



**CITY OF FAIRFIELD
TUESDAY, JUNE 18, 2019; 6:00 PM
COUNCIL CHAMBER, CIVIC CENTER
1000 Webster Street, Fairfield, CA 94533**

AGENDA

CALL TO ORDER 6:00 PM

ROLL CALL

Councilmember Chuck Timm
Councilmember Catherine Moy
Councilmember Rick Vaccaro
Vice-Mayor Pam Bertani
Mayor Harry T. Price

INVOCATION - Pastor Art Zacher, Berean Baptist Church

PLEDGE OF ALLEGIANCE

COUNCIL REPORTS

CITY MANAGER REPORT

CITY CLERK REPORT

PRESENTATIONS

1. Proclamation - LGBT Pride Month 2019

Contact: Sean Quinn, 707-428-7400

PROCESS FOR PUBLIC COMMENTS

Speakers may address items on this agenda at the time each item is considered. Under Public Comments, the public may speak on items not on the agenda but within the jurisdiction of the City Council, provided that NO action may be taken on off-agenda items except as authorized by law. Off-agenda items from the public will be taken under consideration without discussion by the Council and may be referred to staff. To speak on an agenda item, please complete a speaker's card and give it to the City Clerk before the meeting, or at the latest, prior to the time for public comments on that item. Speakers are requested to limit their comments to four minutes, with one minute to summarize their remarks.

PUBLIC COMMENTS

CONSENT CALENDAR NOTICE

All matters listed on the Consent Calendar are to be approved with one motion unless a member of the Council or the public requests that separate action be taken on a specific item.

COUNCIL CONSENT CALENDAR

2. Resolution 2019-135 of the City Council of the City of Fairfield Adopting the First Amendment to the Cooperative Agreement between Solano Cemetery District, Formerly Known as the Suisun Fairfield Rockville Cemetery District, and City of Fairfield Regarding the Train Station Specific Plan Annexations

Recommended Action

Adopt resolution.

Funding Source

N/A

Contact: Brian Miller, 707-428-7446

3. Resolution 2019-136 of the City Council of the City of Fairfield Authorizing Approval of Expenditure for Software as a Service Agreement for Performance Review Software from Saba Software, formerly Halogen

Recommended Action

Adopt resolution.

Funding Source

\$30,000; IT Computer Fund

Contact: Shashi Ganjam, 707-428-7586

4. Resolution 2019-137 of the City Council of the City of Fairfield Approving a Five-Year Contract with George Hills Company, Inc.

Recommended Action

Adopt resolution.

Funding Source

\$250,000; Finance General Liability Fund

Contact: Chris Carmona, 707-399-5623

5. Second Reading and Adoption of Ordinance No. 2019-05 of the City Council of the City of Fairfield Levying Special Taxes Within City of Fairfield Community Facilities District No. 2019-1 (One Lake)

Recommended Action

Adopt ordinance (first reading was approved May 21, 2019).

Funding Source

N/A

Contact: Emily Combs, 707-428-7629

6. Resolution 2019-138 of the City Council of the City of Fairfield Authorizing the Execution of a Consultant Services Agreement with Melton Design Group to Prepare the Heart of Fairfield Gateways and Branding Program

Recommended Action

Adopt resolution.

Funding Source

\$166,323; AB1600 Urban Design Fund

Contact: Brian K. Miller, 707-428-7446

7. Resolution 2019-139 of the City Council of the City of Fairfield Approving a Partial Assignment of the Second Amended and Restated Development Agreement (DA2018-2) between the City of Fairfield and Fairfield Holding Company LLC, NCCM Holding Company, LLC, Upper Martin Investment, LLC, Laurel Creek Plaza, LLC, Laurel Creek Holding Company LLC, and Rancho Tolenas corp. to D.R. Horton Bay, Inc., and Taking Other Related Actions

Recommended Action

Adopt resolution.

Funding Source

N/A

Contact: David Feinstein, 707-428-7448

8. Resolution 2019-140 of the City Council of the City of Fairfield Authorizing the City Manager to Execute an Operating Agreement between the City of Fairfield and the Friends of the Fairfield Senior Center for Use of the Adult Recreation Center

Recommended Action

Adopt resolution.

Funding Source

N/A

Contact: Meghan Sullivan, 707-399-5626

9. Resolution 2019-141 of the City Council of the City of Fairfield Authorizing the City Manager to Execute Amendment No. 3 with MV Transportation for Fixed-Route and Paratransit Operations

Recommended Action

Adopt resolution.

Funding Source

N/A

Contact: Diane Feinstein, 707-434-3808

10. Resolution 2019-142 of the City Council of the City of Fairfield Accepting the North Bay Regional Water Treatment Plant Site Piping, Valves and Vaults Improvements Project as Complete

Recommended Action

Adopt resolution.

Funding Source

N/A

Contact: Thomas Martian, 707-428-7478

11. Resolution 2019-143 of the City Council of the City of Fairfield Authorizing a Task Order for Kimley-Horn and Associates to Provide Preliminary Engineering and Design for the Parking Access and Revenue Collection Systems Project

Recommended Action

Adopt resolution.

Funding Source

\$50,000; Transportation Development Act Capital Funds

Contact: Ryan Panganiban, 707-428-7017

12. Resolution 2019-144 of the City Council of the City of Fairfield Approving the Disbursement of Façade Improvement Program Funding and the Execution of Certificates of Acceptance for Façade Easement Deed for 1505 West Texas Street, Fairfield

Recommended Action

Adopt Resolution.

Funding Source

\$14,447; Intergovernmental Loan Fund Economic Development

Contact: David Feinstein, 707-428-7448

13. Resolution 2019-145 of the City Council of the City of Fairfield Authorizing the Execution of Certifications and Assurances for the California State of Good Repair Program for Corporation Yard Transit Fleet Electrification Project

Recommended Action

Adopt resolution.

Funding Source

N/A

Contact: Tina Tran, 707-434-3863

14. Minute Action Approving Response to the 2018-2019 Grand Jury Report Entitled “An Analysis of Potential Conflict of Interest Within the City of Fairfield” and Authorizing the Mayor to Sign the Response Letter

Recommended Action

By minute action, approve the response letter to the 2018-2019 Grand Jury Report Entitled “An Analysis of Potential Conflict of Interest Within the City of Fairfield” and authorize Mayor to Sign Response Letter.

Funding Source

N/A

Contact: Sean Quinn, 707-428-7400

15. Minute Action Approving Mayor’s Appointments to the Golf Advisory Board and Tree and Sidewalk Maintenance Task Force

Recommended Action

Approve appointments by minute action.

Funding Source

N/A

Contact: Yessika Dominguez, 707-428-7402

NEW BUSINESS

16. Resolution 2019-146 of the City Council of the City of Fairfield Authorizing the City to Become an Additional Member of the California Community Housing Agency (“CALCHA”); Supporting CALCHA’s Issuance of Tax-Exempt Bonds for the Production, Preservation and Protection of Essential Middle-Income Rental Housing; and Authorizing the City Manager’s Office to Enter into Purchase Option Agreements with CALCHA for Essential Middle-Income Rental Housing Created Within City Limits

Recommended Action

Adopt resolution.

Funding Source

N/A

Contact: Laura Snideman, 707-428-7400

17. Resolution 2019-147 of the City Council of the City of Fairfield Approving an Amended and Restated Agreement for Legal Services

Recommended Action

Adopt resolution.

Funding Source

\$720,000; General Fund

Contact: Sean Quinn, Interim City Manager

18. Resolution 2019-148 of the City Council of the City of Fairfield Approving a Consultant Services Agreement By and Between the City of Fairfield and Solano Economic Development Corporation to Provide Staffing and Resource Support to the Travis Community Consortium

Recommended Action

Adopt resolution.

Funding Source

N/A

Contact: Sean Quinn, 707-428-7400

19. Resolution 2019-149 of the City Council of the City of Fairfield Terminating an Agreement with Madison Government Affairs for Legislative Advocacy Services Related to the Retention and Enhancement of Travis Air Force Base

Recommended Action

Adopt resolution.

Funding Source

N/A

Contact: Sean Quinn, 707-428-7400

20. Resolution 2019-155 of the City Council of the City of Fairfield Approving the Recommendation of the Sub-Committee for Bob Murray and Associates to Conduct the Recruitment for the New City Manager

Recommended Action

Adopt resolution.

Funding Source

\$24,000; General Fund

Contact: Sean Quinn, 707-428-7400

PUBLIC HEARINGS

CONVENE JOINT MEETING OF THE CITY COUNCIL AND HOUSING AUTHORITY

The holding of a joint meeting of the City Council and Housing Authority entitles the Councilmembers to receive additional compensation of \$35 for attending this joint meeting.

ROLL CALL- JOINT MEETING: Commissioner Catherine Moy; Commissioner Chuck Timm; Commissioner Rick Vaccaro; Vice-Chair Pam Bertani; Chairman Harry T. Price

JOINT PUBLIC HEARING CITY COUNCIL AND HOUSING AUTHORITY

21. Joint Public Hearing of the City Council of the City of Fairfield and Housing Authority Adopting Resolutions 2019-150 to 2019-154 and HA2019-07 Approving the Fiscal Year 2019-20 and 2020-21 Budget and Financial Plan

ADJOURN TO TUESDAY, JULY 2, 2019, 6:00 P.M., COUNCIL CHAMBER

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the City of Fairfield to all or a majority of the Fairfield City Council less than 72 hours prior to that meeting are available for public inspection at City Hall, in the 4th floor lobby, 1000 Webster Street, Fairfield, California during normal business hours.

The City of Fairfield does not discriminate against any individual with a disability. City publications will be made available upon request in the appropriate format to persons with a disability. If you need an accommodation to attend or participate in this meeting due to a disability, please contact Yessika Dominguez, Deputy City Clerk, in advance of the meeting at (707) 428-7402 or (707) 399-5623 (TTY).

PUBLIC NOTIFICATION


I, Yessika Dominguez, Deputy City Clerk, do hereby certify that I have caused a true copy of the above notice and agenda to be delivered to each of the members of the Fairfield City Council, at the time and in the manner prescribed by law and that this agenda was posted at City Hall, 1000 Webster Street, California on Wednesday, June 12, 2019.



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Resolution 2019-135 of the City Council of the City of Fairfield Adopting the First Amendment to the Cooperative Agreement between Solano Cemetery District, Formerly Known as the Suisun Fairfield Rockville Cemetery District, and City of Fairfield Regarding the Train Station Specific Plan Annexations

RECOMMENDED ACTION

Adopt resolution.

STATEMENT OF ISSUE

The Suisun Fairfield Rockville Cemetery District (the “District”) recently amended its bylaws to rename itself the “Solano Cemetery District”. At this time, the District is asking for the Council to approve amending an agreement with the City to reflect this change in the official name of the District.

DISCUSSION

As part of the Train Station Specific Plan Annexation Program, the City entered into an agreement with the District to address future cemetery needs. The agreement included annexation of the Train Station Specific Plan Area into the District and an offer of dedication for a future cemetery site.

The attached First Amendment to the Cooperative Agreement updates the name of the District to its new official name throughout the document. No substantive changes are proposed.

FINANCIAL IMPACT

N/A

CITY COUNCIL WORKPLAN

Community Safety

Financial and Operational

Sustainability

Community Infrastructure

Economic Development

Quality of Life

*Travis Air Force
Base*

City Council Goal this item supports:

Not Applicable

Priority Project:

#4B.1 CCTV Strategic Plan

Project:

One-time item not recommended for including in the Workplan

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

N/A

ALTERNATIVE ACTION

No alternative is recommended as the existing Agreement should reflect the legal name of one partner in the agreement (the Cemetery District).

STAFF CONTACT

Brian K. Miller, Associate Planner
707-428-7446
bkmiller@fairfield.ca.gov

COORDINATED WITH

City Attorney's Office

ATTACHMENTS:

Proposed Resolution

Proposed First Amendment to Cooperative Agreement - Rockville Cemetery District

REVIEWERS:

Reviewer	Action	Date
Morales, Lucia	Approved	5/29/2019 - 12:27 PM
Feinstein, David	Approved	5/29/2019 - 2:30 PM
Dominguez, Yessika	Approved	6/4/2019 - 6:38 PM
Dominguez, Yessika	Approved	6/12/2019 - 5:00 PM

CITY OF FAIRFIELD

RESOLUTION NO. 2019-135

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD ADOPTING
THE FIRST AMENDMENT TO THE COOPERATIVE AGREEMENT BETWEEN
SOLANO CEMETERY DISTRICT, FORMERLY KNOWN AS THE SUISUN FAIRFIELD
ROCKVILLE CEMETERY DISTRICT, AND CITY OF FAIRFIELD REGARDING THE
TRAIN STATION SPECIFIC PLAN ANNEXATIONS**

WHEREAS, as part of the Train Station Specific Plan Annexation Program, the City entered into an agreement with the Suisun Fairfield Rockville Cemetery District (the "District") to address future cemetery needs; and

WHEREAS, the District recently amended its bylaws to rename itself the "Solano Cemetery District"; and

WHEREAS, the District has requested an amendment to the Cooperative Agreement to recognize the new official name of the District.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FAIRFIELD HEREBY RESOLVES:

Section 1. Approves the First Amendment to the Cooperative Agreement Between Solano Cemetery District, Formerly Known as the Suisun Fairfield Rockville Cemetery District, and City of Fairfield regarding the Train Station Specific Plan.

Section 2. Authorizes the City Manager to undertake all necessary actions to execute the First Amendment.

PASSED AND ADOPTED this 18th day of June, 2019, by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:

CITY CLERK

**FIRST AMENDMENT TO THE COOPERATIVE AGREEMENT BETWEEN SOLANO
CEMETERY DISTRICT, FORMERLY KNOWN AS THE SUISUN FAIRFIELD
ROCKVILLE CEMETERY DISTRICT AND CITY OF FAIRFIELD REGARDING THE
TRAIN STATION SPECIFIC PLAN ANNEXATIONS**

This First Amendment to the Cooperative Agreement is entered into as of _____ by and between the City of Fairfield ("City") and the Solano Cemetery District, formerly the Suisun Fairfield Rockville Cemetery District ("District").

RECITALS

- A. The City annexed certain territory located within the Fairfield Train Station Specific Plan area, which is located in the northeastern portion of the City, as shown on Exhibit A.
- B. On August 2, 2012, the City filed an application with Solano Local Agency Formation Commission ("LAFCO") for annexation of certain territory, known as the Canon Station Annexation, as shown on Exhibit B. The City intends to file an application for annexation of additional territory, known as the Core Area Annexation, as shown on Exhibit C.
- C. The majority of the territory within the Train Station Specific Plan area is within the Sphere of Influence of the District.
- D. LAFCO approved the adjustment of the Sphere of Influence boundary of the District such that it will coincide with the Sphere of Influence of the City, within the vicinity of the Train Station Annexations area.
- E. City and District wish to ensure that cemetery needs of existing and future residents are addressed through these proposed annexations. City acknowledges that annexation and development of the Fairfield Train Station Specific Plan area will increase the operational and maintenance costs of District.
- F. On November 14, 2016, the Board of Trustees of the Suisun-Fairfield-Rockville Cemetery District voted to change the name of the District to "Solano Cemetery District. The District has requested an Amendment to the original Agreement to reflect the new name.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, the parties agree as follows:

AGREEMENT

1.0 DEFINITIONS

“Agreement” means this Cooperative Agreement.

“Canon Station Annexation” means the proposed annexation of approximately 1245 acres, as shown on Exhibit B.

“Cemetery Site” means a parcel within the Canon Station Annexation area which the District may acquire and develop for public cemetery purposes, as shown on Exhibit D.

“CFD” means one or more Community Facilities District(s) established by City within the area of the Train Station Specific Plan Annexations, which provides revenue for municipal services, including public services for the operation and maintenance of District cemeteries.

“City” means the City of Fairfield.

“Core Area Annexation” means a proposed annexation to the City of Fairfield of approximately 1035 acres, as shown on Exhibit C.

“District” now means the Solano Cemetery District, formerly known as the Suisun Fairfield Rockville Cemetery District.

“Effective Date” is the later of the date of Agreement approval by the City and the date of Agreement approval by the District.

“Effective Date of the First Amendment” is the date of the First Amendment to the Agreement approved by the City and the date of the First Amendment to Agreement adopted by the District

“Great Park” means a future community park containing about 50 acres which is located within the Train Station Specific Plan area; an illustrative plan for the Great Park is shown on Figure 9-2 of the Fairfield Train Station Specific Plan.

“LAFCO” means the Solano Local Agency Formation Commission.

“SOI” means Sphere of Influence.

“Train Station Specific Plan Area” means all territory within the boundary of the Fairfield Train Station Specific Plan, adopted by the Fairfield City Council on July 26, 2011, as amended. The boundary of the Train Station Specific Plan area is shown on Exhibit A.

2.0 GENERAL PROVISIONS

- 2.1 This Agreement shall be binding on City and District for all annexations within the Train Station Specific Plan Area, regardless of the number and timing of annexations.
- 2.2 City agrees to support requests by District to annex territory within District's SOI, when such territory is also part of an annexation to City within Train Station Specific Plan area.
- 2.3 District agrees to support requests by City to annex territory within the Train Station Specific Plan area.
- 2.4 City and District may amend this Agreement only by their written, mutual consent.
- 2.5 City financial contribution to District due to annexation of territory within the Train Station Specific Plan Area shall be limited to that described in Agreement. City shall have right to terminate this Agreement upon written notice to District if LAFCO imposes conditions of approval which increase the amount of financial obligation of the City to District with respect to land dedication, financial compensation, or which decreases the City's share of property tax from that described in the existing Master Tax Transfer Agreement between the City and Solano County.
- 2.6 If Cemetery District receives a share of the ad valorem property tax in the future for parcels within the Train Station Specific Plan area, City's financial contribution to District, as described in Section 4.0 shall be reduced by an equal amount.
- 2.7 The provisions of Section 3.0 shall be in effect only after the Canon Station Annexation area has been annexed to both City and District.
- 2.8 The provisions of Section 4.0 shall be in effect for each parcel within the Train Station Specific Plan Annexation area, which parcel has been annexed to both City and District.

3.0 CEMETERY SITE

- 3.1 City hereby makes a continuing offer of dedication of land ("Cemetery Site") to District for cemetery purposes as follows:
 1. The Cemetery Site shall be located on "Kelley Property" in the general location shown on Exhibit D.
 2. City shall convey the Cemetery Site to District at no cost.

3. The Cemetery Site shall be a minimum of 25 acres and a maximum of 35 acres. The exact size and configuration of the Cemetery Site shall be determined through mutual agreement between City and District.
 4. District shall have 30 years from the Effective Date of this Agreement to accept the offer of dedication from City; District shall have no obligation to accept offer of dedication from City.
 5. If District wishes to accept to the offer of dedication, it shall provide written notice to City; City shall have 180 days from receipt of notice to prepare deed and legal description and to accomplish ownership transfer.
 6. In the event this Agreement is terminated in accordance with section 2.5 above, this offer of dedication shall also terminate.
- 3.2 Cemetery Site shall be transferred to District by City in an "as is" condition; the City makes no representations as to suitability of the site for cemetery purposes.
- 3.3 City shall have the right to convey the Cemetery Site with the following deed restrictions which will include the following:
1. Development other than cemetery-related shall be prohibited.
 2. Restrictions on the size, height and location of cemetery buildings, provided those restrictions do not unreasonably preclude District from developing Cemetery Site for its intended purposes.
- 3.4 Vehicular access to Cemetery Site shall be as follows:
1. City will allow District to have vehicular access to Cemetery Site, from the Great Park North Driveway;
 2. In addition to the access described in subsection 1 above, District shall have also have the right to one driveway from Vanden Road with right in/right out access; and
 3. The two access points, as described above, to Cemetery Site shall be proposed by District and shall be subject to City approval with respect to safety factors and traffic flow.
- 3.5 District will be responsible for all costs associated with development of the Cemetery Site for cemetery purposes, including:

1. Obtaining all necessary permits and approvals as required by law;
 2. Construction of all on-site improvements, and
 3. Construction of all off-site improvements, including but not limited to the extension of water (potable and non-potable), sewer and electrical to the Cemetery Site.
- 3.6 City shall allow District to connect to water, sewer and electrical systems that City constructs within the Great Park.
- 3.7 District shall pay all applicable connection charges for water and sewer in effect at the time of connection and shall pay all applicable monthly charges for usage.

4.0 CITY CONTRIBUTION TO DISTRICT OPERATING AND MAINTENANCE COSTS DUE TO TRAIN STATION SPECIFIC PLAN ANNEXATIONS

- 4.1 City agrees to provide funding to District on an annual basis through funds it receives from one or more CFDs established within the Train Station Specific Plan Annexation area in accordance with Section 4.3 below. District acknowledges it will receive this funding in lieu of a share of the ad valorem property tax, and that funding is subject to reduction in accordance with Section 2.6 above if District should receive a share of the ad valorem property tax.
- 4.2 City agrees to establish one or more CFDs within the area of the Train Station Specific Plan Annexations with the following parameters:
1. All parcels designated for residential development by the Train Station Specific Plan which are annexed to both City and District will be included in a CFD.
 2. Each CFD will make a contribution toward the cost of city services, such as public safety and park maintenance and shall also make a contribution toward the cost to operate and maintain District cemeteries which will serve future residents within each CFD.
 3. The tax rate for cemetery operation and maintenance shall be \$22/single family home/year and \$17/multifamily unit/year, in 2012 dollars.
 4. The tax rate will be adjusted annually based on a CPI index.

5. The CFD tax for a parcel within its boundaries shall commence upon the City's issuance of a Certificate of Occupancy for new residential development on that parcel.
- 4.3 City shall pass through to District the amount of revenue it receives from the CFDs within the Train Station Specific Plan Annexations from that portion of tax described in Section 4.2.3 above. By way of example only, in the year City has issued a cumulative total of Certificates of Occupancy for 500 single family homes and 100 multifamily units in the Canon Station Annexation, then City would pass through to District \$12,700 ($500 \times \$22 = \$11,000$; $100 \times \$17 = \$1,700$; $\$11,000 + \$1,700 = \$12,700$). The payment shall be made by the City no later than September 30th of each year, for the preceding tax year.

5.0 MISCELLANEOUS TERMS AND PROVISIONS

- 5.1 If any provision of this Agreement is adjudged invalid, the remaining provisions of it shall not be affected.
- 5.2 This writing contains a full, final and exclusive statement of the agreement of the parties as to matters addressed herein.
- 5.3 If any party to this Agreement resorts to a legal action to enforce any provision of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to any other relief to which it may be entitled in law or equity.
- 5.4 No party shall assign its performance of this Agreement without prior written consent of the other parties.
- 5.5 The laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement.
- 5.6 Time is of the essence of all of the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth above.

CITY:

CITY OF FAIRFIELD

By: _____
Name: _____
Title: _____

DISTRICT:

SOLANO CEMETERY DISTRICT

By: Doris M. Goodrich
Name: Doris M Goodrich
Title: General Manager

TRAIN STATION SPECIFIC PLAN AREA

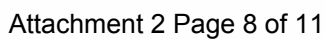
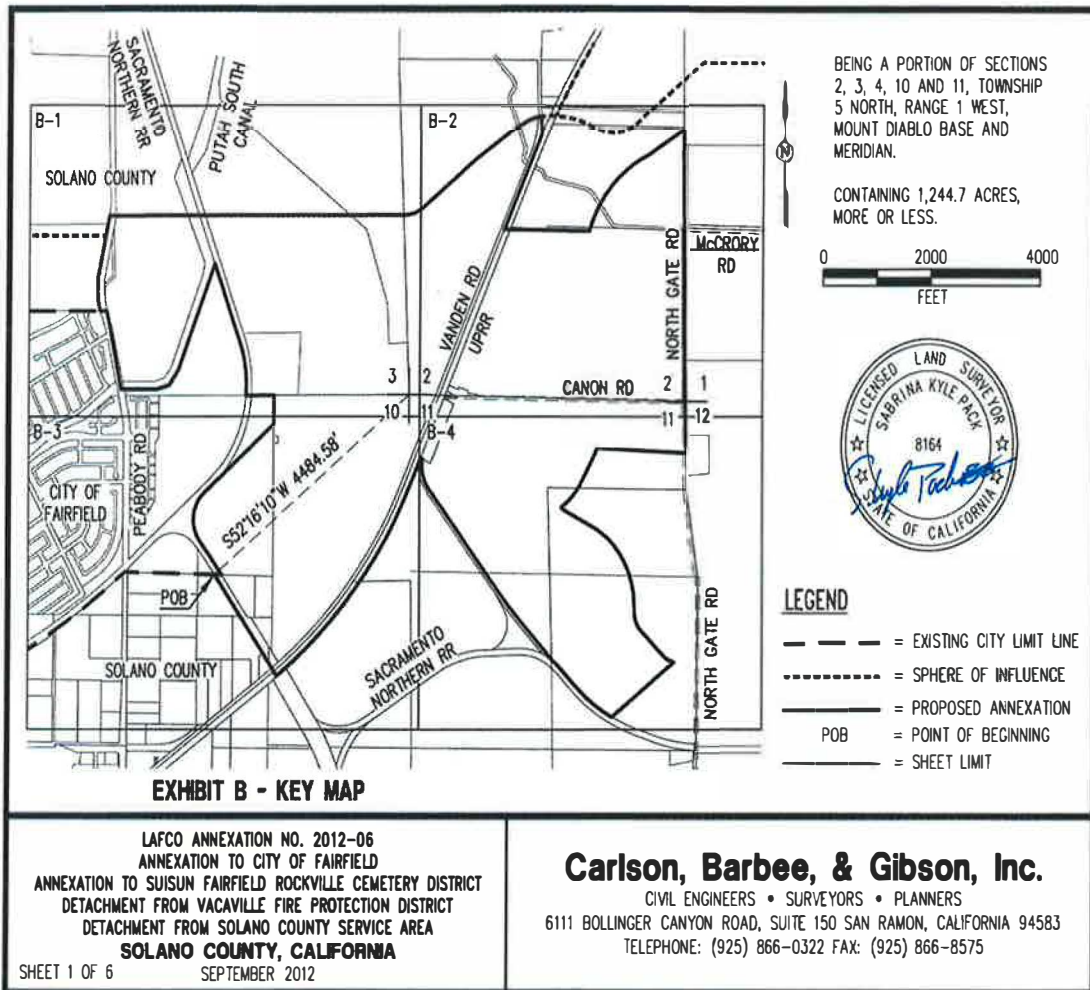


EXHIBIT B **CANON STATION ANNEXATION**



JOB NO. 1668-00

C:\1668\ACAD\SURVEY\ANNEXATION\13-ANNEX-CITY OF FAIRFIELD.DWG

EXHIBIT C

CORE AREA ANNEXATION

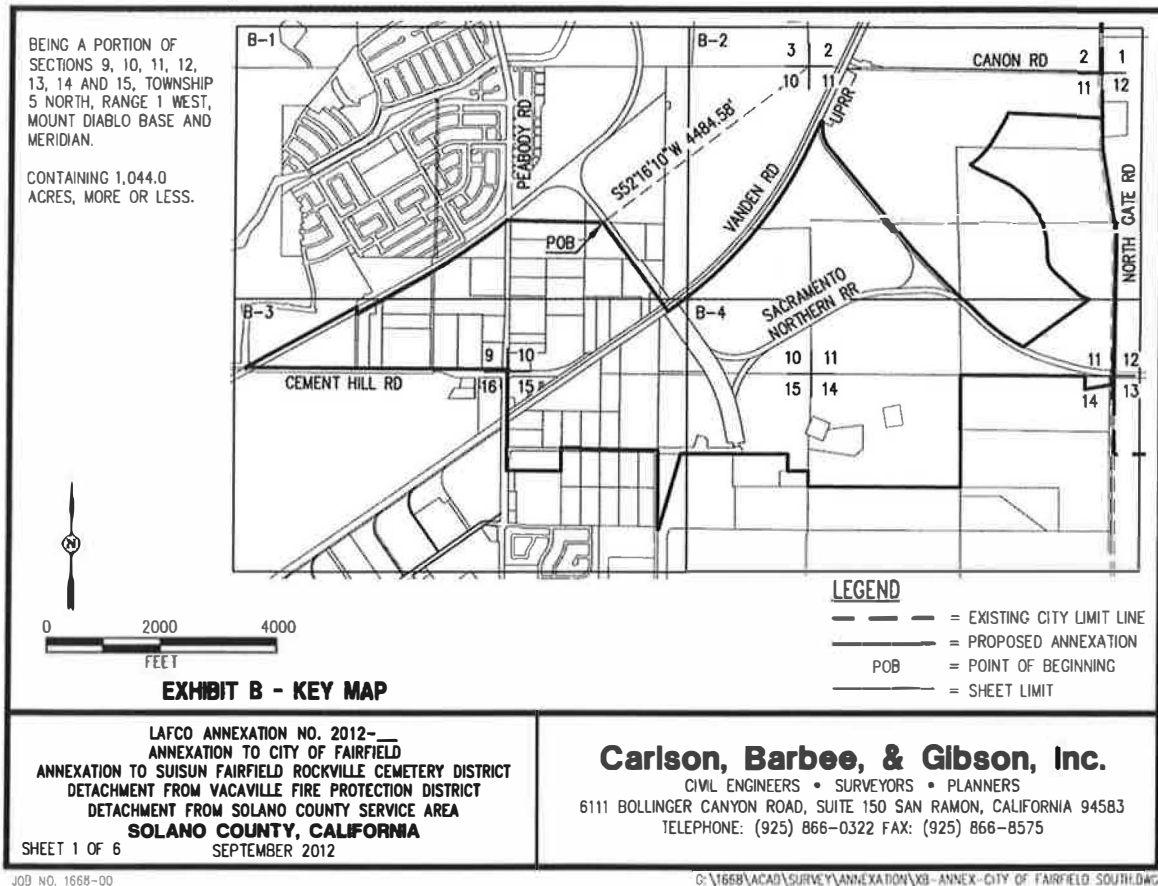
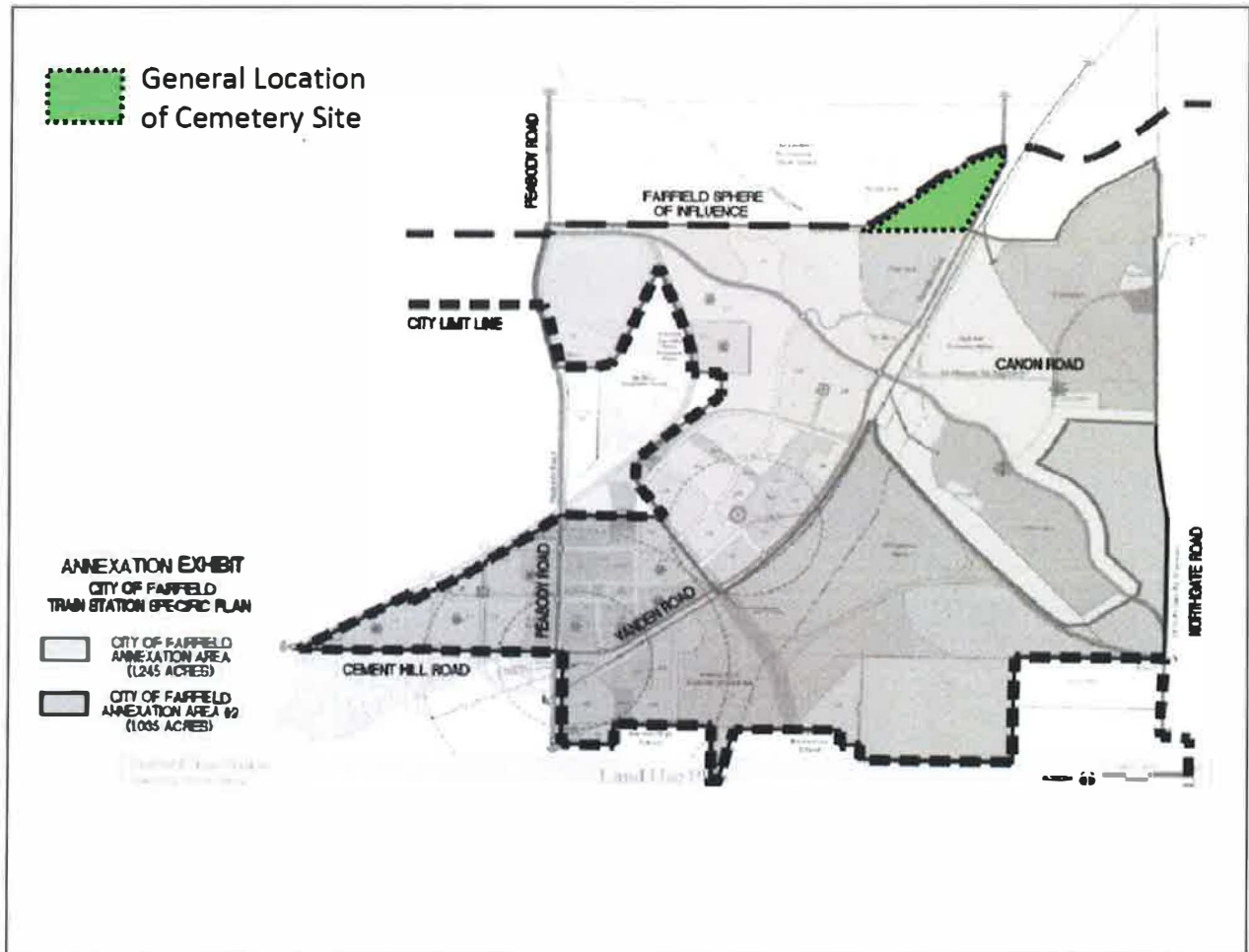


EXHIBIT D

CEMETERY SITE






AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Resolution 2019-136 of the City Council of the City of Fairfield Authorizing Approval of Expenditure for Software as a Service Agreement for Performance Review Software from Saba Software, formerly Halogen

RECOMMENDED ACTION

Adopt resolution.

STATEMENT OF ISSUE

The City is seeking Council approval to pay the current and final invoice for Saba Hallogen services because the cost has exceeded the City Manger's approval authority.

DISCUSSION

The City of Fairfield entered into an Agreement with Saba Software, formerly Halogen Software, for appraisal and performance review software used throughout the City in February 2013. At that time and until recently, the cost for annual service and maintenance has remained below the City Manager's authorization of \$25,000. The City's Human Resources Department intends to seek new vendors to provide these services in the future, but now wishes to pay the final year's maintenance and service invoice, which exceeds the currently adjusted maximum the City may expend without Council approval.

FINANCIAL IMPACT

The current Saba Software invoice, INV00035383 is for \$30,079.65. This provides software licenses, services and maintenance for the period 2/20/19 until 2/19/20. These funds are available in the IT Computer Fund, Account 522-99-221-8418.

CITY COUNCIL WORKPLAN

Community Safety

Financial and Operational

Sustainability

Community Infrastructure

Economic Development

Quality of Life

*Travis Air Force
Base*

City Council Goal this item supports:

Not Applicable

Project:

One-time item not recommended for including in the Workplan

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

NA

ALTERNATIVE ACTION

Council could choose not to approve the payment, which would put the City into a potential breach of contract position and deny the city access to the currently used merit and performance review software.

STAFF CONTACT

Shashikala Ganjam, Sr. Information Technology Analyst
(707) 428-7586
sganjam@fairfield.ca.gov

COORDINATED WITH

City Attorney's Office, Human Resources Department

ATTACHMENTS:**Proposed Resolution****Exhibit A: Saba Software Invoice INV00035383****REVIEWERS:**

Reviewer	Action	Date
Ganjam, Shashi	Approved	5/30/2019 - 1:05 PM
Puccinelli, Ron	Rejected	5/30/2019 - 10:37 AM
Bunch, Stephanie	Approved	5/30/2019 - 11:12 AM
Ganjam, Shashi	Approved	5/30/2019 - 2:21 PM
Puccinelli, Ron	Rejected	5/30/2019 - 2:48 PM
Bunch, Stephanie	Approved	5/30/2019 - 12:36 PM
Ganjam, Shashi	Approved	5/30/2019 - 5:01 PM
Puccinelli, Ron	Approved	6/3/2019 - 11:21 AM
Snideman, Laura	Approved	6/3/2019 - 2:55 PM
Dominguez, Yessika	Approved	6/4/2019 - 7:18 PM
Dominguez, Yessika	Approved	6/12/2019 - 5:01 PM

CITY OF FAIRFIELD
RESOLUTION NO. 2019-136

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD AUTHORIZING
APPROVAL OF EXPENDITURE FOR SOFTWARE AS A SERVICE AGREEMENT
FOR PERFORMANCE REVIEW SOFTWARE FROM
SABA SOFTWARE, FORMERLY HALOGEN**

WHEREAS, the City of Fairfield Human Resources (HR) department has used the Saba Halogen Performance Review Software since February 2013; and

WHEREAS, the HR department desires to continue to use the Saba Halogen Performance Review Software for this final year; and

WHEREAS, the cost of the software has increased, requiring City Council approval.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY
RESOLVES:**

Section 1. The City Council hereby authorizes the City Manager to execute the payment of Saba Software Invoice # INV00035383 as described in the form attached hereto (Exhibit A) and do all other things deemed necessary or useful in implementing this Resolution.

Section 2. The City Council hereby approves the expenditure of funds not to exceed \$30,080.00 for Saba Halogen performance software services from February 20, 2019-February 19, 2020 from the Information Technology Computer System fund, account 522-99-221-8418.

PASSED AND ADOPTED this 18th day of June 2019, by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:

CITY CLERK



Formerly Halogen Software Inc.

Saba Software (Canada) Inc.495 March Road, Suite 100
Ottawa, ON K2K 3G1
CAN**Invoice****Bill To**Valentia Morgan
City of Fairfield
1000 Webster St
Fairfield, CA 94533
USA**Ship To**Valentia Morgan
City of Fairfield
1000 Webster St
Fairfield, CA 94533
USA

Invoice Number
INV00035383
Invoice Date
Feb-1-2019
Customer Number
3478
Customer Reference
Due Date
Feb-20-2019
Page
1

Products/Services Purchased	Quantity	Price
Annual Professional Services Maintenance Start: Feb-20-2019 End: Feb-19-2020 APS – Performance – Level I		1,620.04
Annual Subscription Fees Maintenance Start: Feb-20-2019 End: Feb-19-2020 Performance Public Sector	520 Seats	28,459.61

Saba (Canada) Contact Information**Telephone**

613-270-1011

Email

AccountsReivable@saba.com

Subtotal	30,079.65
Sales tax	0.00
Payments/Credits Received	0.00
Balance Due	30,079.65 USD


Payment Information is included on the last page of this invoice.



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Resolution 2019-137 of the City Council of the City of Fairfield Approving a Five-Year Contract with George Hills Company, Inc.

RECOMMENDED ACTION

Adopt resolution.

STATEMENT OF ISSUE

The City has utilized George Hills Company, Inc (GH) as its Third Party Administrator (TPA) for General Liability Claims since 1998. The current contract expires June 30, 2019 and the attached renewal is for a five-year flat rate term.

DISCUSSION

GH has been the City's liability TPA for over 21 years. Before filling the City's vacant Risk Manager Position in November 2018, GH investigated and administered all liability claims. GH also assisted the City in the defense or settlement of all claims and worked closely with the City Attorney's Office as well as our excess insurance carriers to ensure claims were handled according to industry standard. The City continues to experience quality service from GH and is seeking to renew the contract for a five-year period with a reduction in services and cost.

Since hiring a Liability Risk Manager who now handles liability claims, investigations and litigation management, the scope of services needed from GH has been reduced to the following:

1) **Claim Database.** All claim information including financials are hosted by Insurity. GH contracts with Insurity for their proprietary claim system known as SIMS. The City requested an estimate from Insurity to purchase its own SIMS license and received a quote of \$150,000 license fee; \$100,000 for the data conversion and \$100,000 annual subscription. In other words, \$250,000 for the first year and \$100,000 each year thereafter.

2) **Claim Payments.** All claim payments including legal defense invoices are paid from the trust account managed by GH and through SIMS. This system is highly efficient and provides additional payment oversight and safeguards.

3) **Medicare Reporting.** In 2007, governmental agencies were required to report all payments made to Medicare eligible recipients. Failure to perform this could result in a penalty assessment of \$1,000/day. The reporting is conducted by Exam Works through SIMS.

4) **Redundancy/Backup/Support.** GH is on call 24/7 to assist with after-hour claim investigations as needed.

5) **Reports.** Reports that include an active loss run are automatically sent each month. These reports are required to be sent to the City's actuary and auditors upon request.

The City favorably negotiated a 50 percent reduction bringing the cost down to \$50,000 for the first year and each year thereafter with no inflation during the five-year contract. According to the contract, the City may cancel, without cause, at any time during the five-year contract with a 90-day notification to GH.

FINANCIAL IMPACT

The cost for this five-year contract is \$250,000. Funds are budgeted in the Finance Division General Liability Fund (Fund 541, Division and Responsibility Code 15001).

CITY COUNCIL WORKPLAN

Community Safety

Community Infrastructure

Quality of Life

Financial and Operational

Economic Development

*Travis Air Force
Base*

Sustainability

City Council Goal this item supports:

Financial and Operational Sustainability

Project:

#2A.24, Insurance/Liability

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

N/A

ALTERNATIVE ACTION

City Council could decide not to approve the agreement. This is not recommended as the City does not currently have direct access to a claim database, necessary audit reports, or ability to perform 24/7 assistance for after-hour claim investigations.

STAFF CONTACT

Christian Carmona, Risk Manager
707-399-5623
ccarmona@fairfield.ca.gov

Erika Milton, Risk Technician
707-428-7500
emilton@fairfield.ca.gov

COORDINATED WITH

N/A

ATTACHMENTS:

**Proposed Resolution
Proposed Contract Services Agreement**

REVIEWERS:

Reviewer	Action	Date
Burleson, Michele	Approved	5/31/2019 - 4:18 PM
Burleson, Michele	Rejected	5/31/2019 - 4:19 PM
Milton, Erika	Approved	5/31/2019 - 1:21 PM
Combs, Emily	Rejected	5/31/2019 - 4:30 PM
Combs, Emily	Approved	5/31/2019 - 1:32 PM
Combs, Emily	Rejected	5/31/2019 - 4:35 PM
Burleson, Michele	Approved	5/31/2019 - 1:38 PM
Burleson, Michele	Rejected	5/31/2019 - 4:40 PM
Combs, Emily	Approved	5/31/2019 - 1:40 PM
Combs, Emily	Approved	5/31/2019 - 4:42 PM
Burleson, Michele	Approved	5/31/2019 - 5:23 PM
Burleson, Michele	Approved	6/3/2019 - 11:39 AM
Dominguez, Yessika	Approved	6/4/2019 - 7:12 PM
Dominguez, Yessika	Approved	6/12/2019 - 5:02 PM

CITY OF FAIRFIELD
RESOLUTION NO. 2019-137

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD APPROVING A
FIVE-YEAR CONTRACT WITH GEORGE HILLS COMPANY, INC.**

WHEREAS, the City wishes to enter into a consultant services agreement to provide administration of the City's liability claims; and

WHEREAS, the consultant chosen by the City to provide these services is George Hills Company, Inc. who specializes in providing these services to government agencies; and

WHEREAS, both the City and George Hills Company, Inc. wish to enter into a five-year contract.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY
RESOLVES:**

Section 1. The agreement between the City and George Hills Company, Inc. is entered into for a period of five years, expiring on June 30, 2024.

Section 2. Compensation for this contract is set at a maximum of \$250,000.

Section 3. The city manager is authorized to execute all necessary agreements with George Hills Company, Inc., and take other action as necessary and proper to implement this resolution.

PASSED AND ADOPTED this 18th day of June, 2019, by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:

CITY CLERK

CONTRACTOR SERVICES AGREEMENT

THIS AGREEMENT is made at Fairfield, California, as of July 1, 2019, by and between the City of Fairfield, a municipal corporation (the "CITY") and George Hills Company, Inc., ("CONTRACTOR"), who agree as follows:

1) SERVICES. Subject to the terms and conditions set forth in this Agreement, CONTRACTOR shall provide to the CITY the services described in Exhibit "A," which consists of the proposal submitted by CONTRACTOR. CONTRACTOR shall provide said services at the time, place, and in the manner specified in Exhibit "A."

2) PAYMENT. CITY shall pay CONTRACTOR for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit "B." The payments specified in Exhibit "B" shall be the only payments to be made to CONTRACTOR for services rendered pursuant to this Agreement. CONTRACTOR shall submit all billings for said services to the CITY in the manner specified in Exhibit "B."

3) FACILITIES AND EQUIPMENT. CONTRACTOR shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.

4) GENERAL PROVISIONS. The general provisions set forth in Exhibit "C" are part of this Agreement. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, the provisions set forth in Exhibit "C" shall control.

5) INSURANCE REQUIREMENTS. The insurance requirements set forth in Exhibit "D" are part of this Agreement. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, the requirements set forth in Exhibit "D" shall control.

6) EXHIBITS. All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

7) TERM. This agreement shall be in effect through July 1, 2019 to and including June 30, 2024.

EXECUTED as of the day first above-stated.

City of Fairfield, a municipal corporation

By: _____
SEAN P. QUINN, Interim City Manager

CONTRACTOR

By: _____
JOHN CHAQUICA, CEO

EXHIBIT "A"

SCOPE OF SERVICE

I. GENERAL

CITY is desirous of availing itself of liability claims adjusting and administration services as needed. The CONTRACTOR is a Third-Party Claims Administrator handling self-insured claims and is ready to and capable of performing such services. As such, the CONTRACTOR, at the direction of the CITY, may act as a representative of the CITY when directed for the investigation, adjustment, processing, and evaluation of general liability, motor vehicle, and potential money damage claims or incidents filed by third parties against the CITY, or against parties for whom the CONTRACTOR is alleged to be legally responsible, which are premised upon allegations of willful, intentional, negligent, or careless acts and/or omissions ("CLAIMS").

II. SCOPE OF SERVICES

CONTRACTOR agrees to provide complete claim handling services on each accident or incident, as directed by the CITY. Each CLAIM will be subject to the CONTRACTORS Client Expressed Scope of Work Standards and Instructions form in practice at that time. The CITY shall determine the scope of services to be provided by the CONTRACTOR by signing the Client Expressed Scope of Work Standards and Instructions for each contract. The Client Expressed Scope of Work Standards and Instructions form shall be the controlling document for the scope of claims adjusting services to be provided by the CONTRACTOR for the CITY. Services to be provided by CONTRACTOR on behalf of the CITY for a CLAIM may include all or some of the following:

A. INVESTIGATIVE SERVICES

- 1) Receipt and examination of all reports of accidents or incidents that are or may be the subject of claims.
- 2) Investigate accidents or incidents as warranted, to include on-site investigation, photographs, witness interviews, determination of losses and other such investigative services necessary to determine all CITY losses but not to include extraordinary investigative services outside the expertise of CONTRACTOR.
- 3) In the event CITY or other agency conducts any investigation, CONTRACTOR shall review for completeness.
- 4) Maintain service on a 24-hour, 7 days per week basis, to receive reports of any incident or accident which may be the subject of a liability claim and provide immediate investigative services to the extent necessary to provide a complete investigation.
- 5) Undertake items of investigation requiring special handling for CITY at the direction of the CITY's Attorney or authorized representative.

B. LIABILITY CLAIM HANDLING SERVICES

- 1) Promptly set up a claim file upon receipt of the claim and maintain a claim file on each potential or actual claim reported.

- 2) Assess and evaluate the nature and extent of each claim and establish claims reserves for indemnity and legal expense.
- 3) CONTRACTOR will follow any CITY policy regarding rejection instructions, individual to send the rejection and if a denial letter should be sent simultaneously.
- 4) Ensure timely claim handling, including contact and follow-up with claimants regarding claim issues and processing.
- 5) Any bodily injury claim that is being pursued shall be indexed. Notice only matters or precautionary bodily injury claims that are not pursued do not need to be indexed.
- 6) Determine the need for defense representation, recommend legal counsel, and manage litigation activity.
- 7) Report claims to the excess insurer in compliance with excess carrier's reporting requirements and coordinate with the excess insurer on a claim's progress in accordance with the excess insurer's reporting requirements.
- 8) Maintain records on any such claim and notify CITY when CITY is about to exhaust the Self-Insured Retention.
- 9) Obtain settlement contracts and releases upon settlement of claims or potential claims not in litigation.
- 10) Perform periodic quality control reviews of CITY and excess insurance (if applicable) statutory requirements to ensure compliance.
- 11) Perform the necessary data gathering for the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) and the Set Aside Contracts in compliance with Section 111 of the MMSEA including the required reporting. (*See Attachment B*)
- 12) To the extent there is privileged information shared between agencies, which is subject to protection under the HIPAA/PHI Act, CONTRACTOR shall implement all necessary measures in compliance with the Act, via a Business Associates Agreement (BAA) to be issued by the CITY.
- 13) CONTRACTOR shall notify CITY via electronic mail at such time a file has been closed.

C. LEGAL SUPPORT SERVICES

- 1) Upon notification by the CITY that litigation has been filed on an open claim, CONTRACTOR shall follow the litigation referral process as outlined in the Client Expressed Scope of Work Instructions form.
- 2) Obtain and maintain a Litigation Plan and Budget.
- 3) Review legal bills for compliance with Litigation Plan and reasonableness.
- 4) Cooperate with and assist any defense counsel assigned to litigation of open claims and provide such investigative services as directed during pre-trial and trial stages.

- 5) Assist in responding to discovery or preparing discovery.
- 6) At the request of the CITY, attend mandatory settlement conferences on behalf of CITY.
- 7) Appear on behalf of CITY in small claims actions filed against CITY on open claims handled by CONTRACTOR.
- 8) Review, evaluate and adjust defense counsel invoices for services.
- 9) Regularly discuss, review, and direct investigation issues, discovery, and case strategy with counsel.
- 10) Review and evaluate case evaluations, correspondence and status reports forwarded to CONTRACTOR by counsel.
- 11) Cooperate with counsel as a team with an open communication approach on each case to obtain the most economical and best result for the CITY.

D. REPORTS AND PROCEDURES:

- 1) Within thirty (30) days of assignment, or sooner if practicable, required, or requested, CONTRACTOR will provide CITY with a full factual report pursuant to specified claims handling instructions, showing name(s) of claimant(s), type of claim, date of loss, comments on liability, reserve recommendations, settlement recommendations, and other pertinent information. Subsequent to the initial thirty (30) day report, the CONTRACTOR will report as often as warranted by any important change in status but no longer than every (90) days until the claim closes unless extended diary is appropriate.
- 2) All original reports, documents, and claim data of every kind or description, that are prepared in whole or in part by or for the CONTRACTOR in connection with this contract shall be CITY's property and constitute the CONTRACTOR's work product for which compensation is paid. A copy of all reports, documents, and claim data of every kind or description that is in whole or in part by or for the CITY is the property of the CONTRACTOR. Additional copies of original reports, documents, and data requested by the CITY will be at the CITY's expense in accordance with this contract.
- 3) CONTRACTOR agrees that CITY have access and the right to audit and reproduce any of the CONTRACTOR's relevant records to ensure that the CITY is receiving all services to which the CITY is entitled under this Contract or for any purpose relating to the Contract.
- 4) CITY shall provide CONTRACTOR with written authorization allowing any other agency or person to obtain similar access to confidential information as noted in 3 above. Such authorization is inclusive of HIPAA Act or PHI privileged information.

E. DATA

- 1) Utilize its claims system—CXP (Claims Xpress).
- 2) Record all claim information including all financial data.

- 3) Provide CITY and broker Read only on-line access to the claims data system, if desired by CITY. (up to five users)
- 4) Provide monthly standard loss run and check register.
- 5) Provide annual claims data report upon request. Written authorization may be required for confidential information.
- 6) Provide assistance to CITY in developing customized reports when requested (may require additional charge).
- 7) Arrange for electronic file conversion for any open and closed claims at the direction of CITY.

F. CLAIM REVIEW MEETINGS

CONTRACTOR shall, on a mutually agreed periodic basis, meet with Client to review and discuss claims inventory and claims results of past period and delivery of services by CLAIM ADMINISTRATOR.

G. FINANCIAL ACCOUNTING

- 1) Establish and maintain a trust fund for the purpose of paying indemnity and expenses that may be due on the claims. The amount to be maintained in the trust fund shall be determined by the CITY.
- 2) Maintain a copy of all checks drawn by the CONTRACTOR to pay claims and claims related expenses.
- 3) Submit monthly check registers of all transactions made for the period.
- 4) Complete or update Attachment B "Preferred Method of Check Processing" for check processing options.
- 5) Approval process shall be documented in CONTRACTOR Client Expressed Scope of Work Standards and Instruction Form.
- 6) CONTRACTOR will provide monthly bank reconciliation reports to CITY for audit purposes.

H. SUBROGATION SERVICES

CONTRACTOR is a claim administrative firm experienced in the handling of subrogation claims and is ready and capable of performing such services. CITY may retain CONTRACTOR for Subrogation Services by signing a separate agreement, an example of which is attached hereto as Exhibit A. Such services are distinct from subrogating a loss from an additional insured from a claim filed by a third party. Our services are unique to a first party loss of the CITY caused by the intentional or negligent act of a third party. Such losses generally are for the recovery of damages, loss, and/or additional types of damages.

- Labor costs, fully loaded and including benefit costs, for district or other personnel responding to or in any manner providing services;
- Services or materials provided by outside vendors or contractors;

- Internal or external Vehicle or equipment use and/or rental;
- Materials and/or goods utilized for the repair/replacement of damaged property; and/or
- Additional fees that may be specific to the individual entity that are provided for within district ordinances or other governing document.

III. DENIAL, COMPROMISE OR SETTLEMENT OF CLAIMS

It is agreed that CITY has granted no authority to CONTRACTOR for the purpose of compromising, settling, and paying any claims against CITY being handled by CONTRACTOR. CONTRACTOR will issue payment for legal expenses as defined in the Client Expressed Scope of Work form. Prior approval to compromise or settle any claim, or pay any expense will be obtained from the designated claims officer or employee on matters exceeding the authority granted above.

IV. FILE RETENTION

CONTRACTOR shall electronically retain CITY's records consistent with CITY's retention policy or up to a maximum of seven (7) years whichever is shorter. CITY and CONTRACTOR may agree via a separate signed agreement to retain records for a longer period of time.

V. CONFIDENTIALITY

All data, documents, discussions, or other information developed or received by or for CONTRACTOR in PERFORMANCE of this contract are confidential and not to be disclosed to any person except as authorized by CITY or CITY's designee, or as required by law.

VI. CONFLICT OF INTEREST

In the event CONTRACTOR receives a claim from the CITY in which there arises a "conflict of interest," CONTRACTOR shall immediately notify CITY. CITY may then, at their expense choose to hire another well-qualified claims firm to handle that particular claim to a conclusion. CONTRACTOR covenants that it presently knows of no interest, direct or indirect, which would conflict in any manner with the performance of services required under this contract.

VII. CITY RESPONSIBILITY

CITY agrees to the following:

- 1) CITY shall cooperate with CONTRACTOR as reasonably necessary for CONTRACTOR to perform its services.
- 2) CITY agrees to provide direction to CONTRACTOR as requested regarding particular project requirements.
- 3) CITY shall identify a primary contact person(s) for an account as well as for billing and loss run submission. In addition, CITY shall be responsible for reporting all changes in the primary point of contact to CONTRACTOR.

- 4) CITY shall be responsible for reporting all Bodily Injury Claims in addition to all other items noted in Attachment B to this Agreement "Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA)"
- 5) CITY shall be responsible for updating CONTRACTOR on any changes to coverage/policy language; including limits, retentions/deductibles and coverage changes by April 30 of each year.
- 6) CITY shall obtain any necessary consent in the collection of any CITY data that is transmitted to a third party (ie. actuary or auditor). CITY shall provide CONTRACTOR with reasonable assurances that it has the necessary consent to transmit CITY data to a third party. CITY acknowledges that the claims data may contain confidential and/or protected health information. In the event CITY authorizes and directs CONTRACTOR to provide claims data to a third party, CITY will indemnify, defend and hold harmless CONTRACTOR from and against all claims, damages, losses and expenses, including court costs and reasonable attorneys' fees, arising out of or resulting from:(i) any action against CONTRACTOR that is based on any negligent act or omission of CITY or a third party in transmitting and/or disclosing the claims data; or (ii) the violation of any statute, ordinance, or regulation by CITY or a third party in transmitting and/or disclosing the claims data.

ADDENDUM A

MEDICARE, MEDICAID, AND SCHIP EXTENSION ACT OF 2007 (MMSEA)

This law requires liability insurers, self-insurers, no fault insurers and workers' compensation insurers to report certain information to The Centers for Medicare and Medicaid Services (CMS) concerning Medicare beneficiaries. The penalty for failure to comply is \$1,000 per day, per claimant.

George Hills Company, Inc. (CONTRACTOR) has contracted with ExamWorks for Mandatory Insurer Reporting (MIR) for the CITY. ExamWorks shall represent the CITY--and Responsible Reporting Entity (RRE) to this existing contract and this addendum, and will be the designated reporting agent. CONTRACTOR will be responsible for gathering and reporting accurate claims data required by MMSEA to ExamWorks in a timely manner. CONTRACTOR agrees to assume the responsibility for reporting data to ExamWorks to meet all reporting requirements in accordance with MMSEA, on behalf of the RRE; including assuming responsibility for any fines or penalties that are directly caused by CONTRACTOR's non-compliance. CONTRACTOR further agrees to indemnify and hold-harmless, RRE, and staff, for any penalties or fines resulting from CONTRACTOR's direct failure to timely and accurately provide the reporting data to ExamWorks. The above-mentioned obligations to indemnify and hold-harmless shall not be applicable to matters relating to delays caused by RRE or other third parties, or inaccurate data supplied to CONTRACTOR by RRE or other third parties.

By contract with CONTRACTOR, ExamWorks will indemnify and hold CONTRACTOR harmless from and against any claim, damage, fine, loss and expense, arising in connection with, or as a result of, any error, omission, or negligent performance of its obligations as reporting agent, which indemnity will include all reasonable costs of litigation and attorneys' fees incurred. Without in any way limiting the indemnity set forth in this Contract, all work performed by ExamWorks will be done in a professional manner.

CONTRACTOR shall perform the necessary data gathering for RRE and ExamWorks; as such CONTRACTOR shall include in our monthly invoicing the time incurred for such work at our contract hourly rate, or will be included in your monthly flat fee or claims adjusting.

ExamWorks will perform the MMSEA Mandatory Insurer Reporting function for CONTRACTOR, and its RREs, shall be charged as an Allocated Expense, as defined in Attachment C, subject to the following. RRE will designate ExamWorks, unless otherwise requested, as its exclusive vendor for all of RRE's "Qualified Referrals" (those claims determined to require Medicare Set Aside (MSA) or a Claim Settlement Allocation (CSA) and RRE will utilize other ExamWorks services related to Medicare Secondary Payer (MSP) compliance identified in their fee schedule.

ADDENDUM B

PREFERRED METHOD OF CHECK PROCESSING

1. Selection of Bank

a) ☒ Clients Choice

Name Bank of America

Address

Please provide signature cards, sample check, starting check number, name of contact person

b) ☐ GH uses CA Bank & Trust

2. Trust Balance Desired \$100,000

3. Account funding: GH will notify client when the balance falls below required balance

4A. Number of Signatures Required

a) ☐ One

b) ☐ Two on all checks

c) ☒ Two on checks in excess of \$5,000

4B If two signatures are required please specify:

a) ☐ Both GH

b) ☒ One GH, one City

GH signers: John Chaquica, CEO; Randy Rendig, President; Kimberly Santin, Finance Director

5. Accountability

a) Yes ☐ No ☒ Positive Pay

GH recommends positive pay to mitigate the potential for fraud.

b) Yes ☒ No ☐ Daily check registers

c) ☐ Statement to be balanced by client, or

d) ☒ Statement to be balanced by GH with copies to client

ADDENDUM C

TIME LINE FOR RECORD RETENTION

Claim Files with TPA	7 years after date closed CONTRACTOR shall scan and delete all files in accordance with the timeline stated in Attachment C
Claims Involving Minors	3 years from age 18 or 7 years whichever is longer from closure
Litigated Claims Files	5 years after litigation is concluded
Formal Notice of Liability Claim	Closed + 2 years unless litigated
General Correspondence	3 years
Incident Reports	Closed + 2 years unless litigated
Investigative Files and Tapes	7 years
Loss Runs	Current year-end report + 7 years

EXHIBIT “B”

PAYMENT

CITY agrees to pay CONTRACTOR for services described in Section II – Scope of Services.

Adjuster fees will be incurred only when necessarily required in the form of adjuster's fees as delineated in Section II, Scope of Services and will be invoiced as worked.

1) Adjuster fees will be as follows:

a. Annual Flat Fee: \$50,000.00*

The above compensation shall apply to services provided during the first year of this five-year contract. Compensation for services provided during subsequent years may be re-negotiated annually as a result of services or other factors unanticipated by either party. Such change, if any, shall be submitted to CITY by June 30th of each year, in writing.

b. Compensation: Is based on the Client Expressed Scope of Work Instructions form, completed and signed by CITY. In the event claims volume has deviated from information provided due to being incomplete, inaccurate, or claims being re-opened additional fees shall be discussed to reconcile with scope of services. *(Applicable to Flat Fee and Time and Expense with a Cap billing)*

c. Auto Expense: Standard IRS rate

d. Claims Processor: Should there be a need for a Claims Processor, the rate shall be \$75* per hour.

e. Allocated file expenses to be paid at cost.

f. Custom reporting beyond the above will be furnished upon request at an additional cost to be agreed upon by the CONTRACTOR and CITY.

g. Catastrophic: Should a catastrophic event occur resulting in 10 or more claimants or claims from a single occurrence, CITY shall be billed as follows:

☒ Time and Expense at a rate of \$95*.

2) Startup Fee: \$ N/A. There is a one-time startup fee to include, but not limited to, onboarding process and documentation, data entry, location code hierarchy setup, report template creation, new client setup – bank account, vendors, W-9, etc.

3) MMSEA Reporting Fee(s):

a. One-time CMS setup fee (paid to ExamWorks): N/A

- b. Annual Account Maintenance/Reporting Fee (paid to ExamWorks): \$250
- 4) Administration Fee: N/A and shall be for the following:
- a. Data access to claims data system.
 - b. Monthly listing of open claims by date of loss, department, location, and alpha by name showing expense categories, reserves and total incurred.
 - c. Monthly claim summary reports, within 15 days of month-end.
 - d. Provide loss run data required reports, and responding to/discussing with actuaries and auditors (claims and financials).
 - e. Provide annual reports to outside agencies.
 - f. Financial accounting if applicable.
 - g. Filing of regulatory reports such as 1099, W-9, etc.
- 5) Legal Services and Consultation (Optional):
- a. Litigation Management: \$ _N/A_ * p/hour
These services include the oversight of all assigned claims adjusters and monitoring and handling of “watch list” (highest exposure, most complex litigation). These services are also available on a claim by claim basis in support of the Lead Adjuster assigned due to the complexity of the claims.
 - b. Monitoring Counsel: \$ _N/A* p/hour
This case specific service includes evaluating coverage issues, monitoring claim and litigation strategy, analyzing liability and damage issues, participating in discussions regarding resolution by trial or settlement, and controlling costs.
 - c. Outside General and Special Counsel: \$ _N/A* p/hour
These services include confidential analysis and problem solving for managing risk and avoiding unnecessary litigation, and provides immediate access to legal advice This includes analyzing coverage issues, Public Records Act Requests, tort claim handling and strategy, conflicts of interest, oversight of outside litigation counsel and providing legal opinions on potential and active litigation.
 - d. Coverage Counsel: \$ _N/A* p/hour
These services include review and analysis of memorandums of coverage and excess/umbrella policies to address and offer advice and consultation regarding coverage issues.
 - e. Trial/Mediation/Board Meetings Attendance: \$ N/A* p/hour
These services include attending Board Meetings, trial, mediation, and other court hearing attendance including appearing before Courts of Appeal. Analysis and consultation provided before, during and after these

significant litigation events can reduce exposure and maximize opportunities for resolution.

f. Legal Training and Seminars:\$N/A* p/hour

These services include providing customized seminars and training upon request. Subject areas include memorandums of coverage, all aspects of risk management, claims handling and litigation, employment law and general liability claims. Courses are customized to address the client's specific needs.

NOTE: These services are traditionally Time and Expense, however an annual fee can be considered.

- 6) Conversion Fee: N/A -CONTRACTOR will charge for any services related to conversion storage, copying, scanning, shipping and disposal. This fee is intended to cover costs associated with data conversion, transition, and contract close out. The data conversion fee is dependent on many factors which will need to be discussed. ☒N/A
- 7) The above compensation shall apply to services provided during the term of this contract. Any changes in the terms of compensation shall be submitted to CITY by June 1st each year. Submission changes in the terms of compensation shall be in writing and subject to mutual agreement that shall be an amendment to this Agreement.
- 8) A General Administrative File shall be established and maintained to track effort related to services necessary to fulfill the contractual obligations not otherwise associated to a claim.
- 9) *CONTRACTOR Hourly Rate – The hourly rates identified in this Agreement are subject to an annual COLA of up to 3%.

VIII. PAYMENT SCHEDULE

CONTRACTOR will submit its invoices to CITY, and payment shall be made by CITY, within a reasonable period of time, not to exceed thirty (30) days from the date of the invoice.

EXHIBIT "C"

GENERAL PROVISIONS

1) INDEPENDENT CONTRACTOR. At all times during the term of this Agreement, CONTRACTOR shall be an independent contractor and shall not be an employee of CITY. CITY shall have the right to control CONTRACTOR only insofar as the results of CONTRACTOR's services rendered pursuant to this Agreement; however, CITY shall not have the right to control the means by which CONTRACTOR accomplishes services rendered pursuant to this Agreement.

2) LICENSES; PERMITS; ETC. CONTRACTOR represents and warrants to CITY that CONTRACTOR has all licenses, permits, qualifications, and approvals of whatsoever nature which are legally required for CONTRACTOR to practice CONTRACTOR's profession. CONTRACTOR represents and warrants to CITY that CONTRACTOR shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for CONTRACTOR to practice his profession.

3) TIME. CONTRACTOR shall devote such services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of CONTRACTOR's obligations pursuant to this Agreement. CONTRACTOR shall adhere to the Schedule of Activities as described in their Executive Summary.

4) CONTRACTOR NOT AN AGENT. Except as CITY may specify in writing, CONTRACTOR shall have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. CONTRACTOR shall have no authority, express or implied, pursuant to this Agreement, to bind CITY to any obligation whatsoever.

5) ASSIGNMENT PROHIBITED. No party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

6) PERSONNEL. CONTRACTOR shall assign only competent personnel to perform services pursuant to this Agreement. In the event that CITY, in its sole discretion, at anytime during the term of this Agreement, desires the removal of any person or persons assigned by CONTRACTOR to perform services pursuant to this Agreement, CONTRACTOR shall remove any such person immediately upon receiving notice from CITY of the desire of CITY for the removal of such person or persons.

7) STANDARD OF PERFORMANCE. CONTRACTOR shall perform all services required pursuant to this Agreement. Services shall be performed in the manner and according to the standards observed by a competent practitioner of the profession in which CONTRACTOR is engaged in the geographical area in which CONTRACTOR practices his profession. All products which CONTRACTOR delivers to CITY pursuant to this Agreement shall be prepared in a workmanlike manner, and conform to the standards of quality normally observed by a person practicing in CONTRACTOR's profession. CITY shall be the sole judge as to whether the product of the CONTRACTOR is satisfactory.

8) CANCELLATION OF AGREEMENT. This Agreement may be canceled at any time by the CITY at its discretion upon written notification to CONTRACTOR. CONTRACTOR is entitled to receive full payment for all services performed and all costs incurred up to and including the date of receipt of written notice to cease work on the project. CONTRACTOR shall be entitled to no further compensation for work performed after the date of receipt of written notice to cease work. All completed and incomplete products up to the date of receipt of written notice to cease work shall become the property of CITY.

9) PRODUCTS OF CONSULTING. All products of the CONTRACTOR provided under this Agreement shall be the property of the CITY.

10) INDEMNIFY AND HOLD HARMLESS.

a) If AGREEMENT is an agreement for design professional services subject to California Civil Code § 2782.8(a) and CONTRACTOR is a design professional, as defined in California Civil Code § 2782.8(c)(2), to the fullest extent allowed by law, CONTRACTOR shall hold harmless, defend and indemnify the CITY, its officers, agents, employees, and volunteers from and against all claims, damages, losses, and expenses including attorneys' fees arising out of, or pertaining to, or relating to the negligence, recklessness, or willful misconduct of the CONTRACTOR, except where caused by the active negligence, sole negligence, or willful misconduct of the CITY.

b) If AGREEMENT is not an agreement for design professional services subject to California Civil Code § 2782.8(a) or CONTRACTOR is not a design professional as defined in subsection (a) above, to the fullest extent allowed by law, CONTRACTOR shall indemnify, defend, and hold harmless the CITY, its officers, agents, employees and volunteers from all claims, suits, or actions of every name, kind and description, brought forth on account of injuries to or death of any person or damage to property arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by CONTRACTOR or any person directly or indirectly employed by or acting as agent for CONTRACTOR in the performance of this Agreement, including the concurrent or successive passive negligence of the CITY, its officers, agents, employees or volunteers.

It is understood that the duty of CONTRACTOR to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

Acceptance of insurance certificates and endorsements required under this Agreement does not relieve CONTRACTOR from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies are determined to be applicable to any such damages or claims for damages.

CONTRACTOR'S responsibility for such defense and indemnity shall survive termination or completion of this agreement for the full period of time allowed by law.

11)PROHIBITED INTERESTS. No employee of the CITY shall have any direct financial interest in this agreement. This agreement shall be voidable at the option of the CITY if this provision is violated.

12)LOCAL EMPLOYMENT POLICY. The CITY desires wherever possible, to hire qualified local residents to work on city projects. Local resident is defined as a person who resides in Solano County. The CITY encourages an active affirmative action program on the part of its contractors, CONTRACTORS, and developers. When local projects require, subcontractors, contractors, CONTRACTORS and developers will solicit proposals from qualified local firms where possible.

As a way of responding to the provisions of the Davis-Bacon Act and this program, contractor, CONTRACTORS, and developers will be asked, to provide no more frequently than monthly, a report which lists the employee's name, job class, hours worked, salary paid, city of residence, and ethnic origin.

13)CONTRACTOR NOT A PUBLIC OFFICIAL. CONTRACTOR is not a "public official" for purposes of Government Code §§ 87200 et seq. CONTRACTOR conducts research and arrives at his or her conclusions, advice, recommendation, or counsel independent of the control and direction of the CITY or any CITY official, other than normal contract monitoring. In addition, CONTRACTOR possesses no authority with respect to any CITY decision beyond these conclusions, advice, recommendation, or counsel.

14)EMPLOYMENT DEVELOPMENT DEPARTMENT REPORTING REQUIREMENTS. When the CITY executes an agreement for or makes payment to CONTRACTOR in the amount of \$600 (six hundred dollars) or more in any one calendar year, CONTRACTOR shall provide the following information to CITY to comply with Employment Development Department (EDD) reporting requirements:

a) Whether CONTRACTOR is doing business as a sole proprietorship, partnership, limited liability partnership, corporation, limited liability corporation, non-profit corporation or other form of organization.

b) If CONTRACTOR is doing business as a sole proprietorship, CONTRACTOR shall provide the full name, address and social security number or federal tax identification number of the sole proprietor.

c) If CONTRACTOR is doing business as other than a sole proprietorship, CONTRACTOR shall provide CONTRACTOR'S federal tax identification number.

EXHIBIT "D"

INSURANCE REQUIREMENTS

CONTRACTOR shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CONTRACTOR, its agents, representatives, or employees.

1) MINIMUM SCOPE AND LIMITS OF INSURANCE

a) Commercial General Liability coverage (occurrence Form CG 00 01) with minimum limits of \$1,000,000 per occurrence for bodily injury, personal injury, products and completed operations, and property damage. If Commercial General Liability or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

b) Automobile Liability coverage (Form CA 00 01 with Code 1 – any auto) with minimum limits of \$1,000,000 per accident for bodily injury and property damage.

c) Workers' Compensation insurance as required by the State of California and Employers' Liability insurance, each in the amount of \$1,000,000 per accident for bodily injury or disease.

2) INDUSTRY SPECIFIC COVERAGES

If checked below, the following insurance is also required.

- ☒ Professional Liability Insurance / Errors and Omissions Liability in the minimum amount of \$1,000,000 per occurrence.
- ☐ Pollution Liability Insurance in the minimum amount of \$1,000,000 per occurrence
- ☐ Garage Keepers Insurance in the minimum amount of \$1,000,000 per occurrence
- ☒ Fidelity / Crime / Dishonesty Bond in the minimum amount of \$500,000
- ☐ MCS-90 Endorsement to Business Automobile insurance for transportation of hazardous materials and pollutants
- ☐ Builder's Risk / Course of Construction Insurance in the minimum amount of \$_____.

3) INSURANCE PROVISIONS

a) DEDUCTIBLES AND SELF-INSURED RETENTIONS. Any deductibles or self-insured retentions must be declared to and approved by the CITY. At the option of the CITY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the CITY, its officers, officials, employees and volunteers; or the CONTRACTOR shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

b) The general and automobile liability policies (and if applicable, pollution liability, garage keepers liability and builder's risk policies) are to contain, or be endorsed to contain, the following provisions:

- i) The CITY, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of the CONTRACTOR; products and completed operations of the CONTRACTOR; premises owned, occupied or used by the CONTRACTOR; and automobiles owned, leased, hired or borrowed by the CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to the CITY, its officers, officials, employees or volunteers.
- ii) For any claims related to this project, the CONTRACTOR'S insurance coverage shall be primary insurance as respects the CITY, its officers, officials, employees and volunteers. Any insurance or self-insured maintained by the CITY, its officers, officials, employees or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it.
- iii) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the CITY, its officers, officials, employees or volunteers.
- iv) The CONTRACTOR'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- v) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the CITY.
- vi) The policy limits of coverage shall be made available to the full limits of the policy. The minimum limits stated above shall not serve to reduce the CONTRACTOR'S policy limits of coverage. Therefore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

c) ACCEPTABILITY OF INSURER. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the CITY.

d) VERIFICATION OF COVERAGE. CONTRACTOR shall furnish the CITY with original endorsements effecting coverage required by this Exhibit D. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the CITY or on forms equivalent to CG 20 10 11 85 subject to CITY approval. All insurance certificates and endorsements are to be received and approved by the CITY before work commences. At the request of the CITY, CONTRACTOR shall provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.


e) SUB-CONTRACTORS. CONTRACTOR shall require all subcontractors to procure and maintain insurance policies subject to the requirements of Exhibit D. Failure of CONTRACTOR to verify existence of sub-contractor's insurance shall not relieve CONTRACTOR from any claim arising from sub-contractors work on behalf of CONTRACTOR.



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Second Reading and Adoption of Ordinance No. 2019-05 of the City Council of the City of Fairfield Levying Special Taxes Within City of Fairfield Community Facilities District No. 2019-1 (One Lake)

RECOMMENDED ACTION

Adopt ordinance (first reading was approved May 21, 2019).

STATEMENT OF ISSUE

In anticipation of construction of the Fairfield/Vacaville Amtrak Station and transit-oriented development around the station, the City adopted on July 26, 2011, a Train Station Specific Plan (the "Specific Plan") (TSSP) for approximately 2,970 acres of land near the station; the Specific Plan was subsequently amended on August 21, 2012. A portion of the property within the Specific Plan (the "Property") is subject to an Amended and Restated Development Agreement, dated May 8, 2015 (as subsequently amended, the "Development Agreement") (DA), between the City and Canon Station LLC (the "Developer"). The Property is proposed for development as a 358.5-acre master planned residential community known as One Lake with 2,226 single-family detached and multi-family homes and 70,000 square feet of commercial development. The Developer estimates that One Lake will require more than \$162 million of offsite and onsite infrastructure improvements, and that approximately \$73 million of those improvements are eligible for financing under the Mello-Roos Act.

At the City Council meeting on March 19, 2019, the Council approved the necessary resolutions to initiate the process of forming the City of Fairfield Community Facilities District No. 2019-1 (One Lake CFD), Improvement Area No. 1 of the One Lake CFD and a future annexation area for the One Lake CFD.

On May 7, 2019, after holding public hearings, the City Council established the One Lake CFD, Improvement Area No. 1 and the Future Annexation Area, declared the necessity to incur indebtedness for Improvement Area No. 1 and conducted a landowner election.

On May 18, 2019, the City Council introduced an ordinance ordering the levy of special taxes within the One Lake CFD (including areas that annex into the One Lake CFD in the future).

DISCUSSION

The next legislative step is for the City Council to adopt the Ordinance levying special taxes within the One Lake CFD (including a future annexation area) and the second reading thereof. The ordinance shall take effect 30 days from the date of final passage.

After formation of the One Lake CFD, Improvement Area No. 1 and the Future Annexation Area, a special tax to finance public infrastructure (a "Facilities Special Tax") will be levied annually on taxable properties that are located within the boundaries of Improvement Area No. 1. This Special Tax will pay debt service on any bonds issued for the One Lake CFD and the City's costs of administering the One Lake CFD.

As future phases of the Project annex into the One Lake CFD, the Facilities Special Tax will be levied on those properties also. If properties annex into a new Improvement Area, the Special Tax will reflect the size, type and price of the proposed homes in the Improvement Area.

The Facilities Special Taxes will transition to a special tax (up to 25% of the Facilities Special Tax) levied to pay for public services (a "Services Special Tax"). This transition will occur independently for each Improvement Area, after the earlier of (i) 50 years (which is FY 2070-71 in the case of Improvement Area No. 1) and (ii) the date on which the City determines that all bonds issued for the Improvement Area have been paid and no other public infrastructure will be funded with the CFD.

Staff expects to return to the City Council for approval of the issuance of bonds and related documents in the third quarter of 2019.

FINANCIAL IMPACT

There is no General Fund or fiscal impact to the City. The City's costs of forming the One Lake CFD will be paid by the Developer under a Deposit and Reimbursement Agreement between the City and the Developer, and any bonds issued for the One Lake CFD will be payable only by special taxes levied in the One Lake CFD.

CITY COUNCIL WORKPLAN

Community Safety

Community Infrastructure

Quality of Life

*Financial and Operational
Sustainability*

Economic Development

*Travis Air Force
Base*

City Council Goal this item supports:

Community Infrastructure

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

N/A

ALTERNATIVE ACTION

The City could choose not to adopt the Ordinance, which could prevent the Project from moving forward and delay construction. However, pursuant to the Development Agreement, the City has agreed to cooperate with the Developer in forming an infrastructure CFD. In addition, not adopting the Ordinance would eliminate a perpetual source of funding for public services provided by the City to the Project.

STAFF CONTACT

Emily Combs, Director of Finance
707-428-7629
ecombs@fairfield.ca.gov

COORDINATED WITH

City Attorney's Office, Community Development Department, Public Works Department, Bond Counsel

ATTACHMENTS:**Proposed Ordinance****REVIEWERS:**

Reviewer	Action	Date
Combs, Emily	Approved	5/31/2019 - 7:38 PM
Burleson, Michele	Approved	6/3/2019 - 11:39 AM
Combs, Emily	Approved	6/3/2019 - 12:10 PM
Dominguez, Yessika	Approved	6/4/2019 - 7:45 PM
Dominguez, Yessika	Approved	6/12/2019 - 5:04 PM

CITY OF FAIRFIELD

ORDINANCE NO. 2019 - 05

ORDINANCE OF THE CITY COUNCIL LEVYING SPECIAL TAXES WITHIN CITY OF FAIRFIELD COMMUNITY FACILITIES DISTRICT NO. 2019-1 (ONE LAKE)

THE CITY COUNCIL OF THE CITY OF FAIRFIELD DOES ORDAIN AS FOLLOWS:

Pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, section 53311, *et. seq.*, of the California Government Code (the "Act"), on March 19, 2019, this City Council (the "City Council") of the City of Fairfield (the "City"), adopted its Resolution No. 2019-42 entitled "A Resolution of the City Council Declaring its Intention to Establish a Community Facilities District, One or More Improvement Areas and a Future Annexation Area" (the "Resolution of Intention to Establish") stating its intention to establish (i) "City of Fairfield Community Facilities District No. 2019-1 (One Lake)" (the "CFD"), (ii) "Improvement Area No. 1 of the City of Fairfield Community Facilities District No. 2019-1 (One Lake)" ("Improvement Area No. 1"), and (iii) "City of Fairfield Community Facilities District No. 2019-1 (One Lake) (Future Annexation Area)" (the "Future Annexation Area"), to finance the acquisition and construction of certain public facilities and to finance certain public services;

In the Resolution of Intention to Establish, this City Council determined that it may be necessary to designate additional improvement areas when territory in the Future Annexation Area annexes into the CFD (each, a "Future Improvement Area");

Notice was published as required by the Act relative to the intention of this City Council to form the CFD, Improvement Area No. 1 and the Future Annexation Area, to provide for certain public facilities and public services and to incur bonded indebtedness for Improvement Area No. 1;

This City Council has held noticed public hearings as required by the Act relative to (i) the determination to proceed with the formation of the CFD and Improvement Area No. 1 and the rate and method of apportionment of the special tax to be levied within Improvement Area No. 1 to finance a portion of the costs of the public facilities and public services and (ii) the issuance of bonded indebtedness and other debt for Improvement Area No. 1;

At said hearing all persons desiring to be heard on all matters pertaining to the formation of the CFD and Improvement Area No. 1 and the levy of said special taxes were heard, substantial evidence was presented and considered by this City Council and a full and fair hearing was held;

Subsequent to the hearing, this City Council adopted its Resolution No. 2019-90 entitled "A Resolution of the City Council Forming a Community Facilities District, an Improvement Area and a Future Annexation Area, and Providing for Future Improvement

Areas” (the “Resolution of Formation”), its Resolution No. 2019-91 entitled “A Resolution of the City Council Determining the Necessity to Incur Bonded Indebtedness” (the “Resolution of Necessity”) and its Resolution No. 2019-92 entitled “A Resolution of the City Council Calling a Special Landowner Election”, which resolutions defined the public facilities to be financed by the CFD (the “Facilities”) and the public services to be financed by the CFD (the “Services”), established the CFD, Improvement Area No. 1 and the Future Annexation Area, authorized the levy of a special tax within Improvement Area No. 1, determined the necessity to incur bonded indebtedness and other debt in Improvement Area No. 1 and called an election within Improvement Area No. 1 on the propositions of incurring indebtedness, levying a special tax, and establishing an appropriations limit within Improvement Area No. 1, respectively; and

On May 7, 2019 a special election was held within Improvement Area No. 1 at which the eligible landowner-electors approved such propositions by the two-thirds vote required by the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAIRFIELD, as follows:

Section 1. By the passage of this Ordinance this City Council hereby authorizes and levies special taxes within Improvement Area No. 1 and on any parcels in the Future Annexation Area that are annexed into Improvement Area No. 1 or a Future Improvement Area pursuant to the Act. With respect to Improvement Area No.1, the City shall levy the special taxes at the rate and in accordance with the formula (the “Improvement Area No. 1 Rate and Method”) set forth in the Resolution of Formation, which Resolution of Formation is by this reference incorporated herein. With respect to Future Improvement Areas, the City shall levy the special taxes at the rate and in accordance with the formula approved by the qualified electors in the Future Improvement Areas in the manner required by the Act (each, a “Future Rate and Method”; together with the Improvement Area No. 1 Rate and Method, the “Rate and Methods”). The special taxes are hereby levied commencing in fiscal year 2019-20 and in each fiscal year thereafter for the period provided in applicable Rate and Methods, as contemplated by the Resolution of Formation and the Resolution of Necessity, and all costs of administering the CFD.

Section 2. The Finance Director of the City is hereby authorized and directed each fiscal year to determine the specific special tax rate and amount to be levied for the next ensuing fiscal year for each parcel of real property within Improvement Area No. 1 and each Future Improvement Area, in the manner and as provided in the Resolution of Formation.

Section 3. Except as provided in the Rate and Methods, properties or entities of the State, federal or local governments shall be exempt from any levy of the special taxes. In no event shall the special taxes be levied on any parcel within Improvement Area No. 1 or a Future Improvement Area (including any parcels in the Future Annexation Area that are annexed into the CFD) in excess of the maximum tax specified in the Resolution of Formation.

Section 4. All of the collections of the special tax shall be used as provided for in the Act and in the Resolution of Formation including, but not limited to, the payment of principal and interest on bonds and other debt (as defined in the Act) issued by the City for Improvement Area No. 1 or a Future Improvement Area (the "Bonds"), the replenishment of the reserve fund for the Bonds, the payment of the costs of the Facilities and the Services, the payment of the costs of the City in administering the CFD, and the costs of collecting and administering the special tax.

Section 5. With respect to each Improvement Area, the special taxes shall be collected in the same manner as ordinary ad valorem taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that this City Council may provide for other appropriate methods of collection by resolutions of this City Council. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent special tax payments. The City Manager (or designee) of the City is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of Solano in order to effect proper billing and collection of the special tax, so that the special tax shall be included on the secured property tax roll of the County of Solano for fiscal year 2019-2020 and for each fiscal year thereafter until the Bonds are paid in full or such longer period of time provided in the Rate and Methods.

Section 6. If for any reason any portion of this Ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within an Improvement Area or a Future Improvement Area, by a court of competent jurisdiction, the balance of this Ordinance and the application of the special tax to the remaining parcels within Improvement Area No. 1 or a Future Improvement Area (including any parcels in the Future Annexation Area that are annexed into the CFD) shall not be affected.

Section 7. The Mayor shall sign this Ordinance and the City Clerk shall cause the same to be published within fifteen (15) days after its passage at least once in a newspaper of general circulation published and circulated in the City.

Section 8. This Ordinance shall take effect 30 days from the date of final passage.

INTRODUCED at a regular meeting of the City Council of the City of Fairfield on the 21st day of May 2019; and

PASSED AND ADOPTED this 18th day of June, 2019, by the following vote:

AYES: COUNCILMEMBERS: _____
NOES: COUNCILMEMBERS: _____
ABSENT: COUNCILMEMBERS: _____
ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:


CITY CLERK



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Resolution 2019-138 of the City Council of the City of Fairfield Authorizing the Execution of a Consultant Services Agreement with Melton Design Group to Prepare the Heart of Fairfield Gateways and Branding Program

RECOMMENDED ACTION

Adopt resolution.

STATEMENT OF ISSUE

In adopting the Heart of Fairfield Plan in May 2017, the City Council identified “Branding and Public Art” as a key implementation activity to support the vision of the Plan. The program will include recognition of the City’s important “gateways” in the Heart of Fairfield area as well as an enhanced wayfinding signage program to guide residents and visitors to major sites and community amenities.

DISCUSSION

The Heart of Fairfield Plan includes “Branding and Public Art” as a critical element in creating the kind of vibrant, attractive downtown envisioned in the Heart of Fairfield. The City has an opportunity to develop a comprehensive plan to enhance key gateways and develop a stronger brand through an effective gateway and directional signage program. Such a program will include landscaping, hardscape enhancement, public art, monumentation, and a directional/wayfinding sign program.

The City published the original Request for Proposals (RFP) on the City website in January 2019. The City also invited 24 firms with which staff was familiar through past work to submit proposals. Staff received six proposals from the following teams: Melton Design Group, Nuvis Landscape Architects, Gates and Associates, Callendar and Associates, and Schmidt Design Group. The staff team, which included Planning, Economic Development, Public Works, and Parks and Recreation, ultimately interviewed five firms.

After careful consideration of the proposals and the interview, staff is recommending the team led by Melton Design Group (“MDG”) be selected as the City’s consultant. MDG has substantial experience in the preparation of gateway and branding design projects in Northern California. Their work in El Dorado

Hills demonstrated MDG's ability to create a sense of place, executing a complete vision where all functional and design elements worked together. Their designs were memorable and reflected their ability to work with a community's unique identity. In the example of the Yuba City gateway, it specifically reflected that community by translating an image used by the City in a manner that was functional and visually interesting.

MDG has selected local engineers Creegan and D'Angelo as their partner on the project. Creegan and D'Angelo has substantial experience with the City of Fairfield on a variety of local and regional projects. Providing expertise in branding and wayfinding programs, GNU joins the team to provide their experience in attractive and effective signage programs.

FINANCIAL IMPACT

The proposed contract amount is for \$166,323, which includes a 10% "contingency" to cover unanticipated items. Funding for this project will be obtained from the AB1600 Urban Design Fund (Fund 252: Responsibility Code 99-511-9515)

CITY COUNCIL WORKPLAN

Community Safety

Community Infrastructure

Quality of Life

*Financial and Operational
Sustainability*

Economic Development

*Travis Air Force
Base*

City Council Goal this item supports:

Quality of Life

Priority Project:

#5B.1 Heart of Fairfield Plan

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

N/A

ALTERNATIVE ACTION

The Council could choose not to approve the proposed agreement, choose another vendor, or not proceed with the project.

STAFF CONTACT

Brian K. Miller, Associate Planner
707-428-7446
bkmillerr@fairfield.ca.gov

COORDINATED WITH

Finance Department, Parks and Recreation Department, Public Works Department

ATTACHMENTS:

Proposed Resolution

Proposed Consultant Services Agreement

CITY OF FAIRFIELD
RESOLUTION NO. 2019-138

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD AUTHORIZING
THE EXECUTION OF A CONSULTANT SERVICES AGREEMENT WITH MELTON
DESIGN GROUP TO PREPARE THE HEART OF FAIRFIELD GATEWAYS AND
BRANDING PROGRAM**

WHEREAS, in June 2017 the City Council approved the Heart of Fairfield Plan that proposed a new vision for Downtown Fairfield and the West Texas Street Corridor; and

WHEREAS, the Heart of Fairfield Plan includes development of new gateways and a branding study as key elements in accomplishing the vision in the Plan; and

WHEREAS, the City wishes to retain the services of Melton Design Group to assist the City in preparing a plan for improving the community gateways and branding for the Heart of Fairfield; and

WHEREAS, Melton Design Group was chosen after an extensive selection process which began with the distribution of a Notice of Availability of RFP to 24 firms and interested parties and publication on the City's website; and

WHEREAS, the Consultant Services Agreement allows for preparation of a Specific Plan for the Downtown South and West Texas Street; and

WHEREAS, the proposed Consultant Services Agreement contract amount is \$166,323; and

WHEREAS, the Consultant Services Agreement does not meet the definition of a project for the purposes of the California Environmental Quality Act as defined by Section 15378 of the CEQA Guidelines.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY
RESOLVES:**

Section 1. The City Council hereby approves and executes a Consultant Services Agreement by and between the City and Melton Design Group, substantially in the form and content attached hereto, subject to any minor clarifying and technical changes as may be approved by the City Attorney.

Section 2. The City Manager is authorized to do all things necessary to implement this resolution and execute this contract.

PASSED AND ADOPTED this 18th day of June, 2019, by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:

CITY CLERK

CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is made at Fairfield, California, as of _____, 20____, by and between the City of Fairfield, a municipal corporation (the "CITY") and MELTON DESIGN GROUP ("CONSULTANT"), who agree as follows:

1) SERVICES. Subject to the terms and conditions set forth in this Agreement, CONSULTANT shall provide to the CITY the services described in Exhibit "A," which consists of the proposal submitted by CONSULTANT. CONSULTANT shall provide said services at the time, place, and in the manner specified in Exhibit "A."

2) PAYMENT. CITY shall pay CONSULTANT for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit "B." The payments specified in Exhibit "B" shall be the only payments to be made to CONSULTANT for services rendered pursuant to this Agreement. CONSULTANT shall submit all billings for said services to the CITY in the manner specified in Exhibit "B."

3) FACILITIES AND EQUIPMENT. CONSULTANT shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.

4) GENERAL PROVISIONS. The general provisions set forth in Exhibit "C" are part of this Agreement. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, the provisions set forth in Exhibit "C" shall control.

5) INSURANCE REQUIREMENTS. The insurance requirements set forth in Exhibit "D" are part of this Agreement. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, the requirements set forth in Exhibit "D" shall control.

6) EXHIBITS. All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

7) TERM. This agreement shall be in effect through June 20, 2020; or until the scope of work is completed.

EXECUTED as of the day first above-stated.

City of Fairfield, a municipal corporation

By: _____

CONSULTANT

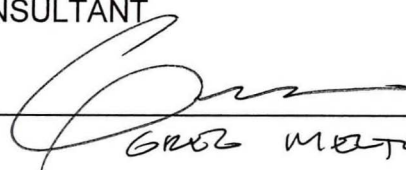
By:  _____
GREG MELTON

EXHIBIT “A”

SCOPE OF SERVICE

SCOPE OF WORK

The following is detailed outline of the services that will be provided to meet the needs outlined in the RFP. Although not outlined as a Task, Project Coordination with the City will occur throughout the design process regarding work products and presentations along with community workshops, design meeting and accounting. MDG will work within all City requirements and design guidelines.

TASK 1: INITIATE PROJECT

- 1.1 Kick off and Strategic Meeting – Meeting #1 - Meet with City to establish schedule, design criteria, outreach strategy and program.
 - a. Review project goals and objectives for all aspects of the site, landscape, infrastructure and potential improvements.
 - b. Coordinate the review and collection of existing project information and files.
 - c. Visit site to identify existing elements, their condition and proposed changes.
- 1.2 Base Map
 - a. Develop site base maps of sites from existing as-builts and aerial photographs and plans provided by City or by our civil engineer. These will include ROW and easements as needed to guide the design.
 - b. Coordinate with City staff to identify and confirm all utilities and locations.
 - c. Coordinate with City the condition of existing trees, landscape and hardscapes. Confirm elements to retain.
- 1.3 Develop strategy for Public Outreach
 - a. Meeting with City to develop strategy for outreach
 - b. Identify the approach (online, public meetings, surveys, special groups,
 - c. Set up schedule for outreach

DELIVERABLES: 1 meeting with Advisory Team

Prioritize specific development goals and objectives for this site
Develop initial project parameters and outreach strategy
Base Map files in AutoCAD format

TASK 2: SITE ANALYSIS, INVENTORY AND PRELIMINARY CONCEPTS

Review existing site elements and surrounding factors, assess them and give them a value or constraint. Document conditions and use the analysis as a guide for design and locating the final sites.

- 2.1 Site visits to review and perform both site analysis', collect data and confirm findings
 - a. Assess each site area and analyze site details (Meeting #2)
 - i. Viewshed analysis
 - ii. Existing hardscapes, vehicle and pedestrian traffic
 - iii. Identify surrounding uses and connections
 - iv. Wayfinding analysis and identify destinations
 - v. Vegetation, ROW and all utilities.
 - vi. Study existing topography, grading and site drainage.
 - vii. Traffic counts provided by City
 - b. Develop site analysis schematic that identifies all existing elements, opportunities and constraints.
 - i. Meet with Public Works staff to identify all current and possible issues with sites and future development opportunities and constraints
 - ii. Collect data regarding current traffic counts and or crash information
- 2.2 Photo Inventory



- a. Photograph existing conditions.
 - b. Document relationships of existing elements and surroundings to proposed sites.
- 2.3 Review all pertinent information from existing planning documents.
 - a. Development of planning document, to reflect circulation, operational flow & space usage, preliminary programming of a typical selection sign types and locations studies for major wayfinding
 - b. Existing traffic studies (from City) for surrounding developments that effect improvements and determine size and location of monuments.
 - c. Existing site geotechnical and cultural studies
 - d. General Plan, Heart of Fairfield Plan and other relative planning documents.
 - e. Meet with City to review preliminary programming, sizing and massing studies for wayfinding
- 2.4 Opportunities Plan and Initial branding imagery
 - a. Prepare conceptual bubble diagram identifying gateway and branding opportunities
 - b. Provide massing studies and images to entice and solicit involvement from community through public workshops.
 - c. Identify possible community recognition, identity and branding
 - d. Add text description and process addressing goals and final product.
 - e. Format document for ease of mail and flyer

DELIVERABLES: Site visits & analysis plan
 Photos library of site
 Opportunities Plan
 1 meeting with Advisory Team

TASK 3: SCHEMATIC DESIGNS DEVELOPMENT OPTIONS

Develop preliminary concepts for typical gateway and branding, individual concepts for primary gateways.

- 3.1 Develop Language for Concept and primary visioning of project theme and identify
 - a. Schematic Design Options for signage
 - b. Design options for landscape and or hardscapes in ROW
- 3.2 Client and Design Team to meet and review Draft Master Sign Program (Meeting #3)
- 3.3 Development of programming documents to include sample list and location plans of signage and landscape within the project
- 3.4 Development of sign design intent drawings to reflect materials, construction technique, sizes, colors and elevation placement drawings. Incorporate landscape improvements and design with photos of plant material, location and layout
- 3.5 Client and Design Team meeting to review Draft v2 Master Sign Program (Meeting #4)
- 3.6 Revisions to documentation based on meeting feedback and update and management of "open issues"
- 3.7 Progress submittal coordination with architect
- 3.8 Meet with City to review and approve Master Sign Program (Meeting #5)
- 3.9 Revisions to documentation based on meeting feedback and update "open issues"
- 3.10 Final Master Sign Program issued for review and select direction and options to show public

DELIVERABLES: Schematic Design Plans
 Color Renderings of Conceptual Plans as needed for ease of understanding



Material Cut Sheets / Draft Sketches and Perspectives of key areas
3 meetings with Advisory Team

TASK 4: INITIAL PUBLIC OUTREACH AND PUBLIC WORKSHOP #1

This goal of this task is to engage the community in an interactive process throughout the project and to gain valuable information regarding the needs for the region and the concept design.

- 4.1 Preparation for public workshop
 - a. Development of selected design concept into a comprehensive program
 - b. Preliminary budget pricing
 - c. Sample and color coordination and reviews
 - d. Draft Master Sign Program
 - e. Coordinate with City to develop a Co-Facilitation process that engages the community
- 4.2 PUBLIC WORKSHOP #1 – City to advertise and invite public to get involved. Target local businesses, service groups and general public. (meeting #6)
 - a. Present site analysis, opportunity plan and potential identity, sign location and design
 - b. Solicit public input, set up group discussions, survey and idea board.
 - c. Visit site for inspiration and observe constraints and opportunities
 - d. Small group interviews and input from all participants
- 4.3 Document public input and develop a program that will be a guide for design
- 4.4 Prioritize program elements and gain consensus among community

DELIVERABLES: Preparation for public meetings

Provide communication with Team

Public Workshop and related presentation material - large boards and PowerPoint

Co-facilitate with City

1 meeting with Public

TASK 5: PRELIMINARY COSTS ESTIMATES AND VALUE ENGINEERING

This task will provide preliminary project cost estimates to help guide City design decisions and direction.

- 5.1 Cost Estimate with options for materials, design and techniques
 - a. Site measurements to determine estimated cost of construction.
 - b. Coordinate with local contractors to determine “specific area costs”
 - c. Identify changes to enhance site and to save maintenance and operation costs.
 - d. Value engineering to review construction techniques and materials to improve cost savings.

DELIVERABLES: Preliminary Estimated Cost of Construction

TASK 6: DRAFT MASTER PLAN, BOOKLET AND COST UPDATES

The goal of this task is to fine tune the schematic plan options, elevations, photo's, rendering and sketches of the site and key areas along with renovation concepts and cost. Narrow review to a preferred option.

- 6.1 Revised schematic plans, digitize all schematics and integrate into preferred option.
 - a. Incorporate preliminary input from City Staff and community from public review
 - b. Incorporate project descriptions, public input and direction from City
 - c. Prepare color plan view rendering of preferred option with descriptive callouts and vignettes for key site elements. 3D rendering of concepts will be provided.
 - d. Provide cut sheets for site elements, structures, furniture and lighting along with photo



- examples of hardscape treatments and plant cultivars.
- e. Site Concept - indicate general grading and utility design concepts.
- f. Prepare schematic Booklet of Master Plan process and plan updates (11x17)
Project description / public input / site analysis / preliminary options / cut sheets / sketches / utilities / permit requirements.

6.2 Draft Cost Estimate

- a. Prepare revised cost estimate
- b. Identify changes to enhance site and develop opportunity to save maintenance and operation costs
- c. Develop fee estimate for construction drawings of phases

6.3 Draft Plan Review: Review with City staff and advisory group to identify any final design adjustments prior to City Council presentation. (Meeting #7)

- a. Coordinate plan changes from Staff members and make additional adjustments as needed.
- b. Review relationships between all elements, arrival, viewing and adjacent properties
- c. Analyze plan and details to confirm validity of options and comments

DELIVERABLES: Draft Preferred Master Plan
Draft Master Plan Booklet
Cost Estimate Update
1 meeting with Advisory Team

TASK 7: PUBLIC WORKSHOP #2

This task will introduce preliminary design options and obtain input from the community. MDG will Facilitate the concept presentation and the City will Co-Facilitate the response process and discussion.

7.1 Coordinate public engagement for Workshop #2 (meeting #8)

- a. City to advertise and provide refreshments
- b. MDG to provide flyer with meeting invite
- c. Work with City and Citizen Advisory Team to clearly identify direction of plans
- d. Prepare exhibits for meeting

7.2 Present revised design options with all support materials

- a. Present comments and input from community and staff from first public meeting.
- b. Identify changes to enhance site and to save maintenance and operation costs.
- c. Review value engineering options for construction techniques and materials to improve cost savings.

7.3 Conclude with consensus of direction and next steps. City and MDG will facilitate the process of discussion and interaction with community to solicit input and direct conversation to gain consensus.

- a. Additional concepts will be sketched at meeting to demonstrate adjustment to plan.
- b. MDG to conclude with discussion with review Team and create summary and punch list of changes and adjustments.

DELIVERABLES: Public Workshop #2

Large format presentation boards and PowerPoint
Summary of past and new Comments and Direction from community
1 meeting with Advisory Team



TASK 8: 60% DRAFT DOCUMENT REVIEW and COMMENT

This task has the design team taking Workshop #2 input, integrating into the document and to guide the design.

- 8.1 Integrate all information into design document of programming documents to include copy list and location plans.
- 8.2 Revisions to documentation based on meeting feedback and development and management of remaining "open issues" and input from advisory team.
- 8.3 Development of draft landscape and hardscape plans for costing purposes
- 8.4 Development of artwork and custom artwork for wayfinding, maps and information signs to provide information for costing and review.
- 8.5 Development of 60% documentation package for review and costing purposes

DELIVERABLES:

Draft copy of Master Plan for City staff review

TASK 9: FINAL MASTER PLAN -

This task will wrap up the draft master plan with a Final Preferred Master Plan and provide direction for implementing. Meeting with Advisory Staff for final direction and comment. (meeting #9)

- 9.1 Prepare Final Master Plans, booklet and cost estimate to City for input and approval
- 9.2 Final cost estimate - provide final estimated cost of construction
- 9.3 Prepare Final Document for Presentation and Approval by City Council

DELIVERABLES: Final Master Plan
Large format colored plot
Design Booklet
Digital Copy of Plans
1 meeting with Advisory Team / Council

PROJECT SCHEDULE - HEART OF FAIRFIELD

GATEWAYS AND BRANDING STUDY

Contract Executed and Returned to City	June 2019
Fairfield Council Action to Reward Contract	June 2019
Finalize Project Schedule and Work Plan	July 2019
Contract Work Commences	July 2019
Task 1: Initiate Project	
Task 2: Site Analysis, Inventory, and Preliminary Concepts	
Task 3: Schematic Designs Development Options	
Task 4: Initial Public Outreach and Public Workshop #1	July/ Aug 2019
Task 5: Preliminary Costs Estimates and Value Engineering	
Task 6: Draft Master Plan, Booklet and Cost Updates	
Task 7: Public Workshop #2	Sept / Oct 2019
Task 8: 60% Draft Document Review and Comment Planning Commission	January 2020
Task 9: Final Master Plan City Council	February 2020
Contract Work Concludes	March 2020



1930 G ST SACRAMENTO CA 95811 - 916.754.2153
820 BROADWAY ST CHICO CA 95928 - 530.899.1616
MELTONG.COM



MELTONDESIGNGROUP, INC

Cost Proposal
HEART OF FAIRFIELD - GATEWAYS DESIGN CONCEPTS & BRANDING STUDY
DOWNTOWN FAIRFIELD & WEST TEXAS STREET
MAY 31, 2019

		TOTAL HOURS	TOTAL FEE
1	INITIATE PROJECT	71	\$ 10,823
1.1	Kick off and Strategic Meeting - (Meeting #1) - Meet with City to establish schedule, design criteria, outreach strategy and program.		\$ 2,114
1.2	Base Map - Utilities - Easements		\$ 4,245
1.3	Develop strategy for Public Outreach.		\$ 4,464
2	SITE ANALYSIS, INVENTORY, STUDIES, AND PRELIMINARY CONCEPTS	207	\$ 29,121
2.1	Site visits to review and perform both site analysis', collect data and confirm findings (Meeting #2)		\$ 10,383
2.2	Photo Inventory		\$ 1,009
2.3	Review all pertinent information from existing planning documents.		\$ 5,443
2.4	Opportunities Plan and Initial branding imagery.		\$ 12,286
3	SCHEMATIC & DESIGN DEVELOPMENT (MASTER SIGN PROGRAM)	339	\$ 49,086
3.1	Develop Language for Concept and primary visioning of project theme and identity.		\$ 8,342
3.2	Client and Design team to meet and review Draft Master Sign Program (Meeting #3)		\$ 4,979
3.3	Development of programming documents to include sample list and location plans of signage and landscape within the project.		\$ 7,292
3.4	Development of sign design intent drawings to reflect materials, construction technique, sizes, colors and elevation placement drawings. Incorporate landscape improvements and design with photos of plant material, location and layout.		\$ 10,930
3.5	Client and Design Team meeting to review Draft v2 Master Sign Program (Meeting #4)		\$ 2,171
3.6	Revisions to documentation based on meeting feedback and update and management of "open issues"		\$ 6,505
3.7	Progress submittal coordination with architect.		\$ 1,803
3.8	Meet with City to review and approve Master Sign Program (Meeting #5)		\$ 3,843
3.9	Progress submittal coordination with Architect.		\$ 1,528
3.10	Final Master Sign Program issued for review and select direction and options to show public.		\$ 1,693
4	INITIAL PUBLIC OUTREACH AND PUBLIC WORKSHOP #1	79	\$ 11,700
4.1	Preparation for public workshop		\$ 3,060
4.2	PUBLIC WORKSHOP #1 - City to advertise and invite public to get involved. (Meeting #6)		\$ 4,447
4.3	Document public input and develop a program that will be a guide for design.		\$ 2,789
4.4	Prioritize program elements and gain consensus among community.		\$ 1,404



MELTONDESIGNGROUP, INC

Cost Proposal
HEART OF FAIRFIELD - GATEWAYS DESIGN CONCEPTS & BRANDING STUDY
DOWNTOWN FAIRFIELD & WEST TEXAS STREET
MAY 31, 2019

		TOTAL HOURS	TOTAL FEE
5	PRELIMINARY COST ESTIMATES AND VALUE ENGINEERING		\$ 5,880
5.1	Cost Estimate with options for materials and techniques		\$ 5,880
6	DRAFT MASTER PLAN, BOOKLET AND COST UPDATES	58.5	\$ 8,964
6.1	Revised schematic plans, digitize all schematics and integrate into preferred option.		\$ 4,523
6.2	Draft Cost Estimate		\$ 3,073
6.3	Draft Plan Review: Review with City Staff and advisory group prior to City Council Presentation - (Meeting #7)		\$ 1,368
7	PUBLIC WORKSHOP #2	34	\$ 4,812
7.1	Coordinate public engagement for Workshop #2 - (Meeting #8)		\$ 1,895
7.2	Present revised design options with all support materials		\$ 1,948
7.3	Conclude with consensus of direction and next steps. City and MDG will facilitate the process of discussion and interaction with community to solicit input and direct conversation to gain consensus.		\$ 969
8	60% DRAFT DOCUMENT REVIEW AND COMMENT	112	\$ 15,124
8.1	Integrate all information into design document of programming documents to include copy list and location plans.		\$ 2,881
8.2	Revisions to documentation based on meeting feedback, development and management and input form advisory team.		\$ 2,411
8.3	Development of draft landscape and hardscape plans for costing purposes.		\$ 2,651
8.4	Development of artwork and custom artwork for wayfinding, maps and information signs to provide information for costing and review.		\$ 3,849
8.5	Development of 60% documentation package for review and costing purposes.		\$ 3,332
9	FINAL MASTER PLAN	57	\$ 7,872
9.1	Prepare Final Master Plans, booklet and cost estimate to City for input and approval		\$ 3,761
9.2	Final cost estimate - provide final estimated cost of construction		\$ 1,523
9.3	Prepare Final Document for Approval by City Council		\$ 2,588
	SUB-TOTAL FEE - BASIC SERVICES	957.5	\$ 143,382
	REIMBURSABLES (Travel & Print - estimated projection)		\$ 8,603
	CONTINGENCY (10%)		\$ 14,338
	Traffic Engineer to be billed on a time and material basis.		
	TOTAL FEE		\$ 166,323

EXHIBIT "B"

PAYMENT

1) The total contract price for services rendered by CONSULTANT under this Agreement shall be based on a time and materials basis with a not to exceed amount of **\$166,323** inclusive of expenses. Reimbursables are included in the not-to-exceed time and materials amount of \$166,323 and are not to be billed in excess of this not to exceed amount.

2) Payment shall be made to CONSULTANT on a time and materials basis as specified in Section 1 above, and sent to:

Melton Design Group, Inc.
1930 G Street
Sacramento, CA 95811
(916) 754-2153

and CONSULTANT shall submit monthly invoices to:

City of Fairfield
Community Development Department
1000 Webster Street, 2nd Floor
Fairfield, CA 94533-4836
(707) 428-7461

for the same to.

3) Any additional meetings or work required beyond that set forth in Exhibit "A" shall be mutually agreed to in writing by the CITY and CONSULTANT, and shall be billed on a time and materials basis to the City of Fairfield Community Development Department.

EXHIBIT "C"

GENERAL PROVISIONS

1) INDEPENDENT CONSULTANT. At all times during the term of this Agreement, CONSULTANT shall be an independent contractor and shall not be an employee of CITY. CITY shall have the right to control CONSULTANT only insofar as the results of CONSULTANT's services rendered pursuant to this Agreement; however, CITY shall not have the right to control the means by which CONSULTANT accomplishes services rendered pursuant to this Agreement.

2) LICENSES; PERMITS; ETC. CONSULTANT represents and warrants to CITY that CONSULTANT has all licenses, permits, qualifications, and approvals of whatsoever nature which are legally required for CONSULTANT to practice CONSULTANT's profession. CONSULTANT represents and warrants to CITY that CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for CONSULTANT to practice his profession.

3) TIME. CONSULTANT shall devote such services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of CONSULTANT's obligations pursuant to this Agreement. CONSULTANT shall adhere to the Schedule of Activities as described in their Executive Summary.

4) CONSULTANT NOT AN AGENT. Except as CITY may specify in writing, CONSULTANT shall have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. CONSULTANT shall have no authority, express or implied, pursuant to this Agreement, to bind CITY to any obligation whatsoever.

5) ASSIGNMENT PROHIBITED. No party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

6) PERSONNEL. CONSULTANT shall assign only competent personnel to perform services pursuant to this Agreement. In the event that CITY, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by CONSULTANT to perform services pursuant to this Agreement, CONSULTANT shall remove any such person immediately upon receiving notice from CITY of the desire of CITY for the removal of such person or persons.

7) STANDARD OF PERFORMANCE. CONSULTANT shall perform all services required pursuant to this Agreement. Services shall be performed in the manner and according to the standards observed by a competent practitioner of the profession in which CONSULTANT is engaged in the geographical area in which CONSULTANT practices his profession. All products which CONSULTANT delivers to CITY pursuant to this Agreement shall be prepared in a workmanlike manner, and conform to the standards of quality normally observed by a person practicing in CONSULTANT's profession. CITY shall be the sole judge as to whether the product of the CONSULTANT is satisfactory.

8) CANCELLATION OF AGREEMENT. This Agreement may be canceled at any time by the CITY at its discretion upon written notification to CONSULTANT. CONSULTANT is entitled to receive full payment for all services performed and all costs incurred up to and including the date of receipt of written notice to cease work on the project. CONSULTANT shall be entitled to no further compensation for work performed after the date of receipt of written notice to cease work. All completed and incomplete products up to the date of receipt of written notice to cease work shall become the property of CITY.

9) PRODUCTS OF CONSULTING. All products of the CONSULTANT provided under this Agreement shall be the property of the CITY.

10) INDEMNIFY AND HOLD HARMLESS.

a) If AGREEMENT is an agreement for design professional services subject to California Civil Code § 2782.8(a) and CONSULTANT is a design professional, as defined in California Civil Code § 2782.8(c)(2), to the fullest extent allowed by law, CONSULTANT shall hold harmless, defend and indemnify the CITY, its officers, agents, employees, and volunteers from and against all claims, damages, losses, and expenses including attorneys' fees arising out of, or pertaining to, or relating to the negligence, recklessness, or willful misconduct of the CONSULTANT, except where caused by the active negligence, sole negligence, or willful misconduct of the CITY.

b) If AGREEMENT is not an agreement for design professional services subject to California Civil Code § 2782.8(a) or CONSULTANT is not a design professional as defined in subsection (a) above, to the fullest extent allowed by law, CONSULTANT shall indemnify, defend, and hold harmless the CITY, its officers, agents, employees and volunteers from all claims, suits, or actions of every name, kind and description, brought forth on account of injuries to or death of any person or damage to property arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by CONSULTANT or any person directly or indirectly employed by or acting as agent for CONSULTANT in the performance of this Agreement, including the concurrent or successive passive negligence of the CITY, its officers, agents, employees or volunteers.

It is understood that the duty of CONSULTANT to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

Acceptance of insurance certificates and endorsements required under this Agreement does not relieve CONSULTANT from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies are determined to be applicable to any such damages or claims for damages.

CONSULTANT'S responsibility for such defense and indemnity shall survive termination or completion of this agreement for the full period of time allowed by law.

11)PROHIBITED INTERESTS. No employee of the CITY shall have any direct financial interest in this agreement. This agreement shall be voidable at the option of the CITY if this provision is violated.

12)LOCAL EMPLOYMENT POLICY. The CITY desires wherever possible, to hire qualified local residents to work on city projects. Local resident is defined as a person who resides in Solano County. The CITY encourages an active affirmative action program on the part of its contractors, consultants, and developers. When local projects require, subcontractors, contractors, consultants and developers will solicit proposals from qualified local firms where possible.

As a way of responding to the provisions of the Davis-Bacon Act and this program, contractor, consultants, and developers will be asked, to provide no more frequently than monthly, a report which lists the employee's name, job class, hours worked, salary paid, city of residence, and ethnic origin.

13)CONSULTANT NOT A PUBLIC OFFICIAL. CONSULTANT is not a "public official" for purposes of Government Code §§ 87200 et seq. CONSULTANT conducts research and arrives at his or her conclusions, advice, recommendation, or counsel independent of the control and direction of the CITY or any CITY official, other than normal contract monitoring. In addition, CONSULTANT possesses no authority with respect to any CITY decision beyond these conclusions, advice, recommendation, or counsel.

14)EMPLOYMENT DEVELOPMENT DEPARTMENT REPORTING REQUIREMENTS. When the CITY executes an agreement for or makes payment to CONSULTANT in the amount of \$600 (six hundred dollars) or more in any one calendar year, CONSULTANT shall provide the following information to CITY to comply with Employment Development Department (EDD) reporting requirements:

a) Whether CONSULTANT is doing business as a sole proprietorship, partnership, limited liability partnership, corporation, limited liability corporation, non-profit corporation or other form of organization.

b) If CONSULTANT is doing business as a sole proprietorship, CONSULTANT shall provide the full name, address and social security number or federal tax identification number of the sole proprietor.

c) If CONSULTANT is doing business as other than a sole proprietorship, CONSULTANT shall provide CONSULTANT'S federal tax identification number.

EXHIBIT "D"

INSURANCE REQUIREMENTS

CONSULTANT shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CONSULTANT, its agents, representatives, or employees.

1) MINIMUM SCOPE AND LIMITS OF INSURANCE

a) Commercial General Liability coverage (occurrence Form CG 00 01) with minimum limits of \$1,000,000 per occurrence for bodily injury, personal injury, products and completed operations, and property damage. If Commercial General Liability or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

b) Automobile Liability coverage (Form CA 00 01 with Code 1 – any auto) with minimum limits of \$1,000,000 per accident for bodily injury and property damage.

c) Workers' Compensation insurance as required by the State of California and Employers' Liability insurance, each in the amount of \$1,000,000 per accident for bodily injury or disease.

2) INDUSTRY SPECIFIC COVERAGES

If checked below, the following insurance is also required.

- ☒ Professional Liability Insurance / Errors and Omissions Liability in the minimum amount of \$1,000,000 per occurrence.
- ☐ Pollution Liability Insurance in the minimum amount of \$1,000,000 per occurrence
- ☐ Garage Keepers Insurance in the minimum amount of \$1,000,000 per occurrence
- ☐ Fidelity / Crime / Dishonesty Bond in the minimum amount of \$_____
- ☐ MCS-90 Endorsement to Business Automobile insurance for transportation of hazardous materials and pollutants
- ☐ Builder's Risk / Course of Construction Insurance in the minimum amount of \$_____.

3) INSURANCE PROVISIONS

a) DEDUCTIBLES AND SELF-INSURED RETENTIONS. Any deductibles or self-insured retentions must be declared to and approved by the CITY. At the option of the CITY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the CITY, its officers, officials, employees and volunteers; or the CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

b) The general and automobile liability policies (and if applicable, pollution liability, garage keepers' liability and builder's risk policies) are to contain, or be endorsed to contain, the following provisions:

- i) The CITY, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of the CONSULTANT; products and completed operations of the CONSULTANT; premises owned, occupied or used by the CONSULTANT; and automobiles owned, leased, hired or borrowed by the CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to the CITY, its officers, officials, employees or volunteers.
- ii) For any claims related to this project, the CONSULTANT'S insurance coverage shall be primary insurance as respects the CITY, its officers, officials, employees and volunteers. Any insurance or self-insured maintained by the CITY, its officers, officials, employees or volunteers shall be excess of the CONSULTANT'S insurance and shall not contribute with it.
- iii) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the CITY, its officers, officials, employees or volunteers.
- iv) The CONSULTANT'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- v) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the CITY.
- vi) The policy limits of coverage shall be made available to the full limits of the policy. The minimum limits stated above shall not serve to reduce the CONSULTANT'S policy limits of coverage. Therefore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

c) ACCEPTABILITY OF INSURER. Insurance is to be placed with insurers with a

current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the CITY.

d) VERIFICATION OF COVERAGE. CONSULTANT shall furnish the CITY with original endorsements effecting coverage required by this Exhibit D. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the CITY or on forms equivalent to CG 20 10 11 85 subject to CITY approval. All insurance certificates and endorsements are to be received and approved by the CITY before work commences. At the request of the CITY, CONSULTANT shall provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.


e) SUB-CONTRACTORS. CONSULTANT shall require all subcontractors to procure and maintain insurance policies subject to the requirements of Exhibit D. Failure of CONSULTANT to verify existence of sub-contractor's insurance shall not relieve CONSULTANT from any claim arising from sub-contractors work on behalf of CONSULTANT.



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Resolution 2019-139 of the City Council of the City of Fairfield Approving a Partial Assignment of the Second Amended and Restated Development Agreement (DA2018-2) between the City of Fairfield and Fairfield Holding Company LLC, NCCM Holding Company, LLC, Upper Martin Investment, LLC, Laurel Creek Plaza, LLC, Laurel Creek Holding Company LLC, and Rancho Tolenas corp. to D.R. Horton Bay, Inc., and Taking Other Related Actions

RECOMMENDED ACTION

Adopt resolution.

STATEMENT OF ISSUE

Rancho Tolenas Corp. ("RTC") is seeking to assign a portion of the existing "Villages at Fairfield" Second Amended and Restated Development Agreement ("Development Agreement") to DR Horton Inc. (Horton), a merchant builder. Horton does not want to be held liable by the City for any default by RTC on the obligations RTC retains after the assignment. The attached resolution authorizes the assignment and clarifies that Horton would not be considered liable in such case.

DISCUSSION

The Villages of Fairfield project, composed of four "villages", is a master planned community developed by Lewis Operating Corporation. The project was originally approved by the City in 2005 and has been modified twice since then; once in 2011 and again in 2015. In total, the project would contain approximately 1,800 housing units of various densities. The master project is subject to the Development Agreement that was approved by the City Council in 2015 with minor modifications in early 2019. The Development Agreement guarantees certain rights to the project proponents, in exchange for their commitment to a variety of obligations they would not otherwise be required to complete.

RTC serves as the "master developer" for the project. In this role, they construct backbone infrastructure, record residential subdivision maps, and implement a variety of construction and mitigation projects to facilitate subsequent construction. RTC does not, however, build houses. Instead, they sell subsets of

the project and the recorded house lots to merchant builders who construct and sell houses. RTC is presently completing a sale of a 90-lot portion of the project (Lot I, Phase 2 of Village 2) to merchant builder Horton.

As a part of Horton's purchase, they are seeking to obtain rights of the Development Agreement from RTC that apply to their 90 lots. In exchange, they would take on various obligations of the Development Agreement that pertain specifically to those lots. This action, called an "Assignment" is permitted by the Development Agreement (per Agreement Section 2d), with City concurrence. The Development Agreement, however, contains a term (Section 17d) that could be read to mean that if RTC defaults on the obligations it retains, any other developer pursuant to the agreement retains "joint and several" liability for that obligation. Section 17d reads:

"If at any time during the term of this Second Amended Agreement the Property is owned, in whole or in part, by more than one Developer, all obligations of such Developers under this Second Amended Agreement shall be joint and several, and the Default of any such Developer shall be the Default of all such Developers."

Horton seeks to ensure that, with the Assignment approved by the City, they are not held liable for RTC's obligations elsewhere and unrelated to the portion of the project that Horton would build. Staff has reviewed the Development Agreement and has concluded that a strict reading of the "joint and several" section would unreasonably burden merchant builders of small subsets of the overall project. Staff and the City Attorney have reviewed the assignment and the terms of the Development Agreement, and have concluded that sufficient protections and remedies are in place to ensure that Horton's portion of the project can proceed without concern of default by RTC elsewhere, and that sufficient remedy is in place should RTC default on its obligations elsewhere in the project. Based on this review, Staff and the City Attorney have concluded that a strict reading of the "joint and several" section is not appropriate, and that the attached Assignment can proceed without Horton retaining "joint and several" liability.

FINANCIAL IMPACT

N/A

CITY COUNCIL WORKPLAN

Community Safety

Financial and Operational

Sustainability

Community Infrastructure

Economic Development

Quality of Life

*Travis Air Force
Base*

City Council Goal this item supports:

Economic Development

Project:

#5B.2 Villages at Fairfield Development Agreement

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

N/A

ALTERNATIVE ACTION

The City Council may choose to deny the assignment, or approve the assignment, but not release Horton from joint and several liability. Note, however, that the Development Agreement commits the City

to not unreasonably withhold consent of such assignment.

STAFF CONTACT

David Feinstein, Interim Director of Community Development
707-428-7448
dfeinstein@fairfield.ca.gov

COORDINATED WITH

City Attorney's Office

ATTACHMENTS:

Proposed Resolution

Proposed Partial Assignment and Assumption of Development Agreement

REVIEWERS:

Reviewer	Action	Date
Morales, Lucia	Approved	6/3/2019 - 6:45 PM
Feinstein, David	Approved	6/3/2019 - 6:56 PM
Dominguez, Yessika	Approved	6/4/2019 - 10:50 AM
Dominguez, Yessika	Approved	6/12/2019 - 5:02 PM

CITY OF FAIRFIELD

RESOLUTION NO. 2019 - 139

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD APPROVING A PARTIAL ASSIGNMENT OF THE SECOND AMENDED AND RESTATED DEVELOPMENT AGREEMENT (DA2018-2) BETWEEN THE CITY OF FAIRFIELD AND FAIRFIELD HOLDING COMPANY LLC, NCCM HOLDING COMPANY, LLC, UPPER MARTIN INVESTMENT, LLC, LAUREL CREEK PLAZA, LLC, LAUREL CREEK HOLDING COMPANY LLC, AND RANCHO TOLENAS CORP. TO D.R. HORTON BAY, INC., AND TAKING OTHER RELATED ACTIONS

WHEREAS, D.R. Horton Bay, Inc., a Delaware corporation (“Horton”), is considering the acquisition of certain property located in the City of Fairfield, County of Solano, California (the “Property”) from Rancho Tolenas Corp., a California corporation (“RTC” or “Developer”); and

WHEREAS, the Property is subject to that certain Second Amended and Restated Development Agreement by and between City and Fairfield Holding Company, LLC, a Delaware limited liability company, NCCM Holding Company, LLC, a Delaware limited liability company, Upper Martin Investment, LLC, a Delaware limited liability company, Laurel Creek Plaza, LLC, a Delaware limited liability company, and Laurel Creek Holding Company, LLC, a Delaware limited liability company, and RTC, recorded January 4, 2016 as Instrument No. 201600000233 of Official Records of Solano County (“Official Records”), as amended by First Amendment to Second Amended and Restated Development Agreement, recorded February 20, 2019 as Instrument No. 201900009286 of Official Records of Solano County (collectively, the “Development Agreement”); and

WHEREAS, in accordance with the Section 2(d) of the Development Agreement, Horton may obtain an assignment of the Vested Development Rights set forth in Section 3 of the Development Agreement to develop the Property in accordance with the Development Agreement if it enters into an assignment agreement, with the consent of the City; and

WHEREAS, the City, RTC, and Horton desire to enter into that certain “Partial Assignment and Assumption of Development Agreement” in the form attached hereto (“Assignment Agreement”), to specify the terms and conditions of such assignment and consent.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY RESOLVES:

Section 1. The City Manager or the City Manager’s designee is hereby authorized and directed to execute on behalf of the City of Fairfield the Assignment Agreement, in the form attached hereto, with such changes as deemed necessary by the City Manager or the City Manager’s designee.

Section 2. The City Manager or the City Manager’s designee is hereby authorized to do all things necessary and proper to implement the above-mentioned agreement.

PASSED AND ADOPTED this 18th day of June, 2019, by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:

CITY CLERK

FORM OF PARTIAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

D.R. Horton, America's Builder
6683 Owens Drive
Pleasanton, CA 94588
Attn: Rich Ambrosini

SPACE ABOVE THIS LINE FOR RECORDER'S USE

PARTIAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT

This Partial Assignment and Assumption of Development Agreement ("**Agreement**") is dated for informational purposes only as of the ____ day of _____ 20__, and is entered into by and among RANCHO TOLENAS CORP., a California corporation ("**Assignor**"), D.R. HORTON BAY, INC., a Delaware corporation ("**Assignee**") and the CITY OF FAIRFIELD, a municipal corporation ("**City**").

R E C I T A L

- A. Assignor as the "**Developer**" and the City, along with Fairfield Holding Company, LLC, a Delaware limited liability company, NCCM Holding Company, LLC, a Delaware limited liability company, Upper Martin Investment, LLC, a Delaware limited liability company, Laurel Creek Plaza, LLC, a Delaware limited liability company, and Laurel Creek Holding Company, LLC, a Delaware limited liability company (collectively "**Owner**"), are parties to that certain Second Amended and Restated Development Agreement recorded on January 4, 2016 as Document No. 201600000233 in the Official Records of Solano County as amended by that First Amendment recorded on February 20, 2019 as Document No. 201900009286 in the Official Records of Solano County (the "**Development Agreement**").
- B. Assignee has or will purchase from Assignor that certain real property identified on **Exhibit "A"** attached hereto consisting of 90 single family residential finished lots (the "**Village II, Lot 2 Property**") in accordance with the terms of that certain Purchase and Sale Agreement dated for reference purposes only as of February 6, 2019 (the "**Purchase Agreement**"). The Development Agreement encumbers approximately 410-acres of real property located in the City, as more particularly described in Exhibit A of the Development Agreement ("**Overall Property**"), of which the Village II, Lot 2 Property is a part.
- C. This Agreement shall be effective as of the later of (i) the date that the grant deed conveying the Village II, Lot 2 Property to Assignee is recorded in the Official Records and (ii) the date that this Agreement is recorded in the Official Records (the "**Effective Date**").

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment of Rights. Except for the "***Excluded Rights and Obligations***" listed in ***Schedule 1*** which shall remain the rights and obligations of Assignor, Assignor hereby sells, transfers, assigns, conveys and delivers to Assignee all of Assignor's rights, title, interests, and obligations to, in and under the Development Agreement arising from and after the Effective Date solely with respect to the Village II, Lot 2 Property. This Agreement is only intended to assign those rights and obligations of Assignor under the Development Agreement which concern the Village II, Lot 2 Property and does not assign any rights or obligations under the Development Agreement with regards to the Overall Property.
2. Assumption of Responsibilities. Assignee does hereby expressly and unconditionally agree to assume all of Assignor's rights, title and interests to, in and under the Development Agreement, solely to the extent arising from and after the Effective Date and solely to the extent relating to the Village II, Lot 2 Property, except for the Excluded Rights and Obligations (such obligations assumed by Assignee, being the "***Village II, Lot 2 Obligations***"). Assignee shall not be responsible for any default by Assignor with regards to (i) the Village II, Lot 2 Property under the Development Agreement prior to the Effective Date, (ii) the Excluded Rights and Obligations, whether occurring prior to or after the Effective Date, or (iii) the Overall Property (other than the Village II, Lot 2 Obligations as provided herein), whether occurring prior to or after the Effective Date. Without limiting the foregoing and for the purposes of clarifying the assumption of responsibilities under this paragraph, the Village II, Lot 2 Obligations do not include any of those improvements listed in Exhibits E, F, G or H of the Development Agreement required by the City for the development of the Village II, Lot 2 Property which improvements are listed in Schedule 2 attached (the "***Village II DA Improvements***"). The Village II DA Improvements shall remain the obligation of the Assignor.
3. Release. Effective upon the full execution and recordation of this Agreement in the Official Records of Solano County, City releases Assignor from all of its obligations under the Development Agreement with regards to the Village II, Lot 2 Property only. This release does not include the Excluded Rights and Obligations, which shall remain the obligations of the Assignor.
4. No Joint and Several Liability. City acknowledges that Assignee is a merchant builder and Agrees that Assignee is liable under the Development Agreement solely for the Village II, Lot 2 Obligations assumed in this Agreement. City agrees that Assignee is not a "Developer" with respect to the Overall Property as that term is used in Section 17(g) of the Development Agreement. Accordingly City agrees that Assignee shall not have joint and several liability under Section 17(g) or any other section of the Development Agreement for any obligations or any Default of any Developer or Owner under the Development Agreement and City shall not pursue other remedies against Assignee as a result of any Default by any Developer or Owner under the Development Agreement. Further, provided that Developer has completed or bonded for completion of all the Village II DA Improvements, the City agrees that it will not withhold building permits or certificates of occupancy for the Village II, Lot 2 Property for any Default by Developer related to such Village II DA Improvements. The foregoing acknowledgment and agreements are intended to clarify the Development Agreement pursuant to the authority provided to City in Section 17(p) of the Development Agreement (Further Actions), do not modify the development footprint or other parameters of development in a manner that requires an amendment of the Development Agreement pursuant to Section 3(c) of the Development Agreement and shall be binding upon the City as if made in the Development Agreement.

5. Confirmatory Acts, Instruments. Each party hereby covenants to the other party that it will, at any time and from time to time, upon written request therefor, execute and deliver to such other party, its nominees, successors and/or assigns, any new or confirmatory instruments and do and perform any other acts which such party, its nominees, successors, and/or assigns may reasonably request in order to fully transfer to such other party all rights and obligations of Assignor intended to be transferred and assigned hereby.
6. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the heirs, successors, executors, administrators, and assigns of all the parties.
7. Effectivity and Amendments. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors-in-interest. This Agreement shall be effective upon the Effective Date.
8. Severability. Any provision of this Agreement which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and such other provisions shall remain in full force and effect.
9. Indemnity. Assignee shall indemnify, defend and hold harmless Assignor, its affiliated entities and persons, and their respective members, partners, officers, directors, shareholders and employees and successors and assigns from any claims, demands, loss, liability, damages, costs or expenses (including attorneys' fees) made against or suffered by Assignor with regard to any breach by Assignee of the Development Agreement from and after the Effective Date. Assignor shall indemnify, defend and hold harmless Assignee, its affiliated entities and persons, and their respective members, partners, officers, directors, shareholders and employees and successors and assigns from any claims, demands, loss, liability, damages, costs or expenses (including attorneys' fees) made against or suffered by Assignee (including damages due to delays in the development and sale of the Village II Lot 2 Property caused by any such breach) if the City takes any action against Assignee or the Village II, Lot 2 Property (including withholding any permits, approvals or other actions) as a result of (i) any breach by Assignor of the Development Agreement prior to the Effective Date, (ii) any breach by Assignor with respect to the Excluded Rights and Obligations arising prior to or after the Effective Date, or (iii) any breach by Assignor or any other Developer or Owner of the Development Agreement with respect to the Overall Property arising prior to or after the Effective Date.
10. Attorneys' Fees. In the event of any action or proceeding brought by either party against the other under this Agreement, the prevailing party shall be entitled to recover all costs and expenses including the actual fees of its attorneys incurred for prosecution, defense, consultation, or advice in such action or proceeding.
11. Notice. The Notice Address described in the Development Agreement for the Assignee shall be:

If to Assignee: D.R. Horton, America's Builder
6683 Owens Drive
Pleasanton, CA 94588
Attn: Rich Ambrosini, Vince McCarrie and Michael Mandell
Telephone: (925) 225-7446
Facsimile: (925) 225-7402
Email: rambrosini@drhorton.com;
vdmccarrie@drhorton.com; mdmandell@drhorton.com

With copies to: Attn: Ted I. Harbour, Esq. and Mark Karnes, Esq.
D.R. Horton, Inc.
1341 Horton Circle
Arlington, TX 76011
Telephone: (817) 390-8200
Facsimile: (817) 390-1709
Email: THarbour@drhorton.com;
MKarnes@drhorton.com

D.R. Horton, America's Builder
11241 Slater Avenue NE, Suite 120
Kirkland, WA 980333
Attention: Matt Farris, Melissa Trunnell, Esq. and Kristin Hock, Esq.
Fax: (972) 499-0377
E-Mail Address: mfarris@drhorton.com;
MTrunnell@drhorton.com; kristinhock@drhorton.com

Sheppard, Mullin, Richter & Hampton LLP
501 W. Broadway, 19th Floor
San Diego, California 92101
Attention: David Hymer
Telephone: (619) 338-6533
Facsimile: (619) 515-4116
E-mail: dhymer@sheppardmullin.com

12. Representation. Assignor and City represent and warrant to Assignee that the Development Agreement is in full force and effect and has not been modified, supplement or amended, that Assignor is not in breach or default thereof, that to the actual knowledge of Assignor, the City is not in breach or default thereof, and that to the actual knowledge of Assignor and City, no event has occurred that with the passage of time or giving of notice would constitute a default or breach of the Development Agreement.
13. Counterparts. This Agreement may be executed in multiple counterparts which together shall constitute the Agreement.

[Signatures Appear on Following Pages]

"Assignor"

RANCHO TOLENAS CORP.,
a California corporation

By: _____
Name: John M. Goodman
Title: Exec. VP/CEO

"Assignee"

D.R. HORTON BAY, INC.,
a Delaware corporation

By: _____
Richard P. Ambrosini, Vice President

"City"

CITY OF FAIRFIELD
a municipal corporation,

By: _____
Name: _____
Title: _____

Date: _____

Approved as to Form:

By: _____
Name: _____
Title: City Attorney

Date: _____

WBF:av C:\NRPortb\RWGIMAN1\TORTIZ\2299372_1.docx

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____, a Notary Public,
personally appeared _____, who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument
and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity
upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ [SEAL]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
[SEAL]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____, a Notary Public,
personally appeared _____, who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument
and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity
upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ [SEAL]

—

Exhibit A to Development Agreement Assignment

Legal Description of Village II, Lot 2 Property

All the real property situated in the City of Fairfield, in the County of Solano, State of California, and is described as follows:

LOTS 1 THROUGH 90, INCLUSIVE, AS SHOWN ON THAT MAP ENTITLED "VILLAGES AT FAIRFIELD, VILLAGE II, LOT 2", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SOLANO COUNTY, CALIFORNIA, ON _____ IN BOOK _____ OF MAPS, AT PAGE _____.

APN:

Schedule 1

Excluded Rights and Obligations

Assignor shall retain the following rights and/or obligations in and under the Development Agreement as and to the extent set forth below:

1. Section 4.b: Assignor shall pay all Northeast Area Fees for all Village II residential units by use of available Northeast Area Fee Credits.
2. Section 4.c: Assignor shall retain title to all City-wide AB 1600 Fee Credits and Northeast Area Fee Credits but shall apply available AB 1600 Fee Credits and Northeast Area Fee Credits for the payment of all Village II AB 1600 Traffic Impact Fees and all Northeast Area Fees.
3. Section 4.d: Assignor shall retain all rights and obligations related to the 2007 Fee Credit Agreement.
4. Section 5.a: Village II shall be included in and subject to the 2012 CFD but Assignor shall retain the obligation in 5(a)(ii) to fund any Park Maintenance Shortfall.
5. Section entitled "New Project CFD" under Section 5: Assignor shall retain all rights and obligations regarding formation of the New CFD and construction of improvements funded by the New CFD. Village II shall be included in the New CFD and subject to the New CFD tax which shall be paid by the owners of the residential lots in Village II.
6. Section 6: Assignor shall retain all rights and obligations under Section 6 but shall apply available Quimby Fee Credits for the payment of all Village II Quimby Fees.
7. Section 8: Assignor shall retain all rights and obligations under Section 8 for Village II.
8. Section 11: Assignor shall retain all rights and obligations under Section 11.
9. Section 12: Assignor shall retain all rights and obligations under Section 12.

Schedule 2
Village II DA Improvements

Development Agreement Exhibit H, Items 2A, 5, 6, 13, 14, 23D

Development Agreement Exhibit E, Item 2


Development Agreement Exhibit F, Item 2



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Resolution 2019-140 of the City Council of the City of Fairfield Authorizing the City Manager to Execute an Operating Agreement between the City of Fairfield and the Friends of the Fairfield Senior Center for Use of the Adult Recreation Center

RECOMMENDED ACTION

Adopt resolution.

STATEMENT OF ISSUE

The attached resolution authorizes the City Manager to execute an Operating Agreement with the Friends of the Fairfield Senior Center for use of the Adult Recreation Center.

DISCUSSION

The Friends of the Fairfield Senior Center (Friends) was established as a nonprofit organization in 1983. The mission of this organization is to:

- Foster association, cooperation, and fellowship among all seniors and senior organizations in the Fairfield-Suisun area.
- Identify the needs of seniors at the ARC and seeking support to meet those needs.
- Raise and distribute funds for the improvement of the Adult Recreation Center (ARC) and to support programs for seniors at the ARC.

The Friends currently represent and support the 30 clubs, groups, and organizations (CGO's) that enjoy free use of the ARC on a regular basis so they may provide a diverse range of clubs and activities to engage our community's seniors. Over time, the relationship between the City and the Friends became unclear with regard to times of priority use by the CGO's, fees for use of the facility, authority to approve new CGO's, and the process for addressing disputes. As a result, on June 20, 2017, City Council adopted Resolution 2017-149, establishing an Operating Agreement between the City of Fairfield and the Friends of the Fairfield Senior Center for Use of the Adult Recreation Center. Friends and City representatives developed the Operating Agreement collaboratively. It clarifies and simplifies the terms and conditions for use of the ARC by the Friends, identifies areas of assistance the City will provide to support the Friends, and fosters a relationship of cooperation and good will that serves to continue to

grow the programs and services provided to our senior population.

FINANCIAL IMPACT

This agreement does not require any financial contribution from the Friends. The estimated annual cost to the City to operate and staff the ARC under this agreement approximately \$250,000.

CITY COUNCIL WORKPLAN

Community Safety

Community Infrastructure

Quality of Life

*Financial and Operational
Sustainability*

Economic Development

*Travis Air Force
Base*

City Council Goal this item supports:

Quality of Life

Project:

#2A.35, Friends of the Fairfield Senior Center Operational Agreement

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

The Friends of the Fairfield Senior Center Board reviewed the Operating Agreement at their May 13, 2019 meeting.

ALTERNATIVE ACTION

Council may choose to not adopt the resolution, however this will result in there being no set terms and conditions for how the ARC is used by the Friends.

STAFF CONTACT

Meghan Sullivan, Parks and Recreation Manager
707-399-5626
msullivan@fairfield.ca.gov

COORDINATED WITH

N/A

ATTACHMENTS:

Proposed Resolution

REVIEWERS:

Reviewer	Action	Date
Mottola, Ann	Approved	6/3/2019 - 4:00 PM
Dominguez, Yessika	Approved	6/12/2019 - 1:52 PM
Dominguez, Yessika	Approved	6/12/2019 - 5:03 PM

CITY OF FAIRFIELD

RESOLUTION NO. 2019-140

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD
AUTHORIZING THE CITY MANAGER TO EXECUTE AN OPERATING AGREEMENT
BETWEEN THE CITY OF FAIRFIELD AND THE FRIENDS OF THE FAIRFIELD
SENIOR CENTER FOR USE OF THE ADULT RECREATION CENTER**

WHEREAS, the Friends of the Fairfield Senior Center (Friends) was established as a nonprofit organization in 1983 to: foster association, cooperation, and fellowship among all seniors and senior organizations in the Fairfield-Suisun area; identify the needs of seniors at the Adult Recreation Center (ARC) and seek support to meet those needs; raise and distribute funds for the improvement of the ARC and to support programs for seniors at the ARC; and

WHEREAS, on June 20, 2017, the City entered into an operating agreement with the Friends of the Fairfield Senior Center to define the terms and conditions of use of the Adult Recreation Center by the Friends; and

WHEREAS, the City Council desires to continue the agreement with the Friends to allow use of the Adult Recreation Center to house their programs.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FAIRFIELD HEREBY RESOLVES:

Section 1: The City Manager is authorized to enter into an agreement with the Friends of the Fairfield Senior Center for use of the Adult Recreation Center.

Section 2: The City Manager is authorized to implement the agreement with the Friends of the Fairfield Senior Center for use of the Adult Recreation Center.

PASSED AND ADOPTED this 18th day of June 2019 by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

ATTEST: _____
MAYOR

CITY CLERK

OPERATING AGREEMENT BETWEEN CITY OF FAIRFIELD AND THE FRIENDS OF THE FAIRFIELD SENIOR CENTER FOR USE OF THE ADULT RECREATION CENTER

Article 1 – Recitals

- 1.1. The City of Fairfield (“City”) is the owner of the real property commonly known as the Fairfield Adult Recreation Center (the “ARC”).
- 1.2. The Friends of the Fairfield Senior Center (“Friends”) is an independent and autonomous 501(c)(3) tax-exempt organization, established for the purpose of:
 - Fostering association, cooperation and fellowship among all seniors and senior organizations in the Fairfield-Suisun area.
 - Identifying the needs of seniors at the ARC and seeking support to meet those needs.
 - Raising and distributing funds for the improvement of the ARC and to support programs for seniors at the ARC.
- 1.3. The City and Friends agree to enter into this Operating Agreement to provide the terms and conditions for use of the ARC; and foster a relationship of cooperation and good will.

Article 2 – Friends’ Responsibilities

- 2.1. To carry out the Friends’ purposes, as stated in Article 1 above, the Friends will cooperate with the City to organize the use of the ARC by Clubs, Groups, and Organizations (the “CGO’s”) that promote association, cooperation and fellowship among all seniors and senior organizations in the Fairfield-Suisun area.
- 2.2. Friends’ responsibilities are as follows:
 - a. Identifying the needs of seniors at the ARC and working with the CGOs to be responsive to their needs by seeking support to provide equipment and any other resources for the ARC and the CGOs
 - b. Scheduling use of the ARC pursuant to Article 3 of this Agreement.
- 2.3. The Friends may, at its discretion, provide donations to the City to be used solely for support and improvement of the ARC, and for programs and services provided at the ARC.

Article 3 – Facility Use

- 3.1. The Friends has priority to schedule use of the ARC by the Friends and Approved CGOs (defined below in Section 5.3) during the following hours (“Friends’ Hours”):

Monday	8:00 AM – 5:00 PM
Tuesday	8:00 AM – 5:00 PM
Wednesday	8:00 AM – 10:00 PM
Thursday	8:00 AM – 10:00 PM
Friday	8:00 AM – 11:00 PM on Fridays when City Hall is normally open, and 3:00 PM – 11:00 PM on all other Fridays
Saturday	10:00 AM – 2:00 PM (1 st Saturday of the Month)

- 3.2. The Friends will review with the Director or their designee -a schedule for use of the ARC during Friends’ Hours, for each upcoming month (the “Schedule”). The Friends may make changes to the Schedule and use any available room during the Friends’ Hours. Changes to the Schedule shall be coordinated with the Director or the Director’s designee.
- 3.3. The Friends may submit to the Director, or the Director’s designee, a request to use the kitchen during Friends’ Hours. The Friends or Approved CGO, which uses the kitchen, must pay the applicable fee for use of the Kitchen.
- 3.4. The Friends may submit to the Director, or the Director’s designee, a request to use the ARC during a time that is outside of the Friends’ Hours. The Friends or Approved CGO, which uses the ARC, must pay the applicable fee for use of the ARC.
- 3.5. The Friends shall have use of the ARC to schedule a quilt show in odd-numbered years. The Friends must submit to the Director the proposed date for the quilt show at least six months in advance of such date. The date for the quilt show is subject to review and approval by the Director to ensure availability and appropriate support.
- 3.6. The Friends shall be permitted to use the ARC for two annual events that occur at a time that is outside of the Friends Hours. The Friends must submit to the Director the proposed date for the annual event at least one month in advance of such date. The date for the annual event is subject to review and approval by the Director to ensure availability and appropriate support.
- 3.7. The City shall provide to the Friends at no charge office space in the central atrium area of the ARC.
- 3.8. The Friends may schedule use of the ARC at no charge for Bingo games during the Friends Hours. The organization conducting the Bingo game shall have a current license from the City issued pursuant to Article III of Chapter 12 of the Fairfield Municipal Code.

Article 4 – Exceptions to Facility Use

The priority use of the ARC provided pursuant to Article 3 shall not apply to the following areas of the ARC (each area being an “Exempted Room”): Christensen Room, Lobby, Round Table Room, Assembly Hall and Kitchen. The Friends or an Approved CGO may submit a request to the Director to use an Exempted Room, which the Director may grant based on availability. With the approval of the Director, the Friends or Approved CGO may use an Exempted Room at no charge during Friends Hours.

Article 5 – Operational & Administrative Support from the City of Fairfield

- 5.1. As deemed necessary and appropriate by the Director:
- a. The City will provide Building Attendant Staff during the Friends Hours.
 - b. The City will provide facility maintenance.
 - c. The City will replace and repair kitchen appliances.
 - d. The City will print the sign-in sheet and agenda for the Friends meeting.
 - e. The City will assist Approved CGOs with collection of sign-in sheets, maintenance of club folders, use of bocce keys, and make copies of club flyers.
- 5.2. The City will provide two Building Attendant Staff persons for any event authorized pursuant to Section 3.6 of this Agreement.
- 5.3. The City will review applications by CGOs for free use of the ARC and making recommendations to the Director of the City Parks and Recreation Department (the “Director”) to grant free use of the ARC (a CGO approved for free use of the ARC, being an “Approved CGO”). The recommendation and approval shall be based on the following criteria:
- a. The CGO complies with the City’s standards of conduct, as set forth in Article 7 of this Agreement, and each member or participant, as appropriate, signs an acknowledgement of such standards of conduct;
 - b. The CGO meets regularly;
 - c. The members of, or participants served by, the CGO are predominantly persons who are 50 years of age or older that reside within the Fairfield-Suisun Unified School District and the Travis School District;
 - d. The CGO adds to the variety and diversity of programs and resources available at the ARC to persons who are 50 years of age or older;

- e. For a club, the following requirements are met: (1) a minimum of six members, (2) an elected governing body, and (3) membership dues are paid and deposited to a club bank account; (4) a representative is assigned as a director of the Friends;
- f. For a group, the following requirements are met: (1) a minimum of six members, (2) the names, addresses and telephone numbers for two designated contact persons, and (3) a roster of active group members, with names and addresses; (4) a representative is assigned as a director of the Friends;
- g. For an organization, the following requirements are met: (1) a minimum of six members, (2) an elected governing body, (3) the organization is a legal entity recognized by the state, (4) adopted bylaws, and (5) the organization collects dues, donations, sales or fund-raising revenues, which are deposited to the organization's bank account; (4) a representative is assigned as a director of the Friends;
- h. For a class, the following requirements are met: (1) the class time for instruction is a fixed period, (2) the class schedule does not exceed twelve months, (3) the class instructor must enter into an agreement with the City to provide instruction, and (4) any fees paid for the class are payable to the City;
- i. Approval is for a term of one year and the Director may renew such approval annually upon receipt by the Director of evidence that the above criteria continues to be satisfied by the CGO, such determination to be made at the sole discretion of the Director;
- j. Approval may be revoked at any time by the Director in the event that the CGO fails to satisfy any of the above criteria.

Article 6 – Use of Donations from Friends

The City will use funds provided to the City from the Friends to fund programs and services at the ARC, which are delivered to the senior community, or for facility and equipment improvements or replacement at the ARC, as deemed appropriate by the Director.

Article 7 – Standards of Conduct

- 7.1. Use of the ARC is conditioned upon strict compliance with the standards of conduct set forth below. Failure to strictly comply with the standards of conduct shall result in a ban against use of the ARC. The standards of conduct are as follows:
 - a. No improvements, alterations or modifications of any kind to the ARC without the prior written approval from the Director.

- b. No sales or solicitations at the ARC without the prior written approval from the Director.
 - c. No smoking inside the ARC.
 - d. No conduct at the ARC which is prohibited by the Fairfield Municipal Code.
 - e. No illegal gambling.
 - f. No dangerous conduct.
 - g. No consumption of beer or wine on the premises unless the operator has a license and insurance, as approved by the Director.
 - h. Show proper care and regard for City property and the property of others, including an obligation to clean-up after use and to return facilities to the condition existing immediately prior to use.
 - i. No interference with classes or programs being held as scheduled at the ARC.
 - j. No harassing or physically threatening others.
 - k. No impeding access to the ARC.
 - l. Conduct that is otherwise required by policies established by the Parks & Recreation Department or the City.
- 7.2. A member or participant of a CGO shall be banned from using the ARC for failure to strictly comply with the standards of conduct, as determined by the Director.

Article 8 – Insurance

8.1. Minimum Scope and Limits of Insurance

- a. Commercial General Liability. Friends shall obtain and maintain in full force and effect during the term of the Agreement, Commercial General Liability coverage (occurrence Form CG 00 01) with minimum limits of \$1,000,000 per occurrence for bodily injury, personal injury, products and completed operations, and property damage. If Commercial General Liability or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- b. Worker's Compensation Insurance. Should the Friends have any employees, Friends shall obtain and maintain in full force and effect during the term of the Agreement, worker's compensation insurance and employer's liability insurance in the amount of \$1,000,000 per accident for all workers employed at the ARC. Friends shall require its subcontractor(s) to provide worker's compensation insurance for all of subcontractor's employees. In case any person engaged in work under this Agreement at City facilities is not protected under any worker's

compensation law or policy of insurance, Friends shall provide protection of such persons not otherwise protected for medical and disability benefits. Friends shall indemnify City for any damages resulting to it from failure of either Friends or any subcontractor to take out or maintain such insurance.

8.2. Insurance Provisions

- a. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Friends shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- b. The general liability policy is to contain, or be endorsed to contain, the following provisions:
 - i. The City, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of the Friends; products and completed operations of the Friends; premises owned, occupied or used by the Friends; and automobiles owned, leased, hired or borrowed by the Friends. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.
 - ii. For any claims related to this project, the Friends' insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insured maintained by the City, its officers, officials, employees or volunteers shall be excess of the Friends' insurance and shall not contribute with it.
 - iii. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees or volunteers.
 - iv. The Friends' insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - v. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.
 - vi. The policy limits of coverage shall be made available to the full limits of the policy. The minimum limits stated above shall not serve to reduce the Friends policy limits of coverage. Therefore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

- c. Acceptability of Insurer. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.
- d. Verification of Coverage. Friends shall furnish the City with original endorsements effecting coverage. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the City or on forms equivalent to CG 20 10 11 85 subject to City approval. All insurance certificates and endorsements are to be received and approved by the City before work commences. At the request of the City, Friends shall provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.

Article 9 – Alterations and Improvements of the Facility

- 9.1. Friends shall not make any removals, additions, improvements or other alterations in or to the ARC except with the prior written consent of the City. Any alterations shall be done at Friends' sole cost and expense, in accordance with the applicable laws, ordinances, orders, rules and regulations of any public authority having jurisdiction over the building.
- 9.2. All fixtures and permanent improvements to the ARC shall be the property of the City and shall not be removed by Friends upon termination of this Agreement.

Article 10 – Agreement Modifications

The provisions of this Agreement shall not be amended or modified unless approved in writing by both the City and the Friends. Either party may initiate a meeting to discuss any potential modifications.

Article 11 – Indemnity

To the fullest extent allowed by law, Friends shall indemnify, defend, and hold harmless the City, its officers, agents, employees and volunteers from all claims, suits, or actions of every name, kind and description, brought forth on account of injuries to or death of any person or damage to property arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by Friends or any person directly or indirectly employed by or acting as agent for Friends in the performance of this Agreement.

It is understood that the duty of Friends to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

Acceptance of insurance certificates and endorsements required under this Agreement does not relieve Friends from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies are determined to be applicable to any such damages or claims for damages.

Friends' responsibility for such defense and indemnity shall survive termination or completion of this agreement for the full period of time allowed by law.

Article 12 – Term

The term of this Agreement shall commence on **July 1, 2019** and shall terminate on June 30, 2021; provided, however, that the City Manager may renew this Agreement for two additional two-year terms by providing written notice to the Friends prior to the termination date. Either party may terminate this Agreement for any reasonable cause by providing the other party at least sixty (60) days prior written notice, which notice shall specify the cause for termination.

EXECUTED as of the day first above-stated.

City of Fairfield, a municipal corporation

By: _____

Sean Quinn, Interim City Manager

Friends of the Fairfield Senior Center

By: Rosa Maria Costales


Rosa Maria Costales, President



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Resolution 2019-141 of the City Council of the City of Fairfield Authorizing the City Manager to Execute Amendment No. 3 with MV Transportation for Fixed-Route and Paratransit Operations

RECOMMENDED ACTION

Adopt resolution.

STATEMENT OF ISSUE

MV Transportation (MV) provides fixed-route and paratransit bus service for Fairfield and Suisun Transit (FAST). The City's agreement with MV is scheduled to expire on June 30, 2019. The proposed resolution will authorize Amendment No. 3, which will extend the contract with MV through fiscal year 2019-20.

DISCUSSION

In 2014, the City of Fairfield entered into a three-year service agreement with MV to provide fixed-route and paratransit service, with the option to extend services for three additional one-year terms. MV has successfully delivered services required under the contract, and two of the three one-year options have been exercised.

The proposed Amendment No. 3 would maintain for fiscal year 2019-2020 the terms of the cost per revenue hour, monthly administrative rate, and annual liability insurance rate from previous amendments. This adjustment would also reflect 98,993 anticipated revenue hours based on current service levels. The contract amount for these services would not exceed \$5,066,715.

Since all 2014 contract options will have been exercised after fiscal year 2019-20, staff also plans to conduct a competitive procurement process during fiscal year 2019-20 to select the next vendor to provide fixed-route and paratransit service for FAST. A Request for Proposal (RFP) is scheduled to be released in summer 2019.

FINANCIAL IMPACT

The one-year term for fiscal year 2019-2020 has a not-to-exceed amount of \$5,066,715 for 98,993 revenue hours of service at \$39.06 per revenue hour, a fixed administrative rate of \$73,339 per month, and a monthly liability insurance rate of \$26,665. All operating and capital expenses for FAST are supported with state and federal transportation grant funds. No financial resources from the City's General Fund are used for FAST expenses.

CITY COUNCIL WORKPLAN

Community Safety

Community Infrastructure

Quality of Life

Financial and Operational

Economic Development

Travis Air Force

Sustainability

Base

City Council Goal this item supports:

Financial and Operational Sustainability

Project:

One-time item not recommended for including in the Workplan

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

N/A

ALTERNATIVE ACTION

Council may choose to not approve Amendment No. 3, but this will result in MV not being able to provide fixed-route and paratransit service for the City in fiscal year 2019-2020.

STAFF CONTACT

Diane Feinstein, Interim Transportation Manager
(707) 434-3808
defeinstein@fairfield.ca.gov

COORDINATED WITH

N/A

ATTACHMENTS:

Proposed Resolution

Proposed Amendment No. 3 - MV Transportation

REVIEWERS:

Reviewer	Action	Date
Ballard, Kelly	Approved	6/3/2019 - 6:40 PM
Ballard, Kelly	Rejected	6/3/2019 - 6:49 PM
Panganiban, Ryan	Approved	6/3/2019 - 7:13 PM
Feinstein, Diane	Approved	6/3/2019 - 7:25 PM
Kaushal, Paul	Approved	6/3/2019 - 8:12 PM
Dominguez, Yessika	Approved	6/4/2019 - 7:20 PM
Dominguez, Yessika	Approved	6/12/2019 - 5:03 PM

CITY OF FAIRFIELD

RESOLUTION NO. 2019 - 141

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD AUTHORIZING
THE CITY MANAGER TO EXECUTE AMENDMENT NO. 3 WITH MV
TRANSPORTATION FOR FIXED-ROUTE AND PARATRANSIT OPERATIONS**

WHEREAS, the City entered into a three year service contract with MV Transportation for Fixed Route and Paratransit Services executed on April 15, 2014 (Resolution No. 2014-62) that included three one-year extension options; and

WHEREAS, the City has exercised two of the three extension options under this service contract extending services through June 30, 2019; and

WHEREAS, the City has the option to extend this service agreement for the third one-year option term for fiscal year 2019-2020, with a not to exceed total of \$5,066,715; and

WHEREAS, the third one-year term extension would extend services through June 30, 2020; and

WHEREAS, the City and MV Transportation agree to amend the agreement in order to continue improving service reliability as a result of the new competitive starting wage; and

WHEREAS, the City has identified Federal, State, and Local Transportation Funds to fund the service contract and its service increase.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY
RESOLVES:**

Section 1. The City Manager is hereby authorized and directed to execute Amendment No. 3 with MV Transportation for Fixed Route and Paratransit Operations, thereby increasing the not to exceed amount of the contract to \$5,066,715.

Section 2. The Director of Public Works is hereby authorized to do all things necessary and proper to implement the Agreement.

PASSED AND ADOPTED this 18th day of June, 2019, by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:

CITY CLERK
pw

Amendment No. 3
Agreement for the Provision of Fixed-Route and Paratransit Services by and
between City of Fairfield and MV Transportation, Inc.

This Amendment No. 3 (hereinafter AMENDMENT") is entered, as of _____, 2019 by and between the City of Fairfield, a municipal corporation (hereinafter referred to as "CITY") and MV Transportation, Inc., as follows.

WITNESSETH

WHEREAS, the City has a service contract with MV Transportation for Fixed Route and Paratransit Services executed on April 15, 2014 (Resolution no. 2014-62); and

WHEREAS, the service contract term was approved through June 30, 2017 with the option to extend the term of the contract for three one-year term options; and

WHEREAS, the City has exercised the third of three one-year term options extending this service agreement through Fiscal Year 2019/2020 for a not to exceed total amount of \$5,066,715; and

WHEREAS, the City has negotiated a fair and reasonable increase in the cost per revenue hour of service to provide a regionally competitive operator wage (\$39.06 per revenue hour), and

WHEREAS, the negotiated hourly rate, monthly fixed expense, and monthly liability insurance will increase the not to exceed total to \$5,066,715; and

WHEREAS, the City and MV Transportation agree to amend the agreement in order to improve service reliability as a result of the new competitive starting wage; and

WHEREAS, the City has identified Federal, State, and Local Transportation Funds to fund the service contract and its service increase.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements herein set forth, the parties do hereby agree as follows:

The CITY and MV Transportation, Inc. do hereby agree to continue the starting driver wage at no less than \$15/hour and amend the existing agreement by deleting the OPTION YEAR FY 2019/2020 portion of the compensation schedule in Exhibit B and replacing it with the following schedule:

Exhibit B
Compensation Schedule
Fixed Route and DART

OPTION YEARS

FY2019/2020

12 Months of Service = 98,993 Total Vehicle Hours

Monthly Fixed Expense	\$	73,339
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Cost per Revenue Vehicle Hour	\$	39.06
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Monthly Liability Insurance (General & Auto)		\$26,665
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TOTAL ANNUAL COST	\$	5,066,715
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Except as modified by the above amendment, the provisions of the agreement dated April 15, 2014 shall remain in full force and effect.


IN WITNESS WHEREOF, the parties hereto have executed this amendment on the _____ Day of _____, 2019

Attest

CITY OF FAIRFIELD
a municipal corporation (CITY)

CITY CLERK

Sean P. Quinn
INTERIM CITY MANAGER

By 


Meg Lassarat, CFO
MV Transportation, Inc.



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Resolution 2019-142 of the City Council of the City of Fairfield Accepting the North Bay Regional Water Treatment Plant Site Piping, Valves and Vaults Improvements Project as Complete

RECOMMENDED ACTION

Adopt resolution.

STATEMENT OF ISSUE

The construction of the North Bay Regional Water Treatment Plant Site Piping, Valves and Vaults Improvements Project (Project) is complete and ready for acceptance by the City Council.

DISCUSSION

The Project at the North Bay Regional Water Treatment Plant (NBR) consisted of replacing the treated water valves and constructing new vault structures. The construction of these components ensure the valves function for maintenance activities and emergency operations, including the ability to shut-off water flowing out of NBR, if necessary.

The Project also involved reconfiguring a 16-inch pipe connected to the North Bay Aqueduct (NBA) line, to improve operational reliability and allow the plant to continue full operations when the NBA water is unavailable, due to maintenance or repair.

On April 3, 2018, City Council awarded a contract to TNT Industrial Contractors Inc. for the Project by Resolution 2018-53. The total amount authorized by City Council for the project was \$2,148,098.70. TNT Industrial Contractors Inc. has completed all of the required construction in accordance with the contract. The final cost for the Project is \$2,036,196.00, which is 5.2% under the total amount authorized by the City Council.

FINANCIAL IMPACT

There is no fiscal impact.

CITY COUNCIL WORKPLAN

*Community Safety
Financial and Operational
Sustainability*

*Community Infrastructure
Economic Development*

*Quality of Life
Travis Air Force
Base*

City Council Goal this item supports:

Community Infrastructure

Project:

#4A.17, NBR Piping and Valve Upgrades

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

N/A

ALTERNATIVE ACTION

If the City Council has any questions, the recommended action may be delayed so that staff may provide the necessary information.

STAFF CONTACT

Thomas Martian, Construction Manager
(707) 428-7478
tmartian@fairfield.ca.gov

COORDINATED WITH

N/A

ATTACHMENTS:

Proposed Resolution

REVIEWERS:

Reviewer	Action	Date
Ballard, Kelly	Approved	6/3/2019 - 6:47 PM
Panganiban, Ryan	Approved	6/3/2019 - 7:13 PM
Ballard, Kelly	Approved	6/3/2019 - 8:11 PM
Kaushal, Paul	Approved	6/3/2019 - 8:13 PM
Dominguez, Yessika	Approved	6/4/2019 - 6:36 PM
Dominguez, Yessika	Approved	6/12/2019 - 5:03 PM

CITY OF FAIRFIELD

RESOLUTION NO. 2019 - 142

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD ACCEPTING
THE NORTH BAY REGIONAL WATER TREATMENT PLANT SITE PIPING, VALVES
AND VAULTS IMPROVEMENTS PROJECT AS COMPLETE**

WHEREAS, TNT Industrial Contractors Inc. was awarded a contract for the North Bay Regional Water Treatment Plant Site Piping, Valves and Vaults Improvements Project on April 3, 2018; and

WHEREAS, TNT Industrial Contractors Inc. has completed all of the required improvements in accordance with the contract approved by the City Council.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY
RESOLVES:**

Section 1. The City of Fairfield hereby accepts the completion of the work provided to be done pursuant to the agreement between the City of Fairfield and TNT Industrial Contractors Inc. approved by the City Council on April 3, 2018, by Resolution No. 2018-53.

Section 2. The City Engineer is authorized and directed to file with the Solano County Recorder a notice of completion.

PASSED AND ADOPTED this 18th day of June, 2019, by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:

CITY CLERK


pw



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Resolution 2019-143 of the City Council of the City of Fairfield Authorizing a Task Order for Kimley-Horn and Associates to Provide Preliminary Engineering and Design for the Parking Access and Revenue Collection Systems Project

RECOMMENDED ACTION

Adopt resolution.

STATEMENT OF ISSUE

Pursuant to Resolution No. 2015-281 and 2017-223, the City proposes to implement a paid for parking program at the Fairfield Transportation Center (FTC) and Fairfield/Vacaville Hannigan Train Station (Train Station). The Parking Access and Revenue Collection Systems Project (PARCS or Project) will include parking fee vending machines, citation hardware, entry/exit control equipment, and associated software. Staff recommends completing an assessment and evaluation of available parking technology, to identify a system which will best meet the needs of the FTC and Train Station sites. Approving the proposed resolution will authorize a task order for Kimley-Horn and Associates (KHA) to provide preliminary engineering and design for the Project.

DISCUSSION

The FTC is a multi-modal park and ride center that has both a parking lot with 240 spaces and a three level parking garage with 400 spaces. At the Train Station, there is one parking lot containing 139 spaces. The proposed Project includes the purchase and installation of parking fee vending machines, citation hardware, entry/exit control equipment, and associated software.

KHA's design scope of work includes observation of existing parking operations, access points, and parking utilization. KHA will review previously prepared parking technology design documents and record drawings of the parking facilities. The final deliverable will be a memorandum summarizing recommendations for parking technology, which may include parking guidance systems, parking reservations systems, and other integration into the City IT platform. Staff is recommending City Council adopt the attached resolution authorizing the task order with KHA. Staff has negotiated a not to exceed fee of \$34,085 for the engineering design work. Staff is also requesting City Council to authorize the

Public Works Director to execute and administer additional task orders that may become necessary to complete the work, provided the cumulative cost does not exceed \$50,000.

On April 16, 2019, City Council approved Resolution No. 2019-79 approving a design services agreement with KHA for on-call engineering services with a not-to-exceed amount of \$600,000 per year. The on-call agreement is for a three year period, through April 16, 2022, with the understanding that task orders in excess of \$25,000 be presented to City Council for approval.

FINANCIAL IMPACT

Total authorization for this design task order is \$50,000 (\$34,085 + management reserve). Transportation Development Act capital funds have been set aside for this project (Fund 451, Division and Responsibility Code 76110) utilizing regional grant funding.

CITY COUNCIL WORKPLAN

Community Safety

Community Infrastructure

Quality of Life

*Financial and Operational
Sustainability*

Economic Development

*Travis Air Force
Base*

City Council Goal this item supports:

Community Infrastructure, Financial and Operational Sustainability

Priority Project:

#5B.7 Heart of Fairfield

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

A Request for Qualifications for the On-Call Engineering Services for Capital Improvement Projects was advertised on the City of Fairfield Public Works webpage for a period of 40-calendar days.

ALTERNATIVE ACTION

If the City Council has any questions, the recommended action may be delayed so that staff can provide the necessary backup.

STAFF CONTACT

Ryan Panganiban, Interim Assistant Public Works Director/City Engineer
(707) 428-7017
rpanganiban@fairfield.ca.gov

COORDINATED WITH

Finance Department

ATTACHMENTS:

Proposed Resolution Task Order

REVIEWERS:

Reviewer	Action	Date
Ballard, Kelly	Approved	6/3/2019 - 6:49 PM
Panganiban, Ryan	Approved	6/3/2019 - 7:13 PM

Ballard, Kelly	Approved	6/3/2019 - 8:11 PM
Kaushal, Paul	Approved	6/3/2019 - 8:13 PM
Dominguez, Yessika	Approved	6/4/2019 - 7:16 PM
Dominguez, Yessika	Approved	6/12/2019 - 5:03 PM

CITY OF FAIRFIELD

RESOLUTION NO. 2019 - 143

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD AUTHORIZING
A TASK ORDER FOR KIMLEY-HORN AND ASSOCIATES TO PROVIDE
PRELIMINARY ENGINEERING AND DESIGN FOR THE PARKING ACCESS AND
REVENUE COLLECTION SYSTEMS PROJECT**

WHEREAS, the City approved resolution 2015-281 and 2017-223 establishing the City Parking Fee Program at the Fairfield Transportation Center (FTC) and Fairfield-Vacaville Hannigan Train Station (Train Station); and

WHEREAS, professional engineering services are required to complete an assessment and evaluation of parking technology specific to the FTC and Train Station; and

WHEREAS, the City conducted a competitive process for a qualifications based selection for engineering firms to provide services for infrastructure projects; and

WHEREAS, the City has selected Kimley-Horn and Associates to perform this work for an amount not to exceed \$34,085; and

WHEREAS, City Council authorized the City Manager to enter into a Design Services Agreement with Kimley-Horn and Associates on April 16, 2019, by Resolution 2019-79; and

WHEREAS, Resolution 2019-79 requires City Council approval for any task order in excess of \$25,000.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY
RESOLVES:**

Section 1. The Public Works Director is hereby authorized to execute and administer a task order with Kimley-Horn and Associates, for the Parking Access and Revenue Collection Systems Project, for an amount not to exceed thirty four thousand and eighty-five dollars (\$34,085).

Section 2. The Public Works Director is hereby authorized to execute and administer additional task orders that may become necessary to complete the preliminary engineering and design for the Parking Access and Revenue Collection Systems Project, provided the cumulative cost of the work does not exceed \$50,000.

PASSED AND ADOPTED this 18th day of June, 2019, by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:

CITY CLERK
pw

**CITY OF FAIRFIELD
TASK ORDER**

Task Order No. 1

Contract: Agreement for On-Call Design Engineering Services
Dated April 22, 2019 pursuant to Resolution No. 2019 - 79

Consultant: KIMLEY-HORN AND ASSOCIATES

Project: Parking Access and Revenue Collection Systems Project

Scope of Work: CONSULTANT shall provide to the CITY the services described in Exhibit "A," which consists of the proposal submitted by CONSULTANT. CONSULTANT shall provide said services at the time, place, and in the manner specified in Exhibit "A."

Exhibits:

A. Scope of Services and Fee Estimate dated May 20, 2019

Fee - Dollar Amount of Task Order: Not to exceed \$34,085

City Account Code: 451-76-110-9502

Document Completion Date: September 30, 2019



May 20, 2019

Mr. Ryan Panganiban, PE
Interim Assistant Public Works Director/City Engineer
City of Fairfield
1000 Webster Street, 3rd Floor
Fairfield, CA 94533

Re: *Proposal for Fairfield Parking Access and Revenue Collection Systems (PARCS) Project*
Professional Engineering Services
Fairfield, California

Dear Mr. Panganiban:

Kimley-Horn and Associates, Inc. is pleased to submit this letter proposal to the City of Fairfield to provide professional engineering services for Fairfield Parking Access and Revenue Collection Systems (PARCS) Project. This letter proposal includes our Project Understanding, Scope of Services, Schedule, and Fee.

We appreciate the opportunity to provide these services to you. Please contact us if you have any questions.

Very best regards,

KIMLEY-HORN AND ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read 'Alyssa'.

Alyssa Phaneuf, PE
PE No. C63123
Associate



PROJECT UNDERSTANDING

The City of Fairfield proposes to implement a Parking Access and Revenue Control system (PARCS) at the Fairfield Transportation Center and the Fairfield-Vacaville Intermodal Train Station parking lots. The City has previously solicited vendors for parking technology installation, but there have been several challenges with procurement. Currently, the project is funded exclusively with local dollars providing more flexibility with procurement. The City does not have any implementations of paid parking anywhere in the City. The PARCS could be used as a template to expand to additional parking lots, both existing and planned, throughout the City.

Kimley-Horn proposes to complete a needs assessment and evaluation of parking technology specific to Fairfield Transportation Center and the Fairfield-Vacaville Intermodal Train Station parking lot. As part of the evaluation, Kimley-Horn will observe parking operations, access points, and parking utilization. We will review previous parking technology design documents. We will review as-built designs of the parking facilities and the power and communication associated with them. The final deliverable will be a memorandum summarizing recommendations for parking technology, which may include PARCS, parking guidance systems, parking reservations systems, and other integration into the City IT platform. The recommendations will discuss pros and cons of each system, any operational changes that are associated with them, and rough order of magnitude capital and operations costs.

SCOPE OF SERVICES

Task 1: Project Initiation and Administration

Kimley-Horn will participate in a Kick-Off Meeting with the City of Fairfield to review the scope of work and provide staff perspectives on the needs and desires of the City. The City's requirements for the parking system includes cashless, pay-on-foot, stations with ability of City staff to accept cash payments and validate parking. Up to four telephone follow-up Interviews may be conducted with IT staff, enforcement staff, and parking operations staff.

This task also includes general project administration, including management of project staff, quality control, and project accounting.

Task 2: Data Collection and Site Visit

The City shall provide all information requested by Kimley-Horn during the project including, but not limited to, the following:

- Previous PARCS Requests for Proposals
- As-builts for parking facilities including power and communication
- Previous parking studies, counts, or surveys related to parking.



Kimley-Horn will visit the two project sites under weekday peak period conditions and observe queuing, traffic conditions, driver parking behavior, parking utilization, and ingress and egress. We will assess the feasibility of locating PARCS equipment including access to power and communication and feasibility of using existing power and communication services. We will observe any restrictions on parking and different user profiles.

Task 3: Parking Technology Evaluation Memorandum

Based on the field assessment, needs assessment, and parking operations evaluation, Kimley-Horn will prepare a Parking Technology Evaluation Memorandum. The Memorandum will include:

- Parking technology evaluation – evaluations will not be limited to PARCS and may include additional recommendations for parking guidance systems, parking reservation systems, pay by phone technology, etc. The evaluation will include the pros and cons of each and any operational or technical changes or considerations that may be necessary for implementation.
- Parking technology recommendations – recommendations will include a description of the technology including planning level costs for capital and ongoing operations and maintenance.
- Next Steps – this will include steps for procurement and any necessary antecedents or operational or technical changes that may be necessary

Kimley-Horn will meet with City staff to review the recommendations and the draft memo. We will address one round of consolidated comments and provide the final report.

Task 3 Deliverables

All deliverables will be submitted to the City electronically.

- Draft Parking Technology Evaluation Memorandum
- Final Parking Technology Evaluation Memorandum

Follow – On Services

Kimley-Horn, when authorized by the City of Fairfield will perform the following services. Scope details and fee shall be confirmed in writing prior to beginning work.

- Specification and requirements development for PARCS (between \$50,000 to \$150,000 depending on number of systems to be designed, complexity of systems, integration, and design work needed for lane configuration changes or dynamic messages signs)
- Procurement assistance (approximately \$5,000 - \$10,000 depending on job walks, interviews, RFIs, and construction support, etc.)
- PS&E for civil and electrical (power and communication) improvements for parking systems (between \$30,000 to \$50,000 depending on existing conditions).



Items excluded from scope of services

Kimley-Horn has excluded the following items from our scope of services:

- Parking turnover and occupancy counts
- Parking financial analysis or revenue generation analysis

Services other than those set forth in the Scope of Services shall constitute additional services. Additional services shall be performed only with your authorization, and be billed on a time and materials basis as per the current Kimley-Horn rate schedule.

SCHEDULE

We will provide our services as noted in the above Task 1-3 as expeditiously as practicable. We anticipate the following schedule of submittal:

- Draft memo - 2 months after NTP
- Final memo – 3 months after NTP (assuming 2 week comment period)

FEE AND BILLING

Kimley-Horn will perform the Task 1-3 on a time-and-materials basis with a non-to-exceed fee of \$34,085.

An estimate of hours and cost for each task is attached to this proposal. The fee includes labor cost, indirect and direct expenses, and sub-consultants incurred in performing these services. Sub-consultant costs will be subject to a 10% markup. The information is provided as an estimate only, and Kimley-Horn reserves the right to adjust budgets between tasks while maintaining the total fee.

All labor fee will be billed according to our then current rates. An amount will be added to each invoice to cover certain indirect expenses such as in-house duplicating, telephone calls, facsimiles, postage, and word processing. Administrative time related to the project may be billed hourly. All permitting, application, and similar project fees will be paid directly by the Client.

City of Fairfield
Parking Access and Revenue Collection System (PARCS)
Fee Estimate 5/20/19


Task	Staff					Total Hours	Total Costs
	PM	Engineer	Analyst II	Analyst I	Admin		
Task 1 - Project Initiation and Administration	10				6	16	\$3,010
Task 2 - Data Collection and Site Visit						77	\$13,625
Site Visits	15	10	20	4		49	\$8,695
Data Collection	8	10		10		28	\$4,930
Task 3 - Parking Technology Evaluation Memorandum						99	\$15,490
Draft Memo	10	10	20	25	2	67	\$10,470
Final Memo	5	5	10	10	2	32	\$5,020
Total Hours	48	35	50	49	10	192	
Billing Rate	\$235	\$175	\$145	\$130	\$110		
Labor Subtotal (Tasks 1-3)							\$32,125
KHA Expenses (Direct and Indirect)							\$1,960
BASE TOTAL							\$34,085



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Resolution 2019-144 of the City Council of the City of Fairfield Approving the Disbursement of Façade Improvement Program Funding and the Execution of Certificates of Acceptance for Façade Easement Deed for 1505 West Texas Street, Fairfield

RECOMMENDED ACTION

Adopt Resolution.

STATEMENT OF ISSUE

The Heart of Fairfield Plan, adopted in 2017, was established in part to prioritize and focus efforts on revitalizing Downtown Fairfield. Implementation of the plan includes the creation of a program that encourages private investment towards façade, outdoor seating, and building signage improvements. These types of improvements are intended to enhance the appearance of properties, encourage social interaction, and create a thriving economic setting for property and business owners.

DISCUSSION

On March 20, 2018, Council approved Heart of Fairfield Plan Area Façade, Outdoor Seating, and Signage Improvement Program ("Program"), an incentive program intended to encourage business owners and commercial property owners to enhance the appearance of properties through improvements to exterior façades, addition of outdoor seating, and/or installation of non-temporary building signage. The Program was approved as one strategy to further the goals of the comprehensive Heart of Fairfield Plan, which set into motion a process for revitalizing and improving Downtown Fairfield.

The Community Development Department has received a complete application from a property owner who own retail buildings in the Heart of Fairfield Plan Area. The proposed improvements and associated grant funding request are as follows:

- 1505 West Texas Street. Painting, replace three entry doors, add exterior façade lighting, new tenant signs, and replacement of monument sign. \$14,341.91

Per the Program's requirements, all recipients have agreed to enter into an enforceable façade easement agreement with the City to ensure the entire façade of the business is maintained in a satisfactory condition. The City will record this easement against their respective property following the Council's approval of the attached resolution.

The property owner also completed some tenant improvements on the property that have not received final approval from the Building Division. Approved funding will not be issued until the façade improvements have been completed, inspected, and a Certificate of Occupancy has been issued from the Building Division.

FINANCIAL IMPACT

A total of \$14,447.41 will be allocated to the applicant which will be paid for from the Intergovernmental Loan Fund Economic Development reserve (Fund 551, Division and Responsibility Code 99-206, Heart of Fairfield).

CITY COUNCIL WORKPLAN

Community Safety

Community Infrastructure

Quality of Life

Financial and Operational

Economic Development

*Travis Air Force
Base*

Sustainability

City Council Goal this item supports:

Economic Development

Priority Project:

#5B.1 Heart of Fairfield Plan

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

N/A

ALTERNATIVE ACTION

The City Council could decide not to approve the proposed resolution to purchase the façade easements. However, doing so could delay or jeopardize revitalization efforts outlined in the Heart of Fairfield Plan.

STAFF CONTACT

Jennifer Rice, Real Estate Specialist II
707-428-7727
jrice@fairfield.ca.gov

COORDINATED WITH

City Attorney's Office

ATTACHMENTS:

Proposed Resolution

Facade Easement-1505 W. Texas St.

REVIEWERS:

Reviewer	Action	Date
Morales, Lucia	Approved	6/3/2019 - 6:46 PM
Feinstein, David	Approved	6/3/2019 - 6:59 PM
Dominguez, Yessika	Approved	6/4/2019 - 10:46 AM
Dominguez, Yessika	Approved	6/12/2019 - 5:03 PM

CITY OF FAIRFIELD

RESOLUTION NO. 2019 - 144

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD APPROVING
THE DISBURSEMENT OF FAÇADE IMPROVEMENT PROGRAM FUNDING AND
THE EXECUTION OF CERTIFICATES OF ACCEPTANCE FOR FAÇADE EASEMENT
DEED**

WHEREAS, the Fairfield City Council adopted the Heart of Fairfield Plan in 2017 to prioritize and focus efforts on revitalizing Downtown Fairfield; and

WHEREAS, on March 20, 2018 the City Council approved Resolution 2018-43 to implement the Heart of Fairfield Plan Area Façade, Outdoor Seating, and Signage Improvement Program ("Program") and appropriated \$150,000 to fund the Program; and

WHEREAS, the Program is meant to incentivize business owners and commercial property owners to enhance the appearance of their properties through improvements to exterior facades, addition of outdoor seating, and/or installation of non-temporary business building signage; and

WHEREAS, implementation of the Program involves the acquisition by, and conveyance to, the City of façade easements over the improvements completed by applicants approved by City Council; and

WHEREAS, Government Code Section 27281 provides that deeds conveying any interest in real property to the City for public purposes cannot be accepted for recordation without the consent of the City evidenced by a certificate of acceptance attached to or printed on the deed; and

WHEREAS, Government Code Section 27281 further provides that the City may accept deeds conveying interests in real property by action of the City Council; and

WHEREAS, the City has received a complete application from property owner in Heart of Fairfield Plan Area who is proposing to complete façade and/or exterior enhancements as proposed in their application; and

WHEREAS, in order to provide for the orderly and efficient execution of documents relating to the acquisition of property for the Program, the City desires to authorize the City Manager to execute documents necessary to effectuate the acquisition by and conveyance to the City of interests in real property needed for the Program.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1: The City Council does hereby find that the above recitals are accurate and are hereby incorporated and made part of this Resolution by reference.
incorporated herein by this reference.

Section 2: The City Council hereby accepts the interests in real property conveyed by the Façade Easement Deed signed June 6, 2019 from Ray A. Shamieh to the City for the maintenance and care of the façade improvements at 1505 W Texas Street. This Façade Easement Deed is attached hereto as Exhibit "A" and incorporated herein by this reference.

Section 3: The City Council hereby authorizes the City Manager to execute the Certificate of Acceptance attached to Exhibit A.

Section 4: The City Council hereby consents to the recordation of each of the Façade Easement Deed attached hereto as Exhibit A.

Section 5: The City Clerk shall certify to the adoption of the Resolution and shall cause the Resolution and her certification to be entered in the Book of Resolutions of the Council of the City.

PASSED AND ADOPTED this 18th day of June, 2019 by the following vote:

AYES: COUNCILMEMBERS: PRICE / TIMM / BERTANI / MOY / VACCARO

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:

CITY CLERK

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

CITY OF FAIRFIELD
1000 Webster Street, 2nd Floor
Fairfield, California 94533
Attn.: Director of Community Development

APN: 0031-182-160

[SPACE ABOVE FOR RECORDER'S USE ONLY]

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

This transfer is exempt from Documentary Transfer Tax pursuant to Revenue & Taxation Code Section 11922 (conveyance to a public entity). Property is in the City of Fairfield, County of Solano.

FAÇADE EASEMENT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, RAY SHAMIEH, DALIA SHAMIEH, BRANDON SHAMIEH, GARY PHELPS II, AND JENNIFER PHELPS, as tenants in common (collectively "Grantor"), does hereby grant to the CITY OF FAIRFIELD, a municipal corporation ("Grantee"), a nonexclusive facade easement (the "Façade Easement") on and upon a portion of the real property described in Exhibit A, attached hereto and incorporated herein by this reference (the "Property"). A depiction of the portion of the Property described in Exhibit B attached hereto and incorporated herein by reference (the "Façade Easement Area").

This grant of easement is subject to the following conditions and obligations:

1. Grantor has submitted a graphic depiction and/or a design of the Façade Improvements Exhibit C, which has been approved by the Grantee, for the rehabilitation and improvement of the building or buildings on the Property, including the Façade Easement Area (the "Façade Improvements").

2. Grantor agrees to sell Grantee an easement in the building located on the Property identified more particularly as 1505 West Texas Street, Fairfield, California for the total cost of FOURTEEN THOUSAND FOUR HUNDRED FORTY SEVEN DOLLARS AND FORTY ONE CENTS (\$14,341.91) for the proposed improvements to the Property's façade ("Purchase Price").

2.1 Grantee shall pay Grantor the Purchase Price and confirm the recordation of this Façade Easement Deed ("Deed") within thirty (30) days after submission by Grantor of paid invoices and other documentation reasonably requested by the Grantee demonstrating completion of the Façade Improvements, and inspection and approval of the Façade Improvements by the Grantee.

3. Grantor shall diligently maintain and care for the Façade Easement Area in accordance with the terms of this Deed. "Diligent maintenance" is persistent upkeep, which employs the standard of care necessary to meet all requirements of applicable local ordinances and regulations and standards of workmanship in accordance with the generally accepted standards for maintenance observed by comparable uses located within the City of Fairfield. In particular, Grantor covenants that:

3.1 All exterior building facades shall be maintained, repaired, or used in accordance with the Uniform Building Code, the Fairfield Grantee Code and the plans approved by Grantor as of the date of this Deed, or as may be otherwise approved subsequently by the City of Fairfield Director of Community Development.

3.2 The exterior of the buildings and structures shall have effective weatherproofing and waterproofing, including non-deteriorated paint, uncracked or unbroken plaster, sound siding, sealing of doors and windows and adequate and approved roof covering.

3.3 All exterior doors, door hardware, handles, locksets and latches shall be in safe and operable condition, free of cracks, splits, holes, inadequate fastening and warpage.

3.4 All windows shall be secure, well sealed, unbroken, and with undamaged frames. No window bars, grills or grates of any kind shall be installed without the express approval of the City of Fairfield Director of Community Development.

3.5 All exterior lighting, including but not limited to security, carport, stairway or balcony, and building lighting, must be operable at all times as required by the Uniform Building Code, the National Electrical Code and the Fairfield Municipal Code.

4. Grantor further agrees that all material changes undertaken after the completion of the Facade Improvements to the exterior surfacing of the building(s) on the Property, including the Facade Easement Area, shall be subject to the prior written approval of and in the absolute discretion of the Director of Community Development. No painting or exterior surfacing which, in the opinion and judgment of Director of Community Development, are inharmonious with the Downtown or West Texas Street public improvements and general surroundings, shall be used on the exterior of any buildings now or to be located on the Property. This covenant shall run with the land for a period of five (5) years from the date the Facade Easement Deed is recorded against the Property.

4.1 Improvements or modifications that are constructed without written authorization of the Director of Community Development or are inconsistent with Exhibit C are not eligible for Grantee payment, unless otherwise determined appropriate by Director of Community Development.

4.2 No changes to approved plans or specifications shall occur, unless one of the following circumstances occurs:

4.2.1 The Grantor is required by the Grantee permit approval authority;
or

4.2.2 The Grantor obtains written approval from the Director of
Community Development

4.3 The Grantee, or its authorized agent, may inspect the job site from time to time to ensure that the construction of the Facade Improvements is consistent with the plans and other documents submitted by Grantor and approved by Grantee. In the event the Grantee has identified any impermissible inconsistencies related to the Façade Improvements during the inspection, those inconsistencies shall be summarized in writing and submitted to the Grantor with instructions for timely resolution. In addition, the Grantee may notify the Grantor of any other issues and/or concerns, and the Grantor shall resolve said issues in a manner approved by the Director of Community Development.

5. Grantee may use the Façade Easement for the purpose of ensuring the repair and maintenance of the Façade Easement Area, including the Façade Improvements to be constructed thereon, in accordance with this Deed.

6. The Façade Easement shall include ancillary rights of ingress and egress over any portion of the Property that is necessary in order to repair and maintain the Façade Improvements located on and within the Façade Easement Area.

7. The Grantee hereby grants the Grantor the option to repurchase the Facade Easement (the "Option") from the Grantee pursuant to the following terms and conditions:

7.1 The term of the Option shall commence upon recordation of the Facade Easement Deed and shall continue until the termination of the Facade Easement. In order to exercise the Option, the Grantor must give sixty (60) days written notice to the Grantee that it wishes to exercise the Option and Grantor shall not then be in default under this Deed.

7.2 If the Grantor exercises the Option, the Grantee agrees to sell and the Grantor agrees to repurchase the Facade Easement for an amount equal to the unamortized portion of the Purchase Price amortized on a straight-line basis over five (5) years (the "Repurchase Price"). The Repurchase Price schedule, based on the Purchase Price in Section 2, is as follows:

Year 1:	\$14,447.41
Year 2:	\$11,557.93
Year 3:	\$8,668.45
Year 4:	\$5,778.97
Year 5:	\$2,889.49

7.3 The Grantor and the Grantee shall each pay one-half (1/2) of all title, escrow and closing costs and fees associated with the repurchase of the Facade Easement. The Grantor and Grantee shall cooperate in good faith and execute such documents and take such actions as may be necessary to effectuate such repurchase.

8. Grantor covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, ancestry, age, sexual orientation or disability in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall Grantor or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property.

9. The Grantee shall not use or exercise any right granted by this Deed, or do anything in a manner that will damage or impair the Façade Easement Area or the structural integrity of the buildings and structures that make up the Property.

10. Defaults by the Grantor shall be handled as follows:

10.1 Grantor shall be in default of this Deed if Grantor breaches any of the Grantor's obligations enumerated in this Deed, and the breach is not cured within thirty (30) days (or such longer period as may be specified in the Notice of Breach) after the Grantee gives notice ("Notice of Breach") to the Grantor of the failure to perform, which Notice of Breach shall specify in reasonable detail the conditions constituting the breach. The City Manager or the City Manager's designee may impose conditions on any extension of time to cure the breach, which conditions may include but are not limited to (i) requiring Grantor to post a cash deposit or surety bond in the amount of the estimated cost of curing the breach or default, and (ii) requiring that Grantor commence curing the breach or default by a specified date and thereafter diligently and in good faith continue to cure the breach until completion of the cure.

10.2 In the event of default, in addition to any other remedies available to Grantee at law or in equity, Grantee in its sole and absolute discretion may require Grantor reimburse Grantee for any unamortized funding assistance or enter the Property at any reasonable time for the purpose of performing the required maintenance, repairs, or any other work listed in the Notice of Breach. Grantor shall waive any and all claims for damage or loss as a result of Grantee's entry onto the Property. Grantor shall defend, indemnify and hold harmless Grantee, its employees, officers, agents and contractors from and against any and all liability, loss, expense, including reasonable attorney's fees or claims for injury or damage caused by or as a result of the Grantee, its employees, officers, agents or contractors entry onto the Property. Notwithstanding the foregoing, the above waiver and indemnity shall not apply with respect to any grossly negligent acts or omissions or willful misconduct by the Grantee, its employees, officers, agents and/or contractors.

10.3 If Grantee, acting through its own employees or through its contractors, enters the Property and cures the breach or default, Grantee shall perform the work in a reasonably efficient, cost effective and competitively priced manner. The cost of curing the default shall be due and payable within ten (10) days after delivery of an invoice to Grantor, and if paid at a later date shall bear interest at the rate of 10% per annum from the date of the invoice until Grantee is reimbursed by Grantor. Any warranties provided by Grantee's contractors shall be assigned to Grantor upon Grantor's payment in full of the amounts due hereunder.

10.4 The Grantee, in addition to the cost collection process as set forth above in subsection 12.3 may make the cost incurred in performing the required maintenance, repairs or any other work on the Property a lien upon the Property by recording a notice with the Solano County Recorder. The lien may also include any and all costs incurred in recording the lien. The notice shall state that the Grantee has incurred costs under the terms of this Deed and shall state the amount, together with the fact that it is unpaid. Such lien shall be immediately released upon Grantor's payment of said costs.

11. In the event of litigation arising from this Deed, the nonprevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in such litigation.

12. Formal notices, demands, and communications between the parties shall be sufficiently deemed given if sent by certified mail, postage prepaid, return receipt requested, or sent by express delivery service with a delivery receipt, to the principal office of the Grantee and Grantor as follows:

Grantee: City of Fairfield
1000 Webster St., 2nd Floor
Fairfield, CA 94533-4883
Attention: Director of Community Development

Grantor: Ray and Dalia Shamieh
1545 North Texas Street
Fairfield, CA 94533

13. The Façade Easement granted herein shall terminate on the date which is five (5) years from the date of recordation of this Deed, unless terminated earlier in accordance with Section 17 below.

14. The obligations and benefits imposed and granted in this Deed shall be binding on Grantor and all successor Grantors of the Property and inure to the benefit of the Grantee, its successors and assigns and are intended to run with the land as provided in California Civil Code Section 1468.

15. The provisions of this Deed may be amended or terminated in full only by a written instrument signed by both the Grantor and Grantee. Grantor may request the termination and release from this easement at any time subject to payment of an early termination and release fee

in an amount equal to the value of all funding assistance received for the improvements for which the easement was granted. Said value shall be discounted by 20% for each calendar year subsequent to the completion of the improvements, the disbursement of funds by the Grantee, and recordation of the Façade Easement.

16. If Grantor conveys, grants or transfers the Property or any portion thereof to another, such grantee or transferee shall be responsible for complying with the terms and conditions of this Deed as to the Property or as to that portion thereof so conveyed and Grantor shall have no further obligation hereunder as to said Property or that portion thereof. If Grantor leases or rents the Property or any portion thereof to a third party, the lease or rental agreement shall provide for Grantor's rights of entry to perform Grantor's obligations under this Deed. The lease or rental agreement also shall provide for Grantee's right of entry to inspect the Property, including the Façade Easement Area, for compliance with this Deed and in the event of breach to perform required maintenance in accordance with this Deed. Grantor shall advise the Grantee's Director in writing of any changes in the address of Grantor and of the names and addresses of any subsequent Grantors, and/or tenants of the Property or any portion thereof.

17. Grantor shall indemnify, defend and hold the Grantee and the City of Fairfield harmless against all injuries, damages, claims, costs, or liabilities arising out of, from or under, directly or indirectly from this Deed, and expenses resulting out of the acts or omissions of the Grantor, the Grantor's contractors, subcontractors, or employees of the undersigned, pertaining to the aforesaid Façade Improvements or the use or operation of the Property.

18. Nothing contained in this Deed shall be deemed to be a gift or dedication of any portion of Property to the general public or for the general public for any public purpose whatsoever, it being the intention of the parties that the Façade Easement shall be strictly limited to and for the purposes expressed in this Deed.

19. The restrictions and covenants herein shall be governed by and construed in accordance with the laws of the State of California.

20. The Façade Easement granted herein shall be binding on and inure to the benefit of the successors and assigns of the parties and are intended to bind and burden the Property.

IN WITNESS WHEREOF, Grantor has duly executed this Grant Deed.

RAY SHAMIEH, DALIA SHAMIEH,
BRANDON SHAMIEH,
GARY PHELPS II, AND
JENNIFER PHELPS, as tenants in
common

By: Ray Shamieh
Name: Ray Shamieh
Title: Owner

By: Dalia Shamieh
Name: Dalia Shamieh
Title: Owner

By: Brandon Shamieh
Name: Brandon Shamieh
Title: Owner

By: Gary Phelps II
Name: Gary Phelps II
Title: Owner

By: Jennifer Phelps
Name: Jennifer Phelps
Title: Owner

EXHIBIT "A"

LEGAL DESCRIPTION

All that certain real property situated in the City of Fairfield, County of Solano, State of California, described as follows:

The land described herein is situated in the State of California, County of Solano, City of Fairfield, described as follows:

PARCEL ONE:

Beginning at a point set on the southeast corner of the intersection of County of Road No. 629 (sometimes known as Woolner Avenue), and County Road No. 81 (now State Highway U.S. 40); said point being North 89° 40' West 1710.70 feet from the intersection of the West line of Pennsylvania Street with the South line of Texas Street in the Town of Fairfield as per the Official Map thereof, filed in the Recorder's Office of Solano County; thence from said point of beginning South 0° 02' West, along the East line of said Woolner Avenue 150 feet; thence South 89° 40' East 150 feet; thence North 0° 02' East, 150 feet to a point on the South line of said State Highway U.S. 40; thence North 89° 40' West, along said South line 150 feet to the point of beginning.

EXCEPTING THEREFROM:

The Westerly 75 feet of said land.

PARCEL TWO:

An easement, 24 feet in width, for ingress and egress and all purposes incidental thereto, over a portion of the lands described in that certain Quitclaim Deed in favor of Bok H. Horn and Pearl W. Horn, Trustees under their Declaration of Trust dated August 29, 1985, filed for record as Document 1985-0082112 on September 4, 1985 in the Office of the Solano County Recorder, the centerline of said easement being more particularly described as follows:

Beginning at a point on the West line of the above referenced lands, distant thereon North 0° 02' 00" East, 35.00 feet from the southwest corner thereof; thence lying parallel with the southerly line of said lands, South 89° 40' 00" East 75.00 feet to a point on the East line of said lands, said point being the terminus of this description. The sidelines of this easement shall be shortened or extended as required so as to terminate at the boundaries referenced herein.

APN: 0031-182-160

EXHIBIT "B"

DESCRIPTION OF THE FAÇADE EASEMENT AREA

Facade Easement Area: The area consisting of the building face adjoining Gregory Lane and West Texas Street, outdoor seating area in public right-of-way, alley right-of-way, or other public areas, including all exterior wall planes, window, doors, fascia, awnings, signage, and other architectural projections.

EXHIBIT C
FAÇADE IMPROVEMENTS



1505 NORTH TEXAS WEST



Original

original door



These color renderings have been matched as closely as possible to the actual color sample; however, lighting conditions can affect the presentation. Please refer to actual color swatches should be applied to the building allowed to dry and checked before proceeding with the entire job.

1505 NORTH TEXAS WEST

Proposed Paint



Scheme 1 - KMA82 Lamp Post; Fascia: KM445; Warm Welcome; Soffit: HLS4297 Fitzgerald Smoke



KELLY MOORE
PAINTS

These color renderings have been matched as closely as possible to the actual color sample, however, lighting conditions can affect the presentation. Please refer to actual color sample. matches should be applied to the building. color sample.

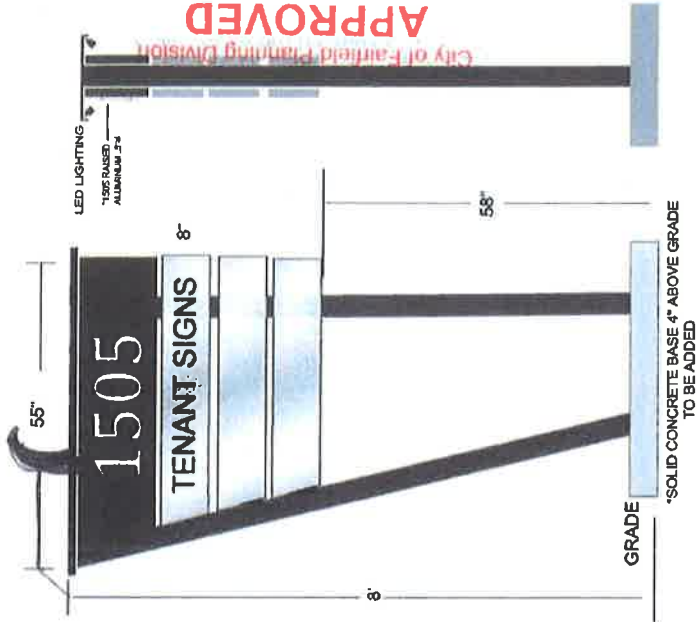
EXISTING CONDITION



PROPOSED CONDITION



SITE PLAN



APPROVED

File: SN2019 - 041

MAY 23 2019

Signed:

Condition:

REFURBISHMENT OF EXISTING DOUBLE POLE SIGN

SCOPE OF WORK:

- 1) ELECTRICAL DISPLAY TO REMOVE AND DISPOSE OF EXISTING SINGLE POLE SIGN INCLUDING POLE TO BE CUT OFF AT GRADE AND CAPPED, SECURING ELECTRICAL IF PRESENT.
- 2) TO REFURBISH REMAINING DOUBLE POLE SIGN TO INCLUDE:
 - A) REMOVAL AND DISPOSAL OF TOP MOUNTED SIGN CABINET.
 - B) REMOVAL AND DISPOSAL OF TOP MOUNTED "ARROW".
 - C) REMOVAL AND DISPOSAL OF ALL EXISTING TENANT PANELS/HARDWARE.
 - D) REMOVAL OF ANY EXTRANEOUS REMAINING HARDWARE.
 - E) CLEAN UP/SECURING OF EXISTING ELECTRICAL, INCLUDING RE-ROUTING AS NECESSARY TO PROVIDE ELECTRICAL TO TOP OF PROPOSED NEW CABINET.
 - F) PREP AND REPAINT OF REMAINING SIGN STRUCTURE.
 - G) FABRICATE AND INSTALL NEW TOP MOUNTED ADDRESS CABINET WITH DIMENSIONAL FABRICATED ADDRESS NUMERALS.
 - H) FABRICATE AND INSTALL THREE (3) NEW TENANT PANELS.
 - J) FURNISH AND INSTALL LED LIGHTS TO ILLUMINATE TOP CABINET.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Solano }

On June 6, 2019, before me, Lucia Morales, a notary public, personally appeared Ray Shamich who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

[Signature]
Signature of Notary Public



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Solano }

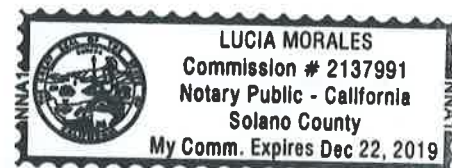
On June 6, 2019, before me, Lucia Morales, a notary public, personally appeared Brandon Shamich who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

[Signature]
Signature of Notary Public



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Solano }

On June 6, 2019, before me, Lucia Morales, a notary public, personally appeared Dalia Shamieh who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Signature]

Signature of Notary Public



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Solano }

On June 6, 2019, before me, Lucia Morales, a notary public, personally appeared Jennifer Phelps who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Signature]

Signature of Notary Public



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of Solano)
 On June 6, 2019 before me, Lucia Morales, Notary Public
 Date Here Insert Name and Title of the Officer
 personally appeared Gary Phelps II
 Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Signature]
 Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
 Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
<input type="checkbox"/> Corporate Officer — Title(s): _____	<input type="checkbox"/> Corporate Officer — Title(s): _____
<input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General	<input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General
<input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact	<input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact
<input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator	<input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other: _____
Signer Is Representing: _____	Signer Is Representing: _____

CERTIFICATE OF ACCEPTANCE

Dated: _____, 2019


Packet Page 145 of 281



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Resolution 2019-145 of the City Council of the City of Fairfield Authorizing the Execution of Certifications and Assurances for the California State of Good Repair Program for Corporation Yard Transit Fleet Electrification Project

RECOMMENDED ACTION

Adopt resolution.

STATEMENT OF ISSUE

The California Department of Transportation (Department) administers the State of Good Repair Account, which provides funding for transit projects. The City is eligible to receive up to \$35,874 in SGR funding for fiscal year 2019-2020. The proposed resolution authorizes the execution of Certifications and Assurances for the California State of Good Repair (SGR) Program for the Corporation Yard Transit Fleet Electrification Project (Project).

DISCUSSION

The Road and Repair and Accountability, Senate Bill (SB) 1 signed by the Governor on April 28, 2017, includes the SGR Program, which will provide additional revenues for transit infrastructure repair and service improvements.

The SGR Program is funded by a portion of a new Transportation Improvement Fee on vehicle registrations due on, or after, January 1, 2018. A portion of this fee will be transferred to the State Controller's Office for the SGR Program. In collaboration with the State Controller's Office, the California Department of Transportation is tasked with the management and administration of the SGR Program. These funds will be allocated under the State Transit Assistance Program formula to eligible agencies pursuant to Public Utilities Code section 99312.1.

Through the SB1 SGR Program, the City of Fairfield is allocated up to \$35,874 in fiscal year 2019-2020. The City plans to make upgrades to the electrical infrastructure at the Corporation Yard in order to purchase and install electric bus chargers for new all-electric zero-emission buses. SB1 SGR Program funds will be used to help fund the preliminary design and engineering portion of this project.

FINANCIAL IMPACT

Fairfield and Suisun Transit (FAST) anticipates receiving \$35,874 in programmed SB1 SGR Program funding for the design and planning of electric infrastructure upgrades at the corporation yard. This funding requires no local match and will offset programmed Local Transportation Funding to apply towards FAST capital projects.

All operating and capital expenses for FAST are supported with state and federal transportation grant funds. No financial resources from the City's General Fund are used for FAST expenses.

CITY COUNCIL WORKPLAN

Community Safety

Community Infrastructure

Quality of Life

Financial and Operational

Economic Development

Travis Air Force

Sustainability

Base

City Council Goal this item supports:

Community Infrastructure

Project:

#4A.27, Corporation Yard Electrical Upgrade

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

N/A

ALTERNATIVE ACTION

The City may choose to not approve this resolution, which would preclude the City from utilizing SGR funding for design and engineering of the proposed Corporation Yard electrical infrastructure upgrades. Unclaimed SGR funding will be reallocated by the State of California.

STAFF CONTACT

Tina Tran, Transportation Planner
(707) 434-3863
ttran@fairfield.ca.gov

COORDINATED WITH

N/A

ATTACHMENTS:

Proposed Resolution

Exhibit A

REVIEWERS:

Reviewer	Action	Date
Ballard, Kelly	Approved	6/3/2019 - 6:48 PM
Panganiban, Ryan	Approved	6/3/2019 - 7:14 PM
Ballard, Kelly	Approved	6/3/2019 - 8:13 PM
Kaushal, Paul	Approved	6/3/2019 - 8:13 PM
Dominguez, Yessika	Approved	6/4/2019 - 7:47 PM

CITY OF FAIRFIELD

RESOLUTION NO. 2019 - 145

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD AUTHORIZING
THE EXECUTION OF CERTIFICATIONS AND ASSURANCES FOR THE
CALIFORNIA STATE OF GOOD REPAIR PROGRAM FOR CORPORATION YARD
TRANSIT FLEET ELECTRIFICATION PROJECT**

WHEREAS, effective April 28, 2017, Senate Bill 1 (Chapter 5, Statutes of 2017) established a state highway operation and protection program for the expenditure of transportation funds; and

WHEREAS, the statutes require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 1 named the Department of Transportation (Department) as the administrative agency for the State of Good Repair Account ("SGR"); and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing SGR funds to eligible project sponsors (local agencies); and

WHEREAS, the City of Fairfield is an eligible project sponsor and may receive State Transit Assistance funding from the SGR, now or sometime in the future, for transit projects; and

WHEREAS, the City of Fairfield wishes to delegate authorization to execute these documents and any amendments thereto to the City Manager.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FAIRFIELD HEREBY
RESOLVES**

Section 1. The City of Fairfield, as the fund recipient, agrees to comply with all conditions and requirements set forth in the Recipient Certification and Assurances document, attached hereto as "Exhibit A," and in addition to the applicable statutes, regulations and guidelines for all SGR funded transit projects.

Section 2. The City Manager, the Public Works Director, and Transportation Manager are hereby authorized to execute and submit all required documents of the SGR program and any amendments thereto with California Department of Transportation or any other state administrative agency as may be determined by the State in the future.

PASSED AND ADOPTED this 18th day of June, 2019, by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:

CITY CLERK
pw

State Transit Assistance State of Good Repair Program**Recipient Certifications and Assurances**

Recipient: City of Fairfield.

Effective Date: June 18, 2019.

In order to receive State of Good Repair Program (SGR) funds from the California Department of Transportation (Department), recipients must agree to following terms and conditions:

A. General

- (1) The recipient agrees to abide by the State of Good Repair Guidelines as may be updated from time to time.
- (2) The potential recipient must submit to the Department a State of Good Repair Program Project List annually, listing all projects proposed to be funded by the SGR program. The project list should include the estimated SGR share assigned to each project along with the total estimated cost of each project..
- (3) The recipient must submit a signed Authorized Agent form designating the representative who can submit documents on behalf of the recipient and a copy of the board resolution authorizing the agent.

B. Project Administration

- (1) The recipient certifies that required environmental documentation will be completed prior to expending SGR funds. The recipient assures that each project approved for SGR funding comply with Public Resources Code § 21100 and § 21150.
- (2) The recipient certifies that SGR funds will be used for transit purposes and SGR funded projects will be completed and remain in operation for the estimated useful lives of the assets or improvements.
- (3) The recipient certifies that it has the legal, financial, and technical capacity to deliver the projects, including the safety and security aspects of each project.

- (4) The recipient certifies that there is no pending litigation, dispute, or negative audit findings related to any SGR project at the time an SGR project is submitted in the annual list.
- (5) Recipient agrees to notify the Department immediately if litigation is filed or disputes arise after submission of the annual project list and to notify the Department of any negative audit findings related to any project using SGR funds.
- (6) The recipient must maintain satisfactory continuing control over the use of project equipment and/or facilities and will adequately maintain project equipment and/or facilities for the estimated useful life of each project.
- (7) Any and all interest the recipient earns on SGR funds must be reported to the Department and may only be used on approved SGR projects or returned to the Department.
- (8) The recipient must notify the Department of any proposed changes to an approved project list by submitting an amended project list.
- (9) Funds will be expended in a timely manner.

C. Reporting

- (1) Per Public Utilities Code § 99312.1 (e) and (f), the recipient must submit the following SGR reports:
 - a. Annual Expenditure Reports within six months of the close of the fiscal year (by December 31st) of each year.
 - b. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of SGR funds. A copy of the audit report must be submitted to the Department within six months of the close of each fiscal year in which SGR funds have been received or expended.

D. Cost Principles

- (1) The recipient agrees to comply with Title 2 of the Code of Federal Regulations Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (2) The recipient agrees, and will assure that its contractors and subcontractors will be obligated to agree, that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual project cost items and (b) those parties shall

comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

- (3) Any project cost for which the recipient has received payment that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, are subject to repayment by the recipient to the State of California (State). Should the recipient fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the recipient from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

E. Record Retention

- (1) The recipient agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the recipient, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of the recipient, its contractors and subcontractors connected with SGR funding shall be maintained for a minimum of three (3) years from the date of final payment and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the recipient, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the recipient pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the recipient's external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.
- (2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the recipient's contracts with third parties pursuant to Government Code § 8546.7, the recipient, its contractors and subcontractors and the Department shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a

project for audits, examinations, excerpts, and transactions, and the recipient shall furnish copies thereof if requested.

- (3) The recipient, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

F. Special Situations

- (1) Recipient acknowledges that if a project list is not submitted timely, the recipient forfeits its apportionment for that fiscal year.
- (2) Recipients with delinquent expenditure reports may risk future eligibility for future SGR funding.
- (3) Recipient acknowledges that the Department shall have the right to perform an audit and/or request detailed project information of the recipient's SGR funded projects at the Department's discretion from SGR award through 3 years after the completion and final billing of any SGR funded project. Recipient agrees to provide any requested project information.

I certify all of these conditions will be met.

City of Fairfield – Fairfield and Suisun Transit

BY:

Diane Feinstein, Interim Transportation Manager
Transportation Division

ATTACHMENT I


(INSERT Agency Board Resolution approving this document)



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Minute Action Approving Response to the 2018-2019 Grand Jury Report Entitled “An Analysis of Potential Conflict of Interest Within the City of Fairfield” and Authorizing the Mayor to Sign the Response Letter

RECOMMENDED ACTION

By minute action, approve the response letter to the 2018-2019 Grand Jury Report Entitled “An Analysis of Potential Conflict of Interest Within the City of Fairfield” and authorize Mayor to Sign Response Letter.

STATEMENT OF ISSUE

The 2018-2019 Grand Jury issued a report entitled “An Analysis of Potential Conflict of Interest Within the City of Fairfield.” In the report, there are five (5) findings and seven (7) recommendations that the Mayor and City Manager need to respond to in writing. The response requires City Council concurrence.

DISCUSSION

State law requires the City of Fairfield to respond to findings and recommendations contained in the 2018-2019 Solano County Grand Jury report regarding potential conflict of interest within the City of Fairfield. The report consists of five (5) findings and seven (7) recommendations.

City staff partially agrees with the findings and recommendations contained in the Grand Jury report and is asking City Council to approve the attached letter.

FINANCIAL IMPACT

There is no financial impact.

CITY COUNCIL WORKPLAN

Community Safety

Community Infrastructure

Quality of Life

City Council Goal this item supports:

Not Applicable

Project:

Not Applicable

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

N/A

ALTERNATIVE ACTION

Council may choose to revise the attached letter, but postponing the concurrence of this response will result in non-compliance with State law and the July 16, 2019 deadline.

STAFF CONTACT

Sean Quinn, Interim City Manager
707-428-7400
squinn@fairfield.ca.gov

COORDINATED WITH

City Attorney's Office, Human Resources Department

ATTACHMENTS:

2018-2019 Solano County Grand Jury Report "An Analysis of Potential Conflict of Interest Within the City of Fairfield"

Proposed Response Letter

REVIEWERS:

Reviewer

Dominguez, Yessika

Action

Approved

Date

6/12/2019 - 10:01 AM



SOLANO COUNTY GRAND JURY
2018-2019

**AN ANALYSIS OF
POTENTIAL CONFLICT OF INTEREST
WITHIN THE CITY OF FAIRFIELD**

AN ANALYSIS OF POTENTIAL CONFLICT OF INTEREST WITHIN THE CITY OF FAIRFIELD

Solano County Grand Jury 2018-2019

I. SUMMARY

The Solano County Grand Jury 2018-2019 (Grand Jury) undertook an analysis of the City of Fairfield's Administrative Policy Manual (Administrative Policy) regarding its Code of Ethics for City employees, and handling of Statements of Economic Interest, in response to a citizen complaint. Based on the information gathered by the Grand Jury, it became apparent there are certain City policies that are not followed. Additionally, there is a gap in the City's wording of certain policies making those policies difficult to ascertain and unable to be carried out by City staff. Lastly, the Administrative Policy details responsibilities to be undertaken by the Administrative Services Department that does not exist. Expansion and updating of the City's Administrative Policy is necessary to protect the interests of the City, City employees and the public from unethical conduct and conflict of interest violations.

II. INTRODUCTION

Fairfield was incorporated in 1903. It has a Council-Manager form of government with a separately-elected mayor and four councilmembers elected-at-large to staggered four-year terms. The City Clerk and City Treasurer are elected. The City Council appoints the City Manager and the City Attorney. Department Heads are appointed by the City Manager. The City is organized into eight departments, including the City Manager's Office and Human Resources. It is the responsibility of the City Manager to ensure all laws and ordinances of the City are enforced.

A citizen complaint sought the Grand Jury's assistance to investigate certain activities by City of Fairfield management personnel that could be perceived as inappropriate and unethical. The complaint alleged the use of insider knowledge for personal gain. A conflict of interest arises (or may arise) when a person is in a position to derive personal benefit from actions or decisions made in their official capacity. The Administrative Policy includes provisions for completion of conflict of interest statements and for obtaining prior approval for second jobs. Every public employee who makes or influences governmental decisions is required to submit a Statement of Economic Interest, California Fair Political Practices Commission Form 700 (Form 700) pursuant to the California Political Reform Act and the guidelines provided by the California Fair Political Practices Commission. The Grand Jury determined it is important to investigate the effectiveness of the City of Fairfield's current Administrative Policy as it pertains to potential conflicts of interest by City employees.

III. METHODOLOGY

- Interviewed Human Resources Department personnel
- Interviewed City Manager's Office personnel
- Interviewed representatives of City government
- Reviewed City of Fairfield Administrative Policy Manual (Issue Date: August 9, 2010) as provided by management of the City of Fairfield
- Reviewed New Employee Orientation Checklist Forms packet as provided by management of the City of Fairfield
- Reviewed sections of the California Fair Political Practices Commission (FPPC Form 700)

- Reviewed California Fair Political Practices Commission website: www.fppc.ca.gov
- Reviewed California Political Reform Act (Government Code §§81000-91014)
- Reviewed City of Fairfield website: www.fairfield.ca.gov
- Reviewed City of Fairfield Resolution No. 2012-214 (A Resolution of the City Council Approving Amendments to the City Fairfield Conflict of Interest Code) including Exhibit A and Exhibit B

IV. STATEMENT OF FACTS

The City of Fairfield's most recent Administrative Policy was issued on August 9, 2010 (with revisions to certain portions on 4/20/11 and 12/15/11 as it pertains to this report). The purpose of Chapter 100, Section 4 of the Policy was to establish a uniform Code of Ethics for all City employees. It is stated therein that the proper operation of municipal government requires that: 1) public employees be independent, impartial and responsible to the people; and 2) that government decisions and policy be made in the proper channels of the government structure. Further, public employees' conduct in both official and private affairs should be above reproach. As to responsibilities of public service, it is written that employees are bound to discharge faithfully the duties of their offices regardless of personal consideration. Public interest must be the primary concern. Additionally, on the subject of ethical considerations, the Policy provides that no employee shall disclose confidential information concerning the property, government or affairs of the City, and that no employee shall use confidential information to advance the financial or other private interest of themselves or others.

Moonlighting & Other Business Activity

Chapter 100, Section 4, of the Administrative Policy sets out the following guidelines for Moonlighting and Other Business Activity: Employees considering a second job or outside activity must have prior approval from his or her supervisor to determine whether or not the outside employment or activity has a potential conflict of interest with the employee's duties, the objective of the department, or the City. The final determination will be rendered by the employee's department head and City Manager. Outside activity and business activity applies to any duties, services or functions performed by a City employee for compensation or other personal gain.

Despite these criteria, investigation showed there is no means to ascertain whether an employee has requested permission for secondary employment or if the request was approved or denied. No documentation exists and nothing is maintained in the employee's official personnel file. Additionally, during interviews it was discovered that there is confusion as to how the City's policy on moonlighting actually works, that is, whom to ask for permission and how or if the policy is enforced.

Statements of Economic Interest – Form 700

The Administrative Policy's Code of Ethics states that no employee shall engage in any business or transaction or shall have a financial or personal interest, direct or indirect, which would tend to impair his or her independence or judgment or action in the performance of his or her official duties. Additionally, employees of the City of Fairfield shall comply with the applicable provisions of State law relative to conflicts of interest and generally regulating the conduct of public officials and employees, including the completion of conflict of interest statements (Ch. 100, Sect. 4).

The California Political Reform Act requires many public officials and employees to file public, personal financial disclosure reports known as Statements of Economic Interests or Form 700. The Form 700 provides transparency and ensures accountability in two ways: 1) It provides necessary information to the public about certain officials' personal financial interests to ensure that officials are making decisions in the best interest of the public and not enhancing their personal finances; and 2) It serves as a reminder to the public official of potential conflicts of interest so the official can abstain from making or participating in governmental decisions that are deemed conflicts of interest.

Under the Act, cities are required to adopt and implement a separate conflict of interest code. The City of Fairfield has adopted a conflict of interest code designating positions that have decision-making capacity which may affect financial interests (Resolution No. 2012-214).

Per the Administrative Policy, the City's Resolution is to outline the procedures for implementing the Council-adopted Conflict of Interest Code (Ch. 100, Sect. 5). The Resolution includes two exhibits. Exhibit A contains the list of employees required to file Form 700 and Categories 1-4. Exhibit B (Summary of Categories) defines the disclosure requirements for each category as follows: 1) Persons in this category shall disclose interests in real property if the real property is located in the City of Fairfield; 2) Persons in this category shall disclose income from sources of income and business entities in which he or she has an investment, if the business entity or source of income owns real property within the City of Fairfield and does business within the City of Fairfield; 3) Persons in this category shall disclose income from sources of income and business entities in which he or she has an investment, if the source of income or business entity is in the construction or building industry within the City of Fairfield; and 4) Persons in this category shall disclose income from sources of income and investments in business entities in which he or she has an investment, if the source of income or business entity within the previous two years provided services, equipment, lease space, materials or supplies to the City of

Fairfield, Fairfield Housing Authority, Successor Agency to the Fairfield Redevelopment Agency, or Fairfield-Suisun Sewer District.

The Grand Jury was informed that Statements of Economic Interest are completed by personnel mandated to file the Form 700 pursuant to the City's Resolution and pursuant to the California Political Reform Act. The forms are turned into the City Clerk, checked for completion and signature only, date stamped, put in a file marked with the year of the filings and kept in a drawer in the Clerk's office. No review of the Form 700 is done by any City official to determine if there is a potential conflict between activity conducted by the employee as disclosed on the Form 700, and the business of the City.

Investigation further revealed that although the Administrative Policy calls for a check on those who fail to timely file a Form 700, that policy is not followed by the City of Fairfield (Ch. 100, Sect. 5, p. 5-2, 1.f. states: Failure to file statements with the City Clerk on or before the deadlines may result in payment of fines imposed in accordance with guidelines established by the California Fair Political Practices Commission.)

Within the Administrative Policy, Chapter 100, Section 5, Conflict of Interest Statements, is a heading: "Administrative Services Department Responsibility." Under this heading are procedures for the Administrative Services Department to immediately notify the City Clerk of new hires, promotions, terminations or resignations for the purpose of proper filing of Statements of Economic Interest. The Administrative Policy, Chapter 200, Section 1, states: "The role of the Administrative Services Department is to provide the City with well-trained and equitable and ethical personnel standards and effectively manage risks to the City." At the time information was gathered by the Grand Jury, the City did not have an Administrative Services Department.

Administrative Policy Manual – Employee Guidelines

Chapter 200, Section 5 of the Administrative Policy, entitled: “New Employee Processing,” indicates that new employees will receive a City employee handbook from Administrative Services Department staff. Information provided to the Grand Jury indicates that no such handbook exists. The Grand Jury has received the City’s Administrative Policy Manual which purports to be an employee handbook. Also provided was a New Employee Orientation Checklist Forms packet. Within that packet is a document on how to access the Administrative Policy and includes the following statement in italics: “Most employees will find that Chapter 100 and 200 will be the most helpful in regards to looking up City policies and employee benefits.”

Chapter 200 of the Administrative Policy is replete with references to the Administrative Services Department and the administrative duties of the Director of Administrative Services (refer to Sections 2, 4, 5, 16, 19, 21, 22, 25, 26, 30, 34, 40, 42, 47, 48, 53). As previously referenced, the Grand Jury has been advised that there is no Administrative Services Department in the City of Fairfield. Employees are told in writing to rely on functions, policies and procedures of the Administrative Services Department and to sign an Acknowledgement of Receipt agreeing to be held accountable and to follow those policies. The General Purpose section of Chapter 200, states the purpose of personnel rules and regulations is to facilitate efficient and economical services to the public and provide for a fair and equitable system of personnel management. This section outlines in general terms the obligations, rights, privileges, benefits and prohibitions that are placed upon those in the employment of the City.

V. FINDINGS AND RECOMMENDATIONS

FINDING 1

Employees considering a second job or outside activity for compensation or other personal gain, must have prior approval from the employee's supervisor in order to rule out any conflict of interest. There is no evidence to ascertain whether the City of Fairfield enforces this policy.

Recommendation 1a

Create a Personnel Action Form for the employee to submit to their supervisor for advance written permission to take a second job, especially where that second job might be influenced by the employee's current position with the City. Place the form indicating the final decision in the employee's Official Personnel File. Documentation in lieu of verbal approval or denial would support the objective of the policy and protect the City and employee from any perceived presumption of wrongful conduct.

Recommendation 1b

Remind employees annually in writing of the policy regarding moonlighting and other business activities.

Finding 2

The City of Fairfield fails to ensure that required Form 700s are submitted and filed according to the California Political Reform Act and City regulations.

Recommendation 2

Follow-up to ensure all required Form 700s are submitted in accordance with the California Political Reform Act and City regulations.

Finding 3

Form 700s are not reviewed by City officials to ensure that employees do not engage in any business or transaction that would have a financial or personal interest which could impair the employee's independence or judgment in the performance of their official duties.

Recommendation 3

Review and evaluate Form 700s to determine whether the content contains information which could be interpreted as a conflict of interest.

Finding 4

The completed Form 700s are placed in the City Clerk's office drawer by year of filing, making it difficult to locate and determine if the required 700 is actually on file.

Recommendation 4

Place a copy of the Form 700 in the employee's Official Personnel File, whether the form is manually filed or e-filed.

Finding 5

Several sections of the City's current Administrative Policy Manual are incomplete and inaccurate. Information provided to new employees is lacking in accuracy and refers to the Administrative Services Department and the Director of Administrative Services which are non-existent. In its current form the Manual cannot be totally relied upon by

employees. It is further lacking in detail to protect the public and the City from potential conflict of interest activity by its employees.

Recommendation 5a

Correct, update and expand the Administrative Manual (issuance date of August 9, 2010) to include present policies, at a minimum:

Chapter 100 – Administration

Section 4 – Code of Ethics for City Employees

Section 5 – Conflict of Interest Statements

Chapter 200 – Administrative Services

Section 1 – General Purpose

Section 5 – New Employee Processing

Recommendation 5b

Provide the revised Policy to the employees and post on-line.

COMMENTS

Grand Jury feels strongly that employees receive up-to-date and specific guidelines and procedures they can rely on, and there is oversight of those policies. Other inconsistencies in the Administrative Policy Manual were noted beyond those specifically addressed in the Findings and Recommendations.

REQUIRED RESPONSES

City of Fairfield City Manager (All Findings)

COURTESY COPIES

Fairfield City Council

Solano County Board of Supervisors

VIA E-mail and U.S. Mail

June 18, 2018

Wayne Goodman, Foreperson
2018-2019 Solano County Grand Jury
Hall of Justice
600 Union Avenue
Fairfield, CA 94533

Re: City of Fairfield Response to 2018-2019 Grand Jury Report Entitled “An Analysis of Potential Conflict of Interest Within the City of Fairfield”

Dear Mr. Goodman:

The following is the City of Fairfield’s response to the Grand Jury Report regarding potential conflicts of interest:

Finding 1 – Employees considering a second job or outside activity for compensation or other personal gain, must have prior approval from the employee’s supervisor in order to rule out any conflict of interest. There is no evidence to ascertain whether the City of Fairfield enforces this policy.

The City of Fairfield partially agrees with the finding.

Recommendation 1a – Create a Personnel Action Form for the employee to submit to their supervisor for advance written permission to take a second job, especially where that second job might be influenced by the employee’s current position with the City. Place the form indicating the final decision in the employee’s Official Personnel File. Documentation in lieu of verbal approval or denial would support the objective of the policy and protect the City and employee from any perceived presumption of wrongful conduct.

While the City accepts the recommendations, the City’s Administrative Policy currently does require both the department head and the City Manager to approve an employee’s request for secondary employment. However, the City agrees that this process can be enforced on a more consistent basis. To invigorate the process, the Human Resources Department has developed a new approval form for employees interested in secondary employment. This form must be signed by the department head, who attests that the secondary employment the employee will engage in will not affect or interfere with their duties as a City of Fairfield employee. The form will also have to be signed by the City Manager and a copy will be sent to the Human Resources Department to be kept in the employee’s file. Additionally, if the department head deems that an employee’s approved secondary employment is interfering in any way with their job at the City, the department head will inform the employee and sign the form again indicating that the approval for the employee’s secondary employment is rescinded. A copy of the rescinded approval will be sent to Human Resources Department, so that the employee’s file can be updated.

Recommendation 1b – *Remind employees annually in writing of the policy regarding moonlighting and other business activities.*

The City accepts this recommendation and will establish a process to remind employees on an annual basis. Further, the City sent the new form noted above to all department heads to inform their employees of the policy and the new form.

Finding 2 – *The City of Fairfield fails to ensure that required Form 700s are submitted and filed according to the California Political Reform Act and City regulations.*

The City of Fairfield partially disagrees with the finding, as the City adopts a biennial Conflict of Interest Code and follows City policies and procedures to ensure Form 700s are properly filed. The City does agree that current practices can be improved to provide for better follow-up and enforcement.

Recommendation 2 – *Follow-up to ensure all required Form 700s are submitted in accordance with the California Political Reform Act and City regulations.*

The City accepts this recommendation and will take additional active measures to follow-up with employees who do not submit and file Form 700's according to the California Political Reform Act and the City's Conflict of Interest Code. These measures will include updating the City's Conflict of Interest Code, and maintaining a checklist of all filers which will be sent annually to department heads.

Finding 3 – *Form 700s are not reviewed by City officials to ensure that employees do not engage in any business or transaction that would have a financial or personal interest which could impair the employee's independence or judgment in the performance of their official duties.*

The City of Fairfield agrees with the finding.

Recommendation 3 – *Review and evaluate Form 700s to determine whether the content contains information which could be interpreted as a conflict of interest.*

The City accepts this recommendation and has already taken active measures to remedy this issue. The City Clerk will now forward form 700's filed by employees to the department heads and City Manager's Office for review. Additionally, the City will create a map showing all potential conflicts of interest for applicable city employees and distribute to each department. The department heads will follow up with employees who staff deem may need to be made aware of any potential conflicts with City business. The City Attorney's Office will be consulted as necessary regarding any potential illegal reporting.

Finding 4 – *The completed Form 700s are placed in the City Clerk's office drawer by year of filing, making it difficult to locate and determine if the required 700 is actually on file.*

The City of Fairfield disagrees with the finding.

Recommendation 4 – *Place a copy of the Form 700 in the employee's Official Personnel File, whether the form is manually filed or e-filed.*

The City does not accept this recommendation, as the City Clerk's Office is the central location for all city records. Therefore, all Form 700's will continue to be kept by the City Clerk per the City's retention policy.

Finding 5 – Several sections of the City's current Administrative Policy Manual are incomplete and inaccurate. Information provided to new employees is lacking in accuracy and refers to the Administrative Services Department and the Director of Administrative Services which are non-existent. In its current form the Manual cannot be totally relied upon by employees. It is further lacking in detail to protect the public and the City from potential conflict of interest activity by its employees.

The City of Fairfield agrees with the finding.

Recommendation 5a – Correct, update and expand the Administrative Manual (issuance date of August 9, 2010) to include present policies, at a minimum:

Chapter 100 – Administration

Section 4 – Code of Ethics for City Employees

Section 5 – Conflict of Interest Statements

Chapter 200 – Administrative Services

Section 1 – General Purpose

Section 5 – New Employee Processing

The City accepts this recommendation and agrees that the Administrative Policy Manual is "replete with references to the Administrative Services Department and the duties of the Director of Administrative Services". Due to the severe financial constraints caused by the great recession, the Administrative Services Department was disbanded and some of its responsibilities were distributed to different departments and others were performed by consultants. In 2017, the Fairfield City Council approved a work plan that would create a Human Resources Department at the City to take over the responsibilities of all personnel activities, such as recruitment, training, leave administration, workers compensation, etc. However, currently, all the duties listed under Chapter 200 are the responsibility of the Department of Human Resources and the Director of Human Resources.

Human Resources has already begun addressing some of the issues brought forth in the report. Policy updates are also part of the department's work plan for the upcoming fiscal year. The Department of Human Resources will be leading the effort to update the Administrative Policy Manual to correct inconsistencies, reflect the City's current organizational structure, and update policies with current laws and regulations. As part of that process, the Human Resources Department will also continuously inform all city staff regarding policy updates.

Recommendation 5b – Provide the revised Policy to the employees and post on-line.


The City partially disagrees with this recommendation. Currently, the City provides intranet access to employees so that they can access a variety of useful information, including the Administrative Policy Manual. However, because employee handbooks in general are voluminous, most local government jurisdictions have adopted the practice of uploading the policies on their intranet page. Therefore, the City will continue its current process for distributing the Administrative Policy manual on-line to employees.



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Minute Action Approving Mayor's Appointments to the Golf Advisory Board and Tree and Sidewalk Maintenance Task Force

RECOMMENDED ACTION

Approve appointments by minute action.

STATEMENT OF ISSUE

There are vacancies on the Golf Advisory Board and Tree and Sidewalk Maintenance Task Force. The City Council is being asked to approve the mayor's appointments to these boards to fill the vacant seats.

DISCUSSION

The Golf Advisory Board has two vacant seats; one seat is for an unexpired term ending December 31, 2020, and the second seat is for a 3-year term ending December 31, 2022.

The Tree and Sidewalk Maintenance Task Force will consist of 5 members, whose terms will expire when the task force completes its report and makes their recommendation to the City Council. Interviews were initially held for this task force on January 15, 2019, however there was an insufficient number of applications received to complete the group. A press release was issued on March 4, 2019 to seek more applicants.

Councilmembers Chuck Timm and Rick Vaccaro held interviews on April 30, 2019 for the open seats on both committees and have made the following selections:

Golf Advisory Board

1. James Evans (Term ends December 31, 2020)
2. Thomas Ebert (Term ends December 31, 2022)

Tree & Sidewalk Maintenance Task Force

1. Randall Carlson
2. Carol Chervinko

3. Rochelle Cooks
4. Michael Giles
5. Scott Tepley

These recommendations were submitted to Mayor Price for consideration for approval by minute action.

FINANCIAL IMPACT

There is no financial impact associated with making the recommended appointments.

CITY COUNCIL WORKPLAN

Community Safety

Community Infrastructure

Quality of Life

*Financial and Operational
Sustainability*

Economic Development

*Travis Air Force
Base*

City Council Goal this item supports:

Financial and Operational Sustainability

Project:

#2A.3 City Commissions

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

N/A

ALTERNATIVE ACTION

Council may choose to not appoint the members to the respective boards; however this would result in further delay in filling the vacant seats and completing the mission of the task force.

STAFF CONTACT

Yessika Dominguez
(707) 428-7402
ydominguez@fairfield.ca.gov

COORDINATED WITH

N/A

REVIEWERS:

Reviewer

Dominguez, Yessika

Action

Approved

Date


6/12/2019 - 2:04 PM



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Resolution 2019-146 of the City Council of the City of Fairfield Authorizing the City to Become an Additional Member of the California Community Housing Agency ("CALCHA"); Supporting CALCHA's Issuance of Tax-Exempt Bonds for the Production, Preservation and Protection of Essential Middle-Income Rental Housing; and Authorizing the City Manager's Office to Enter into Purchase Option Agreements with CALCHA for Essential Middle-Income Rental Housing Created Within City Limits

RECOMMENDED ACTION

Adopt resolution.

STATEMENT OF ISSUE

The City of Fairfield wishes to encourage and support a full range of housing options affordable to different income levels. The City Council actions tonight will be the first time the City of Fairfield has been able to assist in the preservation of workforce housing affordable to those who earn 80-120% of the area median income (AMI).

DISCUSSION

Programs designed to-date to protect and expand housing affordability throughout California have been focused on people who earn less than 60% of AMI. A new, unique program has recently been created, designed to guarantee rental housing affordability for those in the 80-120% of AMI, targeting a significant segment of our workforce housing population and which includes professions such as early career teachers, accountants, computer technicians, dental hygienists, and social workers. The currently allowed salaries can range from \$48,000/year (for a single household at 80% AMI) to \$102,840 (for a family at 120% AMI). Housing for these income-levels is sometimes referred to as "middle-income" housing.

To access the program, the City of Fairfield would join the California Community Housing Agency (CalCHA), a recently formed joint powers authority (JPA). This JPA funds community public benefit projects with tax-exempt bonds issued by CalCHA. Fairfield's membership will be limited solely for the financing or refinancing of specific projects but create no liability for the City.

CalCHA has proposed purchasing the Verdant at Green Valley rental apartments for conversion to income- and rent-restricted units. There is no financial investment from either the City or the Housing Authority. No renters will be displaced. Existing renters who qualify will be offered affordable rents that will increase at no more than 4%/year. All new renters will need to income-qualify for the program and be able to avail themselves of rent-restricted units.

It is possible that surplus cash may be generated by the property in the future. Should this occur, it is most likely it would be toward the end of the life of the bonds. To provide the City with public benefits, any annual surplus cash and/or on-time sale proceeds generated by the property will be provided to the City.

It is recommended that the City also enter into a Purchase Option Agreement that allows the City, at its sole discretion, to purchase or sell the property between year 15 and year 30 (the end of the life) of the bonds. The City may also assign this purchase option to another entity of its choosing. To maintain housing affordability past 30 years, the most likely outcome would be for the City to assign its purchase option to a non-profit housing corporation.

CalCHA would be acquiring an existing market-rate complex. While there is no guarantee CalCHA will be selected as the buyer, passing the resolution opens the door to future CalCHA acquisitions of similar properties to create and preserve affordability.

In evaluating the program, several considerations were weighed against the program benefits. One consideration is about the overall program governance and management. As structured, the City of Fairfield does not have a formal, legal way to participate in program management and therefore cannot expressly mandate change if desired in the future. The bond and other regulatory agreements over which the JPA has authority will control all such considerations, and that JPA is governed by a different elected body. Conversely, this is also a program benefit where the City is able to assist with workforce housing without expending financial or staff resources for at least the next 15 years.

A second area of considerations could arise if there is a severe economic downturn. If those same regulatory agreements (including the bond documents) are structured to closely correspond with the anticipated rental revenues, there may not be flexibility to substantially lower rent in the future should circumstances make that the desired outcome. Therefore, there would be no guarantee that sufficient renters making their monthly payments remain in the building. This could result in eviction proceedings and/or insufficient cash flow to cover expenses. Again, while the City will have no legal liability, tenants or the public could raise concerns since the City is approving the program and is a JPA member. While this is a possibility, when thinking about California real estate over time, the greater likelihood is that the site (the buildings and the land) becomes a highly appreciated asset for the benefit of the City 30 years from now.

Despite these considerations, staff recommends moving forward with the program with the City Council's awareness of these considerations.

FINANCIAL IMPACT

No financial expenditures, liabilities, or obligations are created by joining CalCHA or executing the Purchase Option Agreements. If the Purchase Option Agreement is exercised between year 15 and year 30 (the end of the life of the bonds), a fiscal impact could result from the acquisition cost. Should the property generate surplus cash flow on a yearly basis or through one-time proceeds of a sale of the property, the City will receive all such cash.

CITY COUNCIL WORKPLAN

Community Safety

Community Infrastructure

Quality of Life

City Council Goal this item supports:

Quality of Life

Project:

Under consideration for a future Workplan

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

Not applicable.

ALTERNATIVE ACTION

The program does not restrict the future use of any surplus proceeds. The City of Santa Rosa recently utilized this program similarly to Fairfield and chose to adopt a resolution that restricts any proceeds to affordable housing purposes. The City Council could modify the attached resolution to include a provision to restrict any incoming funds to Fund 23 for affordable housing purposes.

STAFF CONTACT

Laura Snideman, Assistant City Manager
707-428-7400
lsnideman@fairfield.ca.gov

COORDINATED WITH

City Attorney's Office

ATTACHMENTS:

Proposed Resolution

**Joint Exercise of Powers Agreement Relating to the California Community Housing Agency
Proposed Purchase Option Agreement**

REVIEWERS:

Reviewer	Action	Date
Snideman, Laura	Approved	6/10/2019 - 4:23 PM
Snideman, Laura	Approved	6/10/2019 - 4:23 PM

CITY OF FAIRFIELD
RESOLUTION NO. 2019 - 146

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD AUTHORIZING
THE CITY TO BECOME AN ADDITIONAL MEMBER OF THE CALIFORNIA
COMMUNITY HOUSING AGENCY (“CALCHA”); SUPPORTING CALCHA’S
ISSUANCE OF TAX-EXEMPT BONDS FOR THE PRODUCTION, PRESERVATION
AND PROTECTION OF ESSENTIAL MIDDLE-INCOME RENTAL HOUSING; AND
AUTHORIZING THE CITY MANAGER’S OFFICE TO ENTER INTO PURCHASE
OPTION AGREEMENTS WITH CALCHA FOR ESSENTIAL MIDDLE-INCOME
RENTAL HOUSING CREATED WITHIN CITY LIMITS**

WHEREAS, one of the primary goals of the City of Fairfield (the “City”) is to meet the growing housing needs of its residents by actively supporting the production, preservation and protection of market-rate and affordable rental housing for all; and

WHEREAS, no existing Federal, State or local subsidies, programs or motivations currently exist to meaningfully address the growing shortfall of protected middle-income rental housing; and

WHEREAS, CalCHA is a Joint Powers Authority created specifically to produce, preserve and protect quality affordable rental housing made available to California’s essential middle-income workforce; and

WHEREAS, CalCHA intends to acquire existing rental properties within City limits and restrict future occupancy to middle-income households earning no more than 120% of area median income; and

WHEREAS, CalCHA will avoid the displacement of existing residents, implement regulatory agreements restricting the incomes and rents of future residents, and impose caps on the annual rent increases of qualified middle-income households; and

WHEREAS, CalCHA will finance its acquisitions through the issuance of tax-exempt bonds, and in order for CalCHA to issue tax-exempt bonds in Fairfield, the City must be an Additional Member of CalCHA; and

WHEREAS, the City proposes to become an Additional Member of CalCHA pursuant to Section 12 of the Joint Exercise of Powers Agreement Relating to the California Community Housing Agency; and

WHEREAS, subsequent to becoming an Additional Member of CalCHA, any existing rental housing within City limits which CalCHA intends to acquire and finance with tax-exempt bonds must receive support and approval from the City; and

WHEREAS, the City proposes to support and approve CalCHA's issuance of tax-exempt bonds for the acquisition of existing rental properties as a means towards the preservation and protection of essential middle-income rental housing within City limits; and

WHEREAS, CalCHA's issuance of tax-exempt bonds will provide public benefit through the production, preservation and protection of below-market-rate rental housing, as well as the granting of all surplus project revenues to the City; and

WHEREAS, pursuant to one or more purchase option agreements (the "Purchase Option Agreements"), between CalCHA and the City, CalCHA will grant the City the option, but never the obligation, to purchase each essential middle-income rental housing property commencing on the date fifteen (15) years after CalCHA's acquisition of such property; and

WHEREAS, the Purchase Option Agreements will additionally provide the City with all surplus project revenues from each essential middle-income rental housing property; and

WHEREAS, the City will maintain the option to exercise such Purchase Option Agreements for a period of fourteen (14) years following the commencement dates of the Purchase Option Agreements for each essential middle-income rental housing property; and

WHEREAS, the City proposes to authorize the City Manager's office to enter into Purchase Option Agreements with CalCHA for all essential middle-income rental housing created within City limits.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fairfield hereby:

1. Authorizes the City to become an Additional Member of CalCHA and authorizes the City Manager's Office to execute the Joint Exercise of Powers Agreement Relating to the California Community Housing Agency incorporated herein as Exhibit A, subject to approval as to form by the City Attorney.
2. Supports and approves CalCHA's issuance of tax-exempt bonds as a means towards the production, preservation and protection of essential middle-income rental housing within City limits.
3. Authorizes the City Manager's Office to enter into Purchase Option Agreements with CalCHA in substantially the same form as incorporated herein as Exhibit B for all essential middle-income rental housing created within City limits, subject to approval as to form by the City Attorney.

PASSED AND ADOPTED this 18th day of June, 2019, by the following vote:

AYES: COUNCILMEMBERS: PRICE / TIMM / BERTANI / MOY / VACCARO

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

APPROVED AS TO FORM:

CITY ATTORNEY

ATTEST:

CITY CLERK

**JOINT EXERCISE OF POWERS AGREEMENT
RELATING TO THE CALIFORNIA COMMUNITY HOUSING AGENCY**

THIS AGREEMENT, dated as of January 29, 2019, among the parties executing this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to as the "Members" and those parties initially executing this Agreement are referred to as the "Charter Members"):

WITNESSETH

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (in effect as of the date hereof and as the same may from time to time be amended or supplemented, the "Joint Exercise of Powers Act"), two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, each of the Members is a "public agency" as that term is defined in Section 6500 of the Joint Exercise of Powers Act; and

WHEREAS, each of the Members is empowered by law to promote economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, the increase of the tax base, and the promotion of opportunities for education, cultural improvement and public health, safety and general welfare; and

WHEREAS, each of the Members may accomplish the purposes and objectives described in the preceding preamble by various means; and

WHEREAS, each Member is also empowered by law to acquire, construct, improve, operate and dispose of real property for a public purpose; and

WHEREAS, the Joint Exercise of Powers Act authorizes the Members to create a joint exercise of powers entity with the authority to exercise any powers common to the Members, including but not limited to acquiring, constructing, improving, operating and disposing of real property for a public purpose, all as specified in this Agreement, and to exercise the additional powers granted to it in the Joint Exercise of Powers Act and any other applicable provisions of the laws of the State of California; and

WHEREAS, a public entity established pursuant to the Joint Exercise of Powers Act is empowered to issue or execute non-recourse debt, which may include bonds, notes, commercial paper or any other evidences of indebtedness, leases, installment sale or other financing agreements or certificates of participation therein (herein "Obligations"), and to otherwise undertake financing programs under the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California to accomplish its public purposes; and

WHEREAS, the Members have determined to specifically authorize a public entity authorized pursuant to the Joint Exercise of Powers Act to issue non-recourse Obligations pursuant to the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California; and

WHEREAS, it is the desire of the Members to use a public entity established pursuant to the Joint Exercise of Powers Act to undertake the financing and/or refinancing of projects that provide, preserve and support affordable local housing for low-income, moderate-income and middle-income families and individuals within the jurisdictions of the Members, including, but not limited to, capital or working capital projects, purchase or acquisition of property, receivables, commodities, bonds, other revenue streams or assets of any kind, liability or other insurance, or retirement programs, or facilitating Members use of existing or new financial instruments and mechanisms in the furtherance of this purpose; and

WHEREAS, by this Agreement, each Member desires to create and establish the "California Community Housing Agency" for the purposes set forth herein and to exercise the powers provided herein;

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

Section 1. Purpose.

This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act. The purpose of this Agreement is to establish a public entity for the joint exercise of powers common to the Members and for the exercise of additional powers given to a joint powers entity under the Joint Powers Act or any other applicable law, including, but not limited to, the issuance of non-recourse Obligations for any purpose or activity permitted under the Joint Exercise of Powers Act or any other law; provided, however that such purpose shall be solely for the acquisition, construction, rehabilitation, ownership, operation, maintenance, administration and/or financing of multifamily housing for low-income, moderate-income and middle-income families and individuals (the "Purpose"). Such Purpose will be accomplished and said power exercised in the manner hereinafter set forth.

Section 2. Term.

This Agreement shall become effective in accordance with Section 17 as of the date hereof and shall continue in full force and effect until such time as it is terminated in writing by all the Members; provided, however, that this Agreement shall not terminate or be terminated until all Obligations issued or caused to be issued by the Agency (defined below) shall no longer be outstanding under the terms of the indenture, trust agreement, resolution or other instrument pursuant to which such Obligations are issued.

Section 3. Agency.

A. CREATION AND POWERS OF AGENCY.

Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the "California Community Housing Agency" (the "Agency"), and said Agency shall be a public entity separate and apart from the Members. Its debts, liabilities and obligations do not constitute debts, liabilities or obligations of any Members, and the Obligations of the Agency shall only be non-recourse obligations.

B. BOARD.

The Agency shall be administered by the Board of Directors (the "Board," or the "Directors" and each a "Director") whose members shall be, at all times, members of the Board of Supervisors (the "Board of Supervisors") of Kings County, California, with each such Director serving in his or her individual capacity as Director of the Board. The term of office as a member of the Board shall terminate when such member shall cease to be a member of the Board of Supervisors and the successor to such member of the Board of Supervisors shall become a member of the Board.

Notwithstanding the preceding paragraph, the Board may by resolution or bylaws provide for changes in the qualifications, composition and number of Directors, the appointment of Directors, successors, their respective terms of office and any other provisions relating to the qualification and office of the Directors, including provision for alternative Directors (in which case all references in this Agreement to any Director shall be deemed to refer to and include the applicable alternate Director, if any, when so acting in place of a regularly appointed Director).

The Board shall be the administering agency of this Agreement and, as such, shall be vested with the powers set forth herein, and shall administer this Agreement in accordance with the purposes and functions provided herein.

Directors shall not receive any compensation for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a Director, if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

C. OFFICERS; DUTIES; OFFICIAL BONDS.

The officers of the Agency shall be the Chair, Vice-Chair, Secretary and Treasurer (defined below). The Board, in its capacity as administering agent of this Agreement, shall elect a Chair, a Vice-Chair, and a Secretary of the Agency from among Directors to serve until such officer is re-elected or a successor to such office is elected by the Board. The Board shall appoint one or more of its officers or employees to serve as treasurer, auditor, and controller of the Agency (the "Treasurer") pursuant to Section 6505.6 of the Joint Exercise of Powers Act to serve until such officer is re-elected or a successor to such office is elected by the Board.

Subject to the applicable provisions of any resolution, indenture, trust agreement or other instrument or proceeding authorizing or securing Obligations (each such resolution, indenture, trust agreement, instrument and proceeding being herein referred to as an "Indenture") providing for a trustee or other fiscal agent, and except as may otherwise be specified by resolution of the Board, the Treasurer is designated as the depository of the Agency to have custody of all money of the Agency, from whatever source derived and shall have the powers, duties and responsibilities specified in Sections 6505, 6505.5 and 6509.5 of the Joint Exercise of Powers Act.

The Treasurer of the Agency is designated as the public officer or person who has charge of, handles, or has access to any property of the Agency, and such officer shall file an official bond with the Secretary of the Agency in the amount specified by resolution of the Board but in no event less than \$1,000.

The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

The Board shall have the power, by resolution, to the extent permitted by the Joint Exercise of Power Act or any other applicable law, to delegate any of its functions to one or more of the Directors or officers, employees or agents of the Agency and to cause any of said Directors, officers, employees or agents to take any actions and execute any documents or instruments for and in the name and on behalf of the Board or the Agency.

D. MEETINGS OF THE BOARD.

(1) Ralph M. Brown Act.

All meetings of the Board, including, without limitation, regular, adjourned regular, special, and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code of the State of California), or any successor legislation hereinafter enacted (the "Brown Act").

(2) Regular Meetings.

The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Board. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(3) Special Meetings.

Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of

California. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(4) Minutes.

The Secretary of the Agency shall cause to be kept minutes of the regular, adjourned regular, special, and adjourned special meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(5) Quorum.

A majority of the Board shall constitute a quorum for the transaction of business. No action may be taken by the Board except upon the affirmative vote of a majority of the Directors present at the meeting, except that less than a quorum may adjourn a meeting to another time and place.

E. RULES AND REGULATIONS.

The Agency may adopt, from time to time, by resolution of the Board such bylaws, policies or rules and regulations for the conduct of its meetings and affairs as may be required.

Section 4. Powers.

The Agency shall have the power, in its own name, to exercise the common powers of the Members and to exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Joint Exercise of Powers Act, for the Purpose authorized under this Agreement. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. The Agency is hereby authorized to do all acts necessary for the exercise of such power, including, but not limited to, any of all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, improve, own, maintain and operate, or provide for maintenance and operation, and sell, lease, pledge, assign, mortgage or otherwise dispose, of any property, improvements, commodities, leases, contracts, receivables, bonds or other revenue streams or assets of any kind relating to the Purpose; to exercise the power of condemnation; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services, and other forms of assistance from person, firms, corporations and any governmental entity; to sue and be sued in its own name; to establish and collect fees; to form public benefit nonprofit corporations or other affiliate entities to accomplish any of its Purposes; to make grants, loans or provide other financial assistance to governmental, nonprofit and for profit organizations to accomplish any of its Purposes; and generally to do any and all things necessary or convenient to accomplish its Purposes. The boundaries of the Agency shall encompass the boundaries of all the Members and the powers of the Agency may be exercised anywhere within those boundaries or to the extent permitted by the laws of the State of California, including, but not limited to the Joint Exercise of Powers Act,

outside of those boundaries, which may be outside of the State of California, provided that the power of condemnation may only be exercised within the jurisdictional boundaries of the Charter Members.

Without limiting the generality of the foregoing, the Agency may issue or cause to be issued Obligations, and pledge any property, contracts or revenues as security to the extent permitted under the Joint Exercise of Powers Act, or any other applicable provision of law.

The manner in which the Agency shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California county could exercise such powers and perform such duties. The manner in which the Agency shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

Section 5. Fiscal Year.

For the purposes of this Agreement, the term "Fiscal Year" shall mean the fiscal year as established from time to time by resolution of the Board, being, at the date of this Agreement, the period from July 1 to and including the following June 30, except for the first Fiscal Year which shall be the period from the date of this Agreement to June 30, 2019.

Section 6. Disposition of Assets.

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 2, after payment of all expenses and liabilities of the Agency, all property of the Agency both real and personal shall automatically vest in the Members in the manner and amount determined by the Board in its sole discretion and shall thereafter remain the sole property of the Members; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Members.

Section 7. Obligations.

From time to time the Agency shall issue Obligations, in one or more series, for the purpose of exercising its powers and raising the funds necessary to carry out its Purposes under this Agreement, including but not limited to acquiring, constructing, improving, operating and disposing of real property for a public purposes.

The services of bond counsel, financing consultants and other consultants and advisors working on the projects and/or their financing or refinancing or on post-issuance compliance or administration may be used by the Agency. The expenses of the Board shall be paid from the proceeds of the Obligations, payments made by Obligation obligors or other third parties, or any other unencumbered funds of the Agency available for such purpose.

Section 8. Obligations Only Limited and Special Obligations of Agency.

The Obligations, together with the interest and premium, if any, thereon, shall not be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members or the Agency. The Obligations shall be only special non-recourse obligations of the Agency, and the Agency shall under no circumstances be obligated to pay the Obligations except from revenues and other funds pledged therefor. Neither the Members nor the Agency shall be obligated to pay the principal of, premium, if any, or interest on the Obligations, or other costs incidental thereto, except the Agency from the revenues and funds pledged and available therefor, and neither the faith and credit nor the taxing power of the Members nor the faith and credit of the Agency shall be pledged to the payment of the principal of, premium, if any, or interest on the Obligations nor shall the Members or the Agency in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Obligation or related document shall be deemed to be a covenant or agreement of any Director, or any officer, employee or agent of the Agency in his or her individual capacity, and neither the Board of the Agency nor any Director or officer thereof executing the Obligations shall be liable personally on any Obligation or be subject to any personal liability or accountability by reason of the issuance of any Obligations.

Section 9. Accounts and Reports.

All funds of the Agency shall be strictly accounted for. The Agency shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any Indenture (to the extent such duties are not assigned to a trustee of Obligations). The books and records of the Agency shall be open to inspection at all reasonable times by each Member.

The Treasurer of the Agency shall cause an independent audit to be made of the books of accounts and financial records of the Agency by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Joint Exercise of Powers Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member and also with the county auditor of each county in which a Member is located; provided, however, that to the extent permitted by law, the Agency may, instead of filing such report with each Member and such county auditor, elect to post such report as a public record electronically on a website designated by the Agency. Such report if made shall be filed within 12 months of the end of the Fiscal Year or Years under examination.

The Treasurer is hereby directed to report in writing on the first day of July, October, January, and April of each year to the Board and the Charter Members which report shall describe the amount of money held by the Treasurer for the Agency, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude

amounts held by a trustee or other fiduciary in connection with any Obligations to the extent that such trustee or other fiduciary provided regular reports covering such amounts.)

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Agency and shall be a charge against any unencumbered funds of the Agency available for that purpose.

In any Fiscal Year the Board may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

Section 10. Funds.

Subject to the applicable provisions of any Indenture, which may provide for a trustee or other fiduciary to receive, have custody of and disburse Agency funds, the Treasurer of the Agency shall receive, have the custody of and disburse Agency funds pursuant to the accounting procedures developed under Sections 3.C and 9, and shall make the disbursements required by this Agreement or otherwise necessary to carry out any of the provisions of purposes of this Agreement.

Section 11. Notices.

Notices and other communications hereunder to the Members shall be sufficient if delivered to the clerk of the governing body of each Member; provided that, to the extent permitted by law, the Agency may provide notices and other communications and postings electronically (including, without limitation, through email or by posting to a website).

Section 12. Additional Members/Withdrawal of Members.

Qualifying public agencies may be added as parties to this Agreement and become Charter Members upon: (1) the filing by such public agency with the Agency of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such public agency approving this Agreement and the execution and delivery hereof; and (2) adoption of a resolution of the Board approving the addition of such public agency as a Charter Member. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing.

Qualifying public agencies may also be added as Non-Charter Members ("Additional Members") of the Agency upon: (1) the filing by such public agency with the Agency of a resolution of the governing body of such public agency requesting to be added as an Additional Member of the Agency, and (2) adoption of a resolution of the Board approving the addition of such public agency as an Additional Member. An Additional Member may limit in the aforementioned resolution the scope of its Additional Membership to what is necessary or appropriate to facilitate the financing or refinancing of one or more specified projects or programs.

A Member may withdraw from this Agreement upon written notice to the Board; provided, however, that at least one Member shall be a Charter Member and no such withdrawal shall result in the dissolution of the Agency so long as any Obligations remain outstanding. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Board, which shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon such filing.

Section 13. Indemnification.

To the full extent permitted by law, the Board may authorize indemnification by the Agency of any person who is or was a Director or an officer, employee or other agent of the Agency, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Director or an officer, employee or other agent of the Agency, against expenses, including attorneys fees, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith in a manner such person reasonably believed to be in the best interests of the Agency and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Agency, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. The Board may purchase a policy or policies of insurance in furtherance of any indemnification obligation created or otherwise in protection of Directors, officers, employees or other agents.

Section 14. Contributions and Advances.

Contributions or advances of public funds and of the use of personnel, equipment or property may be made to the Agency by the Members for any of the Purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution or advance. Any such advance may be made subject to repayment, and in such case shall be repaid, in the manner agreed upon by the Agency and the Member making such advance at the time of such advance. It is mutually understood and agreed to that no Member has any obligation to make advances or contributions to the Agency to provide for the costs and expenses of administration of the Agency, even though any Member may do so. The Members understand and agree that a portion of the funds of the Agency that otherwise may be allocated or distributed to the Members may instead be used to make grants, loans or provide other financial assistance to governmental units and to nonprofit organizations to accomplish any of the governmental unit's or nonprofit organization's purposes.

Section 15. Immunities.

All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, and other benefits which apply to the activity of officers, agents or employees of Members when performing their respective functions within the territorial limits of their respective public agencies, shall apply to the same degree and extent to the Directors, officers, employees, agents or other representatives of the Agency while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

Section 16. Amendments.

Except as provided in Sections 3B and 12 above, or to cure any error, omission or ambiguity in this Agreement, this Agreement shall not be amended, modified, or altered except with (i) written consent of all holders of any outstanding bonds of the Agency, (ii) written consent of each of Charter Member, and (iii) negative consent of each Additional Member. To obtain the negative consent of each such Additional Member, the following negative consent procedure shall be followed: (a) the Agency shall provide each such Additional Member with a notice at least sixty (60) days prior to the date such proposed amendment is to become effective explaining the nature of such proposed amendment and this negative consent procedure; (b) the Agency shall provide each such Additional Member who did not respond a reminder notice with a notice at least thirty (30) days prior to the date such proposed amendment is to become effective; and (c) if no such Additional Member objects to the proposed amendment in writing within sixty (60) days after the initial notice, the proposed amendment shall become effective with respect to all Members.

Section 17. Effectiveness.

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Members on the date that the Board shall have received from two of the Charter Members an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such Charter Member approving this Agreement and the execution and delivery hereof.

Section 18. Partial Invalidity.

If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

Section 19. Successors.

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the other Members.

Section 20. Miscellaneous.

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement shall be governed under the laws of the State of California.

This Agreement is the complete and exclusive statement of the agreement among the Members, which supercedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the Members relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their duly authorized representatives as of the day and year first above written.

Charter Member:

KINGS COUNTY

By Joe Neves
Name: Joe Neves
Title: Chairman JAN 29 2019

ATTEST:

By Melanie Curtis
Name: Melanie Curtis
Title: Deputy Clerk to the Board of Supervisors

Charter Member:

HOUSING AUTHORITY OF THE
COUNTY OF KINGS

By Joe Neves
Name: Joe Neves
Title: Chairman

ATTEST:

By Jennifer Molinar
Name: Jennifer Molinar
Title: Deputy Clerk to the Board of Supervisors

RECORDING REQUESTED BY
California Community Housing Agency

WHEN RECORDED RETURN TO:
Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105
Attention: Jesse Albani

PURCHASE OPTION AGREEMENT

By and Between

CALIFORNIA COMMUNITY HOUSING AGENCY

and

CITY OF FAIRFIELD

Dated as of [DATE]

Relating to

**CALIFORNIA COMMUNITY HOUSING AGENCY
ESSENTIAL HOUSING REVENUE BONDS, [SERIES]
([PROPERTY NAME])**

and

**CALIFORNIA COMMUNITY HOUSING AGENCY
SUBORDINATE ESSENTIAL HOUSING REVENUE BONDS, [SERIES]
([PROPERTY NAME])**

PURCHASE OPTION AGREEMENT

This PURCHASE OPTION AGREEMENT ("Option Agreement") is made effective as of [DATE] ("Effective Date") by and between the CALIFORNIA COMMUNITY HOUSING AGENCY a joint exercise of powers agency organized and existing under the laws of the state of California (including its successors and assigns, "Owner") and City of Fairfield ("Host").

BACKGROUND

WHEREAS, the Owner proposes to issue Bonds (as hereinafter defined) to finance Owner's acquisition of the certain multifamily rental housing project (the "Project") located at [ADDRESS] in Fairfield, California, located on the real property site described in Exhibit A hereto; and

WHEREAS, the Owner intends to offer the Project to the Host pursuant to this Option Agreement.

AGREEMENT

In consideration of the mutual covenants herein contained, and such other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Owner and Host mutually agree as follows:

Section 1. Grant of Option. Owner hereby grants to Host an option ("Option") to purchase the Optioned Property (as herein defined) upon payment of the Option Price (as herein provided) within the Option Term (as herein defined) and in compliance with and observance of all of the terms and conditions of this Option Agreement.

Section 2. Definitions. Capitalized terms used in this Option Agreement shall have the meanings assigned to them in this Section 2; capitalized terms used in this Option Agreement and not defined in this Section 2 or elsewhere herein shall have the meanings assigned to them in the Indenture (herein defined).

(a) "Authority Indemnified Parties" – the Owner and each of its officers, governing members, directors, officials, employees, attorneys, agents and members.

(b) "Bonds" – collectively, (i) the California Community Housing Agency Essential Housing Revenue Bonds, [SERIES] ([PROPERTY NAME]) (the "Series A Bonds"), and (ii) the California Community Housing Agency Subordinate Essential Housing Revenue Bonds, [SERIES] ([PROPERTY NAME]) (the "Series B Bonds"), with such other series and sub-series designations as may be set forth in the Indenture, originally issued to finance Owner's acquisition of the Project and related transaction costs.

(c) "Bond Trustee" – Wilmington Trust, National Association or any successor trustee under the Indenture.

(d) "Closing" – shall have the meaning set forth in Section 9 hereof.

(e) “Conveyance” – that transaction or series of transactions by which Owner shall transfer, bargain, sell and convey any and all right, title or interest in and to the Optioned Property to Host.

(f) “Extraordinary Costs and Expenses” – shall have the meaning set forth in the Indenture.

(g) “Indenture” – the Indenture of Trust dated as of [DATE] between Owner, as issuer, and the Bond Trustee, as trustee, pursuant to which the Bonds were issued.

(h) “Manager” – Catalyst Housing Group LLC and its successors and assigns.

(i) “Option Price” – the sum of the amounts set forth below:

i. an amount sufficient to either prepay, redeem in whole or fully defease for redemption on the earliest call date all Project Debt; plus

ii. any fees or other amounts not identified in clause (i) that may be necessary to effect the complete release from and discharge of any lien, mortgage or other encumbrance on the Optioned Property; plus

iii. any amounts due to Owner (including the Authority Indemnified Persons, as provided in the Indenture), the Bond Trustee or any predecessor or successor, or any other Person under any indenture, loan agreement, bond, note or other instrument relating to any Satisfied Indebtedness (including, without limitation, indemnification amounts, Owner’s Extraordinary Costs and Expenses, recurrent and extraordinary fees and expenses, and reimbursable costs and expenses of any kind or nature); plus

iv. Transaction Costs; minus

v. The amount of any Project Debt assumed by Host; and minus

vi. Any funds held by or for Owner under the Indenture applied to the retirement of Project Debt.

(j) “Option Exercise Date” – the date fifteen (15) years from the issuance of the Bonds.

(k) “Option Term” – shall commence on the Option Exercise Date and, if not exercised, shall terminate at 11:59 p.m. local time on the date that is fourteen (14) years from the Option Exercise Date.

(l) “Optioned Property” – means all of Owner’s right, title and interest (which includes fee simple title to the real property) in and to all property and assets used in or otherwise related to the operation of the Project including, without limitation, all real property and interests in real property, all tangible and intangible personal property including furniture, fixtures, equipment, supplies, intellectual property, licenses, permits, approvals, and contractual rights of any

kind or nature together with the right to own and carry on the business and operations of the Project.

(m) “Outstanding” – with respect to Bonds, as of any given date, all Bonds which have been authenticated and delivered by the Trustee under the Indenture, except: (i) Bonds cancelled at or prior to such date or delivered to or acquired by the Trustee or prior to such date for cancellation; (ii) Bonds deemed to be paid in accordance with Article VIII of the Indenture; and (iii) Bonds in lieu of which other Bonds have been authenticated under the Indenture.

(n) “Project Debt” – any debt secured by the Project and incurred to finance or re-finance Owner’s acquisition of the Project and related transaction costs, including any portion of the Bonds and any bonds, notes or other indebtedness issued by Owner to refund the Bonds in whole or in part.

(o) “Transaction Costs” – to the extent not otherwise described herein, any costs or expenses of any kind or nature associated with or incurred by Owner and Host in connection with the consummation of the Conveyance, any refinancing of the Project or assumption of Project Debt regardless of whether such costs and expenses are customarily borne by the seller or purchaser in any such transaction, including but not limited to taxes, recording fees and other impositions, Owner’s and Host’s legal and other professional fees, fees for verification agents, bidding agents, escrow agents, custodians or trustees, assumption fees, prepayment fees, the cost of the appraisal, surveys, inspections, title commitments, title insurance premiums and other title-related fees, and all amounts required for indemnification of Authority, Trustee and Manager.

Section 3. Effectiveness; Term and Termination. The Option shall become effective on the Option Exercise Date and may be exercised during the Option Term. Owner agrees that it will not enter into any agreement to sell all or any part of the Optioned Property during the Option Term, without the specific written request of the Host and written consent of the Owner, which consent shall not be unreasonably withheld, and delivery of an Opinion of Bond Counsel to the Owner substantially to the effect that such sale will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. After expiration of the Option Term, Host shall not be precluded from purchasing all or any portion of the Optioned Property from Owner at a price and on the terms agreed upon by Host and Owner, but Owner shall not be precluded from seeking or agreeing to sell, or consummating the sale of, all or any portion thereof to any third person.

Section 4. Manner of Exercise.

(a) Owner’s Notice. At least six (6) months prior to the Option Exercise Date, Owner shall provide Host notice of the Option Exercise Date; provided, however, that failure to provide such notice shall not affect the sufficiency or validity of any proceedings taken in connection with the exercise of the Option.

(b) Host’s Notice. To exercise the Option, Host shall provide a notice (an “*Exercise Notice*”) to Owner at any time prior to the end of the Option Term.

(c) Owner's Response. Within fifteen (15) business days of its receipt of the Exercise Notice, Owner shall provide Host with written estimate of the amounts comprising the Option Price.

(d) Host's Response. Within fifteen (15) business days of its receipt of Owner's estimate under Subsection (c), Host shall notify Owner in writing either (i) that it is withdrawing its Exercise Notice, or (ii) that it intends to proceed with the purchase of the Optioned Property.

(e) Fixing of Option Price; Contractual Obligation. Unless Host notifies Owner in writing that it is withdrawing its Exercise Notice within fifteen (15) business days of its receipt of Owner's estimate under Section 4(c) hereof, Host shall deliver to Owner a purchase agreement therefor in form and substance satisfactory to Owner and its counsel subject to the terms and conditions of this Option Agreement. Unless Owner shall have objected to the form of purchase agreement within fifteen (15) business days of its receipt thereof, Owner shall be deemed to have accepted the terms of the purchase agreement without the need for the signature of Owner thereon, and Host shall be obligated to purchase and Owner shall be obligated to sell and convey to Host good and marketable title to the Optioned Property at the Option Price within ninety (90) days thereafter.

Section 5. Determination of Option Price. Unless the parties otherwise agree, Owner shall cooperate with Host and provide Host with all information and records in its possession, and access to counsel and other professionals, to assist Host in determining and updating the Option Price.

Section 6. Surplus Cash. The Owner shall cause the Trustee to create an account (the "Excess Revenue Fund") under (i) the Indenture or (ii) in the event that the Bonds have been retired and the Indenture discharged, a separate trust agreement identifying Owner as trustor, a trustee selected by Owner as trustee, and Host as beneficiary, into which excess revenue over expenses shall be deposited. Upon the commencement of the Option Term, after full payment of the fees, charges and expenses of the Owner and the Trustee and other amounts required to be paid pursuant to the Indenture or other documents relating to then-outstanding Project Debt, amounts remaining in the Excess Revenue Fund shall be transferred to the Host. Thereafter, amounts in the Excess Revenue Fund shall be transferred to the Host periodically.

The Host shall apply amounts in the Excess Revenue Fund to the payment of the Option Price and thereafter shall apply such funds in its sole discretion.

Section 7. Terms of Conveyance.

(a) The Conveyance shall be in the nature of a grant deed in which Owner shall deliver one or more deeds, bills of sale, or other instruments of transfer without recourse or warranty of any kind or nature.

(b) The Optioned Property will be conveyed to Host in AS IS CONDITION, WITH ALL FAULTS, and without representations or warranties of any kind or nature as to the condition of the Property. Host acknowledges that Owner will convey the Optioned Property AS IS and that OWNER IS MAKING NO WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, with reference to the condition of the Property. HOST WAIVES ANY AND ALL

CLAIMS AGAINST OWNER, INCLUDING BUT NOT LIMITED TO, CLAIMS BASED IN PART, INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE, STRICT LIABILITY AND STRICT RESPONSIBILITY, IN CONTRACT, IN WARRANTY, IN EQUITY, OR UNDER ANY STATUTE, LAW OR REGULATION ARISING DIRECTLY OR INDIRECTLY OUT OF ANY CONDITION OF THE PROPERTY.

(c) There shall be no partial transfer and that, upon consummation of the Conveyance, Owner shall be fully divested of any and all right, title or interest in and to the Optioned Property.

(d) Upon payment of the Option Price, as adjusted for any prorations, credits and charges, Owner shall convey title to the Optioned Property by quit claim deed reasonably satisfactory in form and substance to Host.

Section 8. Closing. The closing of the Conveyance ("Closing") shall take place not later than the ninetieth (90th) calendar day following the date on which the parties agree on the terms of the purchase agreement pursuant to Section 4(e) hereof at such time within normal business hours and at such place as may be designated by Host.

(a) Prorations. All general and special real property taxes and assessments, and rents shall be prorated as of the Closing, with Host responsible for all such items to the extent arising or due at any time following the closing. General real property taxes shall be prorated at the time of Closing based on the net general real property taxes for the year of Closing.

(b) Limitation. If, after taking into account all adjustments and prorations, the net amount due Owner at Closing is less than the Option Price, the Option Price, as the case may be, shall instead be the Option Price, it being understood and agreed that in no event shall Owner receive proceeds less than the amount necessary to fully retire or defease, as the case may be, the Series A Bonds and the Series B Bonds and otherwise satisfy all of the payments constituting the components of the Option Price.

Section 9. Recording. This Option Agreement, and any amendment thereto, shall be recorded with the recorder's office of the County of Solano; *provided*, that in the event Host fails to exercise the Option, then upon termination of the term of this Option Agreement, Host shall cooperate with Owner to remove any such recorded Option Agreement or amendment thereto from title to the Optioned Property upon Owner's reasonable request therefor and, in any event, by no later than thirty (30) days after the expiration of the original term of this Option Agreement. In the event that, within said time, Host fails to so cooperate and provide its original signature to a termination of such recorded Option Agreement or amendment thereto, then Host hereby irrevocably constitutes and appoints Owner as Host's true and lawful attorney (and agent-in-fact) to execute in Host's name any such termination.

Section 10. Possession. Physical possession of the Optioned Property shall be delivered to Host at the time of Closing.

Section 11. Title Insurance, Title Defects.

(a) Within fifteen (15) business days after it receives the Option Exercise Notice, Owner shall provide Host with a title commitment (the “Title Commitment”) in the customary ALTA form of Standard Owner’s Policy of Title Insurance in Host’s favor, for the amount equivalent to the Option Price (whichever is applicable), with a commitment to insure good and marketable fee simple title to the Optioned Property in Host, issued by a title insurance company licensed to do business in the State of California and acceptable to Host (the “Title Company”). The policy shall show the status of title to the Optioned Property and show all exceptions, including easements, restrictions, rights-of-way, covenants, reservations, and other conditions of record, if any, affecting the subject real estate. Accompanying the Title Commitment, Owner shall also have Title Company furnish Host with true, correct, complete, and legible copies of all documents affecting title to the subject real estate. The cost and expense of such Standard Owner’s Title Commitment shall be payable as a Transaction Cost. Host shall pay the additional premium due if Host elects to obtain an extended coverage policy of title insurance and/or extended coverage endorsements. Owner shall cooperate with Host, at no expense to Owner, by providing an affidavit to Title Company to induce Title Company to issue to Host at Closing a “GAP” endorsement to the Title Commitment showing the effective date of the Title Commitment to be the time and date of Closing.

(b) If the Title Commitment shows exceptions to title which are unacceptable to Host, Host shall, within ten (10) business days after receipt of the Title Commitment and not later than twenty (20) business days before the date for Closing, notify Owner of such fact and Owner shall have twenty (20) business days after Owner receives Host’s written objections to cure such defects and to present a Title Commitment on the basis of which Closing may occur or to notify Host that Owner will not cure same. If Owner cannot or will not cure such defects within such twenty (20) day period and thereafter convey title to the Property as required in this Agreement, then Host shall have the right (at Host’s option) to either:

(i) Rescind the Option Exercise Notice and Owner may proceed to close the sale under the terms of the third-party offer, if there is a third-party offer; or

(ii) Accept whatever title Owner can or will convey, without reduction in the purchase price because of such title defects. Any exceptions to title disclosed on the Title Commitment to which Host does not timely object to in writing or to which Host objects but thereafter accepts by Closing shall be included as a “Permitted Exception.”

Section 12. Assignment. The Host shall not assign the Option without the prior written consent of the Owner, which consent shall not be unreasonably withheld, and delivery of an Opinion of Bond Counsel to the Owner substantially to the effect that such assignment will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. Notwithstanding the foregoing, neither party to this Option Agreement shall assign its interests, obligations, rights and/or responsibilities under this Option Agreement without the prior written consent of the other party.

Section 13. No Individual Liability. No Authority Indemnified Person shall be individually or personally liable for the payment of any sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Option Agreement , or

by any proceedings for the determination of the Option Price, or Host's exercise or waiver of same, or otherwise except in the case of such Authority Indemnified Person's own willful misconduct.

Section 14. Notices, Governing Law, Binding Effect and Other Miscellaneous Provisions.

(a) Notices. All notices provided for in this Option Agreement shall be in writing and shall be given to Owner or Host at the address set forth below or at such other address as they individually may specify thereafter by written notice in accordance herewith:

If to Owner: California Community Housing Agency
1400 W. Lacey Blvd., Building 1
Hanford, California 93230
Attention: Michael LaPierre

With a copy to: Catalyst Housing Group
21 Ward Street, Suite 2
Larkspur, California 94939
Attention: Jordan Moss

If to Host: City of Fairfield
[ADDRESS]
Attention: [NAME, DEPARTMENT]

Such notices shall be deemed effective upon actual delivery or upon the date that any such delivery was attempted and acceptance thereof was refused, or if mailed, certified return receipt requested, postage prepaid, properly addressed, three (3) days after posting.

(b) Consents and Approvals. All consents and approvals and waivers required or asserted hereunder shall be in writing, signed by the party from whom such consent, approval, waiver or notice is requested, provided that no written consent or approval of Owner shall be required for any action that Host may, in its reasonable good faith judgment, find it necessary to take in the event of an emergency.

(c) Cooperation. Owner will keep Host advised of its complete name at all times, including any change of such name. Host will keep Owner advised of its complete name at all times, including any change of such name.

(d) Pronouns. Where appropriate to the context, words of one gender include all genders, and the singular includes the plural and vice versa.

(e) Amendments. This Option Agreement may not be modified except in a written instrument signed by Host and Owner.

(f) Complete Agreement. This Option Agreement together with all schedules and exhibits attached hereto and made part thereof supersedes all previous agreements, understandings and representations made by or between the parties hereto.

(g) Governing Law. This Option Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to conflicts of law principles. All claims of whatever character arising out of this Option Agreement, or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between Owner and any other party hereto, if and to the extent that such claim potentially could or actually does involve Owner, shall be brought in any state or federal court of competent jurisdiction located in Kings County, California. By executing and delivering this Option Agreement, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of forum non-conveniens; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by Owner of any prior notice or procedural requirements applicable to actions or claims against or involving governmental units and/or political subdivisions of the State of California that may exist at the time of and in connection with such matter.

(h) Legal Construction. In case any one or more of the provisions contained in this Option Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalid provision shall be deemed severable, and shall not affect the validity or enforceability of any other provisions of this Option Agreement, all of which shall remain fully enforceable.

(i) Term. This Agreement shall terminate upon the earlier of (a) the Conveyance or (b) the first date on which all Project Debt has been retired and Owner has made an absolute assignment to Host of all future Surplus Cash.

(j) Captions. The captions used in this Option Agreement are solely for convenience, and shall not be deemed to constitute a part of the substance of the Option Agreement for purpose of its construction.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Option Agreement as of the date set forth above.

**CALIFORNIA COMMUNITY HOUSING
AGENCY**

By:

CITY OF FAIRFIELD

By:

Signature Page to Purchase Option Agreement

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT A


LEGAL DESCRIPTION OF REAL PROPERTY



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Resolution 2019-147 of the City Council of the City of Fairfield Approving an Amended and Restated Agreement for Legal Services

RECOMMENDED ACTION

Adopt resolution.

STATEMENT OF ISSUE

Richards, Watson and Gershon ("City Attorney") have served as the City Attorney for the City of Fairfield since 1997 pursuant to a written contract that has been amended several times. The City and City Attorney wish to amend and restate the agreement to provide changes to the fees charged for legal services.

DISCUSSION

City Attorney has been providing legal services to the City of Fairfield since 1997. The parties desire to amend and restate the current agreement, specifically relating to legal fees. The specific changes are as follows:

- 1) Monthly retainer would be increased from \$49,374 to \$60,000.
- 2) Retainer hours would be capped at 300 hours per month.
- 3) Billing rate would be \$200 per hour under the retainer.
- 4) All general services hours, as defined in the agreement, in excess of 300 hours per month would be billed at \$225 per hour.
- 5) If, on an annual basis, the hours under the retainer are such that the effective billing rate exceeds \$250 per hour, the City shall receive a credit for all fees over \$250 per hour rate, which shall be applied over the next 12 months.
- 6) Annual CPI adjustments to the monthly retainer and general services billing rates starting on July 1,

2020.

7) Work outside the retainer or general services (defined as special services) will be billed at the current rate of \$300 to \$335 per hour for shareholders and senior attorneys and \$195 to \$235 per hour for associates. These rates are below the maximum rates authorized by the current agreement and would remain in effect until July 1, 2020.

The current structure of the City Attorney agreement, with no cap on the amount of retainer hours, is outdated and city attorney contracts are now negotiated with a cap on hours under a retainer. With no cap, the City Attorney's hourly rate under the retainer has averaged \$126.50 per hour in 2018 and \$145.80 per hour in 2017. This is well below the market rates. Benicia recently contracted out for city attorney work at \$250 per hour for general services and \$325 per hour for partners and \$270 per hour for associates for special services.

The Solano County Grand Jury for 2017-2018 issued a report examining the functions, duties and costs of City Attorney offices in all seven Solano County cities. Three of the cities had at the time in-house city attorneys and four had contract city attorneys. The Grand Jury reported on both the total legal expenses and also per capita costs (cost per person in each community). The findings on legal cost are as follows:

Benicia	\$824,962
Dixon	\$898,019
Fairfield	\$1,073,526
Rio Vista	\$147,857
Suisun City	\$177,147
Vacaville	\$1,132,771
Vallejo	\$3,255,821

The per capita costs are as follows:

Benicia	\$29.79/person
Dixon	\$46.53/person
Fairfield	\$9.40/person
Rio Vista	\$16.39/person
Suisun City	\$6.05/person
Vacaville	\$11.51/hour
Vallejo	\$27.53/person

With the proposed changes under the Amended and Restated Agreement for Legal Services, the rate for general services both under the retainer and outside the retainer will be below comparable cities.

FINANCIAL IMPACT

Under the proposed agreement the annual cost for legal fees in the 2019-2020 fiscal year will be \$720,000, if hours spent on general services is 3,600 or less. The average general services annual hours over the last eleven (11) years have been 3,595. In 2018, legal fees under the retainer totaled \$592,488. The increased costs are accounted for in the proposed 2019-2020 fiscal year budget.

CITY COUNCIL WORKPLAN

Community Safety

Financial and Operational

Sustainability

Community Infrastructure

Economic Development

Quality of Life

*Travis Air Force
Base*

City Council Goal this item supports:

Financial and Operational Sustainability

Project:

Not Applicable

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

N/A

ALTERNATIVE ACTION

The City Council could not approve the Amended and Restated Agreement for Legal Services, however, this is not recommended as the proposed Agreement reflects a reasonable cost for legal work and is still below comparable cities.

STAFF CONTACT

Sean Quinn, Interim City Manager
707-428-7400
squinn@fairfield.ca.gov

COORDINATED WITH

N/A

ATTACHMENTS:

Proposed Resolution

Proposed Amended and Restated Agreement for Legal Services

REVIEWERS:

Reviewer	Action	Date
Dominguez, Yessika	Approved	6/4/2019 - 9:26 AM

CITY OF FAIRFIELD

RESOLUTION NO. 2019 - 147

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD APPROVING
AN AMENDED AND RESTATED AGREEMENT FOR LEGAL SERVICES WITH
RICHARDS, WATSON AND GERSHON FOR CITY ATTORNEY SERVICES AND
AUTHORIZING THE MAYOR TO EXECUTE SAID AGREEMENT ON BEHALF OF
THE CITY**

WHEREAS, Richards, Watson and Gershon has served as City Attorney for the City of Fairfield since 1997 pursuant to a written agreement, which has been amended several times; and

WHEREAS, the City of Fairfield wishes to retain the services of Richard, Watson and Gershon as City Attorney to perform the duties of City Attorney under the terms of the Amended and Restated Agreement for Legal Services; and

WHEREAS, Richards, Watson and Gershon wishes to continue to work as City Attorney under the terms of the Amended and Restated Agreement for Legal Services.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIRFIELD:

Section 1: The Mayor is hereby authorized to enter the Amended and Restated Agreement for Legal Services with Richards, Watson and Gershon on behalf of the City of Fairfield.

Section 2: The City Manager is authorized to review the Amended and Restated Agreement for Legal Services and sign said Agreement as to content.

PASSED AND ADOPTED this 18th day of June, 2019, by the following vote:

AYES: COUNCILMEMBERS: PRICE / TIMM / BERTANI / MOY / VACCARO

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:

CITY CLERK

AMENDED AND RESTATED AGREEMENT FOR LEGAL SERVICES

This Agreement is entered into on this ____ day of June 2019 by and between the City of Fairfield ("City") and the law firm of Richards, Watson & Gershon, a professional corporation ("Attorney").

WHEREAS, Attorney has served as the City Attorney of City since 1997 pursuant to a written contract that has been amended several times;

WHEREAS, City wishes to continue to retain Attorney to perform the duties of the office of City Attorney on the terms and conditions set forth in the Amended and Restated Agreement; and

WHEREAS, Attorney wishes to continue to perform the duties of the office of City Attorney under the Amended and Restated Agreement;

The parties agree as follows:

1. Term. The term of this Agreement shall commence on July 1, 2019, and shall continue in effect unless terminated under Sections 14 or 15 of this Agreement.
2. General Services. Attorney shall discharge the duties of the office of City Attorney of City and use its best efforts to provide such services in a professional, thorough, and competent manner. Attorney shall provide all legal services to City of the type provided by an in-house City Attorney's office to a city which shall be referred to under this Agreement as General Services. General Services shall include, but not be limited to:
 - a. Provide legal advice to the City Council, Planning Commission, the City Manager and staff.
 - b. Attend all City Council and Planning Commission meetings.
 - c. Prepare legal opinions, contracts, resolutions and ordinances.
 - d. Administer contracts that the City may have with other legal counsel as requested by the City.
 - e. Provide attorneys on-site as needed, which shall be at minimum 16 hours per week, exclusive of City Council and Planning Commission meetings. At the City's request, an attorney shall be provided on-site for an additional 8 hours per week.
 - f. Monitor the handling of liability cases by outside legal counsel in coordination with the Risk Manager and prepare status reports for the City Council on pending liability cases to keep the City Council adequately informed.

Gregory Stepanicich shall be the primary attorney providing services under this Agreement and shall be the appointed City Attorney. Attorney also shall designate deputy City Attorneys

acceptable to City to assist the primary attorney. City shall have the right to determine at any time that an individual attorney is unacceptable to perform services for City.

3. Special Services. Upon request by City, Attorney shall provide the following services which shall be referred to under this Agreement as Special Services:
 - a. Litigation, which involves the filing of court pleadings, such as civil lawsuits, criminal prosecutions, dangerous dog appeals, weapons confiscation petitions, document subpoenas, and Pitchess Motions.
 - b. Bond Counsel matters.
 - c. Labor negotiations.
 - d. Real estate matters that would normally or customarily be assigned to outside counsel in a city with an in-house City Attorney's office as determined by the City Manager.
 - e. Successor Agency services.
 - f. Water rights and Solano Water Project Contract Renewal and licensing.
 - g. Payroll/income tax issues.
 - h. Wetlands regulatory issues regarding property the City owns.
 - i. Assessment district and CFD formations and foreclosures.
 - j. Employee disciplinary hearings before an administrative judge.
 - k. Personnel matters that would normally or customarily be assigned to outside counsel in a city with an in-house City Attorney's office as determined by the City Manager.
 - l. Any legal services which are reimbursed by a third party under a contract with the City.
4. Conflicts of Interest. Attorney shall comply with all applicable laws and professional rules and standards relating to any known conflict of interest involving matters upon which Attorney is providing services under this Agreement. Attorney shall not reveal confidential or secret information of the City except with the consent of the City or as otherwise required by law.
5. Reporting of Services. Attorney shall provide a monthly accounting of the services provided and the time spent providing those services, in the form customarily supplied by Attorney to clients being billed on an hourly basis.
6. Fees for Service. Attorney shall be paid for its services under this Agreement as follows:

- a. *General Services.* Attorney shall be paid by City a monthly retainer in the amount of \$60,000 for up to 300 hours of General Services rendered in a given month pursuant to this Agreement. All General Services rendered in excess of 300 hours in a given month shall be paid on an hourly fee basis at the rate of \$225 per hour (“Excess Hourly Fee Rate”). In the event that Attorney’s effective billing rate for General Services in any given Fiscal Year for the City (the “Fiscal Year”) exceeds \$250 per hour, Attorney shall provide the City a credit over the following twelve month period for all fees received in the prior Fiscal Year in excess of an effective billing rate of \$250 per hour (“Effective Billing Rate Cap”). For the purposes of this Agreement, effective billing rate shall mean the amount of fees billed for General Services in any given Fiscal Year divided by the number of hours billed for General Services in the same Fiscal Year.
 - b. *Special Services.* Attorney shall be paid by the City for Special Services on an hourly fee basis at Attorney’s then-current regular hourly rates, reduced by fifteen percent. The current discounted hourly rates for Special Services are set forth in Exhibit A attached hereto. This exhibit shall be updated whenever the firm’s standard hourly rates are adjusted.
 - c. *Travel time.* Travel time between Attorney’s Los Angeles and Orange County offices shall not be billed to the City.
 - d. *Cost-of- Living Adjustment.* Commencing July 1, 2020 and on each July 1 thereafter during the term of this Agreement, the monthly retainer amount, Excess Hourly Fee Rate, and Effective Billing Rate Cap provided by Section 6(a) for General Services shall be subject to a Cost-of -Living Adjustment as defined by this Subsection (d). The Cost-of-Living Adjustment shall be the change in the cost of living for the twelve (12) month period published for the most recent calendar year as shown by the U.S. Department of Labor in its All Urban Consumers Index for the San Francisco-Oakland-San Jose Area. Such adjustment shall never be lower than zero percent (0%) nor more than five percent (5%).
7. Supplies, Equipment and Support Staff. Attorney shall provide all supplies, equipment and support staff necessary to provide the services under this Agreement, except that City shall provide Attorney with a furnished office in City Hall which shall contain such equipment, supplies and secretarial staffing as may be agreed upon by Attorney and City as being necessary for Attorney to properly provide its on-site services.
 8. Costs and Expenses. Attorney shall be reimbursed for all expenses reasonably incurred in performing its services under this Agreement except as otherwise expressly provided. Duplication related only to matters outside of the retainer shall be reimbursable at 15 cents per page. All other expenses reimbursable under this Agreement shall be reimbursed at actual cost. No travel, meal or lodging expenses shall be paid for travel to and from City Hall for scheduled office hours or Council/Commission meetings or other training or educational seminars. Economy rate fares and reasonable lodging/meals expenses will be paid for out-of-town travel undertaken at the direction of the City.

Attorney shall establish, at its sole expense, an 800 telephone number to facilitate telephone calls from City to Attorney's Los Angeles and Orange County offices.

9. Files. All legal files of Attorney pertaining to City shall remain the property of City. Attorney will control the physical location of such legal files during the term of this Agreement.
10. Indemnification. Attorney agrees to indemnify, defend and hold harmless City, its Council, officers, agents and employees from any and all claims or losses arising from the wrongful or negligent acts or omissions of Attorney or any person employed by Attorney in the performance of this Agreement.
11. Insurance.
 - a. Worker's Compensation. During the term of this Agreement, Attorney shall fully comply with the terms of the law of California concerning worker's compensation. Said compliance shall include, but not be limited to, maintaining in full force and effect one or more policies of insurance insuring against any liability Attorney may have for worker's compensation
 - b. General Liability Insurance. Attorney shall obtain at its sole cost and keep in full force and effect during the term of this Agreement broad form property damage, personal injury, automobile, employers', and commercial general liability insurance in the amount of \$1,000,000 per occurrence; provided (1) that the City, its officers, agents, employees and volunteers shall be named as additional insureds under the policy, and (2) that the policy shall stipulate that this insurance will operate as primary insurance, and that (3) no other insurance effected by the City or other named insureds will be called upon to cover a loss covered thereunder.
 - c. Certificates of Insurance. Attorney shall file with City Manager upon the execution of this Agreement, certificates of insurance which shall provide that no cancellation, major change in coverage, expiration, or nonrenewal will be made during the term of this Agreement, without thirty (30) days written notice to the City Manager prior to the effective date of such cancellation, or change in coverage.

Attorney shall file with the City Manager concurrent with the execution of this Agreement, the City's standard endorsement form (attached hereto) providing for each of the above requirements.
 - d. Professional Liability. Professional liability coverage with a minimum limit of liability of Two Million Dollars (\$2,000,000) per occurrence and Four Million Dollars (\$4,000,000) in the aggregate, providing coverage for any damages or losses suffered by City as a result of any error or omission by Attorney which arises out of the professional services required by this Agreement. Such insurance may be subject to a self-insured retention or deductible to be borne

entirely by Attorney which shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000) per occurrence.

All insurance policies shall be maintained in full force and effect throughout the term of this Agreement.

12. Independent Contractor. No employment relationship is created by this Agreement. Attorney shall be an independent contractor of City.
13. Integration. This Agreement shall constitute the full and complete Agreement of the parties and shall supersede any other written or oral statements of either party, including but limited to the Agreement for Legal Services, dated October 2, 2007 as amended by the First Amendment thereto, dated July 17, 2012.
14. Termination for Breach. In the event of a material breach of this Agreement, the party claiming a breach shall give notice to the other party informing it of the specific nature of the breach. Within ten (10) days of notice of breach or such other time period as may be agreed upon by the parties, the party in breach shall have the right to cure the breach. The failure to timely cure a material breach of this Agreement shall provide cause for termination.
15. Termination without Cause. Attorney may terminate this Agreement without cause by providing 180 days prior written notice of termination to City. City may terminate this Agreement without cause by providing 30 days prior written notice of termination to Attorney.
16. Arbitration. In the event of any dispute between the parties, it shall be submitted to binding arbitration. In the event the parties are unable to agree upon an arbitrator, an arbitrator shall be selected through the American Arbitration Association.

Executed the day and year first written above, at Fairfield, California.

CITY OF FAIRFIELD

By: _____
Mayor

ATTEST:

City Clerk

RICHARDS WATSON & GERSHON
A Professional Corporation

By: _____
GREGORY W. STEPANICICH

Approved as to content:

City Manager

EXHIBIT A

Current Discounted Rates for Special Services


\$300 - \$330	Shareholders and Senior Attorneys
\$195 - \$235	Associates
\$140 - \$160	Legal Assistant/Paralegal



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Resolution 2019-148 of the City Council of the City of Fairfield Approving a Consultant Services Agreement By and Between the City of Fairfield and Solano Economic Development Corporation to Provide Staffing and Resource Support to the Travis Community Consortium

RECOMMENDED ACTION

Adopt resolution.

STATEMENT OF ISSUE

The City of Fairfield is the lead agency and authorized to enter into contracts on behalf of the Travis Community Consortium (TCC). The City Council is being asked to approve a Consultant Services Agreement (Agreement) by and between the City and Solano Economic Development Corporation (Solano EDC) to provide staffing and resource support to the TCC. Travis Air Force Base is the county's largest employer and has a significant economic impact. To this end, it is vital that the TCC do all that it can to advocate for the base. The agencies/organizations that contribute to the TCC will share in the cost of the agreement.

DISCUSSION

Travis Air Force Base is vital to national security and with the bed-down of the KC-46, Travis Air Force Base will be the home of the Air Mobility Command's premier weapon systems with the C-5M Super Galaxy, the C-17 Globemaster III, and the KC-46. Within our county, Travis Air Force Base is the largest employer, with approximately 13,400 military members and civilian employees, and has a \$1.69 billion economic impact. Given this, the protection and enhancement of Travis Air Force Base has long been a City priority.

The TCC has adopted an ambitious strategy that consists of the following:

- Preserve existing missions and enhance the potential to assume additional missions at Travis AFB by advocating for investment in base infrastructure, operating, and maintenance funding; demolition funding for condemned buildings; and continued modernization and technology upgrades

to Travis' air mobility and refueling fleet.

- Actively engage U.S. Air Force leadership and legislative representatives.
- Maintain communication and actively participate in local, state, and national military-focused organizations.
- Support Travis AFB in exploring and pursuing new and additional cooperative areas of benefit through the Air Force Community Partnership program.
- Support policy that will ensure continued compatible regional development, the preservation of unrestricted air space and other base operations from encroachment, and remediate situations that may detract from Travis's standing in future BRAC or non-BRAC decisions.

In order to implement this strategy, the TCC desires to hire Solano EDC to augment existing staffing and resources. Solano EDC consists of staff with the requisite expertise, knowledge, and contacts.

FINANCIAL IMPACT

The total cost of the contract is not-to-exceed \$47,525. Contributions to the TCC by member agencies/organization are the source of funds for the agreement.

CITY COUNCIL WORKPLAN

Community Safety

Community Infrastructure

Quality of Life

*Financial and Operational
Sustainability*

Economic Development

*Travis Air Force
Base*

City Council Goal this item supports:

Travis Air Force Base

Project:

#6A.1 Travis Community Consortium

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

The Travis Community Consortium supports entering into an agreement with Solano EDC.

ALTERNATIVE ACTION

The City administers the funding and this agreement on behalf of the TCC. As noted above, the TCC wishes to enter into agreement with Solano EDC. No alternative action is recommended.

STAFF CONTACT

Sean Quinn, Interim City Manager
707-428-7400
squinn@fairfield.ca.gov

COORDINATED WITH

Solano Economic Development Corporation

ATTACHMENTS:

Proposed Resolution
Proposed Consultant Services Agreement - Solano EDC

REVIEWERS:

Reviewer	Action	Date
Dominguez, Yessika	Approved	6/12/2019 - 10:21 AM

CITY OF FAIRFIELD

RESOLUTION NO. 2019-148

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD APPROVING A
CONSULTANT SERVICES AGREEMENT BY AND BETWEEN THE CITY OF
FAIRFIELD AND SOLANO ECONOMIC DEVELOPMENT CORPORATION TO
PROVIDE STAFFING AND RESOURCE SUPPORT TO THE TRAVIS COMMUNITY
CONSORTIUM**

WHEREAS, Travis Air Force Base is the largest employer in Solano County and represents a very large and important economic engine generating an economic impact of \$1.69 billion; and

WHEREAS, the City of Fairfield is the lead agency and authorized to enter into contracts on behalf of the Travis Community Consortium (TCC), a regional partnership between the City of Benicia, City of Dixon, City of Fairfield, City of Rio Vista, City of Suisun City, City of Vacaville, City of Vallejo, County of Solano, Solano EDC, Travis Credit Union, and the Travis Regional Armed Forces Committee to collectively advocate for Travis Air Force Base; and

WHEREAS, the TCC supports entering into a contract with Solano EDC to provide staffing and resource support; and

WHEREAS, Solano EDC consists of staff with the requisite expertise, knowledge, and contacts to support the TCC.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY
RESOLVES THAT:**

Section 1. The City Council of the City of Fairfield hereby approves the Consultant Services Agreement attached as Exhibit A.

Section 2. The City Council hereby approves the use of funds from the Travis Community Consortium in an amount not-to-exceed \$47,525.

Section 3. The city manager is hereby authorized and directed to execute the Consultant Services Agreement and do all things necessary and proper to implement the Consultant Services Agreement.

PASSED AND ADOPTED this 18th day of June, 2019, by the following vote:

AYES:	COUNCILMEMBERS:	_____
NOES:	COUNCILMEMBERS:	_____
ABSENT:	COUNCILMEMBERS:	_____
ABSTAIN:	COUNCILMEMBERS:	_____

MAYOR

ATTEST:

CITY CLERK

CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is made at Fairfield, California, as of March 1, 2019, by and between the City of Fairfield, a municipal corporation (the "CITY") and Solano EDC ("CONSULTANT"), who agree as follows:

1) SERVICES. Subject to the terms and conditions set forth in this Agreement, CONSULTANT shall provide to the CITY the services described in Exhibit "A," which consists of the proposal submitted by CONSULTANT. CONSULTANT shall provide said services at the time, place, and in the manner specified in Exhibit "A."

2) PAYMENT. CITY shall pay CONSULTANT for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit "B." The payments specified in Exhibit "B" shall be the only payments to be made to CONSULTANT for services rendered pursuant to this Agreement. CONSULTANT shall submit all billings for said services to the CITY in the manner specified in Exhibit "B."

3) FACILITIES AND EQUIPMENT. CONSULTANT shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.

4) GENERAL PROVISIONS. The general provisions set forth in Exhibit "C" are part of this Agreement. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, the provisions set forth in Exhibit "C" shall control.

5) INSURANCE REQUIREMENTS. The insurance requirements set forth in Exhibit "D" are part of this Agreement. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, the requirements set forth in Exhibit "D" shall control.

6) EXHIBITS. All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

7) TERM. This agreement shall be in effect until December 31, 2019.

EXECUTED as of the day first above-stated.

City of Fairfield, a municipal corporation

By:_____

CONSULTANT

By:_____

EXHIBIT “A”

SCOPE OF SERVICE

The City of Fairfield is responsible for the management and oversight of the Travis Community Consortium. The TCC desires to enter into an agreement with Solano EDC to provide staffing and resource support to the TCC to implement its 2019 strategy and to increase advocacy efforts.

The following outlines the work to be performed by Solano EDC under this contract:

- Provide ongoing administrative support for the TCC including scheduling TCC Working Group and Member meetings on a regular basis, facilitating TCC meetings, developing agendas, developing and reviewing notices, and correspondence.
- Assist TCC in community outreach activities to raise awareness of Travis AFB and its mission. Community outreach activities may include, but are not limited to, attending events at Travis Air Force Base and preparing articles (at least five (5)) for distribution to local and regional news outlets.
- Attend conferences and workshops, as deemed appropriate and approved by the TCC.
- Provide oversight and coordinate the activities of TCC’s federal and state advocacy efforts.
- Ensure ongoing engagement with TCC leaders and key Travis AFB, Air Force and Department of Defense personnel. Coordinate and facilitate meetings to develop and implement new initiatives and strategic partnership opportunities.
- Facilitate advocacy efforts which may include providing input to legislators, Air Force leadership via letters, direct contact, public forums, use of allied associations (i.e.,: AMC Civic Leader Group, ADC, Governor’s Military Council, TRAFAC, etc.), or trips to Washington DC and Scott Air Force Base.
- Actively participate in the Governors Military Council and establish positive working relationships with military advocacy organizations throughout the state. As appropriate, collaborate to implement initiatives that support Travis AFB.
- Work collaboratively with Solano County, its partner cities, and Travis AFB in developing and implementing initiatives under the Air Force Community Partnership program.
- Provide monthly written TCC Update and Activity Report.
- Provide two times a month written reports to the City of Fairfield outlining Solano EDC’s progress in implementing the scope of work outlined in this Agreement.

EXHIBIT “B”

PAYMENT

1) The total contract price for services rendered by CONSULTANT under this Agreement shall not exceed Forty-Seven Thousand Five Hundred Twenty Five Dollars (\$47,525), as specified below:

<u>Personnel</u>	<u>Hourly Rate</u>
Sandy Person, Industry Engagement Officer	\$50.00

Expenses (i.e. registration, travel, and hotel) incurred to attend conferences and workshops shall be billed separately and paid for by the Travis Community Consortium.

2) Payment shall be made to CONSULTANT on a time and materials basis, and CONSULTANT shall submit monthly invoices to the following:

City of Fairfield
City Manager's Office
Fourth Floor
1000 Webster Street
Fairfield, CA 94533
Attention: Sean P. Quinn

3) Any additional meetings or work required beyond that set forth in Exhibit “A” shall be mutually agreed to in writing by the CITY and CONSULTANT, and shall be billed on a time and materials.

EXHIBIT "C"

GENERAL PROVISIONS

1) INDEPENDENT CONSULTANT. At all times during the term of this Agreement, CONSULTANT shall be an independent contractor and shall not be an employee of CITY. CITY shall have the right to control CONSULTANT only insofar as the results of CONSULTANT's services rendered pursuant to this Agreement; however, CITY shall not have the right to control the means by which CONSULTANT accomplishes services rendered pursuant to this Agreement.

2) LICENSES; PERMITS; ETC. CONSULTANT represents and warrants to CITY that CONSULTANT has all licenses, permits, qualifications, and approvals of whatsoever nature which are legally required for CONSULTANT to practice CONSULTANT's profession. CONSULTANT represents and warrants to CITY that CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for CONSULTANT to practice his profession.

3) TIME. CONSULTANT shall devote such services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of CONSULTANT's obligations pursuant to this Agreement. CONSULTANT shall adhere to the Schedule of Activities as described in their Executive Summary.

4) CONSULTANT NOT AN AGENT. Except as CITY may specify in writing, CONSULTANT shall have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. CONSULTANT shall have no authority, express or implied, pursuant to this Agreement, to bind CITY to any obligation whatsoever.

5) ASSIGNMENT PROHIBITED. No party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

6) PERSONNEL. CONSULTANT shall assign only competent personnel to perform services pursuant to this Agreement. In the event that CITY, in its sole discretion, at anytime during the term of this Agreement, desires the removal of any person or persons assigned by CONSULTANT to perform services pursuant to this Agreement, CONSULTANT shall remove any such person immediately upon receiving notice from CITY of the desire of CITY for the removal of such person or persons.

7) STANDARD OF PERFORMANCE. CONSULTANT shall perform all services required pursuant to this Agreement. Services shall be performed in the manner and according to the standards observed by a competent practitioner of the profession in which CONSULTANT is engaged in the geographical area in which CONSULTANT practices his profession. All products which CONSULTANT delivers to CITY pursuant to this Agreement shall be prepared in a workmanlike manner, and conform to the standards of quality normally observed by a person practicing in CONSULTANT's profession. CITY shall be the sole judge as to whether the product of the CONSULTANT is satisfactory.

8) CANCELLATION OF AGREEMENT. This Agreement may be canceled at any time by the CITY at its discretion upon written notification to CONSULTANT. CONSULTANT is entitled to receive full payment for all services performed and all costs incurred up to and including the date of receipt of written notice to cease work on the project. CONSULTANT shall be entitled to no further compensation for work performed after the date of receipt of written notice to cease work. All completed and incomplete products up to the date of receipt of written notice to cease work shall become the property of CITY.

9) PRODUCTS OF CONSULTING. All products of the CONSULTANT provided under this Agreement shall be the property of the CITY.

10) INDEMNIFY AND HOLD HARMLESS.

a) If AGREEMENT is an agreement for design professional services subject to California Civil Code § 2782.8(a) and CONSULTANT is a design professional, as defined in California Civil Code § 2782.8(c)(2), to the fullest extent allowed by law, CONSULTANT shall hold harmless, defend and indemnify the CITY, its officers, agents, employees, and volunteers from and against all claims, damages, losses, and expenses including attorneys' fees arising out of, or pertaining to, or relating to the negligence, recklessness, or willful misconduct of the CONSULTANT, except where caused by the active negligence, sole negligence, or willful misconduct of the CITY.

b) If AGREEMENT is not an agreement for design professional services subject to California Civil Code § 2782.8(a) or CONSULTANT is not a design professional as defined in subsection (a) above, to the fullest extent allowed by law, CONSULTANT shall indemnify, defend, and hold harmless the CITY, its officers, agents, employees and volunteers from all claims, suits, or actions of every name, kind and description, brought forth on account of injuries to or death of any person or damage to property arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by CONSULTANT or any person directly or indirectly employed by or acting as agent for CONSULTANT in the performance of this Agreement, including the concurrent or successive passive negligence of the CITY, its officers, agents, employees or volunteers.

It is understood that the duty of CONSULTANT to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

Acceptance of insurance certificates and endorsements required under this Agreement does not relieve CONSULTANT from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies are determined to be applicable to any such damages or claims for damages.

CONSULTANT'S responsibility for such defense and indemnity shall survive termination or completion of this agreement for the full period of time allowed by law.

11)PROHIBITED INTERESTS. No employee of the CITY shall have any direct financial interest in this agreement. This agreement shall be voidable at the option of the CITY if this provision is violated.

12)LOCAL EMPLOYMENT POLICY. The CITY desires wherever possible, to hire qualified local residents to work on city projects. Local resident is defined as a person who resides in Solano County. The CITY encourages an active affirmative action program on the part of its contractors, consultants, and developers. When local projects require, subcontractors, contractors, consultants and developers will solicit proposals from qualified local firms where possible.

As a way of responding to the provisions of the Davis-Bacon Act and this program, contractor, consultants, and developers will be asked, to provide no more frequently than monthly, a report which lists the employee's name, job class, hours worked, salary paid, city of residence, and ethnic origin.

13)CONSULTANT NOT A PUBLIC OFFICIAL. CONSULTANT is not a "public official" for purposes of Government Code §§ 87200 et seq. CONSULTANT conducts research and arrives at his or her conclusions, advice, recommendation, or counsel independent of the control and direction of the CITY or any CITY official, other than normal contract monitoring. In addition, CONSULTANT possesses no authority with respect to any CITY decision beyond these conclusions, advice, recommendation, or counsel.

14)EMPLOYMENT DEVELOPMENT DEPARTMENT REPORTING REQUIREMENTS. When the CITY executes an agreement for or makes payment to CONSULTANT in the amount of \$600 (six hundred dollars) or more in any one calendar year, CONSULTANT shall provide the following information to CITY to comply with Employment Development Department (EDD) reporting requirements:

a) Whether CONSULTANT is doing business as a sole proprietorship, partnership, limited liability partnership, corporation, limited liability corporation, non-profit corporation or other form of organization.

b) If CONSULTANT is doing business as a sole proprietorship, CONSULTANT shall provide the full name, address and social security number or federal tax identification number of the sole proprietor.

c) If CONSULTANT is doing business as other than a sole proprietorship, CONSULTANT shall provide CONSULTANT'S federal tax identification number.

EXHIBIT "D"

INSURANCE REQUIREMENTS

CONSULTANT shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CONSULTANT, its agents, representatives, or employees.

1) MINIMUM SCOPE AND LIMITS OF INSURANCE

a) Commercial General Liability coverage (occurrence Form CG 00 01) with minimum limits of \$1,000,000 per occurrence for bodily injury, personal injury, products and completed operations, and property damage. If Commercial General Liability or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

b) Automobile Liability coverage (Form CA 00 01 with Code 1 – any auto) with minimum limits of \$1,000,000 per accident for bodily injury and property damage.

c) Workers' Compensation insurance as required by the State of California and Employers' Liability insurance, each in the amount of \$1,000,000 per accident for bodily injury or disease.

2) INDUSTRY SPECIFIC COVERAGES

If checked below, the following insurance is also required.

- ☐ Professional Liability Insurance / Errors and Omissions Liability in the minimum amount of \$1,000,000 per occurrence.
- ☐ Pollution Liability Insurance in the minimum amount of \$1,000,000 per occurrence
- ☐ Garage Keepers Insurance in the minimum amount of \$1,000,000 per occurrence
- ☐ Fidelity / Crime / Dishonesty Bond in the minimum amount of \$_____
- ☐ MCS-90 Endorsement to Business Automobile insurance for transportation of hazardous materials and pollutants
- ☐ Builder's Risk / Course of Construction Insurance in the minimum amount of \$_____.

3) INSURANCE PROVISIONS

a) DEDUCTIBLES AND SELF-INSURED RETENTIONS. Any deductibles or self-insured retentions must be declared to and approved by the CITY. At the option of the CITY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the CITY, its officers, officials, employees and volunteers; or the CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

b) The general and automobile liability policies (and if applicable, pollution liability, garage keepers liability and builder's risk policies) are to contain, or be endorsed to contain, the following provisions:

- i) The CITY, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of the CONSULTANT; products and completed operations of the CONSULTANT; premises owned, occupied or used by the CONSULTANT; and automobiles owned, leased, hired or borrowed by the CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to the CITY, its officers, officials, employees or volunteers.
- ii) For any claims related to this project, the CONSULTANT'S insurance coverage shall be primary insurance as respects the CITY, its officers, officials, employees and volunteers. Any insurance or self-insured maintained by the CITY, its officers, officials, employees or volunteers shall be excess of the CONSULTANT'S insurance and shall not contribute with it.
- iii) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the CITY, its officers, officials, employees or volunteers.
- iv) The CONSULTANT'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- v) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the CITY.
- vi) The policy limits of coverage shall be made available to the full limits of the policy. The minimum limits stated above shall not serve to reduce the CONSULTANT'S policy limits of coverage. Therefore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

c) ACCEPTABILITY OF INSURER. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the CITY.

d) VERIFICATION OF COVERAGE. CONSULTANT shall furnish the CITY with original endorsements effecting coverage required by this Exhibit D. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the CITY or on forms equivalent to CG 20 10 11 85 subject to CITY approval. All insurance certificates and endorsements are to be received and approved by the CITY before work commences. At the request of the CITY, CONSULTANT shall provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.


e) SUB-CONTRACTORS. CONSULTANT shall require all subcontractors to procure and maintain insurance policies subject to the requirements of Exhibit D. Failure of CONSULTANT to verify existence of sub-contractor's insurance shall not relieve CONSULTANT from any claim arising from sub-contractors work on behalf of CONSULTANT.



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Resolution 2019-149 of the City Council of the City of Fairfield Terminating an Agreement with Madison Government Affairs for Legislative Advocacy Services Related to the Retention and Enhancement of Travis Air Force Base

RECOMMENDED ACTION

Adopt resolution.

STATEMENT OF ISSUE

The City of Fairfield (City), as the lead agency for the Travis Community Consortium (TCC), currently administers the contract with Madison Government Affairs (MGA) for advocacy services related to Travis Air Force Base (Travis AFB). On December 18, 2018 the City Council approved a two-year agreement with MGA. The TCC is comprised of 11 agencies, including the City, and they provide the funding. The TCC has embarked on a new direction, which includes an expanded contract with the Solano EDC. The TCC desires to terminate the contract with MGA as it decides on its future direction for its legislative advocacy.

DISCUSSION

For the past twenty (20) years, MGA has been retained as the primary Travis AFB lobbyist by the City, including the past fifteen (15) years on behalf of the TCC. During this time, MGA, TCC and the City have successfully lobbied for Travis AFB. Highlights and accomplishments include: securing funding to extend the life of the C-5 retrofit program; securing funding for additional C-17's above the amount that was originally authorized and funded; retention of the KC-10 fleet contrary to the previous Administration's recommendations to retire the weapons system, and; inclusion of military construction projects in the authorization and appropriations bill, such as assisting in securing a \$22 million appropriation for the 144-room dormitory project at Travis. The TCC also played a critical role in the bed down of 24 KC-46 aircraft, increasing the value of Travis for worldwide missions.

The TCC has embarked on a new direction. The TCC is expanding its funding of the Solano EDC to work on Travis AFB opportunities and issues at the local, state and federal level. The increase in funding to the Solano EDC makes it difficult to continue the MGA contract at its current level. At the

same time, the TCC is evaluating if and what type of legislative advocacy it needs at the federal level. Therefore, the TCC has requested that the City terminate the agreement with MGA under the Exhibit C, Section 8 of the Consultant Services Agreement. This Section provides for termination any time, by the City upon written notification. The resolution, if approved, will authorize the City Manager to send MGA such written notification.

FINANCIAL IMPACT

MGA is paid \$5,500 per month and the agreement is until December 31, 2020. The termination, effective June 30, 2019, will result in \$99,000 not being paid to MGA. This is partially offset by the increased funding to the Solano EDC. The TCC, of which the City is a member, provides all the funding. The City's share of funding for the TCC for this year and next year is budgeted at \$50,000 (Fund 011 Division and Responsibility Code 38911).

CITY COUNCIL WORKPLAN

Community Safety

Community Infrastructure

Quality of Life

*Financial and Operational
Sustainability*

Economic Development

*Travis Air Force
Base*

City Council Goal this item supports:

Travis Air Force Base

Project:

#6A.1 Travis Community Consortium

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

N/A

ALTERNATIVE ACTION

The City administers the funding and this agreement on behalf of the TCC. As noted above, the TCC supports the termination of the agreement with MGA. No alternative action is recommended.

STAFF CONTACT

Sean Quinn, Interim City Manager
707-428-7400
squinn@fairfield.ca.gov

COORDINATED WITH

TCC Working Group

ATTACHMENTS:

Proposed Resolution

REVIEWERS:

Reviewer

Dominguez, Yessika

Action

Approved

Date

6/12/2019 - 10:23 AM

CITY OF FAIRFIELD

RESOLUTION NO. 2019-149

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD APPROVING
THE TERMINATION OF AN AGREEMENT WITH MADISON GOVERNMENT
AFFAIRS FOR LEGISLATIVE ADVOCACY SERVICES FOR THE TRAVIS
COMMUNITY CONSORTIUM RELATED TO THE RETENTION AND ENHANCEMENT
OF TRAVIS AIR FORCE BASE**

WHEREAS, the City Council of the City of Fairfield ("City") authorized the execution of a two-year agreement with Madison Government Affairs on December 18, 2018 for legislative advocacy services at the federal level, and

WHEREAS, the City administers and serves as the lead agency for this agreement on behalf of the 11 member Travis Community Consortium (TCC), and

WHEREAS, the TCC has determined to embark on a new direction, which includes expanded funding for the Solano EDC to undertake activities at the local, state and federal level related to Travis Air Force Base, and

WHEREAS, the TCC has determined that with the additional funding to the Solano EDC, it needs to reevaluate its federal legislative advocacy activities due to funding constraints and the new direction.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FAIRFIELD HEREBY
RESOLVES:**

Section 1. The City Council hereby approves the termination of the agreement with Madison Government Affairs effective June 30, 2019.

Section 2. The City Manager is directed to provide written notification to Madison Government Affairs terminating the agreement.

PASSED AND ADOPTED this 18th day of June, 2019, by the following vote:

AYES: COUNCILMEMBERS: _____
NOES: COUNCILMEMBERS: _____
ABSENT: COUNCILMEMBERS: _____
ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:


CITY CLERK



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Resolution 2019-155 of the City Council of the City of Fairfield Approving the Recommendation of the Sub-Committee for Bob Murray and Associates to Conduct the Recruitment for the New City Manager

RECOMMENDED ACTION

Adopt resolution.

STATEMENT OF ISSUE

The adoption of the resolution will approve the Council appointed Sub-Committee's recommendation for Bob Murray and Associates to conduct the new city manager recruitment.

DISCUSSION

On May 21, 2019, the City Council appointed a sub-committee to vet the proposals received by the Human Resources Department from five executive search firms. Vice Mayor Pam Bertani and Council Member Rick Vaccaro were appointed to serve on this committee to assist staff and the City Council with the selection of an executive search firm to conduct the new city manager recruitment. The following is the list of the firms that provided proposals to conduct the city manager search for Fairfield:

1. Paul Avery and Associates
2. CPS HR Consulting
3. The Hawkins Company
4. Bob Murray and Associates
5. Peckham and McKenney, Inc.

City staff and the City Council Sub-Committee met on May 30, 2019 to discuss the proposals from the above listed firms. The Sub-Committee conferred with the Interim City Manager and the Director of Human Resources and vetted each proposal. At the meeting, the Sub-Committee decided to interview CPS HR Consulting and Bob Murray and Associates, to get a better sense of each firm's recruitment strategy, qualifications and the team that would work on this search for the City Council.

On Monday, June 10, 2019, the Sub-Committee, along with the Interim City Manager and the Director of

Human Resources interviewed both firms. After discussing the results of the interviews and considering several factors, including recent success at filling city manager vacancies at comparable jurisdictions, size of professional network and proposed recruitment strategy, the Sub-Committee decided to recommend to the Council to adopt a resolution selecting Bob Murray and Associates for this project. This firm has nearly 20 years of experience in searches for executive talent and has placed over 200 city managers since its inception. It has a proven record of filling high profile city manager placements recently at comparable jurisdictions and has proposed a comprehensive recruitment strategy to maximize the number of qualified candidates for the City Council to consider.

FINANCIAL IMPACT

The cost for this service will be \$24,000 with a contingency fee of \$3,500 for additional employee and community engagement activities, if necessary. The cost of this contract will be paid from the General fund.

CITY COUNCIL WORKPLAN

Community Safety

Community Infrastructure

Quality of Life

*Financial and Operational
Sustainability*

Economic Development

*Travis Air Force
Base*

City Council Goal this item supports:

Not Applicable

Project:

One-time item not recommended for including in the Workplan

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

N/A

ALTERNATIVE ACTION

The Council may choose not to accept the recommendation of the Sub-Committee and not adopt the resolution, or direct staff to find an alternative approach. These alternative actions are not recommended, as they will prolong the process of recruiting for a new city manager.

STAFF CONTACT

Sean Quinn, Interim City Manager
(707) 428-7400
squinn@fairfield.ca.gov

COORDINATED WITH

City Manager's Office, Human Resources Department

ATTACHMENTS:

Proposed Resolution

Proposed Consultant Services Agreement

REVIEWERS:

Reviewer

Pirouzmand, Farbod

Action

Approved

Date

6/11/2019 - 9:03 PM

CITY OF FAIRFIELD
RESOLUTION NO. 2019-155

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD APPROVING
THE CONSULTANT SERVICES AGREEMENT WITH BOB MURRAY AND
ASSOCIATES FOR EXECUTIVE RECRUITMENT SERVICES**

WHEREAS, the City of Fairfield ("City") employs a variety of employees who provide essential services to the community; and

WHEREAS, the City needs to recruit and hire a new city manager as a result of the resignation of David A. White in May 2019; and

WHEREAS, the current Interim City Manager, Sean P. Quinn is appointed for a limited duration of 960 hours pursuant to Government Code Sections 21221(h) and 7522.56(d); and

WHEREAS, Bob Murray and Associates provides executive search services for municipalities, and the firm has experience and expertise in searching and placing municipal executives; and

WHEREAS, the City desires to enter into a consultant services agreement under which Bob Murray and Associates will perform specified consultant services to the City with respect to the recruitment process for a new City Manager for the City of Fairfield; and

WHEREAS, a contingency amount of \$3,500 is needed if the City needs additional employee and community engagement services.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY RESOLVES:

Section 1. The City Council hereby approves the consultant services agreement, a copy of which is attached to this resolution.

Section 2. The City Manager is hereby authorized to execute the consultant agreement and do all other acts and things necessary to implement this Resolution.

PASSED AND ADOPTED this 18th day of June, 2019, by the following vote:

AYES: COUNCILMEMBERS: PRICE / TIMM / BERTANI / MOY / VACCARO

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:

CITY CLERK

CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is made at Fairfield, California, as of June 18, 2019, by and between the City of Fairfield, a municipal corporation (the "CITY") and Bob Murray & Associates ("CONSULTANT"), who agree as follows:

1) SERVICES. Subject to the terms and conditions set forth in this Agreement, CONSULTANT shall provide to the CITY the services described in Exhibit "A," which consists of the proposal submitted by CONSULTANT. CONSULTANT shall provide said services at the time, place, and in the manner specified in Exhibit "A."

2) PAYMENT. CITY shall pay CONSULTANT for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit "B." The payments specified in Exhibit "B" shall be the only payments to be made to CONSULTANT for services rendered pursuant to this Agreement. CONSULTANT shall submit all billings for said services to the CITY in the manner specified in Exhibit "B."

3) FACILITIES AND EQUIPMENT. CONSULTANT shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.

4) GENERAL PROVISIONS. The general provisions set forth in Exhibit "C" are part of this Agreement. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, the provisions set forth in Exhibit "C" shall control.

5) INSURANCE REQUIREMENTS. The insurance requirements set forth in Exhibit "D" are part of this Agreement. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, the requirements set forth in Exhibit "D" shall control.

6) EXHIBITS. All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

7) TERM. This agreement shall be in effect until the scope of work is completed.

EXECUTED as of the day first above-stated.

City of Fairfield, a municipal corporation

By: _____

CONSULTANT
Bob Murray & Associates

By:  _____
Gary Phillips, Executive Vice President

EXHIBIT "A"

SCOPE OF SERVICE

See attached proposal letter from Bob Murray and Associates

EXHIBIT "B"

PAYMENT

1) The total contract price for services rendered by CONSULTANT under this Agreement shall be \$24,000.

2) Payment shall be made to CONSULTANT on a time and materials basis, and CONSULTANT shall submit monthly invoices to the City of Fairfield Human Resources Department for the same.

3) Any additional meetings or work required beyond that set forth in Exhibit "A" shall be mutually agreed to in writing by the CITY and CONSULTANT, and shall be billed on a time and materials basis to the City of Fairfield Human Resources Department.

EXHIBIT "C"

GENERAL PROVISIONS

1) INDEPENDENT CONSULTANT. At all times during the term of this Agreement, CONSULTANT shall be an independent contractor and shall not be an employee of CITY. CITY shall have the right to control CONSULTANT only insofar as the results of CONSULTANT's services rendered pursuant to this Agreement; however, CITY shall not have the right to control the means by which CONSULTANT accomplishes services rendered pursuant to this Agreement.

2) LICENSES; PERMITS; ETC. CONSULTANT represents and warrants to CITY that CONSULTANT has all licenses, permits, qualifications, and approvals of whatsoever nature which are legally required for CONSULTANT to practice CONSULTANT's profession. CONSULTANT represents and warrants to CITY that CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for CONSULTANT to practice his profession.

3) TIME. CONSULTANT shall devote such services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of CONSULTANT's obligations pursuant to this Agreement. CONSULTANT shall adhere to the Schedule of Activities as described in their Executive Summary.

4) CONSULTANT NOT AN AGENT. Except as CITY may specify in writing, CONSULTANT shall have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. CONSULTANT shall have no authority, express or implied, pursuant to this Agreement, to bind CITY to any obligation whatsoever.

5) ASSIGNMENT PROHIBITED. No party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

6) PERSONNEL. CONSULTANT shall assign only competent personnel to perform services pursuant to this Agreement. In the event that CITY, in its sole discretion, at anytime during the term of this Agreement, desires the removal of any person or persons assigned by CONSULTANT to perform services pursuant to this Agreement, CONSULTANT shall remove any such person immediately upon receiving notice from CITY of the desire of CITY for the removal of such person or persons.

7) STANDARD OF PERFORMANCE. CONSULTANT shall perform all services required pursuant to this Agreement. Services shall be performed in the manner and according to the standards observed by a competent practitioner of the profession in which CONSULTANT is engaged in the geographical area in which CONSULTANT practices his profession. All products which CONSULTANT delivers to CITY pursuant to this Agreement shall be prepared in a workmanlike manner, and conform to the standards of quality normally observed by a person practicing in CONSULTANT's profession. CITY shall be the sole judge as to whether the product of the CONSULTANT is satisfactory.

8) CANCELLATION OF AGREEMENT. This Agreement may be canceled at any time by the CITY at its discretion upon written notification to CONSULTANT. CONSULTANT is entitled to receive full payment for all services performed and all costs incurred up to and including the date of receipt of written notice to cease work on the project. CONSULTANT shall be entitled to no further compensation for work performed after the date of receipt of written notice to cease work. All completed and incomplete products up to the date of receipt of written notice to cease work shall become the property of CITY.

9) PRODUCTS OF CONSULTING. All products of the CONSULTANT provided under this Agreement shall be the property of the CITY.

10) INDEMNIFY AND HOLD HARMLESS.

a) If AGREEMENT is an agreement for design professional services subject to California Civil Code § 2782.8(a) and CONSULTANT is a design professional, as defined in California Civil Code § 2782.8(c)(2), to the fullest extent allowed by law, CONSULTANT shall hold harmless, defend and indemnify the CITY, its officers, agents, employees, and volunteers from and against all claims, damages, losses, and expenses including attorneys' fees arising out of, or pertaining to, or relating to the negligence, recklessness, or willful misconduct of the CONSULTANT, except where caused by the active negligence, sole negligence, or willful misconduct of the CITY.

b) If AGREEMENT is not an agreement for design professional services subject to California Civil Code § 2782.8(a) or CONSULTANT is not a design professional as defined in subsection (a) above, to the fullest extent allowed by law, CONSULTANT shall indemnify, defend, and hold harmless the CITY, its officers, agents, employees and volunteers from all claims, suits, or actions of every name, kind and description, brought forth on account of injuries to or death of any person or damage to property arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by CONSULTANT or any person directly or indirectly employed by or acting as agent for CONSULTANT in the performance of this Agreement, including the concurrent or successive passive negligence of the CITY, its officers, agents, employees or volunteers.

It is understood that the duty of CONSULTANT to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

Acceptance of insurance certificates and endorsements required under this Agreement does not relieve CONSULTANT from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies are determined to be applicable to any such damages or claims for damages.

CONSULTANT'S responsibility for such defense and indemnity shall survive termination or completion of this agreement for the full period of time allowed by law.

11)PROHIBITED INTERESTS. No employee of the CITY shall have any direct financial interest in this agreement. This agreement shall be voidable at the option of the CITY if this provision is violated.

12)LOCAL EMPLOYMENT POLICY. The CITY desires wherever possible, to hire qualified local residents to work on city projects. Local resident is defined as a person who resides in Solano County. The CITY encourages an active affirmative action program on the part of its contractors, consultants, and developers. When local projects require, subcontractors, contractors, consultants and developers will solicit proposals from qualified local firms where possible.

As a way of responding to the provisions of the Davis-Bacon Act and this program, contractor, consultants, and developers will be asked, to provide no more frequently than monthly, a report which lists the employee's name, job class, hours worked, salary paid, city of residence, and ethnic origin.

13)CONSULTANT NOT A PUBLIC OFFICIAL. CONSULTANT is not a "public official" for purposes of Government Code §§ 87200 et seq. CONSULTANT conducts research and arrives at his or her conclusions, advice, recommendation, or counsel independent of the control and direction of the CITY or any CITY official, other than normal contract monitoring. In addition, CONSULTANT possesses no authority with respect to any CITY decision beyond these conclusions, advice, recommendation, or counsel.

14)EMPLOYMENT DEVELOPMENT DEPARTMENT REPORTING REQUIREMENTS. When the CITY executes an agreement for or makes payment to CONSULTANT in the amount of \$600 (six hundred dollars) or more in any one calendar year, CONSULTANT shall provide the following information to CITY to comply with Employment Development Department (EDD) reporting requirements:

a) Whether CONSULTANT is doing business as a sole proprietorship, partnership, limited liability partnership, corporation, limited liability corporation, non-profit corporation or other form of organization.

b) If CONSULTANT is doing business as a sole proprietorship, CONSULTANT shall provide the full name, address and social security number or federal tax identification number of the sole proprietor.

c) If CONSULTANT is doing business as other than a sole proprietorship, CONSULTANT shall provide CONSULTANT'S federal tax identification number.

EXHIBIT "D"

INSURANCE REQUIREMENTS

CONSULTANT shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CONSULTANT, its agents, representatives, or employees.

1) MINIMUM SCOPE AND LIMITS OF INSURANCE

a) Commercial General Liability coverage (occurrence Form CG 00 01) with minimum limits of \$1,000,000 per occurrence for bodily injury, personal injury, products and completed operations, and property damage. If Commercial General Liability or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

b) Automobile Liability coverage (Form CA 00 01 with Code 1 – any auto) with minimum limits of \$1,000,000 per accident for bodily injury and property damage.

c) Workers' Compensation insurance as required by the State of California and Employers' Liability insurance, each in the amount of \$1,000,000 per accident for bodily injury or disease.

2) INDUSTRY SPECIFIC COVERAGES

If checked below, the following insurance is also required.

- ☒ Professional Liability Insurance / Errors and Omissions Liability in the minimum amount of \$1,000,000 per occurrence.
- ☐ Pollution Liability Insurance in the minimum amount of \$1,000,000 per occurrence
- ☐ Garage Keepers Insurance in the minimum amount of \$1,000,000 per occurrence
- ☐ Fidelity / Crime / Dishonesty Bond in the minimum amount of \$ _____
- ☐ MCS-90 Endorsement to Business Automobile insurance for transportation of hazardous materials and pollutants
- ☐ Builder's Risk / Course of Construction Insurance in the minimum amount of \$ _____

3) INSURANCE PROVISIONS

a) DEDUCTIBLES AND SELF-INSURED RETENTIONS. Any deductibles or self-insured retentions must be declared to and approved by the CITY. At the option of the CITY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the CITY, its officers, officials, employees and volunteers; or the CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

b) The general and automobile liability policies (and if applicable, pollution liability, garage keepers liability and builder's risk policies) are to contain, or be endorsed to contain, the following provisions:

- i) The CITY, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of the CONSULTANT; products and completed operations of the CONSULTANT; premises owned, occupied or used by the CONSULTANT; and automobiles owned, leased, hired or borrowed by the CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to the CITY, its officers, officials, employees or volunteers.
- ii) For any claims related to this project, the CONSULTANT'S insurance coverage shall be primary insurance as respects the CITY, its officers, officials, employees and volunteers. Any insurance or self-insured maintained by the CITY, its officers, officials, employees or volunteers shall be excess of the CONSULTANT'S insurance and shall not contribute with it.
- iii) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the CITY, its officers, officials, employees or volunteers.
- iv) The CONSULTANT'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- v) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the CITY.
- vi) The policy limits of coverage shall be made available to the full limits of the policy. The minimum limits stated above shall not serve to reduce the CONSULTANT'S policy limits of coverage. Therefore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

c) ACCEPTABILITY OF INSURER. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the CITY.

d) VERIFICATION OF COVERAGE. CONSULTANT shall furnish the CITY with original endorsements effecting coverage required by this Exhibit D. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the CITY or on forms equivalent to CG 20 10 11 85 subject to CITY approval. All insurance certificates and endorsements are to be received and approved by the CITY before work commences. At the request of the CITY, CONSULTANT shall provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.


e) SUB-CONTRACTORS. CONSULTANT shall require all subcontractors to procure and maintain insurance policies subject to the requirements of Exhibit D. Failure of CONSULTANT to verify existence of sub-contractor's insurance shall not relieve CONSULTANT from any claim arising from sub-contractors work on behalf of CONSULTANT.



AGENDA REPORT

DATE: June 18, 2019

TO: Mayor and City Council

FROM: Sean P. Quinn, Interim City Manager 

SUBJECT: Joint Public Hearing of the City Council of the City of Fairfield and Housing Authority Adopting Resolutions 2019-150 to 2019-154 and HA2019-07 Approving the Fiscal Year 2019-20 and 2020-21 Budget and Financial Plan

RECOMMENDED ACTION

Hold Joint Public Hearing of the City Council of the City of Fairfield and Housing Authority and adopt resolutions approving the Fiscal Year (FY) 2019-20 and 2020-21 Budget and Financial Plan.

STATEMENT OF ISSUE

The FY 2019-20 and 2020-21 Budget is available both as a written document and on the City's website: FY 2019-20 and 2020-21 Budget. The attached resolutions comprise the FY 2019-20 and 2020-21 Budget.

DISCUSSION

The attached resolutions do the following:

- Budget Resolutions – approves appropriations for all funds, updates the Financial Plan and budget policies, and includes revised staffing schedules for the City and Housing Authority budgets.
- General Obligation Bonds Resolution – approves General Obligation Bond property tax rates for the costs of the North Bay Aqueduct.
- Proposition 4 Appropriations Limit Resolution – approves the FY 2019-20 Proposition 4 appropriations limit as required by State law. Fairfield continues to be under this State-defined limit.
- AB 1600 Development Fee Findings Resolution – is an annual findings resolution required by State law on the status of AB 1600 fees that have been deposited with the City (the resolution itself does not change AB 1600 fees).

- Investment Policy Resolution – re-adopts the City’s investment policy with a revision that allows Supranationals as a permitted investment to further diversify the City’s investment options. The Supranational must be rated “AAA” or better by a nationally recognized rating agency.

FINANCIAL IMPACT

Fiscal impacts are discussed comprehensively in the budget document.

CITY COUNCIL WORKPLAN

Community Safety

Community Infrastructure

Quality of Life

*Financial and Operational
Sustainability*

Economic Development

*Travis Air Force
Base*

City Council Goal this item supports:

Financial and Operational Sustainability

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

Public notice was published in the Daily Republic on June 2nd and 9th, 2019.

ALTERNATIVE ACTION

The following alternative actions are possible:

- Budget – Revise resolutions. State law does not require a specific form of budget, but it is fiscally prudent to authorize a spending plan for each fiscal year.
- General Obligation Bonds – Do not approve property tax rates. This would shift \$429,000 of costs to the General Fund.
- Prop 4 Appropriations Limit – State law requires the adoption of this limit with the annual budget. The limit factors are defined by the State.
- AB 1600 Development Fee Findings – State law requires that annual findings be adopted, which the City does at budget time.
- Investment Policy – Do not approve re-adoption and revision of the investment policy. This would prevent the City from diversifying investment options.

STAFF CONTACT

Emily Combs, Director of Finance
707-428-7629
ecombs@fairfield.ca.gov

COORDINATED WITH

City Attorney's Office, City Manager's Office, Community Development Department, Finance Department, Fire Department, Human Resources Department, Parks and Recreation

Department, Police Department, Public Works Department, Information Technology

ATTACHMENTS:

Proposed Resolution Approving City of Fairfield Budget

Proposed Resolution Approving Housing Authority Budget

Proposed Resolution Approving General Obligation Bond Property Tax Rates

Proposed Resolution Establishing Prop 4 Appropriation Limit

Exhibit A: Gann Limit

Proposed Resolution Making Annual AB 1600 Impact Fee Findings

Proposed Resolution Approving City's Investment Policy

REVIEWERS:

Reviewer	Action	Date
Burleson, Michele	Approved	6/3/2019 - 2:27 PM
Burleson, Michele	Approved	6/3/2019 - 2:28 PM
Combs, Emily	Approved	6/3/2019 - 6:33 PM
Dominguez, Yessika	Approved	6/4/2019 - 6:35 PM
Dominguez, Yessika	Approved	6/12/2019 - 5:00 PM

CITY OF FAIRFIELD

RESOLUTION NO. 2019 - 150

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD
APPROPRIATING THE FISCAL YEAR 2019-20 AND 2020-21 BUDGET, UPDATING
THE FINANCIAL PLAN FOR THE CITY OF FAIRFIELD AND ADOPTING BUDGET
POLICIES**

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY
RESOLVES:**

Section 1. The estimated revenues, expenditures and transfers, including cost allocation plan contributions, as proposed for fiscal year (FY) 2019-20 and 2020-21, for all funds as set forth within the "FY 2019-20 and 2020-21 Budget" are hereby approved.

Section 2. The updated Financial Plan is hereby approved as an operating guideline for the scheduling and implementation of all City capital projects, bond issuance, and interfund transfers, loans and repayments; provided, that such projects, bonds and loans are subject to subsequent specific City Council approval.

Section 3. The City shall restrict and set aside \$11.9 million in the Loan Fund (Fund 551) that shall be used for the purposes of funding Economic Development efforts within the City.

Section 4. All revenues subsequently received by City funds in excess of amounts appropriated by this resolution for FY 2019-20 and 2020-21 are hereby appropriated for purposes of Article XIIIB to their respective undesignated fund balances.

Section 5. The updated Budget and Fiscal Policies as part of the FY 2019-20 and FY 2020-21 Budget are hereby approved.

Section 6. The City Manager and Director of Finance are hereby authorized to implement this resolution, including issuing the Approved FY 2019-20 and 2020-21 Budget, together with any non-substantive corrections to the Proposed Budget document.

PASSED AND ADOPTED this 18th day of June 2019, by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:

CITY CLERK

FAIRFIELD HOUSING AUTHORITY

RESOLUTION HA2019 - 07

**A RESOLUTION OF THE CITY OF FAIRFIELD HOUSING AUTHORITY
APPROPRIATING FISCAL YEAR 2019-20 AND 2020-21 BUDGET AND UPDATING
THE FINANCIAL PLAN**

NOW, THEREFORE, THE FAIRFIELD HOUSING AUTHORITY HEREBY RESOLVES:

Section 1. The estimated revenues, expenditures and transfers as proposed and set forth within the fiscal year 2019-20 and 2020-21 Budget, with respect to all Housing Authority funds contained therein, are hereby appropriated.

Section 2. The Financial Plan is hereby approved as an operating guideline for the scheduling and implementation of all Housing Authority capital projects, bond issuances, and interfund transfers, loans and repayments; provided that such projects, bonds and loans are subject to subsequent specific Housing Authority approval.

Section 3. The Executive Director is hereby authorized to implement this resolution, including submittal of the necessary budget documentation to the U.S. Department of Housing and Urban Development.

PASSED AND ADOPTED this 18th day of June 2019, by the following vote:

AYES: COMMISSIONERS: _____

NOES: COMMISSIONERS: _____

ABSENT: COMMISSIONERS: _____

ABSTAIN: COMMISSIONERS: _____

CHAIRMAN

ATTEST:

SECRETARY

CITY OF FAIRFIELD

RESOLUTION NO. 2019 - 151

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD APPROVING
THE 2019-20 GENERAL OBLIGATION BOND PROPERTY TAX RATES**

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY
RESOLVES:**

Section 1. A zone of benefit property tax rate of 0.003000 for fiscal year (FY) 2019-20 is hereby fixed and established in the amount required to pay \$429,000 for the City of Fairfield FY 2019-20 unit costs of the North Bay Aqueduct and the obligation for repayment of the "up-front" costs and advances for the North Bay Aqueduct Project, based on the assessed valuation that will be reported by the County Assessor for the FY 2019-20 assessment roll, and the County of Solano is hereby requested to levy said rate.

Section 2. The City Manager is hereby authorized to implement this resolution.

PASSED AND ADOPTED this 18th day of June 2019, by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:

CITY CLERK

CITY OF FAIRFIELD

RESOLUTION NO. 2019 - 152

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD ESTABLISHING
THE FISCAL YEAR 2019-20 APPROPRIATIONS LIMIT**

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY
RESOLVES:**

Section 1. Pursuant to Government Code Section 7910 and Article XIIIB of the California Constitution the approved appropriations limit for fiscal year 2019-20 as calculated pursuant to Exhibit A, is hereby established at \$248,552,000.

Section 2. The City Manager is hereby authorized to implement this resolution.

PASSED AND ADOPTED this 18th day of June 2019, by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

Mayor

ATTEST:

City Clerk



City of Fairfield Budget and Forecast

Proposition 4 (Gann Limit) Analysis

Section 7910 of the California Government Code and Article XIII B of the California Constitution (referred to as the "Gann Limit") restrict the amount of revenue that cities can appropriate in any fiscal year. Annually, the City must adopt a resolution to approve the appropriations limit based on actual appropriations in FY 1978-79, adjusted by a.) the greater of growth in California per capita income or the percentage change in the local assessment roll from the preceding year due to the addition of new nonresidential construction in the City, and b.) the greater of the growth in City or County population.

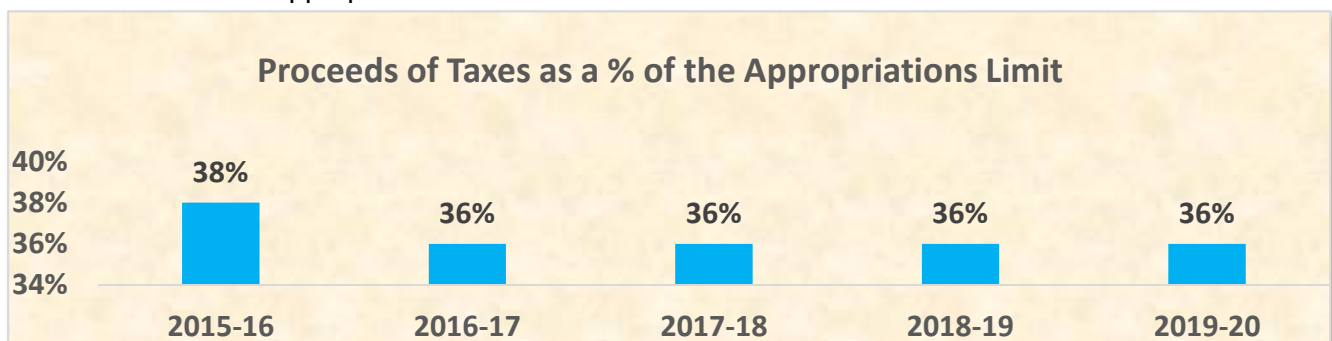
Section 37200 requires that the Gann limit and the total appropriations subject to the limitation be published in the annual budget. The City's limitation is calculated annually and was adopted by City Council resolution as part of its annual operating budget. Below is the calculation:

1. California Per Capita Personal Income Change converted to a ratio:	1.0385
(The % change resulting from new non nonresidential construction was not available)	
2. Population Change converted to a ratio	
(Greater of the Change in City (%) and County (%) Population)	1.0015
Calculation of factor to be used	1.0385 x 1.0015 = 1.0401
FY18-19 Appropriations Limit	\$ 238,969,000
FY19-20 Appropriations Limit	\$ 248,552,000
FY19-20 Revenues subject to Appropriations Limit (See GF Summary)	\$ 90,281,000
Unused Appropriations Limit	\$ 158,271,000

The following represents a trend analysis of the appropriations limit versus the net proceeds of taxes for the last five fiscal years, shows that the City will remain under its appropriations limit well into the future.

Item	2015-16	2016-17	2017-18	2018-19	2019-20
Appropriations Limit	\$203,258,000	\$216,612,000	\$228,547,000	\$238,969,000	\$248,552,000
Net Proceeds from Taxes	77,494,000	77,060,000	81,761,000	86,403,000	90,281,000
Difference	\$125,764,000	\$139,552,000	\$146,786,000	\$152,566,000	\$158,271,000
% of Limit	38%	36%	36%	36%	36%

Any overall actual receipts from tax sources greater than the variance would result in taxes in excess of the appropriations limit and would require refunds of the excess in the next two years or voter approval of an increase in the appropriations limit.



CITY OF FAIRFIELD

RESOLUTION NO. 2019 - 153

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD MAKING CERTAIN FINDINGS RELATED TO DEVELOPMENT IMPACT FEES

WHEREAS, the City imposes Development Impact Fees pursuant to the Mitigation Fee Act (Government Code Section 66000 et seq. and commonly referred to as AB 1600) and Article XI of Chapter 25 of the Fairfield Municipal Code; and

WHEREAS, Section 25.1508 of the Fairfield Municipal Code requires the City Council to make certain findings once each year with respect to the status of fees which have been deposited with the City for five or more years and remain unexpended.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY RESOLVES:

Section 1. In accordance with AB 1600 and Section 25.1508 of the Fairfield Municipal Code, the City Council makes the following findings:

- A. All of the AB 1600 fees collected by the City of Fairfield from June 20, 1995 to June 30, 2018, have either been expended on, or are committed to, the capital projects identified in the Final Report on Capital Projects which was submitted to the City Council on March 24, 1995, and updated in the AB 1600 Plan Update Technical Report, which was approved by Council in Resolution 2006-155 on November 21, 2006, and also partially updated in the Final Report on Citywide Transportation Impact Fee and Park Impact Fee Update and Report on Northeast Area Fees, which were approved by Council in Resolution 2013-69 on May 7, 2013.
- B. The purpose of the AB 1600 fees is to construct "public facilities," including streets, traffic signals, urban design features, government buildings, parks and recreational facilities, sewer and drainage infrastructure, and greenbelt preservation.
- C. The City caused the preparation of development impact fee nexus studies in 1995, 2002, 2006, and 2013 (the "Nexus Studies"). The Nexus Studies demonstrate the reasonable relationship between the fees and the purposes for which they are being used.

Section 2. The FY 2019-20 Budget and Five Year Capital Improvement Program shows current sources and amounts of funding and dates for construction for incomplete projects.

Section 3. As part of the City's normal budget process the City Council sets the schedule for AB 1600 projects and allocates the available funding. The City's FY 2019-20 Budget and Five Year Capital Improvement Program shows the current project schedule.

PASSED AND ADOPTED this 18th day of June 2019, by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:

CITY CLERK

CITY OF FAIRFIELD

RESOLUTION NO. 2019 - 154

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD APPROVING
THE CITY OF FAIRFIELD INVESTMENT POLICY**

WHEREAS, AB 2853 has made the annual adoption of an investment policy optional;
and

WHEREAS, This policy has been prepared in accordance with standards established
by the Association of Public Treasurers of the United States and Canada.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY
RESOLVES:**

Section 1. Pursuant to Government Code 53601 the City of Fairfield Investment Policy
is hereby approved as attached hereto and incorporated by reference.

Section 2. The Director of Finance is hereby authorized to do all things necessary to
implement said Investment Policy working in conjunction with the City Treasurer.

PASSED AND ADOPTED this 18th day of June 2019, by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

MAYOR

ATTEST:

CITY CLERK



City of Fairfield, California

Investment Policy

1. Purpose and Scope

It is the policy of the City to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

The purpose of this policy is to provide broad guidelines to the officers of the City charged with the responsibility for the investment of temporarily idle surplus funds of the City and its affiliated agencies: This investment policy applies to all financial assets of these entities. The funds of these entities are described in the City's Comprehensive Annual Financial Report and include its General Fund, Capital Projects Funds, Special Revenue Funds, Enterprise Funds, Internal Service Funds, Fiduciary Funds and Successor Agency Trust Funds. All investment of idle funds is governed by Federal and State law and by this policy.

The purpose of this policy is to also identify various procedures that enhance opportunities for a systematic investment process. The initial step toward a prudent investment policy is to organize and formalize investment related activities. Related activities, which comprise good cash management, include accurate cash projection, the expeditious collection of revenue, the control of disbursements, cost effective banking relations, and a short term borrowing program which coordinates working capital requirements and investment opportunities. In concert with these requirements are the many facets of an appropriate and secure investment program.

The Director of Finance, under the supervision and direction of the City Manager, is responsible for administering the City's investments. In furtherance of this responsibility, the Director of Finance shall issue and administer detailed Investment Instructions which may change periodically and which will implement this Investment Policy. The investment of bond proceeds will be governed by the provisions of relevant bond documents.

Safeguards will be set into place to insure that adequate operating reserves are established and maintained to provide that cash in sufficient amounts will be available to pay for immediate expenditures as authorized by the City's budget. Funds so maintained will be deposited in a manner best serving the City.

It will be further recognized that the City has a responsibility to monitor the security of its assets and always maintain a level of quality so that the public at large will have the highest confidence that its best interests are being served. Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such funds shall be reinvested only as provided by this policy.

2. Prudence and Risk Tolerance

Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. When investing, reinvesting,



City of Fairfield, California

Investment Policy

purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City.

The City recognizes that investment risks of the following can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity:

- A. Credit risk is the possibility that deterioration of an issuer's creditworthiness will adversely affect the value of its bonds or that an issuer will not make timely payments of interest or principal on its bonds (default). A decline in a bond issuer's credit rating, or creditworthiness, may cause prices for its outstanding bonds to decline. This shall be mitigated by limiting investments to those allowed under this policy and by diversification.
- B. Market or Interest Rate risk, defined as market value fluctuations due to overall changes in market price, shall be mitigated by eliminating the need to sell securities prior to maturity and investing operating funds primarily in shorter-term securities, money market funds or similar investment pools, thereby limiting the average maturity of the portfolio. Investments shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the safety of capital as well as the income to be derived.

Investment officers acting in accordance with written procedures and the City's investment policy and exercising due diligence shall be relieved of personal responsibility and liability for an individual security credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, and appropriate action is taken to control adverse developments.

3. Objectives and Performance Standards

The primary objectives, in priority order, of the City's investment activities shall be:

- A. Safety: Safety of principal is the foremost objective of the City's investment program, followed by liquidity and return on investments. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the City's portfolio. To obtain this objective, the City will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions. Each investment transaction shall seek to first insure that capital losses are avoided, whether they are from securities default or erosion of market value. Investment decisions should not incur unreasonable investment risks in order to obtain current investment income.
- B. Liquidity: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated. Emphasis will be on marketable securities with low sensitivity to market risk. Maturities of investments for which there is limited opportunity for resale shall be staggered to maximize liquidity.



City of Fairfield, California

Investment Policy

3. Objectives and Performance Standards (Continued)

- C. Return on Investments: The City maintains an active investment strategy and its investment portfolio shall be designed with the objective to attain a rate of return which approximates benchmarks to be selected by the City's investment advisory committee throughout budgetary and economic cycles, commensurate with and taking into account the City's safety objective, investment risk constraints, average investment duration of the City's portfolio, cash flow characteristics of the portfolio, and laws that restricts the investment of funds.

4. Delegation of Authority and Investment Procedures

The authority to manage the City's investment program is derived from California Government Code Section 53601 et seq and section 2.14.15 of the City's municipal code. The management and oversight responsibility for the investment program is hereby delegated to the Director of Finance, who shall be responsible for all transactions undertaken, monitor and review all investments for consistency with this Investment Policy and establish written procedures for the operation of the investment program, consistent with this investment policy.

Such procedures shall include a system of controls to provide explicit delegation to and regulate the activities of subordinate staff and officials of authority who are responsible for investment activities and transactions, including procedures addressing safekeeping, wire transfer agreements, collateral/depository agreements, banking services, and procedures to be used in absence of the Director of Finance. No person shall engage in an investment transaction except as provided for in this policy and these procedures.

The City may contract for the use of investment manager services subject to all other provisions of this Investment Policy. The Director of Finance shall maintain investment instructions for internal and external management of investments by the investment managers consistent with this policy and State government code requirements. Such managers must be registered under the Investment Advisers Act of 1940.

5. Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Officers and employees involved in the investment process shall abide by the City's Conflict of Interest Code, California government code section 1090 and the California Political Reform Act.

Employees and investment officials shall disclose to the City Clerk and material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial positions that could be related to the performance of the City.

These disclosure requirements shall include complying with the disclosure and disqualification requirements as established by the Fair Political Practices Commission and Conflict of Interest Codes of the City. A copy of each Investment Official's Statement of Economic Interest, which is required to contain disclosure of any material financial interests in financial institutions doing business in the City, shall be filed annually with the City Clerk.



City of Fairfield, California

Investment Policy

6. Authorized Banks, Investment Brokers / Dealers and Institutions

The Director of Finance shall maintain a list of authorized broker/dealers and financial institutions, authorized to provide investment services, and it shall be the policy of the City to purchase securities only from those authorized institutions or firms. These broker/dealers will further be required to submit a certification that they have received, read, and agreed to comply with the City's annual Investment Policy.

If a third party investment advisor is authorized to conduct investment transactions on the City's behalf, the investment advisor may use its own list of approved broker/dealers and financial institutions for investment purposes. The investment advisor's approved list must be made available to City upon request. In selecting financial institutions for the deposit or investment of City funds, the credit rating of these institutions will be considered. These financial institutions shall be authorized to provide investment services in California.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following: audited financial statements, proof of National Association of Security Dealers certification, trading resolution, proof of state/province registration, a completed broker/dealer questionnaire, and a written certification agreeing to abide by the City's investment policy and depository contracts.

A periodic review of the financial condition and registrations of qualified bidders may be conducted by the Director of Finance or designee. As part of any review performed, a current audited financial statement will be obtained and maintained on file for those financial institutions and brokers/dealers in which the City invests with. Whenever reasonable a competitive bid process, utilizing a minimum of three financial institutions deemed eligible by the Director of Finance will be used to place investment purchases. The City shall transact business only with banks, savings and loans, and with brokers/dealers approved by the Investment Advisory Committee.

7. Permitted Investments

The City is authorized by State law to invest in the following types of securities. The following includes the maximum maturities and maximum percentage or amounts that may be invested by type:

Investment Type	Maximum % or \$	Maximum Maturity	Minimum Required Rating
Bank/Time Deposits	None	5 years	N/A
U.S. Treasuries	None	5 years	N/A
U.S. Agencies	75% (25% for one issuer)	5 years	N/A
Money Market Funds	20% (10% with one mutual fund)	N/A	N/A
Bankers Acceptances	30% (5% with one bank)	180 days	A1/P1
Commercial Paper	25% (5% with one firm)	270 days	A1/P1



City of Fairfield, California

Investment Policy

Investment Type	Maximum % or \$	Maximum Maturity	Minimum Required Rating
Negotiable CDs	30% (5% with one bank)	5 years	A < 1 year AA for 1-5 years
LAIF	Per State Statute – the City has 3 accts (\$65 million per account as of 1/2017)	N/A	N/A
CAMP / Caltrust	None	N/A	N/A
CDs non-negotiable / CDARS	30% (5% with one bank)	3 years	N/A
Municipal Obligations	(5% with one agency)	5 years	A (except City's Own bonds)
Medium Term Notes	30%	5 years	A
Supranationals	10%	5 Years	AAA

It is the intent that investments shall be managed in such a way that any market price losses resulting from interest-rate volatility would be offset by coupon income and current income received from the overall portfolio over market cycles. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements.

Pursuant to Government Code Section 53601 et seq. the City may only invest in the following security types (See the Glossary section for a detailed description of each of these investment types):

- A. **U.S. Government Treasury Bills and Notes**
- B. **U.S. Government Sponsored Enterprise Debt (GSE's) (known as Agencies)**
- C. **Certificates of Deposit (non-negotiable) (CDs)**
The City is authorized to use of private CD placement services by local agencies. This investment policy allows for the use of a placement service called the Certificate of Deposit Account Registry Service (CDARS), which acts as the master custodian for the placement of CDs. Through the use of this placement service, local banks that work with CDARS place one investment by the City and divide the deposit into individual CDs not to exceed \$250,000, so that each individual CD is fully insured by the FDIC.
- D. **Bankers Acceptances (BA)**
Those with an A1/P1 rating as provided for by a nationally recognized statistical-rating organization (NRSRO)
- E. **Commercial Paper**
Prime commercial paper with an A1/P1 rating as provided for by a NRSRO. Purchases must be limited to corporations organized and operating within the United States, and as a practical matter generally only those corporations operating within the State of California, having total assets in excess of \$500 million, and having an "A" or higher rating for the issuer's debentures, other than commercial paper (as-provided by Moody's or Standard and Poor's rating services). In addition, purchases may not represent more than ten percent (10%) of the outstanding paper of an issuing corporation.
- F. **State of California Local Agency Investment Fund (LAIF)**



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7. Permitted Investments (Continued)

G. ***CalTrust / California Asset Management Program (CAMP)***

H. ***Domestic money market mutual funds***

These must be registered with the Federal Securities and Exchange Commission (SEC), have over \$500 million in total assets, be rated in the highest rating category by two nationally recognized rating services and only invest in:

- a) U.S. Government or federal agency securities and repurchase agreements,
- b) Tax exempt obligations or other investment instruments specifically included in the local investment policy

I. ***Negotiable Certificates of Deposit***

Must be issued by a nationally or state chartered bank or savings and loan association, or by a state licensed branch of a foreign bank.

J. ***Medium Term Corporate Notes***

Notes issued by corporations organized and operating within the U.S. or by depository institutions licensed by the United States or any state and operating within the U.S. Must be rated "A" or better by a NRSRO.

If a corporate note owned by the City is downgraded by either Moody's or S&P to a level below the quality required by this Investment Policy, it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such a corporate note in the portfolio.

If a security is downgraded two grades below the level required by the City, the security shall be sold immediately. If a security is downgraded one grade below the level required by this policy and matures within 6 months, the security will be held to maturity. The Director of Finance may determine to sell the security if it is determined that there is a probability of default prior to maturity. If a decision is made to retain the security in the portfolio, its presence in the portfolio will be monitored and reported quarterly to the City Council.

K. ***Municipal Obligations***

Must be rated "A" or better by a nationally recognized rating agency. except for the City's own bonds and bonds issued by the City's former Redevelopment Agency and its Financing Authority, which may have any rating. Municipal Obligations include:

- a. Registered state warrants or treasury notes or bonds of the State of California and bonds, notes, warrants, or other evidences of indebtedness of any local agency within California, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the state or local agency or by a department or agency of the state or local agency.
- b. Registered treasury notes or bonds of any of the 49 U.S. States in addition to the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a



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department, board, agency, or authority of any of the other 49 U.S. States, in addition to California.

L. ***Supranationals***

Must be rated "AAA" or better by a nationally recognized rating agency and is U.S. dollar denominated senior unsecured unsubordinated obligations issued by the International Bank for Reconstruction and Development, International Finance Corporation, or the Inter-American Development Bank.

8. Diversification

It is the policy of this City to diversify the investment portfolio in order to reduce the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. See Section IX for limitations by category on the investment of City funds. Maturities shall be selected which provide for stability of income and reasonable liquidity. Risks of market price volatility shall be controlled through maturity and issuer diversification.

In order to reduce portfolio risk, the City's portfolio will be diversified by security type and institution. With the exception of U.S. Treasury and Agency securities and authorized pools, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution. The portfolio shall be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institution. The City shall diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions. In a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall portfolio's investment return.

9. Nondiscrimination

Investments shall not knowingly be made in any institution that practices or supports, directly or indirectly through its actions, discrimination on the basis of race, religion, color, creed, national or ethnic origin, age, gender, or physical disability.

10. Maximum Maturity

As specified in Government Code Section 53601, the City Council must expressly authorize the investment of funds that mature in excess of five years. Placement of such investments cannot occur until three months have lapsed from the date of authorization. Bond covenants may allow for a longer term investment for bond reserves held with a fiscal agent. To the extent possible, investment maturities shall be based on a review of cash flow forecasts and maturities will be scheduled so as to permit the City to meet all projected obligations and cash flow requirements.

11. Ineligible Investments

Any security type or structure not specifically approved by this policy and investment instructions is specifically prohibited. Security types, which are thereby prohibited to be purchased as defined by Government Code Section 53601.6 include, but are not limited to a.) complex derivative structures such as range notes, inverse floaters, or any other complex variable rate or structure note, b.) Interest-only strips that are derived from a pool of mortgages (i.e. Collateralized Mortgage Obligations), or any security that could result in zero interest accrual if held to maturity. c) Repurchase or reverse



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repurchase agreements, mortgage and asset backed securities, and trade in options or future contracts.

12. Sales Prior to Maturity

Sales prior to maturity are permitted. It is also recognized that in a changing interest rate environment, it may be financially advantageous to sell investments at a book value loss in order to reinvest into a more profitable security.

13. Reporting

The Director of Finance shall render to the City Manager, the City Council, and City Clerk a monthly report which provide a clear picture of the status of the current investment portfolio. The report shall include the following information on investments:

- a. A listing of individual securities held at the end of the reporting period by authorized investment category
- b. Average life and final maturity of all investments listed
- c. Coupon, discount or earnings rate
- d. Par value, amortized book value and market value
- e. Percentage of the portfolio represented by each investment category.

The monthly report shall also include a.) compliance of the portfolio to the Investment Policy and State law, or state the manner in which the portfolio is not in compliance; b.) details of all of the City's funds, investments or programs that are under management of contracted parties, including lending programs; and c.) a statement denoting the ability of the City to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money may not be available.

The report should include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward and thoughts on investment strategies.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments", as of June 30th of each Fiscal Year the City will report all investments in excess of one year at market value (in the Comprehensive Annual Financial Report—CAFR). Any change in the value of the investments will be recognized annually, as a part of interest income.

14. Review of Investment Policy

The City's investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed once every two years by the City Council and any modifications made thereto must be approved by the City Council.

15. Scope and Interest Allocation

Except for cash held in separate restricted funds, the City will pool cash balances from all funds for investments to maximize earnings and efficiencies with regards to investment pricing, safekeeping and administration. The Department of Finance shall allocate interest to funds based upon their average



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cash balances and in accordance with Generally Accepted Accounting Principles (GAAP). Funds with average daily balances of \$10,000 or less will not receive interest allocation. All interest earnings not otherwise allocated shall be allocated to the General Fund.

176. Investment Advisory Committee

An Investment Advisory Committee has been formed for the purpose of overseeing the implementation of the City's investment program and assuring it is consistent with the investment policy as approved by the City Council. The advisory committee shall consist of the City Treasurer, Director of Finance and the Accounting Manager. The Investment Advisory Committee will meet with the City's investment managers as needed or as market or economic condition changes to determine general strategies and to monitor results. The committee shall include in its deliberations such topics as: economic outlook, portfolio diversification and maturity structure. The written investment procedures shall be reviewed by the investment advisory committee periodically.

187. Internal Controls

The Department of Finance will establish a system of internal controls, which shall be documented in writing. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of the City. Controls deemed most important include: control of collusion, segregation of duties, separating transaction authority from accounting and recordkeeping, custodial safekeeping, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, documentation of transactions and strategies and code of ethical standards. In addition, whenever possible pre-formatted wire transfers will be used to transfer funds to pre-authorized accounts. The Director of Finance shall establish an annual process for independent review of these controls by an external auditor. This review will help to ensure compliance with the City's investment policies and procedures.

198. Safekeeping and Custody

Guidelines

All security transactions entered into by the City shall be conducted on a delivery versus payment (DVP) basis as evidenced by safekeeping receipts in the City's name. To protect against fraud and embezzlement, the investment securities of the City shall be held in the City's safe or held by a third party custodian designed by the Director of Finance in accordance to established safekeeping procedures. Custody will be evidenced by safekeeping receipts.

Securities purchased from brokers/dealers shall be held in a third party custodian account, which the City has established for safekeeping. Said securities are to be held in the name of the City with the trustee executing investment transactions as directed by the appropriate City official. Receipts for confirmation of purchase of authorized securities must include trade date, pay value, maturity, rate, price, yield, and settlement date, description of securities purchased, agency's name, and third party custodian information.

Trust Agreements

The City shall direct the investment activities of trustees. Such direction shall be in keeping with the terms and condition of its trust agreements, applicable law and policies set forth in the Investment



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Policy. In addition to the acceptable investment instruments listed in this policy, bonds proceeds may be invested in securities permitted under Section 53635 and other investment instruments allowed by State law, and which comply with requirements imposed by bond insurance and rating agencies.

2019. Adding Investment Pools / Money Market Mutual Funds

A thorough investigation of the pool / fund is required prior to investing and on a continual basis. There shall be a questionnaire developed and responded to by the pool / fund which will address the following general areas:

- | | |
|-------------------------------------------|-----------------------------------------|
| • Authorized Investments | • Investment Policy and Objectives |
| • Interest Calculations / Distributions | • Investment Limitations |
| • Who May Invest | • Eligibility for holding Bond Proceeds |
| • Frequency Statements/Portfolio listings | • Treatment of Gains and Losses |
| • Safeguarding of Investments | • Settlement Process |
| • Deposit / Withdrawal Limitations | • Utilization of Reserves by Fund |
| • Frequency of audits/security pricing | • Fee Schedule/When and How assessed |

2120. Collateralization

Collateral for time deposit in savings and loans is to be held by the Federal Home Loan Bank. Collateral for time deposits in banks is to be held in the City's name in the bank trust department or by the Federal Reserve. Bank Collateralization is required on Certificates of Deposit (non-negotiable) in excess of \$250,000, as all financial institutions also have FDIC insurance up to \$250,000.- (California Government Code Section 53652 (a)). The City chooses to limit collateral to eligible securities per the Government Code.

In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value of principal and accrued interest. The right of collateral substitution may be granted by the City. Collateral will always be held by an independent third party with whom the financial institution has a current custodial agreement. These parties are limited to only those trust companies and trust departments, or the Federal Home Loan Bank of San Francisco, which have been approved by the California State Superintendent of Banks. A clearly market evidence of ownership (safekeeping receipt) must be supplied to the City and retained.





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21. Glossary

A

Accrued Interest: Coupon interest accumulated on a bond or note since the last interest payment or, for a new issue, from the dated date to the date of delivery.

Agencies: Federal agency securities and/or Government-sponsored enterprises. These include securities of government agencies such as, but not limited to: Federal National Mortgage Association (FNMA); Federal Home Loan Bank (FHLB); Government National Mortgage Association (GNMA); Community Development Corporation (CDC), Small Business Association (SBA), Tennessee Valley Authority (TVA), Federal Farm Credit Bank (FFCB) and Federal Home Loan Mortgage Corporation (FHLMC).

Arbitrage: Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets. The 1986 Tax Reform Act made this practice by municipalities illegal solely as a borrowing tactic, except under certain safe-harbor conditions.

Asked: The price at which securities are offered.

Asset Backed Securities: Securities that are supported by pools of assets, such as installment loans or leases, or by pools of revolving lines of credits. Asset-backed securities are structured as trusts in order to perfect a security interest in the underlying assets.

B

Bank Deposits: To deposit collateral in the form of currency that may be in the form of demand accounts (checking) or investments in accounts that have a fixed term and negotiated rate of interest.

Bank Notes: A senior, unsecured, direct obligation of a bank or U.S. branch of a foreign bank.

Bankers' Acceptance (BA): These are bills of exchange or time drafts drawn on, and accepted by, commercial banks in the top 100 of the world, which are eligible for purchase by the Federal Reserve System. Acceptance of the draft obligates the bank to pay the bearer the face amount of the draft at maturity. In addition to the guarantee by the accepting bank, the transaction is secured with a specific commodity. The sale of the underlying goods will generate the funds necessary to liquidate the indebtedness. BAs are usually created to finance the import and export of goods, the shipment of goods within the United States and the storage of readily marketable staple commodities. BAs are sold at a discount from par and the amount and maturity date are fixed.

Basis Point: Refers to the yield on bonds. Each percentage point of yield in bonds equals 100 basis points (1/100% or 0.01%). If a bond yield changes from 7.25% to 7.39% that is an increase of 14 basis points.



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Benchmark: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Bid: The price offered by a buyer of securities. When you are selling securities, you ask for a bid. See Offer.

Bond Proceeds: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

Bonds: A debt obligation of a firm or public entity. A bond represents the agreement to repay the debt in principal and, typically, in interest on the principal.

Book Entry: The system maintained by the Federal Reserve, by which most money market securities are delivered to an investor's custodial bank. The Federal Reserve maintains a computerized record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment).

Book Value: The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of any premium or discount.

Broker: A broker assists in the buying and selling of investments together for a commission.

C

California Asset Management Program (CAMP): CAMP is a money market portfolio created for California Public Agencies. Similar to LAIF, CAMP provides daily liquidity, money market returns and unlimited number of deposits and withdrawals. CAMP may hold a broader range of securities that would not be eligible under the City investment criteria. Since CAMP is subject to different statutory investment provisions, any such variances in their holdings are acceptable under this policy

Call Price: The price at which an issuer may redeem a bond before maturity

Callable Bond: A bond issue in which all or a part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions

CALTRUST: a Joint Powers Authority created by public agencies to provide a convenient method for public agencies to pool their assets for investment purposes. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. The Board sets overall policies for the program and oversees the activities of the investment manager and other agents.

CD Placement Service: A private cd placement service that allows local agencies to purchase more than \$250,000 in cds from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS (Certificate of Deposit Account Registry System) is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.



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Certificate Of Deposit (CD): A time deposit with a maturity evidenced by a certificate. See “Non-Negotiable” and “Negotiable” Certificate of Deposit. Large-denomination CDs are typically negotiable.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: Unsecured promissory notes issued to finance short term credit needs, with maturities ranging from 2 to 270 days. Unsecured promissory notes are issued to finance short term credit needs. The paper must be of "prime" quality of the highest ranking, or of the highest letter and numerical rating as provided by Moody's or Standard & Poor's. Eligible paper is further limited to issuing corporations that are organized and operate within the United States, have total assets in excess of \$500 million, and have an 'A1-P1' rating for its debt from Moody's or Standard & Poor's.

Comprehensive Annual Financial Report (CAFR): The official annual report for the City. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

Corporate Notes And Bonds: Debt instruments, typically unsecured, issued by corporations, with original maturities in most cases greater than one year and less than ten years. Medium term notes (MTN) are unsecured, corporate and depository institution debt obligations. Allowable medium term notes must be issued by corporations organized and operating within the United States (U.S.) or by depository institutions licensed by the U.S. or any state and operating within the U.S. MTNs must be rated “A” or better by Moody's or Standard and Poor's.

Coupon: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value and (b) a certificate attached to a bond evidencing interest due on a payment date.

Credit Rating: Various alphabetical and numerical designations used by institutional investors, Wall Street underwriters, and commercial rating companies to give relative indications of bond and note creditworthiness. Standard & Poor's and Fitch Ratings use the same system, starting with their highest rating, of AAA, AA, A, BBB, BB, B, CCC, CC, C, and D for default. Moody's Investors Service uses Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C, and D. Each of the services use pluses (+), minuses (-), or numerical modifiers to indicate steps within each category. The top four letter categories are considered investment grade ratings.

Credit Risk: The chance that an issuer will be unable to make scheduled payments of interest and principal on an outstanding obligation. Another concern for investors is that the market's perception of a corporation's credit will cause the market value of a security to fall, even if default is not expected.

CUSIP Number: The Committee on Uniform Security Information Procedures (CUSIP) Number refers to a security's identification number assigned to each publicly traded security by the CUSIP Service Bureau operated by Standard & Poor's for the American Bankers Association. The CUSIP Number is a nine-character identifier unique to the issuer, the specific issue and the maturity, if applicable (the first six characters identifying the issuer, the next two identifying the security and the last digit provides a check digit to validate the accuracy of the preceding CUSIP number).

Custodian: A bank or other financial institution that keeps custody of stock certificates and other assets.



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D

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions; buying and selling for his/her own account.

Debenture: A bond secured only by the general credit of the issuer.

Defeased Bond Issues: Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

Delivery Versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Derivatives: Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or financial contracts based upon amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

Discount: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price after sale is considered sold at a discount.

Discount Securities: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

Diversification: Dividing investment funds among a variety of securities offering independent returns

Duration: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

E

Effective Duration: A measure of the price sensitivity of fixed-income investments, especially for those with embedded option features such as call options. As yields rise, the effective duration of a callable investment rises to reflect the fact that it has become less likely to be called. The more rates rise, the longer the effective duration will become, approaching the duration to maturity. The converse is true in a declining interest rate environment (that is, the more rates fall, the shorter the effective duration will become, approaching the duration to call). For securities without an embedded option, the duration to call, maturity, and effective duration are all the same.

Extendable Notes: Securities with maturity dates that can be extended by mutual agreement between the issuer and investor. When investing in these types of securities, the maturity date plus the stated



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extendable option must not exceed the time frames that are allowed in California Government Code or the investment policy for the investment type.

F

Federal Credit Agencies: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., banks, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures bank deposits, up to \$250,000 per deposit.

Federal Funds Rate: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB): Government sponsored wholesale banks which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac): A United States government sponsored corporation.

Federal National Mortgage Association (FNMA or Fannie Mae): FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, is a private stockholder-owned corporation and its purchases include a variety mortgages and second loans, in addition to fixed rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

Fiduciary: A person who holds something in trust for another and bears liability for its safekeeping.

First Tier Securities: Securities that have received short-term debt ratings in the highest category from the requisite nationally recognized statistical-rating organizations (NSROS), or are comparable unrated securities, or are issued by money market funds, or government securities. [See sec Rules: Paragraph (a)(12) of rule 2a-7]



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G

Government Accounting Standards Board (GASB): A standard-setting body, which prescribes standard accounting practices for governmental units.

Government National Mortgage Association (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHA mortgages. The term “pass-throughs” is often used to describe Ginnie Maes.

Guaranteed Investment Contracts (GICS): An agreement acknowledging receipt of funds for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest.

H-K

Interest: The amount a borrower pays to a lender for the use of his or her money.

Interest Rate Risk: The potential for a decline in bond prices and the market value of bonds in the portfolio, due to rising market interest rates. In general, bond prices vary inversely with interest rates. The change in a bond's price depends on several factors, including its maturity date. In general, bonds with longer maturities are more sensitive to changes in interest rates than bonds with shorter maturities. Similarly, bond funds with longer average portfolio maturities, such as the CalTRUST Medium-Term and Long-Term Accounts, will be more sensitive to interest rate changes than those with shorter average portfolio maturities, such as the CalTRUST Short-Term account.

Investment Agreements: Investment agreements are contracts with respect to funds deposited by an investor. Investment agreements are often separated into those offered by banks and those offered by insurance companies. In the former case, they are sometimes referred to as “bank investment contracts.”

L

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Liquidity Risk: The chance that a security, sold prior to maturity, will be sold at a loss of value. For a local agency, the liquidity risk of an individual investment may not be as critical as how the overall liquidity of the portfolio allows the agency to meet its cash needs.

Local Agency Investment Fund (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment. LAIF was created in the California State Treasury by Section 17429 GC. LAIF holds local government funds in trust in a state



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investment pool in order to provide safety, liquidity and the benefits of the investment pool yield for local government entities invested in LAIF.

M

Market Risk: The price at which a security is trading and could be presumably be purchased or sold.. In general, as interest rates fall, prices of fixed income securities rise. Similarly, as interest rates rise, prices fall. Market risk also is referred to as systematic risk that affects all securities within an asset class similarly.

Market Value: The price at which a security is trading and could presumably be purchased or sold on a specific date.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase and reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded. Rule 2a-7 of the Investment Company Act applies to Money Market Funds, which mandates these funds to maintain certain standards, including a 13 month maturity limit and a 90 day average maturity on investments, to maintain a constant net asset value of \$1.00.

Mortgage Backed Securities (MBS): Mortgage-backed securities (MBS) are created when a mortgagee or a purchaser of residential real estate mortgages creates a pool of mortgages and markets undivided interests or participations in the pool. MBS owners receive a prorata share of the interest and principal cash flows (net of fees) that are "passed through" from the pool of mortgages. MBS are complex securities whose cash flows are determined by the characteristics of the mortgages that are pooled together. Investors in MBS face prepayment risk associated with the option of the underlying mortgagors to pre-pay or payoff their mortgage. Most MBS are issued and/or guaranteed by federal agencies and instrumentalities (e.g., Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC)).

Mortgage Pass-Through Obligations: Securities that are created when residential mortgages (or other mortgages) are pooled together and undivided interests or participations in the stream of revenues associated with the mortgages are sold.

Mutual Funds: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.



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N

National Association Of Securities Dealers (NASD): A self-regulatory organization (SRO) of brokers and dealers in the over the counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Nationally Recognized Statistical Rating Organizations (NSROs): Credit rating agencies whose ratings are permitted to be used for regulatory purposes such as Securities and Exchange Commission.

Negotiable Certificate Of Deposit (NCD): A large denomination certificate of deposit which can be sold in the open market prior to maturity. Generally, it is a short-term debt instrument that usually pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. The majority of negotiable cds mature within six months, while the average maturity is two weeks. Negotiable cds are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor). These instruments are supported only by the strength of the institution issuing them.

Net Asset Value (NAV): A term used in the mutual fund industry to determine the average price per share of a pool or mutual fund. How this measure varies over time provides information on whether the pool is stable or variable. NAV is the market value of all securities in a mutual fund, less the value of the fund's liabilities, divided by the number of shares in the fund outstanding. Shares of mutual funds are purchased at the fund's offered NAV.

Net Present Value: An amount that equates future cash flows with their value in the present terms.

Non-Negotiable Certificates Of Deposit: Funds deposited in nationally or state chartered bank or state or federal association for a specified period of time at a specified rate of interest. The first \$250,000 is guaranteed by the Federal Deposit Insurance Corporation (FDIC) for banks, the Federal Savings and Loan Insurance Corporation (FSLIC) for savings and loan associations and the National Credit Union Share Insurance Fund (NCUSIF) for credit unions. CDs with a face value in excess of \$250,000 must be collateralized at 110% of market value with pledged securities of the bank.

Note: A written promise to pay a specified amount to a certain entity on demand or on a specified date. Usually bearing a short-term maturity of a year or less (though longer maturities are issued—see "Medium-Term Note").

O

Offer: The price asked by a seller of securities. When you are buying securities, you ask for an offer. See Asked and Bid.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.



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Options: A contract that gives the buyer the right to buy or sell an obligation at a specified price for a specified time. Exchange Traded Options are standardized option contracts that are actively traded on the Chicago Board of Exchange on a daily basis, whereas over the counter options are traded directly between the buyer and seller at agreed upon prices and conditions (the former type of option is therefore more liquid than the latter).

P-Q

Par Amount Or Par Value: The principal amount of a note or bond which must be paid at maturity. Par, also referred to as the “face amount” of a security, is the principal value stated on the face of the security. A par bond is one sold at a price of 100 percent of its principal amount.

Portfolio: Collection of securities held by an investor.

Premium: The amount by which the price paid for a security exceeds the security’s par value. Investors pay a premium to purchase a security when the return to the investor (yield) is lower than the stated coupon (interest rate) on the investment.

Price: Price is the amount of monetary consideration required by a willing seller and a willing buyer to sell an investment on a particular date.

Primary Dealer: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include the Securities and Exchange Commission (SEC), registered securities broker-dealers and banks.

Principal: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

Prospectus: A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer’s business, the proposed use of proceeds, the experience of the issuer’s management, and certain certified financial statements (also known as an “official statement”).

Prudent Person Rule: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state, the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking an income and preservation of capital.

Qualified Public Depositories: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.



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R

Rate Of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity, on a bond it is the current income return.

Reverse Repurchase Agreements: An agreement of one party (for example, a financial institution) to purchase securities at a specified price from a second party (such as a public agency) and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Repurchase Agreement (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. One exception is when the Federal Reserve is said to be doing RP, it is lending money that is increasing bank reserves.

Risk: The uncertainty of maintaining the principal or interest associated with an investment due to a variety of factors.

Rule G-37 Of The Municipal Securities Rulemaking Board: Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities.

S

Safekeeping: A service to customers rendered by banks for a fee, whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

Safety: In the context of investing public funds, safety relates to preserving the principal of an investment in an investment portfolio; local agencies address the concerns of safety by controlling exposure to risks.

Secondary Market: A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities & Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC Rule 15C3-1: See Uniform Net Capital Rule.

Settlement Date: The date when a trade is cleared by delivery of securities against funds

Structured Notes: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, FHLB, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, and derivative based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.



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Swap: A swap is any financial transaction that involves the simultaneous purchase of a security and the sale of another for the purpose of enhancing an investor's portfolio. Swap transactions of interest to California public investors include portfolio swaps and interest rate swaps.

T

Tax And Revenue Anticipation Notes (TRANS): Notes issued in anticipation of receiving tax proceeds or other revenues at a future date.

Time Deposits: Issued by depository institutions against funds deposited for a specified length of time. Time deposits include instruments such as deposit notes. They are distinct from certificates of deposit (CDs) in that interest payments on time deposits are calculated in a manner similar to that of corporate bonds, whereas interest payments on CDs are calculated similar to that of money market instruments.

Treasury Bills: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months to one year.

Treasury Bonds: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

Trustee: A financial institution with powers to act in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

U

Underwriter: A dealer that purchases a new issue of municipal securities for resale.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted to cash.

U.S. Treasury Obligations: These are debt obligations of the U.S. Government sold by the Treasury Department in the forms of bills, notes, and bonds, for which the full faith and credit of the United States are pledged for the payment of principal and interest. Bills are short-term obligations that mature in one year or less and are sold at a discount. Notes are obligations that mature between one year and ten years. Bonds are long-term obligations that generally mature in ten years or more.



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W-Z

Weighted Average Maturity (WAM): The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years

Yield (Yield to Maturity, Yield to Call or Yield to Worst): The rate of annual income return on an investment, expressed as a percentage. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield Curve: A graphical representation of the yield on bonds, notes or bills of the same type and credit risk at a specific date for maturities up to thirty years.

Zero Coupon Security: A security that is issued at a discount and makes no periodic interest payments. The rate of return consists of an accretion of the principal and is payable at par upon maturity.

