBs, City Staff will provide analysis to City Council assuming bond sizes of lower amounts.

Next Steps

Pension Bond Analysis: Subsequent to the initiation of validation proceedings, the financing team and City Staff will analyze POB scenarios in greater detail, including key assumptions, projected results, risks, and opportunities, to develop a final proposed plan of finance.

Final Proposed Plan of Finance / Preliminary Official Statement: Upon approval of the POBs by the City Council, the financing team and City Staff will work together concurrently with the validation process to prepare the final proposed plan of finance and the Preliminary Official Statement ("POS") for the POBs. The POS is the offering document with respect to the POBs and must contain all material information to enable investors to determine whether to purchase the POBs.

FISCAL IMPACT

The recommended not-to-exceed principal amount of \$155 million POBs is expected to be sufficient to refinance up to 100% of the City's UAL and possibly a portion of the current normal costs. Preliminary estimated results from a POB issuance indicate annual cost savings ranging from \$2 to \$3 million through FY 2036. Costs associated with all of the actions around issuing the POBs will be paid from the proceeds of the bond sale.

Norton Rose Fulbright fees will be \$90,000: \$68,000 to serve as Bond Counsel, and \$22,000 to handle the validation proceedings, plus out-of-pocket costs incurred in connection with the issuance of the POBs and prosecution of the judicial validation proceedings. The fees are contingent upon the financing and will be paid from the proceeds of the bond sale. In the event the validation action is challenged, Bond Counsel fees will convert to hourly, non-contingent rates solely for work on the validation proceedings.

In accordance with Government Code 5852.1, the following information consists of estimates of certain costs and charges for the Bonds that have been provided by the City's municipal financial advisor, which has been represented by such party to have

been provided in good faith: (1) estimated true interest costs of the Bonds: 3.50%; (2) estimated finance charge of the Bonds (sum of all fees and charges paid to third parties): \$1,440,000; (3) estimated amount of proceeds of the Bonds received by the City (net of finance charges, reserves and capitalized interest, if any): \$155,000,000; and (4) estimated total payment amount (sum total of all payments to pay debt service on the Bonds plus the finance charge not paid with proceeds of the Bonds) calculated to the final maturity of the Bonds: \$205,300,000. Please note that multiple bond sizings are currently being evaluated and the estimates provided conservatively assume the largest eligible borrowing.

SUMMARY

It is recommended that the City Council adopt City Council Resolution entitled, "Resolution of the City Council of the City of Montebello Authorizing the Issuance of Bonds to Refund Certain Pension Obligations of the City, Approving the Form and Authorizing the Execution of a Trust Agreement, Authorizing Judicial Validation Proceedings Relating to the Issuance of Such Bonds and Approving Additional Actions Related Thereto; and Authorize the City to issue Pension Obligation Bonds in an amount not to exceed \$155 million;

ATTACHMENTS

1. Resolution Approving Issuance of Pension Obligation Bonds
2. Form of Trust Agreement
3. Form of Validation Complaint

RESOLUTION NO. 2019-____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MONTEBELLO AUTHORIZING THE ISSUANCE AND DELIVERY OF
PENSION OBLIGATION BONDS TO REFUND CERTAIN
OUTSTANDING PENSION FUND OBLIGATIONS OF THE CITY TO
THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM,
APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION
AND DELIVERY OF A TRUST AGREEMENT, AND AUTHORIZING A
VALIDATION ACTION AND OTHER MATTERS RELATING
THERE TO**

WHEREAS, in 1946, the voters of the City of Montebello (the "City") approved an initiative to pay for the obligation of the City to participate in the State of California retirement system, now the California Public Employees' Retirement System (the "System"); and

WHEREAS, a contract between the City and the System was first approved on May 6, 1946, pursuant to City Council Resolution No. 987; and

WHEREAS, the City is obligated by the Public Employees' Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended (the "Retirement Law"), to make payments to the System relating to pension benefits accruing to the System's members, including the City; and

WHEREAS, the City is obligated specifically to make certain payments to the System in respect of current and retired public safety employees and miscellaneous employees under the pension programs of the System that amortize such obligations over a fixed period of time, including normal costs (collectively, the "Pension Obligation"); and

WHEREAS, the Pension Obligation is evidenced by a contract or contracts with the System with respect to public safety employees and miscellaneous employees of the City, as heretofore and hereafter amended from time to time (collectively, the "CalPERS Contract"); and

WHEREAS, since 1946, the City Council has annually set an *ad valorem* property tax rate for the purpose of providing revenue to pay all or a portion of the Pension Obligation of the City under the CalPERS Contract; and

WHEREAS, once the property tax rate is established for the fiscal year, the City reports the rate to the Los Angeles County Auditor-Controller to place the tax (the "Retirement Tax") on the property tax roll of the County; and

WHEREAS, the Retirement Tax is currently set \$0.197875 per one hundred dollars of assessed value; and

WHEREAS, the City is authorized pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California (the "Act") to issue bonds for the purpose of refunding any evidence of indebtedness of the City; and

WHEREAS, the City desires to issue one or more series of bonds (the “Pension Obligation Bonds”) for the purpose of refunding obligations under the CalPERS Contract and thereby providing funds to the System in payment of the Pension Obligation; and

WHEREAS, there is on file with the City Council the proposed form of Trust Agreement (the “Trust Agreement”) to be entered into between the City and a trustee to be named therein (the “Trustee”), relating to the Pension Obligation Bonds, including the forms of Bonds attached thereto as an exhibit.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MONTEBELLO AS FOLLOWS:

Section 1. The City Council hereby finds and determines that the foregoing recitals are true and correct.

Section 2. This City Council hereby finds and declares that the issuance of the Pension Obligation Bonds to refund Pension Obligations of the Safety Plan (ID 1885224868) and the Miscellaneous Plan (ID 1885224868), and the other actions contemplated by this Resolution are in the best interests of the City.

Section 3. This City Council hereby authorizes and approves the assignment and pledge of revenues from the Retirement Tax to owners of one or more series of the Pension Obligation Bonds as the City Manager deems necessary or desirable and the issuance, sale and delivery of such Pension Obligation Bonds. The Pension Obligation Bonds shall be in substantially the form attached to the Trust Agreement, with such changes therein, deletions therefrom and additions thereto as the City Manager shall approve, such approval to be conclusively evidenced by the execution and delivery of the Pension Obligation Bonds. The Pension Obligation Bonds of any series shall be issued as current interest fixed rate bonds; provided, however, that the aggregate initial principal amount of the Pension Obligation Bonds shall not exceed (i) the lesser of \$155,000,000 or (ii) the amount of the Pension Obligation (as confirmed by the System) remaining unpaid on the Safety Plan and the Miscellaneous Plan (plus a normal cost contribution with respect to such plans) described above on the date of issuance of the Pension Obligation Bonds, plus an additional amount to pay costs of issuance of the Pension Obligation Bonds, original issue discount, and underwriter’s discount on the Pension Obligation Bonds. The Underwriters’ discount, excluding original issue discount, shall not exceed 0.8% of the aggregate principal amount of the Pension Obligation Bonds. The maximum interest rate on the Pension Obligation Bonds shall not exceed 5.5% per annum. The Pension Obligation Bonds shall mature not later than 35 years following their date of issuance.

Section 4. The Pension Obligation Bonds shall constitute an obligation imposed by law, pursuant to the Constitution and the laws of the State of California, including the Retirement Law. Payment of the principal of and interest on the Pension Obligation Bonds is not limited to any special source of funds and shall be payable from any legally available moneys or funds of the City, including, as applicable, revenues from the Retirement Tax.

Section 5. The proposed form of Trust Agreement, between the City and the Trustee, on file with the City Clerk, is hereby approved. The Mayor, the City Manager, the Assistant City Manager and the City Clerk (the “Authorized Representatives”) are each hereby authorized and directed, severally, or any such officer’s designee, for and on behalf of the City, to execute and deliver the Trust Agreement, substantially in the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto (including, but not limited to changes, deletions and additions as may be required by a municipal bond insurer, if any) as such Authorized Representative shall approve, such approval to be conclusively evidenced by the execution and delivery of the Trust Agreement.

Section 6. If an Authorized Representative determines that it will be advantageous to the City to purchase municipal bond insurance or secure other credit or liquidity enhancement with respect to some or all of the Pension Obligation Bonds, such Authorized Representative or his designee is hereby authorized to do so upon determining that such purchase is in the best interest of the City.

Section 7. The Authorized Representatives of the City are, and each of them hereby is, authorized and directed to do any and all things, including bringing a validation action under Section 860 *et seq.* of the California Code of Civil Procedure and to take any and all actions (including any required publications of summons or other notice) and execute and deliver any and all documents which they or any of them deem necessary or advisable to consummate the transactions contemplated by this Resolution and the Trust Agreement and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution and the Trust Agreement. A draft of the Complaint for Validation is attached.

Section 8. Each Authorized Representative and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City to do any and all things and take any and all other actions, including the publication of any notices necessary or desirable in connection with the sale of the Pension Obligation Bonds and execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments and other documents, which they, or any of them, deem necessary or advisable to consummate the issuance and sale of the Pension Obligation Bonds and the consummation of the transactions as described herein.

Section 9. All actions heretofore taken by any Authorized Representative or any officer, employee or agent of the City with respect to the issuance, delivery and sale of the Pension Obligation Bonds or in connection with or related to any of the agreements referred to herein, are hereby approved, confirmed and ratified.

Section 10. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED this 9th day of October 2019.

Jack Hadjinian
Mayor

ATTEST:

Irma-Bernal Barajas
City Clerk

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman
City Attorney

RESOLUTION CERTIFICATION

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

I, Irma-Bernal Barajas, City Clerk of the City of Montebello, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted at a regular meeting of the City Council held on the 9th day of October 2019, by the following vote to wit:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:

CITY CLERK

TRUST AGREEMENT

between the
CITY OF MONTEBELLO

and

[TRUSTEE],
as Trustee

Dated as of [As of Date]

City of Montebello
Taxable Pension Obligation Bonds
Series 2019

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THIS **TRUST AGREEMENT** made and entered into as of [As of Date] (the “Trust Agreement”) by and between [TRUSTEE], a _____ duly organized and existing under and by virtue of the laws of the _____, as Trustee (the “Trustee”) and the CITY OF MONTEBELLO (the “City”), a duly organized, validly existing and operating municipal corporation, under the laws of the State of California.

W I T N E S S E T H:

WHEREAS, in 1946, the voters of the City approved an initiative to pay for the obligation of the City to participate in the State of California retirement system, now the California Public Employees’ Retirement System (the “System”); and

WHEREAS, a contract between the City and the System was first approved on July 20, 1946, pursuant to City Council Ordinance No. 398; and

WHEREAS, the City is obligated by the Public Employees’ Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended (the “Retirement Law”), to make payments to the System relating to pension benefits accruing to the System’s members, including the City; and

WHEREAS, the City is obligated specifically to make certain payments to the System in respect of current and retired public safety employees and miscellaneous employees under the pension programs of the System that amortize such obligations over a fixed period of time, including normal costs (collectively, the “Pension Obligation”); and

WHEREAS, the Pension Obligation is evidenced by a contract or contracts with the System with respect to public safety employees and miscellaneous employees of the City, as heretofore and hereafter amended from time to time (collectively, the “CalPERS Contract”); and

WHEREAS, since 1946, the City Council has annually set an *ad valorem* property tax rate for the purpose of providing revenue to pay all or a portion of the Pension Obligation of the City under the CalPERS Contract; and

WHEREAS, once the property tax rate is established for the fiscal year, the City reports the rate to the Los Angeles County Auditor-Controller to place the tax (the “Retirement Tax”) on the property tax roll of the County; and

WHEREAS, the City is authorized pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California (the “Act”) to issue bonds for the purpose of refunding any evidence of indebtedness of the City; and

WHEREAS, for the purpose of refunding the City’s obligations to the System evidenced by the CalPERS Contract and thereby providing funds to the System in payment of the Pension Obligation, the City has determined to issue its City of Montebello Taxable Pension Obligation Bonds, Series 2019, in the aggregate principal amount not to exceed \$_____ [bonds may be issued in one or more series] (the “Series 2019 Bonds”), all pursuant to and secured by this

Trust Agreement providing for the issuance of the Series 2019 Bonds and, collectively with Additional Bonds, the “Bonds,” all in the manner provided herein; and

WHEREAS, to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and to secure the payment of the principal thereof and interest thereon, the City has authorized the execution and delivery of this Trust Agreement; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the City, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligations of the City payable in accordance with their terms, and to constitute this Trust Agreement a valid and binding agreement of the parties hereto for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Trust Agreement have been in all respects duly authorized;

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Trust Agreement, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the City does hereby covenant and agree with the Trustee, for the benefit of the respective holders from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any Supplemental Trust Agreement and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified:

“Act” means Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California.

“Additional Bonds” means all Bonds of the City authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Article III.

“Aggregate Principal Amount” means, as of any date of calculation, the principal amount of the Bonds referred to.

“Authorized Denominations” means \$5,000 principal amount or any integral multiple thereof.

“Authorized Representative” means the Mayor, the City Manager and the Assistant City Manager of the City of Montebello and their respective designees designated in writing to the Trustee.

“Beneficial Owner” means the beneficial owner of each such Bond, determined under the rules of DTC.

“Bond Fund” means the Bond Fund established in Section 4.01(a) of the Trust Agreement.

“Bond Insurance Policy” means the municipal bond insurance policy issued by the Bond Insurer, if any, insuring the payment when due of principal of and interest on a Series of Bonds as provided therein.

“Bond Insurer” shall mean the provider, if any, of a Bond Insurance Policy, or any successor thereto.

“Bonds” means the Series 2019 Bonds [may be issued in one or more series] and all Additional Bonds.

“Business Day” means any day other than a Saturday or Sunday or day upon which the Trustee is authorized by law to remain closed.

“CalPERS Contract” means the contracts relating to the Safety Plan (ID 1885224868) and the Miscellaneous Plan (ID 1885224868), each between the City and the System, as heretofore and hereafter amended from time to time.

“Certificate of the City” means an instrument in writing signed by any one of the Authorized Representatives of the City or such officer’s designee, or by any other officer of the City duly authorized by the City Council of the City in writing to the Trustee for that purpose. If and to the extent required by the provisions of Section 10.07, each Certificate of the City shall include the statements provided for in Section 10.07.

“City” means the City of Montebello, California.

“Closing Date” means the date on which the Series 2019 Bonds are delivered to the original purchaser for the Series 2019 Bonds.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed by the City dated the date of issuance and delivery of the Series 2019 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Corporate Trust Office” means such corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the City, initially being in Los Angeles, California. The Trustee may designate in writing to the City and the Owner such other office or agency from time to time for purposes of registration, transfer, exchange, payment or redemption of Bonds.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the City and related to the Bonds, including, but not limited to, costs of preparation and reproduction of documents, costs of rating agencies and costs to provide information required by rating agencies, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, fees and expenses of the underwriter or placement agent, fees and charges for preparation, execution and safekeeping of the Bonds, premiums for bond insurance, if any, and any other cost, charge or fee in connection with the original execution and delivery of the Bonds.

“Costs of Issuance Fund” means the Costs of Issuance Fund established in Section 2.12(b) of this Trust Agreement.

“Defeasance Securities” means:

- (1) Cash; and
- (2) Obligations of or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States, including:
 - ☐ U.S. Treasury obligations
 - ☐ All direct or fully guaranteed obligations
 - ☐ Farmers Home Administration
 - ☐ General Services Administration
 - ☐ Guaranteed Title XI financing
 - ☐ Government National Mortgage Association (GNMA)
 - ☐ State and Local Government Series

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

“DTC” means The Depository Trust Company, New York, New York, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for the Bonds including any such successor appointed pursuant to Section 2.07 hereof.

“Fiscal Year” means the twelve-month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the City as its fiscal year in accordance with applicable law.

“Independent Certified Public Accountant” means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State or a comparable successor, appointed and paid by the City, and who, or each of whom --

(1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the City;

(2) does not have a substantial financial interest, direct or indirect, in the operations of the City; and

(3) is not connected with the City as a member, officer or employee of the City, but who may be regularly retained to audit the accounting records of and make reports thereon to the City.

“Interest Account” means the account by that name established in Section 4.02 of this Trust Agreement.

“Interest Payment Date” means each [_____] 1 and [_____] 1, commencing _____ 1, 20__.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the City.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 7.02) all Bonds except

(1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) Bonds paid or deemed to have been paid within the meaning of Section 9.01; and

(3) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the City pursuant hereto.

“Owner” means any person who shall be the registered owner of any Outstanding Bond.

“Permitted Investments” means any of the following to the extent permitted by the laws of the State:

(1) Defeasance Securities;

(2) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- ☐ Export-Import Bank
- ☐ Rural Economic Community Development Administration
- ☐ U.S. Maritime Administration
- ☐ Small Business Administration
- ☐ U.S. Department of Housing & Urban Development (PHA's)
- ☐ Federal Housing Administration
- ☐ Federal Financing Bank;

(3) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- ☐ Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC)
- ☐ Obligations of the Resolution Funding Corporation (REFCORP)
- ☐ Senior debt obligations of the Federal Home Loan Bank System
- ☐ Senior debt obligations of other Government Sponsored Agencies approved by the Bond Insurer;

(4) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks (including the Trustee and its affiliates) which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's Ratings Services and which mature not more than three hundred sixty (360) calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(5) Commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by Standard & Poor's Ratings Services and which matures not more than two hundred seventy (270) calendar days after the date of purchase;

(6) Investments in a money market fund rated at the time of purchase "AAAm" or "AAAm-G" or better by Standard & Poor's Ratings Services, including funds for which the Trustee or its affiliates receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise;

(7) Pre-refunded municipal obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor

prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) which are rated at the time of purchase, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Standard & Poor’s Ratings Services or any successors thereto; or

(B) which are fully secured as to interest and principal and redemption premiums, if any, by an escrow consisting only of cash or obligations described in paragraph (2) of the definition of Defeasance Securities, which escrow may be applied only to the payment of such interest and principal and redemption premiums, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premiums, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(8) Municipal obligations rated at the time of purchase “Aaa/AAA” or general obligations of States with a rating of “A2/A” or higher by Standard & Poor’s Ratings Services; and

(9) The Local Agency Investment Fund (as that term is defined in Section 16429.1 of the Government Code of the State, as such Section may be amended or recodified from time to time).

The value of the above investments shall be determined as follows:

(a) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall have no duty in connection with the determination of fair market value other than to follow: (i) its normal practices in the purchase, sale and determining the value of Permitted Investments; and (ii) the investment directions of the City. The Trustee may utilize and rely on computerized securities pricing services that may be available to it, including those available through its regular accounting system;

(b) As to certificates of deposit and bankers’ acceptances, the face amount thereof, plus accrued interest thereon; and

(c) As to any investment not specified above, the value thereof established by prior agreement among the City, the Trustee and, if applicable, the Bond Insurer.

“Principal Account” means the account by that name established in Section 4.02 of this Trust Agreement.

“Person” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Principal Amount” means as to any Bond, the principal amount thereof.

“Principal Payment Date” means each _____ 1, commencing _____ 1, 20__.

“Rating Agencies” means S&P Global Ratings or, if S&P Global Ratings no longer maintains a rating on the Bonds, any other nationally recognized bond rating agency then maintaining a rating on the Bonds, but, in each instance, only so long as S&P Global Ratings or other nationally recognized rating agency then maintains a rating on the Bonds.

“Record Date” means the close of business on the 15th day of the month preceding any Interest Payment Date, whether or not such day is a Business Day.

“Refunding Fund” means the fund by that name established in Section 2.12(a) of this Trust Agreement.

“Representation Letter” means the Letter of Representations from the City and the Trustee to DTC, or any successor securities depository for the Bonds.

“Retirement Law” means the Public Employees’ Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended.

“Retirement Tax” has the meaning ascribed to such term in the recitals.

“Retirement Tax Revenues” means all of the revenues received by or payable to the City from the Retirement Tax levied annually to pay for the Pension Obligation.

“Serial Bonds” means Bonds for which no sinking fund payments are provided.

“Series” means all of the Bonds designated as being within a certain series, regardless of variations in maturity date, interest rate, redemption and other provisions, and any Bonds thereafter issued in transfer or exchange for such Bonds pursuant to this Trust Agreement.

“Series 2019 Bonds” means the Bonds of the City of that Series designation authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Section 2.02 hereof.

“State” means the State of California.

“Surplus Account” means the account by that name established in Section 4.02 of this Trust Agreement.

“Supplemental Trust Agreement” means any trust agreement then in full force and effect which has been duly executed and delivered by the City and the Trustee amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Trust Agreement is specifically authorized hereunder.

“System” means the California Public Employees’ Retirement System.

“Term Bonds” means Bonds which are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

“Trust Agreement” means this Trust Agreement, dated as of [As of Date], between the City and the Trustee, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements executed pursuant to the provisions hereof.

“Trustee” means [TRUSTEE], or any other association or corporation which may at any time be substituted in its place as provided in Section 6.01.

“Underwriter” means, collectively, Cabrera Capital Markets, LLC

“Written Request of the City” means an instrument in writing signed by any one of the Authorized Representatives of the City or such officer’s designee, or by any other officer of the City duly authorized by the City Council of the City in writing to the Trustee for that purpose.

Section 1.02. Trust Agreement Constitutes Contract. In consideration of the acceptance of the Bonds by the Owners thereof, the Trust Agreement shall be deemed to be and shall constitute a contract among the City, the Trustee and the Owners from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to provide for the payment of the interest on, principal of, and redemption premium (if any) on, all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the City shall be for the equal and proportionate benefit, protection and security of all Owners of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

ISSUANCE OF SERIES 2019 BONDS; GENERAL BOND PROVISIONS

Section 2.01. Authorization and Purpose of Series 2019 Bonds. The City has reviewed all proceedings heretofore taken relative to the authorization of the Series 2019 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Series 2019 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the City is now duly authorized, pursuant to each and every requirement of the Act, to issue the Series 2019 Bonds in the form and manner and for the purpose provided herein and that the Series 2019 Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

The obligations of the City under the Bonds, including the obligation to make all payments of interest and principal when due, are obligations of the City imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. Neither the Bonds nor the obligation of the City to make payments on the Bonds constitute an indebtedness of the City,

the State of California, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Section 2.02. Terms of the Series 2019 Bonds; General Bond Provisions. The Series 2019 Bonds shall be designated “City of Montebello Taxable Pension Obligation Bonds, Series 2019” and shall be in the aggregate principal amount of \$_____. The Series 2019 Bonds shall be dated the date of original delivery, shall be issued only in fully registered form in denominations of five thousand dollars (\$5,000) or any integral multiple of five thousand dollars (\$5,000) (not exceeding the principal amount of Series 2019 Bonds maturing at any one time), and shall mature on the dates and in the principal amounts and bear interest at the rates as set forth in the following table:

<u>Payment Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Rate of</u> <u>Interest</u>
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The Series 2019 Bonds shall bear interest at the rates (based on a 360-day year of twelve 30-day months) set forth above, payable on the Interest Payment Dates for the Series 2019 Bonds. The Series 2019 Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is an Interest Payment Date or during the period from the sixteenth day of the month preceding an Interest Payment Date to such Interest Payment Date, in which event they shall bear interest from such Interest Payment Date, or unless such date of authentication is prior to the first Record Date, in which event they shall bear interest from their dated date; provided, however, that if at the time of authentication of any Series 2019 Bond interest is then in default on the Outstanding Series 2019 Bonds, such Series 2019 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Series 2019 Bonds. Payment of interest on the Series 2019 Bonds due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the Series 2019 Bonds registration books kept by the Trustee pursuant to Section 2.08 as the registered owner thereof as of the close of business on the Record Date for an Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed on the Interest Payment Date by first-class mail to such registered owner at the address as it appears in such books; provided that upon the written request of an Owner of \$1,000,000 or more in aggregate principal amount of Bonds received by the Trustee prior to the applicable Record Date, interest shall be paid by wire transfer in immediately available funds. Any such written request shall remain in effect until rescinded in writing by the Owner.

The principal of the Series 2019 Bonds shall be payable in lawful money of the United States of America at the Corporate Trust Office of the Trustee. Payment of the principal of the Series 2019 Bonds shall be made upon the surrender thereof at maturity or on redemption prior to maturity at the Corporate Trust Office of the Trustee.

Section 2.03. Redemption of Series 2019 Bonds.

(a) Optional Redemption. The Bonds maturing on or before _____ 1, 20__ shall not be subject to optional redemption prior to maturity. The Bonds maturing on or after _____ 1, 20__ shall be subject to redemption prior to their maturity date, at the option of the Authority, randomly within a maturity on any date on or after _____ 1, 20__, from prepayment of Installment Payments made at the option of the City at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium. In the event of a redemption pursuant to this Section 2.03(a), the City shall provide the Trustee with a revised sinking fund schedule giving effect to the redemption so completed.

(b) Mandatory Sinking Fund Redemption. The Series 2019 Term Bonds maturing on _____ 1, 20__ are subject to mandatory sinking fund redemption on the dates and in the amounts specified below, at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium. The principal amount of such term bonds to be so redeemed and the dates therefor shall be as follows:

Redemption Date (_____ 1)	Principal <u>Amount</u>
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*

* Maturity Date

The Series 2019 Term Bonds maturing on September 1, 20__ are subject to mandatory sinking fund redemption on the dates and in the amounts specified below, at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium. The principal amount of such term bonds to be so redeemed and the dates therefor shall be as follows:

Redemption Date (_____ 1)	Principal <u>Amount</u>
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*

* Maturity Date

(c) Selection of Bonds for Redemption. Whenever provision is made in the foregoing subsection (a) or (b) of this Section for the redemption of Bonds of more than one maturity, the Bonds to be redeemed shall be selected in inverse order of maturity or, at the election of the Authority evidenced by a Written Request of the City filed with the Trustee at least 30 days prior to the date of redemption, on a *pro rata* basis among maturities; and in each case, the Trustee shall select the Bonds to be redeemed within any maturity randomly in any manner which the Trustee in its sole discretion shall deem appropriate. For purposes of such

selection, all Bonds shall be deemed to be comprised of separate \$5,000 portions and such portions shall be treated as separate Bonds which may be separately redeemed.

(d) Notice of Redemption. If the City elects to redeem Bonds as provided above, the City shall, at least 45 days (or such lesser number of days acceptable to the Trustee) prior to the redemption date, give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds to be redeemed. Notice of redemption shall be mailed by first class mail by the Trustee, on behalf and at the expense of the City, not less than 20 nor more than 60 days prior to the redemption date to the respective Owners of Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. The Trustee shall also provide such additional notice of redemption of Bonds at the time and as may be required by the MSRB. Each notice of redemption shall state the date of such notice, the Bonds to be redeemed, the Series and date of issue of such Bonds, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity are to be redeemed, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each notice of optional redemption shall also state that such optional redemption may be rescinded by the City and that, unless such redemption is so rescinded, and provided that on said date funds are available for payment in full of the Bonds then called for redemption, on said date there will become due and payable on each of such Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Failure by the Trustee to give notice pursuant to this Section 2.03 to any one or more of the Information Services or Securities Depositories, or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. The failure of any Owner to receive any redemption notice mailed to such Owner and any defect in the notice so mailed shall not affect the sufficiency of the proceedings for redemption.

The City shall have the right to rescind any optional redemption by providing the Trustee with written notice of such rescission at least two Business Day prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Section 2.04. Form of Bonds. The Bonds and the authentication endorsement and assignment to appear thereon shall be substantially in the form set forth in Exhibit A.

Section 2.05. Execution of Bonds. The Mayor is hereby authorized and directed to execute each of the Bonds on behalf of the City, and the City Clerk of the City is hereby authorized and directed to countersign each of the Bonds on behalf of the City. The signature of

the Mayor may be by printed or otherwise reproduced by facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Bonds.

Only those Bonds bearing thereon a certificate of authentication in the form provided for herein, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

Section 2.06. Transfer and Payment of Bonds. Any Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bonds for cancellation at the Corporate Trustee Office of the Trustee, accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of the same series and maturity for a like aggregate principal amount. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the City. The Trustee shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege.

The City and the Trustee may deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof and for all other purposes, whether such Bonds shall be overdue or not, and neither the City nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on, principal of, and redemption premium (if any) on, such Bonds shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on such Bonds to the extent of the sum or sums so paid.

The Trustee shall not be required to register the transfer of or exchange any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 2.03.

Section 2.07. Book-Entry Bonds. Notwithstanding any provision of this Trust Agreement to the contrary, the transfer provisions of Section 2.06 hereof do not apply if the ownership of the Bonds is in book-entry form.

(a) Except as provided in subparagraph (d) of this Section 2.07, the registered Owner of all of the Bonds shall be DTC, and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Notwithstanding anything to the contrary contained in this Trust Agreement, payment of interest with respect to any Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of same-day funds to the account of Cede

& Co. on the Interest Payment Date for the Bonds at the address indicated on the Record Date or special record date for Cede & Co. in the Bond registration books required to be kept by the Trustee pursuant to the provisions of Section 2.09 hereof or as otherwise provided in the Representation Letter.

(b) The Bonds shall be initially executed and delivered in the form of separate single fully registered Bonds in the amount of each separate stated maturity of the Bonds. Upon initial execution and delivery, the ownership of such Bonds shall be registered in the Bond registration books required to be kept by the Trustee pursuant to the provisions of Section 2.09 hereof in the name of Cede & Co., as nominee of DTC. The Trustee and the City shall treat DTC (or its nominee) as the sole and exclusive Owner of the Bonds registered in its name for the purposes of payment of the principal, premium, if any, or interest with respect to the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners under this Trust Agreement, registering the transfer of Bonds, obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever, and neither the Trustee nor the City shall be affected by any notice to the contrary. Neither the Trustee nor the City shall have any responsibility or obligation to any person claiming a beneficial ownership interest in the Bonds under or through DTC, or any other person which is not shown on the Bond registration books required to be kept by the Trustee pursuant to the provisions of Section 2.09 hereof as being an Owner, with respect to (i) the accuracy of any records maintained by DTC; (ii) the payment by DTC of any amount of the principal, premium, if any, or interest on the Bonds; (iii) any notice which is permitted or required to be given to Owners under this Trust Agreement or the selection by DTC of any person to receive payment in the event of a partial redemption of the Bonds; or (iv) any consent given or other action taken by DTC as Owner. The Trustee shall pay all principal, premium, if any, and interest on the Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Except under the conditions of (d) below, no person other than DTC shall receive an executed Bond representing the right to receive principal, premium, if any and interest pursuant to this Trust Agreement. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the term "Cede & Co." in this Trust Agreement shall refer to such new nominee of DTC.

(c) To qualify the Bonds for DTC's book-entry system, the City and the Trustee (if required) will execute, countersign and deliver to DTC the Representation Letter. The execution and delivery of the Representation Letter shall not in any way limit the provisions of this Section 2.07 or in any other way impose upon the Trustee or the City any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the Bond registration books required to be kept by the Trustee pursuant to the provisions of Section 2.08 hereof.

(d) If (i) DTC, including any successor as securities depository for the Bonds, determines not to continue to act as securities depository for the Bonds, or (ii) the City determines that the incumbent securities depository shall no longer so act and delivers a written certificate to the Trustee to that effect, then the City will discontinue the book-entry system with the incumbent securities depository for the Bonds. If the City determines to replace the

incumbent securities depository for the Bonds with another qualified securities depository, the City shall prepare or direct the preparation of a new single, separate fully registered Bond for the aggregate outstanding principal amount of Bonds of each maturity, registered in the name of such successor or substitute qualified securities depository, or its nominee, or make such other arrangement acceptable to the City, the Trustee and the successor securities depository for the Bonds as are not inconsistent with the terms of this Trust Agreement. If the City fails to identify another qualified successor securities depository for the Bonds to replace the incumbent securities depository, then the Bonds shall no longer be restricted to being registered in the Bond registration books required to be kept by the Trustee pursuant to the provisions of Section 2.08 hereof in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository for the Bonds, or its nominee, shall designate. In such event the City shall execute and deliver a sufficient quantity of Bonds as to carry out the transfers and exchanges provided in this Section and Sections 2.06 and 2.10 hereof. All such Bonds shall be in fully registered form in denominations authorized by this Trust Agreement.

(e) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as any Bond is registered in the name of DTC, or its nominee, all payments with respect to the principal, premium, if any, and interest on such Bond and all notices with respect to such Bonds shall be made and given, respectively, as provided in the Representation Letter.

(f) In connection with any notice or other communication to be provided to Owners pursuant to this Trust Agreement by the City or the Trustee with respect to any consent or other action to be taken by Owner, the City or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

Section 2.08. Exchange of Bonds. Bonds may be exchanged at the Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of the same series and maturity of other Authorized Denominations. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the City. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The Trustee shall not be required to exchange any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 2.03.

Section 2.09. Bond Registration Books. The Trustee will keep at its Corporate Trust Office sufficient books for the registration and transfer of the Bonds which shall during normal business hours be open to inspection by the City, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds in such books as hereinabove provided.

Section 2.10. Mutilated, Destroyed, Stolen or Lost Bonds. If any Bond shall become mutilated the Trustee at the expense of the Owner shall thereupon authenticate and deliver, a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only

upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner, shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee may require payment of a reasonable sum for each new Bond issued under this Section and of the expenses which may be incurred by the City and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Bonds of the same series secured by this Trust Agreement. Neither the City nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

Section 2.11. Temporary Bonds. The Bonds issued under this Trust Agreement may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed or typewritten, shall be of such denominations as may be determined by the City, shall be in fully registered form and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Bond shall be executed and authenticated as authorized by the City, in accordance with the terms of the Act. If the City issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Corporate Trust Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of Authorized Denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Trust Agreement as definitive Bonds delivered hereunder.

Section 2.12. Procedure for the Issuance of Series 2019 Bonds; Application of Bond Proceeds. At any time after the sale of the Series 2019 Bonds in accordance with the Act, the City shall execute the Series 2019 Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon the Series 2019 Bonds shall be authenticated and delivered by the Trustee to the Underwriter of the Series 2019 Bonds upon the Certificate of the City. The proceeds of the purchase of the Series 2019 Bonds shall be applied to pay Costs of Issuance and the obligation of the City to the System pursuant to the Retirement Law, as set forth in the Certificate of the City.

(a) The Trustee shall deposit \$_____ of proceeds of the Series 2019 Bonds in the Refunding Fund. On the Closing Date for such Bonds, the Trustee shall promptly transfer all amounts in the Refunding Fund to the System pursuant to written instructions from an Authorized Representative.

(b) The Trustee shall deposit \$_____ in the Costs of Issuance Fund, which fund the City hereby agrees to maintain with the Trustee. All money in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay or reimburse the Costs of Issuance of the Series 2019 Bonds upon receipt of a Written Request of the City filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made,

the amount to be paid, instructions for making the payment, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Request of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the date which is six months following the Closing Date for the Series 2019 Bonds or upon the earlier Written Request of the City, any remaining balance in the Costs of Issuance Fund shall be transferred to the Interest Account.

Upon receipt of the purchase price of Additional Bonds, if any, the Trustee shall set aside and deposit the proceeds received from such sale as set forth in the Supplemental Trust Agreement authorizing such Additional Bonds, which proceeds may be deposited in the following respective accounts or funds:

(i) The Trustee shall deposit the amount, if any, set forth in the Supplemental Trust Agreement authorizing such Additional Bonds in the respective Refunding Fund. On the Closing Date for such Bonds, the Trustee shall promptly transfer all amounts in the respective Refunding Fund to the System or to refund Bonds, as set forth in the Supplemental Trust Agreement authorizing such Additional Bonds.

(ii) The Trustee shall deposit the amount, if any, set forth in the Supplemental Trust Agreement authorizing such Additional Bonds in the respective Costs of Issuance Fund, which fund the City hereby agrees to maintain with the Trustee. All money in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay or reimburse the respective Costs of Issuance of the Additional Bonds upon receipt of a Written Request of the City filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, instructions for making the payment, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Request of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the date which is six months following the Closing Date for the Additional Bonds or upon the earlier Written Request of the City, any remaining balance in the respective Costs of Issuance Fund shall be transferred to the Interest Account.

Section 2.13. Validity of Bonds. The recital contained in the Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all Bonds shall be incontestable from and after their issuance. The Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Bonds (or any temporary Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

ARTICLE III

ISSUANCE OF ADDITIONAL BONDS

Section 3.01. Conditions for the Issuance of Additional Bonds. The City may at any time issue Additional Bonds on a parity with the Series 2019 Bonds, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) The City shall be in compliance with all agreements and covenants contained herein.

(b) The issuance of such Additional Bonds shall have been authorized pursuant to the Act and shall have been provided for by a Supplemental Trust Agreement which shall specify the following:

(1) The purpose for which such Additional Bonds are to be issued; provided, that such Additional Bonds shall be applied solely for (i) the purpose of satisfying any obligation to make payments to the System pursuant to the Retirement Law relating to pension benefits accruing to the System's members, and/or for payment of all costs incidental to or connected with the issuance of Additional Bonds for such purpose, and/or (ii) the purpose of refunding any Bonds then Outstanding, including payment of all costs incidental to or connected with such refunding;

(2) The authorized principal amount and designation of such Additional Bonds;

(3) The date and the maturity dates of and the sinking fund payment dates, if any, for such Additional Bonds;

(4) The interest payment dates for such Additional Bonds;

(5) The denomination or denominations of and method of numbering such Additional Bonds;

(6) The redemption premiums, if any, and the redemption terms, if any, for such Additional Bonds;

(7) The amount, if any, to be deposited from the proceeds of sale of such Additional Bonds in the Interest Account hereinafter referred to; and

(8) Such other provisions (including the requirements of a book-entry Bond registration system, if any) as are necessary or appropriate and not inconsistent herewith.

Section 3.02. Procedure for the Issuance of Additional Bonds. At any time after the sale of any Additional Bonds in accordance with the Act, the City shall execute such Additional Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon such Additional Bonds shall be delivered by the Trustee to the purchaser thereof upon the Written

Request of the City, but only upon receipt by the Trustee of the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the date of delivery of such Additional Bonds by the Trustee:

- (a) An executed copy of the Supplemental Trust Agreement authorizing the issuance of such Additional Bonds;
- (b) A Written Request of the City as to the delivery of such Additional Bonds;
- (c) An Opinion of Counsel to the effect that (1) the City has executed and delivered the Supplemental Trust Agreement, and the Supplemental Trust Agreement is valid and binding upon the City and (2) such Additional Bonds are valid and binding obligations of the City;
- (d) A Certificate of the City stating that all requirements of Article III have been complied with and containing any other such statements as may be reasonably necessary to show compliance with the conditions for the issuance of such Additional Bonds contained herein;
- (e) Such further documents, money or securities as are required by the provisions of the Supplemental Trust Agreement providing for the issuance of such Additional Bonds.

ARTICLE IV

SECURITY FOR THE BONDS; FUNDS AND ACCOUNTS

Section 4.01. Assignment and Pledge for the Bonds; Bond Fund; Deposits to Bond Fund.

(a) There is hereby created a special trust fund designated as the “Bond Fund” that shall be held and administered by the Trustee as provided in this Trust Agreement. The Bonds shall be payable by the City from any source of legally available funds. The City shall take all action to levy, or cause to be levied, the Retirement Tax in accordance with applicable law in an amount sufficient to pay debt service on all Outstanding Bonds. [all or a portion of the Bonds may be secured by the Retirement Tax] The City hereby irrevocably assigns and pledges to the Trustee, in trust for the security of the Owners on the terms hereof [the Retirement Tax Revenues and] all the City’s rights, title and interest in and to all money and securities for deposit in, or deposited in, the Bond Fund and any investment earnings thereon, and any collateral security for, and all proceeds of, any of the foregoing.

(b) The Trustee shall hold all the rights, title and interest received under this Section 4.01 and all money and securities (exclusive of money to which the Trustee is entitled in its own right as fees, indemnity, reimbursement or otherwise) received from the City or derived from the exercise of the City’s powers hereunder in trust for the security of the Owners in accordance with the provisions hereof. The City shall from time to time execute, deliver, file and record such instruments as the Trustee may reasonably require to confirm, perfect or maintain the security created hereby and the assignment and pledge hereby of the rights, title and interest assigned and pledged by the City to the Trustee hereunder.

(c) The City shall promptly deposit or cause to be deposited with the Trustee (i) on or before [_____] 1 of each Fiscal Year (or such other date as provided in a Supplemental Trust Agreement) the amount which, together with moneys transferred pursuant to Section 4.02(c) hereof, is sufficient to pay the principal and interest coming due on the Interest Payment Date succeeding such [_____] 1; and (ii) on or before [_____] 1 of each Fiscal Year (or such other date as provided in a Supplemental Trust Agreement) the amount which is sufficient to pay the interest coming due on the Interest Payment Date succeeding such [_____] 1.

Section 4.02. Allocation of Moneys in Bond Fund. On or before each Interest Payment Date or date fixed for redemption of Bonds, the Trustee shall transfer from the Bond Fund, in immediately available funds, for deposit into the following respective accounts (each of which is hereby created and which the Trustee shall maintain in trust separate and distinct from the other funds and accounts established hereunder), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of funds sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any deposit is made to any account subsequent in priority:

- (a) Interest Account,
- (b) Principal Account, and
- (c) Surplus Account.

All money in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section 4.02.

(a) Interest Account. On each Interest Payment Date, the Trustee shall set aside from the Bond Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date. No deposit need be made in the Interest Account if the amount contained therein is at least equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date. All money in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

(b) Principal Account. On or before each Principal Payment Date, the Trustee shall set aside from the Bond Fund and deposit in the Principal Account an amount of money equal to the amount of all sinking fund payments required to be made on such Principal Payment Date into the respective sinking fund accounts for all Outstanding Term Bonds and the principal amount of all Outstanding Serial Bonds maturing on such Principal Payment Date.

No deposit need be made in the Principal Account if the amount contained therein is at least equal to the aggregate amount of the principal of all Outstanding Serial Bonds maturing by their terms on such Principal Payment Date plus the aggregate amount of all sinking fund payments required to be made on such Principal Payment Date for all Outstanding Term Bonds.

The Trustee shall establish and maintain within the Principal Account a separate subaccount for the Term Bonds of each series and maturity, designated as the “Sinking Account” (the “Sinking Account”), inserting therein the series and maturity (if more than one such account is established for such series) designation of such Bonds. With respect to each Sinking Account, on each mandatory sinking account payment date established for such Sinking Account, the Trustee shall apply the mandatory sinking account payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of the series and maturity for which such Sinking Account was established, upon the notice and in the manner provided in Article II; provided that, at any time prior to giving such notice of such redemption, the Trustee may upon the Written Request of the City, apply moneys in such Sinking Account to the purchase for cancellation of Term Bonds of such series and maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account), as may be directed by the City, except that the purchase price (excluding accrued interest) shall not exceed the redemption price that would be payable for such Bonds upon redemption by application of such Mandatory Sinking Account Payment. If, during the twelve-month period immediately preceding said mandatory sinking account payment date, the Trustee has purchased Term Bonds of such series and maturity with moneys in such Sinking Account, such Bonds so purchased shall be applied, to the extent of the full principal amount thereof, as applicable, to reduce said mandatory sinking account payment.

All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds, as applicable, as they shall become due and payable, whether at maturity or redemption, except that any money in any sinking fund account shall be used and withdrawn by the Trustee only to purchase or to redeem or to pay Term Bonds for which such Sinking Account was created.

(c) Surplus Account. On the Business Day following the last Interest Payment Date of each Fiscal Year, or on such other date as provided in a Supplemental Trust Agreement, any moneys remaining in the Bond Fund shall be deposited by the Trustee in the Surplus Account. So long as no event of default has occurred and is continuing, moneys deposited in the Surplus Account shall be transferred by the Trustee to or upon the order of the City, as specified in a Written Request of the City.

Section 4.03. Deposit and Investments of Money in Accounts and Funds. All money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested in Permitted Investments at the Written Request of the City. If no Written Request of the City is received, the Trustee shall hold such funds uninvested. Such investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder. All interest, profits and other income received from any money so invested shall be deposited in the Bond Fund. The Trustee shall have no liability or responsibility for any loss resulting from any investment made or sold in accordance with the provisions of this Article IV, except for any loss due to the negligence or willful misconduct of the Trustee. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charge therefor. The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City agrees it will not receive such confirmations from the Trustee to the extent permitted by law. The Trustee will

furnish the City periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

ARTICLE V

COVENANTS OF THE CITY

Section 5.01. Punctual Payment and Performance. The City will punctually pay the interest on and the principal of and redemption premiums, if any, to become due on every Bond issued hereunder in strict conformity with the terms hereof and of the Bonds, and will faithfully observe and perform all the agreements and covenants to be observed or performed by the City contained herein and in the Bonds.

Section 5.02. Extension of Payment of Bonds. The City shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Trust Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section 5.02 shall be deemed to limit the right of the City to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 5.03. Additional Debt. The City expressly reserves the right to enter into one or more other agreements or indentures for any of its purposes, and reserves the right to issue other obligations for such purposes.

Section 5.04. Power to Issue Bonds. The City is duly authorized pursuant to law to issue the Bonds and to enter into this Trust Agreement. The Bonds and the provisions of this Trust Agreement are the legal, valid and binding obligations of the City in accordance with their terms. The Bonds and any Additional Bonds shall constitute obligations imposed by law.

Section 5.05. Accounting Records and Reports. The City will keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of moneys on deposit in the funds and accounts established hereunder.

Section 5.06. Prosecution and Defense of Suits. The City will defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent involving the failure of the City to fulfill its obligations hereunder; provided that the Trustee or any affected Owner at its election may appear in and defend any such suit, action or proceeding. The City, to the extent permitted by law, will indemnify and hold harmless the Trustee against any and all liability claimed or asserted by any person to the extent arising out of such failure by the City, and will indemnify and hold harmless the Trustee against any attorney's fees or other expenses which it may incur in connection with any litigation to which it may become a party by reason of its actions hereunder, except for any loss, cost, damage or expense resulting from the

negligence, willful misconduct or breach of duty by the Trustee. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect even though all Bonds secured hereby may have been fully paid and satisfied.

Section 5.07. Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee or any Owner, the City will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Owners all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

Section 5.08. Waiver of Laws. The City shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Trust Agreement or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the City to the extent permitted by law.

Section 5.09. Compliance with Continuing Disclosure Certificate. The City has undertaken responsibility for compliance with continuing disclosure requirements with respect to S.E.C. Rule 15c2-12. Notwithstanding any other provision of this Trust Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the Owners of at least 25% aggregate principal amount in Outstanding Bonds, and upon receipt of indemnification satisfactory to it, shall) or any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section.

ARTICLE VI

THE TRUSTEE

Section 6.01. The Trustee. [TRUSTEE], shall serve as the Trustee for the Bonds for the purpose of receiving all money which the City is required to deposit with the Trustee hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds presented for payment at the Corporate Trust Office of the Trustee with the rights and obligations provided herein. The City agrees that it will at all times maintain a Trustee having a corporate trust office in Los Angeles or San Francisco, California.

The City may at any time, unless there exists any event of default as defined in Section 8.01, with 30 days prior notice remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided that any such successor shall be a bank or trust company doing business and having a corporate trust office in Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least seventy-five million dollars (\$75,000,000) and subject

to supervision or examination by federal or state authority. If such bank, national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this section the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the City and by mailing to the Owners notice of such resignation. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

The Trustee is hereby authorized to pay or redeem the Bonds when duly presented for payment at maturity or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the City and shall destroy such Bonds and a certificate of destruction shall be delivered to the City. The Trustee shall keep accurate records of all Bonds paid and discharged and cancelled by it.

The Trustee shall, prior to an event of default, and after the curing of all events of default that may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations shall be read into this Trust Agreement. The Trustee shall, during the existence of any event of default (that has not been cured), exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

Section 6.02. Liability of Trustee. The recitals of facts, agreements and covenants herein and in the Bonds shall be taken as recitals of facts, agreements and covenants of the City, and the Trustee assumes no responsibility for the correctness of the same or makes any representation as to the sufficiency or validity hereof or of the Bonds, or shall incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Bonds or in law or equity. The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and such Owner's title thereto satisfactorily established, if disputed.

The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence, willful misconduct or breach of duty. The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in

Aggregate Principal Amount of the Bonds at the time Outstanding, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any of the Owners pursuant to the provisions of this Trust Agreement unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Owners for the payment of interest on, principal of or redemption premium, if any, with respect to the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder.

The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of a default or event of default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through attorneys-in-fact, agents or receivers, shall not be answerable for the negligence or misconduct or any such attorney-in-fact, agent or receiver appointed by it in accordance with the standards specified above. The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable for the professional malpractice of any attorney or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of this Trust Agreement, if such attorney or certified public accountant was selected by the Trustee with due care.

Whether or not therein expressly so provided, every provision of this Trust Agreement, or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

The Trustee shall be protected in acting upon any notice, resolution, requisition, request (including any Written Request of the City), consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the City, which certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith

thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee shall have no responsibility, opinion, or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

All immunities, indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, employees, officers and agents thereof.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in Section 6.01, shall be the successor to the Trustee hereunder and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor hereunder, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

The Trustee shall not be deemed to have knowledge of any Event of Default unless and until it shall have actual knowledge thereof by receipt of written notice thereof at its Corporate Trust Office.

Section 6.03. Compensation and Indemnification of Trustee. The City covenants to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the City will pay or reimburse the Trustee upon its request for all expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Trust Agreement (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence, default or willful misconduct, including the negligence or willful misconduct of any of its officers, directors, agents or employees.

The City, to the extent permitted by law, shall indemnify, defend and hold harmless the Trustee against any loss, damages, liability or expense including legal fees and expenses incurred without negligence, willful misconduct or bad faith on the part of the Trustee, (i) arising out of or in connection with the acceptance or administration of the trusts created hereby or the exercise or performance of any of its powers or duties hereunder, and (ii) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of the Bonds, including costs and expenses (including attorneys' fees) of defending

itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the City under this Section shall survive the discharge of the Bonds and this Trust Agreement and the resignation or removal of the Trustee.

ARTICLE VII

AMENDMENT OF THE TRUST AGREEMENT; SUPPLEMENTAL TRUST AGREEMENT

Section 7.01. Amendment of the Trust Agreement.

(a) This Trust Agreement and the rights and obligations of the City and of the Owners may be amended at any time by a Supplemental Trust Agreement which shall become binding when the written consents of the Owners of a majority in Aggregate Principal Amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 7.02, are filed with the Trustee. No such amendment shall (1) extend the maturity of or reduce the interest rate on or amount of interest on or principal of or redemption premium, if any, or extend the time of payment on any Bond without the express written consent of the Owner of such Bond, or (2) reduce the percentage of Bonds required for the written consent to any such amendment.

(b) This Trust Agreement and the rights and obligations of the City and of the Owners may also be amended at any time by a Supplemental Trust Agreement which shall become binding upon adoption without the consent of, or notice to, any of the Owners for any one or more of the following purposes:

(i) to add to the agreements and covenants required herein to be performed by the City other agreements and covenants thereafter to be performed by the City, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power reserved herein to or conferred herein on the City;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein and in any Supplemental Trust Agreement or in regard to questions arising hereunder which the City may deem desirable or necessary and not inconsistent herewith;

(iii) to provide for the issuance of any Additional Bonds and to provide the terms of such Additional Bonds, subject to the conditions and upon compliance with the procedure set forth in Article III (which shall be deemed not to adversely affect Owners);

(iv) to modify, amend or add to the provisions herein or in any Supplemental Trust Agreement to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statutes hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by such statute or similar statute; or

(v) to modify, amend or supplement this Trust Agreement and any Supplemental Trust Agreement in any manner that does not materially adversely affect the interest of Owners of Bonds.

Section 7.02. Disqualified Bonds. Bonds owned or held by or for the account of the City shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this article, and shall not be entitled to consent to or take any other action provided in this article. Upon request of the Trustee, the City shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 7.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the City may determine that the Bonds may bear a notation by endorsement in form approved by the City as to such action, and in that case upon demand of the Owner of any Outstanding Bonds and presentation of his Bond for such purpose at the office of the Trustee a suitable notation as to such action shall be made on such Bond. If the City shall so determine, new Bonds so modified as, in the opinion of the City, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond a new Bond or Bonds shall be exchanged at the office of the Trustee without cost to each Owner for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

Section 7.04. Amendment by Mutual Consent. The provisions of this article shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 7.05. Attorney's Opinion Regarding Supplemental Agreements. The Trustee may obtain an Opinion of Counsel that any amendments or supplements to the Trust Agreement comply with the provisions of this Article VII and the Trustee may conclusively rely upon such opinion.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF HOLDERS

Section 8.01. Events of Default. If one or more of the following events (herein called "events of default") shall happen, that is to say:

(a) if default shall be made by the City in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(b) if default shall be made by the City in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for redemption;

(c) if default shall be made by the City in the performance of any of the agreements or covenants required herein to be performed by the City, and such default shall have continued for a period of 60 days after the City shall have been given notice in writing of such default by the Trustee or the Owners of not less than 25% in Aggregate Principal Amount of the Bonds at the time Outstanding, specifying such default and requiring the same to be remedied, provided, however, if the default stated in the notice can be corrected, but not within the applicable period, the Trustee and such Owners shall not unreasonably withhold their consent to an extension of

such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected; or

(d) if the City shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property.

Section 8.02. Remedies Upon an Event of Default. Upon the occurrence and continuance of any event of default, the Trustee may, and upon the written request of Owners of not less than 51% of the Aggregate Principal Amount of Bonds then Outstanding, and upon being indemnified to its satisfaction, shall:

(a) by mandamus, suit, action or proceeding, compel the City and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Trust Agreement and the Bonds, and may require the carrying out of any or all such covenants and agreements of the City and the fulfillment of all duties imposed upon it by this Trust Agreement and by the Retirement Law.

(b) bring suit upon the defaulted Bonds.

(c) by suit, action or proceeding in equity, enjoin any acts or things which are unlawful, or the violation of any of the Owners' rights.

(d) by suit, action or proceeding in any court of competent jurisdiction, require the City and its members and employees to account as if it and they were the trustees of an express trust.

Section 8.03. Application of Revenues and Other Funds After Default. If an event of default shall occur and be continuing, all amounts then held or thereafter received by the Trustee under any of the provisions of this Trust Agreement shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any fees and expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and to the payment of the reasonable charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel, agents and advisors) incurred in and about the performance of its powers and duties under this Trust Agreement;

(b) To the payment of the principal and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Trust Agreement, as follows:

First: To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Persons entitled thereto, without any discrimination or preference.

Section 8.04. Non-Waiver. Nothing in this Article or in any other provision hereof or in the Bonds shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the interest on and principal of and redemption premiums, if any, on the Bonds to the respective Owners of the Bonds at the respective dates of maturity or upon prior redemption as provided herein, or shall affect or impair the right of such Owners, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein and in the Bonds. A waiver of any default or breach of duty or contract by the Trustee or any Owner shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee or any Owner to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Owners by the Act or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the City, the Trustee and any Owner shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.05. Actions by Trustee as Attorney-in-Fact. Any action, proceeding or suit which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners, whether or not the Trustee is an Owner, and the Trustee is hereby appointed (and the successive Owners, by taking and holding the Bonds issued hereunder, shall be conclusively deemed to have so appointed it) the true and lawful attorney-in-fact of the Owners for the purpose of bringing any such action, proceeding or suit and for the purpose of doing and performing any and all acts and things for and on behalf of the Owners as a class or classes as may be advisable or necessary in the opinion of the Trustee as such attorney-in-fact.

Section 8.06. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter

existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

Section 8.07. Limitation on Owners' Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an event of default as defined in Section 8.01 hereunder; (b) the Owners of at least a majority in Aggregate Principal Amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such request shall have been received by, and said tender of indemnity shall have been made to, the Trustee. Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any owner of Bonds of any remedy hereunder; it being understood and intended that no one or more owners of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of the Trust Agreement shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

Section 8.08. Absolute Obligation of City. Nothing in this Section or in any other provision of this Trust Agreement or in the Bonds contained shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the principal of, premium, if any and interest on the Bonds to the respective Owners of the Bonds at their respective due dates as herein provided.

ARTICLE IX

DEFEASANCE

Section 9.01. Discharge of Bonds.

(a) If the City shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the interest thereon and the principal thereof and the redemption premiums, if any, thereon at the times and in the manner stipulated herein and therein, and shall pay or provide for the payment of all fees and expenses of the Trustee, then all agreements, covenants and other obligations of the City to the Owners of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, the Trustee shall pay over or deliver to the City all money or securities held by it pursuant hereto which are not required for the payment of the interest on, principal of, and redemption premium (if any) on, such Bonds.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection

(a) of this section if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the City shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with Section 2.03, (2) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient or (B) Defeasance Securities which are not subject to redemption prior to maturity (including any such Defeasance Securities issued or held in book-entry form on the books of the City or the Treasury of the United States of America), the interest on and principal of which when paid will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds, and (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding 60 days, the City shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Owners of such Bonds that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Bonds.

Section 9.02. Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or interest thereon which remains unclaimed for two (2) years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds have become due and payable, shall be repaid by the Trustee to the City as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall not look to the Trustee for the payment of such Bonds.

ARTICLE X

MISCELLANEOUS

Section 10.01. Benefits of the Trust Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the City, the Trustee and the Owners any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the City or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Trustee and the Owners.

Section 10.02. Successor Is Deemed Included in All References to Predecessor. Whenever herein either the City or any member, officer or employee thereof or the Trustee is named or referred to, such reference shall be deemed to include the successor or assigns thereof, and all agreements and covenants required hereby to be performed by or on behalf of the City or the Trustee, or any member, officer or employee thereof, shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.03. Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books relating to the Bonds at the office of the Trustee.

Any declaration, request, consent or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by the Trustee or the City in good faith and in accordance therewith.

Section 10.04. Waiver of Personal Liability. No member, officer or employee of the City shall be individually or personally liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds by reason of their issuance, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by the Act or any other applicable provisions of law or hereby.

Section 10.05. Acquisition of Bonds by City. All Bonds acquired by the City, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

Section 10.06. Destruction of Cancelled Bonds. Whenever provision is made for the return to the City of any Bonds which have been cancelled pursuant to the provisions hereof, the Trustee shall destroy such Bonds and furnish to the City a certificate of such destruction.

Section 10.07. Content of Certificates. Every Certificate of the City with respect to compliance with any agreement, condition, covenant or provision provided herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or provision has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or provision has been complied with.

Any Certificate of the City may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters information with respect to which is in the possession of the City, upon a representation by an officer or officers of

the City unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Section 10.08. Accounts and Funds; Business Days. Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Bonds and the rights of the Owners. Any action required to occur hereunder on a day which is not a Business Day shall be required to occur on the next succeeding Business Day.

Section 10.09. Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the City:

City of Montebello City Hall
1600 W. Beverly Blvd.
Montebello, CA 90640
Attention: City Manager

If to the Trustee:

Section 10.10. Article and Section Headings and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to the Trust Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 10.11. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the City or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection and security afforded to them under the Act or any other applicable provisions of law. The City and the Trustee hereby declare that they would have executed and delivered the Trust Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have

authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10.12. Execution in Several Counterparts. This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the City and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 10.13. Governing Law. This Trust Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 10.14. CUSIP Numbers. Neither the Trustee nor the City shall be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither City nor the Trustee shall be liable for any inaccuracies in such numbers.

IN WITNESS WHEREOF, the CITY OF MONTEBELLO has caused this Trust Agreement to be signed in its name by the Authorized Representative and [TRUSTEE], in acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed by the officer thereunder duly authorized, all as of the day and year first above written.

CITY OF MONTEBELLO

By: _____
Authorized Representative

[TRUSTEE],
as Trustee

By: _____
Authorized Officer

EXHIBIT A
FORM OF BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

CITY OF MONTEBELLO
TAXABLE PENSION OBLIGATION BONDS
SERIES 2019

No. R- _____ \$

Interest Rate	Maturity Date	Original <u>Issue Date</u>	<u>CUSIP</u>
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The CITY OF MONTEBELLO, duly organized and validly existing under and pursuant to the Constitution and laws of the State of California (the "City"), for value received hereby, promises to pay to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above, together with interest on such principal sum from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated as of an Interest Payment Date or following the close of business on the fifteenth day of the month preceding an Interest Payment Date (the "Record Date") to such Interest Payment Date, in which event it shall bear interest from such Interest

Payment Date, or unless this Bond is authenticated prior to the Record Date for the first Interest Payment Date, in which event it shall bear interest from the original issue date specified above) until the principal hereof shall have been paid at the interest rate per annum specified above, payable on _____ 1, 20____, and semiannually thereafter on each _____ 1 and _____ 1 (each an "Interest Payment Date"). Interest due on or before the maturity or prior redemption of this Bond shall be payable only by check mailed on the Interest Payment Date by first-class mail to the registered owner hereof; provided that upon the written request of a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds received by the Trustee (as hereinafter defined) prior to the applicable record date, interest shall be paid by wire

transfer in immediately available funds. The principal hereof is payable in lawful money of the United States of America at the Corporate Trust Office of the Trustee.

This Bond is one of a duly authorized issue of bonds of the City designated as its "Taxable Pension Obligation Bonds, Series 2019" (the "Bonds") in aggregate principal amount of \$_____, all of like tenor and date (except for variations relating to numbers, maturities and interest rates), and is issued under and pursuant to the provisions of Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California and all laws amendatory thereof or supplemental thereto (the "Act") and under and pursuant to the provisions of a trust agreement, dated as of [As of Date] (the "Trust Agreement"), between the City and [TRUSTEE], as trustee (the "Trustee") (copies of which are on file at the Corporate Trust Office of the Trustee).

Under the Trust Agreement, Additional Bonds and other obligations may be issued on a parity with the Bonds, but subject to the conditions and upon compliance with the procedures set forth in the Trust Agreement. The Bonds and any bonds or other obligations issued on a parity with the Bonds are obligations imposed by law payable from funds to be appropriated by the City pursuant to the Public Employees' Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended (the "Retirement Law"). Reference is hereby made to the Act and to the Trust Agreement and any and all amendments thereof and supplements thereto for a description of the terms on which the Bonds are issued, the rights of the registered owners of the Bonds, security for payment of the Bonds, remedies upon default and limitations thereon, and amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the City and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

The Bonds are subject to redemption as provided in the Trust Agreement.

THE OBLIGATIONS OF THE CITY OF MONTEBELLO HEREUNDER, INCLUDING THE OBLIGATION TO MAKE ALL PAYMENTS OF INTEREST AND PRINCIPAL WHEN DUE, ARE OBLIGATIONS OF THE CITY OF MONTEBELLO IMPOSED BY LAW AND ARE ABSOLUTE AND UNCONDITIONAL, WITHOUT ANY RIGHT OF SET-OFF OR COUNTER CLAIM. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY OF MONTEBELLO TO MAKE PAYMENTS ON THE BONDS CONSTITUTE AN INDEBTEDNESS OF THE CITY OF MONTEBELLO, THE STATE OF CALIFORNIA, OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

This Bond is transferable only on a register to be kept for that purpose at the above-mentioned office of the Trustee by the registered owner hereof in person or by his duly authorized attorney upon payment of the charges provided in the Trust Agreement and upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount of authorized denominations will be issued to the transferee in exchange therefor. The City and the Trustee may deem and

treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this Bond shall be overdue, and neither the City nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Bond to the extent of the sum or sums so paid.

This Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually executed and dated by the Trustee.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Bonds permitted to be issued under the Trust Agreement.

IN WITNESS WHEREOF, the City of Montebello has caused this Bond to be executed in its name and on its behalf by the signature of the Mayor and to be countersigned by the signature of the City Clerk of the City of Montebello, and has caused this Bond to be dated as of the original issue date specified above.

CITY OF MONTEBELLO

By _____
Mayor

Countersigned

City Clerk

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Trust Agreement which has been authenticated on _____, 20__.

[TRUSTEE], as Trustee

By _____
Authorized Officer

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto _____ (Taxpayer Identification Number: _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

Note: The signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: _____

Notice: Signature must be guaranteed by an eligible guarantor institution.

Fee Exempt – Public Entity, Gov. Code § 6103

NORTON ROSE FULBRIGHT US LLP
ROBIN D. BALL (STATE BAR NO. 159698)
MICHELLE L. CARTER (STATE BAR NO. 288081)
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Attorneys for Plaintiff
CITY OF MONTEBELLO

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

CITY OF MONTEBELLO,

Plaintiff,

v.

ALL PERSONS INTERESTED IN THE
MATTER OF THE ISSUANCE AND SALE
OF BONDS FOR THE PURPOSE OF
REFUNDING CERTAIN OBLIGATIONS
OWED BY THE CITY OF MONTEBELLO
TO THE PUBLIC EMPLOYEES'
RETIREMENT SYSTEM UNDER THE
PUBLIC EMPLOYEES' RETIREMENT
LAW, AND ALL PROCEEDINGS LEADING
THERETO, INCLUDING THE ADOPTION
OF RESOLUTION NO. 2019-10038 OF THE
CITY COUNCIL OF THE CITY OF
MONTEBELLO AUTHORIZING THE
ISSUANCE AND SALE OF SUCH BONDS
AND AUTHORIZING THE EXECUTION
AND DELIVERY OF A TRUST
AGREEMENT AND RELATED
DOCUMENTS,

Defendants.

Case No.

COMPLAINT FOR VALIDATION
(§ 860, *et seq.*, of the Code of Civil Procedure;
§§ 53511 and 53589.5 of the Government
Code)

1 **COMPLAINT**

2 Plaintiff, the City of Montebello, California (the “City”) brings this validation action
3 against all interested persons pursuant to section 860, *et seq.*, of the California Code of Civil
4 Procedure (the “Code of Civil Procedure”) and sections 53511 and 53589.5 of the California
5 Government Code (the “Government Code”). The City alleges as follows:

6 **The Parties**

7 1. The City is and was at all times mentioned herein a municipal corporation duly
8 organized and existing under the laws and Constitution of the State of California (the “State”).
9 The City is a “local agency” as defined by the sections 53510 and 53580 of the Government Code
10 and is therefore authorized to bring this action pursuant to sections 53511 and 53589.5 of the
11 Government Code and section 860, *et seq.*, of the Code of Civil Procedure.

12 2. The governing body of the City is the City Council of the City of Montebello (the
13 “City Council”), which has its principal place of business in Los Angeles County, California.

14 3. Defendants herein are all persons having or claiming to have an interest in the
15 proceedings, including the adoption of the Resolution and the execution and delivery of the Trust
16 Agreement. The names and capacities of those persons having or claiming an interest in the
17 Resolution and the proceedings leading up to the adoption of the Resolution and the execution
18 and delivery of the Trust Agreement are unknown to the City; therefore, the City names such
19 interested persons as provided under section 860, *et seq.* See Paragraph 4 below.

20 **Publication of Summons**

21 4. Section 861 of the Code of Civil Procedure states that jurisdiction of all interested
22 parties may be had by publication of summons pursuant to Section 6063 of the Government Code
23 in a newspaper of general circulation designated by the court, published in the county where the
24 action is pending and whenever possible within the boundaries of the public agency.

25 5. _____ is a newspaper published and of general circulation in Los
26 Angeles County. The newspaper’s coverage area explicitly includes the City. The City believes
27 that _____ is the most likely publication to give notice to persons interested in these
28 proceedings.

1 **Statutory Authorization for this Validation Proceeding**

2 6. Section 860 of the Code of Civil Procedure provides that a public agency, such as
3 the City, may bring an *in rem* action to determine the validity of any matter which under any
4 other law is authorized to be determined pursuant to section 860, *et seq.*, of the Code of Civil
5 Procedure.

6 7. Section 53511 of the Government Code states that a local agency may bring an
7 action to determine the validity of its bonds, warrants, contracts, obligations or evidence of
8 indebtedness pursuant to section 860, *et seq.*, of the Code of Civil Procedure. As defined in
9 section 53510 of the Government Code, the City is a “local agency” authorized to bring an action
10 under section 860, *et seq.*, of the Code of Civil Procedure.

11 8. Section 53589.5 of the Government Code states that a local agency may bring an
12 action to determine the validity of an issuance or proposed issuance of refunding bonds, and the
13 legality and validity of all proceedings previously taken or proposed to be taken in a resolution
14 adopted by a local agency for the authorization, issuance, sale and delivery of bonds, pursuant to
15 section 860 *et seq.* of the Code of Civil Procedure. As defined under section 53580 of the
16 Government Code, the City is a “local agency” authorized to bring an action under section 860, *et*
17 *seq.*, of the Code of Civil Procedure.

18 9. Section 860 of the Code of Civil Procedure provides that the action shall be
19 brought in the Superior Court of the county in which the principal office of the agency is located.
20 The principal office of the City is located in Los Angeles County, California. See Paragraph 2
21 above.

22 10. Thus, this action is properly brought by the City as an *in rem* proceeding pursuant
23 to sections 53511 and 53589.5 of the Government Code and section 860, *et seq.*, of the Code of
24 Civil Procedure for judicial examination, approval, and confirmation of the validity of the
25 proceedings described above, the Resolution (as defined herein), the issuance and sale of the
26 Bonds, the execution and delivery of the Trust Agreement (as defined herein) and any other
27 related contracts or agreements authorized or contemplated by the City.
28

**Debt Limitation Established in Article XVI, Section 18
of the California Constitution Does Not Apply to the City**

11. Article XVI, Section 18 of the California Constitution provides in part:

No county, city, town, township, board of education, or school district, shall incur any indebtedness or liability in any manner or for any purpose exceeding in any year the income and revenue provided for such year, without the assent of two-thirds of the voters of the public entity voting at the election to be held for that purpose. . . .

12. The California Supreme Court has held that this debt limitation established in Section 18 of Article XVI (the “Constitutional Debt Limitation”) does not apply to obligations imposed by law.

13. Deferred compensation obligations, such as the Pension Obligation (as defined below in Item 15), are a protected category of employment obligations not subject to the Constitutional Debt Limitation.

14. Refunding an existing obligation, such as a Pension Obligation, does not create a new or different liability for purposes of the Constitutional Debt Limitation; instead, it merely evidences a change in form of existing liability.

The City is Obligated to Fund Its Pension Obligation

15. In 1946, the voters of the City approved an initiative to pay for the obligation of the City to participate in the State of California retirement system, now the California Public Employees’ Retirement System (the “Retirement System”).

16. A contract between the City and the Retirement System was first approved on July 20, 1946, pursuant to City Council Ordinance No. 398.

17. City employees are members of the California Public Employees’ Retirement System (the “Retirement System”) established under sections 20000 through 21500 of the Government Code (the “Retirement Law”), and the City has entered into contracts, as amended from time to time for the Safety Plan (ID 1885224868) and the Miscellaneous Plan (ID 1885224868), with the Retirement System Board of Administration (collectively, the “CalPERS Contract”). The CalPERS Contract evidences the City’s obligations under the Retirement Law to

1 make payments to fund the retirement benefits for eligible employees and former employees (the
2 “Pension Obligation”), which includes the Unfunded Liability, as defined below in Paragraph 18.

3 18. The Retirement Law and the CalPERS Contract obligate the City, *inter alia*, to:

- 4 • make normal, annual contributions to the Retirement System to fund
5 pension and other retirement benefits for City employees who are members
6 of the Retirement System;
- 7 • amortize the unfunded liability with respect to such pension benefits in
8 respect of retired safety and miscellaneous employees under the pension
9 programs of the Retirement System (Safety Plan, CalPERS ID
10 1885224868; Miscellaneous Plan CalPERS ID 1885224868) (the
11 “Unfunded Liability”); and
- 12 • appropriate funds for the purpose of meeting these obligations.

13 19. Since 1946, the City Council has annually set an *ad valorem* property tax rate for
14 the purpose of providing revenue to pay all or a portion of the Pension Obligation of the City
15 under the CalPERS Contract.

16 20. Annually the City establishes the property tax rate for each fiscal year and then the
17 City reports the rate to the Los Angeles County Auditor-Controller to place the *ad valorem*
18 property tax (the “Retirement Tax”) on the property tax roll of the County.

19 21. Under the California Constitution, the City is authorized to levy an *ad valorem* tax
20 in excess of the 1-percent-of-value limit, in order to meet the City’s obligations to CalPERS.

21 22. The Retirement System has prepared actuarial valuations projecting the Unfunded
22 Liability of the City as of June 30, 2020 to be \$151.3 million.

23 23. The City is authorized under sections 53571 and 53584 of the Government Code to
24 provide for the refunding of its obligations (which are “revenue bonds” within the meaning of
25 53570 of the Government Code and “bonds” and “refunding bonds” within the meaning of 53580
26 of the Government Code), including the Unfunded Liability, by issuing bonds or other evidences
27 of indebtedness and applying the proceeds of such to the retirement of such obligations.
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25. On October 9, 2019, the City Council of the City (the “City Council”) adopted its Resolution No. 2019-____ entitled “RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO AUTHORIZING THE ISSUANCE AND DELIVERY OF PENSION OBLIGATION BONDS TO REFUND CERTAIN OUTSTANDING PENSION FUND OBLIGATIONS OF THE CITY TO THE CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT, AND AUTHORIZING A VALIDATION ACTION AND OTHER MATTERS RELATING THERETO” (the “Resolution”). A true and correct copy of the Resolution is attached hereto as Exhibit A.

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27. The Resolution approved the form of, and authorized the City to execute and deliver, the Trust Agreement, pursuant to which the proceeds from the sale of the Pension Obligation Bonds will be deposited with a trustee, which in turn will remit such proceeds to the Retirement System to refund all or a portion of the Pension Obligation.

28. The Trust Agreement establishes the terms and conditions upon which the Bonds shall be issued and the Pension Obligation refunded. The Trust Agreement will be substantially in the form presented to the City Council, a true and correct copy of which is attached hereto as Exhibit B, with such changes therein, deletions therefrom and additions thereto as authorized in the Resolution.

29. The Bonds and any and all contracts and agreements related thereto, including but not limited to the Trust Agreement, relate to and constitute both (i) a protected category of employment obligations excluded from the Constitutional Debt Limitation and (ii) the refunding of a pre-existing obligation imposed by law exempt from the Constitutional Debt Limitation.

Cause of Action (Validation)

30. This action is brought by the City to establish, among other things, that the obligations of the City, as evidenced by the CalPERS Contract, to make contributions to the Retirement System pursuant to the Retirement Law to fund pension and other retirement benefits represents an “obligation imposed by law” for which the City is obligated to satisfy from any money available in any fund in the City’s treasury. As an obligation imposed by law, the City’s obligation to make payments to fund the retirement benefits for City employees is exempt from the Constitutional Debt Limitation, and the issuance and sale of bonds for the purpose of refunding such obligation is therefore also an obligation imposed by law and exempt from the Constitutional Debt Limitation.

31. All such proceedings by and for the City and the provisions of the Resolution and the Trust Agreement were and are in the best interests of the City and all interested parties, and were, are and will be in conformity with the provisions of all laws and enactments at any time in force or controlling upon said proceedings, whether of law, statute or ordinance, and whether federal, state or municipal and were and are in conformity with all requirements of all regulatory bodies, agencies or officials having authority over or asserting authority over said proceedings or any part thereof.

1 32. The City realleges and incorporates by reference the allegations made throughout
2 this Complaint as though fully set forth herein.

3 33. The Retirement Law imposes a statutory duty upon the City to provide funding for
4 retirement benefits for City employees and former employees.

5 34. The City has evidenced its Pension Obligation in the CalPERS Contract, which is
6 a legal and enforceable obligation of the City.

7 35. The Retirement Tax is not subject to the limitations set forth in Article XIII A of
8 the Constitution of the State of California when levied to meet the City's obligations to CalPERS.

9 36. Revenues generated by the Retirement Tax can be lawfully pledged by the City to
10 secure the Bonds.

11 37. The Bonds will be issued and sold to refund all or a portion of the Pension
12 Obligation, in fulfillment of the City's obligation to fund the retirement benefits for City
13 employees and former employees.

14 38. The CalPERS Contract, the Pension Obligation, the Bonds and the Trust
15 Agreement relate to and constitute a protected class of obligations excluded from consideration
16 under the Constitutional Debt Limitation.

17 39. All proceedings by and for the City in connection with the Resolution, the Bonds,
18 the Trust Agreement, any supplemental trust agreements and any other related contracts or
19 agreements authorized or contemplated by the City, were and are valid and legal, and were and
20 are in conformity with the applicable provisions of all laws and enactments at any time in force or
21 controlling upon such proceedings, whether imposed by charter, law, constitution, statute or
22 ordinance, whether federal, state, or local, including the Constitutional Debt Limitation.

23 40. All conditions, things, and acts required by law to exist, happen, or be performed
24 precedent to the adoption of the Resolution, and the terms and conditions thereof, including the
25 authorization for the issuance and sale of the Bonds, the execution and delivery of the Trust
26 Agreement and any supplemental trust agreements and any other related contracts or agreements
27 authorized or contemplated by the City, have existed, happened, and been performed in the time,
28 form, and manner required by law.

41. The City has the authority under the California Constitution and California law to:

(a) provide for the refunding of all or a portion of the Pension Obligation, by executing and delivering the Trust Agreement and any other related contracts or agreements, and issuing the Pension Obligation Bonds; and

(b) apply the proceeds of the Bonds to the refunding of all or a portion of the Pension Obligation, including the Unfunded Liability, or any then-outstanding Bonds, and the payment of costs of issuing the Bonds.

42. Upon the execution and delivery thereof, the Bonds, the Trust Agreement and all other agreements executed and delivered in connection therewith will be valid, legal, and binding, including any and all contracts and obligations enforceable in accordance with their terms.

43. The City's incurrence of any and all indebtedness and/or liability in connection with the Pension Obligation or the Bonds, the Trust Agreement and all contracts and agreements related thereto, including any supplemental trust agreements, is exempt from and not subject to the Constitutional Debt Limitation.

44. This action is properly brought under sections 53511 and 53589.5 of the Government Code and section 860 *et seq.* of the Code of Civil Procedure.

Prayer for Relief

The City prays for relief as follows:

45. That judgment be entered on the Cause of Action determining that:

(a) This action is properly brought under section 860 *et seq.* of the Code of Civil Procedure and sections 53511 and 53589.5 of the Government Code;

(b) All proceedings by and for the City in connection with the Resolution, the Trust Agreement, the Bonds, the pledge of Retirement Tax revenues and the refunding of the City's obligation, evidenced by the CalPERS Contract, to pay the Unfunded Liability and normal costs, have been duly and lawfully taken in accordance with all requirements of law, including all requirements of section 860 *et seq.* of the Code of Civil Procedure and the Bond Law;

- 1 (c) The Resolution, the Trust Agreement, the Bonds and the refunding of the City's
2 Unfunded Liability and the payment of normal costs, and related contracts or
3 agreements approved by the Resolution or contemplated by the City Council in
4 connection with such contract and agreements, were and are valid, legal and
5 binding obligations enforceable against the City and the other parties thereto in
6 accordance with their terms and were and are in conformity with the applicable
7 provisions of all laws and enactments at any time in force or controlling upon such
8 proceedings, whether imposed by law, constitution, statute or ordinance and
9 whether federal, state or municipal, including but not limited to the provisions of
10 the Constitutional Debt Limitation and the Bond Law;
- 11 (d) All conditions, things and acts required by law to exist, happen or be performed
12 precedent to the adoption of the Resolution, the Trust Agreement, imposition of
13 the Retirement Tax and the terms and conditions thereof, and including execution
14 and delivery of all related contracts or agreements approved by the Resolution or
15 contemplated by the City Council of the City in connection with the issuance of
16 the Bonds, have existed, happened and been performed in the time, form and
17 manner required by law;
- 18 (e) The City has the authority under California law to impose the Retirement Tax, to
19 execute and deliver the Trust Agreement and to undertake the issuance and sale of
20 Bonds for the purpose of refunding the Unfunded Liability and paying the normal
21 costs, including the making of any such changes therein, deletions therefrom and
22 additions thereto as the officers authorized in the Trust Agreement shall approve;
- 23 (f) The City has the authority under California law to apply the proceeds of the Bonds
24 to the retirement of its obligation, evidenced by the CalPERS Contract, for the
25 reduction of the Unfunded Liability and the payment of normal costs;
- 26 (g) The CalPERS Contract and the Unfunded Liability constitute evidences of
27 indebtedness which are bonds and revenue bonds within the meaning of the Bond
28 Law;

- 1 (h) The City will be legally obligated to satisfy its obligations under the Bonds from
2 all legally available funds of the City, including revenues received from the
3 Retirement Tax, and the City Council will be obligated to make all annual
4 appropriations of such funds as may be required to satisfy its annual obligations
5 under the Bonds, such obligations are legal, valid and in conformity with all
6 requirements of the law, and are obligations which are fully enforceable against
7 the City;
- 8 (i) The Trust Agreement and the Bonds and all agreements and contracts related
9 thereto, are “obligations imposed by law” and are exempt from and not subject to
10 the Constitutional Debt Limitation;
- 11 (j) Jurisdiction of interested persons shall be established by publication of the
12 Summons pursuant to section 861 of the Code of Civil Procedure and section 6063
13 of the Government Code in _____ as soon as practicable;
- 14 (k) The Bonds and any and all contracts and agreements executed and delivered in
15 connection therewith are valid and binding obligations of the State of California;
16 and
- 17 (l) The institution by any person of any action or proceeding raising any issue as to
18 which the judgment is binding and conclusive (which includes all matters
19 adjudicated or which at the time of the judgment could have been adjudicated),
20 against the City and against all other persons are permanently enjoined.

21 46. For costs incurred herein.

22 47. For such other and further relief as the Court may deem just and proper.

23 Dated: _____, 2019

NORTON ROSE FULBRIGHT US LLP
ROBIN D. BALL
MICHELLE L. CARTER
ANDY JINNAH

26 By _____
27 ROBIN D. BALL
28 Attorneys for Plaintiff
CITY OF MONTEBELLO

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EXHIBIT A

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EXHIBIT B

CITY OF MONTEBELLO

October 9, 2019

TO: Honorable Mayor and City Council
FROM: Robert Mescher, Director of Finance
SUBJECT: Monthly Investment Reports-August 2019



Attached are the Monthly Investment Reports listing investments for the City and the Successor Agency as of August 31, 2019. This report is in compliance with the City's Investment policy. Government Code Section 53646b(3) requires that the City Treasurer or Chief Fiscal Officer of the City report to its legislative body the City's ability to meet its expenditure requirements for the next six months. We estimate that the City will have sufficient liquidity and revenue to meet its expenditure requirements during the next six months.

wbq
Att:

CITY OF MONTEBELLO
MONTHLY CASH REPORT (ALL ACCOUNTS)
BALANCE AS OF AUGUST 31, 2019

BANK OF THE WEST

	Account Number	Account Name	8/31/19	Type	Purpose
1	XXXX-XX770	Housing Successor Agency of the City of Montebello	\$1,675,472.82	S	Checking Account
2	XXXX-XX093	Successor Agency of the City of Montebello	\$632,789.84	S	Checking Account
3	XXXX-71041	City of Montebello	\$535,646.15	G	Checking Account (Recreation On-line payments)
4	XXXX-00184	City of Montebello - FSA	\$14,070.29	T	Checking Account (Flexible Spending Account)
5	XXXX-XX079	Liability Account	\$39,425.54	G	Disbursement of Liability Checks
6	XXXX-XX331	General	\$9,819,890.36	G	Disbursement of City issued checks (AP/Payroll)
7	XXXX-XX554	Workers' Compensation	\$96,395.38	G	Disbursement of Workers Compensation Checks
8	XXXX-XX287	Trust & Agency	\$1,323,782.22	T	Holding Account
9	XXXX-XX803	Police Retiree Health Account	\$782,186.61	T	Interest Checking;T&A Holding Acct 1% per MOU
10	XXXX-XX267	Payroll	\$0.00	G	Checking Account;Process checks for Payroll
11	XXXX-XX362	Fire Retiree Health Account	\$319,878.06	T	Interest Checking;T&A Holding Acct 1% per MOU
			<u>\$15,239,537.27</u>		

STATE OF CALIFORNIA

	Account Number	Account Name	8/31/19	Type	Purpose
1	XX-XX-551	General	\$29,704,576.77	G	Invest Idle Cash
2	XX-XX-068	Successor Agency City of Mtb for Mtb RDA	\$9,337,368.53	S	Invest Idle Cash
			<u>\$39,041,945.30</u>		

EAST WEST BANK

	Account Number	Account Name	8/31/19	Type	Purpose
1	CD	Certificate of Deposit (5/17/19 - 5/16/20)	\$250,000.00	G	Investment
			<u>\$250,000.00</u>		

F&A FEDERAL CREDIT UNION

	Account Number	Account Name	8/31/19	Type	Purpose
1	XXXXX30	Savings Account	\$5.38	G	Interest Savings Account
2	CD	Certificate of Deposit (4/27/19 - 4/26/20)	\$269,567.23	G	Investment
			<u>\$269,572.61</u>		

FOREST AREA FEDERAL CREDIT UNION

	Account Number	Account Name	8/31/19	Type	Purpose
1	CD	Certificate of Deposit (6/20/19-6/19/20)	\$250,000.00	G	Investment
			<u>\$250,000.00</u>		

JEEP COUNTRY FEDERAL CREDIT UNION

	Account Number	Account Name	8/31/19	Type	Purpose
1	CD	Certificate of Deposit (5/23/19-5/22/20)	\$249,000.00	G	Investment
			<u>\$249,000.00</u>		

ST. VINCENT'S MEDICAL FEDERAL CREDIT UNION

	Account Number	Account Name	8/31/19	Type	Purpose
1	CD	Certificate of Deposit (4/2/19 - 4/2/20)	\$249,000.00	G	Investment
			<u>\$249,000.00</u>		

UNITED FEDERAL CREDIT UNION

	Account Number	Account Name	8/31/19	Type	Purpose
1	CD	Certificate of Deposit (7/25/19 - 7/24/20)	\$250,000.00	G	Investment
			<u>\$250,000.00</u>		

PACIFIC PREMIER BANK/PLAZA BANK

	Account Number	Account Name	8/31/19	Type	Purpose
1	XXXXXX181	Money Market Fund	\$4,666,731.48	G	Investment
			<u>\$4,666,731.48</u>		

FIRST MERCANTILE TRUST

	Account Number	Account Name	8/31/19	Type	Purpose
	XXX-XX-X746	CORPORATE ACCOUNT	\$13.27	M	401 a(h) employee benefit
	XXX-XX-X999	TRUST ACCOUNT	\$13,516.17	M	401 a(h) employee benefit
			<u>\$13,529.44</u>		

Total General Cash/Investments	\$46,380,238.29	G	General
Total SA Cash/Investments	\$11,645,631.19	S	Successor Agencies
Total T&A Cash/Investments	\$2,439,917.18	T	Trust & Agency
Total Trustee Cash	\$13,529.44	M	401 a(h) Trust Accounts
Total Cash/Investments	<u>\$60,479,316.10</u>		

CITY OF MONTEBELLO
Portfolio Management
Portfolio Summary
August 31, 2019

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Certificates of Deposit - Bank	250,000.00	250,000.00	250,000.00	0.70	365	258	2.318	2.350
Certificates of Deposit - CU	1,267,567.23	1,267,567.23	1,267,567.23	3.53	365	267	2.325	2.357
Local Agency Investment Funds	29,704,576.77	29,704,576.77	29,704,576.77	82.77	1	1	2.288	2.320
Savings Accounts	4,666,736.86	4,666,736.86	4,666,736.86	13.00	1	1	2.466	2.500
Investments	35,888,880.86	35,888,880.86	35,888,880.86	100.00%	16	12	2.313	2.345

Total Earnings	August 31 Month Ending	Fiscal Year To Date
Current Year	72,658.09	145,944.31
Average Daily Balance	35,888,880.86	35,846,289.37
Effective Rate of Return	2.38%	2.40%

Reporting period 08/01/2019-08/31/2019

Run Date: 09/16/2019 - 17:10

Portfolio GEN
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PM (PRF_PM1) 7.3.0
Report Ver. 7.3.6.1

CITY OF MONTEBELLO
Portfolio Management
Portfolio Details - Investments
August 31, 2019

Page 1

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Certificates of Deposit - Bank												
26	26	EAST WEST BANK		05/17/2019	250,000.00	250,000.00	250,000.00	2.350		2.350	258	05/16/2020
		Subtotal and Average	250,000.00		250,000.00	250,000.00	250,000.00			2.350	258	
Certificates of Deposit - CU												
25	25	F&A FEDERAL CREDIT UNION		04/27/2019	269,567.23	269,567.23	269,567.23	2.200		2.200	238	04/26/2020
28	28	FOREST AREA CREDIT UNION		06/20/2019	250,000.00	250,000.00	250,000.00	2.350		2.350	292	06/19/2020
27	27	JEEP COUNTRY FCU		05/23/2019	249,000.00	249,000.00	249,000.00	2.400		2.400	264	05/22/2020
29	29	UNITED FEDERAL CREDIT UNION		07/25/2019	250,000.00	250,000.00	250,000.00	2.300		2.300	327	07/24/2020
24	24	ST. VINCENT'S MEDICAL FCU		04/02/2019	249,000.00	249,000.00	249,000.00	2.550		2.550	214	04/02/2020
		Subtotal and Average	1,267,567.23		1,267,567.23	1,267,567.23	1,267,567.23			2.357	267	
Local Agency Investment Funds												
SYS200	200	STATE OF CALIFORNIA			29,704,576.77	29,704,576.77	29,704,576.77	2.320		2.320	1	
		Subtotal and Average	29,704,576.77		29,704,576.77	29,704,576.77	29,704,576.77			2.320	1	
Savings Accounts												
697530	500	F&A FEDERAL CREDIT UNION			5.38	5.38	5.38	0.500		0.500	1	
950516181	600	PACIFIC PREMIER/PLAZA BANK			4,666,731.48	4,666,731.48	4,666,731.48	2.500		2.500	1	
		Subtotal and Average	4,666,736.86		4,666,736.86	4,666,736.86	4,666,736.86			2.500	1	
		Total and Average	35,888,880.86		35,888,880.86	35,888,880.86	35,888,880.86			2.345	12	

CITY OF MONTEBELLO
Portfolio Management
Activity Summary
August 2018 through August 2019

Page 1

Month End	Year	Number of Securities	Total Invested	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
August	2018	7	26,904,377.01	1.997	2.025	2.020	0	0	15	11
September	2018	7	24,404,377.01	2.051	2.079	2.090	0	0	16	10
October	2018	7	20,332,634.39	2.137	2.166	2.170	0	0	19	11
November	2018	7	18,932,634.39	2.213	2.243	2.260	0	0	20	10
December	2018	7	27,932,634.39	2.277	2.308	2.320	0	0	14	6
January	2019	7	35,021,771.57	2.347	2.379	2.390	0	0	12	4
February	2019	7	35,021,771.57	2.357	2.389	2.390	0	0	12	3
March	2019	7	35,021,771.57	2.404	2.437	2.440	0	0	12	2
April	2019	9	35,201,261.41	2.421	2.455	2.450	2	2	12	7
May	2019	9	35,450,261.41	2.423	2.457	2.450	2	1	14	11
June	2019	9	35,700,261.41	2.393	2.426	2.410	1	0	16	12
July	2019	10	35,888,880.86	2.357	2.390	2.370	1	1	16	13
August	2019	9	35,888,880.86	2.313	2.345	2.320	0	0	16	12
Average		8	30,900,116.76	2.284%	2.315%	2.314	0	0	15	9

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CITY OF MONTEBELLO
Portfolio Management
Distribution of Investments By Type
August 2018 through August 2019

Page 1

Security Type	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	Average by Period
Certificates of Deposit - Bank	0.9	1.0	1.2	1.3	0.9	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.9%
Certificates of Deposit - CU	2.8	3.1	3.8	4.0	2.7	2.2	2.2	2.2	2.2	2.9	3.6	3.5	3.5	3.0%
Local Agency Investment Funds	78.9	76.7	72.1	70.0	79.7	83.8	83.8	83.8	83.9	83.3	82.7	82.8	82.8	80.3%
Money Market Funds														
Commercial Paper Disc. -At Cost														
Federal Agency Issues Disc.-At Cost														
Treasury Discounts -At Cost														
Miscellaneous Discounts -At Cost														
Savings Accounts	17.4	19.1	23.0	24.7	16.7	13.3	13.3	13.3	13.3	13.2	13.1	13.0	13.0	15.9%

Portfolio GEN
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Report Ver. 7.3.6.1

CITY OF MONTEBELLO
Portfolio Management
Interest Earnings Summary
August 31, 2019

Page 1

	August 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	1,488.89	5,740.31
Plus Accrued Interest at End of Period	2,186.74	2,186.69
Less Accrued Interest at Beginning of Period	(638.82)	(1,828.72)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	3,036.81	6,098.28
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	3,036.81	6,098.28
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	10,021.50	208,394.79
Plus Accrued Interest at End of Period	129,600.20	129,600.20
Less Accrued Interest at Beginning of Period	(70,000.42)	(198,148.96)
Interest Earned during Period	69,621.28	139,846.03
Total Interest Earned during Period	72,658.09	145,944.31
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	72,658.09	145,944.31

SUCCESSOR AGENCIES MTB
Portfolio Management
Portfolio Summary
August 31, 2019

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Local Agency Investment Funds	9,337,368.53	9,337,368.53	9,337,368.53	100.00	1	1	2.288	2.320
Investments	9,337,368.53	9,337,368.53	9,337,368.53	100.00%	1	1	2.288	2.320

Total Earnings	August 31 Month Ending	Fiscal Year To Date
Current Year	25,275.33	43,192.05
Average Daily Balance	12,563,174.98	10,702,117.52
Effective Rate of Return	2.37%	2.38%

Reporting period 08/01/2019-08/31/2019

Run Date: 09/17/2019 - 08:08

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PM (PRF_PM1) 7.3.0
Report Ver. 7.3.6.1

SUCCESSOR AGENCIES MTB
Portfolio Management
Portfolio Details - Investments
August 31, 2019

Page 1

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Local Agency Investment Funds												
SYS100	100	STATE OF CALIFORNIA			9,337,368.53	9,337,368.53	9,337,368.53	2.320		2.320	1	
		Subtotal and Average	12,563,174.98		9,337,368.53	9,337,368.53	9,337,368.53			2.320	1	
		Total and Average	12,563,174.98		9,337,368.53	9,337,368.53	9,337,368.53			2.320	1	

SUCCESSOR AGENCIES MTB
Portfolio Management
Activity Summary
August 2018 through August 2019

Page 1

Month End	Year	Number of Securities	Total Invested	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
August	2018	1	4,223,624.95	1.992	2.020	2.020	0	0	1	1
September	2018	1	4,223,624.95	2.061	2.090	2.090	0	0	1	1
October	2018	1	4,257,246.18	2.140	2.170	2.170	0	0	1	1
November	2018	1	4,257,246.18	2.229	2.260	2.260	0	0	1	1
December	2018	1	4,257,246.18	2.288	2.320	2.320	0	0	1	1
January	2019	1	4,282,962.08	2.357	2.390	2.390	0	0	1	1
February	2019	1	4,282,962.08	2.357	2.390	2.390	0	0	1	1
March	2019	1	4,282,962.08	2.407	2.440	2.440	0	0	1	1
April	2019	1	4,309,828.36	2.416	2.450	2.450	0	0	1	1
May	2019	1	4,309,828.36	2.416	2.450	2.450	0	0	1	1
June	2019	1	4,309,828.36	2.377	2.410	2.410	0	0	1	1
July	2019	1	14,337,368.53	2.338	2.370	2.370	0	0	1	1
August	2019	1	9,337,368.53	2.288	2.320	2.320	0	0	1	1
Average		1	5,436,315.14	2.282%	2.314%	2.314	0	0	1	1

SUCCESSOR AGENCIES MTB
Portfolio Management
Distribution of Investments By Type
August 2018 through August 2019

Page 1

Security Type	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	Average by Period
Certificates of Deposit - Bank														
Certificates of Deposit - CU														
Local Agency Investment Funds	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0%
Money Market Funds														
Federal Agency Issues Disc.-At Cost														
Treasury Discounts -At Cost														
Savings Accounts														

SUCCESSOR AGENCIES MTB
Portfolio Management
Interest Earnings Summary
August 31, 2019

Page 1

	August 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	0.00	27,540.17
Plus Accrued Interest at End of Period	43,238.46	43,238.46
Less Accrued Interest at Beginning of Period	(17,963.13)	(27,586.58)
Interest Earned during Period	25,275.33	43,192.05
Total Interest Earned during Period	25,275.33	43,192.05
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	25,275.33	43,192.05

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MONTEBELLO APPROVING AND ALLOWING CERTAIN CLAIMS AND
DEMANDS**

**THE CITY COUNCIL OF THE CITY OF MONTEBELLO DOES
HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1. That the reference is hereby made to that certain
Register of Audited Demand Nos. 1479, consisting of 8 pages, and
including**

**Warrant No. 585371 through 585570;
Warrant No. 1449**

**on file in the office of the City Clerk, the same having been audited and
approved by the Controller as required by law.**

**SECTION 2. That the said City Council having examined each such
demand does hereby approve and direct the payment of same, as set forth
in said Register, except the following Warrant No.**

**SECTION 3. That the City Clerk shall certify to the adoption of this
resolution and thence forth and thereafter the same shall be in full force
and effect.**

APPROVED AND ADOPTED THIS 9th DAY OF OCTOBER, 2019.

JACK HADJINIAN, Mayor

ATTEST:

IRMA BARAJAS, City Clerk



City of Montebello
Register of Demands No. 1479

From Payment Date: 9/19/19 - To Payment Date: 10/2/19

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
4331 - General Account					
585371	09/24/2019	\$1,000.00	TRAVEL & MEETINGS	75560	KRISTINA ZENDZHIRYAN
585372	09/24/2019	\$39,589.00	CONTRACT SERVICES	37720	ADVANCED APPLIED ENGINEERING, INC.
585373	09/24/2019	\$61.32	SUPPLIES	35980	SAEED RADMEHR/ARTE PRINTING
585374	09/24/2019	\$200.00	TRAVEL & MEETINGS	55010	CLAY THOMAS BARRIO
585375	09/24/2019	\$325.00	CONTRACT SERVICES	34230	PHIL CULBERTSON/COLBY TOTAL LAWN CARE
585376	09/24/2019	\$672.00	PERMITS AND FEES	72580	LOS ANGELES COUNTY DEPARTMENT OF PUBLIC HEALTH
585377	09/24/2019	\$672.00	PERMITS AND FEES	72580	LOS ANGELES COUNTY DEPARTMENT OF PUBLIC HEALTH
585378	09/24/2019	\$15,120.06	VEHICLE MAINTENANCE/EXPENSES	54300	SHAK ENTERPRISES, INC./MONTEBELLO TIRE PROS
585379	09/24/2019	\$806.66	PETTY CASH REIMBURSEMENTS	3280	MONTEBELLO CITY TRANSIT
585380	09/24/2019	\$168.52	CONTRACT SERVICES	69730	DE LAGE LANDEN FINANCIAL SERVICES INC./RICOH
585381	09/24/2019	\$168.52	CONTRACT SERVICES	69730	DE LAGE LANDEN FINANCIAL SERVICES INC./RICOH
585382	09/24/2019	\$1,869.11	SUPPLIES	1933	STRICTLY TECHNOLOGY LLC.
585383	09/24/2019	\$693.88	UTILITY SERVICES	72570	U.S. TELEPACIFIC CORP
585384	09/24/2019	\$345.00	ADVERTISING/PRINTING SERVICES	6460	TRANSIT TALENT.COM
585385	09/24/2019	\$1,788.00	CONTRACT SERVICES	1949	TRC ENGINEERING SERVICES, LLC
585386	09/24/2019	\$483.25	CONTRACT SERVICES	131	UNITED SITE SERVICES, INC.
585387	09/25/2019	\$742.50	CONTRACT SERVICES	26880	SEBASTIAN WATERWORKS, INC./MR. ROOTER
585388	09/25/2019	\$154.50	SUPPLIES	15620	OFFICE DEPOT
585389	09/25/2019	\$2,080.00	CONTRACT SERVICES	74850	UNIQUE GENERAL SERVICES
585390	09/25/2019	\$1,797.87	SUPPLIES	25860	WAYNE HARMEIER INC./WAYNE ELECTRIC
585391	09/25/2019	\$41,674.00	TREE TRIMMING SERVICES	40860	WEST COAST ARBORISTS, INC.
585392	09/25/2019	\$5,145.00	HYBRID BUS SERVICES	1797	MARTINEZ CONSULTING SERVICE LLC
585393	09/26/2019	\$5,550.68	UTILITY SERVICES	39550	AT&T
585394	09/26/2019	\$84.90	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
585395	09/26/2019	\$525.00	CONTRACT SERVICES	2484	JEWLIZA CANDIA
585396	09/26/2019	\$836.64	CONTRACT SERVICES	2057	CIGNA BEHAVIORAL HEALTH



City of Montebello
Register of Demands No. 1479

From Payment Date: 9/19/19 - To Payment Date: 10/2/19

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
585397	09/26/2019	\$200.00	PERMITS AND FEES	40230	STEVEN COX
585398	09/26/2019	\$26.87	MAIL/ POSTAL EXPENSE	22400	FEDERAL EXPRESS CORPORATION
585399	09/26/2019	\$4,167.00	CONTRACT SERVICES	21260	FLAIR DATA SERVICES, INC.
585400	09/26/2019	\$829.91	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
585401	09/26/2019	\$1,047.39	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
585402	09/26/2019	\$802.28	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
585403	09/26/2019	\$802.28	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
585404	09/26/2019	\$453.70	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
585405	09/26/2019	\$802.28	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
585406	09/26/2019	\$40.00	CARPPOOL INCENTIVE	71590	LUZ MARIA
585407	09/26/2019	\$16,683.50	FIRE DEPARTMENT REPAIR SERVICES	26880	SEBASTIAN WATERWORKS, INC./MR. ROOTER
585408	09/26/2019	\$10,923.04	COPIER REPAIR/SERVICES	69730	DE LAGE LANDEN FINANCIAL SERVICES INC./RICOH
585409	09/26/2019	\$11,205.59	COPIER REPAIR/SERVICES	69730	DE LAGE LANDEN FINANCIAL SERVICES INC./RICOH
585410	09/26/2019	\$10,671.98	COPIER REPAIR/SERVICES	69730	DE LAGE LANDEN FINANCIAL SERVICES INC./RICOH
585411	09/26/2019	\$412.50	CONTRACT SERVICES	2459	OSAEI ROMERO
585412	09/26/2019	\$75,056.87	FUEL	1059	AMBER RESOURCES LLC/SAWYER PETROLEUM
585413	09/26/2019	\$1,000.00	PERMITS AND FEES	28240	SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
585414	09/26/2019	\$3,352.55	UTILITY SERVICES	40520	SOUTHERN CALIFORNIA GAS CO.
585415	09/26/2019	\$448.17	INSURANCE PREMIUMS	1990	STANDARD INSURANCE COMPANY
585416	09/26/2019	\$1,704.25	CONTRACT SERVICES	2256	THE SULLIVAN GROUP OF COURT REPORTERS, INC.
585417	09/26/2019	\$725.00	CONTRACT SERVICES	2485	ROSANNE MARIE TORRES
585418	09/26/2019	\$1,189.10	INSURANCE PREMIUM	58990	VISION SERVICE PLAN
585419	09/30/2019	\$25,293.22	FUEL	1059	AMBER RESOURCES LLC/SAWYER PETROLEUM
585420	10/01/2019	\$698.58	UTILITY SERVICES	1732	AT&T CORP.
585421	10/01/2019	\$698.58	UTILITY SERVICES	1732	AT&T CORP.
585422	10/01/2019	\$698.58	UTILITY SERVICES	1732	AT&T CORP.
585423	10/01/2019	\$109.75	SUPPLIES	205	AIRGAS, INC.



City of Montebello
Register of Demands No. 1479

From Payment Date: 9/19/19 - To Payment Date: 10/2/19

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
585424	10/01/2019	\$350.35	SUPPLIES	31270	STARBOARD TACK SUPPLY INC./ASTRO PLUMBING
585425	10/01/2019	\$182.71	UTILITY SERVICES	39550	AT&T
585426	10/01/2019	\$133.10	UTILITY SERVICES	39550	AT&T
585427	10/01/2019	\$66.00	PUBLIC SAFETY	58240	STATE OF CALIFORNIA-DEPARTMENT OF JUSTICE
585428	10/01/2019	\$1,100.17	NOTES PAYABLE	19120	CENTRAL BASIN MUNICIPAL WATER DISTRICT
585429	10/01/2019	\$95.51	SUPPLIES	325	COMPLETE OFFICE OF CALIFORNIA, INC.
585430	10/01/2019	\$47,861.99	INSURANCE PREMIUM	4110	DELTA DENTAL OF CALIFORNIA
585431	10/01/2019	\$501.90	CONTRACT SERVICES	53120	NATIONAL CONSTRUCTION RENTALS
585432	10/01/2019	\$3,759.77	SUPPLIES	49850	NORTHERN TOOL & EQUIPMENT CO.
585433	10/01/2019	\$1,151.02	SUPPLIES	1938	P & R PAPER SUPPLY COMPANY INC.
585434	10/01/2019	\$603.63	COPIER REPAIR/SERVICES	69730	DE LAGE LANDEN FINANCIAL SERVICES INC./RICOH
585435	10/01/2019	\$1,295.06	UTILITY SERVICES	14730	SAN GABRIEL VALLEY WATER CO.
585436	10/01/2019	\$2,148.86	UTILITY SERVICES	14730	SAN GABRIEL VALLEY WATER CO.
585437	10/01/2019	\$615.33	SUPPLIES	2594	THE SAUCE CREATIVE SERVICES CORP.
585438	10/01/2019	\$29,714.71	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
585439	10/01/2019	\$1,112.66	UTILITY SERVICES	23610	VERIZON WIRELESS
585440	10/01/2019	\$375.00	CONTRACT SERVICES	445	ERIC SERRANO
585441	10/01/2019	\$1,395.00	CONTRACT SERVICES	47600	VORTEX INDUSTRIES
585442	10/01/2019	\$2,585.52	CONTRACT SERVICES	40670	ALL CITY MANAGEMENT SERVICES
585443	10/01/2019	\$236,254.40	RUBBISH SERVICES	40970	ARAKELIAN ENTERPRISES/ATHENS
585444	10/01/2019	\$3,733.50	ACCOUNTS RECEIVABLE	17870	THE BANK OF NEW YORK MELLON
585445	10/01/2019	\$4,900.00	CONTRACT SERVICES	2102	JOHN P BEROKOFF/BEROKOFF ELECTRIC SERVICES
585446	10/01/2019	\$1,182.65	SUPPLIES	34610	BROWNELL'S INC.
585447	10/01/2019	\$558.00	PUBLIC SAFETY	58240	STATE OF CALIFORNIA-DEPARTMENT OF JUSTICE
585448	10/01/2019	\$20,806.20	CONTRACT SERVICES	52070	TOM CAMACHO
585449	10/01/2019	\$325.00	CONTRACT SERVICES	34230	PHIL CULBERTSON
585450	10/01/2019	\$8,747.48	POLICE SAFETY SUPPLIES	27910	DOOLEY ENTERPRISES INC.



City of Montebello
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From Payment Date: 9/19/19 - To Payment Date: 10/2/19

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
585451	10/01/2019	\$138,131.00	ANIMAL CONTROL SERVICES	30170	CITY OF DOWNEY
585452	10/01/2019	\$70.00	REFUND	2595	FELIPE HERNANDEZ
585453	10/01/2019	\$39,331.12	SALES TAX AUDIT SERVICES	48120	HINDERLITER,DE LLAMAS & ASSOCIATES
585454	10/01/2019	\$4,981.16	SUPPLIES	2012	ICE MACHINE SALES & SERVICE CO.
585455	10/01/2019	\$15,033.44	LEGAL SERVICES	2001	LAW OFFICES OF DAVID J. WEISS
585456	10/01/2019	\$1,380.00	CONTRACT SERVICES	2205	MGT OF AMERICA
585457	10/01/2019	\$4,585.00	CONTRACT SERVICES	981	MICHAEL BAKER INTERNATIONAL, INC.
585458	10/01/2019	\$295.26	VEHICLE MAINTENANCE/EXPENSES	60710	THE AFTERMARKET PARTS COMPANY, LLC
585459	10/01/2019	\$271.46	SUPPLIES	15620	OFFICE DEPOT
585460	10/01/2019	\$1,500.00	EDUCATION REIMBURSEMENT	1620	VERONICA PALAFOX
585461	10/01/2019	\$511.48	INSURANCE REIMBURSEMENT	42490	LINDA PAYAN
585462	10/01/2019	\$317.24	VEHICLE MAINTENANCE/EXPENSES	52940	S & A ENGINE, INC.
585463	10/01/2019	\$262.85	SUPPLIES	42210	SAFETY-KLEEN CORP.
585464	10/01/2019	\$659.12	CONTRACT SERVICES	36350	SHRED-IT USA
585465	10/01/2019	\$1,733.67	INSURANCE REIMBURSEMENT	9340	GEORGE S. SIMONIAN
585466	10/01/2019	\$1,083.32	MACHINERY & EQUIPMENTS	1933	STRICTLY TECHNOLOGY LLC.
585467	10/01/2019	\$3,600.00	CONTRACT SERVICES	72100	LEO ARNOLD/SUNSET DETECTIVES
585468	10/01/2019	\$2,097.62	SUPPLIES	75310	SYN-TECH SYSTEMS, INC.
585469	10/01/2019	\$14,425.00	RECREATION DEPT FIELD TRIPS SERVICES	71210	STAR-DUST TOURS, INC.
585470	10/01/2019	\$527.83	INSURANCE REIMBURSEMENT	27300	ROBERT C. TUFANO
585471	10/01/2019	\$74,242.91	FINANCIAL SOFTWARE MAINTENANCE	1188	TYLER TECHNOLOGIES, INC.
585472	10/01/2019	\$18,386.00	TREE TRIMMING SERVICES	40860	WEST COAST ARBORISTS, INC.
585473	10/01/2019	\$760.00	CONTRACT SERVICES	328	ANNE L. DONOFRIO/WRITERANNE
585474	10/01/2019	\$132.00	CONTRACT SERVICES	2574	CECILIA ABAD
585475	10/01/2019	\$636.54	UTILITY SERVICES	1732	AT&T CORP.
585476	10/01/2019	\$294.56	UNIFORM EXPENSE	20350	ALLSTAR FIRE EQUIPMENT INC.
585477	10/01/2019	\$264.00	CONTRACT SERVICES	1749	AMERICAN EAGLE PROTECTIVE SERVICES, INC.



City of Montebello
Register of Demands No. 1479

From Payment Date: 9/19/19 - To Payment Date: 10/2/19

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
585478	10/01/2019	\$191.96	SUPPLIES	31270	STARBOARD TACK SUPPLY INC.
585479	10/01/2019	\$410.63	CONTRACT SERVICES	2021	BOARD UP BOYS
585480	10/01/2019	\$562.92	CONTRACT SERVICES	36870	CINTAS CORPORATION
585481	10/01/2019	\$1,199.37	SUPPLIES	2455	COMMERCIAL AQUATIC SERVICES
585482	10/01/2019	\$340.00	CONTRACT SERVICES	19300	CARLOS DIAZ
585483	10/01/2019	\$170.32	VEHICLE MAINTENANCE/EXPENSES	3350	GARVEY EQUIPMENT COMPANY
585484	10/01/2019	\$3,295.14	SUPPLIES	33780	P.W. GILLIBRAND COMPANY, INC.
585485	10/01/2019	\$620.10	CONTRACT SERVICES	2598	MARIA G. GONZALEZ
585486	10/01/2019	\$3,775.57	LEASE PAYMENT	2405	JCB FINANCE
585487	10/01/2019	\$861.00	CONTRACT SERVICES	2152	JOHNSON CONTROLS, INC.
585488	10/01/2019	\$465.50	CONTRACT SERVICES	2015	LIGHTHOUSE SPORTS CENTER, LLC.
585489	10/01/2019	\$6,500.00	POLICE SOFTWARE MAINTENANCE	751	LINEAR SYSTEMS INC.
585490	10/01/2019	\$111.31	TRAVEL & MEETINGS	32910	JOSE MEDRANO
585491	10/01/2019	\$2,360.00	CONTRACT SERVICES	2154	WICK & DENNIS INC./MISSION FENCE
585492	10/01/2019	\$455.00	CONTRACT SERVICES	41180	MANUEL NUNEZ
585493	10/01/2019	\$252.16	CONTRACT SERVICES	36070	PATHOLOGY & LAB. MED. GROUP
585494	10/01/2019	\$1,247.33	VEHICLE MAINTENANCE/EXPENSES	45960	R & R PRODUCTS, INC.
585495	10/01/2019	\$123.50	CONTRACT SERVICES	65000	JOAQUIN B. RENTERIA
585496	10/01/2019	\$993.96	CONTRACT SERVICES	36350	SHRED-IT USA
585497	10/01/2019	\$1,260.00	CONTRACT SERVICES	68000	JORGE SOTO
585498	10/01/2019	\$842.04	PERMITS AND FEES	28240	SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
585499	10/01/2019	\$136.40	PERMITS AND FEES	28240	SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
585500	10/01/2019	\$2,527.51	UTILITY SERVICES	526	T-MOBILE USA, INC.
585501	10/01/2019	\$132.00	CONTRACT SERVICES	2365	LETICIA TORRES
585502	10/01/2019	\$3,002.65	UTILITY SERVICES	72570	U.S. TELEPACIFIC CORP
585503	10/01/2019	\$53.82	UTILITY SERVICES	23610	VERIZON WIRELESS
585504	10/01/2019	\$3,723.51	UTILITY SERVICES	23610	VERIZON WIRELESS



City of Montebello
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From Payment Date: 9/19/19 - To Payment Date: 10/2/19

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
585505	10/01/2019	\$4,027.73	FRINGE BENEFITS	58990	VISION SERVICE PLAN
585506	10/01/2019	\$1,319.63	CONTRACT SERVICES	47600	VORTEX INDUSTRIES
585507	10/02/2019	\$218.96	SUPPLIES	67210	AIR SOURCE INDUSTRIES
585508	10/02/2019	\$157.00	TRAINING	2534	LETICIA ANTUNA
585509	10/02/2019	\$1,497.32	CONTRACT SERVICES	26390	APPLE ONE EMPLOYMENT SERVICES
585510	10/02/2019	\$6,399.55	SUPPLIES	10000	CLEAN SWEEP SUPPLY CO. INC
585511	10/02/2019	\$12,285.43	CITYWIDE GENERATORS MAINTENANCE	47770	DUTHIE ELECTRIC SERVICE CORPORATION
585512	10/02/2019	\$268.20	UNIFORM EXPENSE	55650	GALLS, LLC
585513	10/02/2019	\$10,429.89	TRANSIT SECURITY GUARD BOOTH	2506	JAY HENGES ENTERPRISES, INC./GUARD BOOTH DIRECT
585514	10/02/2019	\$375.00	CONTRACT SERVICES	2407	OSCAR HERNANDEZ PLUMBING
585515	10/02/2019	\$156.87	VEHICLE MAINTENANCE/EXPENSES	15440	HOSE-MAN, INC.
585516	10/02/2019	\$2,803.64	SUPPLIES	26670	LIFE-ASSIST, INC.
585517	10/02/2019	\$345.08	CONTRACT SERVICES	74640	MISSION LINEN SUPPLY
585518	10/02/2019	\$395.77	SUPPLIES	1938	P & R PAPER SUPPLY COMPANY INC.
585519	10/02/2019	\$11,480.50	FIRE SAFETY VEHICLE REPAIRS	2191	PERFORMANCE TRUCK REPAIR INC.
585520	10/02/2019	\$423.65	CONTRACT SERVICES	56260	PRUDENTIAL OVERALL SUPPLY
585521	10/02/2019	\$197.15	SUPPLIES	1120	NESTLE WATERS NORTH AMERICA
585522	10/02/2019	\$301.16	SUPPLIES	42210	SAFETY-KLEEN CORP.
585523	10/02/2019	\$27,977.26	INSURANCE PREMIUMS	25850	STANDARD INSURANCE COMPANY
585524	10/02/2019	\$438.55	VEHICLE MAINTENANCE/EXPENSES	1963	SUEZ WTS SERVICES USA, INC.
585525	10/02/2019	\$7,903.14	SAFETY MEDICAL SUPPLIES	6390	ZOLL MEDICAL CORPORATION GPO
585526	10/02/2019	\$197.10	VEHICLE MAINTENANCE/EXPENSES	16030	AAA ELECTRICAL SUPPLY
585527	10/02/2019	\$127,962.84	LEGAL SERVICES	16120	ALVAREZ-GLASMAN & COLVIN
585528	10/02/2019	\$244.54	SUPPLIES	31270	STARBOARD TACK SUPPLY INC./ASTRO PLUMBING
585529	10/02/2019	\$12,019.88	LEGAL SERVICES	16710	ATKINSON, ANDELSON, LOYA, RUUD & ROMO
585530	10/02/2019	\$195.00	CONTRACT SERVICES	983	ABBA TERMITE AND PEST CONTROL, INC.
585531	10/02/2019	\$70.00	REFUND	2606	RAUL CARBAJAL



City of Montebello
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From Payment Date: 9/19/19 - To Payment Date: 10/2/19

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
585532	10/02/2019	\$250.00	REFUND	2602	CLARISSA CELIS
585533	10/02/2019	\$313.36	SUPPLIES	10000	CLEAN SWEEP SUPPLY CO. INC
585534	10/02/2019	\$35.00	REFUND	2604	FELIPE CORONADO
585535	10/02/2019	\$13,123.00	TRANSIT VEHICLE MAINTENANCE	75340	DELTA MOTOR COMPANY, INC.
585536	10/02/2019	\$365.36	SUPPLIES	40930	EASTMONT PAINT & DECORATING
585537	10/02/2019	\$1,257.72	SUPPLIES	1844	ESAFETY SUPPLIES, INC.
585538	10/02/2019	\$7,555.50	TRAFFIC STREET SIGNS	2095	FULL TRAFFIC MAINTENANCE INC.
585539	10/02/2019	\$167.48	VEHICLE MAINTENANCE/EXPENSES	33720	ARKAY ACQUISITION LLC/GILLIG
585540	10/02/2019	\$250.00	REFUND	2608	REFUGIO GOMEZ
585541	10/02/2019	\$550.40	VEHICLE MAINTENANCE/EXPENSES	30190	I.B. AUTO PARTS, INC./HARDY AUTO
585542	10/02/2019	\$1,750.00	CONTRACT SERVICES	2189	HEARD'S INVESTIGATIONS AND POLYGRAPH LLC
585543	10/02/2019	\$55.00	REFUND	2603	ELENA HERNANDEZ
585544	10/02/2019	\$7,712.09	STREET MAINTENANCE SUPPLIES	43860	MYERS & SONS HI-WAY SAFETY INC.
585545	10/02/2019	\$3,544.41	VEHICLE MAINTENANCE/EXPENSES	29680	INLAND KENWORTH, INC.
585546	10/02/2019	\$683.00	CONTRACT SERVICES	1357	IRON MOUNTAIN INC.
585547	10/02/2019	\$1,257.32	CONTRACT SERVICES	2152	JOHNSON CONTROLS, INC.
585548	10/02/2019	\$1,168.21	SUPPLIES	1931	MIDWEST MOTOR SUPPLY CO. INC.
585549	10/02/2019	\$21,255.02	JANITORIAL SERVICES	1886	LINCOLN TRAINING CENTER AND REHABILITAION WORKSHOP
585550	10/02/2019	\$237.50	CONTRACT SERVICES	1501	MAKAI SOLUTIONS
585551	10/02/2019	\$3,500.00	CONTRACT SERVICES	2144	MARIPOSA LANDSCAPES, INC.
585552	10/02/2019	\$70.00	REFUND	2607	ELISA MARISCAL
585553	10/02/2019	\$150.00	TRAVEL & MEETINGS	32910	JOSE MEDRANO
585554	10/02/2019	\$7,201.27	HOTEL REVIEW SERVICES	981	MICHAEL BAKER INTERNATIONAL, INC.
585555	10/02/2019	\$690.16	CONTRACT SERVICES	74640	MISSION LINEN SUPPLY
585556	10/02/2019	\$2,080.50	VEHICLE MAINTENANCE/EXPENSES	1625	NATIONWIDE TRANSIT SALES INC.
585557	10/02/2019	\$2,386.94	VEHICLE MAINTENANCE/EXPENSES	60710	THE AFTERMARKET PARTS COMPANY, LLC
585558	10/02/2019	\$208.37	SUPPLIES	15620	OFFICE DEPOT



City of Montebello
Register of Demands No. 1479

From Payment Date: 9/19/19 - To Payment Date: 10/2/19

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
585559	10/02/2019	\$6,486.51	TRANSIT BUS SCHEDULES	75280	PGI, INC
585560	10/02/2019	\$250.00	REFUND	1853	GIANINA PADILLA
585561	10/02/2019	\$1,155.00	REFUND	2601	MARIO REYES
585562	10/02/2019	\$120.00	REFUND	1183	SANDRA RODRIGUEZ
585563	10/02/2019	\$60.00	REFUND	2605	STEFANIE ROJAS
585564	10/02/2019	\$85,625.24	CONTRACT SERVICES	2382	SAFE USA, INC.
585565	10/02/2019	\$250.00	REFUND	2600	ERIC SANCHEZ
585566	10/02/2019	\$7,075.00	CONTRACT SERVICES	74850	UNIQUE GENERAL SERVICES
585567	10/02/2019	\$5,668.32	METROLINK SECURITY SERVUCES	37	U.S. SECURITY ASSOCIATES, INC.
585568	10/02/2019	\$250.00	REFUND	2599	EMMA VELAZQUEZ
585569	10/02/2019	\$3,477.86	VEHICLE MAINTENANCE/EXPENSES	25860	WAYNE HARMEIER INC.
585570	10/02/2019	\$5,911.72	TRANSIT DAY PASSES PRINTING	61850	X-IGENT PRINTING, INC.
Subtotal		\$1,449,516.28			
6093 - Successor Agency					
1449	10/02/2019	\$2,115.00	LEGAL SERVICES	16120	ALVAREZ-GLASMAN & COLVIN
Subtotal		\$2,115.00			
Total		<u>\$1,451,631.28</u>			

MINUTES

THE CITY OF MONTEBELLO CITY COUNCIL MET AT THE ABOVE TIME AND PLACE IN A REGULAR SESSION.

OPENING CEREMONIES

1. **CALL MEETING TO ORDER:** Mayor Hadjinian called the meeting to order at the hour of 5:40 p.m.
2. **ROLL CALL:** City Clerk I. Barajas
MEMBERS PRESENT: Torres, Melendez, Cobos-Cawthorne, Jimenez, Hadjinian
STAFF PRESENT: City Manager Bobadilla, City Attorney Alvarez-Glasman
3. **STATEMENT OF PUBLIC ORAL COMMUNICATIONS FOR CLOSED SESSION ITEMS:** City Attorney Alvarez-Glasman

ORAL COMMUNICATIONS ON CLOSED SESSION ITEMS

None.

Mayor Hadjinian recessed the meeting into Closed Session at the hour of 5:40 p.m. to discuss the following items.

CLOSED SESSION - 5:30 P.M.

The City Attorney provided a briefing on the item listed for Closed Session as follows:

4. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Government Code Section 54956.9(d)(1)
G. Gallardo v. City of Montebello (Case No. ADJ10553176)

The City Council provided direction to Special Counsel, no action, nothing to report.

5. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Government Code Section 54956.9 (d)(1)
Name of Case: JCS v. City of Montebello

The City Council provided direction for possible resolution. No final action.

6. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Government Code Section 54956.9(d)(2)
Two matters

Direction was provided to City Attorney on both matters. No final action, nothing to report.

REGULAR SESSION – 6:30 P.M.

7. **INVOCATION** City Clerk Barajas
PLEDGE OF ALLEGIANCE Battalion Chief Webb

8. PRESENTATIONS:

- A. OATH OF OFFICE – THREE NEW POLICE OFFICERS**
- B. RECOGNITION OF ARRY’S BURGERS**
- C. RECOGNITION OF MONTEBELLO LION’S CLUB**
- D. RECOGNITION OF GIRL SCOUT TROOP 71221**
- E. INVESTMENT COMMITTEE REPORT**

9. STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

Director Sosnowski invited all to attend the 9-11 Commemoration on the front steps of City Hall on Wednesday, September 11, 2019.

10. CORRECTIONS TO THE AGENDA – CITY MANAGER

City Attorney Alvarez-Glasman stated that Item No. 14 is a Public Hearing.

11. STATEMENT OF PUBLIC ORAL COMMUNICATIONS: City Attorney Alvarez-Glasman**12. PUBLIC ORAL COMMUNICATIONS ON OPEN SESSION ITEMS (30 MINUTES)**

Charmetria Marshall, Chet Holifield Library Manager, highlighted current library programs happening at the library.

Linda Nicklas, Co-founder of Match 90640, spoke about the JCS matter and asked the City Council to release details regarding the settlement.

Levar Prothero spoke about a trailer tire that exploded and spoke about a drug lab on 4th Street.

Henry Priest spoke about the Accessory Dwelling Unit and asked that the City lower the square footage requirement. Mr. Priest also stated opposition to the Gold Line Metro Rail continuing on the 60 Freeway.

Tila Gregorian spoke about the ill effect of the Montebello Hills project.

Edwina Garcia asked questions regarding the personnel matter. Mayor Hadjinian suggested Ms. Garcia speak to the Police Chief.

Maribel Briseno stated her support of a Public Safety Commission, and added that several residents are in support.

- 13. APPROVAL OF AGENDA:** Mayor Pro Tem Melendez moved, seconded by Councilmember Jimenez that all items be approved in a single motion with the exception of Item Nos. 14, 15, 16, 17, 19, 21, 22, 24, 27, 28, 32, and 35. Such approval will also waive the reading of any ordinance. Motion carried unanimously.

CONSENT MATTERS (14-32)**14. PUBLIC HEARING: EXTENDING URGENCY INTERIM ZONING ORDINANCE ESTABLISHING TEMPORARY STANDARDS FOR ACCESSORY DWELLING UNITS FOR ONE (1) ADDITIONAL YEAR**

Claudia Salinas asked that the City Council reduce the square footage for the Accessory Dwelling Units zoning ordinance.

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Mayor Hadjinian stated that the City continues to review and consider parking issues, additional residents that will move into Montebello as the ordinance is approved, and public safety concerns.

Henry Priest stated support in addressing the issue, but would like to see the square footage requirement be lowered to 5000 square feet.

Edwina Garcia spoke about garage conversions and asked if the City could be sued by the Governor.

Maribel Briseno stated that a study session should be opened to the public.

Tila Gregorian agreed with Mayor Hadjinian and asked that a public hearing take place and invite the public as it will affect everyone.

Rosa Tamayo stated that the parking in the City is a problem and so are the homeless. Ms. Tamayo stated that she knows of five families living in one home, and that the homeless live in the river. Ms. Tamayo stated that she asked Congresswoman Sanchez to drive through the City.

Norma Vargas, 40 year resident, stated her awareness of parking problems but that reducing the number of approved units is not the answer.

City Manager Bobadilla gave a brief summary of the ADU requirements stating challenges and other issues that need to be reviewed.

Director Manuel Mancha also stated that infrastructure could have potential problems in the future.

Councilman Torres asked what the City has been doing in the last four years regarding ADUs.

Mayor Hadjinian stated that the Fire Department needs to weigh in on the conversions.

Councilwoman Cobos-Cawthorne asked for clarification between “she sheds” and “granny flats.”

Councilman Torres asked for the number of 5000, 6000 and 7000 square foot lots.

Mayor Hadjinian stated that the Planning Department will bring back a report and it will include what other cities are doing.

Councilman Torres motioned, seconded by Councilwoman Cobos-Cawthorne that the City Council:

- 1) Conduct a public hearing;
- 2) Approve a report describing measures taken to alleviate the conditions leading to the adoption of Interim Urgency No. 2406; and
- 3) Adopt, by a four-fifths (4/5) vote, Interim Urgency Ordinance No. 2415 extending Interim Urgency Ordinance No. 2406 for an additional one (1) year beyond September 26, 2019, while Staff considers the adoption of permanent regulations for Accessory Dwelling Units within the City.

Motion carried unanimously.

15. SECOND AMENDMENT TO THE ORIGINAL AGREEMENT NO. 3565 WITH TIERRA WEST ADVISORS, INC. TO PROVIDE CONTRACT PROFESSIONAL SERVICES RELATING TO CANNABIS

Maribel Briseno asked about the original amount of the agreement and was directed to speak with Director Manuel Mancha regarding clarification.

Mayor Pro Tem Melendez moved, seconded by Councilmember Jimenez that the City Council:

- 1) Receive and approve the recommendation from staff to approve a second amendment to the original agreement No. 3565 with Tierra West Advisors, Inc. to increase the not-to-exceed amount of \$75,000.00 to a not-to-exceed amount of \$100,000.00 for contract professional services relating to cannabis.

Motion carried unanimously.

16. COMMERCIAL CANNABIS DEVELOPMENT AGREEMENTS

Maribel Briseno asked if there was a cap to how many cannabis agreements will be approved.

Mayor Hadjinian stated that 21 agreements have been approved by the Cannabis Adhoc Committee.

Councilwoman Cobos-Cawthorne stated that Tierra West is working on the application process with the City.

Director Manuel Mancha stated that three applicants were required to find other locations.

Councilmember Torres stated that some applicants may not continue if requirements are not met.

Mayor Pro Tem Melendez moved, seconded by Councilmember Jimenez that the City Council:

- 1) Approve, in substantially the form as presented, two (2) cannabis business development Agreement Nos. 3666 and 3667 for the operation of commercial cannabis activities in the City of Montebello, for Cannabis Development Agreement Nos. 21-19 and 22-19, and authorize the City Attorney's Office to make minor revisions to fix clerical or formatting errors, if any, prior to execution; and
- 2) Condition the approval of each of the two cannabis business development agreements on the respective operator providing all exhibits to the development agreement and missing information to the City of Montebello in a form acceptable to the City Attorney's Office no later than September 3, 2019, as reflected with highlights in the attachments hereto; and
- 3) Adopt findings contained herein exempting the development agreements from further CEQA review under CEQA Sections 15301 and 15332, as applicable, and direct staff to prepare and file the appropriate Notice of Exemption for each project recommended for approval.

Motion carried unanimously.

17. PUBLIC INFORMATION AND OUTREACH SERVICES AGREEMENT

Maribel Briseno asked about the \$130,000 for public outreach and suggested that the five members of the City Council handle five districts in the City.

Mayor Pro Tem Melendez stated that less money may be used regarding the outreach services.

Mayor Pro Tem Melendez moved, seconded by Councilmember Jimenez that the City Council:

- 1) Award Professional Services Agreement No. 3668 to TBWB Strategies in the amount not-to-exceed \$130,000 for public outreach services related to a proposed tax measure, which includes a project contingency of \$24,190 to cover any additional expenditures to be approved by the City Manager;
- 2) Approve Resolution of Appropriation No. 19-99 in the amount of \$130,000 from General Fund Reserves to complete the proposed project/services;
- 3) Authorize the City Manager to execute an agreement on behalf of the City;

Motion carried unanimously.

18. FY 2019/20 CAPITAL IMPROVEMENT PROJECT (CIP) BUDGET

Mayor Pro Tem Melendez moved, seconded by Councilmember Jimenez that the City Council:

- 1) Adopt the Fiscal Year 2019/20 Capital Improvement Project Budget and corresponding Resolution No. 19-100.

Motion carried unanimously on a 5-0 roll call vote of the City Council.

19. FY 2019/20 STREET IMPROVEMENT, PENSION AND HOTEL BONDS

Councilmember Cobos-Cawthorne moved, seconded by Councilmember Jimenez that the City Council:

1. Receive and file a presentation on the implementation of a Street Improvement Bond that could accelerate road improvement citywide over the next 3-years;
2. Authorize the City Manager to negotiate contract amendments with Infrastructure Engineers and Hilltop Securities, as needed, to ensure that these firms will assist the City with the timely implementation of a Street Improvement Bond, per their respective agreements for engineering/design services and financial advisory services, respectfully;
3. Approve the hiring of Cabrera Capital Markets, LLC to work with the City of Montebello to consider the issuance of bonds (1) to finance street improvements secured by the local share sales tax received by the City of Montebello from the Los Angeles County Metropolitan Transportation Authority (LACMTA), (2) to refund certain outstanding pension fund obligations of the City to the California Public
4. Employees Retirement System (CalPERS), and (3) to refinance the Montebello Public Financing Authority Lease Revenue Bonds, 2004 Series A (Montebello Hotel Project). If approved, the City Council would be applying Montebello Municipal Code Section 3.21.025(c) and would require a 4/5ths vote for approval. The beneficial situation

and circumstances of the bond market circumstances would justify making a finding by the council that it would be uneconomical in such instance to follow the

newly adopted bidding procedures, and that the welfare of the public would be promoted by dispensing with the same.

Motion carried on a 5-0 roll call vote of the City Council.

20. AWARD A CONSTRUCTION CONTRACT FOR C.P. # 872 – VARIOUS STREET AND INTERSECTION PAVEMENT REHABILITATION (FY 2018/2019), RFP #19-29 TO SEQUEL CONTRACTORS, INC.

Mayor Pro Tem Melendez moved, seconded by Councilmember Jimenez that the City Council:

- 1) Award a Construction Contract for C.P. 872 - Various Street and Intersection Pavement Rehabilitation (FY 2018/2019), RFP #19-29 in the amount of \$473,346.50 to Sequel Contractors, Inc.,
- 2) Authorize the Director of Public Works to review and approve change orders within a 10% contingency of the contract amount,
- 3) Authorize the City Manager to execute Contract Agreement No. 3669 on behalf of the City.

Motion carried unanimously.

21. AWARD A CONSTRUCTION CONTRACT FOR C.P. # 873 – VARIOUS STREET IMPROVEMENTS (FY 2018/2019), RFP #19-31 TO SEQUEL CONTRACTORS, INC.

Maribel Briseno asked that the City Council consider that bike lanes be included in the project.

Councilmember Cobos-Cawthorne moved, seconded by Councilmember Jimenez that the City Council:

- 1) Award a Construction Contract for C.P. 873 - Various Street Improvements (FY 2018/2019), RFP #19-31 in the amount of \$774,895.80 to Sequel Contractors, Inc.,
- 2) Authorize the Director of Public Works to review and approve change orders within a 5% contingency of the contract amount,
- 3) Direct staff to transfer an additional \$58,843 from Measure M Funds to increasing the Project Budget,
- 4) Authorize the City Manager to execute Contract Agreement No. 3670 on behalf of the City.

Motion carried unanimously.

22. AWARD A CONSTRUCTION CONTRACT FOR SEWER REPAIRS (RFP NO. 19-34 – SEWER PIPE BURSTING AND SEWER LINER INSTALLATION TO QUALITY JET ROOTER

Maribel Briseno asked that the City not bypass the bidding process.

City Manager Bobadilla stated that this matter was an emergency matter and that the sooner the repairs take place the safer the street and residents will be.

Mayor Pro Tem Melendez moved, seconded by Councilmember Cobos-Cawthorne that the City Council:

- 1) Waive the formal bid process for the Public Works Contract pursuant to Montebello Municipal Code ("MMC") Section 3.20.050(c)
- 2) Authorize the expenditure of City funds by a four-fifths (4/5) vote as required by MMC Section 3.20.050(c)
- 3) Award a Construction Contract for urgent sewer repairs, as described in Request for Proposals No. 19-34 – Sewer Pipe Bursting and Sewer Liner Installation, in the amount of \$154,462 to Quality Jet Rooter
- 4) Authorize the Director of Public Works to review and approve change orders with a 10% contingency of the contract amount
- 5) Authorize the City Manager to execute Contract Agreement No. 3671 on behalf of the City.

Motion carried unanimously on a 5-0 roll call vote.

23. ADOPTION OF A RESOLUTION AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE ANY ACTIONS NECESSARY FOR THE PURPOSE OF OBTAINING FINANCIAL ASSISTANCE PROVIDED BY THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION STATE OF GOOD REPAIR PROGRAM

Mayor Pro Tem Melendez moved, seconded by Councilmember Jimenez that the City Council:

- 1) Adopt Resolution No. 19-101 authorizing the City Manager or Designee to execute any actions necessary for the purpose of obtaining financial assistance provided by the State of California Department of Transportation State of Good Repair Program.

Motion carried unanimously.

24. AMENDMENTS TO JOB SPECIFICATION: FIRE ENGINEER

Maribel Briseno, Co-Chair of the Civil Service Commission stated support of the recommendation.

Councilmember Cobos-Cawthorne moved, seconded by Councilmember Jimenez that the City Council:

- 1) It is recommended that the City Council approved the amendment of the Fire Engineer job specification the City's classification plan, and adopt Resolution No. 19-102.

Motion carried unanimously.

25. APPROVE AMENDING THE TABLE OF ORGANIZATION, AND THE CLASSIFICATION AND COMPENSATION PLANS FOR A NEW POSITION IN THE PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT

Mayor Pro Tem Melendez moved, seconded by Councilmember Jimenez that the City Council:

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- 1) It is recommended that the City Council approve the amendment to the City's organization table to establish a new classification (Deputy Director), along with a compensation plan for the new position with the Planning and Community Development Department and adopt Resolution No. 19-103.

Motion carried unanimously.

26. RENEW FINANCIAL AND HUMAN RESOURCE ANNUAL SOFTWARE AGREEMENT WITH TYLER TECHNOLOGIES

Mayor Pro Tem Melendez moved, seconded by Councilmember Jimenez that the City Council:

- 1) Authorize the City Manager to execute the Third Amendment, Agreement No. 3672 to the Tyler Technologies annual software maintenance agreement for ongoing management and maintenance of the City's financial and human resources software systems.

Motion carried unanimously.

27. UNAUDITED FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2019

Councilmember Jimenez moved, seconded by Councilmember Cobos-Cawthorne that the City Council:

- 1) Review and file the Year-End Financial Report for FY18-19;
- 2) Approve repayment from the Water Fund to the General Fund for \$805,200 effective June 30, 2019.

Motion carried unanimously.

28. UPDATED INVESTMENT POLICY

Maribel Briseno, Chair of the Investment Committee, stated support of the update to the Investment Policy.

Mayor Pro Tem Melendez moved, seconded by Councilmember Jimenez that the City Council:

- 1) Adopt the proposed Investment Policy and adopt Resolution No. 19-104.

Motion carried unanimously.

29. MONTHLY INVESTMENT REPORT – JULY 2019

Mayor Pro Tem Melendez moved, seconded by Councilmember Jimenez that the City Council:

- 1) Approve the Monthly Investment Report as written.

Motion carried unanimously.

30. SIGNATURES FOR CITY'S LOCAL AGENCY INVESTMENT FUND (LAIF) ACCOUNTS

Mayor Pro Tem Melendez moved, seconded by Councilmember Jimenez that the City Council:

- 1) Approve and adopt Resolution No. SA 19-02 and Resolution No. 19-106 to update the authorized officers for the Successor Agency and City LAIF accounts.

Motion carried unanimously.

31. PAYMENT OF BILLS: RESOLUTION APPROVING THE CITY/SUCCESSOR AGENCY WARRANT REGISTER OF DEMANDS DATED AUGUST 28, 2019

RECOMMENDED ACTION: It is recommended that the City Council:

- 1) Adopt Resolution No. 19-105 approving the Warrant Register dated August 28, 2019.

32. APPROVAL OF MINUTES: AUGUST 5 AND 14, 2019

Councilmember Cobos-Cawthorne moved, seconded by Councilmember Torres that the City Council:

- 1) Approve minutes as written and change the day of the meeting for August 5, 2019 from Wednesday to Monday.

Motion carried unanimously.

33. PUBLIC ORALS - IF NEEDED

COUNCIL ORALS

34. COUNCILMEMBER TORRES

- a. Ordinance to establish funding for art in public places
- b. Ordinance to set limits on cannabis operations signage
- c. 99th Anniversary Historical Bus Tour of Montebello
- d. Regular events - Coffee with a Councilman, Pick & Stroll

35. MAYOR PRO TEM MELENDEZ

None.

36. COUNCILMEMBER COBOS-CAWTHORNE

- a. Discussion regarding potential Town Hall meeting with City Manager Bobadilla
- b. Montebello Girl Scout Troop 71221

37. COUNCILMEMBER JIMENEZ

None.

38. MAYOR HADJINIAN

Discussion regarding City facility parking.
Staff was directed to look into permit parking for City facilities such as the City Hall parking lot.

ADJOURNMENT

Upon motion carried unanimously, Mayor Hadjinian adjourned the meeting at the hour of 9:05 p.m.

APPROVAL OF MINUTES: Upon motion carried unanimously, the minutes of August 28, 2019 were approved as written on October 9, 2019.

IRMA BARAJAS, City Clerk